

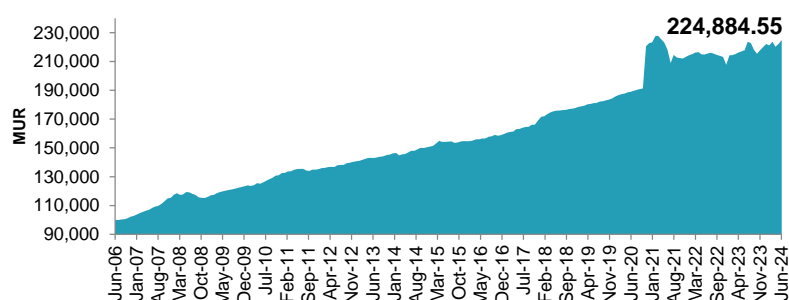
SBM Yield FundNAV per share **MUR 11.62****Investment objective**

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 107.2Mn**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	2024	2023	2022	2021	2020	2019
Fund	1.2%	0.5%	2.2%	3.2%	7.7%	24.1%	124.9%	4.6%	3.2%	1.1%	3.2%	10.2%	4.6%	2.9%
Benchmark	1.1%	1.0%	3.0%	4.8%	4.3%	18.4%	139.3%	5.0%	4.8%	2.1%	-2.6%	4.7%	8.5%	6.0%

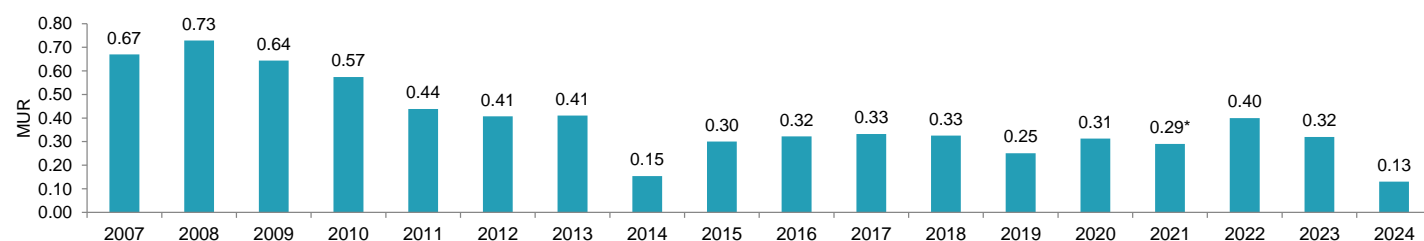
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. The benchmark return is computed in MUR terms. Annual returns 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	0.81	0.60	0.15	0.14
Regression alpha (%)	-1.46	1.72	3.55	4.49
Beta	0.98	0.60	0.35	0.32
Annualised volatility	4.9%	4.1%	7.9%	4.4%
Annualised tracking error	2.9%	3.7%	8.2%	4.6%

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

Average term to maturity (yrs)	4.40
Gross yield to maturity	3.10%
Duration (yrs)	3.21

Dividend per Share

*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	44.8%	Mauritius	44.8%	Mauritian Rupee	54.8%
International Fixed Income	17.7%	North America	15.5%	US Dollar	45.1%
Cash	37.5%	Europe	0.7%	Euro	0.1%
Total	100.0%	Asia Pacific	0.2%	Total	100.0%
		Others	1.3%		
		Total	62.5%		

Asset allocation (continued)

Sector	% Fund
Government	23.4%
Financial	16.0%
Investment	9.3%
Industrial	5.3%
Technology	1.9%
Others	1.9%
Consumer, Non-cyclical	1.5%
Communications	1.2%
Consumer, Cyclical	0.8%
Energy	0.5%
Utilities	0.5%
Basic Materials	0.2%
Property	0.0%
Total	62.5%

Top 10 Holdings	% Fund
iShares Core US Aggregate Bond ETF	6.4%
Vanguard Long-Term Bond ETF	5.8%
Inflation Indexed Bond 22/05/30	4.8%
CIM Financial Services Ltd Notes 31/07/25	4.7%
Government of Mauritius Bond 27/07/24	4.7%
Gamma Civic Notes 18/06/31	4.7%
Forty Two Point Two 27/04/28	3.6%
Pimco Income "E" (USD) INC	3.4%
Government of Mauritius Bond 03/09/28	2.9%
ENL Bond 10/08/32	2.9%
Total	43.9%

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.48 in May to MUR 11.62 in June, equivalent to a return of 1.2% while the benchmark return posted 1.1%.

On the primary market, the yield on the 91D Treasury Bills remained unchanged at 3.89% since there was no fresh issuance. The yield on the 182D Treasury Bills and 364D Treasury Bills ticked down by 1bp to reach 3.46% and 3.71%, respectively, following corresponding issuances of MUR 1.5Bn and MUR 3.0Bn. A 5Y GoM Bond worth MUR 600Mn was issued at a weighted yield of 4.79%, 46bps lower than the previous month. There were no fresh auctions of 3Y GoM Note, 7Y, 10Y, 15Y and 20Y GoM Bonds during the month. On the secondary market, yields were generally on the downside. The yields on the 91D and 182D Treasury Bills remained unchanged at 3.17% and 3.42%, respectively. The 364D Treasury Bills traded at 3.69%, down by 6bps. The 3Y GoM Note traded at 4.39%, 7bps below the earlier month's reading, while the yield on the 5Y GoM Bond stood at 4.67%, 19bps lower. The yield on the 10Y GoM Bond declined by 7bps to 5.02%. The market yields on the 15Y and 20Y GoM Bonds fell by 8bps and 2bps, reaching 5.28% and 5.55%, respectively.

The Barclays Global Aggregate Bond index registered a gain of 0.1% in June, with the European Central Bank (ECB) moving before the US Federal Reserve (Fed) to lower policy rates. The Fed decided to maintain the target Fed Funds rate at the 5.25%-5.50% range at its June meeting. The dot plot shows that the median voting member at the US Federal Reserve (Fed) expects only one 25bps cut in 2024. The FOMC continued reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities, with the cap set at USD 60Bn for June. The 10-year US Treasury yield decreased by 10bps to 4.40% in June as economic data tempered concerns of overheating in the US economy.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 19 June 2024, voted by a majority of 7-2 to maintain the Bank Rate at 5.25%. UK CPI inflation decreased by 0.3 percentage points to 2.0 % in May. While CPI inflation had fallen back to the 2% target, higher-than-expected services inflation and wage growth prompted Committee members to keep rates on hold. 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. The 10-year UK Gilt yields fell by 15bps to 4.17% in June as inflation surprised to the downside.

At its June meeting, the European Central Bank (ECB) decided to lower the three key ECB interest rates by 25bps. Accordingly, the interest rate on the main refinancing operations, on the marginal lending facility and the deposit facility fell to 4.25%, 4.50% and 3.75%, respectively. According to the latest ECB staff projections, inflation has been revised up and is expected to average 2.5% in 2024 and 2.2% in 2025. Over the second half of 2024, the Governing Council is expected to reduce the pandemic emergency purchase programme (PEPP) portfolio by EUR 7.5 billion per month on average. According to Eurostat, the Eurozone's annual inflation is expected to decrease by 0.1 percentage point to 2.5% in June 2024. European bond yields were volatile ahead of the French parliamentary elections. The yield on 10-year German bonds decreased by 16bps to 2.50% in June. The corresponding yield on 10-year Spanish and Italian bonds surged by 3bps and 9bps to 3.42% and 4.07%, respectively.

The Bank of Japan (BoJ) decided to keep its policy rate unchanged at 0%-0.1% in June 2024. The inflation rate in Japan increased by 0.3 percentage points to 2.8% in May. The BoJ 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 traded at 1.06% in May, 1bp below the preceding month's reading.

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 decreased by 11bps to 2.31% in June as inflation remained below consensus expectations. In India, the Reserve Bank of India (RBI), at its Monetary Policy Committee (MPC) meeting ending on 7 June 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 remained at 6.75%. India's government bonds will be gradually incorporated into JPMorgan's widely tracked emerging market debt index as from July 2024, which is expected to attract foreign inflows. 10-year Government of India bond yields increased from 6.98% to 7.01% in June.

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.mu

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

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