

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 99.7Mn

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%

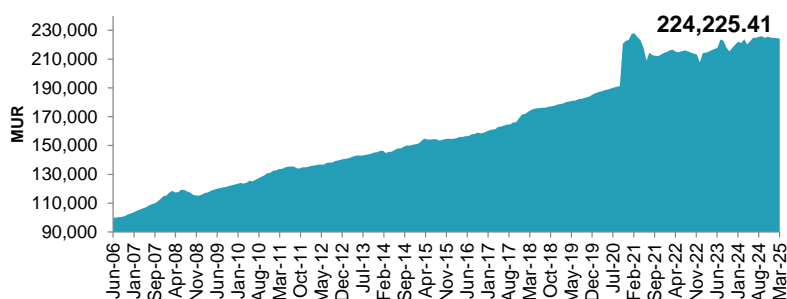
Exit fee: 0.50%

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2024	2023	2022	2021	2020	2019
Fund	-0.2%	-0.3%	-0.3%	0.2%	3.6%	19.5%	124.2%	4.4%	3.2%	1.1%	3.2%	10.2%	4.6%	2.9%
Benchmark	-0.5%	0.6%	0.6%	3.1%	7.1%	14.1%	144.5%	4.9%	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



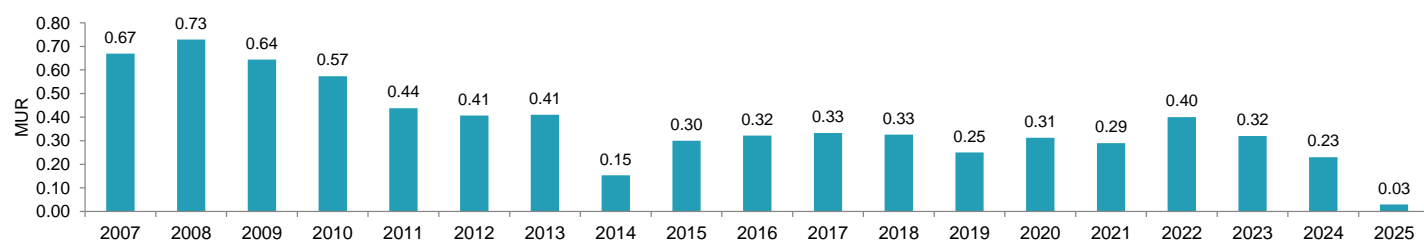
Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.78	0.63	0.16	0.15
Regression alpha (%)	-2.19	-0.19	2.86	4.13
Beta	0.76	0.58	0.37	0.32
Annualised volatility	2.5%	3.8%	8.0%	4.4%
Annualised tracking error	1.6%	3.4%	8.2%	4.5%

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

Average term to maturity (yrs)	1.77
Gross yield to maturity	1.82%
Duration (yrs)	1.48

Dividend per Share



*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	40.1%	Mauritius	40.1%	Mauritian Rupee	94.3%
International Fixed Income	0.0%	North America	0.0%	US Dollar	5.7%
Cash	59.9%	Europe	0.0%	Euro	0.0%
Total	100.0%	Asia Pacific	0.0%	Total	100.0%
		Others	0.0%		
		Total	40.1%		

Asset allocation (continued)

Sector	% Fund
Financial	12.8%
Government	12.0%
Investment	10.0%
Industrial	5.1%
Consumer, Cyclical	0.2%
Property	0.0%
Consumer, Non-cyclical	0.0%
Others	0.0%
Total	40.1%

Top 10 Holdings	% Fund
Inflation Indexed Bond 22/05/30	5.3%
Gamma Civic Notes 18/06/31	5.1%
CIM Financial Services Ltd Notes 31/07/25	5.0%
Forty Two Point Two 27/04/28	4.0%
ENL Bond 10/08/32	3.0%
Government of Mauritius Bond 03/09/28	3.0%
Forty Two Point Two 27/04/26	3.0%
MCB Notes 31/08/26	2.5%
SBM USD Note Class B2 Series Bond 28/06/25	2.1%
ABC 5.80% 29/03/2034	2.0%
Total	35.0%

Market comments

The Net Asset Value per unit (NAV) of the Fund decreased from MUR 11.48 in February to MUR 11.46 in March, equivalent to a return of -0.2% while the benchmark posted a return of -0.5%.

On the primary market, the yields on the 91D Treasury Bills and 182D Treasury Bills rose by 7bps and 4bps respectively, to reach 4.78% and 5.06% following corresponding issuances of MUR 900Mn and MUR 3.4Bn. 364D Treasury Bills were up by 4bps to 5.23% post a net issuance of MUR 4.7Bn. The yield on the 3Y GoM Note reached 5.53%, equivalent to an increase of 4bps. 5Y GoM Bond worth MUR 5.3Bn were issued at a weighted average yield of 5.72%, 137bps above the preceding month. The yield on the 20Y GoM Bond surged by 84bps to 6.11% following an auction of MUR 2.7Bn. There were no fresh auctions of the 7Y, 10Y and 15Y GoM Bonds during the month. On the secondary market, the corresponding yields on the 91D and 182D Treasury Bills increased by 24bps and 28bps to 4.67% and 4.95%. 364D Treasury Bills traded at a higher yield of 5.16%, representing an increase of 29bps. The 3Y GoM Note and 5Y GoM bond yields rose by 9bps and 22bps, respectively, trading at 5.41% and 5.61%. 10Y GoM Bond yield marginally fell by 2bps to 5.73%. 15Y and 20Y bonds traded at corresponding yields of 6.00% and 6.07%, up by 12bps and 8bps.

The Barclays Global Aggregate Bond index registered 0.6% amidst rising growth concerns partially offset by higher inflation expectations due to heightened US trade policy uncertainty. The Federal Reserve (Fed) unanimously voted to hold the Fed Funds rate unchanged at the 4.50%-4.75% range at its March Federal Open Market Committee (FOMC) meeting. The Fed's latest economic projections show expectations of higher core inflation and lower growth for 2025. The dot plot shows that the median voting member at the Fed is still expecting two 25bps cuts in 2025, unchanged from the December projection. The Fed announced that it will further slow the pace of quantitative tightening in April by reducing the monthly cap on US Treasuries redemption to USD 5Bn from USD 25Bn. The 10-year US Treasury yield ended the month unchanged at 4.21% as downside risks to growth were offset by higher inflation expectations.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 19 March 2025, voted by a majority of 8-1 to maintain the Bank Rate at 4.50%. UK CPI inflation decreased by 0.2 percentage points to 2.8% in February, mainly on account of the downward contributions from clothing, housing and housing services. Services inflation remained sticky at 5.0%, unchanged from the prior month. The 10-year UK Gilt yields surged by 19bps to 4.68% in March as the government is expected to increase its issuance of bonds amid weak growth and high borrowing costs.

The European Central Bank (ECB) decided to lower the three key ECB interest rates by 25bps at its March meeting. Accordingly, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility were lowered to 2.50%, 2.65% and 2.90%, respectively. Based on the latest ECB staff projections, inflation is expected to average 2.3% in 2025. According to Eurostat, the eurozone's annual inflation is estimated to have fallen by 0.1 percentage points to 2.2% in March. European bond yields were on an uptrend as the incoming German coalition government proposed a larger-than-expected three-pronged fiscal package aimed at increasing spending on defence and infrastructure investment. The yield on 10-year German bonds surged by 33bps to 2.74% in March. The corresponding yield on 10-year Spanish and Italian bonds both increased by 33bps to 3.37% and 3.87%, respectively.

The Bank of Japan (BoJ) decided to maintain its policy rate at 0.50% at its March MPC meeting. Japan's inflation rate fell by 0.3 percentage points to 3.7% in February from a 2-year high of 4.0% amid a significant slowdown in electricity prices. Core inflation tumbled by 0.2 percentage points to 3.0% in February and had consistently stayed at or above the central bank's 2% target for nearly three years. The BoJ is expected to proceed gradually with the pace of policy normalisation amid increases in annual wage negotiations and rising food prices. 10-year Japanese government bonds (JGBs) traded at 1.49% in March, 11bps above the preceding month's reading, driven by expectations of additional policy tightening over higher inflation.

Among larger emerging economies, the People's Bank of China (PBoC) maintained its one-year and five-year loan prime rates at 3.1% and 3.6%, respectively. The Chinese government issued a special action plan to shore up domestic consumption. A recent gathering of policymakers reiterated a commitment to boost consumer confidence and spending. The yield on 10-year Chinese government bonds surged by 4bps to 1.82% in March amid better-than-expected economic data and potential fiscal stimulus. In India, no Monetary Policy Committee (MPC) meeting was held during the month. The policy repo rate under the liquidity adjustment facility (LAF) stood at 6.25%. The standing deposit facility (SDF) rate stood at 6.00% while the marginal standing facility (MSF) rate and the Bank Rate remained at 6.50%. 10-year Government of India bond yields decreased from 6.73% to 6.58% in March amid aggressive liquidity infusion by the Reserve Bank of India (RBI) and lower-than-expected inflation.

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