

SBM Yield FundNAV per share **MUR 11.87****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.

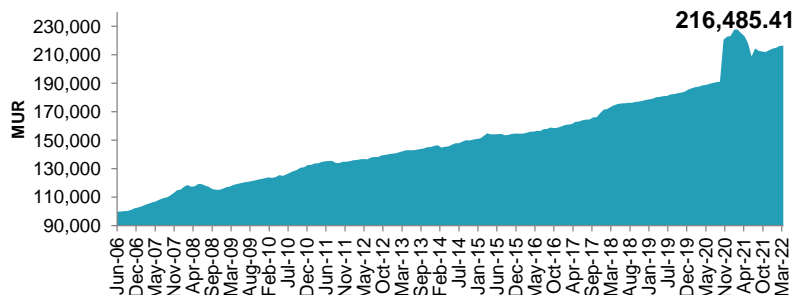
Fund facts**Investment Manager:** SBM Mauritius Asset Managers Ltd**Fund Administrator:** SBM Fund Services Ltd**Registry and Transfer Agent:** SBM Fund Services Ltd**Custody:** SBM Bank (Mauritius) Ltd**Auditor:** Deloitte Mauritius**Benchmark:** 60% GOM 3Y Notes + 40% Barclays Agg Bond Index***Distribution:** 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 204.2Mn**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	0.1%	1.0%	1.0%	-3.9%	20.1%	34.1%	116.5%	5.0%	10.2%	4.6%	2.9%	7.3%	4.8%	1.4%
Benchmark	-1.2%	-1.0%	-1.0%	2.5%	15.9%	21.7%	128.2%	5.4%	4.7%	8.5%	6.0%	2.5%	3.1%	2.1%

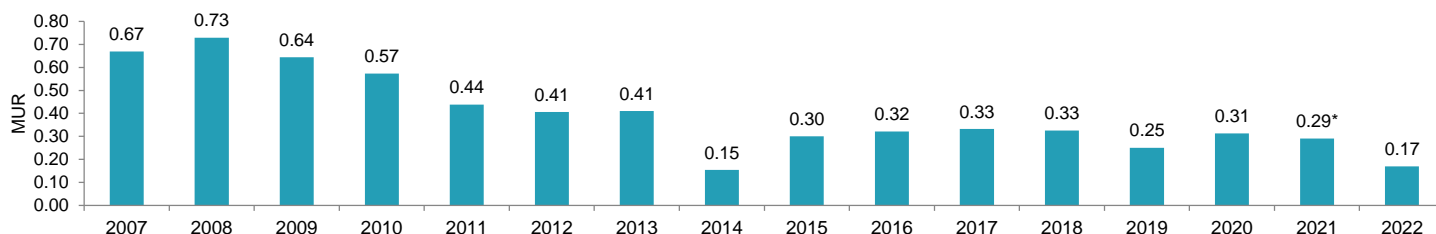
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. Past performance is not indicative of future results. The benchmark 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	-0.50	-0.11	-0.10	-0.07
Regression alpha (%)	-1.30	8.91	8.37	9.43
Beta	-1.05	-0.42	-0.36	-0.25
Annualised volatility	5.9%	9.6%	7.4%	4.4%
Annualised tracking error	7.7%	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)	7.42
Gross yield to maturity	3.71%
Duration (yrs)	5.67

Dividend per Share

*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	88.7%	Mauritius	88.7%	Mauritian Rupee	89.5%
International Fixed Income	9.5%	North America	9.5%	US Dollar	10.5%
Domestic Equity	0.0%	Total	98.2%	Euro	0.0%
Cash	1.8%			Total	100.0%
Total	100.0%				

Asset allocation (continued)

Sector	% Fund
Government	57.6%
Financial	20.6%
Diversified	7.6%
Industrial	3.0%
Consumer, Non-cyclical	2.7%
Property	2.5%
Technology	1.2%
Consumer, Cyclical	1.2%
Communications	0.9%
Utilities	0.3%
Energy	0.2%
Basic Materials	0.2%
Others	0.1%
Total	98.2%

Top 10 Holdings	% Fund
Government of Mauritius Bond 25/01/28	8.6%
Government of Mauritius Bond 07/09/38	6.4%
Government of Mauritius Bond 12/06/22	6.4%
Government of Mauritius Bond 11/05/38	6.0%
IBL Ltd Series 2 Notes 08/09/22	5.0%
Government of Mauritius Bond 08/02/39	4.6%
iShares Core US Aggregate Bond ETF	4.6%
CIM Financial Services Ltd Notes 31/07/25	4.6%
Fidelity US Dollar Bond "A" (USD) Acc	3.9%
Government of Mauritius Bond 22/01/33	3.2%
Total	53.3%

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.85 in February to MUR 11.87 in March, equivalent to a return of 0.1% compared to its benchmark return of -1.2%.

In March, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no new issuance. The GOM auctioned MUR 1.6Bn of 182D Treasury Bills in two tranches at weighted average yields of 0.69% and 0.83%. 364D Treasury Bills worth MUR 1.6Bn were also issued at a weighted average yield of 0.90%, 12bps higher than previously. The yield on 3Y GOM note increased from 2.16% to 2.26% following a tender amount of MUR 2.5Bn while 5Y Bonds for MUR 4.4Bn were auctioned at weighted average yield of 2.93%, 9bps above the previous issuance. There were no fresh issuances of 10Y, 15Y and 20Y GOM Bonds during the month.

Yields on the secondary market were generally on the uptrend. The corresponding yields on 91D Treasury Bills and 182D Treasury Bills surged by 11bps and 13bps to reach 0.66% and 0.77%, respectively. The 364 Treasury Bills traded at 0.92% in March, 16bps higher than the preceding month. The 3Y GOM Note and 5Y GOM Bond traded at weighted average yields of 2.22% and 2.96% in March against earlier readings of 2.17% and 2.90%. The 10Y GOM Bond traded at a yield of 4.14% against 4.08% in the previous month while the 15Y GOM Bond yield marginally rose by 1bp to 4.38%. The average yield on 20Y GOM Bond increased from 4.50% in February to 4.54% in March.

The Barclays Global Aggregate Bond index tumbled by 3.0% in March as inflation continued to surprise to the upside, fueling further hawkish shifts by major central banks. The US Federal Reserve (Fed) raised the target Fed Funds rate by 25 bps to 0.25%-0.50% at its March meeting as expected. The dot plot shows that median voting member at the Fed now forecasts seven 25 bps rate hikes in 2022 and four hikes next year. Moreover, the Committee expects to begin reducing the size of its now USD 9.0 trillion balance sheet. The 10-year US Treasury yield increased by 51 bps from 1.83% in February to 2.34% in March as the Fed signaled a faster and more front-loaded pace of hikes on the back of higher inflation expectations and very strong labour market conditions.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 17 March 2022, voted by majority to increase the Bank Rate by 25 bps to 0.75%. UK CPI inflation surged to a 30-year high of 6.2% in February. According to the BoE's March 2022 projections, the invasion of Ukraine by Russia is likely to accentuate both the peak in inflation and the adverse impact on economic activity. CPI inflation is forecasted to rise to around 8% in April, and hover around that rate for the rest of the quarter. The 10-year UK Gilt yields increased by 20 bps to 1.61% in March as the BoE remains hawkish amid persistent inflationary pressures.

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. The Governing Council expects to discontinue net asset purchases under the PEPP at the end of March 2022 and the asset purchase programme (APP) will gradually end over the Q3:2022, conditional on economic data and the ECB's evolving assessment of the outlook. According to Eurostat's flash estimate, Eurozone inflation accelerated to a record high of 7.5% in March, significantly overshooting expectations, primarily on account of higher food and energy prices. European bond yields were generally on the uptrend primarily on account of higher inflation expectations in near term, the ECB's tapering, and hopes of progress in peace talks over Ukraine. The corresponding yield on 10-year German and Spanish bonds increased by 41 bps and 32 bps to 0.55% and 1.44 %, respectively. The yield on 10-year Italian bonds surged by 33 bps to 2.04% in March.

The Bank of Japan (BoJ), at its Monetary Policy Committee (MPC) meeting ending on 17 March 2022, decided to maintain the short-term interest rate unchanged at -0.1%. Amid the global bond market rout, 10-year JGB yields surged above the 0.25% upper limit under BoJ's Yield Curve Control policy. The BoJ reiterated its accommodative stance by announcing a plan to buy unlimited amounts of 10-year JGBs during the last four days of the month. Consequently, the BoJ managed to lower 10-year yields, sending them below the 0.25% target to 0.22% at the end of March 2022.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year loan prime rate and the 5-year loan prime rate at 3.70% and 4.60%, respectively. The yield on 10-year Chinese bonds stood at 2.79% at the end of March, unchanged from the previous month's reading. Headline economic data surprised to the upside whilst the biggest Covid-19 outbreak and spiking commodities exacerbate the 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 surged to 6.95% in March, above the 6% upper limit of the RBI's tolerance band for the third consecutive month. 10-year Government of India bond yields increased by 7 bps to 6.84% in March, tracking the increase in US treasury yields and crude oil prices.

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