

**SBM Yield Fund**NAV per share **MUR 11.78****Investment objective**

The Fund seeks to achieve its investment objective of long-term capital growth and regular income by investing in fixed income & fixed income-related instruments across different geographies, issuers, maturities and currencies. It may invest in bonds, term deposits, ETFs, preferred stocks, convertible bonds, structured products & mortgage backed securities, amongst others.

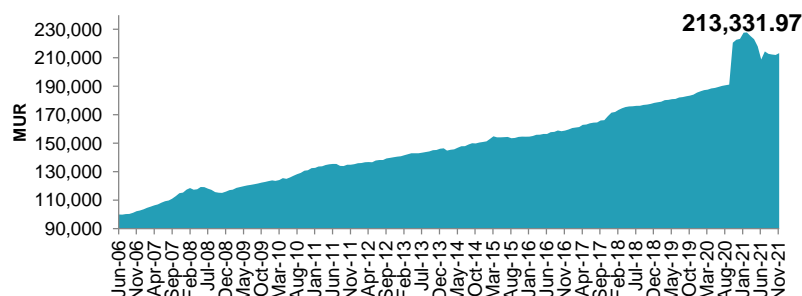
**Fund facts****Investment Manager:** SBM Mauritius Asset Managers Ltd**Fund Administrator:** SBM Fund Services Ltd**Registry and Transfer Agent:** SBM Fund Services Ltd**Custody:** SBM Bank (Mauritius) Ltd**Auditor:** Deloitte Mauritius**Benchmark:** 60% GOM 3Y Notes + 40% Barclays Agg Bond Index\***Distribution:** Quarterly subject to distributable income**Investor profile:** Moderately Conservative

\*Applicable as from Sep-2018. Previous Benchmark: Savings + 2%

**Inception date:** 30 Jun 2006**Fund size:** MUR 222.3Mn**Base currency:** MUR**Minimum one-off investment:** MUR 1,000**Monthly investment plan:** MUR 500**Management fee:** 0.85% p.a.**Entry fee:** 0.50%**Exit fee:** 0.50%**Performance**

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2021	2020	2019	2018	2017	2016
Fund	0.6%	0.3%	-4.5%	-4.2%	20.1%	34.2%	113.3%	5.0%	10.2%	4.6%	2.9%	7.3%	4.8%	1.4%
Benchmark	0.3%	0.0%	2.7%	2.8%	20.5%	21.9%	130.2%	5.6%	4.7%	8.5%	6.0%	2.5%	3.1%	2.1%

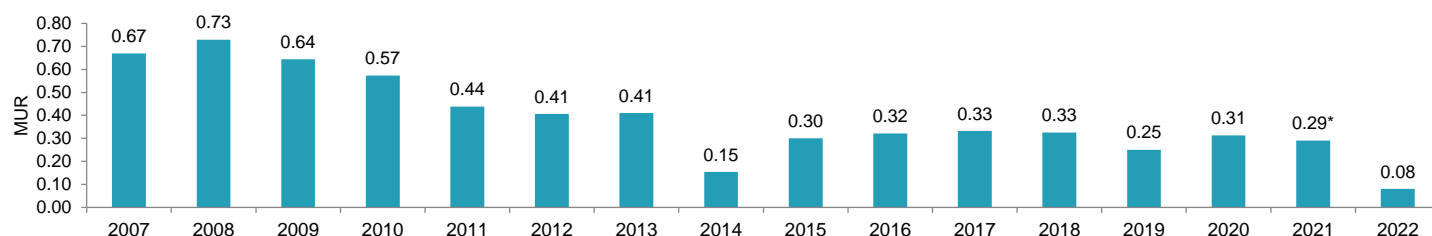
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. Past performance is not indicative of future results. The benchmark 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	-0.59	-0.13	-0.12	-0.09
Regression alpha (%)	0.50	10.31	9.01	7.28
Beta	-1.63	-0.53	-0.48	-0.33
Annualised volatility	6.3%	9.6%	7.4%	4.5%
Annualised tracking error	7.8%	10.2%	7.9%	4.7%

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

Average term to maturity (yrs)	8.34
Gross yield to maturity	3.32%
Duration (yrs)	6.13

**Dividend per Share**

\*Quarterly dividend distribution as from FY21

**Asset allocation**

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	90.8%	Mauritius	90.8%	Mauritian Rupee	90.1%
International Fixed Income	5.3%	North America	5.3%	US Dollar	9.9%
Domestic Equity	0.0%	Central Asia	0.0%	Euro	0.0%
Cash	3.9%	<b>Total</b>	<b>96.1%</b>	<b>Total</b>	<b>100.0%</b>
<b>Total</b>	<b>100.0%</b>				

**Asset allocation (continued)**

Sector	% Fund
Government	62.3%
Financial	18.6%
Diversified	6.9%
Industrial	2.7%
Consumer, Non-cyclical	2.4%
Technology	1.0%
Consumer, Cyclical	1.0%
Communications	0.8%
Utilities	0.3%
Energy	0.1%
Basic Materials	0.1%
<b>Total</b>	<b>96.1%</b>

Top 10 Holdings	% Fund
Government of Mauritius Bond 08/02/39	9.4%
Government of Mauritius Bond 25/01/28	8.0%
Government of Mauritius Bond 12/06/22	5.9%
Government of Mauritius Bond 07/09/38	5.8%
Government of Mauritius Bond 11/05/38	5.3%
IBL Ltd Series 2 Notes 08/09/22	4.6%
Government of Mauritius Bond 22/07/36	4.4%
iShares Core US Aggregate Bond ETF	4.4%
CIM Financial Services Ltd Notes 31/07/25	4.1%
Government of Mauritius Bond 09/11/33	3.6%
<b>Total</b>	<b>55.5%</b>

**Market comments**

The Net Asset Value per unit (NAV) of the Fund fell from MUR 11.79 in October to MUR 11.78 in November, equivalent to a return of 0.6% after paying a dividend of MUR 0.08 per unit. As a comparison, its benchmark yielded 0.3%.

In November, the yield on the 91D Treasury Bills remained unchanged at 0.84% since there was no new issuance. The GOM issued MUR 1.6Bn of 182D Treasury Bills in two tranches at weighted average yields of 0.84% and 0.75%. 364D Treasury Bills worth MUR 1.6Bn were issued at a weighted average yield of 0.83%, 14bps lower than the previous issuance. The yield on 3Y GOM Note decreased from 2.38% to 2.28% following a net tender amount of MUR 2.5Bn while a 5Y GOM Bond for MUR 2.2Bn was auctioned at an average weighted yield of 3.15%, equivalent to an increase of 6bps from the preceding issuance. The yield on the 10Y GOM Bond fell from 4.56% in October to 4.36% in November following an auction of MUR 2.0Bn. There were no new issuances of 15Y and 20Y GOM Bonds during the month.

Yields on the secondary market were generally on the downtrend. The corresponding yields on 91D Treasury Bills and 182D Treasury Bills fell by 4bps and 10bps to reach 0.56% and 0.70%, respectively. The 364 Treasury Bills traded at 0.84% in November, 7bps lower than the earlier month. 3Y GOM Note and 5Y GOM Bond traded at weighted average yields of 2.28% and 3.01% respectively in November against previous readings of 2.37% and 3.06%. The 10Y GOM Bond yields fell by 18bps to 4.25% and the 15Y GOM Bond yields traded at 4.55% against 4.65% in the previous month. The 20Y GOM Bond yields declined from 4.87% in October to 4.74% in November.

The Barclays Global Aggregate Bond index tumbled by -0.3% in November as market participants anticipated major central banks to tighten monetary policy sooner than expected amid strengthening inflation. The emergence of the Omicron variant triggered a bond rally as investors turned to safe-haven assets amid fear mounting over the effectiveness of existing vaccines against the Omicron variant. The US Federal Reserve (Fed) left the target Fed Funds rate unchanged at 0%-0.25%. The Fed decided to scale back its USD 120 billion monthly asset purchase by USD 15 billion, following substantial progress made towards its dual goals of maximum employment and price stability. Jerome Powell has been nominated for a second term as chair of the Fed, heralding continuity in Fed policy. The Chairman indicated that the Fed could fasten the pace of tapering to curb inflationary pressures. 10-year US Treasury yield dropped 11 bps from 1.55% in October to 1.44% in November amid concerns around the Omicron variant.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 2 November 2021, voted to maintain the Bank Rate at 0.1% and keep the stock of sterling non-financial investment-grade corporate bond purchases unchanged at GBP 20 billion. UK CPI inflation surged to a 10-year high of 4.2% in October against a market consensus of 3.9%; mainly on account of higher wholesale gas prices. The 10-year UK Gilt yields fell by 23 bps to 0.81% in November following the BoE's decision to keep rates on hold and on concerns that Omicron could further delay rate hikes.

The European Central Bank (ECB) kept the interest rate unchanged on the main refinancing operations and the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively. According to Eurostat's flash estimate, Eurozone inflation accelerated to a record high of 4.9% in November primarily on account of higher energy prices. The Governing Council decided to moderately lower pace of net asset purchases under the pandemic emergency purchase programme (PEPP) than in the second and third quarters of this year. European bond yields were generally on the downtrend reflecting fears of new pandemic lockdowns in Europe weighing on economic activity. The corresponding yield on 10-year German and Spanish bonds tumbled by 24 bps and 21 bps to -0.35% and 0.40%, respectively. The yield on 10-year Italian bonds dropped 20 bps to 0.97% in November.

In Japan, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank of Japan (BoJ) maintained the short-term interest rate unchanged at -0.1%. 10-year Japanese government bonds (JGBs) traded at 0.06% in November, 4 bps below the preceding month's reading; remaining well within the BoJ's target range of 0% +/- 25bps under its Yield Curve Control policy. JGBs rallied as concerns over the return of COVID-19 restrictions in Europe and fears surged over the effectiveness of existing vaccines against the Omicron variant; underpinning demand for safe-haven bonds.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year and 5-year loan prime rates at 3.85% and 4.65%, respectively. The yield on 10-year Chinese bonds fell from 2.97% to 2.86% in November as the PBoC signalled a shift toward easier monetary policy amid a deterioration in China's economic outlook. In India, no Monetary Policy Committee (MPC) meeting was held during the month. The repo rate was left unchanged at 4.0% under the liquidity adjustment facility (LAF). Consumer price inflation stood at 4.48% in September, remaining within the RBI's medium-term target of 2% to 6%, corroborating the MPC's assessment of the spike in inflation in May (6.30%) as transitory. 10-year Government of India bond yields decreased by 6 bps to 6.33% in November, tracking the fall in US Treasury yields following the discovery of Omicron variant that could potentially derail the global economic recovery.

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E-mail: [sbm.assetm@sbmgroupp.mu](mailto:sbm.assetm@sbmgroupp.mu)For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>**Important notes**

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