

## SBM Growth Fund

31 December 2019

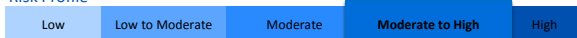
NAV per Share

MUR 11.98

### Fund Objective

SBM Growth Fund is an open-ended fund constituted as a Trust under the SBM Investment Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The investment objective of the Fund is to seek significant long-term capital growth by investing in a broadly diversified portfolio comprising of equity and equity related securities in both the local and foreign stock markets.

### Risk Profile



### Fund Profile

|                   |  |
|-------------------|--|
| Inception Date    | Feb-16   |
| Fund Size         | MUR 128M   |
| Dealing Frequency | Daily  |
| Distribution      | Yearly (each financial year end)*                                      |
| Management Fee    | 1.00% p.a.   |
| Entry Fee         | 1.00%  |
| Exit Fee          | Up to Yr2: 1.0%   Yr3: 0.75%   Yr4: 0.50%   Yr5: 0.25%   Nil after Yr5 |

\*Depending on distributable income

### Fund Facts

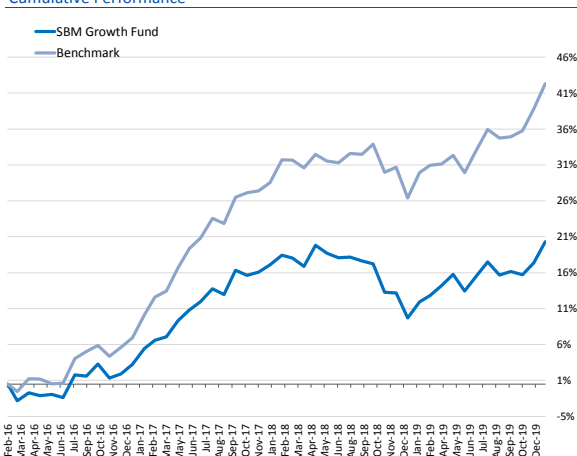
|                    |   |
|--------------------|---|
| Fund Manager       | SBM Mauritius Asset Managers Ltd                  |
| Benchmark          | 60% SEMTRI + 40% MSCI All Countries World (USD)** |
| Fund Administrator | SBM Fund Services Ltd                             |
| Auditors           | Ernst & Young                                     |
| Custodian          | SBM Bank (Mauritius) Ltd                          |

\*\*Converted in MUR

### Top 10 Holdings

|   | % Net Assets |
|---|--------------|
| MCB Group Ltd                           | 14.3%        |
| SBM Holdings Ltd                        | 6.0%         |
| IBL Ltd                                 | 4.6%         |
| Invesco S&P 500 Low Volatility ETF      | 4.5%         |
| iShares MSCI ACWI ETF                   | 4.4%         |
| MSS Global Advantage "A" Acc            | 3.9%         |
| Vanguard S&P 500 ETF                    | 3.7%         |
| MSS US Advantage "A" ACC                | 3.7%         |
| iShares MSCI World ETF                  | 3.5%         |
| Fidelity European Larger Companies Fund | 3.4%         |
| <b>Total</b>                            | <b>52.0%</b> |

### Cumulative Performance



### Risk Adjusted Metrics

| Volatility p.a. | 1 Y  | 3 Y  |
|-----------------|------|------|
| Fund            | 4.9% | 5.3% |
| Benchmark       | 5.1% | 5.5% |

| Fund vs Benchmark   | 1 Y    | 3 Y    |
|---------------------|--------|--------|
| Tracking Error p.a. | 2.1%   | 2.0%   |
| Correlation         | 90.9%  | 93.1%  |
| Beta                | 0.87   | 0.91   |
| Alpha               | (0.00) | (0.01) |

### Investment options & Contact details

|                      |  |
|----------------------|--|
| Lump Sum             | Minimum MUR 2,000  |
| Monthly Savings Plan | Minimum MUR 500  |
| Address              | SBM Mauritius Asset Managers Ltd<br>Level 12, Hennessy Tower<br>Pope Hennessy Street, Port-Louis |

### Cumulative Return

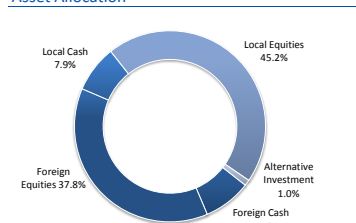
|           | 1 M  | 3 M  | 6 M  | YTD   | 1 Y   | 3 Y   | Inception | Annualised |
|-----------|------|------|------|-------|-------|-------|-----------|------------|
| Fund      | 2.5% | 3.6% | 4.2% | 9.7%  | 9.7%  | 16.6% | 19.8%     | 4.7%       |
| Benchmark | 2.5% | 5.5% | 7.0% | 12.6% | 12.6% | 33.2% | 41.8%     | 9.3%       |

### Financial Year Return

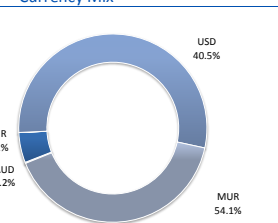
|           | 2017  | 2018 | 2019  |
|-----------|-------|------|-------|
| Fund      | 13.6% | 5.5% | -2.2% |
| Benchmark | 20.2% | 8.7% | 1.3%  |

\*All returns are calculated assuming dividends are reinvested.

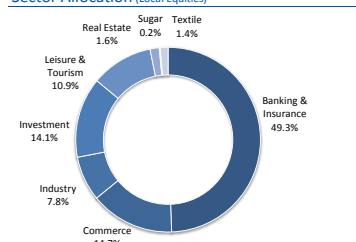
### Asset Allocation



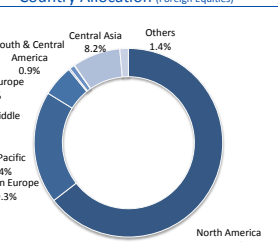
### Currency Mix



### Sector Allocation (Local Equities)



### Country Allocation (Foreign Equities)



### Market Commentary

The Net Asset Value (NAV) of the Fund rose from MUR 11.69 to MUR 11.98 in December, equivalent to a return of 2.5%, in line with the benchmark performance.

Local equity indices registered positive performances during the month with the SEMDEX and DEMEX closing at 2,177.09 points and 234.80 points, equivalent to 2.4% and 1.8% MoM, respectively. The top three gainers for the month were NMH (+16.2%), SBMH (+13.4%) and SWAN (+9.0%). The top three losers were UDL (-7.9%), FINCORP (-7.8%) and MTMD (-7.0%).

Global equity markets continued its year-long rally in December as trade optimism helped lift the major indices to record highs. The MSCI World Index posted gains of 2.9% in USD terms while the Barclays Aggregate Bond Index registered marginal returns of 0.6%. Investors remained optimistic over the global market outlook on account of the de-escalation of the U.S.-China trade tensions and the ongoing stimulative central bank policies. Global manufacturing data however remained weak with the JPMorgan Global Manufacturing PMI falling to 50.1 from 50.3 in November, due to weak international trade flows and with the Euro area being the main drag on the global manufacturing.

US equities made positive returns with the S&P 500 index adding 2.9% in USD terms buoyed by hopes that the "phase 1" interim deal between U.S & China is still on track to be signed in January 2020. Better-than-expected economic data also added to the upbeat mood, with jobless claims declining to 3.5% in December. US Manufacturing PMI continued to recover amid further new order growth and modest expansions in production, with manufacturing PMI standing at 52.4.

European equities ended the month in positive territory with the EuroStoxx 50 posting EUR returns of 1.1% supported by better economic data from Germany, convincing UK election results and optimism over the phase 1 deal between U.S. and China. On the economic front, manufacturing activity lost momentum with the December PMI declining to 46.3, hence remaining in the contraction zone. The continued underlying weakness in the manufacturing sector was mainly attributable to deep contraction in Germany and deteriorations in Italy. The DAX index recorded marginal returns of 0.1% despite the persistent downturn of the German manufacturing sector. Despite inflation accelerated to 1.5% YoY in December, up from its preceding reading of 1.2%, it was still below ECB's target of 2%. The Italian equity market closed in positive territory with the FTSE MIB adding EUR gains of 1.1%. In UK, the FTSE 100 notched higher by recording gains of 2.7% in GBP terms supported by a reduction in political uncertainty. The decline in UK Manufacturing PMI deepened further, with PMI data at 47.5, led by a sharp fall in output, new orders and a reduction in Brexit safety stocks. On the political front, the Conservative party won a big majority in the UK general elections and the new government is set to leave the EU by January 31 2020.

Japanese equities recorded a positive performance with the Nikkei 225 returning 1.6% in JPY terms, responding positively to the interim U.S.-China trade deal. Japan's manufacturing sector remained stuck in a downturn with Manufacturing PMI declining further to 48.4. The weak domestic and external conditions weighed on demand, causing output to decline at its fastest rate since March 2019.

Emerging market equities overperformed developed markets with the MSCI Emerging Index registering broad gains of 7.2% in USD terms, benefiting from easing geopolitical tensions. The Shanghai Composite Index was among the best performing indices in the region, adding CNY gains of 6.2% on account of improved trade outlook. The manufacturing activity in China continued its modest expansion with PMI standing at 51.5. In India, returns were capped with BSE Sensex posting marginal returns of 1.1%. Rising oil prices and concerns over the RBI reducing its economic growth forecast by 110 bps to 5% were the major headwinds. Manufacturing PMI rose to 52.7 in December on account of a scale up in production.

|           |                                |
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