

SBM Mauritius Asset Managers Ltd

SBM MAM Products Offering

31th March 2016



Institutional Mandates

Overview

Provision of investment advisory and management services to pension funds.

Market positioning & rationale

- Advice and recommendations on asset allocation and security selection (including liaising with brokers, banks and fund managers).
- Disciplined performance monitoring, portfolio rebalancing and reporting.
- Client benefit from partnerships with top International fund managers.
- In-house CIS funds provide additional sources of investor solutions.
- Market: Pension fund mandates of private and parastatal bodies.
- Competition from banking, insurance and asset management companies.

Uniqueness

- Investment management expertise in different asset classes and regions.
- Disciplined investment process and monitoring.
- Research support.
- Client service in terms of accessibility and proximity. Beneficiary training also available.
- Disciplined and regular reporting.
- Active portfolio management.
- Strong risk management structure.

Status on Progress

- Pension fund AUM currently MUR 1.2 Bn.
- Unfavourable market conditions impacted fund performance in recent years.

Way Forward

- Pricing downward when bidding for mandates.
- Meetings with corporate clients; Scope of services and deliverables, investment process and fees discussion.



Portfolio Management Services

SBM Foreign Funds Portfolio

Portfolio Overview

The foreign funds portfolio is a tailor-made portfolio consisting of foreign funds based on the requirements and risk profile of clients.

Market positioning & Rationale

- High degree of customisation
- Different Portfolio can be constructed accordingly to client :
 1. Risk-return profile
 2. Client liquidity needs,
 3. Time horizon and unique needs.

The product is available into different currency namely USD, EUR, GBP

- Clients are encourage to invest USD 200 K, typically targeting High Net Worth clients who want exposure in FX and institutional clients.
- The active management stipulates an annual management fee of 1.0% per annum and a one-off entry fees of 0.5% is charged per fund.
- Core product in SBM MAM's wealth management offering.
- Rs 1 invested in this Business line turns into Rs 2 for NBFC

Uniqueness and Investment Strategy

- Active Portfolio Management
- Client one-on-one interaction with portfolio manager which increase level of engagement.
- Competitive management fee on the market (1.25% to 1.50%)
- Client has a greater control over his/her portfolio
- Transparency with respect to the portfolio is high as client receive monthly portfolio updates
- Research Support

Status on Progress

- In 2015 undertook full revamping of business line including Client Servicing , Investment Proposal & investment reporting.
- Double the AUM under this Business line, however fluctuation due to poor market conditions
- We are highly dependent on the Private Banking network to be able to tap in this niche market segment.
- Recently sale of this product has tumbled

Way Forward

- Training to Private Bankers and Institutional Sale Business Development team to market and sell this product
- High quality Discretionary Portfolio Management brochure



Portfolio Management Services

SBM Foreign Fixed Income Portfolio

Portfolio Overview

The foreign bond portfolio is a tailor-made portfolio consisting of bonds based on the requirements and risk profile of clients.

Market positioning & Rationale

- Different Portfolio can be constructed accordingly to the risk appetite of clients ranging from investment grade to high yield and even speculative grade. It is also available into different currency namely USD, EUR, GBP
- Given that the minimum amount, clients are encourage to invest is USD 650 K, we are typically targeting High Net Worth clients who want exposure in FX and institutional clients.
- The active management stipulates a fee of 0.5% per annum and a one-off brokerage fees of 15bps is charged per transaction.
- As per our knowledge, this type of product is not offered on the market. Individual bonds are offered but as a portfolio, this is a new and innovative product

Uniqueness and Investment Strategy

- Tailor made the desired coupon rate paying monthly
- Client can disinvest the portfolio at any point in time
- Affordable minimum amount MUR 650 K
- Client has full control over the portfolio
- Management fee are competitive compared to a fund TER

Status on Progress

- Successfully on boarded 2 clients, 1 HNW and 1 Institutional clients so far
- Highly dependent on the Private Banking network
- Despite monthly cash flow and a guaranteed return YTM if hold till maturity, the sale for this product is low

Way Forward

- Training to Private Bankers and Institutional Sale Business Development team to market and sell this product
- Introduce this bond portfolio as part of the foreign fixed income allocation in both SBM Group Pension Fund and SBM Group Contribution Fund.



SBM Perpetual Fund

Built to last...

Investment theme

An open-ended fund investing in local fixed income securities. Suitable for clients with long-term investment horizon.

Market positioning & rationale

- For low-risk profile investors seeking stable income growth in excess of the local savings rate.
- Can be used to diversify any existing portfolio of risky assets to reduce risk.
- Suitable for supplementing retirement income and planning for future expenditure.
- Relatively more protection against inflation.
- Main markets: Universal appeal but mostly suitable for risk-averse investors. Can be used by HNW clients and institutional investors for diversification and to cushion against downside risk.
- The sole NBFC CIS security giving 100% exposure to fixed income instruments.
- Competition from MCB Yield Fund.

Uniqueness

- No similar local fixed income fund.
- Largest of its kind with net assets approx. MUR 1.1M.
- Low total expenses ratio. Competitive entry cost.
- Stable and consistent growth in fund value with no downside risk
- Active management

Status on Progress

- Fund is 9 years old and has crossed the minimum critical size.
- Low-risk fund relatively easier to market.
- Fund return recently fell after market conditions led to lower repo rate and reduced yields.

Way Forward

- Rebranding & marketing of the product.
- Target low-risk profile, high net worth clients and corporate bodies seeking steady income growth .
- Strategy revamp towards longer-term bonds for return enhancement while managing short-term cash flows.



SBM Universal Fund

A Balanced Portfolio Fit-for-All

Fund Overview

- An open-ended fund investing both in local and foreign equities and fixed income instruments.
- Adopts a balanced-risk strategy
- Suitable for clients with medium to long term investment horizon.

Market positioning & rationales

- For investors who have a moderate risk profile and seeking regular income and long term capital appreciation
- Target markets: Fit-for-All type of investors including young professional's, local and foreign HNI clients, families and those savings for future goals and purposes
- Can be used as a link-product for future lifestyle products, e.g. education plan
- One of the star product of SBM MAM with an AUM close to MUR 400m
- Product competes with MCB General Fund and SWAN Mixed Fund who are direct competitors

Uniqueness and Investment Strategy

- Accessibility and monthly savings possible - *Investors can invest a minimum lump sum of MUR 500 and monthly savings plan of MUR 200*
- Good balanced between local and foreign equities
- Daily liquidity – subscriptions and redemptions
- Strong team of investment professionals
- Fixed income segment provides return smoothing and cushioning during volatility and bear periods.

Status on Progress

- Fund launched in 2002 – more than a decade of existence
- Has reached its mature and stable phase
- Sales has been stagnant but great potential to market
- Competitors' fund size: MCB and Swan above MUR 520m and MUR 2bn (insurance wrap-up) respectively

Way Forward

- Rebranding & Marketing of the product to cross new milestones
- Training of sales team
- Increase sales target and refresh presence in branches
- Target size greater than MUR 600m



SBM Yield Fund

Higher returns than a normal savings rate

Fund Overview

- An open-ended fund investing primarily in fixed income instruments and a satellite portfolio comprising of local and foreign equities
- Adopts a low risk strategy whilst providing regular income
- Suitable for clients with medium term investment horizon.

Market positioning & rationales

- For investors who have a low to moderate risk profile and seeking extra return through a portfolio of local and foreign equity
- Aim to provide investors higher returns than prevailing savings rate
- Target markets: Investors approaching consolidation and late retirement stage
- Product competes with MCB Yield Fund and SWAN General Fund who are direct competitors

Uniqueness and Investment Strategy

- Accessibility and monthly savings possible - *Investors can invest a minimum lump sum of MUR 1,000 and monthly savings plan of MUR 500*
- Equity allocation dedicated to return enhancement while core allocation consists of a strong portfolio of fixed income securities
- Good balanced between local and foreign equities
- Attractive interest rates on fixed income portfolio

Status on Progress

- Fund launched in 2006
- Sales has been stagnant
- Portfolio churning difficult
- Competitors' fund size: MCB above MUR 550m

Way Forward

- New investment strategy in pipeline as a major proceed will come to maturity
- Training of sales team
- Rebranding & Marketing of the product for a revival
- Increase sales target and refresh presence in branches
- Target size greater than MUR 200m



SBM Growth Fund

Discipline and Consistency for Sustained Performance

Fund Overview

- An open-ended fund investing in both local and foreign stock markets
- Investment objective is to seek long term capital growth
- Suitable for clients with long term investment horizon.

Market positioning & rationales

- For investors who have a moderate to high risk profile and seeking long term capital growth
- Target markets: Casual investor, young professional, Head of family, local and foreign HNI, Institutional investors and mandates
- Used as building block for construction portfolio – a growth portfolio
- Lifestyle Investment – seeking investment to prepare for a life event, e.g. retirement plan
- Complement SBM MAM product shelf – all combination portfolio possible
- Product competes with IPRO Growth Fund, NMF General Fund, Swan Equity Fund, Prime Ebony Fund who are direct competitors

Uniqueness and Investment Strategy

- Accessibility and monthly savings possible - *Investors can invest a minimum lump sum of MUR 2,000 and monthly savings plan of MUR 500*
- Enhanced portfolio of local and foreign equities
- Daily liquidity and flexibility – subscriptions and redemptions
- Potential for higher returns over long term
- Professional management team

Status on Progress

- Fund recently launched – beginning February
- Still in its infancy stage
- Seed capital provided by institutional investors
- Our competitors have already established market presence

Way Forward

- Full branding and marketing of product in business magazines, newspaper and other media
- Training of sales team
- Target institutional investors and pension mandates
- Target size greater than MUR 300m



SBM Global Fund

A Window through Global Markets

Fund Overview

An open-ended fund investing primarily in foreign markets. Suitable for clients with long term investment horizon. The Fund provide geographical and sectorial diversification

Market positioning & Rationale

- For investors who have high risk profile and already have exposure to local stock markets but seeking an investment products to further enhance return and diversify from local markets
- Main markets : Young professional's, HNW Clients & Institutional Clients
- Products competes with MCB Overseas Fund, NIT Global Opportunity Fund and Swan Foreign Equity Funds .
- Additional feature includes local Fixed Income part acting as buffer.

Uniqueness and Strategy

- Easily accessible
Investors can invest with an initial capital (Rs. 20,000)
- Designed to provide investor exposure to global markets
- Actively managed portfolio
- Risk controlled strategy with a fixed income cushion
- Risk management & Return enhancement
- Give some level of protects against any poor performance in the local market

Status on Progress

- Fund not yet reached mature stage but fully invested
- Still not reach optimal size (MUR 200 M)
- Poor sales following recent financial crisis and lack of readiness from sale channel to distribute products

Way Forward

- Rebranding & Marketing of the product
- Training of sale team
- Target size greater MUR 200 M



SBM European Opportunities Fund

Benefit from wisdom that conquered time and space

Fund Overview

An open-ended fund investing primarily in European Equity markets. Suitable for clients with long term investment horizon. The Fund would be using a European base investment advisor.

Market positioning & Rationale

- Exposure to developed markets with proven track record ahead in terms of technology and investing massively on research & development.
- For investors who have high risk profile and seeking exposure to European region for diversification and return enhancement.
- Target Markets : Young professional's, HNW Clients & Institutional Clients.
- Competitions: NIT Europe Fund & Afrasia European Fund
- Strategic Rationale : Help SBM develop strategic partnership with regional intermediaries.
- Easy access : into institutional mandate segment, both local and foreign
- Attractive to Europe centered investors e.g. client from Madagascar and Reunion

Uniqueness and Investment Strategy

- Experience niche advisor
- Easily accessible & Daily liquidity
Investors can invest with an initial capital (EUR 500)
- Regular generation of alpha, compatible with several market phases.
- Looks for undervalued stocks
- A multi-cap approach that multiplies opportunities.
- Integrated and disciplined risk management allows for stable return

Status on Progress

- Start-up stage
- SBM MAM mandates investing approx. MUR 118 M in European regions, can accommodate seed capital of MUR 70 M
- Market Potential : AUM local pension MUR 100 bn . Foreign part approx. 18.4 bn. If we are able to tap at least 10% this will be MUR 184 M.

Way Forward

- Target size EUR 1.5 M at start and eventually grow by EUR 5 M after 3-5 years



SBM Africa Value Fund

Be at the front line for an exciting adventure.

Fund Overview

- An open-ended fund investing primarily in securities of issuers established in the African continent
- Investment objective is to seek long term capital growth
- Suitable for clients with long term investment horizon.

Market positioning & rationales

- For investors who have a high risk profile and seeking long term capital growth
- Target markets: Local and foreign HNI, Institutional investors, Pensions mandate
- Develop synergies with African Alliance and leverage on their experience and expertise on the African continent to build our in-house model
- Investors can allocate/earmark their African equities portion to the Fund – for diversification and risk management purposes
- Good timing to invest in African equities – attractive P/E, reduce volatility, improve fundamentals and economic indicators
- Product competes with IPRO African Market Leaders and Imara African Opportunities Fund who are direct competitors

Uniqueness and Investment Strategy

- Accessibility - Investors can invest a minimum lump sum of USD 500
- Diversify portfolio of African equities with strong focus on value sectors and companies
- Daily liquidity and flexibility – subscriptions and redemptions
- Expert investment advice – African Alliance team based in South Africa – thorough experience on the African continent

Status on Progress

- Fund recently launched – mid February
- Still in its infancy stage
- Seed capital provided by institutional investors
- Our competitors have already established market presence

Way Forward

- Full branding and marketing of product in business magazines, newspaper and other media
- Road-show and one-to-one presentation with institutional clients
- Training of sales team
- Target institutional investors and pension mandates
- Target size greater than USD 10m



SBM Emerging Market Fund

Tap through the growth potential

Investment theme

An open-ended fund seeking long-term capital appreciation by investing in emerging market funds.

Market positioning & rationale

- Exposure to some of the fastest growing and most exciting regions in the world.
- Emerging market stocks are at attractive valuations and are expected to grow much faster than developed ones.
- Diversified across different funds, sectors and geographical regions.
- Suitable for investors with high risk appetite.
- Can be used to diversify existing portfolios and enhance portfolio return.
- New product targeting young professionals, HNWI individuals & institutional clients.
- Competition from NIT Emerging Markets fund.

Uniqueness

- Professional investment management. Tactically allocated to seek the best market opportunities.
- Active management for more flexibility during different phases of the business cycle.
- Constant portfolio monitoring.
- Exposure to top-rated funds through due diligence.
- Easily accessible and daily liquidity (Investors can invest with an initial capital of MUR 500).

Status on Progress

- Still at start-up stage.
- Can accommodate around MUR 30M as seed capital to the product.
- AUM of local pension mandate approx. MUR 100Bn. Foreign portfolio approx. 5% → market potential of SBM Emerging Market fund is approx. MUR 70Mn if 10% potential can be tapped.

Way Forward

- Provide training to sales team for more aggressive product promotion.
- Target USD 2M in the next year and USD 4M in next 4 years.



Distribution of 3rd party funds

SBM MAM has numerous distribution agreements with global leaders in asset management such as Fidelity Investments, Franklin Templeton Investments and UBS.

Market Positioning & rationale

- Worldwide exposure
- Diversified across different funds, sectors and geographical regions
- Target market: Institutional clients, PMS

Uniqueness

- Easily Accessible through SBM MAM
- Negotiable fees with SBM MAM
- Fast execution & settlement of orders
- Research Support
- Transparency in dealing
- High degree of customisation
- Diversification of products

Status on Progress

- Well established business line
- SBM MAM clients/Institutional Mandates invest in the funds
- When launching new funds in SBM MAM, sales will be affected
- We will need these funds as they offer wide range of products

Way forward

- Rebranding & Marketing of the funds
- Training to sales team



Distribution of 3rd party funds



FIDELITY INVESTMENTS

Overview

- American Multinational Financial Services Corporation
- Second largest mutual fund and financial services group in the world
- Wide range of equity products
- AUM of over \$275bn



FRANKLIN TEMPLETON INVESTMENTS

Overview

- Global leader in asset management serving clients in over 150 countries with over 65 years of experience
- Has become one of the most trusted names in the financial services

- Focuses on delivering relevant investment solutions, strong long-term results and reliable, personal service.
- Emerging markets and bond fund
- AUM of over \$850bn



UBS INVESTMENTS

Overview

- Swiss global financial services company
- Leading fund house in Europe
- Company provides wealth management, asset management and investment banking service
- Largest manager of private wealth assets
- AUM of over \$1965bn



SBM CAPITAL PROTECTED NOTE – ASIAN OPPORTUNITIES (MUR)

Overview

A participatory note promoted by SBM MAM. The note is denominated in MUR and is issued by SBM Alternative Investments Ltd. The investment objective of the Note is to provide investors with an opportunity to achieve long term capital growth while managing downside risk.

Key Features and Benefits

- 100% Capital Protected in MUR
- Guaranteed Return of 13% at maturity
- 65% Participation in the weighted average performance of a basket of 4 Asian market indices (measured in USD and paid in MUR)
- 5 year investment
- No early redemption
- Entry fee : 1.40% on amount invested
- Closing date : April 18,2016

Market positioning & rationales

- Individuals, Institutional Clients, HNW Clients
- For investors who wish to lock in their money for 5 years
- Unique NBFC product giving access to Asian Markets in MUR
- Good timing to invest in Asian equities – improve fundamentals and economic indicators
- Other structured products offered by our competitors MCB which have already been closed

Uniqueness

- 100% of initial investment guaranteed capital at maturity
- 13% minimum guaranteed return at maturity
- 65% Participation in the weighted average performance of a basket of 4 Asian market indices
- Designed to provide investors exposure to Asian markets

Status on progress

- Launching date on February 10,2016 and closing date extended to April 18,2016
- Sales target not achieved

Way Forward

- Extensive marketing of the product till closing date
- Road show to service units and one to one presentation with institutional clients

