Factsheet Jul 2024

SBM Growth Fund

NAV per share **MUR 16.22**

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

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

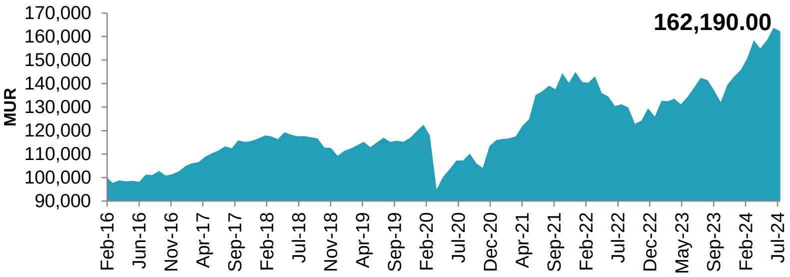
Inception date: 4 Feb 2016
Fund size: MUR 224.5M
Base currency: MUR
Minimum one-off investment: MUR 2,000
Minimum monthly investment plan: MUR 200
Management fee: 1.00% p.a.
Entry fee: 1.00%
Exit fee: 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2024	2023	2022	2021	2020	2019
Fund	-1.0%	4.7%	13.5%	13.9%	18.6%	38.6%	62.2%	5.9%	18.4%	6.0%	-3.5%	26.0%	-6.7%	-2.2%
Benchmark	0.1%	5.2%	13.6%	15.0%	25.9%	46.5%	98.3%	8.4%	18.8%	7.7%	-0.4%	26.1%	-7.0%	1.3%

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	0.99	0.98	0.99	0.98
Regression alpha (%)	-1.64	-2.01	-1.18	-3.79
Beta	1.04	0.95	0.96	0.96
Annualised volatility	10.9%	10.5%	14.1%	11.3%
Annualised tracking error	1.7%	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
International Equities	53.9%
Domestic Equities	31.9%
Cash	14.2%
Total	**100.0%**

Top 5 countries	% Fund
United States of America	36.1%
Mauritius	31.9%
India	4.6%
Japan	2.8%
United Kingdom	1.7%
Total	**77.1%**

Top currency	% Fund
Mauritian Rupee	44.0%
US Dollar	52.9%
Euro	3.1%
Total	**100.0%**

Domestic sectors	% Fund
Banking & Insurance	16.7%
Commerce	3.8%
Industry	3.0%
Investment	3.3%
Leisure & Tourism	2.5%
Property	1.4%
ICT	1.2%
Total	**31.9%**

Top 10 international industries	% Fund
Semiconductors & Equipment	6.3%
Software & Services	5.9%
Pharmaceuticals, Biotech & Life Sciences	4.5%
Technology Hardware & Equipment	4.3%
Media & Entertainment	4.0%
Capital Goods	3.8%
Financial Services	3.8%
Banks	3.5%
Consumer Discretionary Distribution & Retail	2.8%
Health Care Equipement & Services	1.7%
Total	**40.6%**

Asset allocation (continued)

Top 10 holdings	% Fund
MCB Group Ltd	11.9%
SBM India Fund - Class A	4.4%
iShares MSCI World ETF	3.7%
Vanguard TOT World STK ETF	3.5%
SBM Holdings Ltd	3.1%
IBL Ltd	3.0%
Vanguard S&P 500 ETF	2.5%
Amundi Funds - Pioneer US Equity Growth Fund USD	2.5%
UBS Lux Equity SICAV - USA Growth USD	2.4%
iShare Core MSCI World UCITS	2.4%
Total	**39.4%**

Top 10 international holdings *	% Fund
Apple Inc.	3.0%
Microsoft Corp	2.7%
NVIDIA Corp	2.6%
Amazon.com Inc	1.6%
Berkshire Hathaway Inc - Class B	1.2%
Alphabet Inc - Class A	1.2%
Meta Platforms Inc - Class A	1.2%
Eli Lilly & Co	1.0%
Broadcom Inc	0.8%
Alphabet Inc - Class C	0.6%
Total	**15.9%**

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 16.38 in June to MUR 16.22 in July, equivalent to a return of -1.0% while the benchmark return posted 0.1%. Local indices registered mixed returns in July as the SEMDEX recouped part of its previous month's losses to close higher at 2,113.49 points while the DEMEX registered its third consecutive losing streaks heading to 238.83 points, equivalent to respective returns of +0.2% and -1.3%. The main leaders, that is, companies which contribute to the positive performance of the SEMDEX were MCBG, ASCE, NMHL while the main laggards were SUN, ROGERS and ALTG. The top three price gainers were NIT (+22.0%), CAUDAN (+20.5%) and BLL (+14.0%) while the main detractors were SUN (-12.0%), ASL (-9.1%) and ALTG (-7.9%). The price-earnings ratio and dividend yield of SEMDEX stood at 6.85x and 4.56%, respectively as at 31 July against corresponding figures of at 6.66x and 4.33% as at 30 June. During the month, foreigners were net buyer on the local bourse to the tune of MUR 58.4M (vs. MUR 21.2M in Jun-24), mainly driven by EMTEL, MCBG and SBMH.

International equities maintained its upward momentum in July, driven by a series of soft US economic data which revived hopes of a September rate cut by the Federal Reserve. Gains were however capped as a sell-off within megacaps dragged down the broader market; the MSCI World index posted 1.7% MoM.

The S&P 500 index registered 1.1% MoM, closing out a volatile month amid a rotation out of the tech megacaps into small caps and cyclical sectors. This rate-led rotation steered the largest monthly outperformance of the Russell 2000 index versus the heavy tech-gauge index, Nasdaq 100, in over 20 years. 9 out of the 11 major industry groups recorded positive returns, led by the economically sensitive groups, that is, Real Estate, Utilities and Financials. Value stocks outperformed their growth counterparts, with the S&P Value index registering a gain of 4.6% versus -1.3% for the S&P Growth index. The S&P Global US Purchasing Managers' Index (PMI) signalled a deterioration in the health of the manufacturing sector, with the index falling below the 50-threshold for the first time in seven months; the indicator edged down to 49.6 in July against 51.6 in June following a drop in new orders. Input cost inflation eased for a second month, falling to a one-year low.

Eurostoxx 50 index retreated by 0.4% MoM following a slate of disappointing earnings which raised concerns about the health of the broader economy. The CAC 40 and DAX 30 indices recorded respective performances of 0.7% and 1.5% while the FTSE MIB index added 1.8%. The Eurozone manufacturing sector remained in contraction territory due to the sustained weakness in demand. The slump in new orders led to an acceleration in output contraction with the PMI reading unchanged at 45.8 in July. Input costs data reflected a marked acceleration in cost pressures with prices increasing at the fastest rate in a year and a half. In the UK, the FTSE 100 index registered 2.5% MoM, driven by robust economic data. The first interest rate cut since 2020 by the Bank of England also added to the positive sentiment. The recovery in the manufacturing sector strengthened in July with PMI edging up to a two-year high of 52.1 (June 2024: 50.9), driven by expansions in output, new orders and employment. Input price inflation rose to a 18-month high on account of the Red Sea crisis and related freight issues.

The Nikkei 225 index slid by 1.2% MoM following the sharp rally in the Japanese yen. The Bank of Japan's decision to hike rates also amplified market volatility. Operating conditions deteriorated for the first time in three months as a steep decline in new orders led to the renewed decline in production levels. New order volumes fell at its strongest rate since March, mainly attributable to subdued demand in domestic as well as international markets. PMI tumbled to 49.1 in July against 50.0 in June. Inflationary pressures intensified in the latest survey period with input price inflation rising to the steepest rate in 15 months on account of higher raw material, labour, oil and logistic costs.

Emerging markets' equities underperformed developed markets after the MSCI Emerging Markets index posted -0.1% in July. The CSI 300 index registered -0.6% MoM in local currency and 0.1% in USD. China's manufacturing activity expanded at the slowest pace in nine months amid a renewed fall in new orders – PMI fell to 49.8 in July, down from 51.8 in June. Although market conditions softened, employment remained relatively stable with business confidence improving across the sector. In India, the BSE Sensex gained 3.4% MoM. The manufacturing sector maintained its growth momentum, buoyed by robust demand from both domestic and international markets, resulting in significant upturn in both new order inflows and production; PMI stood at 58.1 in July against a previous reading of 58.3.

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