

Investment objective

SBM Universal Fund is a diversified multi-asset fund with an objective of maximising long-term returns while providing regular income through a balanced strategy. It invests in a diversified portfolio of securities that includes domestic and international equities, equity-linked securities, unit trusts, mutual funds, fixed income securities, money market instruments and cash.

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: 30% SEMDEX + 40% 1Y GOM Bill + 30% MSCI World

Distribution: Annual subject to distributable income

Investor profile: Balanced

Inception date: 1 Jun 2002

Fund size: MUR 479.7M

Base currency: MUR

Minimum one-off investment: MUR 500

Minimum monthly investment plan: MUR 200

Management fee: 1.00% p.a.

Entry fee: 1.00%

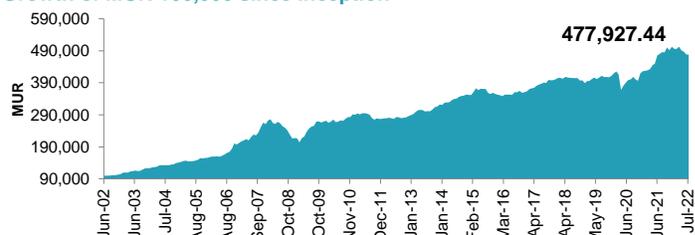
Exit fee: 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	-0.1%	-2.8%	-4.9%	-0.5%	16.1%	22.4%	377.9%	8.1%	0.7%	19.1%	-1.8%	0.3%	4.7%	9.7%
Benchmark	0.2%	-3.0%	-4.3%	0.5%	15.7%	25.0%	339.8%	7.7%	1.6%	16.8%	-1.5%	1.7%	6.1%	12.4%

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 30% SEMDEX, 40% 1Y GOM Bill and 30% MSCI World 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	0.99	0.99	0.98	0.88
Regression alpha (%)	-0.98	0.10	-0.48	4.18
Beta	0.90	1.00	0.99	0.87
Annualised volatility	5.8%	9.9%	8.0%	7.5%
Annualised tracking error	1.2%	1.5%	1.7%	3.8%

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	31.9%	Mauritius	67.8%	Mauritian Rupee	67.9%
Domestic Equities	30.5%	United States	20.3%	US Dollar	28.8%
Domestic Fixed Income	37.3%	India	2.1%	Euro	3.3%
Cash	0.3%	United Kingdom	1.2%	Total	100.0%
Total	100.0%	France	0.9%		
		Total	92.3%		

Domestic sectors

Domestic sectors	% Fund
Banking & Insurance	15.5%
Commerce	4.4%
Industry	3.9%
Investment	2.6%
Property	2.1%
Leisure & Tourism	2.0%
Total	30.5%

Top 10 international industries

Top 10 international industries	% Fund
Software & Services	3.3%
Semiconductors & Equipment	2.9%
Pharmaceuticals, Biotech & Life Sciences	2.6%
Banks	2.0%
Capital Goods	2.0%
Health Care Equipment & Services	2.0%
Media & Entertainment	1.7%
Technology Hardware & Equipment	1.5%
Diversified Financials	1.5%
Materials	1.4%
Total	21.0%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Limited	9.9%	Apple Inc.	1.1%
iShares MSCI World ETF	9.1%	Microsoft Corp	1.0%
Vanguard S&P 500 ETF	5.0%	Alphabet Inc - Class A	0.6%
SIT Bond 25/04/2024	4.2%	Amazon.com Inc	0.5%
IBL Ltd	3.4%	NVIDIA Corp	0.3%
CIM Financial Services Ltd 31/07/2025	3.3%	ASML Holding NV	0.3%
SBM Holdings Ltd	3.2%	Taiwan Semiconductors Manufacturing Co. Ltd	0.3%
Government of Mauritius Bond 14/01/37	3.2%	UnitedHealth Group Inc	0.3%
Government of Mauritius Bond 20/08/2036	3.2%	HDFC Bank Limited	0.3%
SBM MUR Note Class A2 Series Bond 28/06/2028	3.0%	Thermo Fisher Scientific Inc	0.3%
Total	47.5%	Total	4.9%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 31.02 in June to MUR 30.97 in July, equivalent to a return of -0.1%, while the benchmark posted 0.2%.

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%), MJAL (-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.

In July, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no fresh issuance. The BoM auctioned MUR 2.1Bn of 182D Treasury Bills in two tranches at weighted average yields of 1.09% and 1.12%. 364D Treasury Bills worth MUR 3.35Bn were issued at a weighted average yield of 1.30%, 2bps higher than the preceding month. Yields on the 3Y GOM Note and 5Y GOM Bond increased by 9bps and 26bps to 2.90% and 3.48%, respectively, following tender amounts of MUR 1.8Bn and MUR 1.7Bn. There were no new issuances of 10Y, 15Y and 20Y GOM Bonds during the month.

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.

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**

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.

SBM Mauritius Asset Managers Ltd ("SBM MAM") believes that the information which may be viewed in this document is reasonably accurate as at the date of publication, but does not guarantee the accuracy of the data and disclaims all representations and warranties of any kind, whether expressed or implied. Neither SBM MAM, nor any of its associates, nor any director, officer or employee accepts any liability whatsoever for any loss arising directly or indirectly from any use of this. It does not constitute investment advice and should not be used as the basis of any investment decision, nor should it be treated as a recommendation for any investment. The information in this document may not be edited and/or reproduced in whole or in part without the prior consent of SBM MAM.