

SBM Growth Fund

29 May 2020

NAV per Share

MUR 10.37

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

Low	Low to Moderate	Moderate	Moderate to High	High
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Fund Profile

Inception Date	Feb-16
Fund Size	MUR 104.6M
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

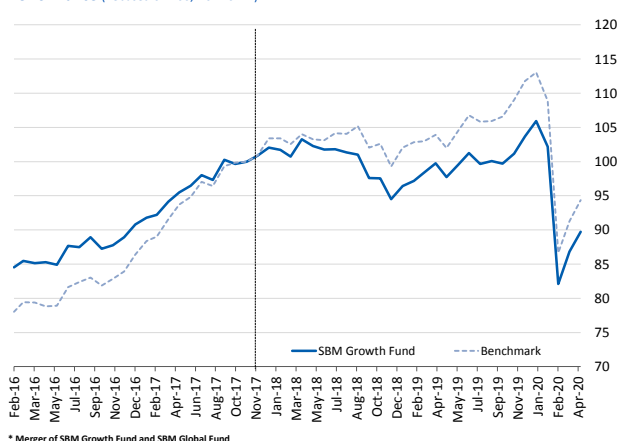
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI All Countries World (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

**Converted in MUR

Top 10 Holdings

	% Net Assets
MCB Group Ltd	17.1%
MSS Global Advantage "A" Acc	6.4%
iShares MSCI World ETF	6.1%
IBL Ltd	6.1%
MSS US Advantage "A" Acc	6.0%
Vanguard S&P 500 ETF	5.9%
iShares MSCI ACWI ETF	5.3%
SBM Holdings Ltd	4.6%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.1%
Fidelity European Larger Companies Fund	3.9%
Total	65.5%

Performance (Rebased on 100, Nov 2017*)



* Merger of SBM Growth Fund and SBM Global Fund

Risk Adjusted Metrics

Volatility p.a.	1Y	3Y
Fund	22.5%	13.4%
Benchmark	23.2%	13.8%

Fund vs Benchmark	1Y	3Y
Tracking Error p.a.	2.2%	2.2%
Correlation	99.6%	98.8%
Beta	0.97	0.97
Regression Alpha	-0.1%	-0.3%

Cumulative Return

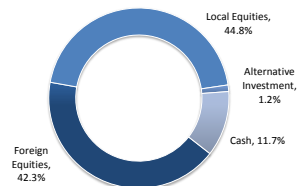
	1M	3M	6M	YTD	1Y	3Y	Inception	Annualised
Fund	3.3%	-12.2%	-11.3%	-13.4%	-8.2%	-6.0%	3.7%	0.8%
Benchmark	3.4%	-13.4%	-13.5%	-15.6%	-7.5%	0.7%	19.7%	4.2%

Financial Year Return

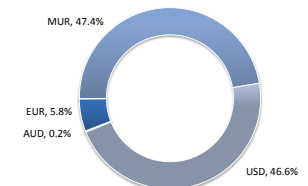
	2017	2018	2019
Fund	13.6%	5.5%	-2.2%
Benchmark	20.2%	8.7%	1.3%

*All returns are calculated assuming dividends are reinvested.

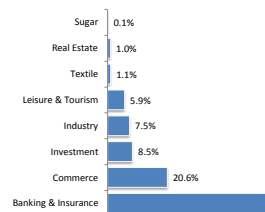
Asset Allocation



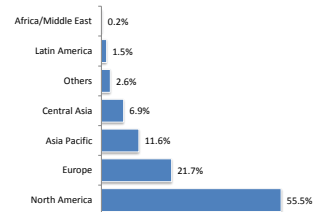
Currency Mix



Sector Allocation (Local Equities)



Country Allocation (Foreign Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund grew from MUR 10.03 to MUR 10.37 in May, equivalent to a return of 3.3%, while the benchmark posted 3.4%.

Local equity indices registered mixed performances in May with the SEMDEX and DEMEX closing at 1,622.12 points and 198.44 points, equivalent to 3.1% and -4.7%, respectively.

The main leading movers, that is, companies which contributed to the positive performance of the SEMDEX were MCB Group Ltd, IBL Ltd and SBM Holdings Ltd while on the downside, the main lagging movers were Rogers & Co. Ltd, Lux Island Resorts Ltd and Sun Limited. The top three gainers in terms of price returns were MCB Group Ltd (+14.1%), Innodis Ltd (+7.6%) and SBM Holdings Ltd (+6.1%) and the top three losers were Lux Island Resorts Ltd (-18.7%), Rogers & Co. Ltd (-17.7%) and BlueLife Ltd (-16.7%). The price-earnings ratio and dividend yield for SEMDEX stood at 12.02x and 4.17% respectively, compared to corresponding figures of 11.75x and 4.29% in April 2020.

Net foreign outflows for the month were to the tune of MUR 86.9M, with MCB Group Ltd and SBM Holdings Ltd as major drivers of the foreign disinvestments.

Global equities continued to edge higher in May with the MSCI World index returning 4.6%, MoM in USD terms. Progress in the reopening of key economies along with additional stimulus from major central banks boosted investor sentiment. Global manufacturing activity remained in contraction zone during the month despite the Manufacturing PMI rising from a reading of 39.6 in April to 42.4 in May.

The S&P 500 index gained 4.5% during the month, buoyed by mounting optimism over the easing of lockdown in the US along with a supportive Federal Reserve (Fed). Gains were however capped by a racial strife and rising concerns over trade tensions between the US and China following the revocation of Hong Kong's special trade status in response to the controversial national security legislation passed by China. Manufacturing activity remained in contraction zone with a PMI reading of 39.8 against 36.1 in the preceding month. Although businesses slowly resumed, challenges on the domestic and foreign demand front continued to drive the contraction in production and new orders. Recently released GDP data revealed that the US economy shrank by -5% in Q1 2020 while unemployment rate skyrocketed to 14.7% in April.

The Eurostoxx 50 posted a performance of 4.2% in EUR terms following the easing of containment measures across the European region. The DAX index gained 6.7% while CAC 40 and FTSE MIB added 2.7% and 2.9%, respectively. Eurozone inflation dropped to 0.1% YoY from 0.3% in April, driven by the collapse in energy prices. Downturn in manufacturing activity bottomed out in May with PMI standing at 39.4 (April: 33.4), although countries across the region continued to experience production cutbacks and contractions in orders. In the UK, FTSE 100 registered 3.0% in GBP terms as Prime Minister Boris Johnson announced the next phase of restrictions easing. Manufacturing PMI rose to 40.7 in May, from last month's reading of 32.6 – although PMI level inched higher, the sector continued to witness deterioration in operating conditions.

Japanese equities rallied with the Nikkei 225 registering JPY returns of 8.3% on growing expectations on resumption of domestic economic activity. Manufacturing downturn however accelerated with PMI standing at 38.4, down from 41.9 in the previous month. New orders fell substantially since February 2009 as deterioration in demand conditions caused a rise in cancellation of orders. The decline of the registered coronavirus infections below the government's target led to lockdowns being lifted in most parts of the country, making way for the restart of the economy.

Emerging equities lagged developed markets during the month with the MSCI Emerging Markets index posting USD returns of 0.6%. The Shanghai Composite index shed -0.3% in CNY terms. Chinese manufacturing activity witnessed a robust pickup, with the quickest rate of expansion for over 9 years – PMI rose from 49.4 in April to 50.7, as supply chains stabilised and easing restrictions led to an increase in output. Indian equities were among the worst performers among Asian markets with BSE Sensex registering returns of -3.8% in INR terms. Although Manufacturing PMI inched up to 30.8 from a previous reading of 27.4, production output and new orders continued to plummet. Weakness in domestic and overseas demand led to production cutbacks and layoff of workers in the manufacturing sector.

Investment options & Contact details

Lump Sum	Minimum MUR 2,000	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	nbfc.sbmgroup.mu/mam

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