

**Investment objective**

The Fund seeks to achieve its investment objective of long-term capital growth and regular income by investing in fixed income and 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 and 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

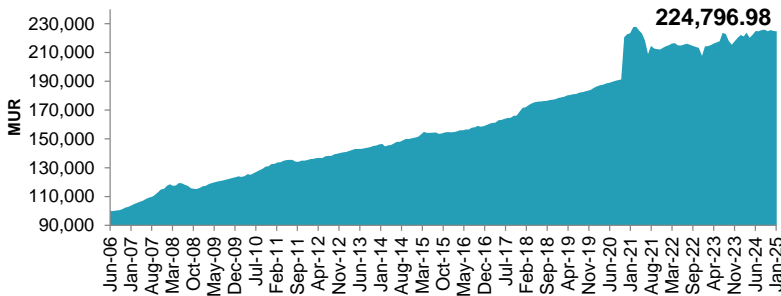
**Inception date:** 30 Jun 2006  
**Fund size:** MUR 103.0Mn  
**Base currency:** MUR  
**Minimum one-off investment:** MUR 1,000  
**Monthly investment plan:** MUR 200  
**Management fee:** 0.85% p.a.  
**Entry fee:** 0.50%  
**Exit fee:** 0.50%

**Performance**

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2024	2023	2022	2021	2020	2019
Fund	-0.1%	0.0%	-0.1%	1.2%	4.5%	20.5%	124.8%	4.5%	3.2%	1.1%	3.2%	10.2%	4.6%	2.9%
Benchmark	0.1%	0.5%	0.1%	4.1%	6.2%	16.1%	143.3%	4.9%	4.8%	2.1%	-2.6%	4.7%	8.5%	6.0%

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

**Growth of MUR 100,000 since inception**



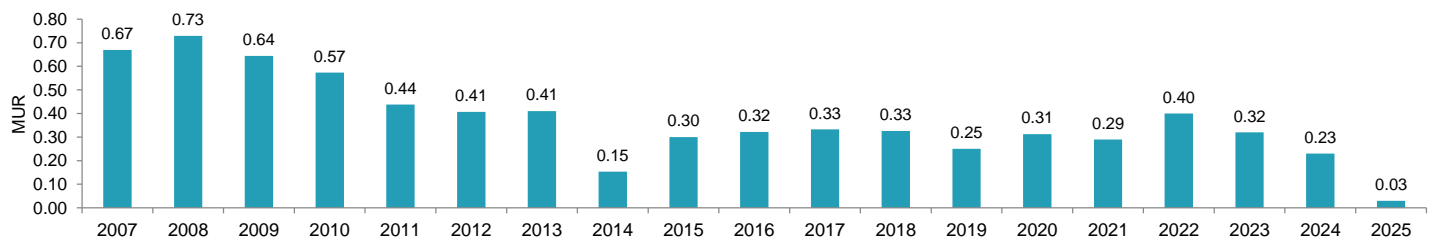
**Fund statistics**

Period	1Y	3Y	5Y	Launch
Correlation	0.87	0.63	0.16	0.15
Regression alpha (%)	-2.85	0.31	2.94	4.21
Beta	0.98	0.57	0.36	0.33
Annualised volatility	2.8%	3.8%	8.0%	4.4%
Annualised tracking error	1.4%	3.4%	8.2%	4.5%

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

Average term to maturity (yrs)	4.31
Gross yield to maturity	2.77%
Duration (yrs)	3.14

**Dividend per Share**



\*Quarterly dividend distribution as from FY21

**Asset allocation**

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	39.1%	Mauritius	39.1%	Mauritian Rupee	79.8%
International Fixed Income	18.0%	North America	16.7%	US Dollar	20.2%
Cash	42.9%	Europe	0.8%	Euro	0.0%
<b>Total</b>	<b>100.0%</b>	Asia Pacific	0.1%	<b>Total</b>	<b>100.0%</b>
		Others	0.4%		
		<b>Total</b>	<b>57.1%</b>		

**Asset allocation (continued)**

Sector	% Fund	Top 10 Holdings	% Fund
Government	19.3%	Government of Mauritius Bond 02/07/25	9.7%
Financial	14.0%	iShares Core US Aggregate Bond ETF	6.5%
Investment	9.7%	Vanguard Long-Term Bond ETF	5.8%
Industrial	5.5%	Inflation Indexed Bond 22/05/30	5.1%
Technology	2.0%	Gamma Civic Notes 18/06/31	4.9%
Others	1.8%	CIM Financial Services Ltd Notes 31/07/25	4.8%
Consumer, Non-cyclical	1.5%	Forty Two Point Two 27/04/28	3.8%
Communications	1.2%	Pimco Income "E" (USD) INC	3.5%
Consumer, Cyclical	0.9%	Government of Mauritius Bond 03/09/28	3.1%
Utilities	0.5%	ENL Bond 10/08/32	3.0%
Energy	0.5%	<b>Total</b>	<b>50.2%</b>
Basic Materials	0.2%		
Property	0.0%		
<b>Total</b>	<b>57.1%</b>		

**Market comments**

The Net Asset Value per unit (NAV) of the Fund decreased from MUR 11.52 in December to MUR 11.49 in January, equivalent to a return of -0.1%, after declaring a dividend of MUR 0.03. As a comparison, the benchmark posted a return of 0.1%.

On the primary market, the yield on the 91D Treasury Bills remained unchanged at 3.50% while the yield on the 182D Treasury Bills marginally rose by 2bps to reach 3.82%, following an auction of MUR 1.5Bn. 364D Treasury Bills worth MUR 4.85Bn were issued at a weighted average yield of 4.36%, 36bps above the earlier month's reading. The yields on the 3Y GoM Note increased by 10bps to reach 4.58% following an issuance of MUR 2.5Bn. A 7Y GoM Bond worth MUR 2.5Bn was auctioned at a weighted average yield of 5.02%, 7bps higher from the previous one. There were no fresh auctions of 5Y, 10Y, 15Y and 20Y GoM Bonds during the month. On the secondary market, treasury yields generally maintained an uptrend. Those on 91D and 182D Treasury Bills increased by 32bps and 41bps, reaching 3.62% and 3.95%, respectively. The yield on the 364D Treasury Bills rose by 13bps to 4.04%. The 3Y GoM Note and 5Y GoM bond yields traded higher at 4.45% and 4.76%, representing corresponding hikes of 10bps and 7bps. The yields on the 10Y and 15Y GoM Bonds surged by 1bp and 2bps to 5.10% and 5.31%, respectively. The 20Y GoM Bond yield fell by 8bps to 5.34%.

The Barclays Global Aggregate Bond index registered 0.6% in January on account of lower-than-expected US inflation partially offset by higher inflation expectations from President Trump's proposed policies. At the January 2025 Federal Open Market Committee (FOMC) meeting, the Fed maintained the target Fed Funds rate at the 4.25%-4.50% range. The FOMC continued reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities, with the cap set at USD 60Bn for January. The dot plot shows that the median voting member at the Fed is expecting only two 25bps cuts in 2025, down from the four projected in September. The 10-year US Treasury yield decreased by 3bps to 4.54% in January as inflation surprised to the downside.

In the UK, no Monetary Policy Committee (MPC) meeting was held during the month. The Bank Rate stood at 4.75% after the 25bps cut at the November meeting. UK CPI inflation decreased by 0.1 percentage point to 2.5% in December, mainly on account of the downward contributions from restaurants and hotels and clothing and footwear. Services inflation tumbled by 0.6 percentage points to 4.4% in December and remained in a downward trajectory. The 10-year UK Gilt yields fell by 3bps to 4.54% in January due to lower-than-expected inflation.

At its January meeting, the European Central Bank (ECB) decided to lower the three key ECB interest rates by 25bps. Accordingly, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility will be decreased to 2.75%, 2.90% and 3.15%, respectively. According to the latest ECB staff projections, inflation is expected to average 2.1% in 2025. The Governing Council discontinued reinvestments under the pandemic emergency purchase programme (PEPP) at the end of 2024. According to Eurostat, the eurozone's annual inflation is estimated to have surged by 0.1 percentage points to 2.4% in December 2024. European bond yields were on an uptrend as inflation remained sticky. The yield on 10-year German bonds surged by 9bps to 2.46% in January. The corresponding yield on 10-year Spanish and Italian bonds increased by 1bp and 3bps to 3.07% and 3.55%, respectively.

The Bank of Japan (BoJ) decided to cut its policy rate by 25bps to 0.50% at its January 2025 MPC meeting due to greater certainty regarding the outlook for wages and prices. Japan's inflation rate surged by 0.7 percentage points to 3.6% amid upward pressures from higher food and energy prices. Core inflation stood at 3.0% in December and had consistently stayed at or above the central bank's 2% target for nearly three years. The BoJ is expected to proceed gradually with the pace of policy normalisation. 10-year Japanese government bonds (JGBs) traded at 1.25% in January, 14bps above the preceding month's reading.

Among larger emerging economies, the People's Bank of China (PBoC) maintained its one-year and five-year loan prime rates at 3.1% and 3.6%, respectively. The PBoC vowed to shift monetary policy to a more accommodative stance in 2025 and signalled a potential cut to the reserve requirement ratio (RRR). The yield on 10-year Chinese government bonds tumbled by 5bps to 1.63% in January amid US tariff concerns. 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 6.50%. The standing deposit facility (SDF) rate stood at 6.25%, while the marginal standing facility (MSF) rate and the Bank Rate stood at 6.75%. 10-year Government of India bond yields decreased from 6.76% to 6.70% in January amid lower inflation and a growth slowdown.

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**Important notes**

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