Factsheet January 2022

SBM Universal Fund

NAV per share **MUR 32.14**

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

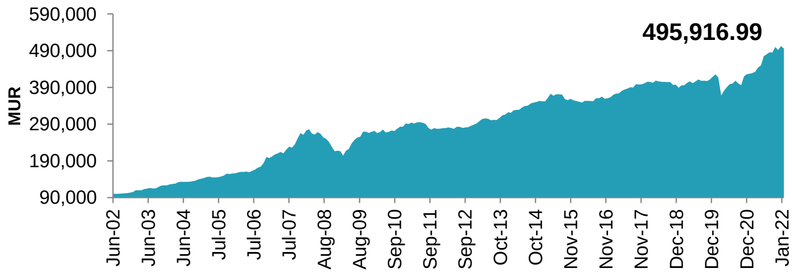
Inception date: 1 Jun 2002
Fund size: MUR 488.2M
Base currency: MUR
Minimum one-off investment: MUR 500
Minimum monthly investment plan: MUR 200
Management fee: 1.00% p.a.
Entry fee: 1.00%
Exit fee: 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2021	2020	2019	2018	2017	2016
Fund	-1.3%	-0.9%	-1.3%	16.0%	25.4%	34.0%	395.9%	8.5%	19.1%	-1.8%	0.3%	4.7%	9.7%	-5.0%
Benchmark	-1.0%	-0.4%	-1.0%	16.6%	24.7%	38.4%	355.1%	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 a blended benchmark comprising of 30% SEMDEX, 40% 1Y GOM Bill and 30% MSCI World 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	0.98	0.98	0.98	0.88
Regression alpha (%)	-0.49	0.21	-0.77	0.32
Beta	1.00	1.00	0.99	0.86
Annualised volatility	6.8%	9.7%	7.8%	7.5%
Annualised tracking error	1.5%	1.7%	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	29.0%
Domestic Equities	30.1%
Domestic Fixed Income	34.8%
Cash	6.1%
Total	**100.0%**

Top 5 countries	% Fund
Mauritius	64.9%
United States	18.0%
India	2.2%
United Kingdom	1.2%
China	0.9%
Total	**87.1%**

Top currency	% Fund
Mauritian Rupee	70.2%
US Dollar	27.4%
Euro	2.4%
Total	**100.0%**

Domestic sectors	% Fund
Banking & Insurance	15.5%
Industry	5.0%
Commerce	3.8%
Leisure & Tourism	2.2%
Property	1.9%
Investment	1.7%
Transport	0.0%
Total	**30.1%**

Top 10 international industries	% Fund
Software & Services	4.0%
Semiconductors & Equipment	2.8%
Pharmaceuticals, Biotech & Life Sciences	2.1%
Capital Goods	2.0%
Media & Entertainment	1.9%
Banks	1.8%
Technology Hardware & Equipment	1.8%
Health Care Equipment & Services	1.7%
Diversified Financials	1.4%
Retailing	1.2%
Total	**20.8%**

Asset allocation (continued)

Top 10 holdings	% Fund
MCB Group Limited	9.5%
iShares MSCI World ETF	8.3%
Vanguard S&P 500 ETF	4.4%
SIT Bond 25/04/2024	4.1%
IBL Ltd	3.1%
Government of Mauritius Bond 14/01/37	3.1%
SBM Holdings Ltd	3.1%
Government of Mauritius Bond 20/08/2036	3.1%
CIM Financial Services Ltd 31/07/2025	3.1%
FF - Asia Pacific Opportunites "A" (USD) Acc	2.6%
Total	**44.4%**

Top 10 international holdings *	% Fund
Apple Inc.	1.2%
Microsoft Corp	1.0%
Amazon.com Inc	0.5%
Alphabet Inc - Class A	0.4%
Taiwan Semiconductors Manufacturing Co. Ltd	0.4%
Nvidia Corp	0.4%
HDFC Bank Limited	0.3%
Meta Platforms Inc - Class A	0.3%
JPMorgan Chase & Co	0.2%
UnitedHealth Group Inc	0.2%
Total	**4.9%**

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 32.57 in December to MUR 32.14 in January, equivalent to a return of -1.3%, while the benchmark posted -1.0%.

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.

In January, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no new issuance. The GOM issued MUR 1.4Bn of 182D Treasury Bills in two tranches at weighted average yields of 0.72% and 0.70%. 364D Treasury Bills worth MUR 1.4Bn were also issued at a weighted average yield of 0.79%, 2bps higher than the previous issuance. The yield on the 3Y GOM Note decreased from 2.25% to 2.22% following a net tender amount of MUR 2Bn. A 15Y GOM Bond for MUR 2.5Bn was auctioned at an average weighted yield of 4.45%, equivalent to a decrease of 19bps from the preceding issuance. There were no new issuances of 5Y, 10Y and 20Y GOM Bonds during the month.

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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Important notes