

SBM Yield Fund

31 January 2020

NAV per share

MUR 10.92

Fund Objective

The Fund seeks to achieve its investment objective by investing in fixed income and fixed income-related instruments across different geographies, issuers, maturities and currencies. It uses a combination of top-down and bottom-up approach in its investment selection process. It may invest in bonds, term deposits, ETFs, preferred stock, convertible bonds, structured products and mortgage backed securities, amongst others.

Risk Profile

Low	Low to Moderate	Moderate	Moderate to High	High

Fund Profile

Inception Date	Jun-06
Fund Size	MUR 165.7M
Issue / Redemption	10 th , 20 th and end of each month
Distribution	Yearly (each financial year end)
Management Fee	0.85% p.a
Entry Fee:	0.50%
Exit Fee:	0.50%

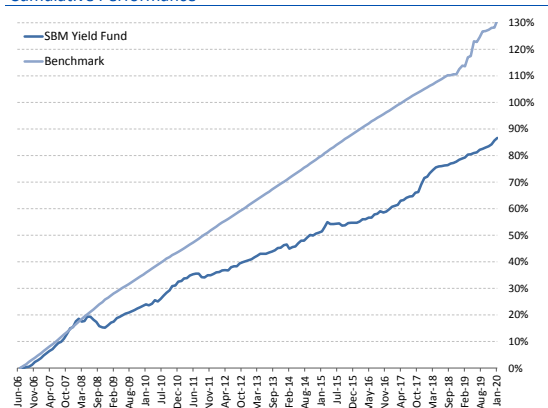
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% GOM 3Y Notes + 40% Barclays Agg Bond Index
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

Top 10 Holdings

	% Net Assets
Government of Mauritius Bond 08/02/2039	11.1%
Government of Mauritius Bond 25/01/2028	8.6%
Government of Mauritius Bond 07/09/2038	6.8%
IBL Ltd Series 2 Notes 08/09/2022	6.3%
Government of Mauritius Bond 11/05/2038	6.2%
Government of Mauritius Bond 22/07/2036	5.3%
Government of Mauritius Bond 05/11/2023	4.9%
Government of Mauritius Bond 09/11/2033	4.3%
SBM Maharaja Bond Fund	3.7%
Government of Mauritius Bond 22/01/2033	3.6%
TOTAL	60.8%

Cumulative Performance



*Cumulative performance assumes that dividends are reinvested

Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.75%	1.29%	1.41%
Benchmark	2.81%	1.73%	1.33%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	2.73%	2.11%	1.90%
Correlation	19.26%	1.85%	2.78%

Investment options & Contact details

Lump Sum	Minimum MUR 1000
Monthly Savings Plan	Minimum MUR 500
Address	SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower Pope Hennessy Street, Port Louis

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.5%	1.7%	2.4%	0.5%	4.3%	16.1%	23.2%	86.6%	4.7%
Benchmark	1.2%	1.6%	2.8%	1.2%	8.0%	16.9%	28.3%	130.9%	6.4%

*All returns are calculated assuming dividends are reinvested.

Financial Year Return

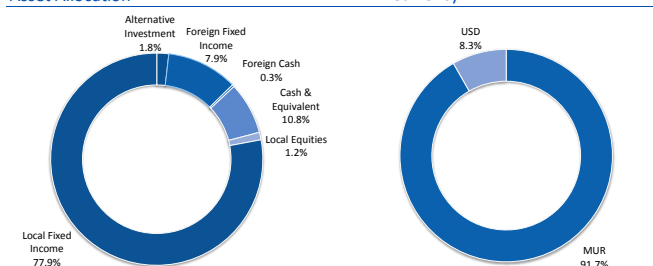
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	4.8%	7.3%	2.9%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%	6.7%

*Financial year as at June

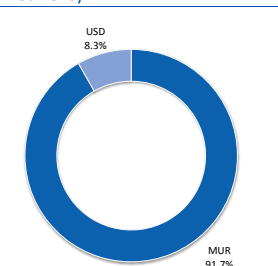
Distributions

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Dividend per unit	0.44	0.41	0.41	0.15	0.30	0.32	0.33	0.33	0.25
Dividend Yield	4.2%	4.0%	4.0%	1.5%	2.9%	3.1%	3.2%	3.0%	2.3%

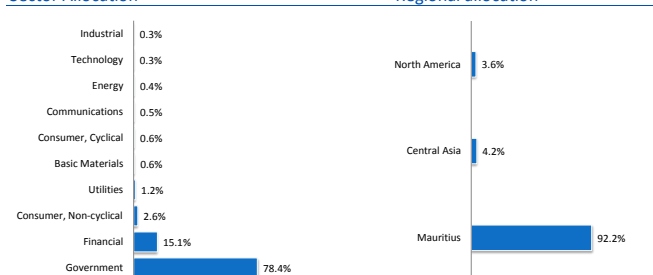
Asset Allocation



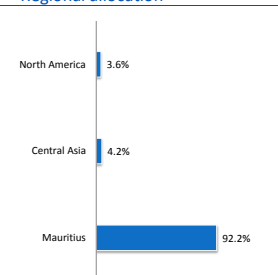
Currency Mix



Sector Allocation



Regional allocation



Market Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 10.92 as at January 2020, registering a return of 0.5% over the month, while the benchmark yielded 1.2% in MUR terms.

On the local fixed income market, the Bank of Mauritius issued MUR 600Mn of 364d Treasury Bills during the month with yields falling by 47 basis points to 2.65%. MUR 1,500Mn of 3Y GOM Notes were issued at a weighted average yield of 2.99%, equivalent to a decline of 65 basis points from the preceding issuance. 5Y GOM Notes witnessed the same trend with yields falling from 3.84% to 3.70% for a net issuance of MUR 1,500Mn.

On the secondary market, GOM Treasury Bills generally traded at lower yields compared to the previous month. 91D Treasury Bills traded at a weighted average yield of 2.02% against 2.07%. The yield on 182D Treasury Bills fell from 2.24% to 2.17% while that of 364D Treasury Bills was unchanged at 2.42%. 3Y GOM Notes traded at an average yield of 3.25% against 3.33% in December while 5Y GOM Bonds traded at 3.64% against 3.78%. Yields on 10Y GOM Bonds fell by 2 basis points to 4.22% while yields on 15Y GOM Bonds rose from 4.77% to 4.91%. Yields on 20Y GOM Bonds rose by 1 basis point to reach 5.11%.

On the foreign fixed income front, the Barclays Global Aggregate Bond posted returns of 1.3% in USD terms in January with bond yields ticking lower on account of concerns on the coronavirus spread and its potential impact over the global economic activity. Optimism over the U.S.-China trade deal and declining political uncertainty in UK had initially led to a sell-off in the bond market but concerns from the virus resulted in a rotation from risky to less risky assets.

The US 10-year Treasury yield declined from 1.92% to 1.51%. Following the FOMC meeting held in January, the Federal Reserve (Fed) maintained the target range at 1.50%-1.75%, affirming that the monetary stance is geared towards the 2% inflation objective.

The European Central Bank (ECB) also kept rates unchanged, with interest rate on the main refinancing operations, the marginal lending facility and the deposit facility standing at 0.00%, 0.25% and -0.50% respectively. The ECB reiterated its stance in making net purchases of EUR 20 Billion on a monthly basis under its asset purchase programme (APP). A review of the ECB's monetary policy strategy was also launched, encompassing the quantitative formulation of price stability and is expected to be concluded by end of 2020. Bond yields were on the decline with investors being in a risk-off mood – French 10-year yields declined from 0.12% to -0.18%. 10-year UK Gilt yields closed at 0.52%, 29 basis points lower than the previous month. The 10-year Italian yields also declined from 1.24% to 0.78%.

In Asian markets, the Bank of Japan (BoJ) maintained its short-term interest rate at -0.1% and guaranteed the guidance of the 10-year bond yields around 0%. China 10-year yields fell from 3.14% to 3.00% while the 10-year Indian bond yields slightly rose from 6.56% to 6.60%.

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