

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 159.4M

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

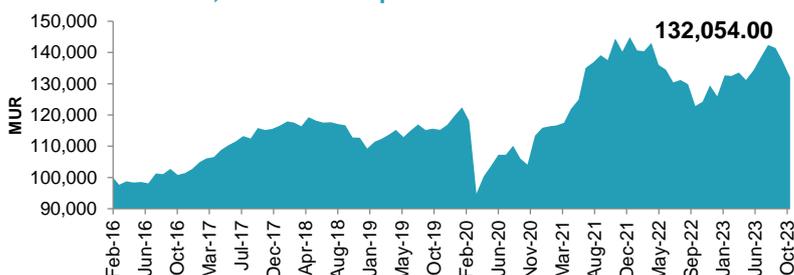
*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2023	2022	2021	2020	2019	2018
Fund	-3.7%	-7.3%	4.8%	6.3%	26.8%	17.1%	32.1%	3.7%	6.0%	-3.5%	26.0%	-6.7%	-2.2%	5.5%
Benchmark	-3.6%	-6.8%	5.7%	8.1%	37.7%	24.2%	60.8%	6.3%	7.7%	-0.4%	26.1%	-7.0%	1.3%	8.7%

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% MSCI AC World index (MUR) and 40% SEMTRI, and rebalanced monthly. The benchmark return is computed in MUR terms. Annual returns are for the financial year of the Fund, that is, June. Past performance is not indicative of future results.

Growth of MUR 100,000 since inception



Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.98	0.99	0.99	0.98
Regression alpha (%)	-1.57	-2.81	-1.19	-3.36
Beta	0.96	0.94	0.95	0.96
Annualised volatility	10.4%	11.5%	13.7%	11.4%
Annualised tracking error	2.2%	2.1%	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	57.3%	Mauritius	39.7%	Mauritian Rupee	40.5%
Domestic Equities	39.7%	United States of America	34.8%	US Dollar	55.0%
Cash	3.0%	India	3.9%	Euro	4.5%
Total	100.0%	China	1.8%	Total	100.0%
		France	1.7%		
		Total	81.9%		

Domestic sectors	% Fund	Top 10 international industries	% Fund
Banking & Insurance	19.9%	Semiconductors & Equipment	5.7%
Commerce	5.7%	Software & Services	5.4%
Industry	4.5%	Pharmaceuticals, Biotech & Life Sciences	4.5%
Investment	4.3%	Capital Goods	4.0%
Leisure & Tourism	3.3%	Banks	3.7%
Property	2.0%	Financial Services	3.6%
Total	39.7%	Health Care Equipment & Services	3.2%
		Technology Hardware & Equipment	3.2%
		Media & Entertainment	3.1%
		Materials	2.9%
		Total	39.2%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Ltd	13.2%	Microsoft Corp	2.3%
IBL Ltd	4.6%	Apple Inc.	2.1%
Vanguard S&P 500 ETF	4.4%	NVIDIA Corp	1.4%
iShares MSCI ACWI ETF	4.2%	Alphabet Inc - Class A	1.0%
iShare Core MSCI World UCITS	4.1%	Amazon.com Inc	0.9%
Fidelity Asia Pacific Opportunities "A" (USD) Acc	4.1%	Novo Nordisk A/S-B	0.6%
iShares MSCI World ETF	3.9%	ASML Holding NV	0.5%
SBM Holdings Ltd	3.9%	HDFC Bank Limited	0.5%
Vanguard TOT World STK ETF	3.7%	Eli Lilly & Co	0.5%
SBM India Fund - Class A	3.3%	Meta Platforms Inc - Class A	0.5%
Total	49.4%	Total	10.3%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 13.72 in September to MUR 13.21 in October, equivalent to a return of -3.7%, while the benchmark posted -3.6%.

After three consecutive months of gains, the domestic market witnessed a pullback in September with the SEMDEX and DEMEX closing at 2,063.91 and 271.66 points, equivalent to respective returns of -3.7% and -0.7%. The main leaders, that is, companies which contribute to the positive performance of the SEMDEX were PAD, FINCORP and HMALLAC while the main laggards were MCBG, NMHL and SBMH. The top three price gainers were HMALLAC (+10.7%), ASL (+8.2%) and PAD (+5.6%) while the main detractors were NMHL (-25.3%), MEDINE (-9.7%) and ENLG (-8.7%). The price-earnings ratio and dividend yield of the SEMDEX stood at 6.54x and 4.18%, respectively, as at 31 October against corresponding figures of 7.20x and 4.07%, as at 30 September. Foreign flows turned positive to the tune of MUR148.4M (vs. net outflows of MUR 86.1M in Sep-23), skewed by the significant inflow on Bayport. Excluding this transaction, the net foreign flows were negative to the amount of MUR 37.5M driven mainly by MCBG, ROGERS and TERA.

International equities closed in negative territory amid expectations of "higher-for-longer" interest rates. The escalation of the war in the Gaza strip also weighed on investor sentiment. All major markets closed the month in red for the first time since March 2020 with the MSCI World index posting -3.0% MoM.

The S&P 500 index registered a return of -2.2% in October as investor sentiment was mainly dented by worries of a persistently hawkish Fed tone. All the major industry groups registered negative performances except for Utilities which posted 1.2%. Value stocks proved to be relatively resilient versus their growth counterparts, registering -1.9% vs -2.5% MoM. The S&P Global US Purchasing Managers' Index (PMI) increased to a six-month high of 50.0 in October against 49.8 in September, indicating a stabilisation in manufacturing conditions; a back-to-back expansion in output and a renewed rise in new order inflows contributed to the uptick in the headline index. Inflationary pressures strengthened as higher oil and oil-related material prices raised operating expenses.

The Eurostoxx 50 index posted -2.7% MoM on account of a relatively disappointing earnings season. The CAC 40 and DAX 30 indices recorded respective performances of -3.5% and -3.7%, while the FTSE MIB index posted -1.8%. Growth in Eurozone's manufacturing sector remained in negative territory amid a broad-based weakness in demand with steep contractions in new orders; the PMI index edged down from 43.4 in September to 43.1 in October, marking the sixteenth successive month of the index being below the neutral level of 50.0. In the UK, the FTSE 100 index recorded -3.8% MoM. The UK manufacturing output remained in the sub-50 zone for the eighth consecutive month, marking the longest continual decline since 2008-09; PMI clocked at 44.8 in October (September 2023: 44.3), as weak demand in domestic and overseas markets led to declines in both output and new order intakes.

In Japan, the Nikkei 225 index registered -3.1% MoM. October marked another month of deteriorating operating conditions for the manufacturing sector with the PMI remaining below the neutral 50-threshold at 48.7 (September 2023: 48.5). Output and new orders remained on the downtrend amid depressed industrial demand. Inflationary pressures remained sticky with input costs rising significantly while firms passed on the higher costs to consumers, consequently weighing on sales.

Emerging markets' equities lagged developed markets after the MSCI Emerging Markets index registered -3.9% in October. The CSI 300 index posted -3.2% in local currency and -3.4% in USD. PMI fell from 50.6 in September to 49.5 in October, signalling a renewed deterioration in manufacturing conditions. Production shrank for the first time in three months as a result of weak external demand. In India, the BSE Sensex index recorded a return of -3.0% for the month. Manufacturing output growth decelerated in October with the PMI index signalling the slowest rate of expansion since February; PMI slipped from 57.5 in September to 55.5 in October. The indicator, however, remained well above its long-run average of 53.9, amid strong growth in international sales.

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For price updates on this fund, please see: <https://nbfc.sbgmgroup.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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