SBM Mauritius Asset Managers Ltd

SBM Universal Fund

30 September 2020

NAV per Share **MUR 26.17**

Fund Objective

SBM Universal Fund is an open-ended fund constituted as a Trust under the SBM Unit Trust. It is duly authorised under the Securities Act 2005 and regulated by the Financial Services Commission. The fund invests in equities and fixed income instruments in the domestic and international market whilst keeping a balanced-risk strategy. The overall objective of the fund is to provide regular income and maximise returns on a long term basis for the benefit of the unit-holders.

Risk Profile

Low	Low to Moderate	**Moderate**	Moderate to High	High

Fund Profile

Inception Date	Jun-02
Currency	MUR
Fund Size	MUR 343.6M
Issue / Redemption	Daily
Distribution	Yearly
Management Fee	1.0% p.a
Entry Fee	1.0%
Exit Fee	1.0%

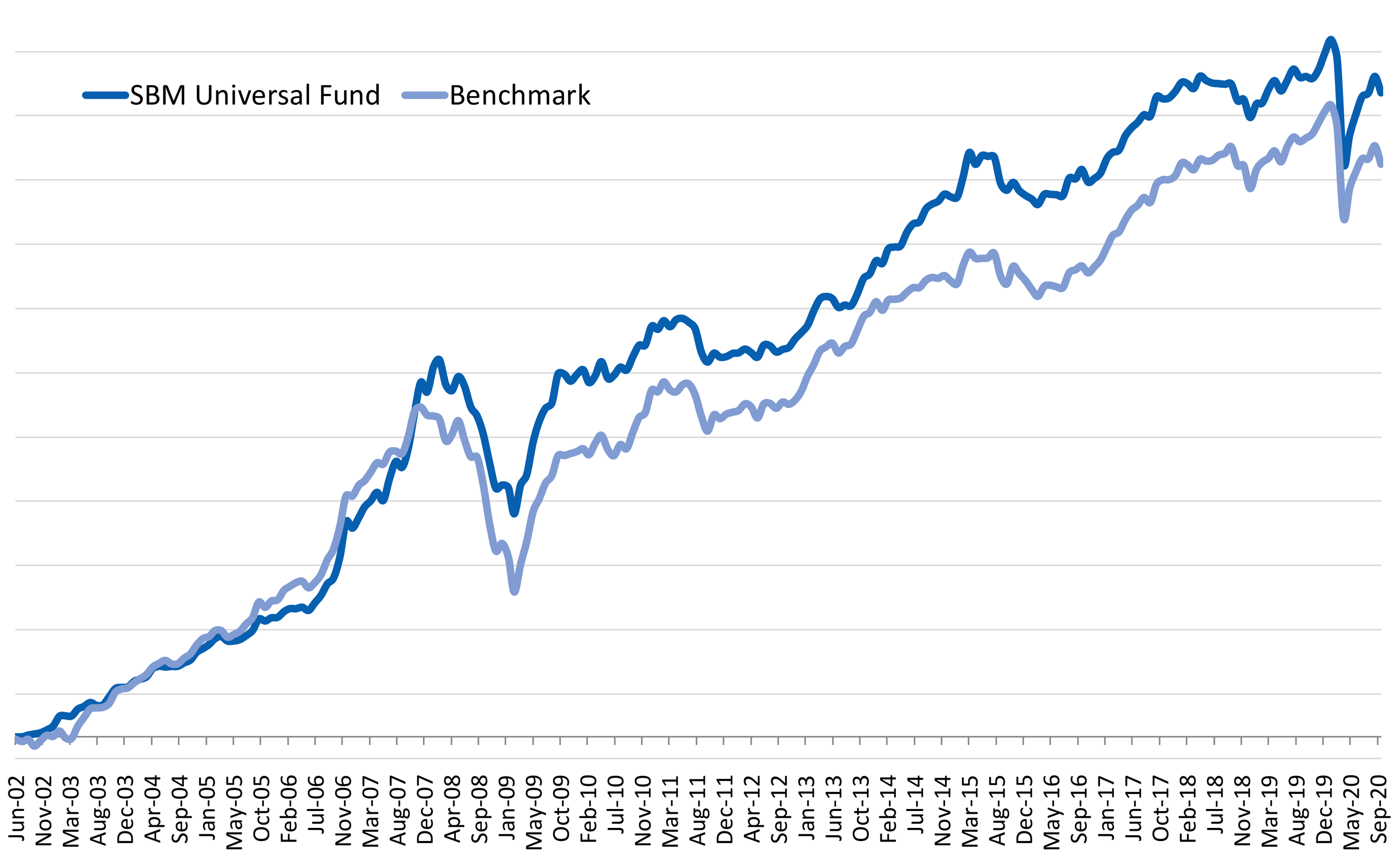
Fund Facts

Fund Manager	SBM Mauritius Asset Managers Ltd
Benchmark	30% SEMDEX + 40% 1Y GOM Bill + 30% MSCI World (MUR)
Fund Administrator	SBM Fund Services Ltd
Auditors	Deloitte
Custodian	SBM Bank (Mauritius) Ltd

Top 10 Holdings

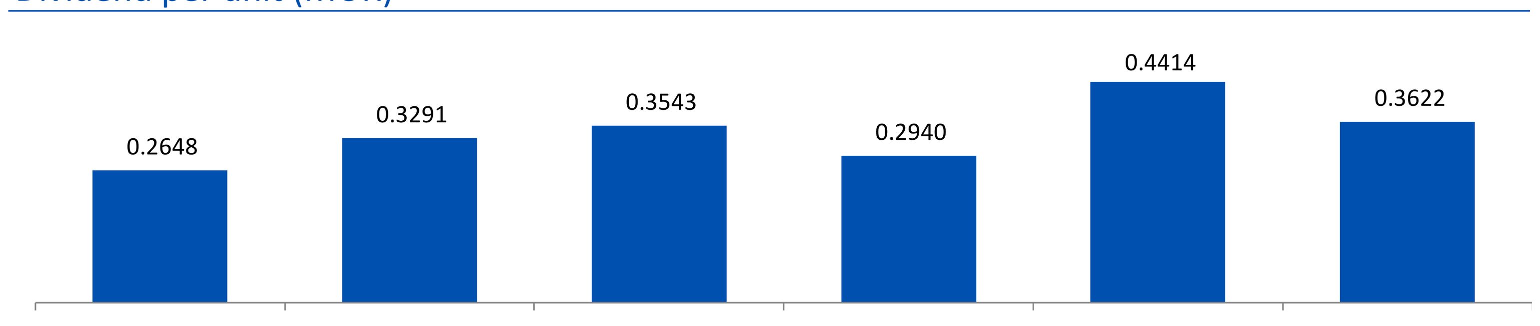
	% Net Assets
MCB Group Limited	9.9%
iShares MSCI World ETF	9.9%
SIT Bond	5.9%
Vanguard S&P 500 ETF	4.7%
CIM Financial Services Ltd_CFSL 4% 31/07/2025	4.4%
SBM MUR Note 5.75% Class A2 Series Bond	3.7%
MSS US Advantage "A" ACC	3.2%
Omnicane Bond	3.1%
SBM Holdings Ltd	3.0%
T Rowe Price Global Focused Growth Equity "A" USD Acc	3.0%
TOTAL	**50.8%**

Cumulative Performance



Cumulative performance assumes that dividends are reinvested

Dividend per unit (MUR)



Risk Adjusted Metrics

Volatility p.a.	1Y	3Y	5Y
Fund	13.9%	8.3%	6.8%
Benchmark	13.4%	8.3%	6.9%

Fund vs Benchmark	1Y	3Y	5Y
Tracking Error p.a.	1.8%	1.8%	1.8%
Correlation	99.2%	97.6%	96.6%
Beta	1.04	1.00	0.98
Regression Alpha	0.2%	0.0%	-0.1%

Cumulative Return

	1M	3M	6M	YTD	1Y	3Y	5Y	Inception	Annualized
Fund	-1.9%	0.5%	8.9%	-4.4%	-1.9%	0.5%	12.8%	300.7%	7.9%
Benchmark	-2.3%	-0.7%	7.3%	-6.3%	-3.2%	2.6%	18.0%	267.4%	7.4%

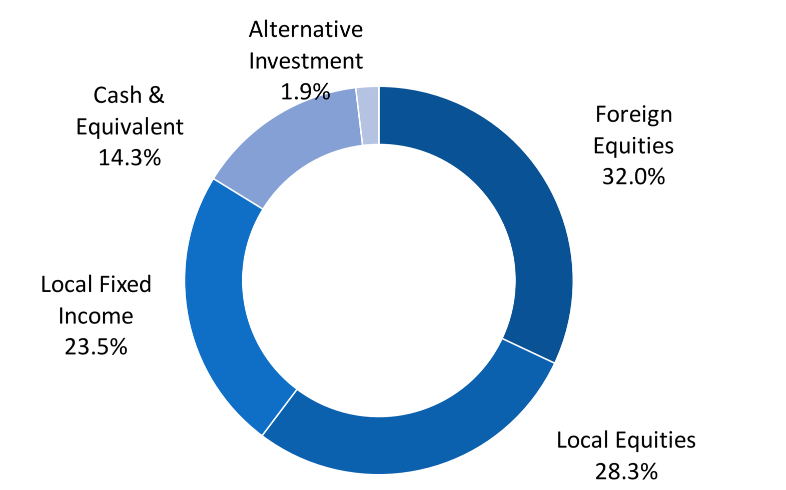
**All returns are calculated assuming dividends are reinvested.*

Financial Year Return

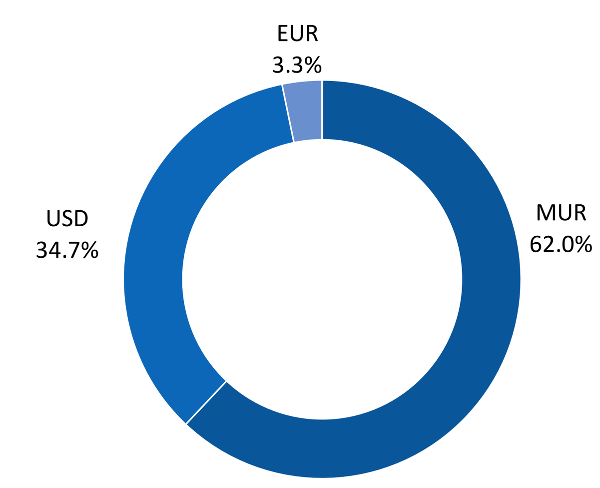
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fund	-3.7%	6.3%	13.0%	9.3%	-5.0%	9.7%	4.7%	0.3%	-1.8%
Benchmark	-3.6%	9.4%	10.9%	4.5%	-4.3%	12.4%	6.1%	1.7%	-1.5%

**Financial year as at June*

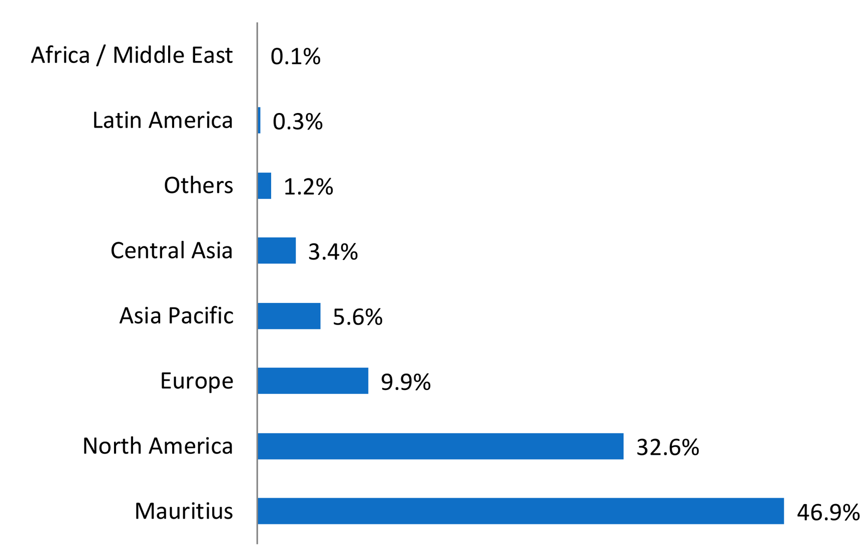
Asset Allocation



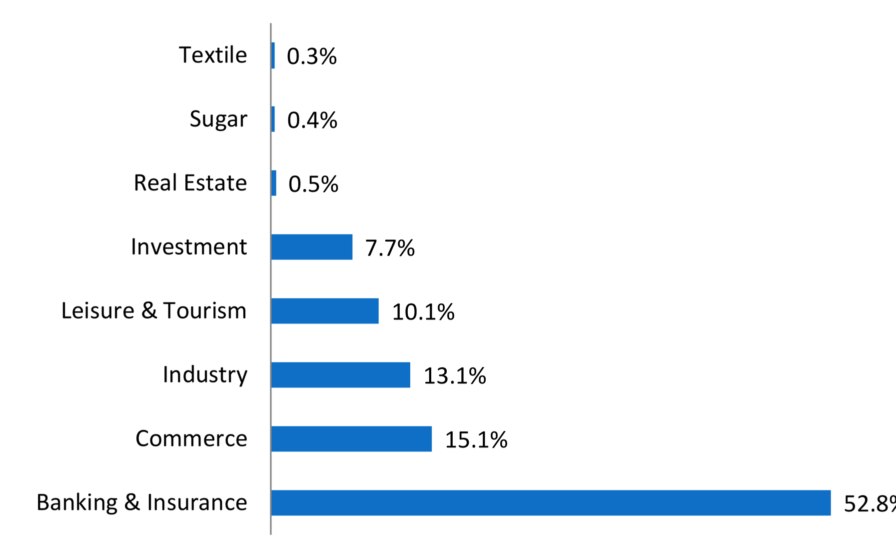
Currency Allocation



Country Allocation (Equities)



Sector Allocation (Local Equities)



Market Commentary

The Net Asset Value (NAV) of the Fund decreased from MUR 27.04 to MUR 26.17 in September, equivalent to return of -1.9%, while the composite benchmark recorded a performance of -2.3%.

Local equity indices registered negative performances during the month with the SEMDEX and DEMEX closing at 1,507.77 points and 197.86 points, equivalent to -4.4% and -1.9% respectively. The main leading movers, that is, companies which contributed to the positive performance of the SEMDEX were NMH Ltd, IBL Ltd and SUN Ltd while on the downside, the main lagging movers were Medine Ltd, SBM Holdings Ltd and MCBG Ltd. The top three gainers in terms of price returns were NMH Ltd (+12.3%), SUN Ltd (+4.7%), and Swan General Ltd (+3.1%) while on the downside, the main lagging movers were Medine Ltd (-25.4%), SBM Holdings Ltd (-12.8%) and ENL Ltd (-12.2%).

Yields on the primary market remained unchanged since there was no fresh issuance during the month. On the secondary market, yields on the 91D Treasury Bills rose by 6bps to 0.61%. The corresponding weighted average yields on 182D Treasury Bills and 364D Treasury Bills increased by 4bps and 12bps to 0.79% and 1.32%. 3Y GOM Notes yield moved from 1.79% to 1.81%, and 5Y GOM Bonds traded at 2.10% against 2.06% in August. Headline inflation stood at 1.8% in August 2020 compared to 1.0% in the preceding year. Excess liquidity, despite being on the downtrend, remained elevated at MUR 34.3Bn as at 24 September 2020. MUR cash holdings decreased from MUR 25.2Bn on 10 September 2020 to MUR 22.4Bn on 24 September 2020.

Global stock markets retreated in September following renewed concerns of the Covid-19 spread in Europe, delays in fiscal stimulus talks in the US and the upcoming presidential elections in November 2020. The MSCI World index registered a performance of -3.6%, mainly dragged by the technology sector.

The S&P 500 index rounded out September with a return of -3.9% led by the correction in tech stocks. Market sentiment turned negative following the first presidential debate and fears of a contested election. Manufacturing activity continued to improve following the solid rise in new orders and expansion in production; the Purchasing Managers' Index (PMI) increased from 53.1 in August to 53.2 in September. The labour market rebound advanced in the US with the unemployment rate dropping from 8.4% to 7.9% in September.

The Eurostoxx 50 index posted EUR returns of -2.4% following concerns of a second-wave of Covid-19 cases and the possible reintroduction of containment measures. The DAX index registered -1.4%, partially reversing August's strong returns while the CAC 40 and FTSE MIB shed -2.9% and -3.1%, respectively. Manufacturing activity witnessed solid improvement with the PMI rising to 53.7 (August 2020 PMI: 51.7), driven by a resurgence in export trade. In UK, the FTSE 100 posted GBP performance of -1.6% mainly on account of a lack in progress in Brexit negotiations and the introduction of new restrictions in containing the Covid-19 spread. Manufacturing output maintained its uptrend following increases in new order intakes - the PMI dropped from 55.2 to 54.1 over the month but remained above the 50-mark that separates contraction from expansion.

The Nikkei 225 added 0.2% in JPY terms as Japan's parliament elected Yoshihide Suga as Abe's successor and Covid-19 cases in Tokyo gradually declined. Manufacturing activity continued to stabilise with the PMI rising to 47.7 in September against 47.2 in the preceding month but remained in contraction zone.

Emerging equities outperformed developed markets in September with the MSCI Emerging Markets index registering -1.8%. The Shanghai Composite index was among the worst performers in the region with a performance of -5.2% MoM. Chinese manufacturing activity maintained its strong growth momentum marked by a rebound in export sales and an increase in new orders – the PMI reading was stable at 53.0 in September against 53.1 in August. In India, the BSE Sensex index followed the global negative equity trend by shedding -1.5% MoM. Selected macroeconomic indicators improved in September with exports rising by 5.3% YoY and trade deficit narrowing to USD 2.9Bn compared with USD 11.7Bn in the preceding year. The renewed rise in export sales and growth in new production supported manufacturing activity with the PMI posting a significant jump from 52.0 to 56.8 over the month.

Investment options & Contact details

Lump Sum	Minimum amount of MUR 500	Telephone	202-1111 / 202-3515 / 202-1260
Regular Savings Plan	MUR 200	Fax	210-3369
Address	SBM Mauritius Asset Managers Ltd	E-mail	sbm.assetm@sbmgroup.mu
	Level 12, Hennessy Tower	Website	nbfc.sbmgroup.mu/mam
	Pope Hennessy Street, Port Louis		