

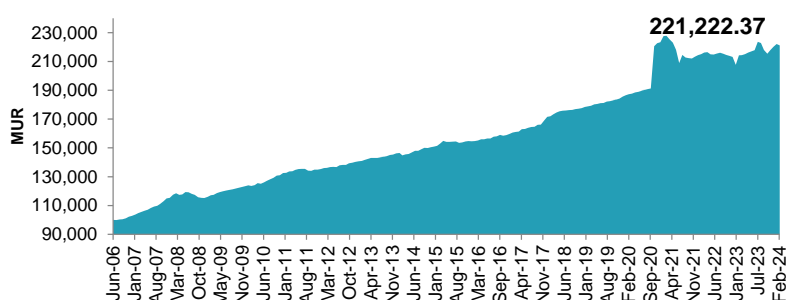
SBM Yield FundNAV per share **MUR 11.50****Investment objective**

The Fund seeks to achieve its investment objective of long-term capital growth and regular income by investing in fixed income and 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 and 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 125.3Mn**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	2023	2022	2021	2020	2019	2018
Fund	-0.4%	1.5%	0.5%	3.2%	-2.9%	23.4%	121.2%	4.6%	1.1%	3.2%	10.2%	4.6%	2.9%	7.3%
Benchmark	0.3%	2.8%	0.8%	3.6%	5.1%	20.9%	134.3%	4.9%	2.1%	-2.6%	4.7%	8.5%	6.0%	2.5%

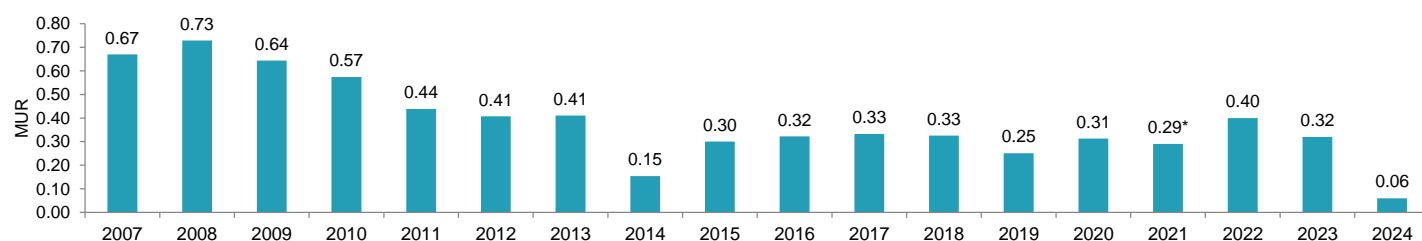
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. The benchmark return is computed in MUR terms. Annual returns 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	0.74	0.27	0.12	0.12
Regression alpha (%)	0.21	-1.50	3.58	4.80
Beta	0.84	0.31	0.27	0.27
Annualised volatility	4.3%	4.9%	7.9%	4.4%
Annualised tracking error	2.9%	5.5%	8.3%	4.6%

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

Average term to maturity (yrs)	8.37
Gross yield to maturity	4.59%
Duration (yrs)	6.17

Dividend per Share

*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	58.7%	Mauritius	58.7%	Mauritian Rupee	59.6%
International Fixed Income	35.5%	North America	25.4%	US Dollar	40.3%
Cash	5.8%	Europe	5.2%	Euro	0.1%
Total	100.0%	Asia Pacific	3.1%	Total	100.0%
		Others	1.8%		
		Total	94.2%		

Asset allocation (continued)

Sector	% Fund
Government	54.4%
Financial	15.3%
Investment	8.0%
Industrial	5.0%
Others	3.0%
Consumer, Non-cyclical	2.4%
Technology	1.8%
Communications	1.3%
Consumer, Cyclical	1.1%
Energy	0.8%
Utilities	0.8%
Basic Materials	0.3%
Property	0.0%
Total	94.2%

Top 10 Holdings	% Fund
iShares Core Global AGG Bond	10.8%
Fidelity US Dollar Bond "A" (USD) Acc	9.5%
iShares Core US Aggregate Bond ETF	5.3%
Vanguard Long-Term Bond ETF	4.9%
Government of Mauritius Bond 22/01/33	4.8%
Government of Mauritius Bond 24/06/42	4.7%
Government of Mauritius Bond 20/08/36	4.4%
Inflation Indexed Bond 22/05/30	4.3%
Government of Mauritius Bond 15/01/36	4.2%
Gamma Civic Notes 18/06/31	4.0%
Total	56.9%

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 11.55 in January to MUR 11.50 in February, equivalent to a return of -0.4% while the benchmark return posted 0.3%.

On the primary market, the yield on the 91D Treasury Bills remained unchanged at 3.89% since there was no new issuance. The BoM auctioned MUR 3.6Bn of 182D Treasury Bills in two tranches at corresponding weighted average yields of 3.66% and 3.73%. The yield on the 364D Treasury Bills increased by 26bps to 4.00% post a net issuance of MUR 2.0Bn. Following an auction of MUR 2.0Bn, the 3Y GoM Note traded at a yield of 4.71%, up by 1bp. A 7Y GoM Note worth MUR 2.0Bn was issued at a weighted yield of 5.29%, 56bps above the previous rate. There were no fresh auctions of 5Y, 10Y, 15Y and 20Y GoM Bonds during the month. Secondary market yields generally increased during the month. Yields on the 91D Treasury Bills fell by 2bps to 3.27%. The yield on the 182D Treasury Bills remained unchanged at 3.50% while the yield on the 364D Treasury Bills marginally increased by 1bp to 3.70%. The 3Y GoM Note traded at 4.57%, 27bps higher than the previous month, while the yield on the 5Y GoM Bond reached 4.79%, up by 21bps. The yields on the 10Y and 15Y GoM Bonds surged by 37bps and 25bps to reach 5.23% and 5.41%, respectively. The 20Y GoM Bond traded at a yield of 5.65% against 5.39% in January.

The Barclays Global Aggregate Bond index registered -1.3% in February, as resilient economic data and pushback from some central bankers prompted market participants to reduce their 2024 rate cuts expectations. According to the dot plot, the median voting member at the US Federal Reserve (Fed) expects three 25bps cuts in 2024. 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 10-year US Treasury yield increased by 34bps to 4.25% in February as economic data continued surprising to the upside.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank Rate stood at 5.25% after the pause at the September 2023 meeting. According to the latest MPC projections, CPI inflation is expected to return to the 2% target by Q4 2025. The BoE agreed to reduce the stock of UK government bond purchases held for monetary policy purposes by GBP 100 billion over the 12 months ending September 2024. UK CPI overall and core inflation rates remained unchanged at 4.0% and 5.1% in January. The 10-year UK Gilt yields increased by 33bps to 4.12% in February as core inflation remained sticky.

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 4.50%, 4.75% and 4.00%, respectively. The Governing Council considers that interest rates are at levels that, maintained for a sufficiently long duration, will help bring inflation to its 2% medium-term target. According to Eurostat, the Eurozone's annual inflation is expected to decrease by 0.2 percentage points to 2.6% in February 2024. European bond yields generally trended higher as the ECB pushed back on market expectations of near-term rate cuts. The corresponding yield on 10-year German and Spanish bonds surged by 25bps and 20bps to 2.41% and 3.29%, respectively. The yield on 10-year Italian bonds increased by 12bps to 3.84% in February.

The Bank of Japan (BoJ) decided to maintain the short-term interest rate unchanged at -0.1%. The Japanese economy slipped into a technical recession in Q4 2023 following two consecutive quarters of decline in real GDP. The inflation rate in Japan decreased by 0.4 percentage points to 2.2% in January, remaining above the BoJ's 2% target. 10-year JGBs traded at 0.71% in February, 2bps below the preceding month's reading, as weak economic data weighed on higher rate expectations.

Among larger emerging economies, the People's Bank of China (PBoC) slashed the 5-year loan prime rate (LPR) by 25bps to 3.95%, the first rate cut since June 2023. The 1-year LPR was maintained at 3.45%. The 5-year LPR rate cut aimed at supporting the recovery of the property sector and improving housing affordability. The PBoC reduced the reserve requirement ratio (RRR) by 50 bps in February 2024 to revive economic growth amidst weak sentiment. The yield on 10-year Chinese government bonds fell by 8bps to 2.38% in February as the PBoC turned dovish. In India, the Reserve Bank of India (RBI), at its Monetary Policy Committee (MPC) meeting ending on 22 February 2024, decided to maintain the policy repo rate under the liquidity adjustment facility (LAF) at 6.50%. Consequently, the standing deposit facility (SDF) rate stood at 6.25% while the marginal standing facility (MSF) rate and the Bank Rate stood at 6.75%. 10-year Government of India bond yields decreased from 7.14% to 7.08% in February amid the fall in the rate of inflation.

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

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