

Monthly Market Wrap

| April 2022

Equity index returns (% local currency)

| Index | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y | 5Y Std Dev |
|----------------------|-------|--------|--------|--------|--------|--------|--------|------------|
| S&P 500 | -8.8% | -8.5% | -10.3% | -13.3% | -1.2% | +40.3% | +73.3% | 16.4% |
| MSCI World | -8.4% | -8.6% | -11.9% | -13.5% | -4.9% | +28.3% | +48.8% | 16.0% |
| MSCI World Small Cap | -7.9% | -7.2% | -15.5% | -14.2% | -13.4% | +19.4% | +33.6% | 19.3% |
| MSCI Europe | -1.1% | -3.8% | -4.4% | -6.9% | +4.0% | +14.0% | +15.2% | 14.4% |
| MSCI EM | -5.7% | -10.9% | -14.9% | -12.6% | -20.1% | -0.3% | +10.0% | 16.8% |
| MSCI AC Asia | -6.5% | -8.6% | -14.4% | -12.6% | -18.2% | +4.0% | +13.4% | 14.2% |
| SEMDEX | +4.4% | +7.4% | +8.0% | +9.4% | +38.7% | +7.1% | +13.7% | 15.8% |
| DEMEX | -2.6% | -0.2% | +0.5% | -0.2% | +29.9% | +31.1% | +45.0% | 10.7% |

Fixed income index returns (% local currency)

| Index | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y | 5Y Std Dev |
|--------------------------------|-------|--------|--------|--------|--------|-------|--------|------------|
| Barclays Global Aggregate Bond | -5.5% | -9.4% | -11.7% | -11.3% | -12.6% | -3.2% | +1.7% | 5.1% |
| Barclays US Aggregate Bond | -3.8% | -7.5% | -9.5% | -9.5% | -8.5% | +1.1% | +6.1% | 4.0% |
| Barclays High Yield bond | -4.6% | -7.7% | -10.2% | -10.0% | -10.0% | +2.1% | +10.5% | 9.1% |
| JP Morgan EMU IG Bond | -3.8% | -7.7% | -8.6% | -8.7% | -8.7% | -3.4% | +1.1% | 4.4% |
| JP Morgan EM Bond | -6.1% | -12.9% | -15.7% | -15.4% | -14.6% | -5.5% | +0.8% | 10.2% |
| FTSE Asian Broad Bond | -2.8% | -7.1% | -9.2% | -9.3% | -10.1% | +0.9% | +8.4% | 5.0% |

Commodity prices

| Commodity | Current \$ | 1M |
|-----------------------|------------|--------|
| WTI Crude Oil / Bbl | 104.69 | +4.4% |
| Brent Crude Oil / Bbl | 109.34 | +1.3% |
| Natural Gas / mmBtu | 7.24 | +28.4% |
| Copper / oz | 439.50 | +7.5% |
| Silver / oz | 22.78 | +8.1% |
| Gold / oz | 1,896.93 | -2.1% |

SEMDEX sector performance (%)

| Index | Weight | 1M |
|------------------|--------|--------|
| Financials | 38.8% | +3.6% |
| Commerce | 16.2% | +1.8% |
| Industry | 7.3% | +2.3% |
| Investments | 24.1% | +5.8% |
| Leisure & Hotels | 7.6% | +14.5% |
| Property | 5.3% | +2.2% |
| Sugar | 0.5% | +6.5% |
| Transport | 0.0% | 0.0% |
| Foreign | 0.2% | 0.0% |

Secondary market yields - GoM

| Tenor | 91D | 182D | 364D | 3Y | 5Y | 10Y | 15Y | 20Y |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|
| Current | 0.71% | 0.83% | 0.95% | 2.44% | 2.98% | 4.24% | 4.40% | 4.52% |
| -1M | 0.66% | 0.77% | 0.92% | 2.22% | 2.96% | 4.14% | 4.38% | 4.54% |

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Selected economic data*

| Index | Manufacturing PMI | | Service PMI | | Consumer confidence | | CPI YoY | Policy rate | Unemployment |
|---------|-------------------|-------|-------------|-------|---------------------|--------|---------|-------------|--------------|
| | Current | -1M | Current | -1M | Current | -1M | Current | Current | Current |
| US | 59.20 | 58.80 | 55.60 | 58.00 | 107.30 | 107.60 | 8.3% | 0.25%-0.50% | 3.6% |
| Germany | 54.60 | 56.90 | 57.60 | 56.10 | 83.00 | 0.00 | 7.4% | 0.00% | 5.1% |
| France | 55.70 | 54.70 | 58.90 | 57.40 | 88.00 | 90.00 | 4.8% | 0.00% | 7.3% |
| UK | 55.80 | 55.20 | 58.90 | 62.60 | -38.00 | -31.00 | 9.0% | 0.75% | 3.7% |
| Japan | 53.50 | 54.10 | 50.70 | 49.40 | 32.00 | 32.70 | 1.2% | -0.10% | 2.6% |
| China | 46.00 | 48.10 | 36.20 | 42.00 | NA | 113.20 | 2.1% | 4.35% | 4.0% |
| India | 54.70 | 54.00 | 57.90 | 53.60 | NA | NA | 7.8% | 4.40% | 7.8% |

*based on latest available data

SBM Fund performance (% local currency)

| Fund | Currency | Strategy | NAV | 1M | 3M | 6M | 5Y Std Dev |
|--------------------------|----------|---------------------|--------|-------|-------|-------|------------|
| SBM Perpetual Fund | MUR | Local fixed income | 219.33 | +0.4% | +1.1% | +2.0% | 0.3% |
| SBM Yield Fund | MUR | Global fixed income | 11.72 | -0.7% | 0.0% | +1.4% | 7.5% |
| SBM Universal Fund | MUR | Multi-asset | 31.86 | -2.2% | -0.9% | -1.8% | 7.9% |
| SBM Growth Fund | MUR | Global equities | 13.60 | -4.9% | -3.3% | -5.8% | 12.8% |
| SBM India Fund (Class B) | USD | Indian equities | 133.88 | -2.7% | -5.8% | -6.6% | 28.3% |

Commentary

Local equity indices posted mixed performances in April with the SEMDEX and DEMEX closing the month at 2,289.76 and 305.10 points, equivalent to respective returns of 4.2% and -2.6%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were MCBG, SUN and ENIG while the main laggards were ASCE, SHELL and CAUDAN. The top three gainers in terms of price returns were SUN (+45.5%), BLL (+28.6%) and ENLG (+20.1%) while the top three losers were HMALLAC (-8.5%), ASCE (-3.6%) and CAUDAN (-3.2%). The price-earnings ratio and dividend yield of the SEMDEX stood at 13.29x and 3.08%, respectively, as at 29 April against corresponding figures of 14.21x and 2.95% as at 31 March. The stock market registered net foreign inflows of MUR 31.7M during the month, mainly driven by MCBG, SBMH and IBL.

The MSCI World index posted a return of -8.4% in April amid a broad-based selloff in risky assets. Persistently high inflation, monetary policy tightening, continued supply chain disruptions and the prospect of an economic slowdown amid Russia's grinding war on Ukraine weighed on investor sentiment.

The S&P500 registered a return of -8.8% MoM amid mixed US corporate earnings and heightened worries about inflation risks and tightening financial conditions. Most GICS sectors posted negative performances, with Communication Services, Consumer Discretionary and Information Technology among the biggest decliners whereas the consumer staples sector ended in positive territory. Despite the intensifying inflationary pressures and strained supply chains, the manufacturing sector registered its highest pace of expansion since July 2021. The S&P Global US Purchasing Managers' Index (PMI) rose from 58.8 in March to 59.2 in April following stronger demand and improved operating conditions. The unemployment rate remained unchanged at 3.6% in April.

The Eurostoxx 50 recorded a return of -2.6% MoM as the war in Ukraine, soaring prices and surging inflation fueled fears of an economic contraction. The DAX and FTSE MIB indices registered respective MoM returns of -2.2% and -3.1% while the CAC 40 posted -1.9%. The Eurozone manufacturing sector lost further growth momentum as production was weighed down by the ongoing sustained supply-chain challenges. The renewed Covid-19 restrictions in China and the ongoing Russia-Ukraine war caused further disruptions and exacerbated supply-side pressures. PMI fell to a 15-month low of 55.5 in April (March 2022: 56.5). In the UK, the FTSE 100 index added 0.4% in April. Manufacturing growth slightly improved after PMI reached 55.8 in April against 55.2 in the preceding month. Worsening inflationary pressures and rising geopolitical tensions, however, continued to pose as major headwinds.

Japanese equities followed the global downtrend with the Nikkei 225 posting a return of -3.5%. The manufacturing sector signalled a softer improvement in operating conditions as geopolitical tensions and rising Covid-19 cases in China weighed on demand and output – PMI fell from 54.1 in March to 53.5 in April.

Emerging equities outperformed developed markets after the MSCI Emerging Markets index posted a return of 5.7%. The CSI 300 index registered a return of -4.9% MoM in local currency and -8.8% in USD as Covid-19 lockdowns weighed on sentiment. Operating conditions continued to worsen in April as the Covid-19 outbreaks disrupted production and logistics - PMI declined from 48.1 in March to 46.0 in April. In India, the BSE Sensex recorded a return of -2.6% in April. The Indian manufacturing sector's momentum remained strong, buoyed by renewed expansion in international sales and the easing of Covid-19 restrictions supporting demand – PMI edged up to 54.7 in April against 54.0 in March.

At fixed income level, the Barclays Global Aggregate Bond index posted a return of -5.5% MoM. The US 10-year Treasury yields rose by 59bps over the month, closing at 2.93% in April (March 2022: 2.34%). 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 US Treasuries and USD 35bn for agency MBS. The 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 in Q3-2022, conditional on economic data and the ECB's evolving assessment of the outlook.

On the commodity side, the S&P GSCI index posted 5.1% MoM. Oil prices continued to rise with Brent and WTI registering corresponding monthly gains of 1.3% and 4.4%; oil prices surged above USD 100/barrel, reigniting inflation worries. The price of natural gas increased by 28.4% in April amid the strong demand and tighter supply conditions. Industrial metals generally recorded negative price movements MoM with silver and copper posting -8.1% and -7.5% MoM. Regarding precious metals, gold registered a return of -2.1%.

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