

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 201.6Mn

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%

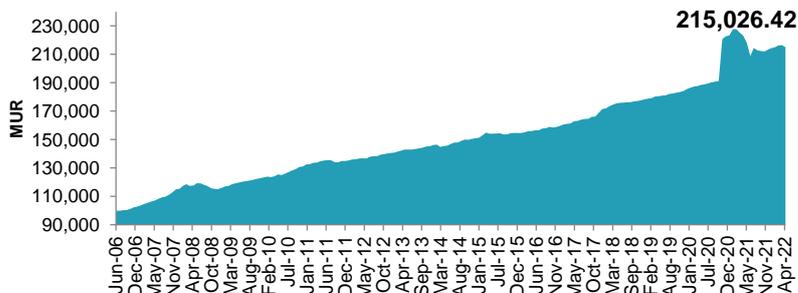
Exit fee: 0.50%

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2021	2020	2019	2018	2017	2016
Fund	-0.7%	0.0%	0.3%	-3.6%	19.1%	32.0%	115.0%	5.0%	10.2%	4.6%	2.9%	7.3%	4.8%	1.4%
Benchmark	-2.2%	-2.5%	-3.1%	-0.2%	13.2%	21.3%	123.3%	5.2%	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



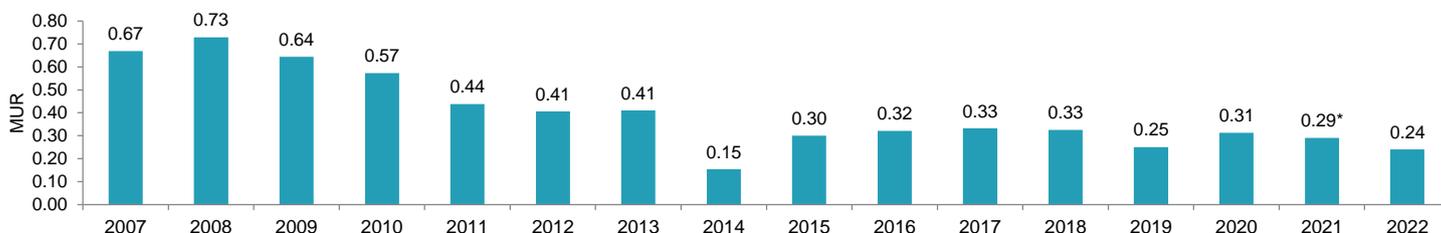
Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	-0.33	-0.06	-0.05	-0.03
Regression alpha (%)	-3.72	7.25	7.11	8.10
Beta	-0.53	-0.20	-0.17	-0.11
Annualised volatility	5.9%	9.6%	7.5%	4.4%
Annualised tracking error	7.9%	10.2%	8.0%	4.7%

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

Average term to maturity (yrs)	4.54
Gross yield to maturity	3.65%
Duration (yrs)	3.69

Dividend per Share



*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	72.3%	Mauritius	72.3%	Mauritian Rupee	90.1%
International Fixed Income	8.9%	North America	8.9%	US Dollar	9.9%
Domestic Equity	0.0%	Total	81.2%	Euro	0.0%
Cash	18.8%			Total	100.0%
Total	100.0%				

Asset allocation (continued)

Sector	% Fund
Government	40.9%
Financial	20.4%
Diversified	7.7%
Industrial	3.0%
Consumer, Non-cyclical	2.7%
Property	2.6%
Consumer, Cyclical	1.1%
Technology	1.1%
Communications	0.9%
Utilities	0.3%
Energy	0.2%
Basic Materials	0.1%
Others	0.0%
Total	81.0%

Top 10 Holdings	% Fund
Government of Mauritius Bond 25/01/28	8.8%
Government of Mauritius Bond 12/06/22	6.5%
IBL Ltd Series 2 Notes 08/09/22	5.0%
CIM Financial Services Ltd Notes 31/07/25	4.7%
iShares Core US Aggregate Bond ETF	4.3%
Fidelity US Dollar Bond "A" (USD) Acc	3.7%
Government of Mauritius Bond 22/01/33	3.2%
Government of Mauritius Bond 20/08/36	3.0%
Government of Mauritius Bond 15/01/36	2.8%
Inflation Indexed Bond 22/05/30	2.7%
Total	44.7%

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 11.87 in March to MUR 11.72 in April, equivalent to a return of -0.7% compared to its benchmark return of -2.2%.

In April, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no new issuance. The BoM auctioned MUR 2.4Bn of 182D Treasury Bills in three tranches at weighted average yields of 0.82%, 0.89% and 0.92%. 364D Treasury Bills worth MUR 1.6Bn were also issued at a weighted average yield of 1.01%, 11bps higher than the earlier month. The yield on 3Y GOM note increased from 2.26% to 2.47% following a tender amount of MUR 2.5Bn. 10Y GOM Bonds for MUR 2.5Bn were auctioned at a weighted average yield of 4.39%, 3bps above the previous issuance. There were no fresh issuances of 5Y, 15Y and 20Y GOM Bonds during the month.

On the secondary market, yields on the 91D Treasury Bills and 182D Treasury Bills rose by 5bps to reach 0.71% and 0.83%, respectively. The 364D Treasury Bills traded at 0.95% in April, 4bps higher than the previous month. The 3Y GOM Note and 5Y GOM Bond traded at weighted average yields of 2.44% and 2.98% respectively in April against earlier readings of 2.22% and 2.96%. The 10Y GOM Bond traded at a yield of 4.24% against 4.14% in the preceding month while the 15Y GOM Bond yield marginally increased by 2bps to 4.40%. The average yield on 20Y GOM Bond decreased from 4.54% in March to 4.52% in April.

The Barclays Global Aggregate Bond index tumbled by 5.2% in April as major central banks turned more hawkish amid rising inflationary risks to the upside. The US Federal Reserve (Fed) Chairman Jerome Powell's suggested the possibility of a 50 bps rate hike at its next meeting in May. The Committee expects to start reducing the size of its now USD 9.0 trillion balance sheet in H2:2022 by as much as USD 95Bn per month with monthly caps of about USD 60Bn for U.S. Treasuries and USD 35Bn for agency MBS. The 10-year US Treasury yield increased by 59 bps from 2.34% in March to 2.93% in April as the Fed signaled a faster and more front-loaded pace of hikes in an attempt to rein in inflation.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank of England (BoE) maintained the Bank Rate at 0.75%. UK CPI inflation surged to a 30-year high of 7.0% in March. According to the BoE's projections, CPI inflation is forecast 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 30 bps to 1.91% in April as the BoE remains hawkish amid persistent inflationary pressures.

The European Central Bank (ECB) kept the interest rate unchanged on the main refinancing operations, the marginal lending facility and the deposit facility at 0.00%, 0.25% and -0.50%, respectively. The Governing Council expects to conclude net asset purchases under the asset purchase programme (APP) will gradually in 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 April, 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 and the ECB's tapering. The corresponding yield on 10-year German and Spanish bonds increased by 39 bps and 54 bps to 0.94% and 1.97%, respectively. The yield on 10-year Italian bonds surged by 74 bps to 2.77% in April.

The Bank of Japan (BoJ), at its Monetary Policy Committee (MPC) meeting held in April 2022, decided to maintain the short-term interest rate unchanged at -0.1%. The BoJ reiterated its accommodative stance by announcing unlimited bond purchases to defend its target on 10-year yields under its Yield Curve Control policy. 10-year JGBs traded at 0.23% in April, 1 bp above the preceding month's reading; remaining within the BOJ's target range of 0% +/- 25bps.

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. Contrary to market expectations, the PBoC refrained from cutting policy rates and injecting liquidity into economy. However, the PBoC signaled a reduction in the reserve requirement ratio for banks. Consequently, the yield on 10-year Chinese bonds surged to 2.84% at the end of April, 5 bps above the previous month's reading. In India, the Reserve Bank of India (RBI) at its Monetary Policy Committee (MPC) meeting ending on 8 April 2022 voted unanimously in favour of keeping the repo rate unchanged at 4.0% under the liquidity adjustment facility (LAF). The marginal standing facility (MSF) rate and the Bank Rate remained unchanged at 4.25%. The governor highlighted RBI's focus on fighting inflation in the wake of the Russia-Ukraine war. As consumer price inflation surged to 6.95% in March, it breached the RBI's upper tolerance limit of 6%. 10-year Government of India bond yields increased by 30 bps to 7.14% in April following a hawkish tilt from the RBI and surging inflation expectations.

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