

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

Inception date: 30 Jun 2006

Fund size: MUR 184.6Mn

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%

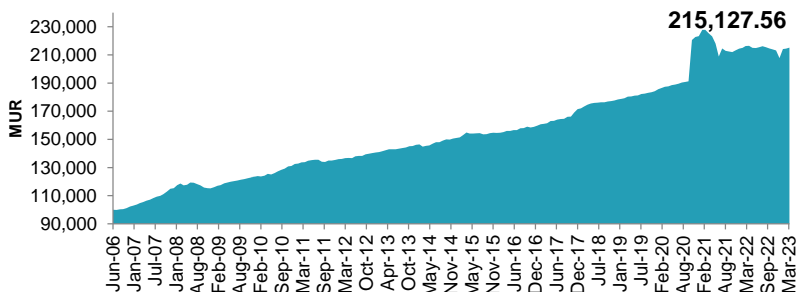
Exit fee: 0.50%

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2022	2021	2020	2019	2018	2017
Fund	0.3%	3.6%	3.6%	-0.6%	14.6%	23.2%	115.1%	4.7%	3.2%	10.2%	4.6%	2.9%	7.3%	4.8%
Benchmark	0.8%	3.7%	3.7%	-0.1%	6.5%	20.6%	128.1%	5.0%	-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



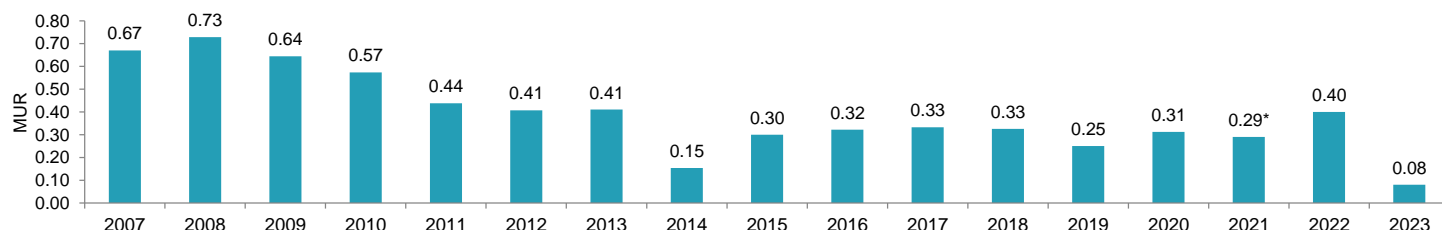
Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.53	0.06	0.05	0.06
Regression alpha (%)	-0.60	4.54	4.14	5.81
Beta	0.41	0.15	0.12	0.14
Annualised volatility	4.4%	9.9%	7.7%	4.4%
Annualised tracking error	5.0%	10.4%	8.2%	4.7%

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

Average term to maturity (yrs)	7.02
Gross yield to maturity	4.83%
Duration (yrs)	5.33

Dividend per Share



*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	73.6%	Mauritius	73.6%	Mauritian Rupee	74.8%
International Fixed Income	23.4%	North America	17.2%	US Dollar	25.2%
Cash	3.0%	Europe	3.2%	Euro	0.0%
Total	100.0%	Asia Pacific	2.0%	Total	100.0%
		Others	1.0%		
		Total	97.0%		

Asset allocation (continued)

Sector	% Fund	Top 10 Holdings	% Fund
Government	50.4%	Government of Mauritius Bond 25/01/28	8.7%
Financial	20.9%	iShares Core Global AGG Bond	7.4%
Diversified	5.5%	iShares Core US Aggregate Bond ETF	7.3%
Investment	3.9%	CIM Financial Services Ltd Notes 31/07/25	5.0%
Industrial	3.5%	Fidelity US Dollar Bond "A" (USD) Acc	4.8%
Property	2.8%	Government of Mauritius Bond 22/01/33	3.2%
Consumer, Cyclical	2.5%	Inflation Indexed Bond 22/05/30	3.0%
Consumer, Non-cyclical	1.9%	Government of Mauritius Bond 24/06/42	2.9%
Technology	1.7%	Government of Mauritius Bond 20/08/36	2.8%
Others	1.6%	Ciel Finance Notes 25/11/31	2.8%
Communications	1.0%	Total	47.9%
Energy	0.6%		
Utilities	0.4%		
Basic Materials	0.3%		
Total	97.0%		

Market comments

The Net Asset Value per unit (NAV) of the Fund rose from MUR 11.44 in February to MUR 11.48 in March, equivalent to a return of 0.3% compared to its benchmark return of 0.8%.

On the primary market, the yield on the 91D Treasury Bills inched down by 2 bps to 4.26% following an auction of MUR 800Mn. The yield on the 182D Treasury Bills surged by 18 bps to reach 4.60% following a net issuance amount of MUR 1.6Bn. The GoM auctioned MUR 1.6Bn of 364D Treasury Bills in two tranches at corresponding weighted average yields of 4.42% and 4.70%. A 5Y GoM Bond worth MUR 1.7Bn was issued at a weighted average yield of 4.85%, 5 bps below the previous month's reading. Post an issuance of MUR 2.5Bn, the 15Y GoM Bond yield rose by 5 bps to 5.48%. There were no fresh auctions of 3Y GoM Notes and 10Y and 20Y GoM Bonds during the month. On the secondary market, the 182D Treasury Bills traded at 4.11%, 9 bps above the previous month's reading. The yield on 364D Treasury Bills declined by 5 bps to reach 4.33%. While the 3Y GoM Note yield fell by 2 bps to 4.61%, the 5Y GoM Note yield rose by 4 bps to 4.83%. 10Y and 20Y GoM Bonds traded at 5.70% and 6.05%, respectively, 7 bps lower than the preceding month. The 15Y GoM Bond yield remained flat.

The Barclays Global Aggregate Bond index surged by 3.2% in March as the collapse of Silicon Valley Bank and Signature Bank highlighted broader concerns about financial stability. The US Federal Reserve (Fed) raised the target Fed Funds rate by 25 bps to the 4.75%-5.00% range at its March meeting. Despite the ongoing quantitative tightening programme, the Fed's balance sheet expanded by around USD 366Bn in March 2023 as a result of temporary emergency lending programs to support banks facing significant deposit outflows. The 10-year US Treasury yield tumbled by 45 bps from 3.92% in February to 3.47% in March on expectations that the Fed may pause interest rate hikes.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 22 March 2023, voted by majority to raise the Bank Rate by 25 bps to 4.25%. UK CPI inflation surged to 10.4% in February from 10.1% in January, and core inflation increased by 0.4 percentage points to 6.2%. According to the BoE, inflation is forecast to fall sharply in Q2 2023. The BoE announced that it will sell GBP 9.24Bn of government bonds from its quantitative easing stockpile in the second quarter, down slightly from GBP 9.75Bn in the first quarter. The 10-year UK Gilt yields tumbled by 34 bps to 3.49% in March as market participants expect fewer rate hikes from the BoE due to the recent banking turmoil.

The European Central Bank (ECB) decided to raise key ECB interest rates by 50 bps at its March meeting. Accordingly, the interest rate on the main refinancing operations, the interest rates on the marginal lending facility and the deposit facility stood at 3.50%, 3.75% and 3.00%, respectively. The asset purchase programme (APP) portfolio has been declining at a monthly pace of EUR 15Bn on average until the end of June 2023. According to the Eurostat, Eurozone annual inflation tumbled to 6.9% in March from 8.5% in the prior month, primarily on account of lower energy prices. European bond yields were generally on the downtrend amid banking crisis fears. The corresponding yield on 10-year German and Spanish bonds decreased by 36 bps and 30 bps to 2.29% and 3.30%. The yield on 10-year Italian bonds fell by 38 bps to 4.10% in March.

The Bank of Japan (BoJ) decided to maintain the short-term interest rate unchanged at -0.1%. The inflation rate in Japan tumbled from its 41-year high of 4.3% in January to 3.3% in February, primarily on account of lower cost of transport, electricity and gas. The BoJ announced its decision to increase the maximum size of the Japanese government bond (JGB) purchases, for all maturities over the next three months, as a part of its efforts to defend its ultra-loose policy. 10-year JGBs traded at 0.35% in March, 15 bps below the preceding month's reading as worries about the banking system surged.

Among larger emerging economies, the People's Bank of China (PBoC) maintained the 1-year and 5-year loan prime rates at 3.65% and 4.30%, respectively. Headline consumer price inflation declined by 1.1 percentage points to 1.0% in February. The yield on 10-year Chinese government bonds decreased by 6 basis points to 2.86% in March. In India, no Monetary Policy Committee (MPC) meeting was held during the month. The policy repo rate under the liquidity adjustment facility (LAF) remained at 6.50%. The standing deposit facility (SDF) rate stood at 6.25% while the marginal standing facility (MSF) rate and the Bank Rate was 6.75%. Consumer price inflation declined to 5.7% in March from 6.4% in February. 10-year Government of India bond yields decreased from 7.43% to 7.31% in March, reflecting the fall in US Treasury yields.

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@sbmgroup.muFor price updates on this fund, please see: <https://nbfc.sbmgroup.mu/asset-management>**Important notes**

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