

SBM Yield Fund

NAV per share **MUR 11.55**

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 103.8Mn

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%

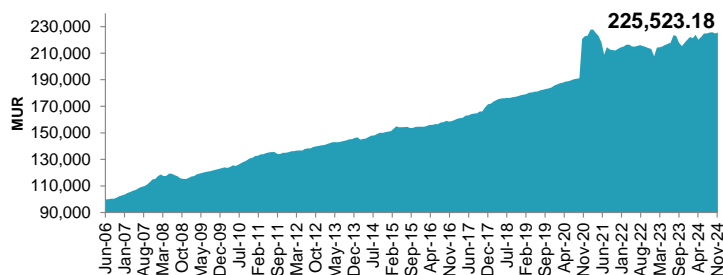
Exit fee: 0.50%

Performance

Period	1M	3M	YTD	1Y	3Y	5Y	Launch	Annualised	2024	2023	2022	2021	2020	2019
Fund	0.3%	0.0%	2.4%	3.5%	5.7%	22.5%	125.5%	4.5%	3.2%	1.1%	3.2%	10.2%	4.6%	2.9%
Benchmark	0.6%	0.0%	4.7%	6.8%	5.7%	17.6%	143.4%	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



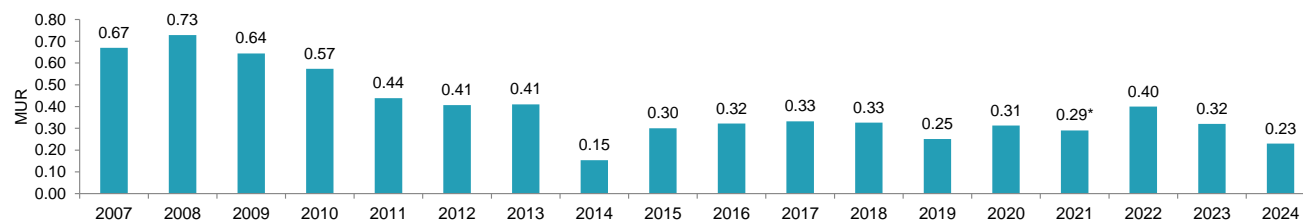
Fund statistics

Period	1Y	3Y	5Y	Launch
Correlation	0.83	0.62	0.16	0.15
Regression alpha (%)	-2.33	0.83	3.25	4.32
Beta	0.86	0.56	0.35	0.32
Annualised volatility	2.9%	3.8%	8.0%	4.4%
Annualised tracking error	1.7%	3.5%	8.2%	4.5%

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

Average term to maturity (yrs)	4.33
Gross yield to maturity	3.32%
Duration (yrs)	3.16

Dividend per Share



*Quarterly dividend distribution as from FY21

Asset allocation

Asset class	% Fund	Top regions	% Fund	Top currency	% Fund
Domestic Fixed Income	48.5%	Mauritius	48.5%	Mauritian Rupee	79.6%
International Fixed Income	18.3%	North America	17.0%	US Dollar	20.4%
Cash	33.2%	Europe	0.7%	Euro	0.0%
Total	100.0%	Asia Pacific	0.1%	Total	100.0%
		Others	0.5%		
		Total	66.8%		

Asset allocation (continued)

Sector	% Fund	Top 10 Holdings	% Fund
Government	29.0%	Government of Mauritius Bond 12/06/24	9.6%
Financial	13.9%	iShares Core US Aggregate Bond ETF	6.6%
Investment	9.6%	Vanguard Long-Term Bond ETF	6.0%
Industrial	5.6%	Inflation Indexed Bond 22/05/30	5.0%
Others	1.9%	Gamma Civic Notes 18/06/31	4.9%
Technology	1.9%	CIM Financial Services Ltd Notes 31/07/25	4.9%
Consumer, Non-cyclical	1.7%	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	3.0%
Energy	0.5%	ENL Bond 10/08/32	2.9%
Utilities	0.5%	Total	50.2%
Basic Materials	0.2%		
Property	0.0%		
Total	66.8%		

Market comments

The Net Asset Value per unit (NAV) of the Fund increased from MUR 11.52 in October to MUR 11.55 in November, equivalent to a return of 0.3%. As a comparison, the benchmark posted a return of 0.6%.

On the primary market, the yields on the 91D Treasury Bills and 182D Treasury Bills declined by 52bps and 10bps, respectively, to reach 3.37% and 3.53% following corresponding net issuances of MUR 1.3Bn and MUR 5.5Bn. 364D Treasury Bills worth MUR 6.05Bn were issued at a weighted average yield of 3.75%, 59bps above the earlier month's reading. The yields on the 3Y GoM Note and 5Y GoM Bond rose by 49bps and 31bps to reach 4.23% and 4.35%, respectively, following corresponding issuances of MUR 2.9Bn and MUR 2.3Bn. The 20Y GoM bond yield fell to 5.27%, 34bps down from the previous month following an issuance of MUR 3.1Bn. There were no fresh auctions of 7Y, 10Y and 15Y GoM Bonds during the month. On the secondary market, yields were generally on the uptrend. The 91D and 182D Treasury Bills increased by 50bps and 48bps, reaching 3.20% and 3.38%, respectively. The yield on the 364D Treasury Bills rose by 54bps to reach 3.65%. The 3Y GoM Note and 5Y GoM bond were up by 37bps and 39bps, respectively, trading at corresponding yields of 4.05% and 4.45%. The yield on the 10Y GoM Bond stood at 4.66% in November against an earlier yield of 4.46%. The yield on the 15Y GoM Bond rose by 41bps to 5.08% while the 20Y GoM Bond traded at 5.21%, 46bps above the earlier month's reading.

The Barclays Global Aggregate Bond index registered 0.3% in November as progress on disinflation was partially offset by concerns that US President-elect Donald Trump's policy proposals could be inflationary. The Federal Reserve (Fed) decided to lower the target Fed Funds rate by 25bps to the 4.25%-4.75% range at its November meeting. The FOMC continued reducing its holdings of Treasury securities, agency debt, and agency mortgage-backed securities, with the cap set at USD 60Bn for November. The dot plot shows that the median voting member at the Fed expects four more 25bps rate cuts by the end of 2025. President Trump nominated Scott Bessent as US Treasury Secretary, who is known for his conservative fiscal stance. The 10-year US Treasury yield fell by 12bps to 4.17% in November as Bessent's nomination helped dissipate concerns around the size of the US budget deficit and the inflationary impact of tariffs.

The Bank of England's Monetary Policy Committee (MPC), at its meeting ending on 6 November 2024, voted by a majority of 8-1 to reduce the Bank Rate by 25bps to 4.75%. UK CPI inflation increased by 0.6 percentage points to 2.3% in October, mainly on account of the upward contribution from housing and household services (including energy). Services inflation remains elevated at 5.0% in October 2024. The BoE expected to maintain a gradual approach to removing policy restraint. The 10-year UK Gilt yields fell by 20bps to 4.24% in November as the BoE signalled four 25bps rate cuts for 2025 under its central forecast.

The European Central Bank (ECB) maintained key ECB interest rates since no monetary policy meeting was held during the month. Accordingly, the interest rates on the deposit facility, the main refinancing operations and the marginal lending facility stood at 3.25%, 3.40% and 3.65%, respectively. According to the latest ECB staff projections, inflation has been revised up and is expected to average 2.5% in 2024 and 2.2% in 2025. The Governing Council is expected to reduce the pandemic emergency purchase programme (PEPP) portfolio by EUR 7.5 billion per month on average. According to Eurostat, the Eurozone's annual inflation is expected to surge by 0.3 percentage points to 2.3% in November 2024. European bond yields were on a downtrend amid an escalation of the war in Ukraine and weak economic data. The yield on 10-year German bonds tumbled by 30bps to 2.09% in November. The corresponding yield on 10-year Spanish and Italian bonds decreased by 30bps and 38bps to 2.79% and 3.28%, respectively.

The Bank of Japan (BoJ) decided to maintain its policy rate at 0.25% in November 2024. The BoJ expects underlying inflation to converge around 2% sometime around late 2025 as service prices continue to surge moderately. Japan's inflation rate fell by 0.2 percentage points to 2.3%, and the core inflation rate reached a 6-month low of 2.3% in October. BoJ Governor Kazuo Ueda signalled potential interest rate hikes amid yen weakness and economic trends that align with BoJ's projections. 10-year Japanese government bonds (JGBs) traded at 1.05 % in November, 10bps 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 plans to maintain accommodative monetary policy and intends to increase the intensity of counter-cyclical monetary policy to shore up slowing growth. The yield on 10-year Chinese government bonds decreased by 12bps to 2.03% in November. 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%, and the marginal standing facility (MSF) rate and the Bank Rate stood at 6.75%. 10-year Government of India bond yields declined from 6.85% to 6.74% in November.

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