

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 horizon.

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 147.5M

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

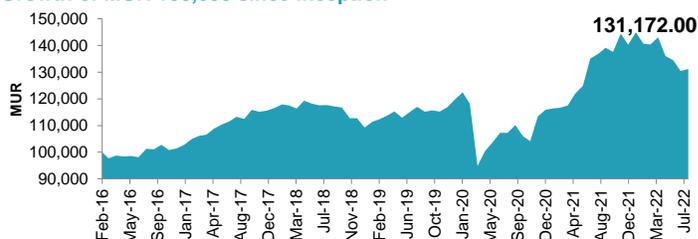
*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	0.6%	-3.6%	-9.5%	-4.1%	12.1%	15.8%	31.2%	4.3%	-3.5%	26.0%	-6.7%	-2.2%	5.5%	13.6%
Benchmark	0.9%	-3.6%	-8.1%	-0.9%	15.4%	26.9%	56.2%	7.1%	-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 (%)	-3.30	-0.84	-2.01	-3.50
Beta	0.93	0.95	0.96	0.96
Annualised volatility	10.1%	16.1%	12.9%	11.5%
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	57.8%	Mauritius	36.7%	Mauritian Rupee	41.9%
Domestic Equities	36.7%	United States of America	36.3%	US Dollar	53.2%
Cash	5.5%	India	3.8%	Euro	4.9%
Total	100.0%	United Kingdom	1.8%	Total	100.0%
		Japan	1.7%		
		Total	80.4%		

Domestic sectors

Domestic sectors	% Fund
Banking & Insurance	18.6%
Commerce	5.3%
Industry	4.7%
Investment	3.2%
Leisure & Tourism	2.4%
Property	2.5%
Total	36.7%

Top 10 international industries

Top 10 international industries	% Fund
Software & Services	5.6%
Semiconductors & Equipment	5.2%
Pharmaceuticals, Biotech & Life Sciences	4.7%
Banks	3.9%
Capital Goods	3.6%
Health Care Equipment & Services	3.5%
Media & Entertainment	3.1%
Technology Hardware & Equipment	2.8%
Diversified Financials	2.7%
Materials	2.6%
Total	37.7%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Ltd	11.8%	Apple Inc.	1.9%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.8%	Microsoft Corp	1.8%
Vanguard S&P 500 ETF	4.8%	Alphabet Inc - Class A	1.0%
iShares MSCI ACWI ETF	4.6%	Amazon.com Inc	0.9%
iShare Core MSCI World UCITS	4.3%	NVIDIA Corp	0.6%
iShares MSCI World ETF	4.2%	ASML Holding NV	0.5%
SPDR S&P 500 ETF Trust	4.1%	Taiwan Semiconductors Manufacturing Co. Ltd	0.5%
IBL Ltd	4.1%	UnitedHealth Group Inc	0.5%
SBM Holdings Ltd	3.9%	Thermo Fisher Scientific Inc	0.5%
SBM India Fund - Class A	3.2%	HDFC Bank Limited	0.5%
Total	49.8%	Total	8.7%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 13.04 in June to MUR 13.12 in July, equivalent to a return of 0.6% while the benchmark posted 0.9%.

Local equity indices posted negative performances in July with the SEMDEX and DEMEX closing the month at 2,011.03 and 282.04 points, equivalent to respective returns of -5.5% and -4.7%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were SUN, CIM and LOTO while the main laggards were MCBG, IBL and CIEL. The top three price gainers were MTMD (+4.7%), MCFI (+3.0%) and LOTO (+2.8%) while the top three losers were LUX (-13.2%), MUAL (-11.6%) and ASL (-9.1%). The price-earnings ratio and dividend yield of the SEMDEX stood at 12.23x and 3.53%, respectively, as at 29 July against corresponding figures of 12.74x and 3.35% as at 30 June. The stock market registered net foreign outflows of MUR 376.9M during the month, mainly driven by MCBG, PBL and ROGERS.

International equities posted strong gains in July after the MSCI World index added 7.9% MoM, despite the hotter inflation prints across major economies. Although growth risks remained skewed to the downside amid the ongoing geopolitical tensions and rising recession fears, hopes that a slowing growth will lead to central banks easing up their pace of monetary policy tightening uplifted investor sentiment.

The S&P 500 index gained 9.1% MoM as the earnings season kicked off and investors shrugged off data showing slower growth. US earnings remained resilient as most of the companies having reported earnings beat consensus estimates. All the 11 major industry groups ended the month in positive territory with Consumer Discretionary, Information Technology and Energy being among the top gainers. The S&P Global US Purchasing Managers' Index (PMI) edged down to its lowest reading in two years to 52.2 in July (June 2022: 52.7), reflecting subdued demand conditions. New orders were down for a second straight month as supply chain disruptions and hikes in prices weighed on consumer spending. GDP contracted by an annualised rate of 0.9% in Q2 2022, driving the economy into a technical recession after a second consecutive quarter of negative real growth rate.

The Eurostoxx 50 index posted a return of 7.3% during the month as positive earnings offset the energy crisis. The DAX and FTSE MIB indices recorded respective MoM returns of 5.5% and 5.2% while the CAC 40 registered 8.9%. The downturn in operating conditions worsened in July amid rising recession risks – the manufacturing sector fell deeper into contraction territory with PMI falling from 52.1 in June to 49.8 in July. Weakening demand remained the major drag on output, with new orders contracting sharply. In the UK, the FTSE 100 index gained 3.5% in July. The manufacturing sector registered a weak improvement in operating conditions; the PMI fell to a 25-month low of 52.1 in July, against a previous reading of 52.8. Business confidence remained unchanged from June's two-year low; firms expect a contraction amid rising recession fears, cost of living crisis and weak sentiment.

In Japan, the Nikkei 225 index registered a return of 5.3%. Market headlines were dominated by the assassination of former Prime Minister Shinzo Abe. PMI fell to a ten-month low of 52.1 in July against a previous reading of 52.7, pointing to renewed contraction in production levels and new orders. Output and demand fell for the first time in five and ten months, respectively, mainly due to the rising inflationary pressures and raw material shortages.

Emerging equities underperformed developed markets, weighed down by the weakness in Chinese stocks; the MSCI Emerging Markets index posted a return of -0.7% in July. The CSI300 index registered a return of -7.0% MoM in local currency and -7.6% in USD. Manufacturing activity improved marginally amid the softer increase in output and new orders. PMI stood at 50.4 in July (June 2022: 51.7) as the sector continued to gradually recover from the recent Covid outbreaks. The mild expansion was linked to muted demand, lingering Covid-19 impacts and electricity shortages faced by some companies. In India, the BSE Sensex index recorded a return of 8.6% in July. The manufacturing sector registered the strongest improvement after the PMI hit an eight-month high of 56.4 in July (June 2022: 53.9). The sharp upturn in output was mainly attributable to better demand conditions and a pick-up in sales. Input cost inflation subsided to an eleven-month low amid easing supply chains.

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For 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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