

SBM Universal Fund

29 May 2020

NAV per Share

MUR 25.88

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
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Fund Profile

Inception Date	Jun-02
Currency	MUR
Fund Size	MUR 350.5M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1.0%

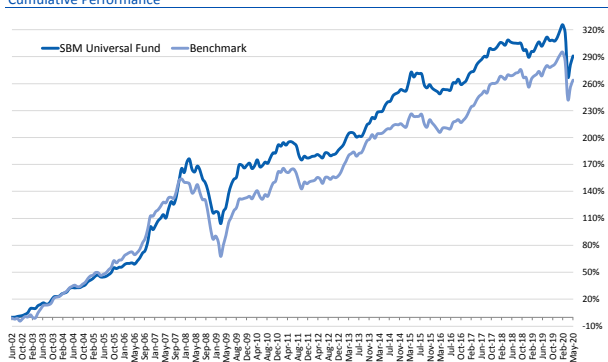
Fund Facts

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
iShares MSCI World ETF	8.9%
MCB Group Limited	8.5%
MHC - Fixed Deposit	7.2%
SIT Bond	5.7%
Vanguard S&P 500 ETF	5.1%
Afrexim Depository Receipts	4.8%
182DT BILLS 2.20% 190620	4.3%
MSS Global Advantage "A" Acc	3.7%
SBM MUR Note 5.75% Class A2 Series Bond	3.6%
MSS US Advantage "A" ACC	3.5%
TOTAL	55.3%

Cumulative Performance



*Cumulative performance assumes that dividends are reinvested

Dividend per unit (MUR)



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
Fund	13.6%	8.2%	6.9%
Benchmark	13.2%	8.2%	7.0%

Fund vs Benchmark	1Y	3Y	5Y
Tracking Error p.a.	1.8%	1.8%	1.8%
Correlation	99.1%	97.7%	96.8%
Beta	1.03	0.99	0.96
Regression Alpha	-0.1%	-0.1%	-0.2%

Investment options & Contact details

Lump Sum	Minimum amount of MUR 500	Telephone	202-1111 / 202-3515 / 202-1260
Regular Savings Plan	MUR 200	Fax	210-3369
Address	SBM Mauritius Asset Managers Ltd Level 12, Hennessy Tower	E-mail	sbm.asset@sbmgroup.mu
	Pope Hennessy Street, Port Louis	Website	nbfc.sbmgroup.mu/mam

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
Fund	2.6%	-6.2%	-5.0%	-6.8%	-2.7%	1.7%	5.2%	290.8%	7.9%
Benchmark	2.2%	-5.4%	-5.9%	-7.2%	-1.2%	5.2%	12.5%	263.9%	7.5%

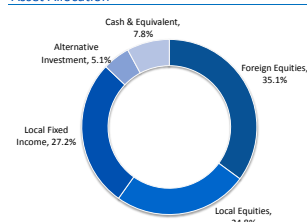
*All returns are calculated assuming dividends are reinvested.

Financial Year Return

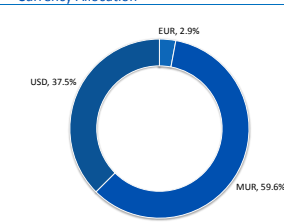
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund	9.2%	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%
Benchmark	14.5%	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.7%

*Financial year as at June

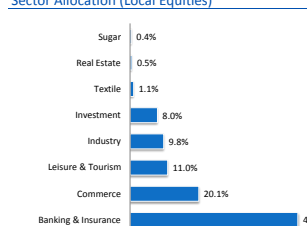
Asset Allocation



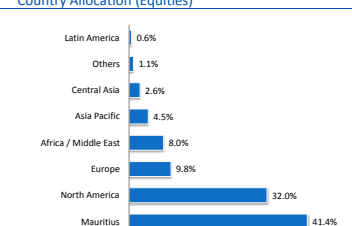
Currency Allocation



Sector Allocation (Local Equities)



Country Allocation (Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund increased from MUR 25.23 to MUR 25.88 in May, equivalent to a positive performance of 2.6%, while the composite benchmark posted 2.2%.

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.

Government bond yields on the primary market were unchanged as the BoM issued only 1 T-Bill during the month. An amount of MUR 3,000Mn of 182D Treasury was issued on 29 May and the yield declined from 0.50% to 0.19%, representing a drop of 31 basis points. Primary yields on 91D, 119D and 364D Treasury bills remained constant at 0.91%, 0.27% and 0.74%, respectively, while 3Y GOM Notes yield remained at 1.94% and 5Y GOM Bonds yield at 1.85%. For longer term bonds, the corresponding yield on 10Y, 15Y and 20Y bonds were at 4.25%, 3.79% and 3.17%.

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.

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