

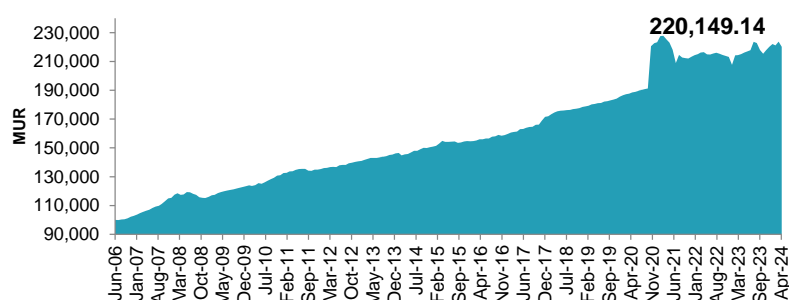
SBM Yield FundNAV per share **MUR 11.38****Investment objective**

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 121.7Mn**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	-1.6%	-0.9%	0.0%	1.8%	-1.3%	22.0%	120.1%	4.5%	1.1%	3.2%	10.2%	4.6%	2.9%	7.3%
Benchmark	-0.9%	0.5%	1.1%	3.1%	5.0%	19.1%	134.9%	4.9%	2.1%	-2.6%	4.7%	8.5%	6.0%	2.5%

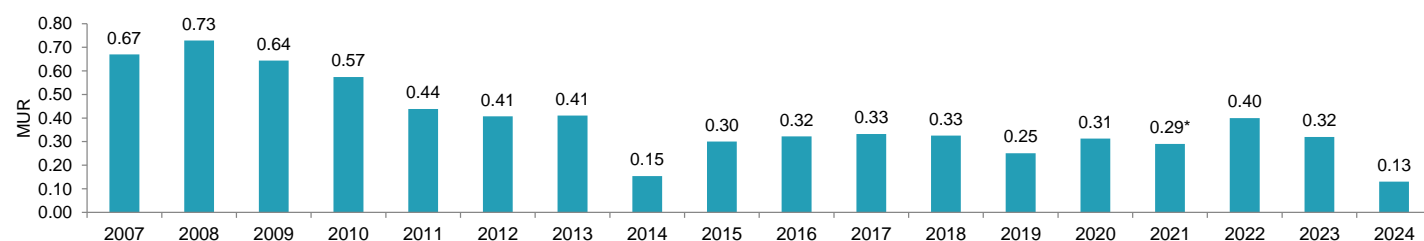
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. The benchmark return is computed in MUR terms. Annual returns 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	0.80	0.31	0.14	0.14
Regression alpha (%)	-1.13	-1.04	3.22	4.41
Beta	0.95	0.36	0.31	0.31
Annualised volatility	4.8%	4.9%	7.9%	4.4%
Annualised tracking error	2.9%	5.4%	8.2%	4.6%

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

Average term to maturity (yrs)	8.56
Gross yield to maturity	4.87%
Duration (yrs)	6.27

Dividend per Share

*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	61.8%	Mauritius	61.8%	Mauritian Rupee	59.7%
International Fixed Income	36.2%	North America	25.6%	US Dollar	40.2%
Cash	2.0%	Europe	5.6%	Euro	0.1%
Total	100.0%	Asia Pacific	3.1%	Total	100.0%
		Others	1.9%		
		Total	98.0%		

Asset allocation (continued)

Sector	% Fund
Government	55.2%
Financial	17.8%
Investment	8.2%
Industrial	5.1%
Others	2.9%
Consumer, Non-cyclical	2.4%
Technology	1.8%
Communications	1.4%
Consumer, Cyclical	1.2%
Utilities	0.9%
Energy	0.8%
Basic Materials	0.3%
Property	0.0%
Total	98.0%

Top 10 Holdings	% Fund
iShares Core Global AGG Bond	11.0%
Fidelity US Dollar Bond "A" (USD) Acc	9.7%
iShares Core US Aggregate Bond ETF	5.4%
Government of Mauritius Bond 22/01/33	4.9%
Government of Mauritius Bond 24/06/42	4.8%
Vanguard Long-Term Bond ETF	4.8%
Inflation Indexed Bond 22/05/30	4.5%
Government of Mauritius Bond 20/08/36	4.5%
Government of Mauritius Bond 15/01/36	4.3%
Gamma Civic Notes 18/06/31	4.2%
Total	58.1%

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 11.64 in March to MUR 11.38 in April, equivalent to a return of -1.6% while the benchmark return posted -0.9%.

On the primary market, the yield on the 91D Treasury Bills remained unchanged at 3.89% since there was no fresh issuance. The GoM auctioned MUR 3.05Bn of 182D Treasury Bills in two tranches at corresponding weighted average yields of 3.77% and 3.90%. The yield on the 364D Treasury Bills declined by 7bps post a net issuance of MUR 6.95Bn. A 3Y GoM Note worth MUR 2.1Bn was issued at a weighted yield of 5.02%, 10bps above the previous rate. Following an auction of MUR 3.99Bn, the 10Y GoM Bond was issued at a yield of 5.68%, up by 127bps. There were no new issuances for the 5Y, 7Y, 15Y and 20Y Bonds in April. On the secondary market, the 91D Treasury Bills traded at 3.21%, down by 2bps. The corresponding yields on the 182D and 364D Treasury Bills marginally increased by 2bps and 6bps to reach 3.55% and 3.91%. The 3Y GoM Note and the 5Y GoM Bond traded at respective yields of 4.84% and 5.18%, both 4bps higher than the previous month's readings. The yield on the 10Y GoM Bond surged by 25bps to 5.52%, while the 15Y GoM Bond traded at 5.56%, up by 19bps. The market yield on the 20Y GoM Bond ticked up by 1bp to stand at 5.60%.

The Barclays Global Aggregate Bond index registered -2.5% in April, as major central banks are expected to delay their rate cuts as the US Federal Reserve (Fed) faces sticky inflation. At its April meeting, the Fed decided to maintain the target Fed Funds rate at the 5.25%-5.50% range. With inflation surprising to the upside for three consecutive months, Fed officials warned that they need to see more progress on inflation to start cutting rates. 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 April. The 10-year US Treasury yield increased by 48bps to 4.68% in April as services inflation remains sticky.

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 Q2 2024. 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 inflation fell by 0.2 percentage points to 3.4% in March. The 10-year UK Gilt yields surged by 41 bps to 4.35% in April as comments by BoE officials prompted investors to push back their expectations for rate cuts.

The European Central Bank (ECB) decided to keep the key ECB interest rates unchanged at its April meeting. 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. According to the latest ECB staff projections, inflation has been revised down and is expected to average 2.3% in 2024. 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 0.1 percentage points to 2.4% in April 2024. European bond yields generally trended higher as market participants expect the ECB to ease monetary policy more gradually than previously anticipated. The corresponding yield on 10-year German and Spanish bonds surged by 29bps and 19bps to 2.58% and 3.35%, respectively. The yield on 10-year Italian bonds increased by 24bps to 3.92% in April.

The Bank of Japan (BoJ) decided to keep its policy rate unchanged at 0%-0.1% in April 2024. The inflation rate in Japan decreased by 0.1 percentage point to 2.7% in March. The BoJ now expects inflation between 2.5% and 3% for fiscal 2024, up from 2.2% to 2.5% in its January forecast. 10-year Japanese government bonds (JGBs) traded at 0.88% in April, 15bps above the preceding month's reading, as the BoJ exited negative interest rate policy in March.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year and 5-year loan prime rates at 3.45% and 3.95%, respectively. The PBoC's accommodative policy stance is aimed at supporting the recovery of the property sector and improving housing affordability. The yield on 10-year Chinese government bonds fell by 2bps to 2.31% in April as economic activity surprised to the upside. In India, the Reserve Bank of India (RBI), at its Monetary Policy Committee (MPC) meeting ending on 19 April 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% and the marginal standing facility (MSF) rate and the Bank Rate stood at 6.75%. 10-year Government of India bond yields increased from 7.06% to 7.19% in April, tracking the surge in US Treasury yields.

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