

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 146.9M

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	-1.1%	-4.2%	-7.2%	7.7%	19.1%	21.9%	34.5%	4.8%	26.0%	-6.7%	-2.2%	5.5%	13.6%	-1.9%
Benchmark	-1.4%	-4.6%	-6.1%	11.0%	23.5%	34.4%	59.8%	7.7%	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



Asset allocation (continued)

Top 10 holdings	% Fund
MCB Group Ltd	12.8%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.9%
Vanguard S&P 500 ETF	4.7%
iShares MSCI ACWI ETF	4.6%
iShare Core MSCI World UCITS	4.3%
IBL Ltd	4.2%
iShares MSCI World ETF	4.2%
SBM Holdings Ltd	4.1%
SPDR S&P 500 ETF Trust	4.0%
Vanguard TOT World STK ETF	3.2%
Total	51.0%

Top 10 international holdings *	% Fund
Apple Inc.	1.8%
Microsoft Corp	1.7%
Alphabet Inc - Class A	1.0%
Amazon.com Inc	0.8%
HDFC Bank Limited	0.6%
Taiwan Semiconductors Manufacturing Co. Ltd	0.6%
NVIDIA Corp	0.6%
ASML Holding NV	0.5%
Visa Inc - Class A Shares	0.5%
Thermo Fisher Scientific Inc	0.4%
Total	8.3%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 13.60 in April to MUR 13.45 in May, equivalent to a return of -1.1% while the benchmark posted -1.4%.

Local equity indices posted mixed performances in May with the SEMDEX and DEMEX closing the month at 2,187.78 and 305.42 points, equivalent to respective returns of -4.5% and 0.1%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were LUX, BMH and PAD while the main laggards were IBLL, MCBG and TERRA. The top three gainers in terms of price returns were PIM (+13.1%), HMALLAC (+13.0%) and MCFI (+7.0%) while the top three losers were TERRA (-24.2%), SUN (-21.3%) and NMH (-9.2%). The price-earnings ratio and dividend yield of the SEMDEX stood at 12.90x and 3.23%, respectively, as at 31 May against corresponding figures of 13.29x and 3.08% as at 29 April. The stock market registered net foreign outflows of MUR 64.5M during the month, mainly driven by MCBG, CIM and ALTG.

Global equities stabilised in May following a selloff in the preceding month; the MSCI World index posted a return of -0.2% MoM against a backdrop of elevated volatility, high inflation, monetary policy tightening and downside risks to economic growth.

The S&P500 recorded a flat return for the month. The index briefly fell into bear market territory during the session of May 20th after hitting a decline of more than 20% from its peak of Jan 3rd; however, it rallied by more than 8% by the end of the month. In terms of sector performances, Real Estate, Consumer Discretionary and Consumer Staples were among the major decliners while the energy, utilities and financial sectors were the major gainers. Despite the improvement in operating conditions, the expansion in output and new orders slowed given the ongoing supply chain delays, material and labour shortages, and slower demand growth; the S&P Global US Purchasing Managers' Index (PMI) declined to 57.0 in May (April 2022: 59.2). Input cost pressures intensified further in May with the cost inflation accelerating to the fastest in six months, mainly attributable to rising energy, wage and transportation costs; lockdowns in China and the war in Ukraine continued to put pressure on prices. The unemployment rate remained unchanged at 3.6% in May.

The Eurostoxx 50 registered a return of -0.4% MoM as macro risks continued to weigh on sentiment. Cheaper valuations and strong earnings outlook, however, fueled a risk-on appetite for certain regions. The DAX and FTSE MIB indices posted respective MoM returns of 2.1% and 1.0% while the CAC 40 recorded -1.0%. The Eurozone manufacturing sector continued to struggle amid the worryingly elevated inflationary pressures, supply shortages and sluggish demand; manufacturing orders fell for the first time in nearly two years as a result of rising selling charges and heightened uncertainty linked to the war in Ukraine. PMI edged down to an 18-month low of 54.6 in May (April 2022: 55.5). In the UK, the FTSE 100 index added 0.8% in May. Manufacturing growth slowed after the PMI fell to 54.6 in May against 55.8 in April, mainly attributable to stretched supply chains, elevated cost pressures, falling exports and weaker domestic demand.

Japanese equities ended the month in positive territory with the Nikkei 225 posting a return of 1.6%. Operating conditions improved, albeit at a softer rate, with both output and new orders rising at slower rates - PMI slightly declined from 53.5 in April to 53.3 in May. The sustained logistical issues and material shortages contributed to further surges in costs with input prices rising at the quickest rate in nearly fourteen years.

Emerging equities outperformed developed markets after the MSCI Emerging Markets index posted a return of 0.1%. The CSI 300 index registered a return of 1.9% MoM in local currency and 0.9% in USD amid the easing of curbs. Manufacturing activity improved in May but remained in contractionary territory as the latest wave of Covid-19 outbreaks continued to weigh on the economy; PMI rose from a 26-month low of 46.0 in April to 48.1 in May. In India, the BSE Sensex registered a return of -2.6% in May. The Indian manufacturing sector continued to sustain a strong growth momentum, buoyed by the robust upturn in international orders in over 11 years and firms scaling up production following looser covid-19 restrictions; PMI was little changed at 54.6 in May against 54.7 in April.

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E-mail: sbm.assetm@sbmgroup.muFor 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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