

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 143.0M

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

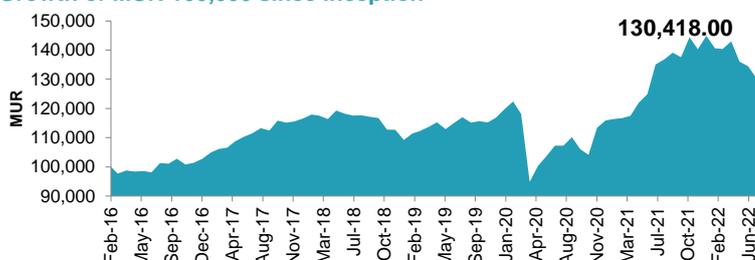
*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	-3.0%	-8.8%	-10.0%	-3.5%	13.4%	17.0%	30.4%	4.2%	-3.5%	26.0%	-6.7%	-2.2%	5.5%	13.6%
Benchmark	-3.1%	-9.1%	-9.0%	-0.4%	16.8%	28.7%	54.8%	7.0%	-0.4%	26.1%	-7.0%	1.3%	8.7%	20.2%

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.

Growth of MUR 100,000 since inception



Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.99	0.99	0.99	0.98
Regression alpha (%)	-3.06	-0.87	-2.11	-3.46
Beta	0.93	0.95	0.96	0.96
Annualised volatility	10.2%	16.1%	12.9%	11.6%
Annualised tracking error	1.5%	2.3%	2.2%	2.2%

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

Asset allocation

Asset class	% Fund	Top 5 countries	% Fund	Top currency	% Fund
International Equities	56.6%	Mauritius	39.7%	Mauritian Rupee	43.1%
Domestic Equities	39.7%	United States of America	35.0%	US Dollar	52.2%
Cash	3.7%	India	3.8%	Euro	4.7%
Total	100.0%	China	1.8%	Total	100.0%
		United Kingdom	1.8%		
		Total	82.1%		

Domestic sectors	% Fund	Top 10 international industries	% Fund
Banking & Insurance	20.4%	Software & Services	5.4%
Commerce	5.6%	Semiconductors & Equipment	4.9%
Industry	5.0%	Pharmaceuticals, Biotech & Life Sciences	4.7%
Investment	3.4%	Banks	3.8%
Leisure & Tourism	2.7%	Health Care Equipment & Services	3.5%
Property	2.6%	Capital Goods	3.4%
Total	39.7%	Media & Entertainment	3.2%
		Materials	2.6%
		Diversified Financials	2.6%
		Technology Hardware & Equipment	2.6%
		Total	36.7%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Ltd	12.9%	Microsoft Corp	1.7%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	5.1%	Apple Inc.	1.7%
Vanguard S&P 500 ETF	4.6%	Alphabet Inc - Class A	1.0%
iShares MSCI ACWI ETF	4.5%	Amazon.com Inc	0.7%
IBL Ltd	4.3%	Taiwan Semiconductors Manufacturing Co. Ltd	0.5%
iShare Core MSCI World UCITS	4.2%	NVIDIA Corp	0.5%
SBM Holdings Ltd	4.2%	UnitedHealth Group Inc	0.5%
iShares MSCI World ETF	4.1%	ASML Holding NV	0.5%
SPDR S&P 500 ETF Trust	4.0%	HDFC Bank Limited	0.5%
SBM India Fund - Class A	3.2%	Thermo Fisher Scientific Inc	0.5%
Total	51.1%	Total	8.1%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 13.45 in May to MUR 13.04 in June, equivalent to a return of -3.0% while the benchmark posted -3.1%.

Local equity indices posted negative performances in June with the SEMDEX and DEMEX closing the month at 2,127.14 and 295.92 points, equivalent to respective returns of -2.8% and -3.1%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were IBL, TERRA and SUN while the main laggards were MCBG, LUX and ROGERS. The top three price gainers were BLL (+6.7%), TERRA (+2.8%) and SUN (+2.2%) while the top three losers were LUX (-11.6%), FINCORP (-10.4%) and MTMD (-9.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 12.74x and 3.35%, respectively, as at 30 June against corresponding figures of 12.90x and 3.23% as at 31 May. The stock market registered net foreign outflows of MUR 236.7M during the month, mainly driven by MCBG, ASCE and PBL.

Global equities tumbled in June as recession fears resurfaced and consumer confidence continued to wane. Markets remained on edge amid the strong inflationary pressures and concerns that monetary policy tightening across major economies will trigger further downside risks. The MSCI World index posted a return of -8.8% MoM.

The S&P500 index recorded a return of -8.4% for the month. The selloff was mainly driven by fears of a stickier inflation and a looming recession. Volatility remained elevated with the CBOE VIX index ending the month near the 29 level. All the 11 major industry groups ended the month in negative territory with Energy, Materials and Financials among the top losers. The S&P Global US Purchasing Managers' Index (PMI) dropped to its lowest level since July 2020 with a reading of 52.7 in June (May 2022: 57.0) amid a near-stagnation of output and a contraction in new orders. While inflationary pressures remained high, input costs and output charges eased to a three-month low.

The Eurostoxx 50 index posted a return of -8.8% MoM as soaring prices, rising inflation and the ongoing war in Ukraine continued to hurt investor sentiment. Concerns that an aggressive policy tightening will spark an economic slump further contributed to the risk aversion. The DAX and FTSE MIB indices recorded respective MoM returns of -11.2% and -13.1% while the CAC 40 registered -8.4%. Operating conditions worsened in June as both new business intakes and export orders declined, with the broad-based slowdown gathering pace across all the constituent nations - PMI fell from 54.6 in May to 52.1 in June, its lowest reading since August 2020. The weakening demand is mainly attributable to consumers growing more cautious of their spending patterns amid the uncertain economic outlook and rising prices. In the UK, the FTSE 100 index posted a return of -5.8%. The slowdown in the manufacturing sector continued in June amid a tougher economic backdrop, flat domestic demand, weaker exports, war in Ukraine, logistics disruption and persistently high inflationary pressures. PMI fell to a two-year low of 52.8 in June against a previous reading of 54.6. Business confidence dipped to its lowest level in two years as the number of firms expecting production to rise over the next year fell to 47% (May 2022: 55%).

In Japan, the Nikkei 225 index registered a return of -3.3%. PMI edged down from 53.3 in May to 52.7 in June, pointing to a softer expansion of the manufacturing sector. Slowing output growth was mainly attributable to a broad stagnation in new orders amid rising prices and weaker client confidence on account of sustained delivery delays.

Emerging equities outperformed developed markets after the MSCI Emerging Markets index posted a return of -7.1%. The CSI300 index registered a return of 9.6% MoM in local currency and 9.2% in USD, as easing of Covid-19 restrictions boosted sentiments. Manufacturing activity rebounded, gradually moving towards normality following the subsequent easing of restrictions across China; production increased at its quickest rate in 19 months and the gauge for new orders and new exports sales returned to positive territory. PMI edged up from 48.1 in May to 51.7 in June, signalling the first expansion of output since February 2022. In India, the BSE Sensex index registered -4.6% in June. The manufacturing sector extended its recovery in June, supported by robust domestic and international demand. Growth rates, however, eased to a nine-month low on account of intense price pressures; PMI edged down to 53.9 in June (May 2022: 54.6).

Contact

SBM Mauritius Asset Managers Ltd

Level 11, Hennessy Tower

Pope Hennessy Street

Port Louis

Tel: (+230) 202 11 11 | 202 12 60 | 202 35 15

Fax: (+230) 210 33 69

E-mail: sbm.assetm@sbmgroup.muFor price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>**Important notes**

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