

# SBM Growth Fund

30 October 2020

NAV per Share

MUR 10.41

## 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 107.8M
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

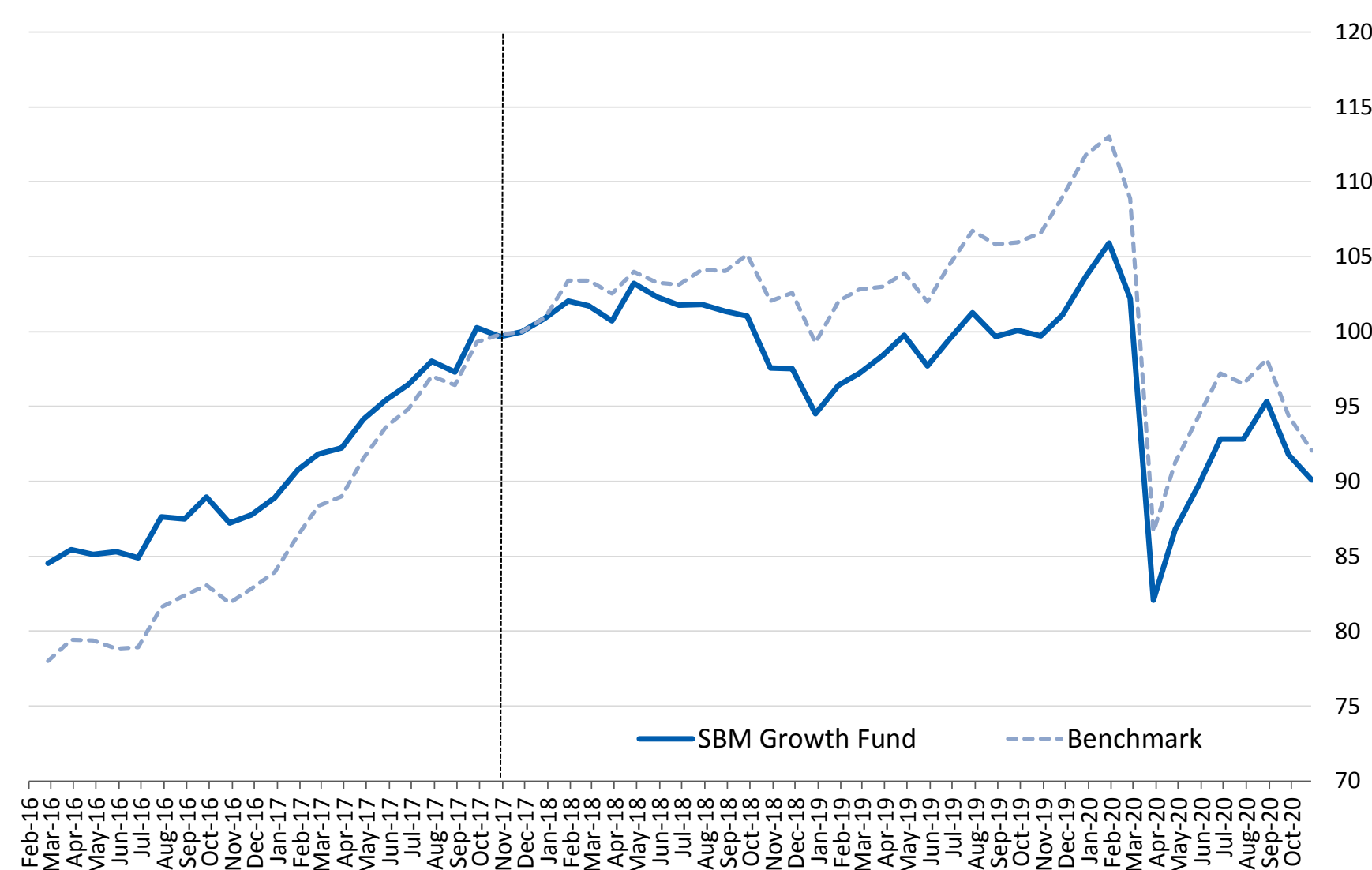
Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	60% SEMTRI + 40% MSCI All Countries World (USD)**
Fund Administrator	SBM Fund Services Ltd
Auditors	Deloitte
Custodian	SBM Bank (Mauritius) Ltd

\*\*Converted in MUR

## Top 10 Holdings

	% Net Assets
MCB Group Ltd	20.1%
SBM Holdings Ltd	5.9%
Vanguard S&P 500 ETF	5.5%
IBL Ltd	4.9%
iShares MSCI ACWI ETF	4.9%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.3%
Fidelity European Dynamic Growth "A" (EUR) Acc	3.8%
T Rowe Price Global Focused Growth Equity "A" USD Acc	3.8%
MSS US Advantage "A" Acc	3.6%
Ascencia	3.4%
<b>Total</b>	<b>60.2%</b>

## Performance (Rebased on 100, Nov 2017\*)



\* Merger of SBM Growth Fund and SBM Global Fund

## Risk Adjusted Metrics

Volatility p.a.	1Y	3Y
Fund	23.1%	13.7%
Benchmark	23.5%	14.0%

Fund vs Benchmark	1Y	3Y
Tracking Error p.a.	1.8%	2.3%
Correlation	99.7%	98.7%
Beta	0.98	0.98
Regression Alpha	0.3%	-0.1%

## Cumulative Return

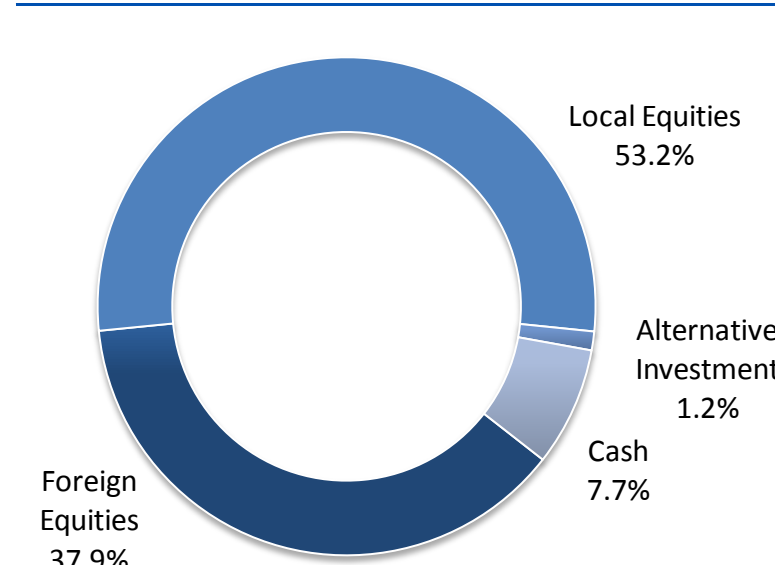
	1M	3M	6M	YTD	1Y	3Y	Inception	Annualised
Fund	-1.8%	-2.9%	3.8%	-13.1%	-9.6%	-9.6%	4.1%	0.9%
Benchmark	-2.5%	-4.7%	0.9%	-17.7%	-13.7%	-7.8%	16.8%	3.3%

## Financial Year Return

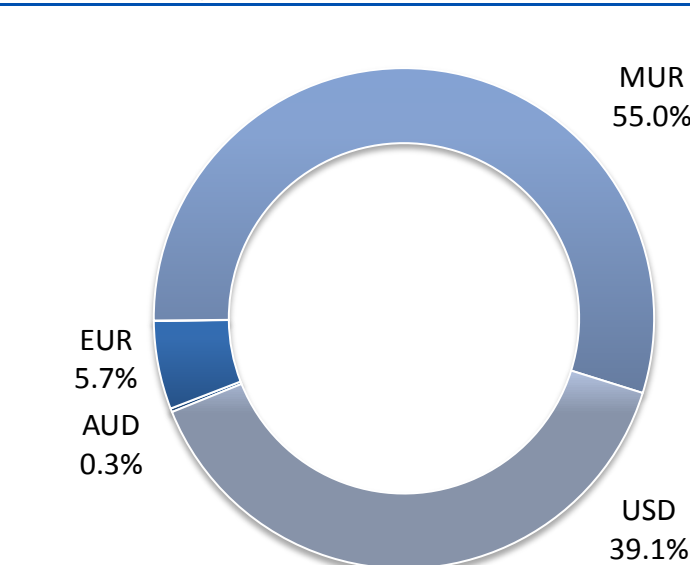
	2017	2018	2019	2020
Fund	13.6%	5.5%	-2.2%	-6.7%
Benchmark	20.2%	8.7%	1.3%	-7.0%

\*All returns are calculated assuming dividends are reinvested.

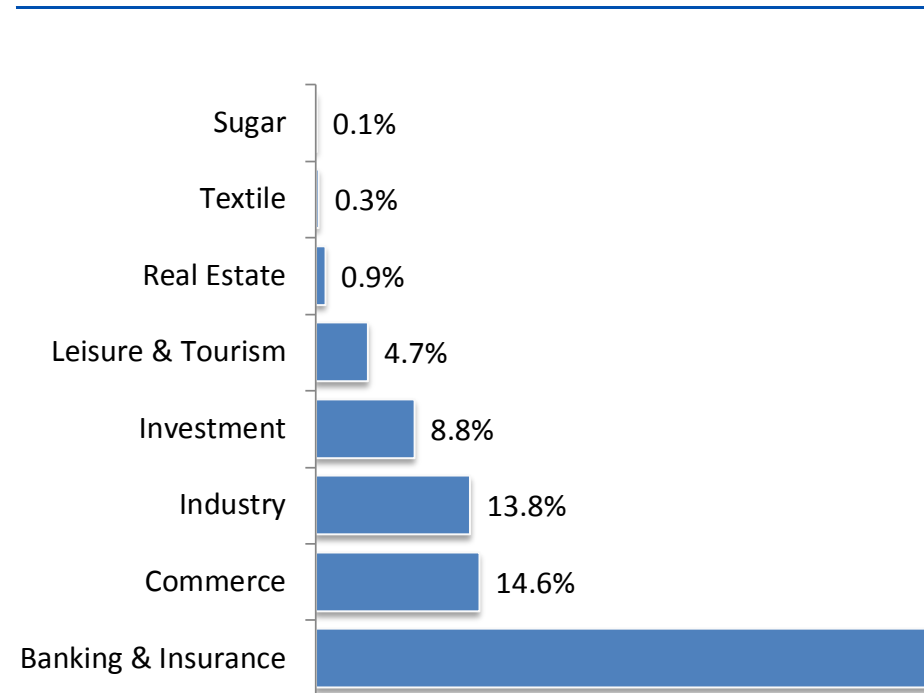
## Asset Allocation



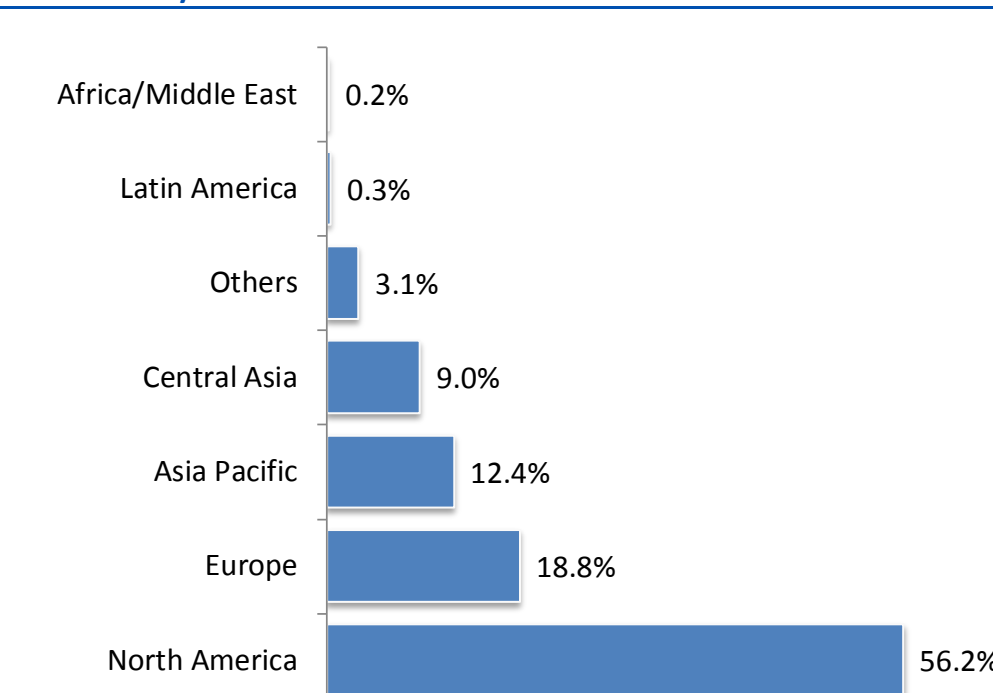
## Currency Mix



## Sector Allocation (Local Equities)



## Country Allocation (Foreign Equities)



## Market Commentary

The Net Asset Value per unit (NAV) of the Fund decreased from MUR 10.61 to MUR 10.41 in October, equivalent to a return of -1.8%, while the benchmark posted -2.5%.

Local equity indices registered negative performances during the month with the SEMDEX and DEMEX closing at 1,468.59 points and 195.52 points as at the end of the month, equivalent to -2.6% and -1.2% respectively.

The main leading movers, that is, companies which contributed to the positive performance of the SEMDEX were Alteo Ltd, Gamma Civic Ltd and SUN Ltd while on the downside, the main lagging movers were SBM Holdings Ltd, IBL Ltd and MCBG Ltd. The top three gainers in terms of price returns were Alteo Ltd (+7.6%), Gamma Civic Ltd (+1.3%), and SUN Ltd (+0.7%) while on the downside, the main lagging movers were POLICY Ltd (-18.3%), Bluelife Ltd (-10.0%) and MOROIL Ltd (-9.3%).

The price-earnings ratio and dividend yield for SEMDEX stood at 12.34x and 3.23% respectively in October, against corresponding figures of 12.35x and 3.35% in September. Net foreign disinvestments increased to MUR 115.29M during October 2020, compared to MUR 110.96M in September 2020, driven by sell-off in MCBG, Alteo and Terra.

Global stock markets retreated in October on the back of the risk-off sentiment induced by soaring COVID-19 cases in both Europe and the US, the reintroduction of containment measures in EU, waning prospects of US fiscal stimulus and the upcoming US presidential elections in November. The MSCI World index registered a performance of -3.1%.

The S&P 500 index rounded out October with a return of -2.8% with the CBOE Volatility index reaching its highest level since early June. Diminishing hopes of a near-term fiscal stimulus, surging COVID-19 cases and heightened uncertainty around the US presidential election weighed on investor sentiment. At the macroeconomic level, third quarter GDP surprised to the upside with a record increase of 33.1% QoQ which partially helped cushion the decline. Manufacturing activity continued to improve on the back of higher inflows of new orders and stronger client demand; the Purchasing Managers' Index (PMI) increased slightly from 53.2 in September to 53.4 in October. Core PCE inflation increased by 10bps to 1.55% YoY in September.

The Eurostoxx 50 index posted EUR returns of -7.4% as major European countries reintroduced containment measures. The CAC 40 and DAX index shed -4.4% and -9.4%, respectively as France and Germany imposed stricter containment measures in a bid to curb the escalating COVID-19 cases. Manufacturing activity witnessed continued improvement with the Manufacturing PMI reaching a 27-month high, increasing from 53.7 in September to 54.8 in October. The rapid growth in manufacturing output is mainly attributed to surging orders amid rising global demand. In UK, the FTSE 100 posted GBP performance of -4.9% as the government came under pressure to impose a nationwide lockdown to curb the escalating COVID-19 cases. Manufacturing output maintained its uptrend but at the slowest pace since July - the PMI fell from 54.1 to 53.7 over the month but remained above the 50-mark for the past five consecutive months.

The Nikkei 225 tumbled by -0.9% MoM, in JPY terms, as the BoJ projects a deeper growth contraction of -5.5% (July estimate: -4.7%) for the Japanese economy. Manufacturing activity continued to stabilise with the PMI rising to 48.7 in October against 47.7 in the preceding month signalling the slowest decline in manufacturing output.

Emerging equities outperformed developed markets in October with the MSCI Emerging Markets index registering 2.0%. Despite China's relatively better economic growth prospects, lower than expected profit growth of industrial firms and external uncertainties trimmed its equity gains with the Shanghai Composite index posting a performance of 0.2% MoM. Chinese manufacturing activity maintained its strong growth momentum marked by a sharp upturn in overall sales and a surge in new orders – the PMI reading increased to 53.6 in October against 53.0 in September. In India, the BSE Sensex index, in contrast to the global negative equity trend, surged by 4.1% MoM. The unemployment rate increased to 7% in October from 6.7% in September. Manufacturing output increased at the fastest pace since October 2007 with the PMI increasing from 56.8 to 58.9 over the month on back of renewed rise in export orders and overall sales amidst relaxation of COVID-19 restrictions

## 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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