

SBM YIELD FUND

(the “**Fund**”)

constituted under the

SBM Investment Unit Trust

established in Mauritius by a Trust Deed Between

SBM Mauritius Asset Managers Ltd (The “Manager”)

And

DTOS TRUSTEES LTD (The “Trustee”)

Prospectus in respect of an offer for subscription
of a minimum of 3,000,000 Units at Rs 10.00 per Unit

(issued in accordance with the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008)

(the “**Prospectus**”)

LEGAL DISCLOSURE

The Fund is authorised to operate as a unit trust under the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the “**Securities Laws of Mauritius**”) and is offering units of the Fund (the “**Units**”) to investors in accordance with the terms and conditions specified in this Prospectus, denominated in Mauritius Rupees (“**MUR**” or “**Rs**”).

The directors of the Manager whose name appear in this Prospectus, are responsible for the information contained in this document. To the best of the knowledge and belief of the directors and the Manager (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the impact of such information. The directors and the Manager accept responsibility accordingly.

The Fund has been authorised by the Financial Services Commission under the Securities Laws of Mauritius as amended to operate as a collective investment scheme. It must be distinctly understood that in granting this approval the Financial Services Commission does not vouch for the financial soundness of the Fund or for the correctness of any of the statements made herein or any opinions expressed with regard to them.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted and accordingly persons into whose possession this document comes are required by the Manager to inform themselves about and to observe such restrictions.

This document does not constitute an offer to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer.

The attention of investors is drawn to the risk factors set out in section 3.6

[30th October 2015]

RISK DISCLOSURE

Investments in Units offered by the Fund will involve significant risks due to, among other things, the nature of the Fund's investments.

The information on taxation contained in the Prospectus is a summary of certain tax considerations but is not intended to be a complete discussion of all tax considerations.

There can be no assurance that the investment objectives of the Fund will be achieved and investment results may vary substantially over short periods of time. In addition, in trying to meet its investment objectives, the Fund might underperform the markets in scenarios of strong upward or downward cycles.

An investment in the Fund is not intended to be a complete investment programme for any investor and prospective investors should carefully consider whether an investment in the fund is suitable for them in light of their own circumstances and financial resources.

Because of the risks involved, investment in the Fund is only suitable for such investors who are able to bear the loss of a substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investments. Investors are therefore advised to seek independent professional advice on the implications of investing in the Fund.

Overview of the Fund

The Fund has been set up to give investors the opportunity to invest their monies mainly in fixed income markets but also to have exposure in the equity markets. As such, it will invest in local and foreign equities, equity linked securities, unit trusts, mutual funds and other collective investment schemes, fixed income securities, money market instruments, and cash in accordance with a clearly specified investment strategy as laid down by this Prospectus.

Salient Features																			
Name of Fund	SBM Yield Fund																		
Type of Fund	Collective Investment Scheme structured as a Unit Trust																		
Fund Manager	SBM Mauritius Asset Managers Ltd (SBM MAM)																		
Trustee	DTOS Trustees Ltd																		
Fund Administrator	SBM Fund Services Ltd																		
Registrar & Transfer Agent	SBM Fund Services Ltd																		
Custodian	SBM Bank (Mauritius) Ltd																		
Auditor	Ernst & Young																		
Currency	Mauritian Rupee																		
Investment Objective	The investment objective of the Fund is to provide regular income and to achieve the maximum performance return comparable to that of the SBM Savings Rate plus 2%. It will invest mainly in fixed income securities, money market instruments and cash but it will also invest in local and foreign equities, equity linked securities, unit trusts, mutual funds and other collective investment schemes.																		
Investment Allocation	<p>The investment allocation of the Fund shall be:</p> <table> <tr> <th>Asset</th><th>Maximum Allocation (%)</th></tr> <tr> <td>Overseas investments</td><td>40</td></tr> <tr> <td>Listed equities</td><td>60</td></tr> <tr> <td>OTC quoted</td><td>25</td></tr> <tr> <td>Unquoted equities</td><td>15</td></tr> <tr> <td>Fixed income securities</td><td>80</td></tr> <tr> <td>Cash/short term instruments</td><td>80</td></tr> <tr> <td>Banking and Leasing deposits</td><td>50</td></tr> <tr> <td>Bank of Mauritius securities</td><td>80</td></tr> </table>	Asset	Maximum Allocation (%)	Overseas investments	40	Listed equities	60	OTC quoted	25	Unquoted equities	15	Fixed income securities	80	Cash/short term instruments	80	Banking and Leasing deposits	50	Bank of Mauritius securities	80
Asset	Maximum Allocation (%)																		
Overseas investments	40																		
Listed equities	60																		
OTC quoted	25																		
Unquoted equities	15																		
Fixed income securities	80																		
Cash/short term instruments	80																		
Banking and Leasing deposits	50																		
Bank of Mauritius securities	80																		
Dividend Policy	The objective of the Fund is to pay out yearly all income available for distribution. All income received from investments made out of the Fund, after deduction of such fees and expenses as are paid or payable under the Trust Deed shall be distributed to Unitholders as dividends.																		
Valuation Day	On a daily basis at the close of each business day																		
Dealing Day	The 10th, 20th and the last Business Day of each month																		
Minimum Initial Investment	MUR 1,000																		
Regular Savings Plan	MUR 500																		
Entry Fee	0.50%																		
Exit Fee	0.50%																		
Management Fee (% NAV)	0.85% p.a.																		
Trustee Fee (% NAV)	0.115% p.a.																		
Administration Fee (% NAV)	0.15% p.a.																		
Registry Fee (% NAV)	0.10% p.a.																		
Custodian Fee (% NAV)	0.06% p.a.																		

CONTENTS OF THE PROSPECTUS

- 1. Glossary of Terms**
 - 1.1 Accounting Period
 - 1.2 Accumulated Net Income
 - 1.3 Annual Entitlement Date
 - 1.4 Authorised Agents
 - 1.5 Base Currency
 - 1.6 Business Days
 - 1.7 Capital Value
 - 1.8 Commission
 - 1.9 Dealing Dates
 - 1.10 Extraordinary Resolution
 - 1.11 Interim Accounting Date
 - 1.12 Interim Entitlement Date
 - 1.13 Issue Price
 - 1.14 Net Asset Value
 - 1.15 Net Income
 - 1.16 Registrar and CIS Administrator
 - 1.17 Repayment Price
 - 1.18 Trust Deed and Supplemental Deeds
 - 1.19 Trustee Fee
 - 1.20 Unitholders
 - 1.21 Units
- 2. Salient Features of the offer**
- 3. SBM Yield Fund**
 - 3.1 Corporate Profile
 - 3.2 Introduction
 - 3.3 Organisation
 - 3.4 Investment Policy
 - 3.5 Equity & Debt Markets
 - 3.6 Risk Factors
 - 3.7 Distribution Policy
 - 3.8 Taxation and Fiscal Incentives
 - 3.9 Fees and Expenses
 - 3.10 Money Laundering
- 4. The Parties**
 - 4.1 DTOS Trustees Ltd – The Trustee
 - 4.2 SBM Mauritius Asset Managers Ltd - The Manager
- 5. Trade and Pricing of Units**
 - 5.1 Valuation Days
 - 5.2 Pricing of Units
 - 5.3 Issue of Units
 - 5.4 Repurchase of Units
 - 5.5 Deferral of Redemption of Units
 - 5.6 Redemption in Specie
 - 5.7 Large Repayment Requests
 - 5.8 Marketing of Units

6. Other Matters

- 6.1 Reports and Accounts
- 6.2 Borrowing Powers
- 6.3 Meetings
- 6.4 Notices
- 6.5 Termination of Fund
- 6.6 Liquidation
- 6.7 Suspension of Dealings and Determination of the Net Asset Value
- 6.8 Additional Information
- 6.9 Governing Law

7. Application

- 7.1 Application Instructions
- 7.2 Subscription

1. GLOSSARY OF TERMS

1.1 ACCOUNTING PERIOD

The annual accounting period shall start on the 1st July and end on the 30th June each year.

1.2 ACCUMULATED NET INCOME

Accumulated Net Income ("ANI") is the surplus Net Income which has not yet been distributed since the start of the accounting period to date.

1.3 ANNUAL ENTITLEMENT DATE

The annual entitlement date shall be 30th June each year and any investor in the Fund as at that date shall be entitled to an annual dividend.

1.4 AUTHORISED AGENTS

- SBM Fund Services Ltd
- Any other parties as authorized by the Manager

A list of all authorized agents shall be available at the Manager's Office.

1.5 BASE CURRENCY

The Mauritian Rupee is the "Base Currency" used.

1.6 BUSINESS DAYS

"Business Day" means Monday to Friday except public holidays and bank holidays as applicable in Mauritius.

1.7 CAPITAL VALUE

"Capital Value", in relation to the Fund, means such sum as is from time to time ascertained by the Manager by deducting from:

- (a) (i) the value of all assets of the Fund; and
- (ii) any other amounts which, in the opinion of the Manager, should be included for the purpose of making a fair and reasonable determination of the total value of the Fund having due regard to generally accepted accounting standards and principles current from time to time;

the aggregate of

- (b) (i) all liabilities of the Fund;
- (ii) the Accumulated Net Income of the Fund; and

- (iii) any other amounts which, in the opinion of the Manager, should be included for the purpose of making a fair and reasonable determination of the total value of the Fund having due regard to generally accepted accounting standards and principles current from time to time.

The capital value of the assets of the Fund shall be calculated as follows:

- Securities quoted on the Stock Exchange shall be valued at the latest market prices available at the time of valuation.
- Deposits, Cash and Short Term cash instruments, fixed income securities, Bank of Mauritius Bills and Notes shall be valued daily in accordance with accounting standards adopted by the Fund.
- Unquoted investments shall be valued once annually on the basis of the valuations to be carried out by Approved Valuers, to be appointed by the Manager and approved by the Trustee.
- Other assets will be valued monthly in a manner the Manager considers appropriate to reflect their fair value.

1.8 COMMISSION

“Commission” means the Financial Services Commission established under the Financial Services Act” of 2007, as amended.

1.9 DEALING DATES

“Dealing Dates” mean the 10th, the 20th and the last Business Day of each month.

1.10 EXTRAORDINARY RESOLUTION

“Extraordinary Resolution” means a resolution approved by a majority of seventy-five percent (75%) of the votes of the Unitholders in accordance with the provisions of the Trust Deed.

1.11 INTERIM ACCOUNTING DATE

The Manager shall at its discretion determine the interim Accounting Date of SBM Yield Fund.

1.12 INTERIM ENTITLEMENT DATE

The Manager shall at its discretion determine the interim Entitlement Date of SBM Yield Fund and any investor in the Fund as at that date shall be entitled to an Interim dividend.

1.13 ISSUE PRICE

“Issue Price” means the price at which an investor may purchase Units. The initial "Issue Price" has been set at Rs 10.00. Subsequently, the "Issue Price" shall be determined as detailed in Section 5.2.

1.14 NET ASSET VALUE

"Net Asset Value" or “NAV” means the Capital Value plus the Accumulated Net Income of the Fund.

1.15 NET INCOME

'Net Income' represents all income due and receivable less all costs, charges and expenses due or accrued and paid or payable out of the Fund.

1.16 REGISTRAR AND CIS ADMINISTRATOR

“Registrar and CIS Administrator” means SBM Fund Services Ltd, having its registered address at SBM Tower, 1 Queen Elizabeth II Avenue, Port-Louis, Mauritius and having the duties detailed in section 3.3.

1.17 REPAYMENT PRICE

“Repayment Price” means the price at which a Unitholder may request the Manager to repurchase all or any of the Units held by the Unitholder in accordance with section 5.4. The "Repayment Price" shall be determined as detailed in section 5.2.

1.18 TRUST DEED AND SUPPLEMENTAL DEEDS

“Trust deed” means the deed establishing SBM Investment Unit Trust entered into between DTOS Trustees Ltd and SBM Mauritius Asset Managers Ltd on 5th June 2006.

“Supplemental Deed 1” and “Supplemental Deed 3” means the deed entered into between DTOS Trustees Ltd and SBM Mauritius Asset Managers Ltd on 30th November 2012 and 14th November 2013 respectively for any amendments made to the Trust Deed. The Supplemental Deed 1 and the Supplemental Deed 3 are together referred to as the “Supplemental Deeds”.

1.19 TRUSTEE FEE

“Trustee Fee” means the fee payable to the Trustee as detailed in section 3.9.

1.20 UNITHOLDERS

"Unitholders" means all persons registered as holders of Units of the SBM Yield Fund at any one date.

1.21 UNITS

'Units' means an undivided share in or part of the Fund and includes a fraction thereof. “U” represents the number of Units issued at any one Business Day.

Words not defined herein shall have the meaning ascribed to them in the Trust Deed and Supplemental Deeds.

2. SALIENT FEATURES OF THE OFFER

The SBM Yield Fund was authorised by the Commission under section Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 ("The Securities Act 2005 and Regulations") as amended and established by a Trust Deed dated 5th June 2006 between SBM Mauritius Asset Managers Ltd ("The Manager") and DTOS Trustees Ltd (The Trustee").

2.1 Legal Status of the Unit Trust

The Fund was established by a Trust Deed entered into between the Trustee and the Manager on 5th June 2006 and is further authorised to operate as a collective investment scheme under the Securities Laws of Mauritius as amended.

2.2 Investment Objectives

The overall objective of the SBM Yield Fund is to provide regular income and to achieve the maximum performance return comparable to that of the SBM Savings Rate plus 2%.

The Manager will:

- Ensure that investments are in all respects reasonable and proper.
- Exercise high standard of diligence and act prudently and with utmost good faith.
- Seek proper and competent advice wherever deemed necessary.
- Use appropriate risk management and risk controlled techniques to mitigate inherent risks.

2.3 Dividend Policy

The objective of the SBM Yield Fund is to pay out yearly all income available for distribution. In that respect, income excludes capital gains both realised and unrealised.

2.4 Taxation

The information set out in the Prospectus and more particularly in this Section and elsewhere and relating to fiscal matters and taxation are examples of the way it is expected the relevant tax authorities will view the matter under the relevant statutes and are based on current tax regimes, rates and statutes applicable in the Republic of Mauritius. It must not be relied upon to evaluate the tax situation of any specific investor or potential investor. Any person wishing to invest into units of the Fund should take independent advice on the matter, including tax advice.

- a) The SBM Yield Fund is liable to income tax at the rate of 15%; and
- b) Capital gains arising from the changes in value of investments held by the SBM Yield Fund, both realized and unrealized shall be exempt from income tax
- c) There is no tax payable on dividends paid by the Fund and profits derived from the sale of Units are exempt from Income Tax.

2.5 The Offer

The offer for initial subscription is for a minimum total of 3,000,000 Units of Rs 10.00 per Unit.

2.6 Documentation available for inspection

The following documents shall be available for inspection at the registered office of the Manager:

1. Copies of the Prospectus
2. The Trust Deed and any Supplemental Deeds to the Trust Deed
3. Investment Management Agreement between the Manager and the Trustee.

For a full appreciation of the present Prospectus, those documents should be read in their entirety. You should consult your accountant, banker, stockbroker or any other professional advisor prior to making a decision to invest in the Fund.

3. SBM YIELD FUND

3.1 CORPORATE PROFILE

Date of Establishment

The SBM Yield Fund was constituted under the SBM Investment Unit Trust which has been established under the terms of a Trust Deed dated 5th June 2006 and subsequent Supplemental Deeds between the Manager and DTOS Trustees Ltd and is further authorized to operate as a collective investment scheme under the Securities Laws of Mauritius as amended.

Registered office of the Fund	SBM Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius	Trustee	DTOS Trustees Ltd 10 th Floor, Raffles Tower 19 Cybercity Ebene Mauritius
Manager	SBM Mauritius Asset Managers Ltd SBM Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius	Registrar & Administrator	SBM Fund Services Ltd SBM Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius
Auditors	Ernst & Young Level 9, Tower, NeXTeracom Cybercity Ebene Mauritius	Banker	SBM Bank (Mauritius) Ltd SBM Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius
Custodian	SBM Bank (Mauritius) Ltd SBM Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius	Legal Adviser	BLC Chambers 2 nd Floor, The Axis 26 Cybercity Ebene Mauritius

3.2 INTRODUCTION

The SBM Investment Unit Trust was established by the Trust Deed entered into on 5th June 2006 between the Manager and the Trustee pursuant to which the SBM Investment Unit Trust is entitled to constitute separate and distinct funds.

The Trust Deed is binding on each participant as if he had been a party to the said Trust Deed and so is bound by the provisions of the Trust Deed and authorizes and requires the custodian and the Manager to do the things required of them in accordance with the terms of the Trust Deed.

The SBM Yield Fund is constituted under the SBM Investment Unit Trust and has been authorized by the Commission as a collective investment scheme under the Securities Laws of Mauritius as amended.

A collective investment scheme constituted as a trust requires two parties, a Manager to carry the investment function, and a Trustee which performs a fiduciary role on behalf of the investors.

The assets of the Fund are registered in the name of, and held by, the Trustee, whose responsibility it is to safeguard the interest of the investors and ensure that the Manager carries out its duties in terms of the Trust Deed. This document sets out the aims and objectives of the Trust, the main charges for the management thereof and the basic rules of operations.

The price of a Unit is directly related to the value of the assets held by the Fund subject to an initial service charge for purchase transactions and to a repayment fee for repurchase transactions as detailed in section 3.9.

3.3 ORGANISATION

The Fund

The SBM Yield Fund is a collective investment scheme constituted as a trust, which will invest primarily in listed, OTC and unquoted equities, deposits, fixed-income securities, Bank of Mauritius Bills, Notes, Bonds and Stocks, cash and short term instruments both in domestic and international markets. It is established for an initial period of ninety nine years (99 years).

Investors shall buy Units in the SBM Yield Fund, the money collected is vested with the Trustee to constitute the vested property which is thereafter managed by the Manager in accordance with the terms of the Trust Deed. A Unit represents for the Unitholder an undivided share in the capital assets of the Fund. It entitles him to payment of the Net Income earned and attributable to the Unit at every time a distribution is made.

In this respect, Net Income includes all income due and receivable less all costs, charges and expenses due or accrued and paid or payable out of the Fund as more fully defined in Clause 9.1 of the Trust Deed.

In keeping with its Investment Policy, as described in section 3.4, it is the intention of the Fund:

- (a) to distribute to Unitholders at yearly intervals the whole of its available income after deducting fees, charges and other expenses and adjusting for any tax liabilities or refunds, and
- (b) not to distribute any capital gains, whether realised or unrealised, on changes in the value of investments other than in the form of bonus Units as described in section 3.7.

The Unitholders

All legal and physical persons, including individuals jointly, can be Unitholders of the Fund. Unitholders have undivided rights in the Fund pro-rata to the number of Units held by them. The Unitholders of the Fund can be citizens or non-citizens of Mauritius, whether resident or non-resident. At any time, the Unitholders may sell their Units to the Manager, who is under the obligation to repurchase them subject to the conditions laid down in section 5.2 to 5.7, except when such repurchase has been suspended as laid out in section 6.7.

A Unitholder shall not be liable to make any further payment after he has paid the purchase price of his Units. Subject to the foregoing, no further liability can be imposed on the investor in respect of the Units he holds.

The Trustee (as detailed in section 4.1)

The Trustee supervises the acquisition and sale of assets to ensure that the interests of the Unitholders are safeguarded. Subject to the terms of the Trust Deed, the Trustee shall have control on the issuance of Unit Certificates/Contract Notes and the repayment of redemption proceeds to the Unitholders of the Fund.

The Manager (as detailed in section 4.2)

The main duty of the Manager is to invest assets on behalf of the Trust for the benefit of the Unitholders. The Manager performs this duty under the supervision of its Investment Committee and in accordance with the guidelines set by its Board of Directors and subject to the provisions of the Trust Deed.

The Manager is also responsible for keeping the Register of Unitholders and it will do so through the services of the Registrar.

Moreover it is the duty of the Manager to keep accounts of the Fund and to publish reports regularly to keep the Unitholder informed of the performance of the Fund and it will do so through the services of a CIS Administrator

The Investment Committee

The directors of the Manager, with the approval of the Trustee, shall appoint an investment committee (the “**Investment Committee**”) for investment decisions. The Investment Committee shall be composed of not less than three members and not more than six persons out of whom two persons should also be members of the Board of Directors of the Manager. The Investment Committee will be strengthened by appointing independent members.

The members of the Investment Committee shall report to the board of the Manager.

The Investment Committee shall conform to any regulations that may from time to time be imposed upon it by the board of the Manager.

The Investment Committee may, from time to time, when it sees fit seek external advice regarding investment decisions. Any fees relating to such advice shall be payable by the Fund.

The Registrar and CIS Administrator

The duty of the Registrar is to process on behalf of the Manager’s requests for the issue and repurchase of Units and to keep the Register of Unitholders. It is the Registrar who processes requests from investors for the issue of Units and which issues Unit Certificates/Contract Notes. It also processes requests from Unitholders for repurchase of Units and issues cheques in settlement. The CIS Administrator is responsible for certain matters pertaining to the administration of the Fund, including maintaining the Fund’s accounts, calculating the Net Asset Value and the Net Asset Value per Unit, maintaining the Fund’s principal corporate records, communicating with Unitholders, accepting the subscriptions of new Unitholders, making redemptions of the Units, and ensuring compliance with Mauritius laws and regulations (including but not limited to anti-money laundering regulations)..

The Custodian

The Custodian shall be SBM Bank (Mauritius) Ltd who shall act on behalf of the investor *pari passu*, according to the number of Units held by each investor, for the safe keeping of the assets of SBM Yield Fund.

3.4 INVESTMENT POLICY

Investment Objective

The overall objective of the SBM Yield Fund to provide regular income and to achieve the maximum performance return comparable to that of SBM Savings Rate plus 2%.

The Manager will:

- Ensure that investments are in all respects reasonable and proper.
- Exercise high standard of diligence and act prudently and with utmost good faith.
- Seek proper and competent advice wherever deemed necessary.
- Use appropriate risk management and risk controlled techniques to mitigate inherent risks.

Subject to the Investment Restrictions set forth in this Prospectus, the financial instruments in which the Fund may invest will include inter alia local and foreign equities, equity linked securities, unit trusts, mutual funds and other collective investment schemes, fixed income securities, money market instruments, and cash.

Investment Approach

The following approaches will be adopted to achieve the investment objective of the Fund:

- Adopting a top-down investment approach by focusing on the macro fundamental of the economy and then moving down the ladder.
- Adopting a bottom-up approach by focusing on companies with high growth potential or with unlocking potential that will increase shareholder's wealth.
- Stock selection based on company fundamentals, history, values, prospects and market actions.
- Adopting a strategic and tactical asset allocation to meet long term objectives while adjusting for short term fluctuations.
- Constituting the core and satellite portfolio: to track the overall benchmark and have exposure to stocks that will create extra returns/alpha respectively.

Investment Allocation

The investment allocation of the Fund shall be:

Asset	Maximum Allocation (%)
Overseas investments	40
Listed equities	60
OTC Quoted	25
Unquoted equities	15
Fixed Income Securities	80
Cash / Short term instruments	80
Banking and Leasing deposits	50
Bank of Mauritius securities	80

Investment Restrictions

The following restrictions shall apply to the investments of the Fund, provided that, should any one or more of these restrictions be exceeded as a result of events, happening subsequent to an investment being made, that are beyond the control of the Fund or the Manager such as, for instance, fluctuations in the market value of underlying investments, the Manager shall seek to remedy the situation in the shortest time possible and shall in so doing take due account of the interest of the Unitholders of the Fund.

- (i) The fund shall not invest more than 20% of its Net Asset Value in securities issued by a single issuer (a company or other corporate entity including the subsidiaries thereof) at the time of purchase.
- (ii) The Fund shall not hold more than 20% of any class of security listed or unlisted, issued by a single issuer.
- (iii) The Fund shall not purchase real estate.
- (iv) The Fund shall not purchase a security for the purpose of exercising control or management of the issuer of the security.
- (v) The Fund shall not engage in the business of underwriting or marketing securities of any other issuer.
- (vi) The Fund shall not guarantee securities or obligations of another person.
- (vii) The Fund shall not purchase or sell a physical commodity, including precious metals.
- (viii) The Fund shall not invest its entire assets in a single collective investment scheme and shall not operate like a feeder collective investment scheme.
- (ix) The Fund shall not purchase mortgage.
- (x) The Fund shall not subscribe securities offered by a company under formation.
- (xi) The Fund shall not borrow money or provide for the creation of any encumbrance on its

assets except in the two following situations:

- (a) the transaction is a temporary measure to accommodate requests for the redemption of securities of the Fund while the Fund effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amount of all borrowings of the Fund does not exceed 5% of the net assets of the Fund taken at market value at the time of the borrowing;
 - (b) the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity.
- (xvii) The Fund shall not lend money, securities or other assets.
- (xiii) The Fund shall not purchase a security from, or sell a security to, one of the following persons –
 - (a) the CIS manager or the custodian
 - (b) an officer of the CIS Manager or the Custodian
 - (c) an affiliate of a person referred to in subparagraphs (a) and (b), unless the purchase from or sale to the affiliate is carried out at arm's length.
- (xiv) The Fund shall not purchase or sell derivatives.
- (xv) The Fund shall not acquire more than 10% of the shares of any single collective investment scheme.
- (xvi) The Fund may not purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of illiquid assets.

The Manager may, with the agreement of the Trustee and of the Commission, alter the investment policies as set out above provided that any material change in the investment policy shall be notified to the Unitholders of the Fund.

3.5 Equity & Debt Markets

Local Market Review

The Mauritian economy progressed along a modest growth path, in the absence of a pickup in external demand and domestic investment. Estimates show that the economy grew by 3.5% in 2014, slightly above the growth of 3.2% recorded in 2013. Growth was supported by activity in the Manufacturing, Trade, Tourism, ICT, and the Financial and insurance activities sectors. The construction sector contributed negatively to economic growth for the third consecutive year as business confidence remained weak and investment contracted year on year. Inflationary pressures remained subdued and a low interest rate environment prevailed. Unemployment was estimated at 7.8%, down from 8.0% in 2013.

Ahead, there are positive signs of improvement with regards to the outlook for the operating environment. The economy is projected to grow by a higher rate of 3.8% in real terms in 2015, underpinned by relatively higher year-on-year growth in tourism, ICT, transportation and storage as well as a likely reversal to positive growth by the construction sector. Consumption growth is projected to inch up to 2.9% in 2015 from 2.6% in 2014. Investment, in particular public sector, is projected to grow in a more important manner as compared to the recent past.

Inflation expectations should remain on the low side while labour market conditions could suffer from relative tightness leading to a rise in the unemployment rate. The domestic currency, as well as the current account balance, is seen to remain under pressure in the face of a strengthening dollar.

Local Stock Market

The local market saw several major events which impacted its performance. The period July to September 2014 experienced a growing trend with an increase of +3.94% on the SEMTRI, and +9.90% on the DEMTRI. This was mainly triggered by positive results on published financial statements for 2014.

Performance for the period October to December 2014 was mainly influenced by a slowdown in the European Market and the election period in Mauritius. This caused the SEMTRI to drop by -2.47%, while the DEMTRI rose by +1.36%, lower than the last quarter.

The period January to March 2015 saw a depreciation of the rupee vis-à-vis the US dollar of about 15%, causing a disinvestment of Rs. 1.36 Bn (net amount) by foreign investors on the SEM. These likely accentuated the plunge for the SEMTRI dropping by -4.34%, and a lower performance on the DEMTRI of +0.79% compared to the previous quarter.

Performance for the period April to June 2015 was positive. The rupee saw an appreciation vis-à-vis the US dollar of about 3%, and there was a noticeable improvement in corporate earnings of listed companies (interim results). Hence, the SEMTRI showed a correction of +0.79% after two consecutive negative quarters, and the DEMTRI picked up by +1.48%, higher than the last two quarters.

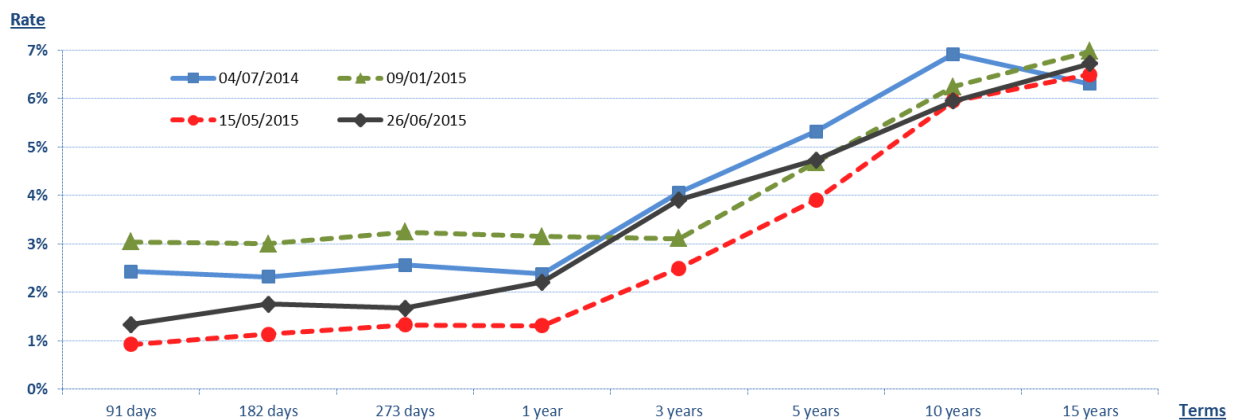


Local Money Market

As from January 2015, the BOM has been intervening on the domestic market with a view to prevent an aggravation of massive liquidity circulating in the banking system. The Bank expects to sterilise around Rs. 20 Bn of liquidity by the end of December 2015.

As at 30 June 2015, the Monetary Policy Committee maintained the Repo Rate at 4.65%. The Prime Lending Rate (PLR) and Savings Rate both fell for the period.

In January 2015, weighted yields on shorter term deposits attained its highest position for the period and from there took a downward trend until May 2015, where it started to rise again.



Performance of the SBM Yield Fund

Financial Year ending 30th June	NAV (Rs.)	NAV/Unit (Rs.)	Net Value of Units issued (Rs.)	Distributions/ Unit (Rs.)	TER	Net Return
2015	80,972,159	10.46	(12,812,164)	0.3000	1.77%	4.32%
2014	91,579,335	10.18	(54,394,527)	0.1536	1.38%	3.46%
2013	148,756,378	10.25	10,611,125	0.4103	1.26%	3.71%
2012	138,064,676	10.29	25,808,829	0.4069	1.38%	1.76%

3.6 RISK FACTORS

In pursuing the Investment Objective described above, the following risk factors should be taken into account:

Equities - Funds investing in equities tend to be more volatile than funds investing in bonds, but also offer greater potential for growth. The value of the underlying investments in the equity funds may fluctuate quite dramatically in response to activities and results of individual companies, as well as in connection with general market and economic conditions.

Bonds - Funds investing partly or wholly in bonds will tend to be less volatile than pure equity funds, as bonds are generally considered to be more secure, usually include a condition to repay the original sum at a specified date in the future and normally provide a fixed level of income. However, the capital value of a bond fund and the level of its income will still fluctuate. Investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth. Certain funds may invest in debt securities which are rated below investment grade or which are unrated. The investor should note that these securities may have a higher degree of risk than debt securities of investment grade. Investment in debt securities below investment grade may result in a fund having a greater risk of loss of principal and interest than an investment in debt securities which are deemed to be investment grade or higher. Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

Currency Exchange Rates - Funds investing in overseas securities will be affected by currency fluctuations, in addition to usual stock market fluctuations. Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment. A significant portion of a fund's assets may be denominated in a currency other than the base currency of a fund or class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which shares of the relevant fund are valued and priced.

Funds are not required to hedge their foreign currency risk, although they may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that a Fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of that Fund's assets and income could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the fund in circumstances where no such hedging transactions are undertaken.

Emerging Markets - Funds investing in emerging markets around the world, which can be extremely volatile, involve a higher than average risk compared with funds covering established markets. For example, the systems and standards of trading, settlement, registration and custody of securities in these markets may not be as high as those of developed markets. In particular, some of the markets in which these funds may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the fund.

In addition, lack of liquidity and inefficiency in certain emerging stock markets and foreign exchanges may mean that securities are less marketable than in more developed markets, resulting in greater price fluctuation. Such markets can also experience significant currency volatility and, accordingly, the country may have exchange controls.

Regulatory Risks and Accounting Standards - It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

Liquidity Consideration - The Manager's ability to invest and to liquidate the assets of the Fund invested in smaller companies may, from time to time, be restricted by the liquidity of the market for smaller company securities.

Credit and Settlement Risk - Funds will be exposed to credit risk on parties with whom it trades and may also bear the risk of settlement default.

Inflation risk - Inflation erodes the real value of investments and changes in the anticipated rate of inflation could lead to capital losses in the Fund's investments.

Political Risks - The value of the Fund's assets may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Fund may invest.

Derivative Instruments - Funds may employ certain derivative instruments and forward transactions for efficient portfolio management. The use of derivative and forward transactions for investment purposes involves special risks which may:

- significantly raise the risk profile of the Fund;
- increase the volatility of the Funds when taking additional market or securities exposure;
- depend on the ability of the Manager to predict movements in the prices of securities;
- place some reliance on the imperfect correlation between instruments and the underlying securities;
- and
- involve investing in instruments not traded on exchanges and are not standardised, which in turn may involve negotiations on transactions on an individual basis.

Volatility - The following generic risks are particularly relevant in terms of the use of derivatives and forward transactions in Funds:

- Market risk: the risk of loss due to adverse market movements in assets held by the Fund or changes in the anticipated or calculated volatility of these movements.
- Interest rate risk: the risk associated with changes in interest rates which will impact the market value of assets held in the Fund.
- Credit risk: the risk that issuers of bonds and other credit instruments default.
- Foreign exchange risk: investing in overseas securities will be affected by currency fluctuations, in addition to usual stock market fluctuations. Where an asset is held in a currency denomination other than Mauritian Rupees, the assets value will be affected by changes in exchange rates between the Mauritius and the currency of the country in which the security is held.

3.7 DISTRIBUTION POLICY

Dividends

Dividends shall be declared annually. The last cum date shall be the last date on which the Unitholders are entitled to receive dividends. The first dividend shall be payable at latest within 2 months of the last cum date.

All income received from investments made out of the Fund, after deduction of such fees and expenses are paid or payable under the Trust Deed shall be distributed to Unitholders as dividends. Moreover, Unitholders may opt for distributions to be effected by the issue of Units (with no entry fee) that will rank pari passu with existing Units. Dividends may thus be paid in cash or through the issue of bonus Units.

Capital Gains

In line with current accounting standards, capital gains arising from the changes in the value of investments, both realized and unrealized, will be credited to a separate reserve, called Capital Reserve, and shall not be available for distribution as dividends. Capital losses arising from changes in the value of investments will be debited to the said Capital Reserve and shall not be offset against income received. It should be borne in mind that the above accounting standards are subject to changes and the policy of the Unit Trust regarding capital gains will be amended accordingly.

Bonus Issues

The Manager may, periodically, issue to existing Unitholders bonus Units that will rank pari passu with existing Units. The Capital Reserve shall be utilised to issue such bonus Units; it will however be the policy of the Manager to utilise only realised capital gains for such bonus issues.

No part of this Capital Reserve shall in any event be transferred to the Profit and Loss Account or treated as profits of the Fund available for dividend or be applied in paying dividends on any Units in the Fund.

3.8 TAXATION AND FISCAL INCENTIVES

General

Investors and prospective investors are strongly recommended to seek independent advice as regards both Mauritius and any foreign tax legislation applicable to the acquisition, holding and disposal of Units as well as distributions made by the Fund. The following is a summary of the anticipated tax treatment applicable to the Fund and to its Unitholders in Mauritius.

The information below is based on tax laws and practices applicable in Mauritius at the date of this document. Investors are reminded that tax laws and practices and the rates of tax relating to the Fund and the Unitholders may change from time to time.

The Fund

- Net income (excluding dividend income received from local companies and collective investment schemes) is taxable at the rate of 15%.
- Capital gains arising on the realization of securities are tax exempt.

However, the Fund may be subject to tax on its capital gains, dividends, interest and any other income imposed by the country in which the capital gains, dividends, interest and any other income arose (the “**Source Country**”) and such taxes may not be fully recovered by way of foreign tax credit by the Fund.

It should be noted that Mauritius has double taxation avoidance treaties with some countries and such treaties may either provide for a reduction in the taxes imposed by the Source Country or may not tax certain income in the Source Country.

Unitholders

- Distribution to Unitholders out of the Fund shall be deemed to be dividends. Such dividends are tax free.
- Capital gains on sale of the Units are exempt from Income Tax, even though the gains are derived in the ordinary course of business.

For the avoidance of doubt, any gains derived by Unitholder which is structured as a company resident in Mauritius from the sale of securities held for a period of at least six (6) months prior to the sale by the company shall be considered as capital gains. The taxation of capital gains derived by the company from the sale of securities held for a period of less than six (6) months will depend on the nature of business the company is involved in. Where securities held by the company as fixed assets, gains from sale of such assets are treated as capital gains. On the other hand, income derived from the sale of the Units which have been held in the course of business of trading in such securities represent profits and are taxable under the laws of Mauritius.

3.9 FEES AND EXPENSES

Fees and Expenses payable by the Fund

Fee Payable to the Trustee

The Trustee will receive a trustee fee of 0.115% per annum of the Net Asset Value of the Fund (the “**Trustee Fee**”). The fees are calculated on a daily basis payable monthly in arrears. The Trustee Fee may be increased, with the agreement of the Manager, but in no case shall exceed 0.25% per annum, without prior approval by an Extraordinary Resolution of Unitholders.

This fee shall be paid out of monies of the Fund.

Fee Payable to the Manager

The Manager will receive a management fee of 0.85% per annum of the Net Asset Value of the Fund. The fees are calculated on a daily basis payable monthly in arrears. The management fee may be increased, with the agreement of the Trustee, but in no case shall exceed 3.0% per annum, without prior approval by an Extraordinary Resolution of Unitholders.

This fee shall be paid out of monies of the Fund.

Fee payable to the Registrar

The Registrar will receive a registry fee of 0.10% per annum of the Net Asset Value of the Fund. The fees are calculated on a daily basis payable monthly in arrears. This fee shall be paid out of monies of the Fund.

Fee payable to the CIS Administrator

The CIS Administrator will receive an administration fee of 0.15% per annum of the Net Asset Value of the Fund. The fees are calculated on a daily basis payable monthly in arrears. This fee shall be paid out of monies of the Fund.

Fee payable to the Custodian

Payments to the Custodian, by way of remuneration for its services, shall be paid out of the assets of SBM Yield Fund.

The Manager is authorized to make such payments to the Custodian by way of remuneration for its services. The Unitholders shall not have any obligation to account for the remuneration of the Custodian. The remuneration of the Custodian shall be 0.06% per annum of the value of securities under custody as at each month end.

All such reasonable expenses or disbursement of the Custodian which have been evidenced shall be payable out of the assets of the SBM Yield Fund.

Audit and Legal Fees

Audit fees shall be agreed among the Manager, the Auditors and the Legal Advisers respectively. Audit and legal fees will be paid out of the Fund.

Other Expenses

Expenses properly incurred by the Trustee and the Manager including trading or ownership of investments shall be borne by the Fund. Such expenses include, inter alia, the acquisition, registration, custody, ownership, sale, disposal, transfer, exchange, replacement of, or other dealings with assets of the Fund, costs associated with termination of the Fund, cost of printing and distributing the annual reports, the interim reports, any report to the regulatory authorities, or any other reports, any prospectus, marketing or promotional materials; as well as legal costs, stamp duties, valuation, search and enquiry fees, brokerage, commissions or other outgoings incurred in connection with the appointment and engagement of any approved valuer, accountant, stockbroker and such other person as may be necessary for the purpose of exercising the powers of the Manager or Trustee performing their obligations under the Trust Deed.

Exceptional Expenses

Exceptional expenses, such as those incurred in modifying the Trust Deed or in convening a meeting of Unitholders, shall be borne by the Fund.

Fees and Expenses Payable by Unitholders

Entry Fee

In respect of the issue of Units, an entry fee of 0.5% of the Net Asset Value per Unit shall be paid by the Unitholder. The Manager reserves the right to charge any entry fee.

Exit Fee

In respect of the repurchase of Units, an exit fee of 0.5% of the Net Asset Value per Unit shall be paid by the Unitholder. The Manager reserves the right to charge any exit fee.

3.10 MONEY LAUNDERING

In accordance with the provisions of the Financial Intelligence and Anti-Money Laundering Act 2002, the Manager may require additional evidence of identification from a prospective investor prior to making an investment. A prospective investor should therefore note that in certain circumstances the investment of a prospective investment fund may be delayed until all verification procedures have been completed. In any event, no redemption proceeds will be paid away until all verification procedures have been completed to the Manager's satisfaction.

In order to ensure prompt investment into a fund, all clients should follow the proper "Know Your Client" procedures as per rules and regulations of our local authorities.

4. THE PARTIES

4.1 DTOS Trustees Ltd -THE TRUSTEE

DTOS Trustees Ltd is a private company incorporated in Mauritius on 23rd May 2003. DTOS Trustees Ltd is a wholly owned subsidiary of DTOS Ltd and is duly licensed by the Financial Services Commission to act as a qualified trustee. It offers a complete and comprehensive range of trust services including trust formation / migration, corporate trusteeship, advice on tax, regulatory and statutory matters, accounting, administration and tax filings, where required

DTOS Ltd was among the first Management Companies to be licensed by the authorities in 1993 and is now a leading service provider in the global financial services centre of Mauritius. It is a Management Company licensed by the Financial Services Commission to provide, inter alia, corporate, trustee and fund administration services. DTOS Ltd forms part of the IBL Group.

The IBL Group is one of the largest conglomerates in Mauritius and consists of Ireland Blyth Limited, a public company incorporated in Mauritius and listed on the Stock Exchange of Mauritius, and its subsidiaries and associated companies. The activities of the IBL Group cover all sectors of the economy and include a fast growing Financial Services Business Unit comprising insurance, leasing and global business services.

Registered Office: 10th Floor, Raffles Tower
19, Cybercity
Ebene
Mauritius

4.2 SBM MAURITIUS ASSET MANAGERS LTD –THE MANAGER

SBM Mauritius Asset Managers Ltd was incorporated as a private company limited by shares on the 20th September 1995 under the laws of Mauritius, licensed as a CIS manager, Investment adviser (Unrestricted) and Distributor of financial products by the Commission. It is a fully owned subsidiary of the SBM Holdings. SBM Mauritius Asset Managers Ltd is the investment management arm of SBM group. The appointment of SBM Mauritius Asset Managers Ltd as the Manager of the Fund is for the duration of the Fund, unless the Manager ceases to hold office in accordance with the provisions of the Trust Deed, or unless otherwise terminated by six (6) months' notice in writing given by either the Trustee or the Manager to the other.

Directors of the Manager

Chandra Kumar Gujadhur (Non-Executive Director)

Mr. Chandra Kumar Gujadhur is the Managing Director of Apex Fund Services (Mauritius) Ltd. He is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Society of Trust and Estate Practitioners, has long standing experience in auditing of offshore funds, fund structuring and tax planning.

He was a member of the Accounting and Auditing task team of the Corporate Governance Committee of Mauritius and the Chairman and member of the Consultative Sub-Committee on the drawing up of the New Listing Rules of the Stock Exchange of Mauritius. He retired as a senior partner with Deloitte at the end of September, 2006 after 18 years to assume the responsibility of Managing Director at Apex Mauritius. As a board member of numerous India focused funds and companies he has gained extensive experience and knowledge on key industries in India and its principal capital markets.

Lim Chan Kwong, (Ignace) LAM THUON MINE (Non-Executive Director)

Mr. Ignace is a Fellow Chartered Certified Accountant with the ability to achieve optimal economic capitalization through strategic planning and relationship management. He is presently the Co-founder of Intermart Mtius Ltd; Intermart (Mtius) is responsible for negotiating with suppliers and also the sole importer of INTERMARCHE Products in Mauritius. He is also the executive chairman of Family World Ltd, a company formed in 2002 and the Hypermarket was opened in 2004. Since then, Family World has

experience a steady growth over the years and the company is ranked 64 among the top 100 companies in Mauritius.

Mr. Ignace has proven areas of expertise in the following areas, strategic Planning and organizational leadership, new business development, marketing and sales, corporate and investment finance, growth and expansion strategies, contract negotiation risk and financial strategies.

Pauline Seeyave (Executive Director)

Ms. Pauline is a presently heading the Corporate Credit Division of SBM Bank (Mauritius) Ltd and is a fellow of the Institute of Chartered Accountant in England and Wales. She was previously Director of the State Insurance Company of Mauritius Ltd, SICOM General Insurance Ltd and Club Mediterranean Albion Resort Ltd. Before joining SBM Group in 2002, she was previously managing a portfolio of clients in Audit & Business Assurance in an international firm of Chartered Accountants in London. Until February 2011, she was heading various functions within the SBM including Risk Management, Value Based Performance management and Finance.

Deegarajen Manogaren (Sanda) Soondram (Executive Director)

Mr. Soondram has over 20 years of experience with a wide experience at international level in the Investment Banking and Corporate Finance fields. He was exposed to the international market in Corporate Finance for a renowned UK based Investment Bank regulated by the Financial Conduct Authority (“FCA”) where he was responsible for identifying and evaluating project risks, developing valuation models suitable for different projects, IPOs, appraising and advising clients on opportunities, offering corporate restructuring and management advice, capital raising etc. He has extensive experience in the fields of Mergers & Acquisitions, Equity and Debt structuring in Mauritius and UK across various industries including financial services. He has strong relationships with international fund management and investment banking firms in UK, Africa, Middle East and India.

Mr. Soondram joined SBM Group as Head of Value Based Performance Management in 2013. He is currently the Head of the Non-Banking Financial Cluster of SBM Group responsible for the Asset Management, Stock Broking, Private Equity and Corporate Finance Advisory.

Mr. Soondram was the Vice President and Program Chair for the CFA Institute in Mauritius, a member Society of the CFA Institute, from 2003 to 2007 and had also taught at the University of Mauritius from 2004 to 2006 in the fields of International Business, Foreign Exchange Market, Corporate Finance and Business & Company Valuation.

Mr. Soondram holds a BSc Econ (Hons) Financial Economics and MSc Finance from the Birkbeck College, University of London. He is also Associate Member of the Chartered Institute of Management Accountant (ACMA) and Chartered Global Management Accountant (CGMA). He has an MBA and is a Regular Member of the CFA Institute.

Pierre Marrier D’Unienville (Non-Executive Director)

Mr. Pierre Marrier d’Unienville was born in Mauritius in 1969 and educated at the college du St Esprit. He graduated with a Licence in “Sciences économiques” at the University Paul Cezanne in Aix en Provence, France. He then attended and graduated from Institut d’Etudes Politiques de Paris. After working with Ernst & Young in Paris, he returned to Mauritius in 1996.

His first job was as Finance Manager at Phoenix Camp Mineral Ltd, which he left to create the Mauritius branch of South African investment bank, Brait. He ran Brait Mauritius from 1994 to 2004, acting as Investment Banker/advisor on a number of transactions.

In July 2004, Mr. d'Unienville acquired Brait Mauritius, which was then renamed Infinite Corporate Finance Ltd, and he continued to source, advise on and structure acquisitions and disposals, as Infinite remained active on the mergers and acquisitions market.

In December 2007, Infinite acquired Le Warehouse Ltd from IBL, and Mr. Pierre d'Unienville started personally running the company, Infinite's major investment, from January 2009. He is also a Director of Amro Chemicals Ltd, another Infinite investee Company. Mr. Pierre d'Unienville is a Director of one listed company, Omnicane Limited.

Registered office

SBM Tower
1 Queen Elizabeth II Avenue
Port Louis
Mauritius

Auditors

Ernst & Young
Level 9, Tower , NeXTeracom
Cybercity
Ebene
Mauritius

5. TRADE AND PRICING OF UNITS

5.1 VALUATION DAYS

Currently the Manager has directed that valuations of the NAV per Unit of the Fund will be carried out on a daily basis at the close of each Business Day. The Manager, however, reserves the right to determine the valuation days as it thinks fit.

The NAV per Unit will be published daily at the office of the Manager and of the Registrar for information purposes only. The NAV per unit will also be available on the website of SBM Mauritius Asset Managers Ltd <http://www.sbmam.com/>

Prudential Valuation

In the event of the Manager at any time considering that the above basis of valuation is inappropriate to reflect correct values or that the values determined in accordance with the foregoing principles are unfair, the Manager, may with the approval of the Trustee and after consultation with the Auditors, make such allowance as it considers appropriate. In particular this may happen in case of market illiquidity.

5.2 PRICING OF UNITS

The Issue and Repayment prices of Units will be calculated by the Manager on the basis of the valuation of the Fund.

The Issue Price of a Unit shall be the amount calculated according to the following formula:

$$\frac{CV}{U} + \frac{ANI}{U} + EF$$

Where,

CV = Capital value of the Fund plus brokerage commissions and other charges, if any;
U = Number of Issued Units;
ANI = Accumulated Net Income;
EF = Entry Fee made by the Manager as detailed in section 3.9.

The Repayment Price of a Unit shall be the amount calculated according to the following formula:

$$\frac{CV}{U} + \frac{ANI}{U} - XF$$

Where,

CV = Capital value of the Fund plus brokerage commissions and other charges, if any ;
U = Number of Issued Units;
ANI = Accumulated Net Income;
XF = Exit Fee deducted by the Manager as detailed in section 3.9

The price of the Unit includes the Accumulated Net Income as at the valuation point being the close of each Business Day. At the end of a financial year, the Accumulated Net Income, due for distribution to Unitholders, is excluded from the Unit price, which is then quoted ex-dividend. Purchases of Units at that time are not entitled to participate in such distributions.

5.3 ISSUE OF UNITS

An investor may purchase Units on Dealing Dates by sending to the Manager or the Registrar a completed application form together with the cash or cheque for payment. The following business day will be considered as the Dealing Date, should the 10th or the 20th or the last business day of the month be a public holiday. The Issue Price will be calculated on those Dealing Dates as described in section 1.9.

Alternatively, an investor may send his/her application form to any Authorised Agent in which case, the application form will be processed when it is received at the office of the Manager or of the Registrar.

In processing an application form, the Registrar will compute the number of Units to be purchased by reference to the next Issue Price to be calculated. Units will be issued in fractions. Depending on the volume of application forms, it is the intention of the Manager to issue Unit contract notes to lump sum Unitholders in respect of purchased Units immediately upon the processing of such application forms. In no event, will contract notes be forwarded to lump sum Unitholders later than 30 days after the receipt of application forms by the Registrar.

5.4 REPURCHASE OF UNITS

A Unitholder may request the Fund to repurchase Units by sending either to the Manager or to the Registrar, a written repayment request. Alternatively, a Unitholder may send his repayment request to any Authorised Agent to be forwarded to the Manager.

The Fund intends to repurchase Units on Dealing Dates, set on the 10th, the 20th and the last Business Day of each month, following the pricing of Units as per section 5.2. The Repayment Price will be calculated on those Dealing Dates. The following business day will be considered as the Dealing Date, should the 10th or the 20th or the last business day of the month be a public holiday. The Fund is under the obligation

to repurchase the Units at the price based on the next repayment price following the date on which the repayment request is received. Depending upon the volume of repayment requests, it is the intention of the Manager to issue cheques to Unitholders in respect of repurchase of Units immediately upon the processing of such repayment requests. In no event will cheques be forwarded to Unitholders later than 20 business days after the processing date. For the avoidance of doubt, the Issue Price of the Units must be fully paid up before the Fund can act on the order to purchase the Units as set forth in the written repayment request from the respective Unitholder.

5.5 DEFERRAL OF REDEMPTION OF UNITS

The Manager may limit the total number of Units in the Fund that may be redeemed on any business Day to 10% of the outstanding Units in the Fund. In such an event, the Manager will reduce all valid redemption instructions prorata. The balance of such Units will be redeemed on the following Business Day, subject to the Manager's power of deferral until the original redemption instructions have been satisfied. Unitholders may not, without the consent of the Manager, revoke or withdraw redemption instructions given to the Manager, even if the Manager elect to exercise their power of deferral.

5.6 REDEMPTION IN SPECIE

The Fund may, in circumstances where a Unitholder has given instructions to redeem such number of Units in the Fund as would on the relevant Business Day be equivalent to 5% or more of the Net Asset Value of the Fund, with the approval of the Financial Services Commission, the Trustee and the Unitholder, satisfy any such redemption instructions by the transfer to the Unitholder of assets of the Fund in specie.

In such circumstances, the Trustee shall transfer to the Unitholder such portion of the assets of the Fund that is equivalent in value to the Units of the Unitholder in respect of which redemption instructions have been given, such value shall be adjusted as the Fund may determine to reflect the liabilities of the Fund, relating to such transactions. The nature of the assets and the type of the assets to be transferred to a Unitholder in the afore-mentioned circumstances shall be determined by the Fund on such basis as the Fund shall, with the consent of the Trustee, deem equitable and not prejudicial to the interests of the remaining Unitholders of the Fund. For the foregoing purpose, the value of the assets shall be determined on the same basis as that used in calculating the Net Asset Value.

5.7 LARGE REPAYMENT REQUESTS

When a Unitholder requests the repayment of number of Units representing more than 5% of the total value of all the Issued Units on the Request Date, the Manager reserves the right to repurchase the Units at a Repayment Price determined by a successful sale of requisite assets. In such a case, a single price shall be calculated for all the Units. In selling the requisite assets, the Manager shall give due consideration to the interests of the Unitholders as a whole.

5.8 MARKETING OF UNITS

The Manager shall be the sole distributor of the Fund and shall have the right to appoint authorised agents to distribute the Fund on its behalf. The issue and repurchase of the Units may also be effected through the following channels:

- SBM Fund Services Ltd
- Any other parties as authorised by the Manager

Subscriptions for Units under the SBM Yield Fund may be made by Lump Sum investment.

The Unitholders also have the possibility of participating in a Monthly Savings Plan for the purchase of Units.

The Unitholders are further given the flexibility of increasing their unitholding by reinvesting distributions on existing Units. No entry fee is levied on these reinvestments.

6. OTHER MATTERS

6.1 REPORTS AND ACCOUNTS

Price of Units

The Manager shall cause to be published at its office and at that of the Registrar, daily the NAV per Unit. The Issue and Repayment Prices of the Units will be published on Dealing Dates, following the pricing of Units as per section 5.2. The following business day will be considered as the Dealing Date, should the 10th or the 20th or the last business day of the month be a public holiday. The NAV per unit will be also be available on the website of SBM Group <http://www.sbmam.com/>

Annual Reports

The Manager shall within three months after the end of the financial year submit to the Commission the annual report of the Fund which shall contain:

- the Manager's Investment Report,
- the Statement of Assets and Liabilities,
- an Income and Distribution Statement,
- a Statement of Movements in Net Assets,
- a copy of the auditor's report.

The annual report and audited accounts shall also be posted to Unitholders at the address shown in the Register of Unitholders.

The audited Financial Statements of SBM Yield Fund shall be prepared and presented in accordance with the International Financial Reporting Standards.

The audited Financial Statements of the Fund for the period ending 30th June 2015 presented in accordance with the Securities Laws of Mauritius can be viewed from the website of the Manager on www.sbmam.com.

6.2 BORROWING POWERS

The Manager may not borrow on behalf of the Fund amounts in excess of 5% of the Net Asset Value of the Fund. The Manager may not pledge the Assets of the Fund for amounts in excess of 5% of the Net Asset Value of the Fund.

6.3 MEETINGS

Meetings of Unitholders shall be convened with at least fourteen days' notice by the Trustee, the Manager or the holders of not less than 10% of the Issued Units, or one-tenth in number of the Unitholders of the Fund.

The following matters shall require a meeting of Unitholders:

- termination of the Trust by Extraordinary Resolution,
- appointment of a new Manager or Trustee in the case the Manager has retired and has not been replaced by the Trustee or in case the Trustee has retired and has not been replaced by the Manager .

Unitholders shall be entitled to vote at meetings of Unitholders:

- On a show of hands, every Unitholder or his representative shall have one vote only;
- On a poll, every Unitholder present in person or by proxy shall have one vote for each Unit he/she holds.

6.4 NOTICES

Any notice or other document to be served on any Unitholder, shall, if mailed or published in two daily newspapers, be deemed to have been served. Moreover, if mailed, any notice or other document would be deemed to have been served 72 hours following the time when the letter containing the same is mailed; in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

6.5 TERMINATION OF THE FUND

Decision by the Manager or the Trustee to Terminate the Fund

Subject to compliance with the Securities Laws of Mauritius, the Trustee or the Manager may, in their absolute discretion, terminate the Fund by fixing a date for such termination. The Manager shall give to the Unitholders written notice of the termination not less than six months before the date fixed for such termination.

The Fund may be terminated by the Trustee if the Manager is wound up, or if, in the opinion of the Trustee, the Manager is unable to perform its duties.

Decision by Unitholders to Terminate the Fund

The Unitholders may by Extraordinary Resolution resolve that the Fund be terminated in accordance with the Securities Laws of Mauritius.

Decision by the Commission to Terminate the Fund

The Fund may be terminated by the Commission in pursuance to the provisions of the Securities Laws of Mauritius as amended.

6.6 LIQUIDATION

Upon the Fund being terminated, the Trustee shall sell all the Trust property vested in it in accordance with the terms of Clause 16.7 of the Trust Deed.

It shall apply the proceeds of the sale to repay any borrowing effected by the Fund and shall distribute all net cash proceeds to the Unitholders pro-rata to their number of Units after deduction of expenses as provided for in Clause 16.7.3 of the Trust Deed.

6.7 SUSPENSION OF DEALINGS AND DETERMINATION OF THE NET ASSET VALUE

The Manager may, with the prior approval of the Trustee and the Financial Services Commission, temporarily suspend the determination of the Net Asset Value and the sale and redemption of Units in the Fund, in the following instances:

- (i) during any period (other than holidays or customary weekend closings) when any market is closed which is the main market for a significant part of the investments, or in which trading thereon is restricted or suspended; or
- (ii) during any period when an emergency exists as a result of which disposal by the Fund of investments which constitute a substantial portion of the Fund's assets is not practically feasible; or
- (iii) during any period when for any reason the prices of investments cannot be reasonably, promptly or accurately ascertained by the Manager; or
- (iv) during any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments cannot, in the opinion of the Manager, be carried out at normal rates of exchanges; or
- (v) during any period when the proceeds of sale or redemption of Units in the Fund cannot be transmitted to or from the Fund's account.

The Manager may elect to treat the first Business Day on which the conditions giving rise to the suspension have ceased as a substitute Business Day in which case the Net Asset Value calculations and all sales and redemptions of Units shall be effected on the substitute Business Day.

Dealings shall be resumed when considered appropriate by the Manager, the Trustee and the Financial Services Commission. The Manager shall give notice thereof to the public in two widely read daily newspapers as detailed in section 6.4.

6.8 ADDITIONAL INFORMATION

All documents and remittances to the Manager, to the Registrar and to Authorised Agents are sent at the risk of the Unitholder.

The Manager, with the approval of the Trustee, may rebate its entry and exit fees in respect of any application for Units.

As the value of Units in the Fund reflects the value of the investments held by it, the Capital Value of Units and the income accruing to them may increase or decrease.

The Manager has the right to act as principal in the issue and redemption of Units. The Manager will however abide by the disclosure requirements contained in section 6.1 of the Prospectus.

Moreover, the Manager may not act as a major player of the Fund which could unjustifiably influence the issue and redemption prices of the Fund. Any holdings by the Manager which exceed 5 per cent of the Fund shall require the prior consent of the Trustee and the Financial Services Commission.

Copies of the Prospectus can be obtained from:

Manager

SBM Mauritius Asset Managers Ltd
SBM Tower
1 Queen Elizabeth II Avenue
Port Louis
Mauritius

Registrar

SBM Fund Services Ltd
SBM Tower
1 Queen Elizabeth II Avenue
Port Louis
Mauritius

6.9 GOVERNING LAW

The SBM Yield Fund is established under and governed by the laws of Mauritius.

7. APPLICATION

7.1 APPLICATION INSTRUCTIONS

Application forms shall be available at the office of any one of the Authorized Agents. Applicants are advised to seek professional advice in case of doubt as to the correct completion of this application form. Applications may be rejected if the instructions contained in the application form are not complied with.

7.2 SUBSCRIPTION

Lump Sum

The initial Issue Price per Unit payable in full on application is of Rs 10.00. For any application made, the minimum application per Unitholder shall be Rs 1,000. The total price of the Units applied for shall be payable on application.

Application forms, when completed, should be sent with a cheque or a transfer form, to any one of the Authorized Agents.

Monthly Savings Plan

Subscription in the Fund may also be made by way of a Monthly Savings Plan. The minimum monthly investment per Unitholder shall amount to Rs 500. A statement of account shall be issued to the subscriber of a Monthly Saving Plan every six months.

The initial payment should be effected in by cheque or bank transfer. For further investments, applicants must fill in a standing order instruction form and forward it to the any one of the Authorized Agents.

The investor may cancel the plan at any time at his own discretion, in accordance with this document.



Name: Linda Floo Mike Mookien
On behalf of the Trustee



Name: Sandra Soondram

Director
On behalf of the Manager



Name: Pauline Seeyare

Director
On behalf of the Manager