

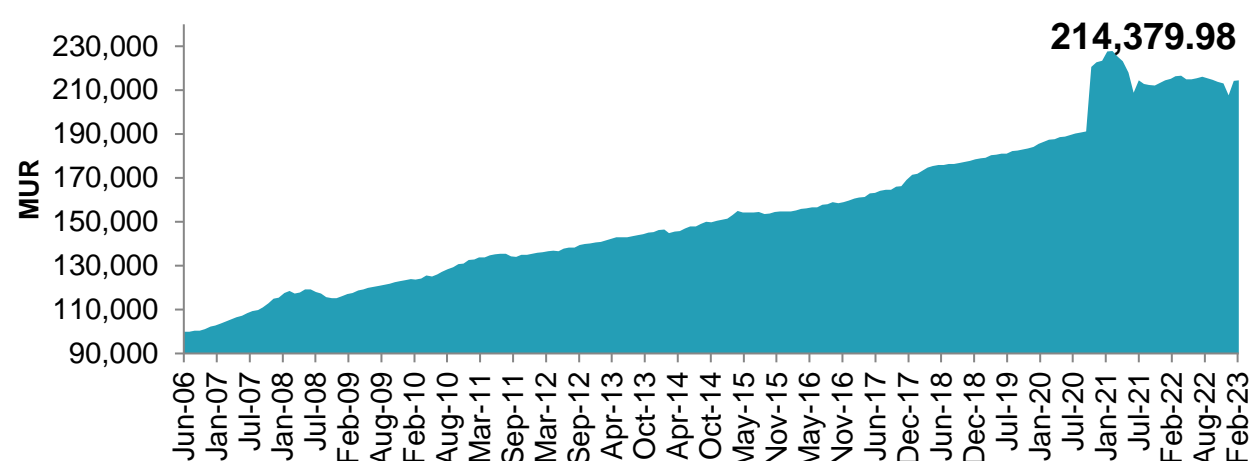
SBM Yield FundNAV per share **MUR 11.44****Investment objective**

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 186.1Mn**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	0.1%	0.6%	3.2%	-0.9%	14.4%	23.6%	114.4%	4.7%	3.2%	10.2%	4.6%	2.9%	7.3%	4.8%
Benchmark	-0.4%	3.2%	2.8%	-2.1%	6.9%	20.6%	126.2%	5.0%	-2.6%	4.7%	8.5%	6.0%	2.5%	3.1%

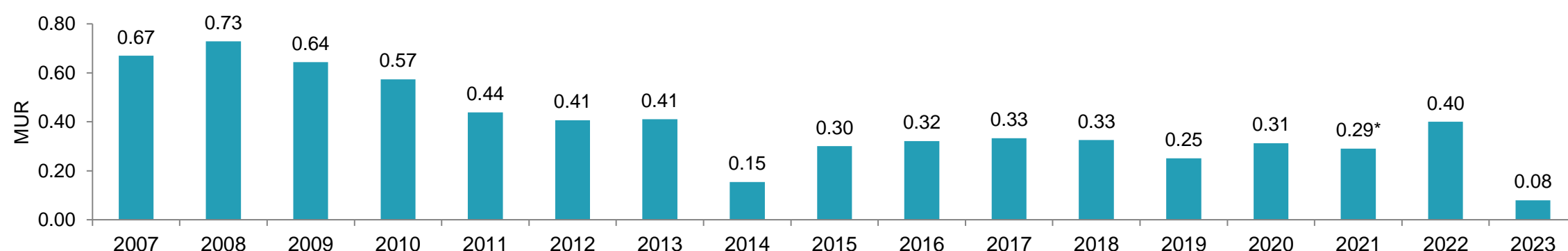
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. Past performance is not indicative of future results. The benchmark 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	0.50	0.06	0.05	0.06
Regression alpha (%)	-0.07	4.48	4.23	5.80
Beta	0.38	0.15	0.12	0.14
Annualised volatility	4.3%	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)	7.05
Gross yield to maturity	4.84%
Duration (yrs)	5.32

Dividend per Share

*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund
Domestic Fixed Income	75.2%
International Fixed Income	21.1%
Domestic Equity	0.0%
Cash	3.7%
Total	100.0%

Top regions	% Fund
Mauritius	75.2%
North America	15.8%
Europe	2.8%
Asia Pacific	1.7%
Others	0.8%
Total	96.3%

Top currency	% Fund
Mauritian Rupee	74.1%
US Dollar	25.9%
Euro	0.0%
Total	100.0%

Asset allocation (continued)

Sector	% Fund
Government	49.0%
Financial	21.8%
Diversified	5.4%
Investment	3.9%
Consumer, Cyclical	3.4%
Industrial	3.4%
Property	2.7%
Consumer, Non-cyclical	1.7%
Others	1.4%
Technology	1.4%
Communications	1.0%
Energy	0.6%
Utilities	0.4%
Basic Materials	0.2%
Total	96.3%

Top 10 Holdings	% Fund
Government of Mauritius Bond 25/01/28	8.6%
iShares Core Global AGG Bond	6.1%
iShares Core US Aggregate Bond ETF	6.0%
CIM Financial Services Ltd Notes 31/07/25	5.0%
Fidelity US Dollar Bond "A" (USD) Acc	4.1%
Government of Mauritius Bond 22/01/33	3.1%
Inflation Indexed Bond 22/05/30	3.0%
Government of Mauritius Bond 24/06/42	2.9%
Government of Mauritius Bond 20/08/36	2.8%
Ciel Finance Notes 25/11/31	2.7%
Total	44.3%

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 11.51 in January to MUR 11.44 in February, equivalent to a return of 0.1%, after declaring a dividend of MUR 0.08 per unit. As a comparison, the benchmark posted a return of -0.4%.

On the primary market, the yield on the 91D Treasury Bills surged by 365bps to 4.28% following an issuance of MUR 500Mn. The yield on the 182D Treasury Bills fell by 10bps to reach 4.42% post a net issuance amount of MUR 1.0Bn. The BoM auctioned MUR 500Mn of 364D Treasury Bills at a weighted average yield of 4.47%. A 3Y GoM Note worth MUR 1.5Bn was issued at a weighted average yield of 4.76%, 41bps below the previous month's reading. Following an issuance of MUR 1.7Bn, the 5Y GoM Note yield fell by 26bps to 4.90%. There were no auctions for 10Y, 15Y and 20Y GoM Bonds during the month. On the secondary market, the corresponding yield on the 91D Treasury and 182D Treasury Bills jumped by 60bps and 20bps to 3.14% and 4.02%. The 364D Treasury yield rose by 12bps to reach 4.38%. The 3Y GoM Note yield increased by 8bps to 4.62% whereas the 5Y GoM Note yield declined by 17bps to 4.79%. The 10Y GoM Bond traded at 5.78%, 3bps lower than the prior month. The yields on the 15Y GoM Bond and 20Y GoM Bond surged by 10bps and 11bps to reach 6.00% and 6.12%, respectively.

The Barclays Global Aggregate Bond index registered -3.3% in February as stronger-than-expected economic data led to a surge in yields. The US Federal Reserve (Fed) raised the Fed Funds rate by 25 bps to a range of 4.50%-4.75% 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 February. 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 increased by 41bps from 3.51% in January to 3.92% in February as the strength of the labour market and sticky inflation are likely to compel the Fed to continue its hiking cycle.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 1 February 2023, voted by majority to increase the Bank Rate by 50 bps to 4.00%. UK CPI inflation eased to 10.1% in January from 10.5% in December, and core inflation fell by 0.5 percentage points to 5.8%. According to the BoE, inflation is forecast to moderate to 5.25% in 2023 and fall below the 2% target in 2024. The 10-year UK Gilt yields surged by 49bps to 3.83% in February as expectations of a deep recession subsided.

The European Central Bank (ECB) decided to raise key ECB interest rates by 50 bps at its February meeting. Accordingly, the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility stood at 3.00%, 3.25% and 2.50%, respectively. The Governing Council announced that from March 2023 onwards, the asset purchase programme (APP) portfolio will decline by EUR 15Bn per month on average until the end of Q2 2023. According to the Eurostat, Eurozone annual inflation tumbled to 8.6% in January 2023 from 9.2% in the prior month, primarily on account of lower energy prices. European bond yields were generally on the uptrend, as economic data pointed to a milder economic slowdown and inflation expectations remained elevated. The corresponding yield on 10-year German and Spanish bonds increased by 37bps and 32bps to 2.65% and 3.60%, respectively. The yield on 10-year Italian bonds surged by 32bps to 4.48% in February.

The Bank of Japan (BoJ) decided to maintain the short-term interest rate unchanged at -0.1%. The inflation rate in Japan surged to a 42-year high of 4.3% in January from 4.0% in the prior month, primarily on account of higher prices of imported commodities and the yen weakness. The BoJ continued boosting its bond purchases to defend the new higher yield cap because market participants were anticipating a further widening. 10-year Japanese bonds traded at 0.51% in February, 1bp 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 rose by 0.3 percentage points to 2.1% in January. The yield on 10-year Chinese government bonds increased by 2bps to 2.92% in February. In India, the Reserve Bank of India (RBI), at its Monetary Policy Committee (MPC) meeting ending on 8 February 2023, decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25bps to 6.50%. Consequently, the standing deposit facility (SDF) rate increased to 6.25% while the marginal standing facility (MSF) rate and the Bank Rate surged to 6.75%. Consumer price inflation jumped to 6.5% in January from 5.7% in November. 10-year Government of India bond yields increased from 7.34% in January to 7.43% in February.

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For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>

Important notes

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