

Investment objective

SBM Universal Fund is a diversified multi-asset fund with an objective of maximising long-term returns while providing regular income through a balanced strategy. It invests in a diversified portfolio of securities that includes domestic and international equities, equity-linked securities, unit trusts, mutual funds, fixed income securities, money market instruments and cash.

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: 30% SEMDEX + 40% 1Y GOM Bill + 30% MSCI World

Distribution: Annual subject to distributable income

Investor profile: Balanced

Inception date: 1 Jun 2002

Fund size: MUR 462.8M

Base currency: MUR

Minimum one-off investment: MUR 500

Minimum monthly investment plan: MUR 200

Management fee: 1.00% p.a.

Entry fee: 1.00%

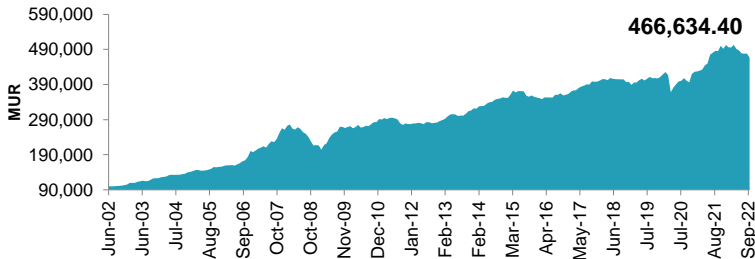
Exit fee: 1% up to Y2 | 0.75% in Y3 | 0.5% in Y4 | 0.25% in Y5 | Nil after Y5

Performance

| Period | 1M | 3M | YTD | 1Y | 3Y | 5Y | Launch | Annualised | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|-----------|-------|-------|-------|-------|-------|-------|--------|------------|------|-------|-------|------|------|-------|
| Fund | -2.4% | -2.5% | -7.2% | -3.9% | 14.3% | 17.0% | 366.6% | 7.9% | 0.7% | 19.1% | -1.8% | 0.3% | 4.7% | 9.7% |
| Benchmark | -2.7% | -2.7% | -7.1% | -3.2% | 12.6% | 19.3% | 327.2% | 7.4% | 1.6% | 16.8% | -1.5% | 1.7% | 6.1% | 12.4% |

Note: Fund performance is calculated on indicative NAV to NAV. The performance of the index is based on a blended benchmark comprising of 30% SEMDEX, 40% 1Y GOM Bill and 30% MSCI World 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 | 0.99 | 0.99 | 0.98 | 0.88 |
| Regression alpha (%) | -0.98 | 0.60 | -0.44 | 4.11 |
| Beta | 0.89 | 0.99 | 0.99 | 0.87 |
| Annualised volatility | 6.1% | 10.0% | 8.0% | 7.5% |
| Annualised tracking error | 1.2% | 1.5% | 1.7% | 3.8% |

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

Asset allocation

| Asset class | % Fund | Top 5 countries | % Fund | Top currency | % Fund |
|------------------------|---------------|-----------------|--------------|-----------------|---------------|
| International Equities | 28.3% | Mauritius | 70.6% | Mauritian Rupee | 71.3% |
| Domestic Equities | 32.8% | United States | 18.1% | US Dollar | 25.9% |
| Domestic Fixed Income | 37.8% | India | 2.1% | Euro | 2.8% |
| Cash | 1.1% | United Kingdom | 1.1% | Total | 100.0% |
| Total | 100.0% | France | 0.9% | | |
| | | Total | 92.7% | | |

| Domestic sectors | % Fund | Top 10 international industries | % Fund |
|---------------------|--------------|--|--------------|
| Banking & Insurance | 16.4% | Software & Services | 3.0% |
| Commerce | 4.7% | Pharmaceuticals, Biotech & Life Sciences | 2.5% |
| Industry | 4.0% | Semiconductors & Equipment | 2.4% |
| Investment | 3.2% | Banks | 1.8% |
| Leisure & Tourism | 2.6% | Capital Goods | 1.8% |
| Property | 1.9% | Health Care Equipment & Services | 1.7% |
| Total | 32.8% | Technology Hardware & Equipment | 1.4% |
| | | Materials | 1.3% |
| | | Media & Entertainment | 1.3% |
| | | Food, Beverage & Tobacco | 1.3% |
| | | Total | 18.4% |

Asset allocation (continued)

| Top 10 holdings | % Fund | Top 10 international holdings * | % Fund |
|--|--------------|---|-------------|
| MCB Group Limited | 10.7% | Apple Inc. | 1.0% |
| iShares MSCI World ETF | 8.0% | Microsoft Corp | 0.9% |
| Vanguard S&P 500 ETF | 4.8% | Alphabet Inc - Class A | 0.5% |
| SIT Bond 25/04/2024 | 4.4% | Amazon.com Inc | 0.5% |
| IBL Ltd | 3.8% | HDFC Bank Limited | 0.3% |
| SBM MUR Note Class A2 Series Bond 28/06/2028 | 3.4% | UnitedHealth Group Inc | 0.3% |
| CIM Financial Services Ltd 31/07/2025 | 3.4% | NVIDIA Corp | 0.2% |
| Government of Mauritius Bond 14/01/37 | 3.3% | Thermo Fisher Scientific Inc | 0.2% |
| Government of Mauritius Bond 20/08/2036 | 3.2% | Tesla Inc | 0.2% |
| SBM Holdings Ltd | 3.2% | Taiwan Semiconductors Manufacturing Co. Ltd | 0.2% |
| Total | 48.2% | Total | 4.3% |

* Look-through of foreign investments

Market comments

The Net Asset Value per unit (NAV) of the Fund fell from MUR 30.99 in August to MUR 29.87 in September, equivalent to a return of -2.4%, after declaring a dividend of MUR 0.37 per unit. As a comparison, the benchmark posted -2.7%.

Local equity indices posted mixed performances in September with the SEMDEX and DEMEX closing the month at 2,115.51 and 277.40 points, equivalent to respective returns of 1.1% and -1.0%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were IBLL, SUN and MCBG while the main laggards were ALTG, ENLG and SBMH. The top three price gainers SUN (+20.0%), MEDINE (+8.3%) and PAD (+5.3%) while the top three losers were NIT (-10.2%), ALTG (-9.2%) and HMALLAC (-6.1%). The price-earnings ratio and dividend yield of the SEMDEX stood at 10.72x and 3.43% respectively, as at 30 September against corresponding figures of 12.25x and 3.48% as at 31 August. The stock market registered net foreign inflows of MUR 16.7M during the month, mainly driven by NIT, SBMH and MEDINE.

In September, the yield on the 91D Treasury Bills remained unchanged at 0.63% since there was no fresh issuance. The yield on the 182D Treasury Bills surged by 58bps to 1.70% following a net tender amount of MUR 2.0Bn. The BoM auctioned MUR 1.1Bn of 364D Treasury Bills in two tranches both at weighted average yields of 1.28%. The yield on the 3Y GOM Note increased by 29bps to 3.21% following an issuance of MUR 3.3Bn while the 5Y GOM Bond's yield rose by 7bps to reach 3.53% in September post an issuance of MUR 1.6Bn. There were no new issuances of 10Y and 15Y GOM Bonds during the month. 20Y GOM Bond worth MUR 2.5Bn was issued at weighted average yields of 5.24%, 7bps lower than the earlier month.

International equities remained choppy in September amid fears that central banks will continue raising interest rates until inflation is tamed, hence increasing the risk of a global recession. The MSCI World index posted a return -9.5% MoM.

The S&P 500 index recorded a return -9.3% MoM with US equities posting their third straight quarter losses for the first time since 2009. All the 11 major industry groups ended the month in negative territory with Real Estate, Communication Services and Information Technology being among the top decliners. The S&P Global US Purchasing Managers' Index (PMI) posted a slight uptick from 51.3 in August to 52.0 in September amid renewed expansions in output and new orders. Despite operating conditions remaining subdued, an increase in client demand led to a return to growth in new orders for the first time in four months. The strength of the greenback is translating into lower import costs and the easing supply-chain conditions are expected to moderate the pressure on firms' costs and customers.

The Eurostoxx 50 index posted a return -5.7% with the FTSE MIB and DAX indices recording respective MoM returns of -4.2% and -5.6% while the CAC 40 registered -5.9%. The Eurozone manufacturing sector fell further into contraction territory as PMI edged down to 48.4 in September, its lowest level since June 2020 (August 2022: 49.6). The downturn in operating conditions was primarily driven by the rising price pressures and slumping demand. Business confidence slipped back to negative territory, mainly attributable to the energy crisis, ongoing war in Ukraine and rising recession fears. In the UK, the FTSE 100 index posted a return of -5.4%. The sterling sank to a record low against the US dollar following UK's mini budget which triggered an emergency intervention from the Bank of England to avoid a systemically significant meltdown in the bond market. Despite PMI edging up slightly from 47.3 in August to 48.4 in September, the manufacturing sector remained in contraction zone.

In Japan, the Nikkei 225 index registered a return of -7.7%. Operating conditions came under pressure as high inflation and slowing global market conditions weighed on orders; PMI declined from 51.5 in August to 50.8 in September, reaching its lowest since January 2021. The depreciation of the Japanese Yen is pushing imported inflation higher and driving domestic price pressures upward.

Emerging equities underperformed developed markets with the MSCI Emerging Markets index posting a return of -11.9% in September. The CSI300 index registered a return of -6.7% MoM in local currency and -9.7% in USD. In China, Covid-19 restrictions weighed on both demand and production with PMI declining to 48.1 in September against 49.5 in August, marking the second straight month of contraction. In India, the BSE Sensex index recorded a return of -3.5% during the month. The Indian manufacturing sector continued to expand, albeit at a weaker pace, with PMI edging down to 55.1 in September against 56.2 in August.

Contact

SBM Mauritius Asset Managers Ltd

Level 11, Hennessy Tower

Pope Hennessy Street

Port Louis

Tel: (+230) 202 11 11 | 202 17 35 | 202 46 42

Fax: (+230) 210 33 69

E-mail: sbm.assetm@sbggroup.mu

For price updates on this fund, please see: <https://nbfc.sbggroup.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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