

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 442.5M

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

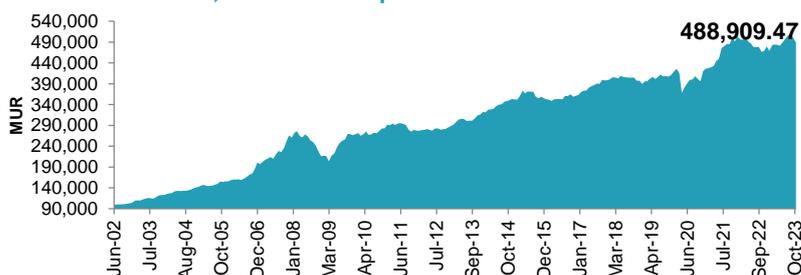
*Applicable as from Mar-2019. Previous Benchmark: 35% SEMDEX + 30% 1Y GOM Bill + 35% MSCI World

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2023	2022	2021	2020	2019	2018
Fund	-2.2%	-3.4%	4.3%	4.4%	23.4%	23.2%	388.9%	7.7%	3.9%	0.7%	19.1%	-1.8%	0.3%	4.7%
Benchmark	-2.0%	-2.8%	4.2%	5.1%	25.6%	23.8%	353.8%	7.3%	4.3%	1.6%	16.8%	-1.5%	1.7%	6.1%

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 30% SEMDEX, 40% 1Y GOM Bill and 30% MSCI World index (MUR), 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	0.98	0.98	0.88
Regression alpha (%)	-1.48	-0.71	-0.12	3.66
Beta	1.15	1.00	1.00	0.88
Annualised volatility	6.1%	6.9%	8.3%	7.4%
Annualised tracking error	1.4%	1.4%	1.6%	3.7%

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	29.4%	Mauritius	66.9%	Mauritian Rupee	68.6%
Domestic Equities	31.0%	United States	17.4%	US Dollar	27.9%
Domestic Fixed Income	35.9%	India	2.5%	Euro	3.5%
Cash	3.7%	United Kingdom	1.0%	Total	100.0%
Total	100.0%	China	1.0%		
		Total	88.8%		

Domestic sectors	% Fund
Banking & Insurance	15.4%
Commerce	4.4%
Industry	3.7%
Investment	3.3%
Leisure & Tourism	2.7%
Property	1.5%
Total	31.0%

Top 10 international industries	% Fund
Semiconductors & Equipment	2.9%
Software & Services	2.9%
Pharmaceuticals, Biotech & Life Sciences	2.3%
Capital Goods	2.0%
Financial Services	1.9%
Banks	1.8%
Health Care Equipment & Services	1.7%
Technology Hardware & Equipment	1.6%
Media & Entertainment	1.6%
Materials	1.5%
Total	20.2%

Asset allocation (continued)

Top 10 holdings	% Fund	Top 10 international holdings *	% Fund
MCB Group Limited	10.2%	Microsoft Corp	1.1%
iShares MSCI World ETF	7.7%	Apple Inc.	1.0%
Vanguard S&P 500 ETF	5.0%	NVIDIA Corp	0.7%
SIT Bond 25/04/2024	4.5%	Alphabet Inc - Class A	0.5%
IBL Ltd	3.5%	Amazon.com Inc	0.5%
CIM Financial Services Ltd 31/07/2025	3.5%	HDFC Bank Limited	0.3%
Government of Mauritius Bond 14/01/37	3.5%	Novo Nordisk A/S-B	0.3%
Government of Mauritius Bond 20/08/2036	3.4%	ASML Holding NV	0.3%
SBM Holdings Ltd	3.0%	Eli Lilly & Co	0.2%
SBM MUR Note Class A2 Series Bond 28/06/2028	2.7%	Meta Platforms Inc - Class A	0.2%
Total	47.0%	Total	5.1%

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 31.58 in September to MUR 30.88 in October, equivalent to a return of -2.2%, while the benchmark posted -2.0%.

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.

On the primary market, the yield on the 91D Treasury Bills marginally declined by 1bp to 3.25% following an auction of MUR 700M. The yield on 182D Treasury Bills increased by 13bps to reach 3.56% post an issuance of MUR 600M. The GoM auctioned MUR 2.4B of 364D Treasury Bills in two tranches at corresponding weighted average yields of 3.62% and 3.70%. A 3Y GoM Note worth MUR 2.5B was issued at a weighted yield of 4.04%, 25bps above the previous month's rate. The 5Y GoM Bond yield surged by 66bps to 4.45% following a net issuance of MUR 5.1B. There were no fresh auctions of 7Y, 10Y, 15Y and 20Y GoM Bonds during the month.

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.

Contact

SBM Mauritius Asset Managers Ltd

Level 3, Lot15A3, Hyvec Business Park,

Wall Street, Ebene Cybercity 72201

Republic of Mauritius

Tel: (+230) 202 11 11 | 202 17 35 | 202 46 42

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**

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