

SBM Yield Fund

Fund Objective

The Fund seeks to achieve its investment objective by investing in fixed income and fixed income-related instruments across different geographies, issuers, maturities and currencies. It uses a combination of top-down and bottom-up approach in its investment selection process. It may invest in bonds, term deposits, ETFs, preferred stock, convertible bonds, structured products and mortgage backed securities, amongst others.

Risk Profile

| | | | | |
|-----|------------------------|----------|------------------|------|
| Low | Low to Moderate | Moderate | Moderate to High | High |
|-----|------------------------|----------|------------------|------|

Fund Profile

| | |
|--------------------|---|
| Inception Date | Jun-06 |
| Fund Size | MUR 223.13M |
| Issue / Redemption | 10 th , 20 th and end of each month |
| Distribution | Yearly (each financial year end) |
| Management Fee | 0.85% p.a |
| Entry Fee: | 0.50% |
| Exit Fee: | 0.50% |

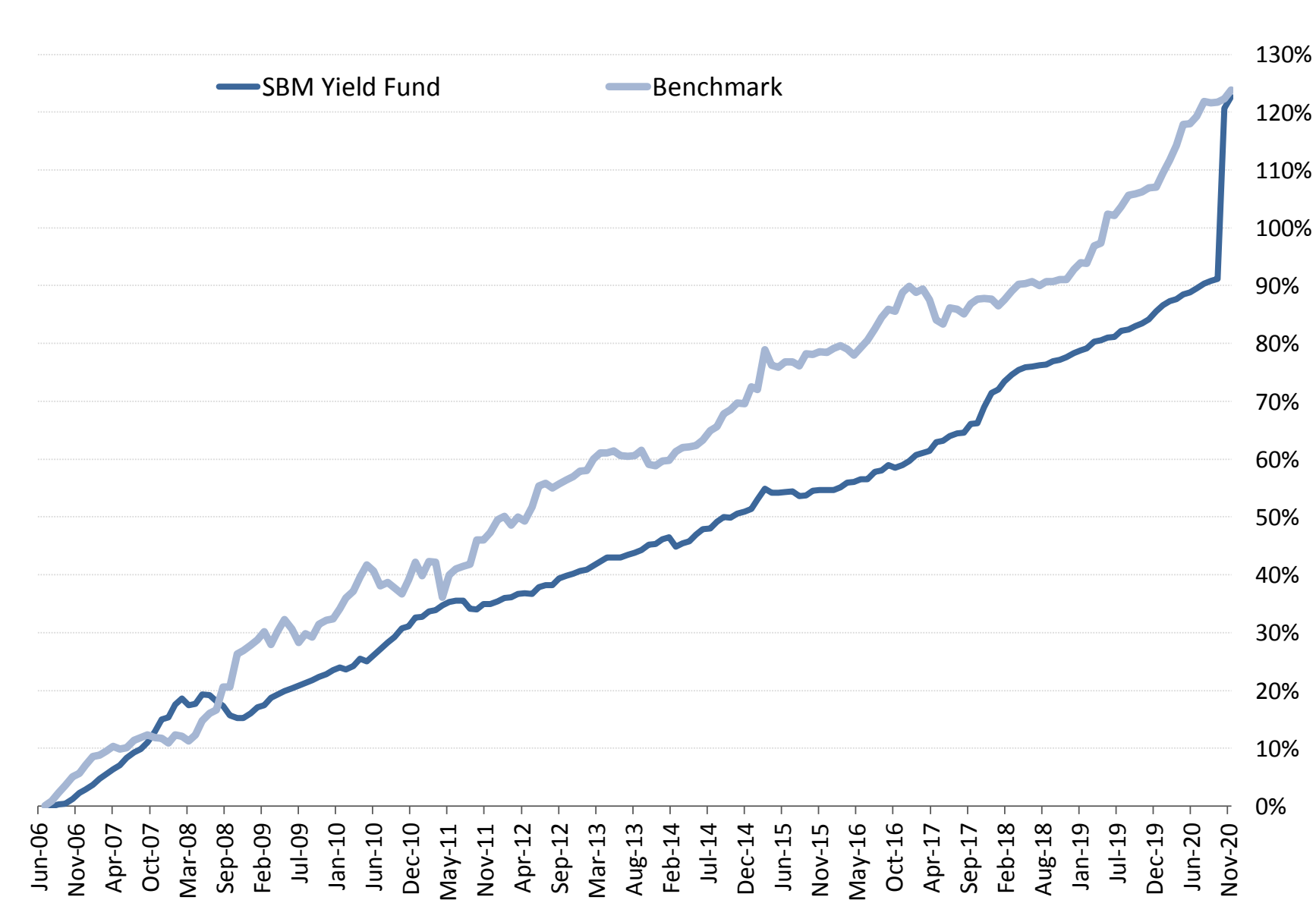
Fund Facts

| | |
|--------------------|--|
| Fund Manager | SBM Mauritius Asset Managers Ltd |
| Benchmark | 60% GOM 3Y Notes + 40% Barclays Agg Bond Index |
| Fund Administrator | SBM Fund Services Ltd |
| Auditors | Deloitte |
| Custodian | SBM Bank (Mauritius) Ltd |

Top 10 Holdings

| | % Net Assets |
|---|--------------|
| Government of Mauritius Bond 08/02/2039 | 11.4% |
| Government of Mauritius Bond 25/01/2028 | 8.5% |
| Government of Mauritius Bond 07/09/2038 | 7.0% |
| Government of Mauritius Bond 11/05/2038 | 6.4% |
| MAUTN 0.72% 12/06/2022 | 5.8% |
| Government of Mauritius Bond 22/07/2036 | 5.3% |
| IBL Ltd Series 2 Notes 08/09/2022 | 4.6% |
| Government of Mauritius Bond 09/11/2033 | 4.2% |
| CIM Financial Services Ltd_CFSL 4% 31/07/2025 | 4.2% |
| iShares Core US Aggregate Bond ETF | 4.2% |
| TOTAL | 61.6% |

Cumulative Performance



Risk Adjusted Metrics

| Volatility p.a. | 1Y | 3Y | 5Y |
|-----------------|--------|-------|-------|
| SBM Yield Fund | 14.99% | 8.72% | 6.82% |
| Benchmark | 2.08% | 2.04% | 1.60% |

| Fund vs Benchmark | 1Y | 3Y | 5Y |
|-------------------|---------|--------|--------|
| Tracking error | 15.58% | 9.11% | 7.09% |
| Correlation | -22.06% | -7.47% | -5.46% |

Investment options & Contact details

| | | | |
|----------------------|----------------------------------|-----------|--------------------------------|
| Lump Sum | Minimum MUR 1000 | 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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30 November 2020

NAV per share

MUR 12.61

Cumulative Return

| | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y | Launch | Annualized |
|-----------|------|-------|-------|-------|-------|-------|-------|--------|------------|
| Fund | 0.9% | 16.7% | 17.9% | 20.0% | 20.9% | 31.8% | 44.0% | 122.7% | 5.7% |
| Benchmark | 0.7% | 1.0% | 2.7% | 8.1% | 8.2% | 19.2% | 25.3% | 123.8% | 5.7% |

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

Financial Year Return

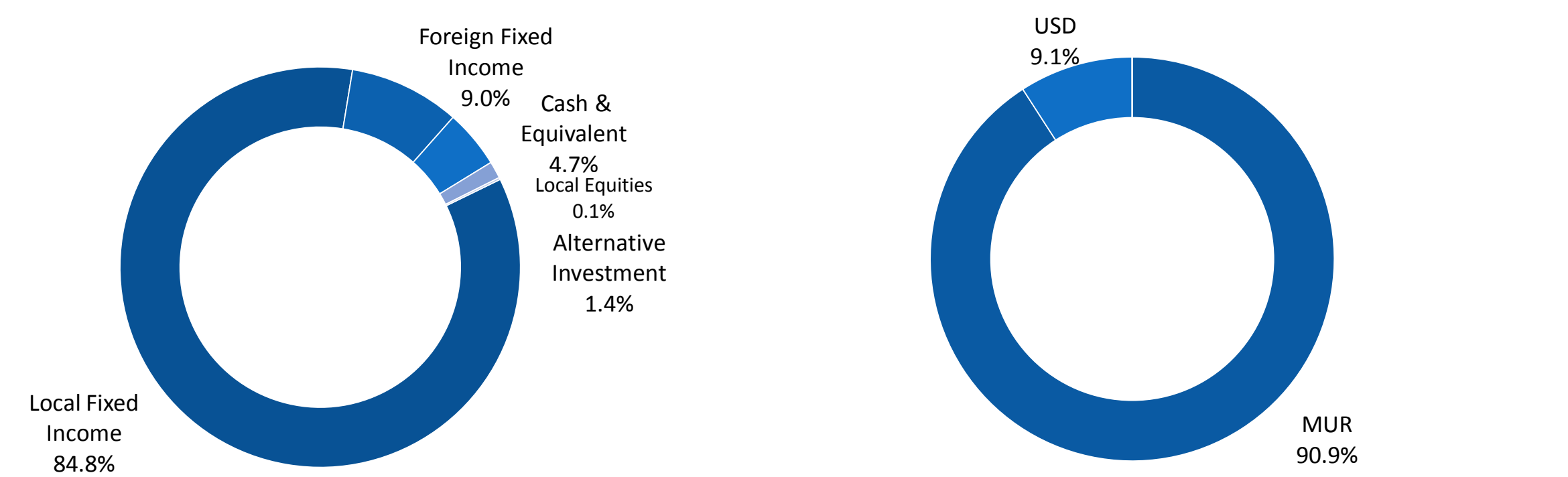
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------|-------|------|------|------|------|------|------|------|------|
| Fund | 1.8% | 3.7% | 3.4% | 4.3% | 1.4% | 4.8% | 7.3% | 2.9% | 4.6% |
| Benchmark | 10.2% | 3.4% | 1.6% | 8.3% | 2.1% | 3.1% | 2.5% | 6.0% | 8.5% |

**Financial year as at June*

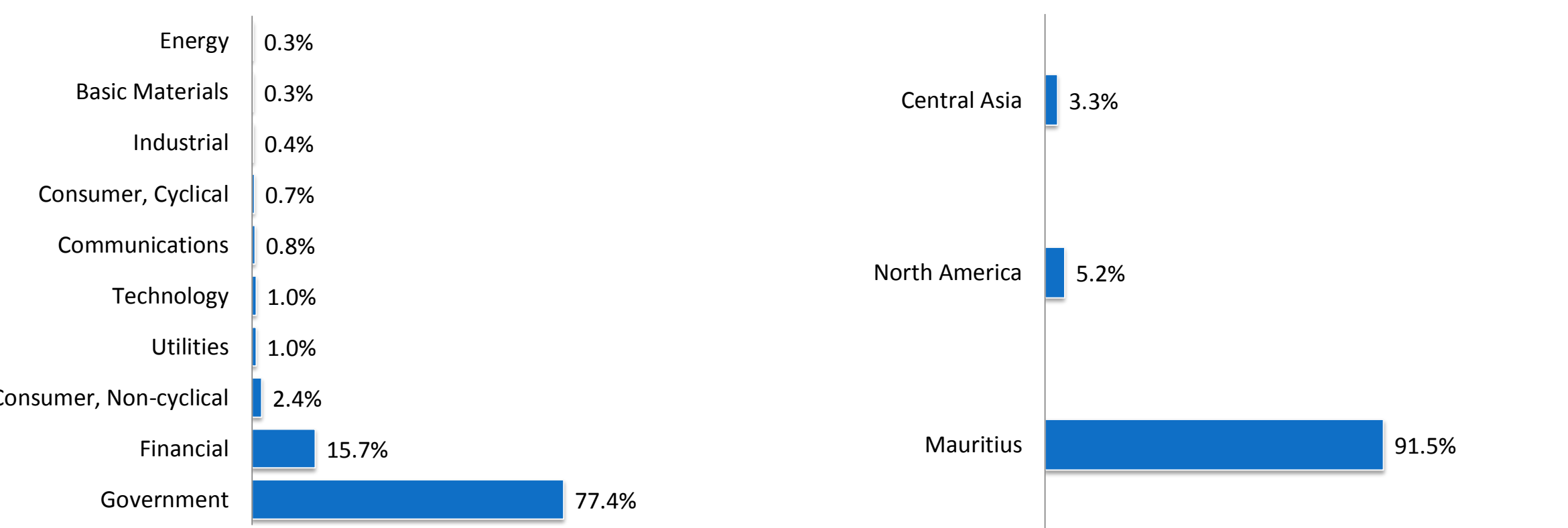
Distributions

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------|------|------|------|------|------|------|------|------|------|
| Dividend per unit | 0.41 | 0.41 | 0.15 | 0.30 | 0.32 | 0.33 | 0.33 | 0.25 | 0.31 |
| Dividend Yield | 4.0% | 4.0% | 1.5% | 2.9% | 3.1% | 3.2% | 3.0% | 2.3% | 2.9% |

Asset Allocation



Sector Allocation



Market Commentary

The Net Asset Value per unit (NAV) of the Fund rose from MUR 12.56 to MUR 12.61 in November, equivalent to a return of 0.9%, while the benchmark yielded 0.7%.

In November, the GOM issued MUR 800Mn of 91D Treasury Bills on primary markets and yields fell by 53 basis points (bps) to 0.38%. 182D Treasury Bills worth MUR 800Mn were issued at a weighted average yield of 0.77%, equivalent to a decline of 13 bps from the preceding issuance. The GOM also issued MUR 1,600Mn of 364D Treasury Bills in two tranches at weighted average yields of 0.87% and 0.68%. The yield on 3Y GOM Note declined by 46 bps to 1.48% following the issue of MUR 1,800Mn. There was also an issuance of a 5Y GOM Bond for MUR 2,000Mn and the primary average weighted yield increased by 23 bps to 1.58. Primary yields on 10Y, 15Y and 20Y GOM Bonds remained unchanged at 4.25%, 3.79% and 3.17%, respectively.

On the secondary market, yields on 91D and 182D Treasury Bills decreased by 15 bps in November to 0.36% and 0.56%, respectively. 364D Treasury Bills traded at a weighted average yield of 0.73% against 1.10% in the previous month. The yield on the 3Y GOM Notes fell from 1.81% to 1.59% while 5Y GOM Bond yield increased to 2.22% against 2.10% in October. Yields on 10Y GOM Bonds marginally fell by 6 bps to 2.70% in November. In contrast, the corresponding weighted average yields on the 15Y and 20Y GOM Bonds increased from 2.86% and 2.94% to 2.88% and 3.03%. Headline inflation stood at 2.4% in November 2020 against a reading 0.5% in the preceding year. Excess liquidity remained high in the economy, standing at 55.4Bn as at 19 November with MUR cash holdings increasing from MUR 35.4Bn on 22 October to MUR 40.2Bn in November.

On the fixed income front, the Barclays Global Aggregate Bond index grew by 1.8% during the month. The Federal Reserve (Fed) kept the Fed Fund target range anchored at 0.00%-0.25% at its last committee held in November in view of supporting the economic recovery. The accommodative policy stance adopted by the Fed is expected to be maintained in view of supporting employment and achieving the inflation target of 2% in the longer run. Fed officials indicated a change in the bond buying program signaling that it may buy longer term bonds in view of reducing the interest rates on debts like mortgages. US Treasuries slightly fell during the month with the 10-year US Treasury yield trading at 0.84%, 3 bps lower than October's reading.

In Europe, rates remained unchanged as no Monetary Policy Meeting was held by the European Central Bank during the month – the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility standing at 0.00%, 0.25% and -0.50%, respectively. The trend of bond yields in the European region was mixed. While the 10-year German bonds edged a little higher, adding 6 bps during the month to reach -0.57%, 10-year Italian bonds traded lower by 13bps at 0.63%. The 10-year Spanish bond yields declined from 0.14% to 0.08% over the month. Yields fell amid promising vaccine news and over expectations that the ECB would increase its bond purchase program.

At its Monetary Policy Committee meeting held on 4 November, the Bank of England (BoE) maintained its interest rate at 0.1%. The BoE voted to increase its purchase of UK government bonds by an additional GBP 150 billion, taking the total of government bond purchases to GBP 895 billion. The 10-year UK Gilt yields traded at 0.31% against 0.27% in October.

The Bank of Japan (BoJ) maintained its short-term interest rate at -0.1% as no MPC meeting was held in November. The 10-year Japanese bond yields marginally fell from 0.04% in October to 0.03% in November.

Among emerging markets, the People's Bank of China (PBOC) kept the loan prime rates unchanged for a seventh straight month with the 1-year and 5-year LPR at 3.85% and 4.65%, respectively. Rates are expected to remain steady through 2021. The 10-year Chinese bond yields traded lower by 9bps at 3.27% in November. In India, no MPC meeting was held during the month; the repo rate was unchanged at 4.0% under the liquidity adjustment facility (LAF). The repo rate under marginal standing facility (MSF) and the Bank Rate of 4.25% and the cash reserve ratio (CRR) of net demand and time liabilities (NDTL) of 3.0% also remained unchanged. The 10-year Government of India bond yields increased from 5.88% in October to 5.91% in November.