Factsheet May 2025

# SBM Yield Fund

NAV per share **MUR 11.45**

SBM Mauritius Asset Managers Ltd

## 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

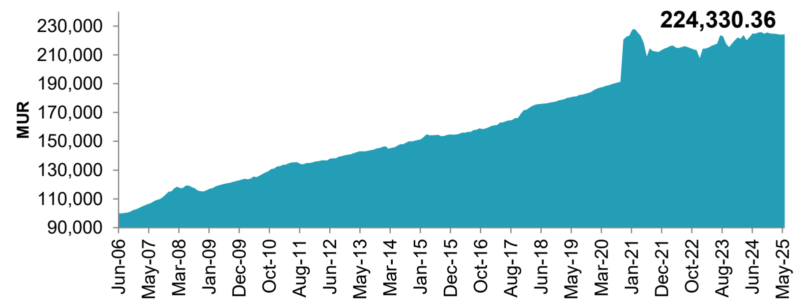
**Inception date:** 30 Jun 2006
**Fund size:** MUR 95.3Mn
**Base currency:** MUR
**Minimum one-off investment:** MUR 1,000
**Monthly investment plan:** MUR 200
**Management fee:** 0.85% p.a.
**Entry fee:** 0.50%
**Exit fee:** 0.50%

## Performance

| Period | 1M | 3M | YTD | 1Y | 3Y | 5Y | Launch | Annualised | CY | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund | 0.1% | -0.1% | -0.3% | 1.0% | 4.4% | 18.8% | 124.3% | 4.4% | | 2.2% | 6.0% | -3.1% | -4.0% | 20.3% |
| Benchmark | 0.6% | 1.1% | 2.3% | 5.1% | 12.1% | 14.0% | 148.6% | 4.9% | | 4.6% | 5.6% | -4.6% | 2.8% | 8.3% |

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark consisting of 60% 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



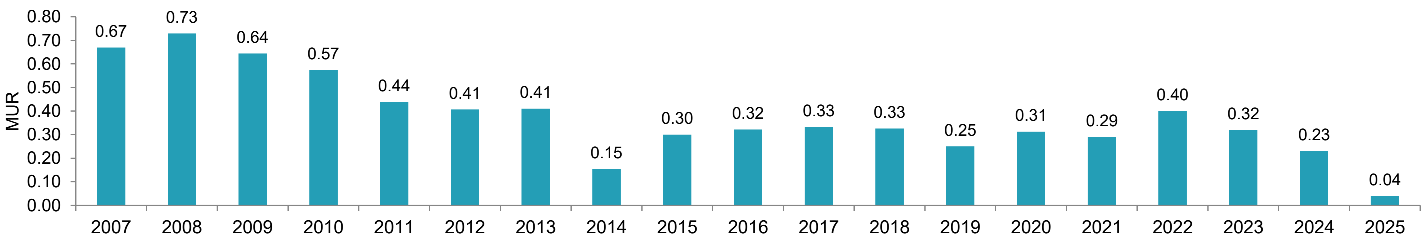

## Fund statistics

| Period | 1Y | 3Y | 5Y | Launch |
|---|---|---|---|---|
| Correlation | 0.65 | 0.63 | 0.16 | 0.15 |
| Regression alpha (%) | -1.14 | -1.01 | 2.73 | 4.07 |
| Beta | 0.41 | 0.61 | 0.36 | 0.32 |
| Annualised volatility | 1.5% | 3.7% | 8.0% | 4.3% |
| Annualised tracking error | 1.7% | 3.3% | 8.2% | 4.5% |

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

| | |
|---|---|
| Average term to maturity (yrs) | 1.78 |
| Gross yield to maturity | 1.96% |
| Duration (yrs) | 1.49 |

## Dividend per Share




**Quarterly dividend distribution as from FY21*

## Asset allocation

| Asset class | % Fund |
|---|---|
| Domestic Fixed Income | 41.9% |
| International Fixed Income | 0.0% |
| Cash | 58.1% |
| **Total** | **100.0%** |

| Top regions | % Fund |
|---|---|
| Mauritius | 41.9% |
| North America | 0.0% |
| Europe | 0.0% |
| Asia Pacific | 0.0% |
| Others | 0.0% |
| **Total** | **41.9%** |

| Top currency | % Fund |
|---|---|
| Mauritian Rupee | 94.0% |
| US Dollar | 6.0% |
| Euro | 0.0% |
| **Total** | **100.0%** |

## Asset allocation (continued)

| Sector | % Fund |
|---|---|
| Financial | 13.5% |
| Government | 12.4% |
| Investment | 10.4% |
| Industrial | 5.4% |
| Consumer, Cyclical | 0.2% |
| Property | 0.0% |
| Consumer, Non-cyclical | 0.0% |
| Others | 0.0% |
| **Total** | **41.9%** |

| Top 10 Holdings | % Fund |
|---|---|
| Gamma Civic Notes 18/06/31 | 5.3% |
| CIM Financial Services Ltd Notes 31/07/25 | 5.3% |
| Inflation Indexed Bond 22/05/30 | 5.3% |
| Forty Two Point Two 27/04/28 | 4.1% |
| Government of Mauritius Bond 03/09/28 | 3.2% |
| ENL Bond 10/08/32 | 3.2% |
| Forty Two Point Two 27/04/26 | 3.1% |
| MCB Notes 31/08/26 | 2.6% |
| SBM USD Note Class B2 Series Bond 28/06/25 | 2.2% |
| ABCB 5.80% 29/03/2034 | 2.1% |
| **Total** | **36.4%** |

## Market comments

The Net Asset Value per unit (NAV) of the Fund increased from MUR 11.44 in April to MUR 11.45 in May, equivalent to a return of 0.1% while the benchmark posted a return of 0.6%.

In the primary market, downward pressure on yields was observed across short- and medium-term tenors. The weighted average yield on the 91-day Treasury bill fell by 2 basis points to 4.67%, following a net issuance of MUR 1.0 billion. The 182-day bill was issued at a yield of 4.90%, marking a significant decline of 16 basis points compared to the previous month, with MUR 4.0 billion raised. The 364-day bill also recorded a softening in yields, declining by 5 basis points to 5.13% as the central bank conducted a sizeable net issuance of MUR 8.0 billion. A 3-year GoM note was auctioned at a lower yield of 5.38%, down 9 basis points from April, with a total issuance of MUR 3.1 billion. The 7-year GoM bond also attracted strong bids, resulting in a 15 basis points decline in the weighted average yield to 5.51%, raising MUR 3.0 billion. However, longer-dated securities displayed a contrasting trend. The 15-year GoM bond was issued at a higher yield of 6.04%, increasing by 75 basis points from the previous auction. No auctions were conducted for the 5-year, 10-year, or 20-year GoM bonds during the month.

In the secondary market, the 91-day Treasury bill yield declined by 7 basis points to 4.60%, while the 182-day and 364-day bills saw their yields fall by 8 and 7 basis points, respectively, closing at 4.84% and 5.06%. The 3-year GoM note yield edged up slightly by 2 basis points to 5.25%. The 5-year bond yield dropped by 13 basis points to 5.40%, likely supported by limited availability in the absence of fresh issuance. Meanwhile, long-term bond yields were relatively stable, with the 10-year and 15-year bonds trading at 5.64% and 5.95%, reflecting marginal decreases of 4 and 1 basis points, respectively. The 20-year bond yield, however, rose by 3 basis points to 6.09%.

Fixed income markets remained volatile in May, influenced by persistent inflation pressures and global policy uncertainty. The Barclays Global Aggregate Bond Index declined by 0.4%, reflecting investor concerns following the downgrade of the US sovereign credit rating by Moody's.

In the US, the Federal Reserve maintained the federal funds rate at 4.25%–4.50%, citing ongoing core inflation and geopolitical risks. The 10-year Treasury yield rose by 24 basis points (bps) to 4.40%, amid recalibrated market expectations and fiscal concerns. The credit rating downgrade further amplified investor apprehension regarding long-term debt sustainability.

The Bank of England (BoE) did not meet in May; the Bank Rate remained unchanged at 4.50% following a 25bps cut in February. UK CPI accelerated to 3.5% in April from 2.6% in March, marking a 13-month high, primarily due to increased utility and local tax costs. The 10-year Gilt yield rose 21bps to 4.65% as inflationary pressures remained elevated and fiscal risks weighed on sentiment.

The European Central Bank (ECB) also held rates steady, with the deposit facility at 2.25%. Euro area inflation cooled to 1.9%, falling below the ECB's 2% target, largely due to declining service prices. This provided room for potential rate cuts in June. The 10-year German Bund yield edged up by 6bps to 2.50%, while Spanish and Italian yields declined to 3.09% and 3.48%, respectively, amid a modest flight to quality.

The Bank of Japan left its policy rate unchanged at 0.50%, maintaining its accommodative stance due to global uncertainty. Inflation remained steady at 3.6% YoY in April, marginally exceeding expectations, driven by rising food prices. The 10-year Japanese Government Bond yield rose by 18bps to 1.50%.

In China, the People's Bank of China (PBOC) implemented a 10bps reduction in both the 1-year and 5-year loan prime rates, bringing them to 3.0% and 3.5%, respectively. This marked the first rate cut since October 2024, as authorities stepped up stimulus efforts. Despite the monetary easing, the 10-year government bond yield increased by 8bps to 1.71%. In India, the Reserve Bank of India (RBI) kept the policy repo rate at 6.00%, with the 10-year bond yield easing from 6.36% to 6.29%, supported by improving liquidity and dovish guidance.

## Contact

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