

Investment objective

The Fund seeks to achieve its investment objective of long-term capital growth and regular income by investing in fixed income & fixed income-related instruments across different geographies, issuers, maturities and currencies. It may invest in bonds, term deposits, ETFs, preferred stocks, convertible bonds, structured products & mortgage backed securities, amongst others.

Fund facts

Investment Manager: SBM Mauritius Asset Managers Ltd

Fund Administrator: SBM Fund Services Ltd

Registry and Transfer Agent: SBM Fund Services Ltd

Custody: SBM Bank (Mauritius) Ltd

Auditor: Deloitte Mauritius

Benchmark: 60% GOM 3Y Notes + 40% Barclays Agg Bond Index*

Distribution: Quarterly subject to distributable income

Investor profile: Moderately Conservative

*Applicable as from Sep-2018. Previous Benchmark: Savings + 2%

Inception date: 30 Jun 2006

Fund size: MUR 200.9Mn

Base currency: MUR

Minimum one-off investment: MUR 1,000

Monthly investment plan: MUR 500

Management fee: 0.85% p.a.

Entry fee: 0.50%

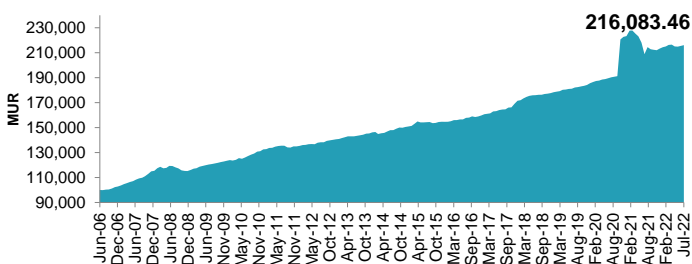
Exit fee: 0.50%

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	0.3%	0.5%	0.8%	0.7%	18.6%	31.4%	116.1%	4.9%	3.2%	10.2%	4.6%	2.9%	7.3%	4.8%
Benchmark	0.3%	0.4%	-2.7%	-2.7%	10.1%	20.6%	124.3%	5.2%	-2.6%	4.7%	8.5%	6.0%	2.5%	3.1%

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 60% GOM 3Y Notes and 40% Bloomberg Barclays Global Aggregate Bond Index (MUR), and rebalanced monthly. Past performance is not indicative of future results. The benchmark return is computed in MUR terms. Annual returns are for the financial year of the Fund, that is, June.

Growth of MUR 100,000 since inception



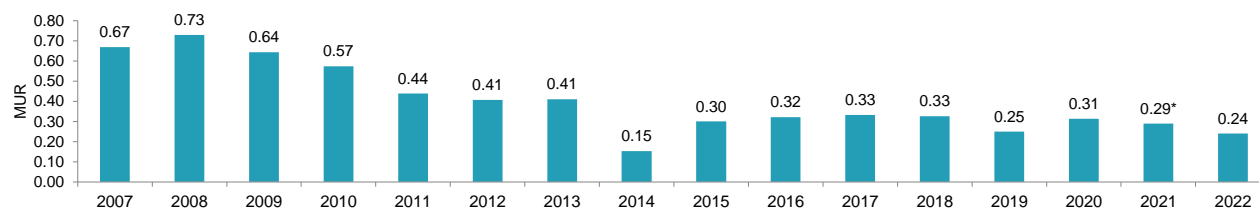
Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.59	-0.06	-0.05	-0.03
Regression alpha (%)	1.59	6.88	6.87	7.89
Beta	0.31	-0.20	-0.14	-0.09
Annualised volatility	1.6%	9.6%	7.5%	4.4%
Annualised tracking error	2.5%	10.1%	8.0%	4.7%

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

Average term to maturity (yrs)	5.40
Gross yield to maturity	3.47%
Duration (yrs)	4.25

Dividend per Share



*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	74.7%	Mauritius	74.7%	Mauritian Rupee	92.4%
International Fixed Income	6.4%	North America	6.4%	US Dollar	7.6%
Domestic Equity	0.0%	Total	81.1%	Euro	0.0%
Cash	18.9%			Total	100.0%
Total	100.0%				

Asset allocation (continued)

Sector	% Fund	Top 10 Holdings	% Fund
Government	40.2%	Government of Mauritius Bond 25/01/28	8.4%
Financial	22.3%	IBL Ltd Series 2 Notes 08/09/22	5.1%
Diversified	8.1%	CIM Financial Services Ltd Notes 31/07/25	4.7%
Industrial	2.9%	Fidelity US Dollar Bond "A" (USD) Acc	3.9%
Property	2.6%	Government of Mauritius Bond 22/01/33	3.1%
Consumer, Non-cyclical	2.3%	Government of Mauritius Bond 24/06/42	3.0%
Consumer, Cyclical	1.1%	Government of Mauritius Bond 20/08/36	2.9%
Technology	0.7%	Government of Mauritius Bond 15/01/36	2.7%
Communications	0.5%	Inflation Indexed Bond 22/05/30	2.6%
Energy	0.2%	Ciel Notes 02/02/25	2.6%
Basic Materials	0.1%	Total	39.0%
Utilities	0.1%		
Others	0.0%		
Total	81.1%		

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.74 in June to MUR 11.77 in July, equivalent to a return of 0.3% comparable to its benchmark return.

In July, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no fresh issuance. The BoM auctioned MUR 2.1Bn of 182D Treasury Bills in two tranches at weighted average yields of 1.09% and 1.12%. 364D Treasury Bills worth MUR 3.35Bn were issued at a weighted average yield of 1.30%, 2bps higher than the preceding month. Yields on the 3Y GOM Note and 5Y GOM Bond increased by 9bps and 26bps to 2.90% and 3.48%, respectively, following tender amounts of MUR 1.8Bn and MUR 1.7Bn. There were no new issuances of 10Y, 15Y and 20Y GOM Bonds during the month.

On the secondary market, the 91D Treasury Bills and 182D Treasury Bills both increased by 1bp to reach 0.88% and 1.08%, respectively, in July. Yields on the 364D Treasury Bills remained unchanged over the month. The corresponding yields on 3Y GOM Note and 5Y GOM Bond rose by 14bps and 23bps during the month to stand at 2.87% and 3.44%. The 10Y GOM Bond traded at 4.54%, 3bps lower than the earlier month. The 15Y GOM Bond traded at a yield of 4.89% against 4.96% in the preceding month while the 20Y GOM Bond yield marginally fell by 1bp to 5.13%.

The Barclays Global Aggregate Bond index surged by 2.1% in July as markets increasingly priced in a monetary policy induced recession. The US Federal Reserve (Fed) raised the target Fed Funds rate by 75 bps for the second consecutive meeting. The Committee continued reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities with the cap set at USD 47.5Bn for July. The 10-year US Treasury yield decreased by 36 bps from 3.01% in June to 2.65% in July as market participants expected the Fed to cut rates in 2023 against rising recession risks.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank of England (BoE) maintained the Bank Rate at 1.25%. UK CPI inflation surged to a 40-year high of 9.4% in June, underlining the severity of the country's cost of living crisis. According to the BoE's June 2022 projections, CPI inflation is expected to be over 9% during the next few months and to rise slightly above 11% in October. The 10-year UK Gilt yields decreased by 37 bps to 1.86% in July as investors expect the BoE to hike rates less aggressively amid surging risks of recession.

The European Central Bank (ECB) decided to raise key interest rates by 50 bps at its July meeting. Accordingly, the corresponding interest rate on the main refinancing operations, the marginal lending facility and the deposit facility increased to 0.50%, 0.75% and 0.00%. The Governing Council announced a new tool, the Transmission Protection Instrument (TPI), which is ostensibly designed to ensure that the monetary policy stance is transmitted smoothly across all euro area countries. According to Eurostat's flash estimate, Eurozone inflation accelerated to a record high of 8.9% in July, primarily led by higher food and energy prices. European bond yields were generally on the downtrend mainly on account of a contraction in business activity. The corresponding yield on 10-year German and Spanish bonds declined by 52 bps and 51 bps to 0.82% and 1.92%, respectively. The yield on 10-year Italian bonds fell by 24 bps to 3.02% in July.

The Bank of Japan (BoJ), at its Monetary Policy Committee (MPC) meeting ending on 21 July, decided to maintain the short-term interest rate unchanged at -0.1%. The BoJ reiterated its accommodative stance by announcing unlimited bond purchases to defend its target on 10-year yields under its Yield Curve Control policy. 10-year JGBs traded at 0.19% in July, 4 bps below the preceding month's reading, remaining within the BoJ's target range of 0% +/- 25bps.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year loan prime rate and the 5-year loan prime rate at 3.70% and 4.45%, respectively. China's manufacturing activity improved marginally in July as the sector continued to gradually recover from the recent Covid outbreaks. The yield on 10-year Chinese bonds declined to 2.77% at the end of July, 5 bps below the previous month's reading. In India, no Monetary Policy Committee (MPC) meeting was held during the month. The policy repo rate under the liquidity adjustment facility (LAF) stood at 4.90%. Consumer price inflation declined to 7.01% in June from 7.04% in May. 10-year Government of India bond yields decreased by 13 bps to 7.32% in July as rate hike expectations subsided.

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For price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>

Important notes

Unless otherwise specified, all information contained in this document is as at the factsheet date. Investment involves risks; Past performance is not indicative of guaranteeing the same future results as market conditions may fluctuate thereby affecting the investment return and thus strict reliance on such past performances shall not be relied upon by the investor to make any investment decision. Investors may additionally resort to an independent third party or independent legal advisor before making any investment decision. Investment involves risk, that includes the possible loss of principal. Asset allocation and diversification do not ensure a profit or protect against a loss.

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