

## Investment objective

The investment objective of the Fund is to seek significant long-term capital appreciation by investing in a diversified portfolio comprising of equities and equity-related securities in both the domestic and international stock markets. The Fund is suitable for investors who are risk-seekers and having a medium- to long-term investment horizons.

## 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:** 40% SEMTRI + 60% MSCI AC World index\*

**Distribution:** Subject to distributable income

**Investor profile:** Growth / Aggressive

**Inception date:** 4 Feb 2016

**Fund size:** MUR 151.9M

**Base currency:** MUR

**Minimum one-off investment:** MUR 2,000

**Minimum monthly investment plan:** MUR 500

**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

\*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

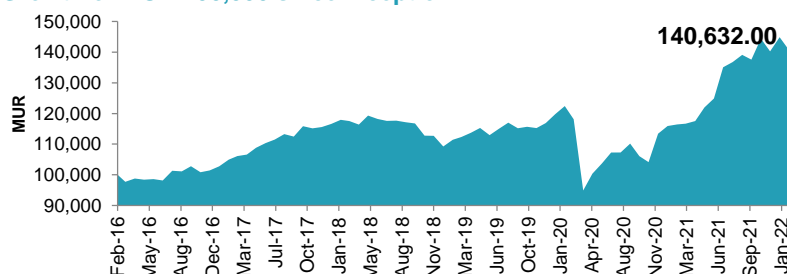
## Performance

| Period    | 1M    | 3M    | YTD   | 1Y    | 3Y    | 5Y    | Launch | Annualised | 2021  | 2020  | 2019  | 2018 | 2017  | 2016* |
|-----------|-------|-------|-------|-------|-------|-------|--------|------------|-------|-------|-------|------|-------|-------|
| Fund      | -3.0% | -2.6% | -3.0% | 20.8% | 26.2% | 34.0% | 40.6%  | 5.8%       | 26.0% | -6.7% | -2.2% | 5.5% | 13.6% | -1.9% |
| Benchmark | -2.2% | -0.7% | -2.2% | 25.6% | 28.5% | 51.8% | 66.4%  | 8.9%       | 26.1% | -7.0% | 1.3%  | 8.7% | 20.2% | 0.1%  |

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% MSCI AC World index (MUR) and 40% SEMTRI, 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.

\* since inception in Feb-16

## Growth of MUR 100,000 since inception



## Fund statistics

| Period                    | 1Y    | 3Y    | 5Y    | Launch |
|---------------------------|-------|-------|-------|--------|
| Correlation               | 0.99  | 0.99  | 0.99  | 0.98   |
| Regression alpha (%)      | -3.50 | -0.98 | -3.07 | -3.39  |
| Beta                      | 0.98  | 0.95  | 0.94  | 0.94   |
| Annualised volatility     | 11.1% | 15.7% | 12.6% | 11.7%  |
| Annualised tracking error | 1.9%  | 2.4%  | 2.3%  | 2.3%   |

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

## Asset allocation

| Asset class            | % Fund        |
|------------------------|---------------|
| International Equities | 57.0%         |
| Domestic Equities      | 41.8%         |
| Cash                   | 1.2%          |
| <b>Total</b>           | <b>100.0%</b> |

| Top 5 countries          | % Fund       |
|--------------------------|--------------|
| Mauritius                | 41.8%        |
| United States of America | 35.8%        |
| India                    | 3.9%         |
| United Kingdom           | 2.1%         |
| Japan                    | 2.0%         |
| <b>Total</b>             | <b>85.6%</b> |

| Top currency    | % Fund        |
|-----------------|---------------|
| Mauritian Rupee | 42.9%         |
| US Dollar       | 53.7%         |
| Euro            | 3.4%          |
| <b>Total</b>    | <b>100.0%</b> |

| Domestic sectors    | % Fund       |
|---------------------|--------------|
| Banking & Insurance | 21.6%        |
| Commerce            | 5.8%         |
| Industry            | 6.4%         |
| Investment          | 2.4%         |
| Leisure & Tourism   | 2.9%         |
| Property            | 2.7%         |
| Sugar               | 0.0%         |
| <b>Total</b>        | <b>41.8%</b> |

| Top 10 international industries          | % Fund       |
|--|--------------|
| Software & Services                      | 7.6%         |
| Semiconductors & Equipment               | 5.7%         |
| Pharmaceuticals, Biotech & Life Sciences | 4.0%         |
| Capital Goods                            | 3.8%         |
| Banks                                    | 3.8%         |
| Media & Entertainment                    | 3.8%         |
| Technology Hardware & Equipment          | 3.6%         |
| Health Care Equipment & Services         | 3.2%         |
| Diversified Financials                   | 2.8%         |
| Retailing                                | 2.4%         |
| <b>Total</b>                             | <b>40.6%</b> |

## Asset allocation (continued)

| Top 10 holdings                                   | % Fund       | Top 10 international holdings *             | % Fund      |
|---|--------------|---|-------------|
| MCB Group Ltd                                     | 13.4%        | Apple Inc.                                  | 2.3%        |
| Vanguard S&P 500 ETF                              | 4.9%         | Microsoft Corp                              | 2.1%        |
| iShares MSCI ACWI ETF                             | 4.8%         | Amazon.com Inc                              | 1.0%        |
| Fidelity Asia Pacific Opportunities "A" (USD) Acc | 4.6%         | Alphabet Inc - Class A                      | 0.7%        |
| IBL Ltd   | 4.5%         | Taiwan Semiconductors Manufacturing Co. Ltd | 0.7%        |
| iShare Core MSCI World UCITS                      | 4.4%         | Nvidia Corp                                 | 0.7%        |
| iShares MSCI World ETF                            | 4.4%         | Meta Platforms Inc - Class A                | 0.6%        |
| SPDR S&P 500 ETF Trust                            | 4.2%         | HDFC Bank Limited                           | 0.6%        |
| SBM Holdings Ltd                                  | 4.1%         | JPMorgan Chase & Co                         | 0.5%        |
| Vanguard TOT World STK ETF                        | 3.4%         | Berkshire Hathaway Inc - Class B            | 0.4%        |
| <b>Total</b>                                      | <b>52.7%</b> | <b>Total</b>                                | <b>9.6%</b> |

\* Look-through of foreign investments

## Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 14.49 in December to MUR 14.06 in January, equivalent to a return of -3.0%, while the benchmark posted -2.2%.

Local equity indices posted positive performances in January with the SEMDEX and DEMEX closing the month at 2,136.55 and 305.84 points, equivalent to respective returns of +1.8% and +0.1%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MUAL, SBMH and LUX while the main laggards were MCBG, ENL and NIT. The top three gainers in terms of price returns were MUAL (+15.3%), LUX (+9.3%) and ROGERS (+7.0%) and the top three losers were NIT (-6.3%), ASL (-5.7%) and BLL (-5.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 14.19x and 2.83% respectively, as at 31 January against corresponding figures of 14.03x and 2.85% as at 31 December. Net foreign disinvestments of MUR 105.3M were mainly driven by sell-offs in MCBG, PBL and Afrexim.

International equities ended the month in negative territory amid concerns that a more aggressive tightening by the Fed may impact the economic growth outlook and stock valuations. With inflation remaining persistently high and tensions escalating between Russia and Ukraine, the global equity sell-off accentuated towards the end of the month, albeit a pick-up was noted during the last trading sessions – the MSCI World index posted a return of -5.3% MoM.

The S&P500 registered -5.3% in January, its biggest monthly pullback since March 2020. 10 out of the 11 major GICS sectors closed the month with negative returns while the energy sector gained 19.0% MoM amid the rally in oil prices. Despite the lingering concerns over the Fed's hawkish stance, losses were capped as investors shifted their focus on strong earnings beat by the end of the month. The IHS Markit Purchasing Managers' Index (PMI) dropped to its lowest since October 2020, from 57.7 in December 2021 to 55.5 in January, on account of subdued demand and new orders rising at the slowest pace in 16 months. The Omicron Covid-19 variant, raw material and labour shortages weighed on output growth. The labour market report showed that the economy was moving closer to full employment with the unemployment rate standing at 4.0% in January (December 2021: 3.9%) and nonfarm payrolls rising by 467K in January, exceeding the 150K estimate.

Eurostoxx 50 recorded a return of -2.9% MoM spurred by the rising geopolitical tensions and concerns over rising rates. The DAX and CAC 40 indices registered respective MoM returns of -2.6% and -2.2% while the FTSE MIB posted -1.9%. The Eurozone manufacturing sector regained its growth momentum with a PMI reading of 58.7 in January against 58.0 in the previous month – production and new orders both increased at faster rates amid improving demand conditions and further signs of subsiding supply chain issues. The rising geopolitical tensions between Russia and Ukraine, and the energy price crisis however pose as headwinds for the forthcoming months. In the UK, the FTSE 100 index added 1.1%. PMI edged down from 57.9 in December to 57.3 in January, reflecting the slower growth in new orders.

Japanese equities followed the global equity trend with the Nikkei 225 posting a return of -6.2%. The lingering investor concerns about the pace of tightening by the Fed dragged markets. The manufacturing sector signalled a stronger improvement in operating conditions with output and new orders rising at the sharpest pace since February 2014 - PMI rose to 55.4 in January (December 2021: 54.3).

Emerging equities outperformed developed markets during the month with the MSCI Emerging Markets index posting a return of -1.9%. The CSI 300 index delivered a performance of -7.6% MoM in local currency and -7.7% in USD. Operating conditions worsened in China due to the uptick in the number of Covid-19 cases and new restrictions contributing to the deterioration of the manufacturing sector performance - PMI dropped below the 50-mark to 49.1 in January (December 2021: 50.9). While supply chain delays worsened during the month, weaker external demand weighed on overall sales. In India, the BSE Sensex registered a performance of -0.4% in January. The Indian manufacturing sector output momentum was mildly impacted by the new wave of the Omicron variant – PMI edged down to 54.0 in January against 55.5 in December.

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For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>

## Important notes

Unless otherwise specified, all information contained in this document is as at the factsheet date. Investment involves risks; Past performance is not indicative of guaranteeing the same future results as market conditions may fluctuate thereby affecting the investment return and thus strict reliance on such past performances shall not be relied upon by the investor to make any investment decision. Investors may additionally resort to an independent third party or independent legal advisor before making any investment decision. Investment involves risk, that includes the possible loss of principal. Asset allocation and diversification do not ensure a profit or protect against a loss.

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