

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 394.1M

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%

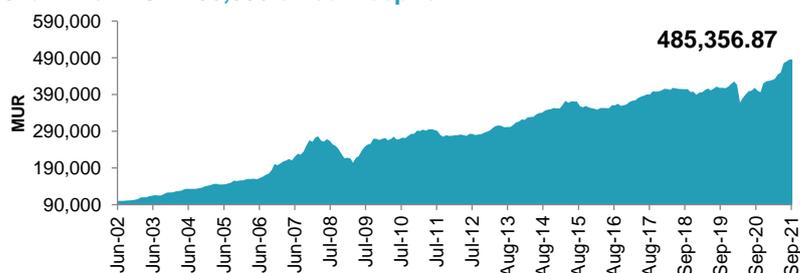
Exit fee: 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2021	2020	2019	2018	2017	2016
Fund	0.0%	2.1%	13.9%	21.1%	19.9%	33.0%	385.4%	8.6%	19.1%	-1.8%	0.3%	4.7%	9.7%	-5.0%
Benchmark	-0.3%	2.2%	12.7%	20.2%	17.6%	38.0%	341.5%	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	0.98	0.98	0.98	0.88
Regression alpha	1.64	0.59	-0.66	0.36
Beta	0.94	0.99	1.00	0.86
Annualised volatility	7.5%	9.6%	7.7%	7.5%
Annualised tracking error	1.6%	1.8%	1.7%	3.9%

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

Asset allocation

Asset class	% Fund
International Equities	30.9%
Domestic Equities	31.6%
Domestic Fixed Income	36.8%
Cash	0.7%
Total	100.0%

Top 5 countries	% Fund
Mauritius	68.4%
United States	18.2%
India	2.6%
United Kingdom	1.5%
China	1.0%
Total	91.7%

Top currency	% Fund
Mauritian Rupee	68.7%
US Dollar	28.1%
Euro	3.2%
Total	100.0%

Domestic sectors	% Fund
Banking & Insurance	16.3%
Commerce	4.9%
Industry	4.9%
Leisure & Tourism	2.3%
Property	2.0%
Investment	1.2%
Transport	0.0%
Total	31.6%

Top 10 international industries	% Fund
Software & Services	4.9%
Media & Entertainment	2.3%
Health Care Equipment & Services	2.2%
Pharmaceuticals, Biotech & Life Sciences	2.2%
Capital Goods	2.2%
Banks	2.0%
Semiconductors & Equipment	2.0%
Technology Hardware & Equipment	1.6%
Diversified Financials	1.5%
Retailing	1.5%
Total	22.4%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Limited	10.6%	Apple Inc.	0.9%
iShares MSCI World ETF	8.2%	Microsoft Corp	0.9%
SIT Bond 25/04/2024	5.2%	Amazon.com Inc	0.5%
Vanguard S&P 500 ETF	4.5%	HDFC Bank Limited	0.4%
CIM Financial Services Ltd 31/07/2025	3.8%	Facebook Inc - Class A	0.4%
Government of Mauritius Bond 20/08/2036	3.8%	Taiwan Semiconductors Manufacturing Co. Ltd	0.4%
IBL Ltd	3.4%	Alphabet Inc - Class A	0.3%
SBM MUR Note Class A2 Series Bond 28/06/2028	3.2%	Nvidia Corp	0.3%
SBM Holdings Ltd	3.1%	ASML Holding NV	0.2%
FF - Asia Pacific Opportunités "A" (USD) Acc	2.9%	Novo Nordisk A/S-B	0.2%
Total	48.7%	Total	4.5%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 31.71 in August to MUR 31.46 in September, equivalent to a return of 0.0%, while the benchmark posted -0.3%.

Local equity indices posted positive performances in September with the SEMDEX and DEMEX closing the month at 2,010.58 and 285.86 points, equivalent to respective returns of +2.9% and +3.5%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, LUX and ALTG while the main laggards were SBMH, ENL and SUN. The top three gainers in terms of price returns were LUX (+17.0%), TERA (+8.8%) and POL (+8.2%) and the top three losers were ENL (-8.2%), ASL (-7.7%) and BMH (-6.2%). The price-earnings ratio and dividend yield of the SEMDEX stood at 14.75x and 2.94%, respectively, as at 30 September against corresponding figures of 14.04x and 2.01% as at 31 August. Net foreign disinvestments of MUR 174.4Mn were driven by the sell-offs in the MCBG, TERA and SBMH.

In September, yield on the 91D Treasury Bills remained unchanged at 0.84% since there was no issuance. 182D Treasury Bills worth MUR 1.5Bn were issued at a weighted average yield of 0.89%, equivalent to a decline of 3bps from the preceding issuance. The GOM also MUR 1.0Bn of 364D Treasury Bills in two tranches at weighted average yields of 1.00% and 0.93%. The yield on 3Y GOM Note increased from 1.97% to 2.38% following a net tender amount of MUR 4.5Bn while a 5Y GOM Bond for MUR 2.2Bn traded at an average weighted yield of 2.87%, 21bps higher than the previous issuance. For longer-term bonds, 20Y GOM Bond yield rose from 4.31% to 4.96% following a tender amount of MUR 2.5Bn. There were no new issuances of the 10Y and 15Y GOM Bonds during the month.

International equities ended the month in red as a Hawkish Fed, fear of systemic risks from China's Evergrande default and the threat of a US government shutdown dominated headlines. The rising global energy prices and supply chains bottlenecks raised inflation concerns. The MSCI World index posted a return of -4.3% MoM.

The S&P500 index registered its worst performance since March 2020, posting -4.8% in September. Stocks declined as investors assessed the possibility of a slower economic recovery and priced in the scaling back of asset purchases in November. The IHS Markit Purchasing Managers' Index (PMI) dropped to a 5-month low of 60.7 in September (August 2021: 61.1) as the ongoing supply chain issues and labour shortages hampered production, causing an unprecedented rise in backlogs.

Eurostoxx 50 posted -3.5% MoM as inflation fears weighed on investor sentiment. The FTSE MIB and CAC 40 indices recorded respective returns of -1.3% and -2.4% while the DAX index registered -3.6%. The Eurozone manufacturing growth slowdown continued in September amid supply chain headwinds and high inflationary pressures - PMI edged down from 61.4 in August to 58.7 in September. In the UK, the FTSE 100 index witnessed a return of -0.5%. Growth of manufacturing output and new orders eased sharply as raw material shortages and port delays disrupted production schedules - PMI declined to 57.1 in September against 60.3 in August.

Japanese equities registered strong performances after Prime Minister Yoshihide Suga's resignation announcement fuelled investor optimism for possible stimuli under a new prime minister; the Nikkei 225 added 4.9%. PMI eased from 52.7 in August to 51.5 in September, indicating a softer improvement in operating conditions. Price pressures intensified amid the sustained input shortages and the rising number of Covid-19 cases.

Emerging equities slightly outperformed developed markets during the month after the MSCI Emerging Markets index recorded -4.2%. The CSI 300 index witnessed a monthly return of 1.3% in local currency terms and 1.5% in USD terms. Risks remained skewed to the downside amid the Evergrande default and the potential impact of a power shortage in China. Operating conditions across China's manufacturing sector stabilised in September, driven by a renewed upturn in domestic sales; PMI edged up to 50.0 (August 2021: 49.2). However, the resurgence in the number of Covid-19 cases in several regions as well as the relatively subdued demand and shortfall in materials weighed on production. In India, the BSE Sensex gained 2.7% MoM. The easing of Covid-19 restrictions and the strengthening of demand conditions supported the Indian manufacturing sector with PMI rising from 52.3 in August to 53.7 in September.

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Important notes

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