

SBM Yield Fund

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
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Fund Profile

Inception Date	Jun-06
Fund Size	MUR 158.3M
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%

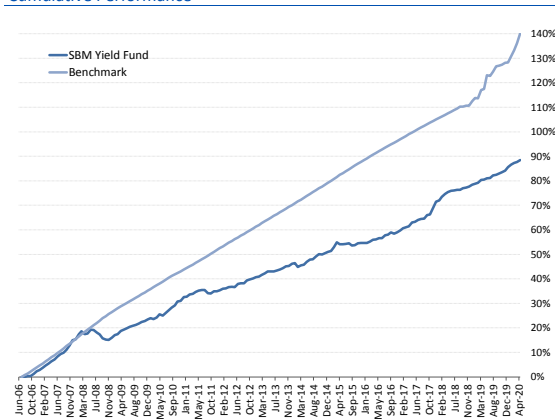
Fund Facts

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	11.5%
Government of Mauritius Bond 25/01/2028	9.1%
Government of Mauritius Bond 07/09/2038	7.0%
Government of Mauritius Bond 11/05/2038	6.6%
IBL Ltd Series 2 Notes 08/09/2022	6.5%
iShares Core US Aggregate Bond ETF	5.8%
Government of Mauritius Bond 22/07/2036	5.6%
Government of Mauritius Bond 05/11/2023	5.2%
Government of Mauritius Bond 09/11/2033	4.6%
SBM Maharaja Bond Fund	4.1%
TOTAL	66.0%

Cumulative Performance



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
SBM Yield Fund	0.66%	1.25%	1.25%
Benchmark	2.73%	1.95%	1.52%

Fund vs Benchmark	1Y	3Y	5Y
Tracking error	2.84%	2.31%	1.94%
Correlation	-5.08%	0.15%	2.80%

Investment options & Contact details

Lump Sum	Minimum MUR 1000	Telephone	202-1111 / 202-3515 / 202-1260
Monthly Savings Plan	Minimum MUR 500	Fax	210-3369
Address	SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower Pope Hennessy Street, Port Louis	E-mail	sbm.assetm@sbmgroup.mu
		Website	nbc.sbmgroupp.mu/mam

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30 April 2020

NAV per share

MUR 11.04

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Launch	Annualized
Fund	0.4%	1.0%	2.7%	1.6%	4.4%	15.7%	22.3%	88.5%	4.7%
Benchmark	1.7%	4.0%	5.7%	5.3%	10.4%	20.3%	31.7%	140.2%	6.5%

*All returns are calculated assuming dividends are reinvested.

Financial Year Return

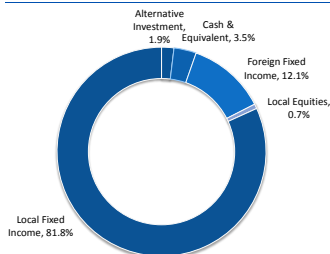
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	7.5%	1.8%	3.7%	3.4%	4.3%	1.4%	4.8%	7.3%	2.9%
Benchmark	6.0%	6.0%	5.6%	5.4%	5.3%	4.8%	4.3%	3.8%	6.7%

*Financial year as at June

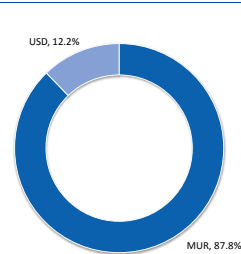
Distributions

	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%

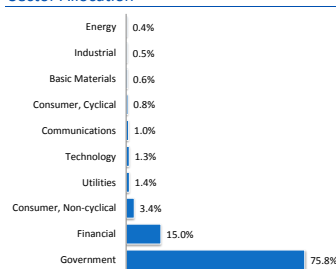
Asset Allocation



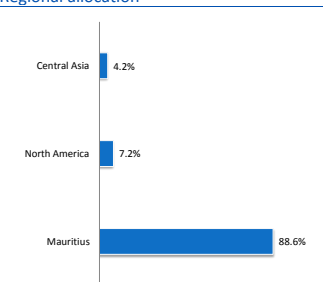
Currency Mix



Sector Allocation



Regional allocation



Market Commentary

The Net Asset Value (NAV) of the Fund stood at MUR 11.04 as at April 2020, registering a return of 0.4% over the month, while the benchmark yielded 1.7% in MUR terms.

Government bond yields accentuated their decline on primary markets following the cut in repo rate. During the month, MUR 1,000M worth of 182D Treasury Bills was issued at a weighted yield of 0.50%, representing a drop of 35 basis points from the preceding issuance. A 119D Treasury Bill was first traded at 0.30% on 17 April following a net issuance of MUR 2,500Mn and the yield dropped to 0.27% on 24 April post a further issuance of MUR 2,500Mn. The yield on the 364D Treasury Bills fell from 1.38% to 0.74% from a net issue of 1,500Mn. There was no issue of 3Y GoM during the month whereas the yield on 5Y GOM Bonds declined from 3.40% to 1.85% for a net issuance of MUR 2,000Mn. Regarding longer-term bonds, there was no fresh issue of 10Y and 15Y bonds, but MUR 2,000Mn of 20Y GOM Bonds was issued at an average weighted yield of 3.17%.

On the secondary market, yields on 91D Treasury Bills declined by 107 basis points to trade at a weighted average yield of 0.22% against 1.30% in March. The yield on 182D Treasury Bills dropped by 103 basis points to 0.30% while that of the 364D Treasury Bills fell from 1.42% to 0.43%. 3Y GOM Notes yield followed the downward with yields falling to 1.29%, down from the previous month's reading of 2.78% while the 5Y GOM Bonds traded at 1.85% against 2.87% in March. The yield on 10Y GOM Bonds declined by 84 basis points to reach 2.61% while that on 15Y GOM Bonds traded at a yield of 2.87%, 93 basis points lower than its March reading. The 20Y GOM Bonds yield also witnessed the downtrend, falling from 3.87% to 2.94%.

On the foreign fixed income front, the Barclays Global Aggregate Bond Index registered returns of 2.0% in USD terms during the month with fixed income markets worldwide pricing in a recession in 2020. Major central banks continued with their monetary stimulus measures during the month in order to cushion their respective economies against the impact of the coronavirus.

At its last Monetary Policy Committee meeting held on 29-Apr-20, the Federal Reserve (Fed) maintained the target range for the federal funds rate to 0.00% to 0.25% and announced a series of measures representing USD 2.3 trillion in economic stimulus. The US 10-year Treasury yield marginally fell by 3 basis points to 0.64% as the falling crude oil prices buoyed bond market trading. In U.K, the Bank of England maintained its interest rates at 0.1%. Given the severity of the disruptions caused by the COVID19 and the sharp reduction in economic activity, the Bank of England opened its Term Funding Scheme for drawings on 15 April 2020 so as to support households and SMEs. The 10-year UK Gilt yields finished the month 33 basis points lower at 0.23%.

The European Central Bank (ECB) kept rates unchanged, with interest rates on major refinancing operations, the marginal lending facility and the deposit facility respectively at 0.00%, 0.25% and -0.50% and widened its asset purchase program by EUR 120 billion. It announced a new pandemic emergency longer-term refinancing operations (PELTROs) in April, in view of providing liquidity support to the euro area. The 10-year Germany bond yields fell from -0.47% to -0.59% in April, while the 10-year Italian bond yields rose by 24 basis points to 1.76% in April reflecting Fitch's downgrade of Italy's credit rating from BBB to BBB-. The 10-year Spanish bond traded at a yield of 0.72%, 5 basis points higher than the March reading.

Following its last Monetary Policy Committee meeting, the Bank of Japan (BoJ) maintained its short-term interest rate at -0.1%. As the impact of the pandemic deepened, the BoJ decided to increase its monetary stimulus and pledged to expand its government and corporate bond purchase programs. The 10-year Japanese bond yields experienced a slight of 5 basis points to reach -0.04% in April.

On the emerging fixed income market front, the People's Bank of China (PBOC) announced a reduction by 0.5% in its reserve requirement ratio or small and medium banks on 15 April and 15 May. The PBOC also reduced its 1-year loan prime rate (PLR) by 20 basis points to reach 3.85% and decreased the 5-year PLR by 10 basis points to 4.65%. It injected 56.18bn yuan into the market via its Targeted Medium-term Lending Facility (TMLF) in April. The 10-year China bond yields declined from 3.17% in December to 2.52% in April on account of the monetary easing. The Reserve Bank of India reduced the policy repo rate under the liquidity adjustment facility (LAF) by 75 basis points from 5.15% to 4.40% and signaled more cuts in view of boosting liquidity. 10-year Indian bond yields fell by 45 basis points over the first 4 months of 2020 to trade at 6.11% in April.