

SBM Universal FundNAV per share **MUR 31.37****Investment objective**

SBM Universal Fund is a diversified multi-asset fund with an objective of maximising long-term returns while providing regular income through a balanced strategy. It invests in a diversified portfolio of securities that includes domestic and international equities, equity-linked securities, unit trusts, mutual funds, fixed income securities, money market instruments and cash.

Fund facts**Investment Manager:** SBM Mauritius Asset Managers Ltd**Fund Administrator:** SBM Fund Services Ltd**Registry and Transfer Agent:** SBM Fund Services Ltd**Custody:** SBM Bank (Mauritius) Ltd**Auditor:** Deloitte Mauritius**Benchmark:** 30% SEMDEX + 40% 1Y GOM Bill + 30% MSCI World**Distribution:** Annual subject to distributable income**Investor profile:** Balanced**Inception date:** 1 Jun 2002**Fund size:** MUR 393.9M**Base currency:** MUR**Minimum one-off investment:** MUR 500**Minimum monthly investment plan:** MUR 200**Management fee:** 1.00% p.a.**Entry fee:** 1.00%**Exit fee:** 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5**Performance**

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2021	2020	2019	2018	2017	2016
Fund	1.1%	8.1%	12.7%	19.9%	18.6%	33.1%	380.4%	8.6%	19.1%	-1.8%	0.3%	4.7%	9.7%	-5.0%
Benchmark	1.3%	7.8%	11.7%	18.3%	17.7%	38.1%	337.5%	8.0%	16.8%	-1.5%	1.7%	6.1%	12.4%	-4.3%

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on 30% SEMDEX, 40% 1Y GOM Bill and 30% MSCI World index (MUR). Past performance is not indicative of future results. The benchmark return is computed in MUR terms. Annual returns are for the financial year of the Fund, that is, June.

Growth of MUR 100,000 since inception**Fund statistics**

Period	1Y	3Y	5Y	Launch
Correlation	98.1%	98.1%	97.5%	87.9%
Regression alpha	2.2%	0.3%	-0.7%	0.4%
Beta	0.93	1.00	1.00	0.86
Annualised volatility	8.1%	9.6%	7.7%	7.5%
Annualised tracking error	1.6%	1.9%	1.7%	3.9%

Relative metrics such as alpha, beta and tracking error are computed against the composite index.

Asset allocation

Asset class	% Fund	Top 5 countries	% Fund	Top currency	% Fund
International Equities	31.8%	Mauritius	61.0%	Mauritian Rupee	68.1%
Domestic Equities	30.3%	United States	18.9%	US Dollar	28.6%
Domestic Fixed Income	30.7%	India	2.5%	Euro	3.3%
Cash	7.2%	United Kingdom	1.4%	Total	100.0%
Total	100.0%	Germany	1.0%		
		Total	84.8%		

Domestic sectors	% Fund	Top 10 international industries	% Fund
Banking & Insurance	15.6%	Software & Services	5.2%
Commerce	4.8%	Health Care Equipment & Services	2.6%
Industry	4.7%	Media & Entertainment	2.4%
Investment	3.0%	Capital Goods	2.4%
Leisure & Tourism	2.1%	Pharmaceuticals, Biotech & Life Sciences	2.3%
Real Estate	0.1%	Banks	1.9%
Transport	0.0%	Semiconductors & Equipment	1.9%
Total	30.3%	Technology Hardware & Equipment	1.6%
		Retailing	1.5%
		Diversified Financials	1.5%
		Total	23.3%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Limited	9.9%	Apple Inc.	0.9%
iShares MSCI World ETF	8.6%	Microsoft Corp	0.9%
SIT Bond 25/04/2024	5.1%	Amazon.com Inc	0.6%
Vanguard S&P 500 ETF	4.6%	Facebook Inc - Class A	0.5%
CIM Financial Services Ltd 31/07/2025	3.9%	Taiwan Semiconductors Manufacturing Co. Ltd	0.4%
SBM Holdings Ltd	3.4%	HDFC Bank Limited	0.3%
IBL Ltd	3.3%	Alphabet Inc - Class A	0.3%
SBM MUR Note Class A2 Series Bond 28/06/2028	3.2%	ASML Holding NV	0.3%
FF - Asia Pacific Opportunities "A" (USD) Acc	3.0%	Intuitive Surgical Inc	0.3%
MSS US Advantage "A" ACC	2.7%	Novo Nordisk A/S-B	0.2%
Total	47.7%	Total	4.7%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund increased from MUR 31.03 in June to MUR 31.37 in July, equivalent to a return of 1.1%, while the benchmark posted 1.3%.

Local equity indices posted mixed performances with the SEMDEX and DEMEX closing at 1,916.62 and 278.36 points, equivalent to respective returns of 2.9% and -2.1%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, LUX and IBL while on the downside the main laggards were MEDINE, TERRA and NMH. The top three gainers in terms of price returns were MDIT (+15.4%), LUX (+13.6%) and PAD (+11.3%) and the top three losers were BLL (-14.5%), MEDINE (-8.6%), TERRA (-5.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 13.33x and 2.13%, respectively, as at 30 July against corresponding figures of 12.92x and 2.11% as at 30 June. Net foreign disinvestments of MUR 85.7Mn were driven by the sell-offs in AFREXIM, MCBG and UBP.

In July, the GOM auctioned 91D Treasury Bills to the tune of MUR 1.0Bn and the average weighed yield tumbled by 29bps to 0.84%. 182D Treasury Bills worth MUR 1.0Bn were issued at a weighted average yield of 0.77%, equivalent to a decline of 44bps from the preceding issuance. The GOM also issued MUR 1.5Bn of 364D Treasury Bills in two tranches at weighted average yields of 1.02% and 0.85%. The yield on 3Y GOM Note increased from 1.95% to 2.02% following a net tender amount of MUR 5.0Bn while the yield on the 5Y GOM Bond remained unchanged at 3.20%. There was no new issuances of the 10Y, 15Y and 20Y GOM Bonds during the month. On the secondary market, the corresponding yields on 91D Treasury Bills, 182D Treasury Bills and 364D Treasury Bills fell by 45bps, 52bps and 65bps to reach 0.56%, 0.70% and 0.83%, respectively. The 3Y GOM Note traded at 2.09% in July, 44bps lower than the previous month while the 5Y GOM Bond traded at a weighted average yield of 2.76% against 3.12% in the preceding month. The 10Y GOM Bond yields fell by 48bps to 3.86% in July. The 20Y GOM Bond traded at a weighted average yield of 4.34% against 5.14% in the previous month.

International equities remained resilient in July following the progress in vaccines rollout, the easing of restrictions in several key markets and expectations of upbeat earnings despite higher US inflation readings, China's regulatory crackdown and the uptick in Covid-19 cases driven by the delta variant; the MSCI World index posted a return of 1.7%.

The S&P500 index added 2.3% MoM supported by strong earnings. The IHS Markit Purchasing Managers' Index (PMI) edged up to a record high of 63.4 in July (June 2021: 62.1) backed by booming demand and significant improvements in operating conditions across the US manufacturing sector. Constrained capacity and record supplier shortages, however, led to strong price pressures. YoY inflation rate rose to 5.4% in June compared to 5.0% in May 2021.

Eurostoxx 50 index advanced by 0.6% in July after concerns over the spread of the delta variant offset the optimism from robust corporate earnings. The CAC 40 and FTSE MIB indices registered respective returns of 1.6% and 1.0% during the month while the DAX index added 0.1%. The Eurozone manufacturing activity remained robust in July but there was a loss in growth momentum, mainly attributable to supply chain disruptions – PMI marginally fell from 63.4 in June to 62.8 in July. In the UK, the FTSE 100 index registered a return of -0.1% MoM. PMI edged down to 60.4 in July against a previous month's reading of 63.9 as output and new order growth eased to a four-month low.

Japanese equities lagged its global peers with the Nikkei 225 registering a performance of -5.2%. With the number of Covid-19 cases reaching record levels, Japan authorities extended the state of emergency. Manufacturing sector output improved in July, supported by stronger growth in both output and new orders – PMI rose from 52.4 to 53.0 over the month.

Emerging equities continued to lag developed markets, dragged down by the weak performance of Chinese stocks; the MSCI Emerging Markets index returned -7.0% in July. In China, the CSI300 index registered -7.9% MoM in local currency and -8.0% in USD terms amid announcements of tighter regulations across several sectors. The growth in Chinese manufacturing sector eased in July amid the relatively subdued demand conditions with PMI falling to 50.3 against 51.3 in June, the lowest in 15 months. In India, the BSE Sensex gained 0.2% MoM. The manufacturing sector recovered in July with PMI moving back above its 50-mark threshold – PMI rose to 55.3 over the month (June 2021: 48.1) on account of easing Covid-19 restrictions and improved demand.

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