

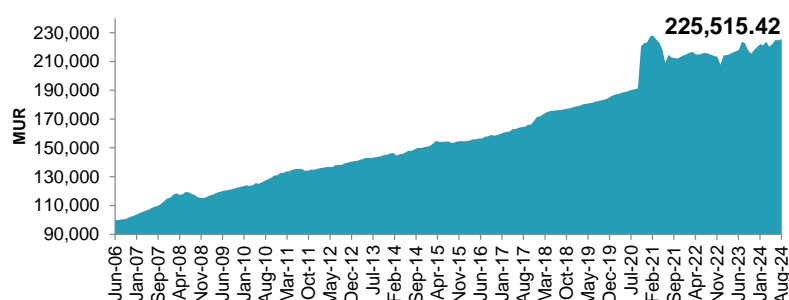
**SBM Yield Fund**NAV per share **MUR 11.65****Investment objective**

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 106.1Mn**Base currency:** MUR**Minimum one-off investment:** MUR 1,000**Monthly investment plan:** MUR 200**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	0.3%	1.5%	2.4%	1.2%	6.0%	23.6%	125.5%	4.6%	3.2%	1.1%	3.2%	10.2%	4.6%	2.9%
Benchmark	1.1%	2.9%	4.7%	6.5%	5.7%	18.4%	143.4%	5.0%	4.8%	2.1%	-2.6%	4.7%	8.5%	6.0%

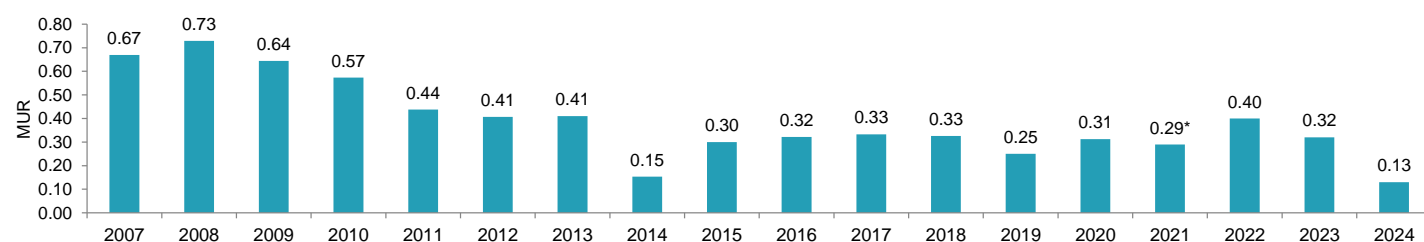
Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. The benchmark return is computed in MUR terms. Annual returns 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	0.92	0.62	0.15	0.14
Regression alpha (%)	-5.12	0.92	3.45	4.44
Beta	0.97	0.56	0.35	0.31
Annualised volatility	4.2%	3.8%	7.9%	4.4%
Annualised tracking error	1.6%	3.5%	8.2%	4.6%

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

Average term to maturity (yrs)	4.37
Gross yield to maturity	2.67%
Duration (yrs)	3.18

**Dividend per Share**

\*Quarterly dividend distribution as from FY21

**Asset allocation**

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	37.8%	Mauritius	37.8%	Mauritian Rupee	68.7%
International Fixed Income	18.2%	North America	16.7%	US Dollar	31.2%
Cash	44.0%	Europe	0.8%	Euro	0.1%
<b>Total</b>	<b>100.0%</b>	Asia Pacific	0.1%	<b>Total</b>	<b>100.0%</b>
		Others	0.6%		
		<b>Total</b>	<b>56.0%</b>		

**SBM Yield Fund**NAV per share **MUR 11.65****Asset allocation (continued)**

Sector	% Fund
Government	19.0%
Financial	13.6%
Investment	9.4%
Industrial	5.4%
Technology	1.9%
Others	1.9%
Consumer, Non-cyclical	1.7%
Communications	1.1%
Consumer, Cyclical	0.8%
Utilities	0.5%
Energy	0.5%
Basic Materials	0.2%
Property	0.0%
<b>Total</b>	<b>56.0%</b>

Top 10 Holdings	% Fund
Government of Mauritius Bond 06/09/24	11.3%
iShares Core US Aggregate Bond ETF	6.5%
Vanguard Long-Term Bond ETF	6.0%
Inflation Indexed Bond 22/05/30	4.9%
Gamma Civic Notes 18/06/31	4.8%
CIM Financial Services Ltd Notes 31/07/25	4.7%
Forty Two Point Two 27/04/28	3.7%
Pimco Income "E" (USD) INC	3.4%
Government of Mauritius Bond 03/09/28	3.0%
ENL Bond 10/08/32	2.8%
<b>Total</b>	<b>51.1%</b>

**Market comments**

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.61 in July to MUR 11.65 in August, equivalent to a return of 0.3% 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 surged by 25bps and 13bps to reach 3.73% and 3.85% respectively, following corresponding issuances of MUR 5.45Bn and MUR 4.8Bn. A 3Y GOM Note worth MUR 3.0Bn was issued at a weighted yield of 4.52%, 7bps below the previous month. The yield on the 7Y GoM Bond rose by 12bps to 5.02% post an issuance of MUR 2.0Bn. There were no fresh auctions of 5Y, 10Y, 15Y and 20Y GoM Bonds during the month. On the secondary market, the yield on the 91D Treasury Bills increased by 3bps to reach 3.22%. The 182D and 364D Treasury Bills were both down by 5bps, trading at 3.46% and 3.71%, respectively. The 3Y GoM Note traded at 4.43%, 1bp above the previous month's reading while the 5Y GoM Bond fell by 1bp to reach 4.69%. The yield on the 10Y GoM Bond stood at 5.05% in August, edging up from an previous yield of 5.04%. The market yields on the 15Y and 20Y GoM Bonds ticked down by 2bps and 11bps respectively, to reach corresponding yields of 5.28% and 5.48%.

The Barclays Global Aggregate Bond index registered 2.4% in August, as weaker-than-expected US economic data prompted market participants to increase their odds of a recession. At the Jackson Hole Economic Symposium, Fed Chairman Jerome Powell conveyed that it is time to start lowering interest rates. The Fed is expected to start cutting the Fed Funds rate at its September meeting. The FOMC continued reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities, with the cap set at USD 60Bn for August. The 10-year US Treasury yield decreased by 13bps to 3.90% in August amid cooling inflation and weaker economic data.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank Rate stood at 5.00% after the 25bps cut at the July 2024 meeting. According to the latest MPC projections, CPI inflation is expected to increase to around 2.75% in the second half of 2024 owing to a smaller expected drag from domestic energy bills. 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 increased by 0.2 percentage points to 2.2% in July. The 10-year UK Gilt yields surged by 4bps to 4.02% in August amid higher inflation expectations.

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 and the interest rates on the marginal lending facility and the deposit facility stood at 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 0.4 percentage point to 2.2% in August 2024. European bond yields were on a slight uptrend. The yield on 10-year German bonds remained unchanged at 2.30% in August. The corresponding yield on 10-year Spanish and Italian bonds surged by 2bps and 5bps to 3.14% and 3.70%, respectively.

The Bank of Japan's Deputy Governor Shinichi Uchida pledged to refrain from hiking interest rates when markets are unstable after BoJ's rate hike on July 31st triggered a market meltdown. As markets stabilised, BoJ Governor Kazuo Ueda reaffirmed his resolve to hike interest rates if inflation stayed on course to sustainably hit the 2% target. 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 0.90% in August, 16bps 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 3.35% and 3.85%, respectively. The PBoC's accommodative policy stance is aimed at supporting the recovery of the property sector and improving housing affordability. The PBoC has embarked on a plan to gradually reform its monetary policy framework. The central bank has shifted towards targeting the short end of the yield curve and announced plans to gradually increase bond trading to influence long-term interest rates. The yield on 10-year Chinese government bonds increased by 3bps to 2.18% in August. In India, the Reserve Bank of India (RBI), at its Monetary Policy Committee (MPC) meeting ending on August 8, 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 fell from 6.93% to 6.86% in August amid the sharp drop in inflation from 5.1% to 3.5% in July.

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E-mail: [sbm.assetm@sbmgroup.mu](mailto:sbm.assetm@sbmgroup.mu)For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>**Important notes**

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