

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 145.2M

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

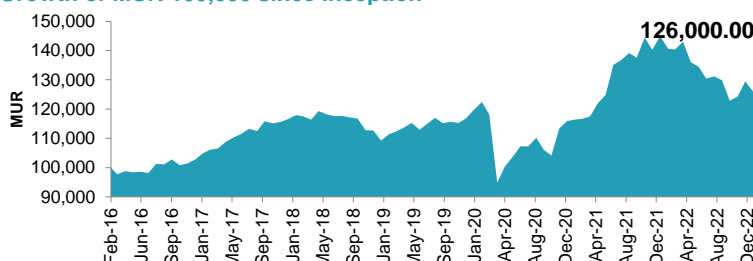
*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	-2.7%	2.6%	-13.0%	-13.0%	5.2%	8.1%	26.0%	3.4%	-3.5%	26.0%	-6.7%	-2.2%	5.5%	13.6%
Benchmark	-2.4%	4.3%	-10.6%	-10.6%	7.3%	18.8%	52.1%	6.3%	-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 (%)	-3.32	-0.57	-1.98	-3.45
Beta	0.92	0.95	0.96	0.96
Annualised volatility	9.8%	16.6%	13.3%	11.6%
Annualised tracking error	1.6%	2.2%	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	57.5%	Mauritius	39.2%	Mauritian Rupee	40.3%
Domestic Equities	39.2%	United States of America	36.3%	US Dollar	54.9%
Cash	3.3%	India	3.9%	Euro	4.8%
Total	100.0%	United Kingdom	1.8%	Total	100.0%
		France	1.8%		
		Total	83.0%		

Domestic sectors	% Fund	Top 10 international industries	% Fund
Banking & Insurance	19.7%	Software & Services	5.5%
Commerce	5.8%	Pharmaceuticals, Biotech & Life Sciences	5.2%
Industry	4.6%	Semiconductors & Equipment	5.0%
Investment	4.0%	Banks	4.1%
Leisure & Tourism	2.8%	Capital Goods	3.9%
Property	2.4%	Health Care Equipment & Services	3.4%
Total	39.2%	Materials	2.8%
		Energy	2.7%
		Food, Beverage & Tobacco	2.5%
		Technology Hardware & Equipment	2.5%
		Total	37.7%

Asset allocation (continued)

Top 10 holdings	% Fund
MCB Group Ltd	12.5%
SPDR S&P 500 ETF Trust	4.7%
IBL Ltd	4.7%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.6%
Vanguard TOT World STK ETF	4.4%
Vanguard S&P 500 ETF	4.4%
iShares MSCI ACWI ETF	4.3%
SBM Holdings Ltd	4.2%
iShare Core MSCI World UCITS	4.1%
iShares MSCI World ETF	3.9%
Total	51.8%

Top 10 international holdings *	% Fund
Microsoft Corp	1.7%
Apple Inc.	1.7%
Alphabet Inc - Class A	0.8%
Amazon.com Inc	0.6%
HDFC Bank Limited	0.5%
NVIDIA Corp	0.5%
UnitedHealth Group Inc	0.5%
Novo Nordisk A/S-B	0.5%
ASML Holding NV	0.5%
Thermo Fisher Scientific Inc	0.5%
Total	7.9%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 12.94 in November to MUR 12.60 in December, equivalent to a return of -2.7% while the benchmark posted -2.4%.

Local indices posted contrasting performances in December with the SEMDEX closing marginally higher at 2,055.25 points while the DEMEX headed south to 266.61 points, equivalent to respective returns of +0.1% and -0.3%. The main leaders, that is, companies which contribute to the positive performance of the SEMDEX were IBLL, ENLG and VIVO, while the main laggards were MCBG, NMHL and UBP. The top three price gainers were POLICY (+9.1%), CAUDAN (+8.7%) and LOTO (+6.1%) while the main detractors were UBP (-9.3%), UDL (-8.3%) and MTMD (-8.3%). The price-earnings ratio of SEMDEX remained status quo at 10.20x and the dividend yield stood at 3.62% as at 31 December against 3.63% as at 30 November. During the month, foreigners were net seller to the tune of MUR 5.6M (versus net inflow of MUR 13M in Nov-22), driven mainly by MIWA and APL.

International markets remained volatile in December as investors reassessed the economic impact of the aggressive monetary policy tightening across the globe. Inflation, rising interest rates and geopolitical tensions weighed on investor sentiment. MSCI World index posted a return of -4.3% MoM.

The S&P 500 index registered -5.9% in December and ended 2022 with its worst annual performance since 2008. All the major industry groups ended in negative territory, led by Consumer Discretionary, Information Technology and Communication Services. Growth stocks underperformed with the S&P Growth index posting -7.7% MoM compared with -4.1% for the S&P Value index. The S&P Global US Purchasing Managers' Index (PMI) edged down to 46.2 in December (November 2022: 47.6), mainly on account of weaknesses in client demand. Operating conditions contracted sharply amid a faster drop in new orders. The strengthening of the dollar together with the global economic uncertainty also weighed on export sales.

The Eurostoxx 50 index posted a performance of -4.3% MoM as concerns of an economic recession weighed on markets. The DAX and FTSE MIB indices recorded respective returns of -3.3% and -3.7% while the CAC 40 registered -3.9%. The Eurozone manufacturing sector downturn eased in December amid softening inflationary pressures and stabilising supply-chain conditions; PMI remained below the 50-mark threshold, at 47.8 in December against a previous reading of 47.1. In the UK, the FTSE 100 index shed 1.6%; operating conditions worsened in the UK with the PMI edging down to a 31-month low of 45.3 in December (November 2022: 46.5). Output contracted at one of the fastest rates in 14 years on account of weak domestic and overseas demand, economic uncertainty and customers postponing orders. Brexit constraints also exacerbated the downturn.

In Japan, the Nikkei 225 index registered a return of -6.7% MoM. Manufacturing output lost further momentum mainly attributable to weak demand conditions on both the domestic and international fronts. PMI reading fell from 49.0 in November to 48.9 in December. Forward-looking indicators remained skewed to the downside with business sentiment waning to a 7-month low and companies significantly cutting back input purchase.

Emerging equities outperformed developed markets after the MSCI Emerging Markets index posted a return of -1.6% in December. The CSI300 index posted 0.5% in local currency and 3.3% in USD, on the back of the relaxation of China's zero-Covid policies. The spread of the Covid-19, however, curtailed manufacturing activity with PMI dropping to 49.0 in December versus 49.4 in November. The ongoing implementation of containment measures together with weakening customer demand contributed to the deterioration in operating conditions. In India, the BSE Sensex recorded a return of -3.6% for the month. The manufacturing sector maintained its strong growth momentum bolstered up by healthy new order inflows; PMI edged up from 55.7 in November to 57.8 in December.

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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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