

SBM Growth Fund

31 January 2020

NAV per Share

MUR 12.24

Fund Objective

SBM Growth Fund is an open-ended fund constituted as a Trust under the SBM Investment Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The investment objective of the Fund is to seek significant long-term capital growth by investing in a broadly diversified portfolio comprising of equity and equity related securities in both the local and foreign stock markets.

Risk Profile



Fund Profile

Inception Date	Feb-16
Fund Size	MUR 127M
Dealing Frequency	Daily
Distribution	Yearly (each financial year end)*
Management Fee	1.00% p.a.
Entry Fee	1.00%
Exit Fee	Up to Yr2: 1.0% Yr3: 0.75% Yr4: 0.50% Yr5: 0.25% Nil after Yr5

*Depending on distributable income

Fund Facts

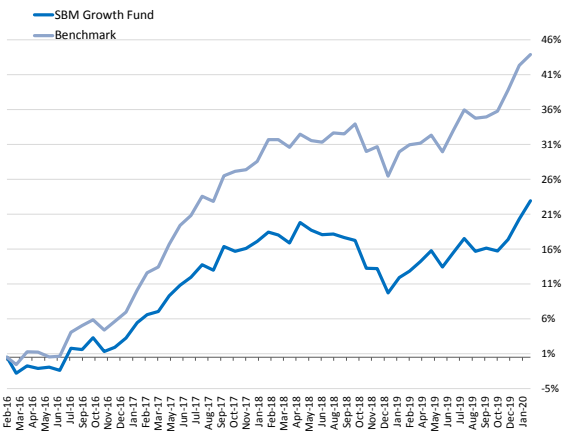
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI All Countries World (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

**Converted in MUR

Top 10 Holdings

	% Net Assets
MCB Group Ltd	15.3%
SBM Holdings Ltd	5.8%
Invesco S&P 500 Low Volatility ETF	4.8%
IBL Ltd	4.6%
iShares MSCI ACWI ETF	4.4%
MSS Global Advantage "A" Acc	4.2%
MSS US Advantage "A" ACC	4.0%
Vanguard S&P 500 ETF	3.8%
iShares MSCI World ETF	3.6%
Fidelity European Larger Companies Fund	3.4%
Total	53.9%

Cumulative Performance



Risk Adjusted Metrics

Volatility p.a.	1 Y	3 Y
Fund	5.0%	5.3%
Benchmark	4.7%	5.4%

Fund vs Benchmark	1 Y	3 Y
Tracking Error p.a.	2.4%	2.2%
Correlation	87.9%	91.7%
Beta	0.94	0.93
Alpha	(0.00)	(0.00)

Investment options & Contact details

Lump Sum	Minimum MUR 2,000
Monthly Savings Plan	Minimum MUR 500
Address	SBM Mauritius Asset Managers Ltd
	Level 12, Hennessy Tower
	Pope Hennessy Street, Port-Louis

Cumulative Return

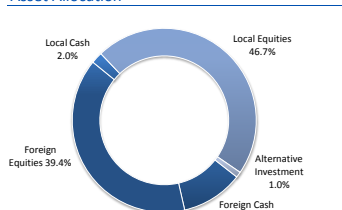
	1 M	3 M	6 M	YTD	1 Y	3 Y	Inception	Annualised
Fund	2.2%	6.2%	4.6%	2.2%	9.9%	16.7%	22.4%	5.2%
Benchmark	1.1%	6.0%	5.9%	1.1%	10.8%	30.8%	43.4%	9.4%

Financial Year Return

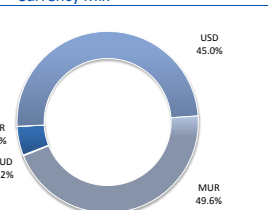
	2017	2018	2019
Fund	13.6%	5.5%	-2.2%
Benchmark	20.2%	8.7%	1.3%

*All returns are calculated assuming dividends are reinvested.

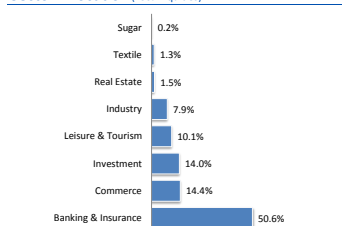
Asset Allocation



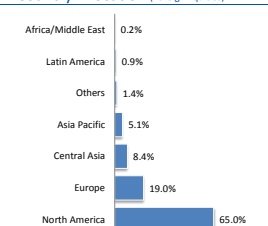
Currency Mix



Sector Allocation (Local Equities)



Country Allocation (Foreign Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund rose from MUR 11.98 to MUR 12.24 in January, equivalent to a return of 2.2%, while the benchmark posted 1.1%.

Local equity indices registered positive performances during the month with the SEMDEX and DEMEX closing at 2,212.59 points and 236.37 points, equivalent to 1.6% and 0.7% MoM, respectively. The top three market gainers were PAD (+8.3%), POLICY (+8.0%) and GML (+7.0%) while the top three losers were NMH (-10.0%), BLL (-9.4%) and MTMD (-6.2%).

On the global market, investors shifted to safe haven assets with the outbreak of coronavirus in January 2020 – global equities performed poorly as compared to the bond market with the MSCI World Index losing -0.7% in USD terms while the Barclays Aggregate Bond Index gained 1.3%. A rebound in the global manufacturing output and new orders pushed the JPMorgan Global Manufacturing PMI from 50.1 in December to a nine-month high of 50.4 in January.

US equities rallied during the first half of January supported by the signing of the "Phase one" trade agreement before giving up gains on fears of the coronavirus spread. However, better-than-expected economic data and nonfarm payrolls surging to 225,000 supported equities with S&P 500 index shedding only -0.2% in USD terms. The US economy grew at an annualised rate of 2.1% during the last quarter of 2019. Factory activity rebounded in January after contracting for five consecutive months amid a surge in new orders, manufacturing PMI stood at 50.9 from 47.8 in December. The fed Fund rate was left unchanged at the Federal Open Market Committee (FOMC) held in January as economic data remained broadly stable.

European equities ended the month in negative territory with the EuroStoxx 50 registering EUR returns of -2.8% over fears of the potential impact of the coronavirus on global economic activity. Manufacturing activity rebounded with January PMI standing at 51.3 from 50.9 in December, the highest reading since August 2019. Growth in the Eurozone remains positive but tepid, at 0.1% in the final quarter of 2019. The European Central Bank ("ECB") left policy rates unchanged at its January meeting, however, announced a comprehensive review of monetary policy strategy. The DAX index recorded a negative return of -2.0% despite a slight uptick in the German manufacturing sector. The manufacturing PMI was revised slightly higher to 45.3 in January from 45.2 in December. Inflation accelerated to 1.7% YoY in January, remaining below ECB's target of 2.0%. The Italian equity market closed in negative territory with the FTSE MIB posting EUR returns of -1.2%. In UK, the FTSE 100 lost -3.4% in GBP terms while the UK Manufacturing PMI recovered, with PMI data standing at 50.0 in January from 47.5 in December, the highest reading since April 2019. On the political front, the UK officially exited the EU on 31 January 2020.

Japanese equities recorded a negative performance with the Nikkei 225 shedding -1.9% in JPY terms. In addition to the widespread fear of Coronavirus, sentiment in early January was also hit by the sudden escalation of tension between US and Iran. Japan's manufacturing sector picked up in January - the manufacturing PMI stood at 48.8 in January against 48.4 in December.

Emerging market equities were mostly hit by the coronavirus spread and underperformed developed markets; the MSCI Emerging Index registered losses of -4.7% in USD terms. The Shanghai Composite Index shed -2.4% in CNY terms amid slower manufacturing activity in China – the PMI fell by 2 basis points to 50.0 in January. In India, the negative sentiment resulted in the BSE Sensex posting -1.3% in INR terms. Manufacturing PMI, however, rose from 52.7 in December to 55.3 following a pickup in demand and production.

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