

SBM Growth Fund

31 August 2020

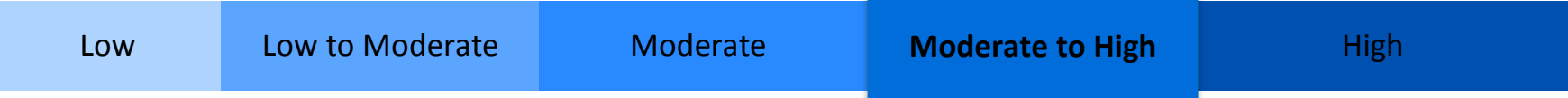
NAV per Share

MUR 11.02

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 114.1M
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

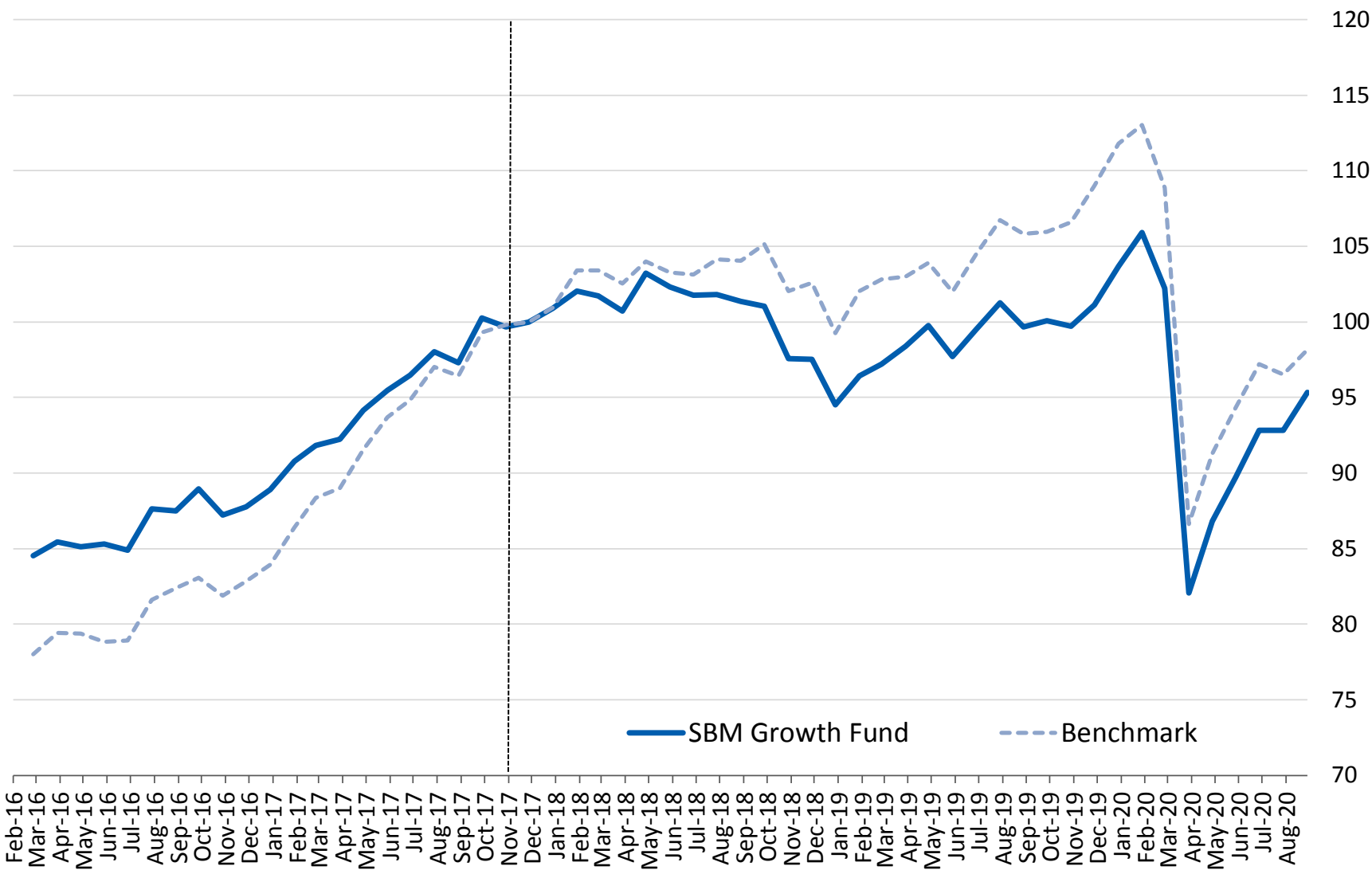
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI All Countries World (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Ernst & Young
Custodian	SBM Bank (Mauritius) Ltd

**Converted in MUR

Top 10 Holdings

	% Net Assets
MCB Group Ltd	19.5%
SBM Holdings Ltd	6.4%
Vanguard S&P 500 ETF	6.1%
iShares MSCI World ETF	4.9%
iShares MSCI ACWI ETF	4.8%
IBL Ltd	4.7%
MSS US Advantage "A" Acc	4.2%
Fidelity European Larger Companies Fund	4.0%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.0%
T Rowe Price Global Focused Growth Equity "A" USD Acc	3.6%
Total	62.3%

Performance (Rebased on 100, Nov 2017*)



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y
Fund	22.8%	13.6%
Benchmark	23.2%	13.9%

Fund vs Benchmark	1Y	3Y
Tracking Error p.a.	2.2%	2.3%
Correlation	99.5%	98.6%
Beta	0.98	0.98
Regression Alpha	0.2%	-0.1%

Cumulative Return

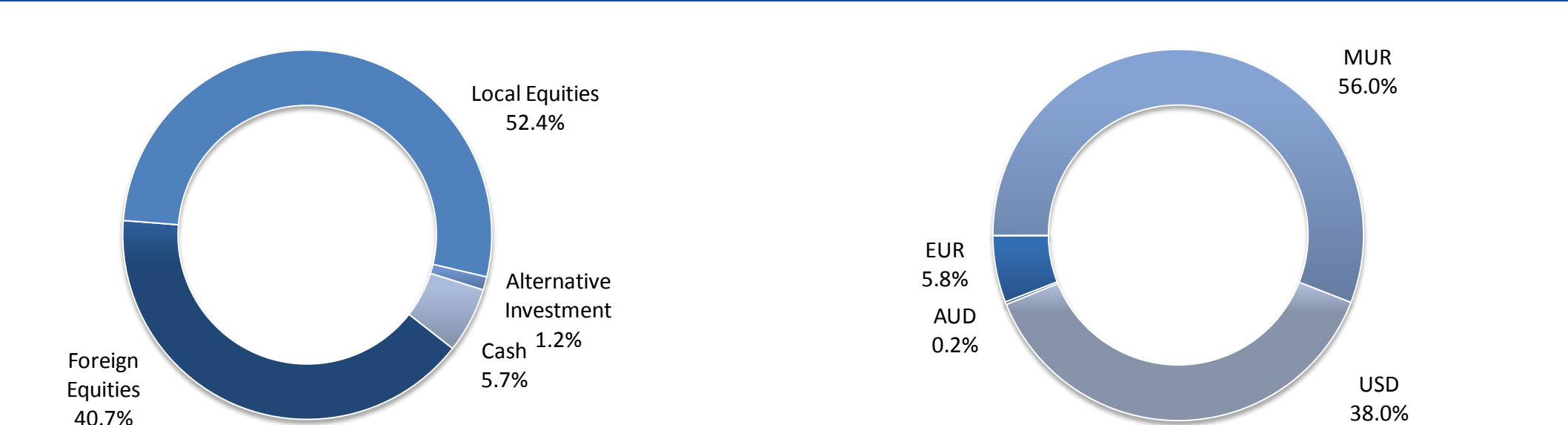
	1M	3M	6M	YTD	1Y	3Y	Inception	Annualised
Fund	2.7%	6.2%	-6.7%	-8.0%	-4.4%	-2.0%	10.2%	2.1%
Benchmark	1.7%	4.1%	-9.8%	-12.2%	-7.2%	1.8%	24.6%	4.9%

Financial Year Return

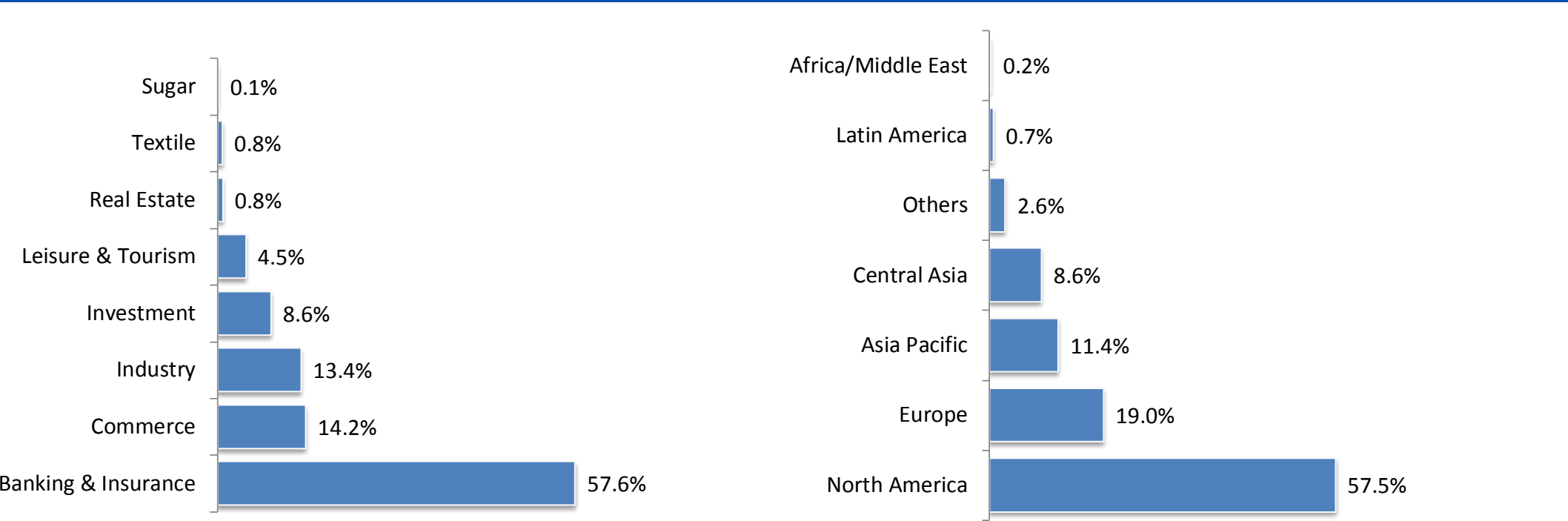
	2017	2018	2019	2020
Fund	13.6%	5.5%	-2.2%	-6.7%
Benchmark	20.2%	8.7%	1.3%	-7.0%

*All returns are calculated assuming dividends are reinvested.

Asset Allocation



Sector Allocation (Local Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund increased from MUR 10.73 to MUR 11.02 August, equivalent to a return of 2.7%, while the benchmark posted 1.7%.

Local equity indices registered negative performances in August with the SEMDEX and DEMEX closing at 1,577.66 points and 201.54 points as at the end of the month, equivalent to -0.9% and -2.3% respectively. The main leading movers, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, SBMH and CIEL while on the downside, the main lagging movers were IBL, MEDINE and NMH. The top three gainers in terms of price returns were OMNICANE (+9.4%), SBMH (+8.7%) and CIEL (+8.3%) and the top three losers were MEDINE (-12.6%), NMH (-10.6%) and IBL (-9.3%). The price-earnings ratio and dividend yield for SEMDEX stood at 11.77x and 3.79% respectively, against corresponding figures of 12.15x and 4.09% in July. Net foreign outflows decreased to MUR 111.8M in August 2020, compared to MUR 393.1M in July 2020, driven by sell-off in the banking duos, MCBG and SBMH as well as in PBL.

Yields on the primary market remained unchanged since there was no fresh issuance during the month. On the secondary market, 91D Treasury Bills traded at a weighted average yield of 0.56%, representing an increase of 25 bps over the month. The corresponding yield on 182D Treasury Bills and 364D Treasury Bills increased by 39bps and 69 bps to reach 0.75% and 1.20%. 3Y GOM Notes yield increased from 1.74% to 1.79% and 5Y GOM Bonds traded at 2.06% against 2.05% in July. 10Y GOM Bonds trade marginally higher at 2.57% against 2.52% in the preceding month. 20Y GOM Bonds traded 26 basis points lower at 2.86% against 3.11%.

Global equities rallied during the month after improved investor optimism led to higher demand for risky assets. Markets have generally been supported by growth expectations and policy measures; the MSCI World index added 6.5% MoM.

The S&P 500 index reached record highs in August after delivering a robust performance of 7.0% despite the ongoing US-China trade tensions. Equity markets were supported by hopes of a COVID-19 vaccine as the FDA fast-tracked the approval for convalescent plasma. Manufacturing activity continued its upturn with PMI rising from 50.9 in July to 53.1 in August. The improvement in operating conditions and faster increase in new order inflows mainly contributed to the expansion of the indicator. With the rebound in manufacturing activity, jobless claims fell below 1 million and unemployment rate dropped from 11.1% to 10.2%.

The Eurostoxx 50 index registered a EUR performance of 3.1% during the month despite headlines being dominated by the resurgence in the number of COVID-19 cases in the region. The DAX index gained 5.1%, outperforming other European indices; CAC 40 and FTSE MIB posted EUR gains of 3.4% and 2.8% respectively. Growth in the manufacturing sector was subdued – although PMI remained above the 50-mark, the index slightly dropped from 51.8 in July to 51.7. Improved manufacturing conditions in Italy, Ireland and Germany backed the sector's recovery. In UK, the FTSE 100 posted marginal GBP gains of 1.1%. Manufacturing activity rose to its highest pace since May 2014 with PMI edging up to 55.2 (July 2020 PMI: 53.3) driven by the loosening of lockdown restrictions.

The Nikkei 225 rallied by 6.6% in JPY terms despite the announcement of Prime Minister Shinzo Abe's resignation leading to a brief sell-off by month end. Equities rebounded on news that Chief Cabinet Secretary, Yoshihide Suga, might be a successor. The manufacturing sector continued to improve with a PMI reading of 47.2 in August against 45.2 in the preceding month.

Emerging markets lagged developed markets in August with the MSCI Emerging Markets index gaining only 2.1%. The Shanghai Composite index posted marginal CNY gains of 2.6% after the US dollar weakness and ongoing economic recovery extended support to emerging markets equities but trade tensions capped gains. The manufacturing sector continued to strengthen as improved demand conditions sustained the rise in purchasing activity - the PMI rose from 52.8 in July to 53.1 in August. In India, the BSE Sensex gained 2.7% despite projections that India would become the second country with the highest number of COVID-19 cases. A rebound in production volumes signaled renewed growth in August - PMI rose from 46.0 to 52.0 over the month.

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	E-mail	sbm.assetm@sbmgroup.mu
	Level 12, Hennessy Tower	Website	nbfc.sbmgroup.mu/mam
	Pope Hennessy Street, Port-Louis		

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