

SBM Universal Fund

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 340.0M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1% up to Yr 2 0.75% IN Yr 3 0.5% in Yr 4 0.25% in Yr 5 Nil after Yr 5

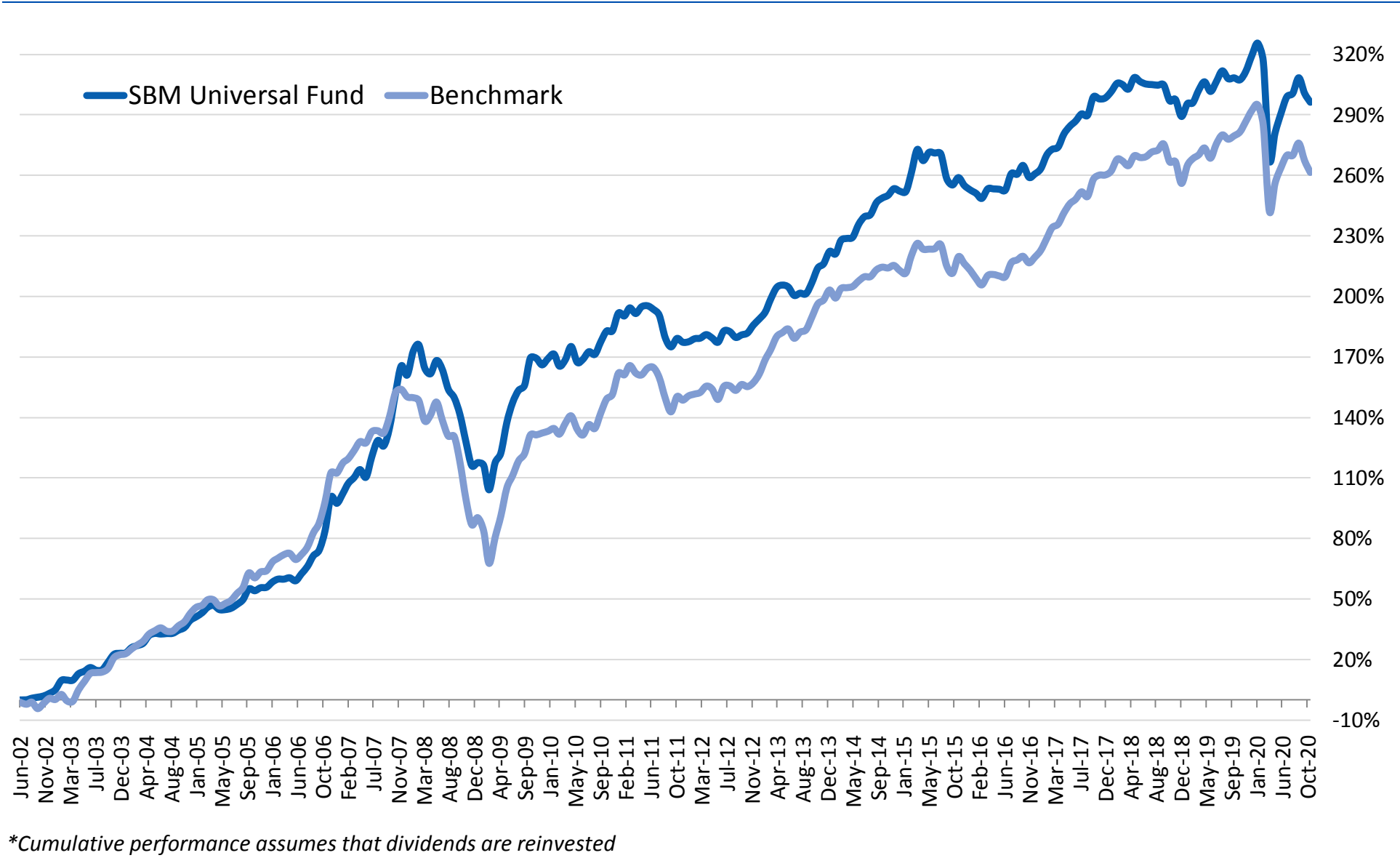
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	30% SEMDEX + 40% 1Y GOM Bill + 30% MSCI World (MUR)
Fund Administrator	SBM Fund Services Ltd
Auditors	Deloitte
Custodian	SBM Bank (Mauritius) Ltd

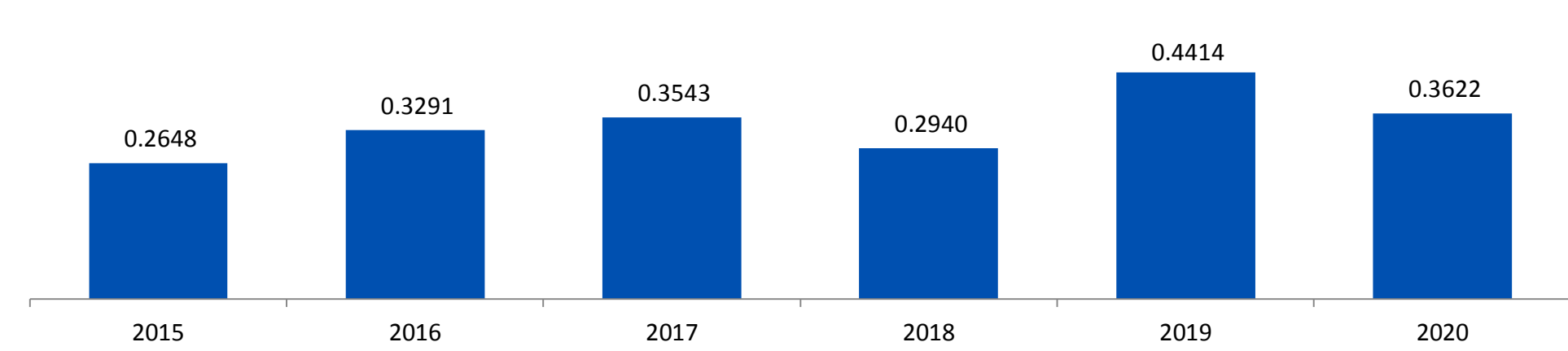
Top 10 Holdings

	% Net Assets
MCB Group Limited	10.2%
iShares MSCI World ETF	7.5%
SIT Bond	6.0%
Vanguard S&P 500 ETF	4.6%
CIM Financial Services Ltd_CFSL 4% 31/07/2025	4.4%
SBM MUR Note 5.75% Class A2 Series Bond	3.7%
SBM Holdings Ltd	3.2%
Omnicane Bond	3.1%
Bank One Limited - 5% Notes	3.0%
T Rowe Price Global Focused Growth Equity "A" USD Acc	3.0%
TOTAL	48.7%

Cumulative Performance



Dividend per unit (MUR)



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
Fund	14.0%	8.4%	6.9%
Benchmark	13.4%	8.3%	6.9%

Fund vs Benchmark	1Y	3Y	5Y
Tracking Error p.a.	1.5%	1.8%	1.7%
Correlation	99.5%	97.7%	97.1%
Beta	1.03	1.01	0.99
Regression Alpha	0.3%	0.0%	-0.1%

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.assetm@sbmgroup.mu
	Pope Hennessy Street, Port Louis	Website	nbfc.sbmgroup.mu/mam

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30 October 2020

NAV per Share

MUR 25.88

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
Fund	-1.1%	-1.1%	4.0%	-5.5%	-2.7%	-0.4%	10.4%	296.3%	7.8%
Benchmark	-1.6%	-2.3%	1.5%	-7.8%	-5.3%	0.4%	13.1%	261.5%	7.3%

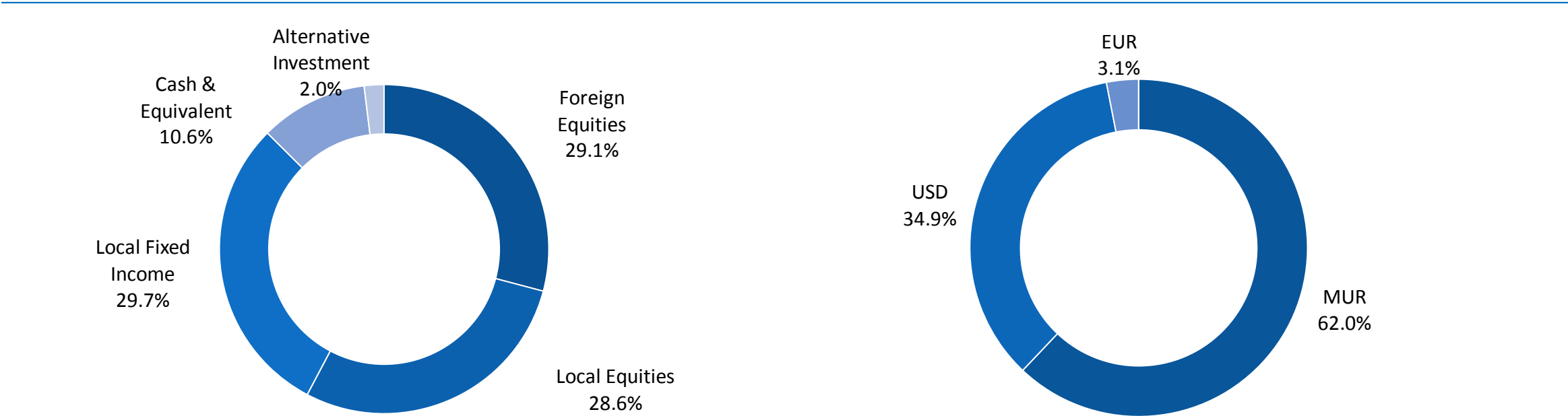
**All returns are calculated assuming dividends are reinvested.*

Financial Year Return

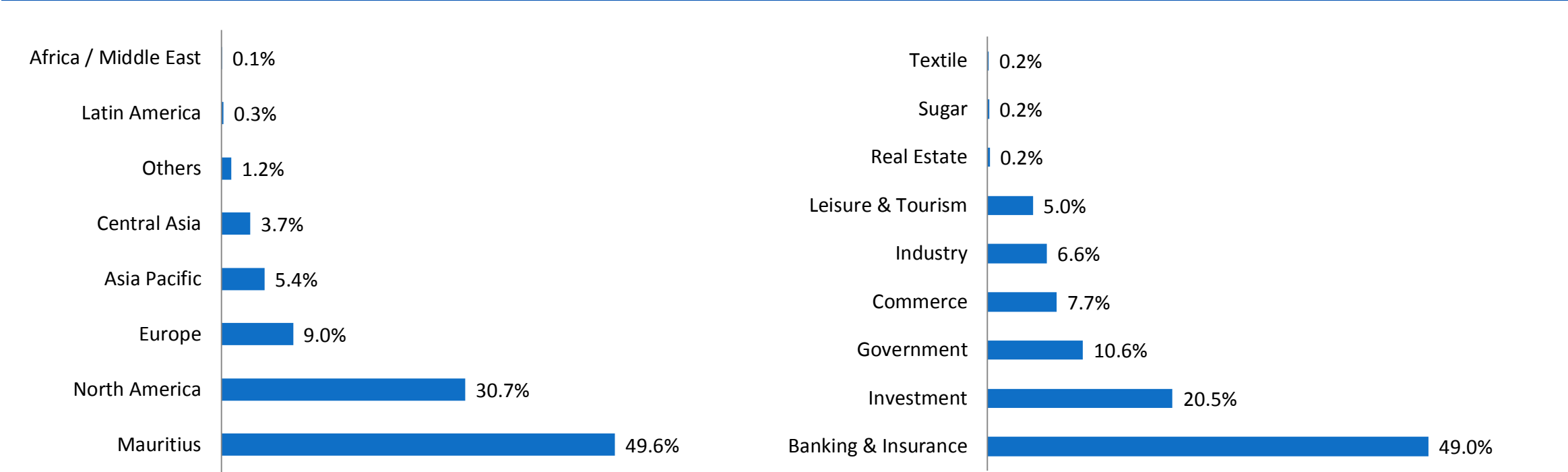
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%	-1.8%
Benchmark	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.7%	-1.5%

**Financial year as at June*

Asset Allocation



Country Allocation (Equities)



Market Commentary

The Net Asset Value per unit (NAV) of the Fund decreased from MUR 26.17 to MUR 25.88 in October, equivalent to return of -1.1%, while the composite benchmark recorded a performance of -1.6%.

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%).

During the month, there was no fresh issuance of Treasury securities on the primary market. On the secondary market, yields on 91D Treasury Bills and 182D Treasury Bills decreased by 11 bps and 8 bps in October to 0.50% and 0.71%, respectively. Yields on 364D Treasury Bills shed 22 bps to reach 1.10%. 3Y GOM Notes and 5Y GOM Bonds yields remained unchanged at 1.81% and 2.10%, respectively. In contrast, 10Y GOM Bonds traded at 2.76% against 2.55% in September. The corresponding weighted average yields on the 15Y GOM Bonds and 20Y GOM Bonds increased by 3bps to 2.86% and 2.94%.

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.