

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 171.8M

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

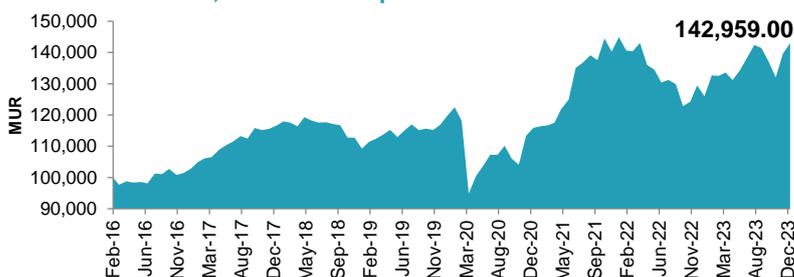
*Applicable as from Jul-2021. Previous Benchmark: 60% SEMTRI + 40% MSCI AC World Index

Performance

| Period | 1M | 3M | YTD | 1Y | 3Y | 5Y | Launch | Annualised | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|-----------|------|------|-------|-------|-------|-------|--------|------------|------|-------|-------|-------|-------|------|
| Fund | 2.4% | 4.2% | 13.5% | 13.5% | 23.3% | 30.9% | 43.0% | 4.6% | 6.0% | -3.5% | 26.0% | -6.7% | -2.2% | 5.5% |
| Benchmark | 2.4% | 4.7% | 14.7% | 14.7% | 31.2% | 38.6% | 74.5% | 7.3% | 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 (%) | -0.80 | -2.15 | -1.18 | -3.58 |
| Beta | 0.97 | 0.95 | 0.95 | 0.96 |
| Annualised volatility | 10.6% | 10.8% | 13.8% | 11.4% |
| Annualised tracking error | 2.2% | 1.9% | 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 | 60.9% | Mauritius | 36.9% | Mauritian Rupee | 37.9% |
| Domestic Equities | 36.9% | United States of America | 36.8% | US Dollar | 57.8% |
| Cash | 2.2% | India | 4.2% | Euro | 4.3% |
| Total | 100.0% | France | 2.2% | Total | 100.0% |
| | | China | 1.6% | | |
| | | Total | 81.7% | | |

| Domestic sectors | % Fund |
|---------------------|--------------|
| Banking & Insurance | 18.6% |
| Commerce | 5.1% |
| Industry | 4.0% |
| Investment | 4.0% |
| Leisure & Tourism | 3.3% |
| Property | 1.9% |
| Total | 36.9% |

| Top 10 international industries | % Fund |
|--|--------------|
| Semiconductors & Equipment | 6.5% |
| Pharmaceuticals, Biotech & Life Sciences | 5.7% |
| Software & Services | 5.6% |
| Capital Goods | 4.6% |
| Banks | 4.1% |
| Financial Services | 3.6% |
| Health Care Equipment & Services | 3.5% |
| Technology Hardware & Equipment | 3.4% |
| Media & Entertainment | 3.4% |
| Materials | 2.9% |
| Total | 43.3% |

Asset allocation (continued)

| Top 10 holdings | % Fund | Top 10 international holdings * | % Fund |
|---|---------------|--|---------------|
| MCB Group Ltd | 12.4% | Microsoft Corp | 2.4% |
| Vanguard S&P 500 ETF | 4.7% | Apple Inc. | 2.2% |
| iShares MSCI ACWI ETF | 4.4% | NVIDIA Corp | 1.5% |
| iShare Core MSCI World UCITS | 4.4% | Alphabet Inc - Class A | 1.1% |
| Fidelity Asia Pacific Opportunities "A" (USD) Acc | 4.2% | Amazon.com Inc | 1.0% |
| IBL Ltd | 4.1% | ASML Holding NV | 0.7% |
| iShares MSCI World ETF | 4.1% | Novo Nordisk A/S-B | 0.7% |
| Vanguard TOT World STK ETF | 3.9% | HDFC Bank Limited | 0.6% |
| SBM Holdings Ltd | 3.6% | Meta Platforms Inc - Class A | 0.6% |
| SBM India Fund - Class A | 3.6% | Visa Inc - Class A | 0.5% |
| Total | 49.4% | Total | 11.3% |

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 13.96 in November to MUR 14.30 in December, equivalent to a return of 2.4%, comparable to the benchmark return.

For the last month of the year 2023, local indices posted divergent performances with the SEMDEX heading south to 2,038.10 while the DEMEX recouped part of its past month's losses to close at 267.46; equivalent to respective return of -1.3% and +0.5%. The main leaders, that is, companies which contribute to the positive performances of the SEMDEX were NMHL, LUX and ASCE while the main laggards were MCBG, IBL and PBL. The top three price gainers were MCFI (+27.5%), NMHL (+6.2%) and MEDINE (+3.0%) while the main detractors were CAUDAN (-7.5%), PIM (-7.5%) and HMALLAC (-6.6%). The price-earnings ratio and dividend yield of the SEMDEX stood at 6.45x and 4.29%, respectively as at 31 December against corresponding figures of 6.53x and 4.22% as at 30 November. Foreigners were heavy sellers during the month as net outflows hit MUR 116.2M (vs. MUR 14.3M in Nov-23).

International equities hovered near record highs in December, buoyed by expectations that central banks may soon start cutting interest rates. US 5-year and 10-year yields fell below 4% as investors piled on equities, with small-caps performing remarkably well. The MSCI World index gained 4.8% MoM.

The S&P 500 index posted 4.4% in December, supported by subsiding inflation news and the softer tone of the Fed. Manufacturing activity witnessed further declines during the month as the downturn in new orders intensified and output fell at its fastest pace since August. 10 of the major industry groups recorded positive performances, led by Real Estate, Industrials and Consumer Discretionary. Value stocks outperformed their growth counterparts, with the S&P Value index registering 5.4% against 3.6% for the S&P Growth index. The S&P Global US Purchasing Managers' Index (PMI) edged down from 49.4 in November to 47.9 in December, reflecting the marked weakness in both the domestic and external demand conditions.

The Eurostoxx 50 index added 3.2% MoM as rate cut optimism fuelled a year-end rally. Cooling inflation further lifted investor sentiment. The CAC 40 and FTSE MIB indices recorded respective performances of 3.2% and 2.1% while the DAX 30 index posted 3.3%. The Eurozone manufacturing sector remained in contractionary territory due to the sustained decline in both activity and demand. The slump in output extended into a seventh successive month with the latest PMI reading at 44.4 in December against 44.2 in November. In the UK, the FTSE 100 index gained 3.7%. PMI edged down from 47.2 in November to 46.2 in December amidst weakening demand in both the domestic and key export markets.

In Japan, the Nikkei 225 index lagged its global peers, registering -0.1% MoM. December marked another month of worsening operating conditions in the manufacturing sector with PMI further tumbling to 47.9 in December from 48.3 in November, remaining below the neutral 50-threshold. Output and new orders remained on a downtrend following depressed demand and ongoing global market uncertainty. Input cost inflation remained elevated, surging to a three-month high on account of increased raw material prices and adverse exchange rate movements.

Emerging markets' equities trailed developed markets after the MSCI Emerging Markets index posted 3.7% in December, weighed down by the underperformance of Chinese equities. The CSI 300 index ended the month as the worst performer among broad market indices, posting -1.9% in local currency and -1.4% in USD. Operating conditions improved following a stronger rise in new orders, supported by better market conditions and larger consumer spending. The manufacturing PMI inched up from 50.7 in November to a 3-month high of 50.8 in December. In India, the BSE Sensex index rallied by 7.8% MoM amid bullish bets on the economy. The manufacturing sector maintained its expansionary path, driven by favourable market conditions and significant rises in both new order inflows and production; PMI stood at 54.9 in December against a previous reading of 56.0. Input cost inflation remained at its weakest in three and a half years.

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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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