

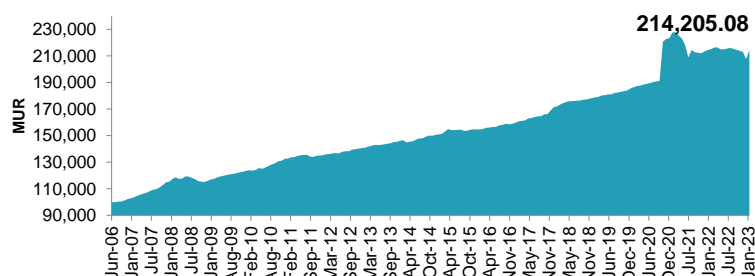
**Investment objective**

The Fund seeks to achieve its investment objective of long-term capital growth and regular income by investing in fixed income & fixed income-related instruments across different geographies, issuers, maturities and currencies. It may invest in bonds, term deposits, ETFs, preferred stocks, convertible bonds, structured products & mortgage backed securities, amongst others.

**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:** 60% GOM 3Y Notes + 40% Barclays Agg Bond Index\***Distribution:** Quarterly subject to distributable income**Investor profile:** Moderately Conservative**Inception date:** 30 Jun 2006**Fund size:** MUR 188.4Mn**Base currency:** MUR**Minimum one-off investment:** MUR 1,000**Monthly investment plan:** MUR 500**Management fee:** 0.85% p.a.**Entry fee:** 0.50%**Exit fee:** 0.50%**Performance**

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	3.1%	0.2%	3.1%	-0.4%	14.8%	24.6%	114.2%	4.7%	3.2%	10.2%	4.6%	2.9%	7.3%	4.8%
Benchmark	3.2%	5.7%	3.2%	-0.8%	8.4%	21.7%	127.1%	5.1%	-2.6%	4.7%	8.5%	6.0%	2.5%	3.1%

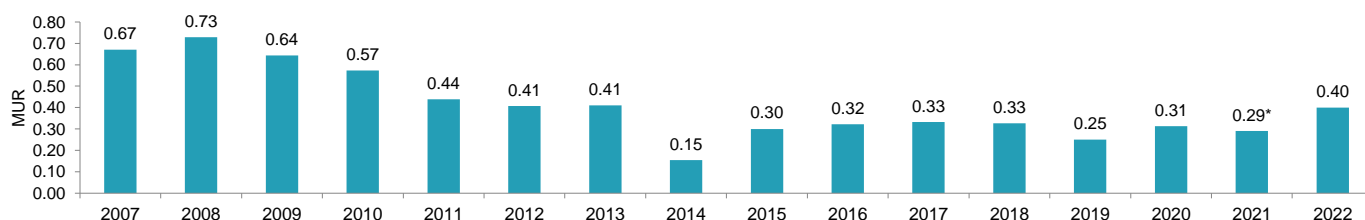
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. Past performance is not indicative of future results. The benchmark 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	0.51	0.05	0.05	0.06
Regression alpha (%)	-0.06	4.55	4.40	5.83
Beta	0.39	0.14	0.12	0.14
Annualised volatility	4.4%	9.9%	7.7%	4.5%
Annualised tracking error	5.1%	10.4%	8.2%	4.7%

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

Average term to maturity (yrs)	6.77
Gross yield to maturity	4.69%
Duration (yrs)	5.15

**Dividend per Share**

\*Quarterly dividend distribution as from FY21

**Asset allocation**

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	74.1%	Mauritius	74.1%	Mauritian Rupee	75.8%
International Fixed Income	19.6%	North America	14.5%	US Dollar	24.2%
Domestic Equity	0.0%	Europe	2.7%	Euro	0.0%
Cash	6.3%	Asia Pacific	1.7%	<b>Total</b>	<b>100.0%</b>
<b>Total</b>	<b>100.0%</b>	Others	0.7%		
		<b>Total</b>	<b>93.7%</b>		

**Asset allocation (continued)**

Sector	% Fund	Top 10 Holdings	% Fund
Government	48.0%	Government of Mauritius Bond 25/01/28	8.4%
Financial	21.3%	iShares Core Global AGG Bond	6.1%
Diversified	5.4%	iShares Core US Aggregate Bond ETF	6.0%
Investment	3.8%	CIM Financial Services Ltd Notes 31/07/25	4.9%
Consumer, Cyclical	3.3%	Fidelity US Dollar Bond "A" (USD) Acc	4.1%
Industrial	3.3%	Government of Mauritius Bond 22/01/33	3.1%
Property	2.7%	Inflation Indexed Bond 22/05/30	2.9%
Consumer, Non-cyclical	1.6%	Government of Mauritius Bond 24/06/42	2.9%
Technology	1.3%	Government of Mauritius Bond 20/08/36	2.8%
Others	1.2%	Ciel Notes 02/02/25	2.7%
Communications	0.8%	<b>Total</b>	<b>43.9%</b>
Energy	0.5%		
Utilities	0.3%		
Basic Materials	0.2%		
<b>Total</b>	<b>93.7%</b>		

**Market comments**

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.16 in December to MUR 11.51 in January, equivalent to a return of 3.1% compared to its benchmark return of 3.2%.

On the primary market, the yield on the 91D Treasury Bills remained unchanged at 0.63% as there was no fresh issuance. The 182D Treasury Bills yield declined by 13bps to 4.52% following an issuance of MUR 500Mn. The GoM auctioned MUR 1.0Bn of 364D Treasury Bills in two tranches at corresponding weighted average yields of 4.19% and 4.42%. The yield on the 5Y GOM Note surged by 163bps to 5.16% post an issuance amount of MUR 1.6Bn. A 20Y GOM Bond worth MUR 2.3Bn was issued at a weighted average yield of 6.19%, 95bps above the preceding issuance. There were no fresh auctions of 3Y, 10Y and 15Y GOM Bonds during the month. Yields on the secondary market were generally on the downtrend in January. The corresponding yield on the 91D Treasury and 182D Treasury Bills fell by 104bps and 46bps to 2.54% and 3.82%. The 364D Treasury yield declined by 50bps to reach 4.26%. The 3Y GoM Note yield shed 55bps to reach 4.54% while the 5Y GOM Note traded at 4.96%, 52bps lower than the earlier month. The yields on the 10Y GOM Bond and 15Y GOM Bond decreased by 9bps and 64bps to stand at 5.81% and 5.90%, respectively. The yield on the 20Y GOM Bond fell by 76bps to 6.01%.

The Barclays Global Aggregate Bond index surged by 3.2% in January amid expectations that inflation has peaked, signalling a slower pace of rate hikes by major central banks. The US Federal Reserve (Fed) is expected to raise the target Fed Funds rate by 25 bps to the 4.50%-4.75% range at its February meeting. The Federal Open Market Committee (FOMC) continued reducing its holdings of Treasury securities, agency debt and agency mortgage-backed securities, with the cap set at USD 95Bn for December. The unemployment rate tumbled to a 53-year low of 3.4% in January, highlighting the resilience of the labour market. The 10-year US Treasury yield fell by 37bps from 3.87% in December to 3.51% in January as Fed officials indicated a slower pace of rate hikes as inflation and wage pressures ease.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank Rate stood at 3.50% in January following the 50 bps hike in December. UK CPI inflation eased to 10.5% in December from 10.7% in November, while core inflation remained unchanged at 6.3%. Inflation is expected to moderate to 5.25% in 2023 and fall below the 2% target in 2024. The 10-year UK Gilt yields fell by 34bps to 3.33% in January as market participants expect that the BoE is nearing the end of its hiking cycle.

The European Central Bank (ECB) maintained key ECB interest rates since no monetary policy meeting was held during the month. Accordingly, the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility stood at 2.50%, 2.75% and 2.00%, respectively. The Governing Council announced that from the beginning of March 2023 onwards, the asset purchase programme portfolio will decline by EUR 15Bn per month on average until the end of Q2 2023. According to Eurostat's flash estimate, Eurozone annual inflation is expected to be 8.5% in January 2023, down from 9.2% in December 2022, primarily on account of lower energy prices. European bond yields were generally on the downtrend, as economic data pointed to a marked economic slowdown and inflation expectations subsided. The corresponding yield on 10-year German and Spanish bonds decreased by 29bps and 38bps to 2.29% and 3.28%, respectively. The yield on 10-year Italian bonds fell by 56bps to 4.16% in January.

The Bank of Japan (BoJ) maintained the short-term interest rate unchanged at -0.1%. Following the surprise loosening of its Yield Curve Control at the December meeting, the BoJ had to boost its bond purchases to defend the new higher yield cap because market participants were anticipating a further widening. The core inflation rate in Japan surged to a four-decade high of 4.0% in December 2022. 10-year JGBs traded at 0.50% in January, 8bps above the preceding month's reading.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year and 5-year loan prime rates at 3.65% and 4.30%, respectively. Headline consumer price inflation surged by 0.2 percentage points to 1.8% in December. The yield on 10-year Chinese bonds increased from 2.84% in December to 2.90% in January as the reopening of the Chinese economy boosted sentiment. In India, no Monetary Policy Committee (MPC) meeting was held during the month. The policy repo rate under the liquidity adjustment facility (LAF) stood at 6.25%. The standing deposit facility (SDF) rate stood at 6.00% while the marginal standing facility (MSF) rate and the Bank Rate stood at 6.50%. Retail inflation accelerated to 6.52% in January after hitting a twelve-month low of 5.72% in December mainly on account of higher food prices, including cereals, eggs and spices. The indicator breached the Reserve Bank of India's (RBI) upper tolerance limit of 6% after remaining in the comfort zone for three successive months.

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

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