SBM Mauritius Asset Managers Ltd

SBM Universal Fund

31 December 2019 | **NAV per Share** | **MUR 27.76**

Fund Objective

SBM Universal Fund is an open-ended fund constituted as a Trust under the SBM Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The fund invests in equities and fixed income instruments in the domestic and international market whilst keeping a balanced-risk strategy. The overall objective of the fund is to provide regular income and maximise returns on a long term basis for the benefit of the unit-holders.

Risk Profile

Low	Low to Moderate	**Moderate**	Moderate to High	High

Fund Profile

Inception Date	Jun-02
Currency	MUR
Fund Size	MUR 390M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1.0%

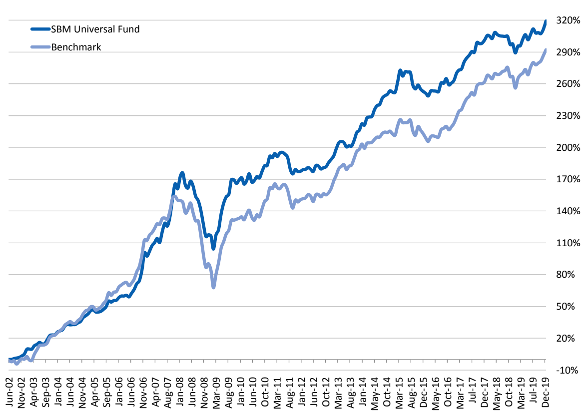
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	30% SEMDEX + 40% 1 yr Govt of Mauritius Bill + 30% MSCI World (MUR)
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

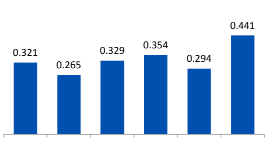
Top 10 Holdings

	% Net Assets
MCB Group Limited	12.6%
Mutual Aid - Fixed Deposit	9.3%
MHC - Fixed Deposit	6.4%
SIT Bond	5.2%
iShares MSCI World ETF	4.9%
Afrexim Depository Receipts	4.3%
SBM Holdings Ltd	4.0%
IBL Ltd	3.1%
Omnicane Bond	2.7%
La Prudence - Fixed Deposit	2.6%
Total	**55.0%**

Cumulative Performance



Dividend per unit (MUR)



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
Fund	3.6%	3.6%	4.2%
Benchmark	3.6%	4.1%	4.5%

Fund vs Benchmark	1Y	3Y	5Y
Tracking Error p.a.	2.1%	1.7%	1.9%
Correlation	83.4%	91.3%	90.7%
Beta	0.88	0.89	0.91
Alpha	(0.00)	(0.00)	(0.00)

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
Fund	1.9%	2.7%	3.2%	7.7%	7.7%	15.4%	19.1%	319.3%	8.5%
Benchmark	1.4%	3.3%	4.4%	10.1%	10.1%	21.5%	25.3%	292.1%	8.1%

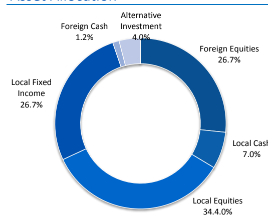
All returns are calculated assuming dividends are reinvested.

Financial Year Return

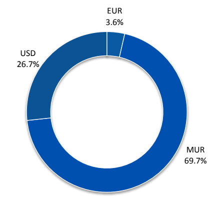
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	9.2%	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%
Benchmark	14.5%	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.7%

Financial year as at June

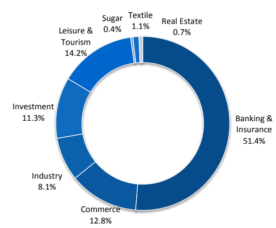
Asset Allocation



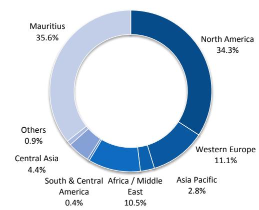
Currency Allocation



Sector Allocation (Local Equities)



Country Allocation (Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund rose from MUR 27.25 to MUR 27.76 in December, equivalent to a performance of 1.9%, while the benchmark gained 1.4%.

Local equity indices registered positive performances during the month with the SEMDEX and DEMEX closing at 2,177.09 points and 234.80 points, equivalent to 2.4% and 1.8% MoM, respectively. The top three gainers for the month were NMH (+16.2%), SBMH (+13.4%) and SWAN (+9.0%). The top three losers were UDL (-7.9%), FINCORP (-7.8%) and MTMD (-7.0%).

On the local fixed income front, there was no issuance of 91D and 364D Treasury Bills, 3Y GOM Notes and 5Y, 10Y, 15Y and 20Y GOM Bonds on the primary market during the month. Yields on 182D Treasury Bills rose by 53 basis points to 3.03% during the month following a net issuance of MUR 900Mn.

Global equity markets continued its year-long rally in December as trade optimism helped lift the major indices to record highs. The MSCI World Index posted gains of 2.9% in USD terms while the Barclays Aggregate Bond Index registered marginal returns of 0.6%. Investors remained optimistic over the global market outlook on account of the de-escalation of the U.S.-China trade tensions and the ongoing stimulative central bank policies. Global manufacturing data however remained weak with the JP Morgan Global Manufacturing PMI falling to 50.1 from 50.3 in November, due to weak international trade flows and with the Euro area being the main drag on the global manufacturing.

US equities made positive returns with the S&P 500 index adding 2.9% in USD terms buoyed by hopes that the “phase 1” interim deal between U.S. & China is still on track to be signed in January 2020. Better-than-expected economic data also added to the upbeat mood, with jobless claims declining to 3.5% in December. US Manufacturing PMI continued to recover amid further new order growth and modest expansions in production, with manufacturing PMI standing at 52.4.

European equities ended the month in positive territory with the EuroStoxx 50 posting EUR returns of 1.1% supported by better economic data from Germany, convincing UK election results and optimism over the phase 1 deal between U.S. and China. On the economic front, manufacturing activity lost momentum with the December PMI declining to 46.3, hence remaining in the contraction zone. The continued underlying weakness in the manufacturing sector was mainly attributable to deep contraction in Germany and deteriorations in Italy. The DAX index recorded marginal returns of 0.1% despite the persistent downturn of the German manufacturing sector. Despite inflation accelerated to 1.5% YoY in December, up from its preceding reading of 1.2%, it was still below ECB’s target of 2%. The Italian equity market closed in positive territory with the FTSE MIB adding EUR gains of 1.1%. In UK, the FTSE 100 notched higher by recording gains of 2.7% in GBP terms supported by a reduction in political uncertainty. The decline in UK Manufacturing PMI deepened further, with PMI data at 47.5, led by a sharp fall in output, new orders and a reduction in Brexit safety stocks. On the political front, the Conservative party won a big majority in the UK general elections and the new government is set to leave the EU by January 31 2020.

Japanese equities recorded a positive performance with the Nikkei 225 returning 1.6% in JPY terms, responding positively to the interim U.S.-China trade deal. Japan’s manufacturing sector remained stuck in a downturn with Manufacturing PMI declining further to 48.4. The weak domestic and external conditions weighed on demand, causing output to decline at its fastest rate since March 2019.

Emerging market equities overperformed developed markets with the MSCI Emerging Index registering broad gains of 7.2% in USD terms, benefiting from easing geopolitical tensions. The Shanghai Composite Index was among the best performing indices in the region, adding CNY gains of 6.2% on account of improved trade outlook. The manufacturing activity in China continued its modest expansion with PMI standing at 51.5. In India, returns were capped with BSE Sensex posting marginal returns of 1.1%. Rising oil prices and concerns over the RBI reducing its economic growth forecast by 110 bps to 5% were the major headwinds. Manufacturing PMI rose to 52.7 in December on account of a scale up in production.

Investment options & Contact details

Lump Sum	Minimum amount of MUR 500	Telephone	202-1111 / 202-4642 / 202-4685
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