SBM YIELD FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2023

CONTENTS

MANAGER	SBM Mauritius Asset Managers Ltd Level 3, Lot15A3, Hyvec Business Park Wall Street Ebene Cybercity Mauritius
FUND ADMINISTRATOR AND REGISTRY AND TRANSFER AGENT	SBM Fund Services Ltd Level 3, Lot15A3, Hyvec Business Park Wall Street Ebene Cybercity Mauritius
BANKER AND CUSTODIAN	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue Port Louis Mauritius
REGISTERED OFFICE	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue Port Louis Mauritius
TRUSTEE	DTOS Trustees Ltd 10th Floor, Standard Chartered Tower 19-21 Bank Street Cybercity Mauritius
INVESTMENT COMMITTEE	Mr. Alain Eric Koo Khen Heong Venpin Mr. Roshan Ramoly Mr. Assad Abdullatiff
AUDITOR	Deloitte 7th-8th Floor, Standard Chartered Tower 19-21 Bank street ,Cybercity Ebene Mauritius

Investment Manager's Statement

Dear Unitholder,

Following a challenging financial year in 2022, whereby investors shunned riskier assets in response to Russia's invasion of Ukraine, elevated inflation exacerbated by rising commodity prices and global supply chain disruptions, monetary policy tightening by central banks and increased risk in China, the financial year 2023 has been relatively positive to financial markets, supported by inflation downtrends, less aggressive interest rate hikes and resilient economic activity.

While we highlighted the unprecedented challenges facing the world in 2022, we also pointed out expectations of easing supply chains and inflation pressures in 2023, as well as potential investment opportunities. The bank failures in the US and Europe were certainly not part of our outlook for this financial year. However, the swift responses of policymakers ensured that systemic risk to the global economy was warded off.

The domestic equity market lagged during FY23 despite the continued strength in domestic economic activity, resilient earnings and a rebound in international equities. However, the positive momentum in foreign equities and our strategy to overweight tech stocks, particularly semiconductors, which benefited from the AI hype, along with favourable currency movements, outweighed the negative returns from the domestic strategies.

We have been actively reviewing our asset allocations with a view to adapting to the dynamic economic landscape and changes in the business cycle. Our portfolios continue to have a pro-cyclical bias; however, we shifted to a more blend strategy. We initially maintained a defensive positioning within our international portfolios towards managing tracking error risks but eventually repositioned into a more sector-neutral strategy and raised our exposure to select large caps and emerging markets equities during FY23.

Despite the continued effort of central banks and easing supply-side constraints, we believe that inflation and interest rates will likely remain higher for longer, signalling the beginning of a new regime following years of ultra-loose monetary policy and large government spending at low cost. At the same time, the world is witnessing drastic changes and potentially a "de-globalisation" following shocks induced by the Covid-19 pandemic and the war between Russia and Ukraine. Such shifts, coupled with structural changes in economies, present various challenges but may lead to opportunities through changes in government policy, technology, and consumer preferences.

Amidst the uncertain environment, we demonstrated solid track records against the benchmark for certain strategies. We remain guided by our core principles, namely, having a fiduciary mindset, pursuing continuous improvements, passion about results and we continue to challenge investment decisions and themes for better outcomes.

We would like to thank the management team and all the stakeholders for their contribution towards enhancing the value of our funds as well as the unitholders for their confidence in us.

SBM Mauritius Asset Managers Ltd
September 2023

Investment Manager's Report

Performance commentary

For the financial year ended 30 June 2023, SBM Yield Fund registered a return of 1.1% (after paying a total dividend of MUR 0.36 per unit) against a benchmark performance of 2.1%. The net assets decreased from MUR 200.9M to MUR 129.5M over FY23, while the net asset value per unit (NAV) decreased from MUR 11.74 to MUR 11.51.

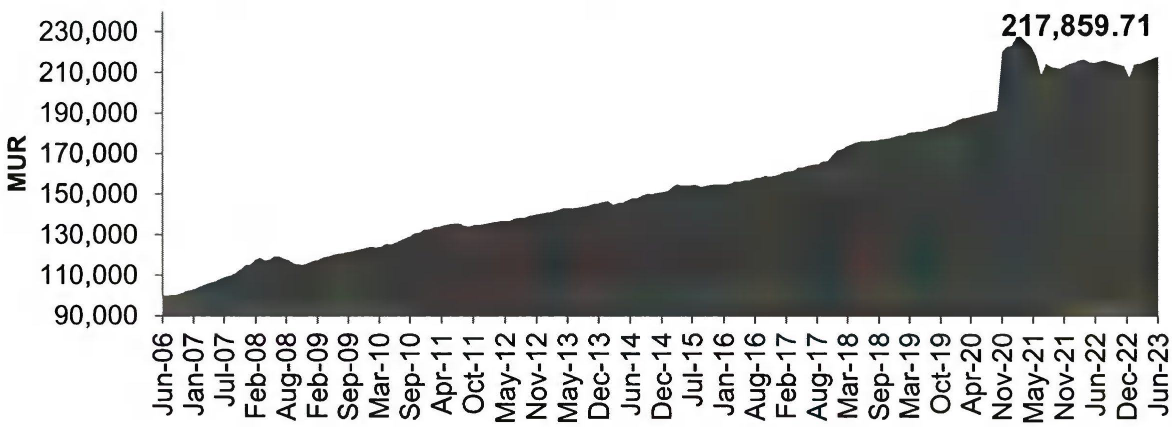
As an indication of the domestic bond market performance, the yield on the 3Y Government bonds increased from 2.73% to 4.69%. On the global front, the Bloomberg Barclays Global Aggregate Index fell from USD 458.34 to USD 452.30, registering a performance of -1.3% in USD terms, equivalent to -1.2% in MUR terms.

ANNUALISED RETURN

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SBM Yield Fund (%)	+1.1	+4.7	+4.4	+4.7
Benchmark (%)	+2.1	+0.2	+3.7	+5.0
	FY 23	**FY 22**	**FY 21**	**FY 20**
SBM Yield Fund (%)	+1.1	+3.2	+10.2	+4.6
Benchmark (%)	+2.1	-2.6	+4.7	+8.5

The benchmark is a composite of 60% 3Y GOM Bond and 40% Bloomberg Barclays Global Aggregate Bond index. The Bloomberg Barclays Global Aggregate Bond index is a measure of global investment grade debt from twenty-four local currency markets. Computation of benchmark return is based on the observations as at month-end and the blended performance of the benchmark reflects monthly rebalancing.

VALUE OF MUR 100,000 INVESTED SINCE INCEPTION



Past performance is not a reliable indicator of future performance and unit prices may fluctuate with prevailing market conditions and current performance may be higher or lower than the performance cited. For more information on the fund's objectives, risks, and strategy, please consult its Prospectus. Latest unit prices are available on the website: https://nbfc.sbmgroup.mu/mam/financial-products/funds-performance

The graph illustrates the performance of MUR 100,000 invested in the Fund at inception. The growth of investment amount assumes that dividends, if any, are re-invested and does not include sales charge but takes into account the running expenses of the Fund as well as taxes and other deductions.

Positioning and strategy

SBM Yield Fund invests in global fixed income securities with a strategic allocation of 60% in domestic bonds and 40% in international fixed income instruments.

During the year, the Fund trimmed its allocation to domestic fixed income while increasing exposure to the foreign fixed income segment. During the first half of the financial year, the strategy was to reduce duration amid expectations of aggressive monetary policy tightening across the globe and further outward shifts in the yield curve. In the second half of FY23, the portfolio's duration was raised following rising expectations of less aggressive policy rate hikes and the rising probability of a soft-landing scenario in major advanced economies.

The overall exposure to domestic securities stood at 59.8% as at 30 June 23 against a central allocation of 60%. Cash and cash equivalent declined from 17.8% to 3.6% following deployments in foreign securities.

Heading into FY24, the Fund's strategy is to extend the duration for its foreign fixed income segment as the Fed is approaching the end of its tightening cycle and resilient economic activity is likely to exert downward pressure on long-term yields. The duration for the domestic portfolio is expected to be maintained at current levels as yields may have peaked.

ASSET ALLOCATION (% net assets)

	30/06/22	30/06/23
Domestic fixed income............	72.9	59.8
International fixed income........	9.3	36.6
Cash & cash equivalent..........	17.8	3.6

GEOGRAPHICAL ALLOCATION (% net assets)

	30/06/22	30/06/23
Mauritius...........................	72.9	59.8
North America.....................	7.9	26.8
Europe..............................	0.9	3.2
Asia Pacific........................	0.1	0.4
Others.............................	0.3	6.1

SECTOR ALLOCATION (% net assets)

	Fund	Index
Government of Mauritius.........	49.0	68.3
Financial.............................	19.7	4.1
Others................................	7.3	22.9
Industrial.............................	5.2	0.5
Consumer Non-Cyclical...........	3.8	1.1
Technology..........................	2.7	0.4
Investment...........................	2.4	0.0
Communications...................	1.9	0.6
Consumer, Cyclical................	1.7	0.5
Energy...............................	1.1	0.5
Utilities..............................	1.1	0.8
Basic Materials....................	0.5	0.2
Property.............................	0.0	0.0

TOP 5 HOLDINGS (% net assets)

	30/06/22	30/06/23
iShares Core Global AGG Bond....	-	10.5
iShares Core US Aggregate Bond ETF......................................	4.5	10.3
Fidelity US Dollar Bond "A" (USD) Acc.......................................	3.9	8.9
Government of Mauritius Bond 22/01/33................................	3.2	4.6
Government of Mauritius Bond 24/06/42................................	3.0	4.5
TOTAL	**14.6**	**38.8**

TOP 5 CORPORATE HOLDINGS (% net assets)

	30/06/22	30/06/23
CIM Financial Services Ltd 31/07/25................................	4.7	4.0
Gamma Civic 18/06/31..............	2.5	3.9
FTPT 27/04/28........................	2.0	3.1
ENL Bond 10/08/32..................	-	2.4
FTPT 27/04/26........................	1.5	2.3
TOTAL	**10.7**	**15.7**

Economic Review

Economy

According to the July 2023 World Economic Outlook (WEO), the global economy is estimated to grow by 3.0% in 2023, 0.2 percentage point higher than the previous WEO published in April 2023. The upward revision mainly reflects easing inflationary pressures, moderating supply chain bottlenecks, the re-opening of the Chinese economy and robust labour markets. India and China are expected to be the main growth drivers in 2023 and 2024, while the Euro area and United States will likely face subdued growth. The implementation of further monetary and fiscal policies amid an elevated interest rate environment, sticky core inflation and high debt levels are key in determining the path of global economic growth.

REAL GDP GROWTH (IMF estimates, % YoY)

Group/ Country	Advanced	Euro Area	EM & Developing	EM Asia	Sub-Saharan Africa	United States	China	India	MRU*
2022	2.7	3.5	4.0	4.5	3.9	2.1	3.0	7.2	8.7
2023(F)	1.5	0.9	4.0	5.3	3.5	1.8	5.2	6.1	6.5-7.5
2024(F)	1.4	1.5	4.1	5.0	4.1	1.0	4.5	6.3	-

**Bank of Mauritius estimates*

Growth rate in advanced economies is expected to decline from 2.7% in 2022 to 1.5% in 2023 and 1.4% in 2024. The International Monetary Fund (IMF) reviewed its 2023 GDP growth forecast for the US to 1.8%, 0.2 percentage point above its April 2023 projection. Gains in real income on the back of a persistently tight labour market are expected to support consumption. However, the lagged impact of monetary policy tightening and depletion in savings accumulated during the Covid-19 pandemic are likely to weigh on private consumption and investment.

The Eurozone's growth projection for 2023 has been reviewed to 0.9% by the IMF, 0.1 percentage point higher than the April 2023 WEO estimate. While high wage growth coupled with strong labour markets are supportive of private consumption, higher financing costs are having a dampening effect on private investment. Receding energy, commodities and food prices are expected to drag down headline inflation further in 2023. In addition, geopolitical tensions continue to affect the Euro area through supply chain disruptions. Germany's GDP growth estimate for 2023 has been revised downwards by 0.2 percentage point to -0.3% on account of an economic contraction in Q1:2023 and weaknesses in the manufacturing sector, while France, Italy and Spain are estimated to grow by 0.8%, 1.1% and 2.5%, respectively.

Real GDP for developing and emerging economies is estimated to grow by 4.0% in 2023 and 4.1% in 2024, with marginal revisions of 0.1 and -0.1 percentage point, respectively, compared to the April 2023 WEO. The 2023 growth projection for China stood at 5.2%, in line with the April 2023 estimate. Stronger-than-expected net exports mitigated some of the investment weakness caused by the real estate downturn. Consistently weak demand, which is constrained by a relatively high unemployment rate, remains a major concern for the Chinese economic recovery. India's economic growth projection for 2023 has been revised upward by 0.2 percentage point to 6.1% for 2023, following the better-than-expected growth in Q4: FY2022-23 led by solid domestic investment. Subdued global demand and monetary policy tightening are considered the main medium-term headwinds to economic activity.

Economic Review (Cont'd)

Economy (Cont'd)

According to the Bank of Mauritius (BoM), real GDP growth is projected to be in the range of 6.5% - 7.5% for 2023. The ongoing recovery remains broad-based, reinforced by positive momentum across major sectors and strong public investment in construction and renewable energy. However, the balance of risks remains tilted to the downside in view of global uncertainties alongside high inflationary pressures. At its latest Monetary Policy Committee (MPC) held on 15 June 2023, the BoM left the Key Repo Rate unchanged at 4.50% amid softening inflation and a declining unemployment rate.

As per the June 2023 WEO, the global inflation rate is projected at 6.8% in 2023, 0.2 percentage point below the previous estimate, reflecting subdued inflation in China. The rate is expected to further moderate to 5.2% in 2024 but remains above the pre-pandemic level of 3.5%. Most economies are expected to see their headline inflation falling in 2023, given the effects of monetary policy tightening and the downturn in commodity prices. Global core inflation is expected to decline gradually, easing from 6.0% in 2023 to 4.7% in 2024, highlighting the stickiness of prices.

Financial markets review

Equity markets

The first half of the year was characterised by heightened uncertainty as investors reacted to the hawkish rhetoric from major central banks, which aimed at taming persistently high inflation. In the second half, market stability was challenged by bank collapses in the US and Europe, coupled with the looming US debt ceiling crisis. However, markets reacted positively to policymakers' swift decisions to intervene through liquidity arrangements, mergers and acquisitions among distressed banks and the passing of legislation by Congress to address the debt ceiling crisis. As the year progressed, investor sentiment further improved, driven by the promise of generative AI, economic resilience and the possibility of the Federal Reserve's tightening cycle nearing its conclusion. Amid this backdrop, the MSCI World Index registered a USD return of +16.5% during FY23.

Emerging markets underperformed developed markets, with the MSCI Emerging Markets posting a return of -1.1% YoY, mainly attributed to a weaker-than-anticipated recovery in China and lingering concerns over its property market. In India, the BSE 500 Index registered +22.3% in FY23 following strong macroeconomic fundamentals, improved earnings and foreign inflows.

In contrast to its global peers, the Mauritian market underperformed in FY23 despite improved earnings from large caps. Local equity indices posted negative performances, with the SEMDEX and DEMEX closing the year at 1,967.05 and 252.67 points, equivalent to respective returns of -7.5% and -14.6%. The main leaders, that is, companies which contributed to the positive performance of the SEMDEX were SHEL, MCBG and SUN, while the main laggards were IBLL, ASCE and ENLG. The top three gainers in terms of price returns were MTMD (+20.5%), SHEL (+19.7%) and SUN (+16.5%) and the top three losers were HMALLAC (-41.9%), NITL (-38.8%) and CAUDAN (-36.5%). The price-earnings ratio and dividend yield of the SEMDEX stood at 8.86x and 3.96%, respectively, as at June 2023, against corresponding figures of 12.74x and 3.35% as at June 2022.

EQUITY INDEX PERFORMANCE (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y
S&P 500......................	+6.5	+8.3	+15.9	+15.9	+17.6	+43.5	+63.7
MSCI World..................	+5.9	+6.3	+14.0	+14.0	+16.5	+34.7	+42.0
MSCI World Small Cap....	+6.1	+2.6	+6.6	+6.6	+11.0	+28.9	+15.2
MSCI Europe................	+2.2	+0.9	+8.9	+8.9	+13.6	+29.4	+21.2
MSCI EM.....................	+3.2	-0.1	+3.5	+3.5	-1.1	-0.6	-7.5
MSCI AC Asia...............	+3.1	+0.7	+4.8	+4.8	+3.3	+3.4	-1.7
SEMDEX....................	-0.9	+0.4	-4.3	-4.3	-7.5	+18.3	-12.4
DEMEX......................	+0.5	-1.7	-5.2	-5.2	-14.6	+22.2	+5.4

TOP INDEX LEADERS (% local currency)

Global equities	1Y	Domestic equities	1Y
Apple Inc...........................	+42.7	Vivo Energy Mauritius Ltd.........	+19.7
Nvidia Corp..........................	+179.3	MCB Group Limited................	+1.9
Microsoft Corp......................	+33.9	Sun Limited..........................	+16.5
Meta Platforms Inc-Class A....	+78.0	CIM Financial Services Ltd.......	+5.3
Amazon.Com Inc.................	+22.7	Rogers & Company Limited......	+4.6

Financial markets review (Cont'd)

Bond markets

The Barclays Global Aggregate Bond index registered a USD performance of -1.3% during FY23 amid expectations that central banks would continue with their policy tightening campaigns. Due to the record bond selloffs during FY22, an anti-fragmentation tool called the Transmission Protection Instrument (TPI) was designed in FY23 to ensure that the monetary policy stance is transmitted smoothly. On the emerging markets front, EM debt outperformed considerably. Similarly, the FTSE Asian Broad bond outperformed with a positive return of 2.6% for FY23, highly contributed by the high-yield USD-denominated debt in the index.

For the financial year ending June 2023, the US Federal Reserve (Fed) raised the target range for the Fed Funds rate from 1.50%-1.75% in June 2022 to 5.00%-5.25% in June 2023, with seven consecutive rate hikes cumulating to 350 bps. The Fed rate reached its highest level in two decades. Fed Chairman, Jerome Powell hinted that the central bank plans to maintain this current rate. The Fed's balance sheet contracted during FY23, from USD 8.91Tr to USD 8.34Tr, resulting from quantitative tightening. Over FY23, the yield on 10-year US bonds surged by 84 bps from 3.00% in June 2022 to 3.84% in June 2023.

The European Central Bank (ECB) raised its interest rate for the 9th consecutive time by 25 bps to reach 4.25%, affirming its commitment to combatting inflation and bringing it to the 2% target despite the slowdown in economic activity. The interest rate on the main refinancing operations increased to 4.25%, the highest since October 2008, while the interest rates on the marginal lending facility and the deposit facility stood at 4.50% and 3.75%, respectively. Eurozone's headline inflation plunged to 5.5% in June 2023 from 8.6% in June 2022, driven primarily by food, alcohol, and tobacco (+2.35 pp). Over FY23, the yield on 10-year German bonds increased by 104 bps to 2.40%, its most inverted since September 1992. The corresponding yield on 10-year Italian and French debt rose to 3.99% and 2.90%, respectively. European investors flocked towards fixed-income instruments following the attractive yields delivered by the eurozone's peripheral bonds and benefited from ECB's Transmission Protection Instrument to avoid risks of disorderly bond selloffs.

On the domestic secondary bond market, yields on the 91D Treasury Bills surged by 303 bps to reach 3.90% in June 2023. Yields on 182D Treasury Bills and 364D Treasury Bills increased by 327 bps and 330 bps to reach 4.34% and 4.55%, respectively. 3Y GoM Notes yield increased from 2.73% in June 2022 to 4.69% in June 2023, while the 5Y GoM Bonds traded at 5.10% in June 2023 against 3.20% in June 2022. Yields on the long-term bonds were also on the uptrend, with the 10Y GoM Bond trading at 5.32% as at June 2023, equivalent to a rise of 75 bps. The yields on 15Y GoM and 20Y GoM bonds increased to 5.46% and 5.53% against preceding year's reading of 4.96% and 5.13%, respectively.

Financial markets review (Cont'd)

Bond markets (Cont'd)

BOND INDEX PERFORMANCE (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y
Barclays Global Aggregate Bond.......	0.0%	-1.5%	1.4%	1.4%	-1.3%	-14.2%	-5.3%
Barclays US Aggregate Bond...........	-0.4%	-0.8%	2.1%	2.1%	-0.9%	-11.4%	3.9%
Barclays US Govt Inflation-Linked All Maturities Index	-0.3%	-1.4%	2.0%	2.0%	-1.3%	-0.9%	13.0%
Barclays High Yield bond	1.7%	1.7%	5.4%	5.4%	9.1%	9.7%	17.9%
JP Morgan EMU IG Bond	-0.2%	0.1%	2.5%	2.5%	-4.5%	-16.4%	-8.5%
JP Morgan EM Bond	2.2%	1.9%	3.8%	3.8%	7.0%	-9.9%	2.8%
FTSE Asian Broad Bond.................	0.2%	0.5%	3.2%	3.2%	2.6%	-7.4%	8.4%

USD except for JP Morgan EMU IG Bond

MARKET YIELDS (%)

Tenor	United States		Germany		India		China		Mauritius	
	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22	Jun-23	Jun-22
91D	5.34	1.74	3.32	-0.51	6.94	6.26	NA	1.62	3.90	0.87
182D	5.37	2.23	3.44	-0.22	6.94	6.27	NA	1.75	4.34	1.07
364D	5.41	2.84	3.50	0.23	6.94	6.45	1.85	1.92	4.55	1.25
3Y	4.48	3.04	2.84	0.86	7.04	6.98	2.22	2.43	4.69	2.73
5Y	4.15	3.07	2.49	1.02	7.08	7.24	2.40	2.63	5.10	3.20
10Y	3.84	3.00	2.40	1.36	7.17	7.52	2.64	2.82	5.32	4.57
15Y	3.81	3.00	2.54	1.59	7.23	7.63	NA	NA	5.46	4.96
20Y	4.08	3.45	2.47	1.61	7.28	7.67	NA	NA	5.53	5.13

Commodity markets

The S&P GSCI index registered a return of -14.2% during FY23, mainly driven by falling oil prices. The energy segment was negatively impacted by the likelihood of slower global growth; hence, Brent and WTI posted corresponding returns of -34.8% and -33.2% YoY. The price of Natural Gas trended downward in FY23, posting a return of -48.4% YoY after mild weather forecasts and storage in Europe hit new record highs at the end of the winter season. Industrial metals recorded positive performances, with copper and silver posting corresponding gains of +0.7% and +12.3%, reflecting the rise in industrial demand, especially from China. Gold headed for a modest rise, underpinned by encouraging inflation data in the US, weakening dollar and expectations of a slower pace of rate hikes; the yellow metal gained +6.2% YoY.

COMMODITIES

	Jun-23	Jun-22	FY23 (% YoY)
WTI $/Bbl..	70.64	105.76	-33.2
Brent $/Bbl..	74.90	114.81	-34.8
Natural gas USD $/mmBtu...........................	2.80	5.42	-48.4
Copper $/Oz..	374.10	371.45	+0.7
Silver Spot $/Oz	22.77	20.28	+12.3
Gold Spot $/Oz.......................................	1,919.35	1,807.27	+6.2

Financial markets review (Cont'd)

Forex

The U.S. Dollar Index (DXY) posted -1.7% over FY23 following expectations of a pause in the Fed's tightening cycle on the back of better-than-anticipated moderation in inflation. After trending downwards until Mar-23, the US dollar strengthened after the unfolding of the banking issues and eventually weakened after the debt ceiling crisis was resolved.

The euro appreciated against the US dollar after the ECB reiterated its commitment to fight persistently high inflation and expectations that the Fed would soon pause its rate hike cycle. A more hawkish tone from the ECB and improved sentiment over the warmer-than-anticipated winter supported the euro. During the first quarter of the period under review, the GBP depreciated considerably amid the UK political turmoil induced by the mini-budget, but the takeover of new PM Rishi Sunak instilled confidence in the currency, leading to a subsequent rebound in the GBP.

Among Asian markets, the Japanese Yen weakened against the dollar as the Bank of Japan (BoJ) maintained its ultra-loose monetary policy in contrast with other major central banks, which continued their tightening campaign to fight inflation. The BoJ kept its yield curve control policy to anchor the 10-year government bond yield. The Chinese Yuan (CNY) depreciated against the US dollar in FY23, mainly attributed to disappointing Chinese economic data, widening yield differential coupled with continued capital outflows. The Indian rupee weakened against the US dollar, driven by the continued hawkish stance of the Fed as it reaffirmed its commitment to fighting inflation. Outflows from foreign portfolio investors also exerted downward pressures on the INR.

In Mauritius, the MUR depreciated by 0.4% YoY against the US dollar. During the period under review, the Bank of Mauritius intervened in the domestic foreign exchange market by selling USD 555M and hiked the Key rate by a cumulative 225 bps to reach 4.5%. Albeit to a lesser extent than in FY22, the currency continues to be impacted by the interest rate differential, the current account deficit, and the financial account position.

FOREX

	Jun-23	Jun-22	FY23 (% YoY)
Dollar index..	102.91	104.69	-1.7
EUR-USD	1.09	1.05	+4.1
GBP-USD...	1.27	1.22	+4.3
USD-JPY	144.31	135.72	+6.3
USD-CNY	7.25	6.70	+8.3
USD-INR	82.04	78.98	+3.9
USD-MUR	45.54	45.37	+0.4

Market Outlook

The market environment remains uncertain as the global economy digests tighter credit conditions, the lagged effects of monetary policy tightening, anaemic growth, and geopolitical fragmentation. The strong equities rally in the second half of FY23, predicated on the increased likelihood of a soft landing, a wave of interest in artificial intelligence (AI) and better-than-expected earnings, will likely be tested over the coming quarters. At the July 2023 Federal Open Market Committee (FOMC) meeting, the Fed raised the target Fed Funds rate by 25 bps to a 5.25%-5.50% range. The dot plot shows that the median voting member at the Fed now expects the Fed Funds rate to rise to 5.6% in 2023. Chairman Jerome Powell indicated that the Fed is unlikely to cut rates in 2023 as core inflation is expected to remain above the 2% target.

The narrow leadership of the US equity market in the latter half of FY23 leaves the market vulnerable to the potential for interest rates to stay higher for longer. The elevated equity valuations among mega-caps reflect investors' optimism for a soft landing, expectations for rate cuts in 2024 and AI's transformative potential. While the US economy has displayed remarkable resilience throughout FY23, driven by a robust labour market, high consumer spending, and supportive fiscal policies, we remain vigilant moving into FY24. Downside risks to the prevailing optimistic outlook include the lagged impacts of a monetary policy, the unprecedented liquidity drain and the potential deceleration of government spending as fiscal sustainability concerns surge. We maintain our preference for quality stocks and large caps, driven by the anticipation of potential rate cuts by the Fed in reaction to economic vulnerabilities.

Domestically, the economic recovery underway since the reopening of our borders is expected to continue, driven primarily by the tourism sector. Economic projections from Statistics Mauritius indicate a real GDP growth of 5.3% for 2023, led by the accommodation and food services sector, which is forecast to grow by 25.7%. According to the National Budget 2023/24, the government aims to achieve a growth rate of 8% in FY24, driven by a surge in tourist arrivals and higher public investment in construction and renewable energy. Public debt is targeted to decline from 79% of GDP in June 2023 to 71.5% of GDP in June 2024. The government expects tourist arrivals to reach its pre-pandemic level of 1.4 million by June 2024. Large-scale infrastructure projects, including the extension of Metro Express, expansion of the road network, implementation of drain infrastructure projects and construction of social housing units, are expected to support economic growth. However, elevated inflation and higher interest rates will likely weigh on economic activity.

At its latest Monetary Policy Committee (MPC) held in June 2023, the Bank of Mauritius (BoM) decided to pause its interest rate hiking cycle. Accordingly, the MPC unanimously voted to keep the Key Rate unchanged at 4.50%. In July 2023, the BoM introduced a cap on the weekly issuance of 7-day BoM bills at MUR 5 billion. The move resulted in lower yields and a flattened sovereign yield curve. The BoM anticipates inflation to continue its downward trajectory in the second half of 2023 to reach 6.8% for the year. The broad-based recovery observed during 2022 is expected to continue during 2023, supported by continued positive momentum in the tourism sector and accommodative fiscal policy measures. Domestic demand and investment spending are likely to be supported by the overhaul of the personal income tax regime, social measures targeted at lower-income households and large-scale infrastructure projects.

The Trustee and Manager of SBM Yield Fund ("the Fund") are pleased to submit their Corporate Governance Report for the year ended 30 June 2023, inclusive of other statutory disclosures.

INTRODUCTION

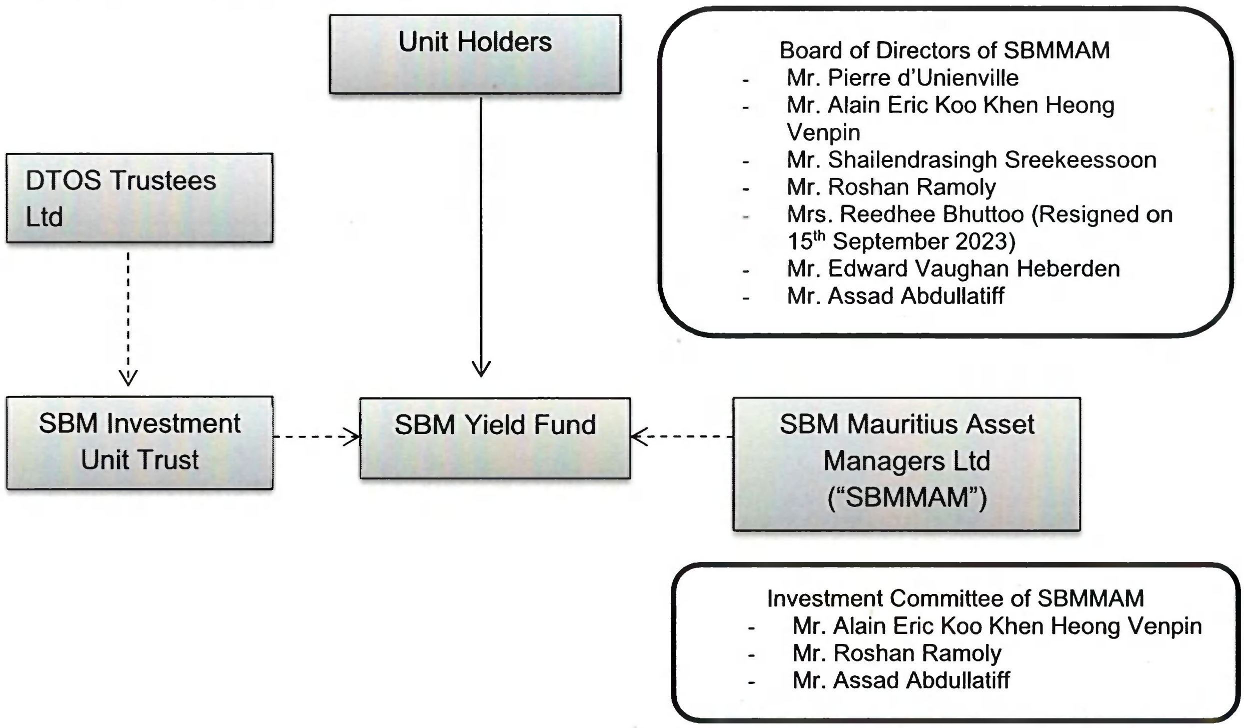
SBM Yield Fund was authorised by the Financial Services Commission under the Unit Trust Act, 1989 as amended, and established as a Unit Trust by a Trust Deed of the SBM Investment Unit Trust dated 5 June 2006 between SBM Mauritius Asset Managers Ltd (The Manager) and DTOS Trustees Ltd (The Trustee) and subsequently governed by the Supplemental Deeds No. 1 dated 30 November 2012 and No. 3 dated 14 November 2013. It is an open-ended Collective Investment Scheme established under Section 3 of the Unit Trust Act, 1989, authorised and regulated under the Trust Act, 2001, Securities Act, 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulation, 2008 by the Financial Services Commission.

The Fund's objective is to offer a portfolio of investment to individual and corporate investors that aims to achieve the maximum return comparable to that of a standard fixed income portfolio whilst providing regular income.

The Fund is a public interest entity as defined under the Financial Reporting Act 2004.

SBM Yield Fund's corporate governance framework includes its Trustee, Investment Committee, the Manager, the board of the Manager, Unitholders, and other stakeholders.

The organisation's structure is as follows:



INTRODUCTION (CONTINUED)

The Trustee, the Manager and the board of the Manager are fully committed to achieving and sustaining the highest standards of corporate governance with the aim of maximising long-term value creation for the Unitholders of the Fund and all the stakeholders at large. Much emphasis is on the conduct of business practices that display characteristics of good corporate governance namely discipline, transparency, independence, integrity, accountability, social responsibility, professionalism, and fairness.

In addition, the Trustee, the Manager, and the board of the Manager of the Fund continuously review the implications of corporate governance principles and practices in light of their experience, regulatory requirements and investor expectations. They hereby confirm that the Fund, as set out in this report, has strived to comply in all material aspects with the following legal and regulatory framework:

- Trust deed and subsequent Supplemental Deeds;
- Terms of reference of the Trustee and sub-committee;
- The National Code of Corporate Governance for Mauritius 2016 (the "Code");
- The Trust Act, 2001;
- The Securities Act, 2005; and
- The Securities (Collective Investment Schemes and Closed-end Funds) Regulations, 2008.

The main roles as described under Principle 2, 3 and 4 of the Code of Corporate Governance are fulfilled by the Board of the Manager.

The Board of the Manager has attempted to create the right balance and composition to better meet the objectives of the organisation. The Board is unitary and comprises of six Directors, of which two are Independent, three are non-Executive and one is Executive Director. The Independent Directors do not have any relationship with the majority Shareholders, therefore a sufficient number of directors do not have any relationship with the organisation. The Board is led by Mr. Pierre Marrier d'Unienville, and all Board members currently reside in Mauritius.

There exists a transparent procedure in place regarding the appointment of prospective Directors which is made in accordance with the skills, knowledge and expertise required on the Board. The re-election of Directors is made on an annual basis at the Annual Meeting of Shareholders. New Board members are provided with an induction pack to provide them with sufficient knowledge and understanding of the Fund's business.

All Board members are fully apprised of their fiduciary duties as laid out in the Companies Act 2001. The independent directors are remunerated for their knowledge, experience and insight provided to the Board. Directors' fees are paid by the Manager and have been disclosed in its accounts.

TRUST DEED AND SUPPLEMENTAL DEEDS

The Trust Deed and subsequent Supplemental Deeds of the Fund comply with the provisions of the Trust Act, 2001, The Securities Act, 2005 and The Securities (Collective Investment Schemes and Closed-end Funds) Regulations, 2008. The Deed is available upon written request to the Manager at the Registered Office of the Fund.

Salient features of the documents are:

No Unitholder shall be entitled to:

- require the transfer to him of any of the assets comprised in the Fund;

TRUST DEED AND SUPPLEMENTAL DEEDS (CONTINUED)

- interfere with or question the exercise or non-exercise by the Trustee or the Manager of the rights and powers of the Trustee and the Manager in their dealings with the Fund or its assets or any part thereof;
- attend meetings whether as Unitholders or otherwise, or to vote or to take part in or consent to any action concerning any property of any entity in which the Fund holds an interest;

A Unitholder is entitled to any distribution as approved and declared by the Manager as per provisions of the Trust Deed.

THE TRUSTEE AND THE MANAGER

Corporate Profile of the Trustee – DTOS Trustees Ltd

DTOS Trustees Ltd is a private company incorporated in Mauritius on 23rd May 2003. DTOS Trustees Ltd is a wholly owned subsidiary of DTOS Ltd and is duly licensed by the Financial Services Commission to act as a qualified trustee. It offers a complete and comprehensive range of trust services including trust formation / migration, corporate trusteeship, advice on tax, regulatory and statutory matters, accounting, administration, and tax filings, where required.

Role of the Trustee

The Trustee has been appointed in order to ensure that the affairs of the Fund are being managed and administered for the benefit of the Unitholders and to their best interests along the following principles:

- **International best standards and regulatory compliance**

Overseeing the conduct of the Fund's business and monitoring whether the business is being properly managed at all levels according to international best standards and in accordance to provisions of its regulatory regime;

- **Accounts and risk management**

Reviewing and, where appropriate, approving risk policy, financial statements, annual budgets, business plans and internal reports.

- **Supervision of fund intermediaries**

Supervising the fund intermediaries in their delivery of services to the Fund and ensure that such delivery is done diligently and creates most value for the Unitholders of the Fund.

Corporate Profile of the Manager – SBM MAM

SBM Mauritius Asset Managers Ltd ("SBM MAM") is licensed and regulated by the Financial Services Commission of Mauritius and holds a CIS Manager license. It is 100% owned by SBM Capital Markets Ltd. SBM MAM offers investment management services across a number of asset classes including equities, fixed income, private and alternative investments.

Role of the Manager and its obligations

The Manager is appointed by the Trustee and under the supervision of the Trustee, manages and administers the Fund for the benefit of the Unitholders of the Fund in accordance with the Trust Deed and Prospectus of the Fund.

THE TRUSTEE AND THE MANAGER (CONTINUED)

Role of the Manager and its obligations

Its obligations cover but are not restricted to the following:

- **Conduct of Business**

It shall conduct its business in a proper and efficient manner to ensure that any undertaking in the affairs of the Fund is carried out in a proper, ethical, and efficient manner.

- **Supervision of assets**

The Manager shall manage and supervise all assets of the Fund to the best interest of the Unitholders.

- **Trade in units of the Fund**

It shall sell and issue units of the Fund in accordance to the provisions of the Trust Deed and Prospectus and in so doing shall ensure that the interests of unit-holders are protected at all times.

THE INVESTMENT COMMITTEE

The Trust Deed provides for the establishment of an Investment Committee composed of at least 3 persons and not more than 6 persons. The main purpose of the committee is to issue guidelines and advise the Manager on investments.

Currently, the committee is composed of 3 members and meets on a quarterly basis. It reviews the performance of the Fund, ensures that the investment strategy complies with the provisions of the Trust Deed and Prospectus.

Managing Conflict of Interest and Related Party Transactions

The Fund adheres to the Group Conflict of Interest and Related Party Transactions policy to assist the Board of the Trustee and Manager in identifying and disclosing actual and potential conflicts and help ensure the avoidance of conflicts of interest, where necessary.

For the related party transaction, please refer to Note 13 to the Financial Statements.

Information, information technology and information security policy

The Trustee and Manager confirm that information, information technology and information security policy exist within the Group.

RISK GOVERNANCE AND INTERNAL CONTROL

RISK MANAGEMENT

The Manager is responsible for the risk management practice and procedures in place within the operating structure of the Fund for risk management. The Manager also defines the overall strategy for risk tolerance and is responsible for the design, implementation and review of a risk management framework, processes and day-to-day management of risk as performed by the intermediaries and service providers of the Fund. Part of the responsibility to monitor the framework and processes has been delegated to the Investment Committee which conducts reviews on a quarterly basis.

The Fund's policy on risk management encompasses all business risks including operational, technology, business continuity, financial, compliance and reputational risks which could influence the achievement of the Fund's objectives. In context, a due diligence exercise is undertaken in collaboration with nominated

RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

intermediaries to ensure that they have the capability to commit on the implementation of appropriate customised procedures and controls for the purpose of the Fund.

The risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- The communication of risk management policies across the multiple parties and functionaries involved in the processes;
- The implementation of a documented system of processes with appropriate controls and approval mechanism that closely align the control effort to the nature and importance of the risk;
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined and agreed by the Board of the Manager;
- Compliance reports are prepared and presented to the board of the Manager on a quarterly basis; and
- Internal audit functions exist at the level of the Manager and Fund Administrator whereby the processes pertaining to the affairs of the Fund are scrutinised and undergo audit reviews. Quarterly reports are prepared and presented to the boards of the Manager and Fund Administrator.

Risk exposure of the Fund falls within the following areas or risk:

Operational risks
Operational risk is defined as risk of direct or indirect loss resulting from inadequate or failed internal process, people, and systems or from external events. Assets of the Fund are properly safeguarded, and reporting infrastructures are adequate and effective for timely and accurate data collection.

Compliance risks
Compliance risk is defined as risk of loss from failure to comply with regulations governing the conduct of an organisation's business. It is a composite risk made up of risk of legal or regulatory sanctions, financial loss, or loss of reputation.

Technology risks
Technology risks include hardware and software failures, system development and infrastructure issues. To varying degrees, the Fund is reliant upon certain technologies and systems for the smooth and efficient running of its operations. Disruption to these technologies could adversely affect its efficiency.

Business continuity risks
This relates to losses from failed transaction processing and process management.

Reputational risks
This relates to losses due to unintentional or negligent failure to meet a professional obligation to specific clients or from the nature or design of a product.

Financial risks
The primary sources of financial risks faced by the Fund are risks inherent to its investment activities. Investment values and returns are dependent on the performance of financial markets and may adversely affect the Fund's financial results. The financial risks faced by the Fund and management of these risks are further discussed in the notes to the financial statements.

RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

INTERNAL CONTROL

The Manager and the board of the Manager acknowledge their responsibility for internal control and work closely together and with the Fund Administrator to put in place a system of internal controls which is designed to provide the Trustee with reasonable assurance that the assets are safeguarded; that operations are carried out effectively and efficiently; that the financial controls are reliable and in compliance with applicable laws and regulations and that material frauds and other irregularities are either prevented or detected within a reasonable time.

The Manager and Fund Administrator prepare compliance and risk monitoring reports that are submitted to the Investment Committee and Board of the Manager on a quarterly basis for their review, following which recommendations are made to the Manager on an on-going basis. Preventive and corrective actions are then duly implemented to address internal control deficiencies and opportunities for improving the systems.

WHISTLEBLOWING POLICY

In order to enhance good governance and transparency, the SBM Group has a Whistleblowing policy. The main aims of the policy are to provide an avenue for raising concerns related to fraud, corruption, and any other misconduct. The policy addresses the following:

- Protection of and Remedies for Whistle blowers and Complainants;
- Channels and Procedures;
- Hotline, Email and PO Box facilities

REPORTING WITH INTEGRITY

The Manager is required to ensure that adequate accounting records are maintained so as to disclose at any time, and with reasonable adequacy, the financial position of the Fund. The Manager is also responsible for taking reasonable steps to safeguard the assets of the Fund to prevent and detect fraud and other irregularities.

The Manager must present financial statements for each financial year, which give a true and fair view of the affairs of the Fund, and the results for that period. In preparing such financial statements, the Manager is required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment
- state whether or not the Trust Act, 1989, the Trust Act, 2001 and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto
- use the going concern basis unless it is inappropriate.

The Manager acknowledges its responsibility for ensuring the preparation of the financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Manager is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management and the selection of appropriate accounting policies.

Nothing has come to the Manager's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent

REPORTING WITH INTEGRITY (CONTINUED)

use of appropriate accounting records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Fund.

The financial statements have been prepared on a going concern basis and there is no reason to believe that the Fund will not continue as a going concern in the next financial year.

The Manager confirms that in preparing the financial statements, it has:

- selected suitable accounting policies and applied them consistently
- made judgments and estimates that are reasonable and prudent
- followed the International Financial Reporting Standards
- prepared the financial statements on the going concern basis
- adhered to the Code of Corporate Governance in all material aspects and reasons have been provided for non-compliance.

The Manager is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the Trust Act 1989, the Trust Act 2001, the Securities Act 2005, the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 and have been prepared in accordance with the International Financial Reporting Standards. The Manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual report is published in full on the website of the Manager of the Fund.

AUDIT

Internal Audit

The Non-Banking Financial cluster ('NBFC') of the SBM Group has its own permanent Internal Audit function reporting to the Risk Committee of SBM (NBFC) Holdings Ltd, the holding Company of NBFC. The internal audit team comprises of three fully qualified accountants. The internal auditors provide assurance about the effectiveness of the risk management and control processes in place and they maintain their independence by reporting to the Risk Committee. The Head of Internal Audit has regular access to the Trustee and Manager and the chairperson of the Risk Committee. There were no restrictions on access by the internal auditors to records or members of the management team. It is to be noted that SBM Fund Services Ltd/Registry was part of the internal audit review for the year 2023 and the Funds registry has been covered.

The Audit and Risk Committees of NBFC are chaired by a Chartered Accountant and the Committee comprises of independent members with more than 30 years' experience in the Financial Services industry. The Risk Committees reviews and approves Internal Audit's plan and resources and evaluates the effectiveness of the function. The Audit and Risk Committees ensure that a consistent risk-based audit methodology is applied. The audit reports are thereafter tabled at the Committee and the findings and methodologies are reviewed and discussed by the Risk Committee.

As the third line of defense, the role of internal audit is to provide independent, objective assurance services designed to add value and improve NBFC entities' operations. Audits are carried out to review the adequacy and effectiveness of the group's system of internal controls, as per the Board approved risk-based audit plan. In conducting reviews, the Internal Auditors are alert to indicators of fraud and opportunities that could allow fraud, such as control weaknesses. In doing so, the Internal Auditors obtain

AUDIT (CONTINUED)

reasonable assurance that business objectives for the process under review are being achieved and material control deficiencies are detected.

Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations are issued to the chairperson of Risk Committee and the Chief Executive Officer. Any deviation in policies and non-performance of internal controls are duly reported and discussed at Risk Committee level. Corrective actions are promptly taken and regular follow ups as well as reporting performed by Internal Audit until complete resolution.

External Audit

Deloitte was re-appointed as statutory auditors of the Fund for the financial year ended 30 June 2023. The Trustee and Manager assess and review on a regular basis the independence of the external auditor.

The fees paid to the external auditors for audit services were **MUR 184,000** (2022: MUR 145,475). No non-audit services have been provided during the year under review.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

SHAREHOLDING

Holding Structure – 30 June 2023

As at 30 June 2023, the Fund had issued **11,252,208.90** units for a total fund size of MUR 129,464,534. The NAV per unit of the Fund as at 30 June 2023 was MUR 11.51.

The NAV per unit for the past five years are as follows:

Year	NAV per unit
June 2019	10.86
June 2020	11.10
June 2021	11.67
June 2022	11.74
June 2023	11.51

Analysis of ownership

The Fund had 433 Unitholders as at 30 June 2023. A breakdown of the category of Unitholders and the unit ownership as at 30 June 2023 are set out below:

Market Value	No of Clients	No of Units	% Holding
0-59,999	163	304,263.64	2.70%
60,000 - 99,999	33	243,753.91	2.17%
100,000 - 124,999	30	295,973.46	2.63%
125,000 - 199,999	111	1,411,780.86	12.55%
200,000 - 499,999	40	1,022,495.74	9.09%
500,000 - 999,999	22	1,197,333.69	10.64%
1M - 1,499,999	17	1,703,981.10	15.14%
1.5M - 1,999,999	4	597,574.29	5.31%

2M - 2,999,999	8	1,637,504.22	14.55%
3M - 5,999,999	3	833,480.78	7.41%
6M - 10M	1	571,158.24	5.08%
10M-20 M	1	1,432,908.98	12.73%
ABOVE 20 M	-	-	0%
TOTAL	433	11,252,208.90	100.00%

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

Unit-holders' Relations and Communication
Unitholders are strongly encouraged to visit the website of the Manager to remain updated on the Fund's initiatives/projects, goals, and prices.

Unit-holders' Agreement
To the best knowledge of the Manager and Trustee, there has been no such agreement with any of its Unitholders for the year under review.

Unit-holders' Calendar
The Fund has planned the following forthcoming events:

Reporting date	30 June 2023
Publication of year end results	Within 90 days from end of 30 June 2023
Declaration of dividend	Within 3 months from end of 30 June 2023

Dividend Policy
The objective of the Fund is to pay out all income available for distribution on a quarterly basis. In that respect, income excludes capital gains, both realised and unrealised. While fixing the dividend rate, the Trustee and Manager also take into account other considerations that might affect the economic interests and proper long-term running of the Fund.

For financial year 30 June 2023, it was agreed to pay out an amount of MUR 5,365,681 (2022: MUR 5,408,813) as dividend.

OTHER STATUTORY DISCLOSURES

SIGNIFICANT CONTRACTS

The following agreements have been approved by the Trustee and Manager and are still effective as at end of the financial year 2022-2023:

- Custody Agreement with the SBM Bank (Mauritius) Limited.
- Administration Agreement with SBM Fund Services Ltd.
- Fund Management Agreement with SBM Mauritius Asset Managers Ltd.

Employee Share Option Scheme
The Fund has no share option plans.

Directors and Officers Liability Insurance
The Fund has subscribed to a Directors and Officers Liability Insurance policy in respect of legal actions or liability which may arise against its Trustee, Manager, and officers. The cover does not provide insurance against fraudulent, malicious, or wilful acts or omissions.

OTHER STATUTORY DISCLOSURES (CONTINUED)

Ethics and Business Conduct
Under regulatory supervision of the Financial Services Commission, all officers and agents of the Fund are expected to maintain a high level of ethics in their behaviour and business transactions. The transactions of the Fund are carried out as per its Manager's and Fund Administrator's Code of Business Conduct and Ethics, applicable to all direct and indirect employees who deal with the matters of the Fund.

The Fund is involved in the provision of services and its operations do not materially impact on the environment. Investing strategies include investment in sound, ethical and environmental friendly entities.

....
On behalf of the Trustee
Date: 25 SEP 2023

....
On behalf of the Manager

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: SBM Yield Fund

Reporting Period: Year ended 30 June 2023

We, the Trustee and Manager of the SBM Yield Fund (the "Fund") confirm that to the best of our knowledge, the Fund has complied with most of its obligation and requirements under the National Code of Corporate Governance for Mauritius (2016) except for Principle 2, 3 and 4 of the Code of Corporate Governance.

The reason for non-compliance is that the Fund is set-up as a Trust and not a company. In this context, it has no board of directors, no board committees, and no company secretary.

However, the main roles as described under Principle 2, 3 and 4 of the Code of Corporate Governance are fulfilled by the Board of the Manager, SBM Mauritius Asset Managers Ltd, as described above.

On behalf of the Trustee and Manager

DTOS TRUSTEES LTD
The Common Seal of

....
On behalf of the Trustee

Date: 25 SEP 2023

....
On behalf of the Manager

Trustee's and Manager's Responsibilities in respect of the Financial Statements

The Trustee and Manager are required to ensure that adequate accounting records are maintained so as to disclose at any time, and with reasonable adequacy, the financial position of the Fund. They are also responsible for taking reasonable steps to safeguard the assets of the Fund to prevent and detect fraud and other irregularities.

They must present financial statements for each financial year, which give a true and fair view of the affairs of the Fund, and the results for that period. In preparing such financial statements, they are required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment
- state whether or not the Trust Act, 1989, the Trust Act, 2001 and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto
- use the going concern basis unless it is inappropriate.

The Manager acknowledges its responsibility for ensuring the preparation of the financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Manager is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls risk management and the selection of appropriate accounting policies.

Nothing has come to the Trustee's and Manager's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent use of appropriate accounting records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Fund.

The financial statements have been prepared on a going concern basis and there is no reason to believe that the Fund will not continue as a going concern in the next financial year.

The Trustee and Manager confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently
- made judgments and estimates that are reasonable and prudent
- followed the International Financial Reporting Standards
- prepared the financial statements on the going concern basis
- adhered to the Code of Corporate Governance in all material aspects and reasons have been provided for non-compliance.

The Trustee and Manager are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the Trust Act, 1989, the Trust Act, 2001, the Securities Act, 2005, the Securities (Collective Investment Schemes and Closed-end Funds) Regulations, 2008 and have been prepared in accordance with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Trustee and Manager

Mr. ....
On behalf of the Trustee
Date 25 SEP 2023

DTOS TRUSTEES LTD
The Common Seal of

Mr. ....
On behalf of the Manager

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Members of SBM Yield Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **SBM Yield Fund** (the "Fund") set out on pages 6 to 38, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Trust Act 2001 and the Financial Reporting Act 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for International Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Trustee and the Manager are responsible for the other information. The other information comprises the Corporate Information, the Manager's Report, the Corporate Governance Report and the Statement of Trustee's and Manager's Responsibilities but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Trustee and Manager for the Financial Statements

The Trustee and the Manager are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Act 2004 and in compliance with the requirements of the Trust Act 2001 and they are also responsible for such internal control as the trustee and manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee and the manager are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee and manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The trustee and the manager are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Members of SBM Yield Fund (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the trustee and the manager' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Public Interest Entity has, pursuant to section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

Use of this report

This report is made solely to the Fund's members, as a body. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte

Deloitte

Chartered Accountants

27 September 2023

LLK Ah Hee, FCCA

Licensed by FRC

	Notes	2023 MUR	2022 MUR
ASSETS			
Cash and cash equivalents		**5,414,727**	36,606,766
Other receivables	6	**24,797**	24,741
Financial assets at fair value through other comprehensive income	7(a)	**4,907,784**	72,125,448
Financial assets at fair value through profit or loss	7(b)	**102,702,035**	61,707,597
Financial assets at amortised cost	8	**17,176,335**	31,209,417
TOTAL ASSETS		**130,225,678**	201,673,969
LIABILITIES			
Other payables	11	**728,209**	653,292
Income tax liability	12(a)	**32,935**	147,825
TOTAL LIABILITIES		**761,144**	801,117
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
Redeemable units	5(a)	**111,565,803**	179,197,482
Retained earnings		**594,815**	1,622,740
Fair value reserve		**3,696,578**	6,197,032
Other reserve		**13,607,338**	13,855,598
	5(b)	**129,464,534**	200,872,852
TOTAL EQUITY AND LIABILITIES		**130,225,678**	201,673,969

Approved by the Trustee and the Manager and authorised for issue on 25 SEP 2023

Signed on behalf of the Trustee:

STOS TRUSTEES LTD
The Common Seal of

Signed on behalf of the Manager:

The notes on pages 10 to 38 form part of these financial statements.

	Notes	2023	2022
		MUR	MUR
INCOME			
Dividend income	15(a)	**529,970**	252,886
Interest income at EIR	15(b)	**2,543,527**	3,710,080
Interest income on financial assets at FVTPL	15(b)	**4,505,375**	4,777,494
Other income		**32,160**	-
Foreign exchange gain		**625,311**	101,058
Gains on reclassification of financial assets from FVOCI to FVTPL		**2,315,451**	-
Net unrealised gain on financial assets held at FVTPL	7(b)	**-**	2,291,261
		10,551,794	11,132,779
FUND EXPENSES			
Manager's fees	16	**1,517,329**	1,803,056
Registry fees	18	**178,509**	212,124
Administrator's fees	19	**267,764**	318,186
Trustee's fees	17	**174,493**	206,751
Custodian fees	21	**288,831**	153,834
Auditor's fees		**306,475**	128,000
Legal & professional fees		**82,510**	76,455
Sundry expenses		**133,096**	139,486
Expected credit losses	9	**40,320**	(230,223)
Net unrealised loss on financial assets held at FVTPL	7(b)	**3,167,834**	-
Realised loss on financial assets at amortised cost	8	**48,728**	-
		6,205,889	2,807,669
PROFIT BEFORE TAXATION		**4,345,905**	8,325,110
Tax expense	12(b)	**(149,672)**	(81,245)
Withholding tax expense	12(b)	**(106,737)**	(75,657)
PROFIT FOR THE YEAR		**4,089,496**	8,168,208
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Net unrealised loss on financial assets held at FVOCI	7(a)	**(185,003)**	(1,434,824)
Items that may be reclassified subsequently to profit or loss:			
Cumulative gains on investments in debt instruments classified as at FVOCI now reclassified to FVTPL		**(2,315,451)**	-
		(2,500,454)	(1,434,824)
Increase in net assets attributable to holders of redeemable participating units		**1,589,042**	6,733,384

The notes on pages 10 to 38 form part of these financial statements.

	Note	Issued units MUR	Retained earnings MUR	*Non-distributable reserves* Fair value reserve MUR	Other reserve MUR	Total MUR
As at 1 July 2021		196,518,396	1,228,124	7,631,856	11,490,819	216,869,195
Issue of units	5(a)	9,451,485	-	-	-	9,451,485
Redemption of units	5(a)	(26,772,399)	-	-	-	(26,772,399)
Distribution paid to unitholders	22	-	(5,408,813)	-	-	(5,408,813)
Increase in net assets attributable to holders of redeemable units		-	8,168,208	(1,434,824)	-	6,733,384
Transfer*:						
Net unrealised gain on financial assets held at FVTPL		-	(2,291,261)	-	2,291,261	-
Foreign exchange gain		-	(101,058)	-	101,058	-
As at 30 June 2022		179,197,482	1,595,200	6,197,032	13,883,138	200,872,852
As at 1 July 2022		**179,197,482**	**1,595,200**	**6,197,032**	**13,883,138**	**200,872,852**
Issue of units	5(a)	**4,744,309**	**-**	**-**	**-**	**4,744,309**
Redemption of units	5(a)	**(72,375,988)**	**-**	**-**	**-**	**(72,375,988)**
Distribution paid to unitholders	22	**-**	**(5,365,681)**	**-**	**-**	**(5,365,681)**
Increase in net assets attributable to holders of redeemable units		**-**	**4,089,496**	**(2,500,454)**	**-**	**1,589,042**
Transfer*:						
Gains on reclassification of financial assets from FVOCI to FVTPL		**-**	**(2,315,451)**	**-**	**2,315,451**	**-**
Net unrealised loss on financial assets held at FVTPL		**-**	**3,167,834**	**-**	**(3,167,834)**	**-**
Realised loss on financial assets at amortised cost			**48,728**		**(48,728)**	**-**
Foreign exchange gain		**-**	**(625,311)**	**-**	**625,311**	**-**
As at 30 June 2023		**111,565,803**	**594,815**	**3,696,578**	**13,607,338**	**129,464,534**

Note:

As per the Fund's prospectus, capital gains arising from changes in the value of investments, both realised and unrealised are credited to non-distributable reserve and shall not be available for distribution as dividends. Capital losses arising from changes in the value of investments will be debited to fair value reserve and shall not be offset against income received. All other undistributable income and expenses such as foreign exchange movement are transferred to other reserve.

Net gains/ (losses) on financial assets held at FVTPL (previously measured at FVOCI) have been transferred to undistributable reserves.

The notes on pages 10 to 38 form part of these financial statements.

	Notes	2023 MUR	2022 MUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**4,345,905**	8,325,110
Adjustments for:			
Dividend income	15(a)	**(529,970)**	(252,886)
Other income		**(32,160)**	-
Interest income at EIR	15(b)	**(2,543,527)**	(3,710,080)
Interest income on financial assets at FVTPL	15(b)	**(4,505,375)**	(4,777,494)
Net unrealised loss/(gain) on financial assets held at FVTPL	7(b)	**3,167,834**	(2,291,261)
Realised loss on financial assets at amortised cost	8	**48,728**	-
Gains on reclassification of financial assets from FVOCI to FVTPL		**(2,315,451)**	-
Foreign exchange gain		**(625,311)**	(101,058)
Expected credit losses	9	**40,320**	(230,223)
Operating loss before working capital changes		**(2,949,007)**	(3,037,892)
Increase in other receivables		**(56)**	(170)
Increase in other payables		**74,917**	72,845
Purchase of financial assets at FVOCI	7(a)	**-**	(20,318,988)
Purchase of financial assets at FVTPL	7(b)	**(49,399,727)**	(23,960,114)
Purchase of financial assets at amortised cost	8	**(8,000,000)**	-
Proceeds from disposal of financial assets at FVOCI	7(a)	**5,838,487**	7,538,126
Proceeds from disposal of financial assets at FVTPL	7(b)	**65,650,524**	77,076,634
Proceeds from disposal of financial assets at amortised cost	8	**21,949,296**	-
Interest received		**7,799,550**	9,180,470
Dividend received		**530,415**	267,147
Net cash generated from operations		**41,494,399**	46,818,058
Withholding tax suffered	12(b)	**(106,737)**	(75,657)
Taxation paid	12(a)	**(264,562)**	(227,025)
Net cash generated from operating activities		**41,123,100**	46,515,376
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of units	5(a)	**4,744,309**	9,451,485
Redemption of units	5(a)	**(72,375,988)**	(26,772,399)
Distributions to unitholders	22	**(5,365,681)**	(5,408,813)
Net cash used in financing activities		**(72,997,360)**	(22,729,727)
Net (decrease)/increase in cash and cash equivalents		**(31,874,260)**	23,785,649
Cash and cash equivalents at beginning of year		**36,606,766**	12,710,239
Foreign exchange gain on cash & cash equivalents		**682,221**	110,878
Cash and cash equivalents at end of year		**5,414,727**	36,606,766

The notes on pages 10 to 38 form part of these financial statements.

1. LEGAL FORM AND PRINCIPAL ACTIVITY

SBM Yield Fund ("the Fund") was authorised by the Minister and approved by the Financial Services Commission under the Unit Trust Act 1989 (repealed and replaced by Trust Act 2001) and established as a Unit Trust by a Trust Deed dated 5 June 2006 between SBM Mauritius Asset Managers Ltd ("The Manager") and DTOS Trustees Ltd ("The Trustee").

The Fund's objective is to provide regular income and maximise returns on a long term basis for the benefit of the unitholders.

The Trust's application made further to the transitional provisions set out under Section 160 of the Securities Act 2005, it has been authorised to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Fund has applied all new and revised standard and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2022.

2.1 NEW AND REVISED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

Standards and amendments to existing standards effective 1 July 2022

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 July 2022:

Amendments	**Effective for accounting period beginning on or**
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 July 2022
Annual Improvements to IFRS Standards 2018-2020 Conceptual Framework	1 July 2022

The above amendments did not have an impact on the financial position or performance of the Fund.

2.2 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Fund has not early adopted them:

New or revised standards and interpretations:	**Effective for accounting period beginning on or**
Amendments	
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	1 January 2024
Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)	1 January 2024
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

New standards, amendments and interpretations effective after 1 July 2022 and have not been early adopted (Continued)

New or revised standards and interpretations:	accounting period beginning on or after
Amendments (Continued)	
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — other disclosure requirements	1 January 2023
International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact	Issued on 23 May 2023 with immediate

The Fund is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements.
No early adoption is intended by the Board of directors.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVTPL), which are measured at fair value.

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The financial statements are presented in MUR (presentation currency) which is also the currency of the primary economic environment in which the Fund operates (functional currency). The Fund determines its own functional currency and items included in the financial statements of the Fund are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Fund at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Foreign currency translation (continued)

Transactions and balances (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(b) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Taxes (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Fund has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:

- Impairment of financial assets to be presented in a separate line item in the statement of comprehensive income; and
- Separate presentation in the statement of profit or loss and other comprehensive income of interest revenue calculated using the effective interest method.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. The Fund initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Management has made an assessment on the basis of the facts and circumstances that existed at the date of initial application to determine whether to classify the debt instruments held at amortised cost or financial assets at fair value through OCI. The determination of the business model within which a financial asset is held at amortised cost needs to meet the objective ,which is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the:

- trade date for equity instruments, i.e., the date that the Fund commits to purchase or sell the asset;
- settlement date for debt instruments, i.e., the date that the Fund settles the purchase or sale of the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments) ;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) ;
- Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost include cash and cash equivalents, investments in Inflation- indexed Government bonds and unquoted bonds.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Fund has elected to classify its listed equity investments existing as at 30 June 2021 under this category.

(iii) Financial assets designated at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition. It has been acquired principally for the purpose of selling it in the near term;
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL;
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 10.

Following the re-assessment on the classification and measurement of equities and quoted debt investments, all new equities purchased as from 1 July 2021 have been classified under this category and all quoted bonds held by the Fund will be classified under FVTPL with effect from 1 July 2022.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement.

In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment of financial assets

The Fund recognises loss allowances for ECLs on financial assets measured at amortised cost

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are, measured at 12-months ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when the financial assets is more than 30 days past due.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

Financial assets (continued)

Impairment of financial assets (continued)

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be Baa3 for Moody's rating or BBB- as per Standard and Poor's rating. (See Note 14.5).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from the default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating the ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Fund expects to receive).

Credit-impaired financial assets

At each reporting date, the Fund is required to assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as default or being more than 30 days past due; or
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowances for ECLs in the statement of financial position

Presentation of allowances for financial assets measured at amortised cost is deducted from the gross carrying amount of assets.

Write-off policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures. Any recoveries made are recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities comprise of other payables, which are measured at amortised cost.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (Continued)

Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

<u>Other payables</u>

Accounts payable are stated at their amortised cost using the effective interest method.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation(based on the lowest level input that is significant to the fair value measurement as a whole) at the beginning of each reporting period.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition under IFRS 9

(i) Interest income calculated using effective interest method

Interest revenue and expense are recognised in the statement of other comprehensive income for all interest-bearing financial instruments using the effective interest method.

(ii) Dividend Income

Dividend income is recognised when the Fund's right to receive the payment is established.

(e) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank.

(f) Related parties

Parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control the Fund or exercise significant influence over the Fund. Related parties may be individuals or other entities (refer note 13).

(g) Redeemable units

Classification of redeemable units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Fund's net assets.
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

In addition to the redeemable units having all the above features, the Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the
- The effect of substantially restricting or fixing the residual return to the holders of redeemable

The Fund classified its redeemable units as equity as it meets the above features and also the Fund does not have any contractual obligation to repurchase or redeem for cash or other financial asset.

3. ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Redeemable units (Continued)

The Fund continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions. Upon issuance of shares, the consideration received is included in equity.

Transaction costs incurred by the Fund in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Fund's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The primary objective of the Fund is to generate returns in MUR, its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in MUR. The Fund's performance is evaluated in MUR. Therefore management considers MUR as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

Going concern

The Manager of the Fund has made an assessment of its ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future.

Furthermore, the Manager is not aware of any material uncertainty that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Judgements (Continued)

Business model assumption

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (see financial assets sections of note 3). The Fund determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Fund monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Fund's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Business model assumption

Following the re-assessment on the classification of debt instruments, whereby the Fund will be trading actively on the quoted bonds held, all quoted bonds previously held under FVOCI have been reclassified under FVTPL as from 1 July 2022.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjournment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. However existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are affected in the assumptions when they occur.

Expected credit losses (ECLs)

To calculate the ECL, the Fund has applied judgements that have a significant effect on the amounts recognised in the financial statements and include the classification of financial instruments into financial assets measured at amortised cost category. Estimated ratings have been used for the calculation [See Note 14.5].

Fair value of securities not quoted in an active market

Some of the Fund's assets are measured at fair value for financial reporting purposes. Management is responsible for the appropriate valuation techniques and inputs being used for the fair value measurement. The fair value of securities not quoted in an active market may be determined by the Fund using valuation techniques including third party transactions values, earnings or net asset value, whichever is appropriate. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 10.

5. CAPITAL MANAGEMENT

As a result of the ability to issue, repurchase and resell units, the capital of the Fund can vary depending on the demand for redemption and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's prospectus.

The investment objective of the Fund is to achieve attractive risk-returns through a combination of long-term capital appreciation and current income by making portfolio investments.

The Fund's objectives for managing capital are:

- To invest the capital in investments, meeting the description, risk, exposure and expected return indicated in its prospectus.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Fund cost efficient.

The capital of the Fund consists of units denominated in Mauritian Rupees and is redeemable at the option of the unit holder based on net asset value. The redeemable participating units have been classified as equity.

Unitholders have undivided rights in the Fund pro-rata to the number of Units held by them.

5. CAPITAL MANAGEMENT (CONTINUED)

Upon the Fund being terminated, the Fund shall sell all the Fund property vested in it in accordance with the terms of the Trust Deed. It shall apply the proceeds of the sale to repay any liability by the Fund and shall distribute all net cash proceeds to the Unitholders pro-rata to their number of Units after deduction of expenses as provided for in the Trust Deed.

Unitholders shall be entitled to vote at meetings of Unitholders.

The following matters shall require a meeting of Unitholders:

- termination of the Trust by Extraordinary Resolution,
- appointment of a new Manager or Trustee in the case the Manager has retired and has not been replaced by the Trustee or in case the Trustee has retired and has not been replaced by the Manager.

(a) Movement in units during the year

	2023		2022	
	No. of units	**MUR**	No. of units	MUR
At start of year	**17,110,193**	**179,197,482**	18,579,487	196,518,396
Units created	**414,080**	**4,744,309**	798,075	9,451,485
Units liquidated	**(6,272,064)**	**(72,375,988)**	(2,267,369)	(26,772,399)
At end of year	**11,252,209**	**111,565,803**	17,110,193	179,197,482

	2023	2022
	MUR	MUR
(b) Net asset value per unit		
Net assets attributable to holders of redeemable units	**129,464,534**	200,872,852
Net assets per redeemable units (MUR)	**11.51**	11.74
(c) Prices per unit		
Issue price	**11.56**	11.80
Redemption price	**11.45**	11.68

Unitholders have the rights to receive an equal share of dividends and to a share pro-rata to their number of units held in the distribution of the surplus assets of the Fund on winding up.

6. OTHER RECEIVABLES

	2023	2022
	MUR	MUR
Prepayments	**24,797**	24,741

The carrying value of the other receivables approximates its fair value and is receivable within 3 months.

7(a). FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Equity	**Debt**	**Total**
	MUR	**MUR**	**MUR**
At 01 July 2021	11,894,369	48,737,553	60,631,922
Reclassified from financial assets at amortised cost (Note 8)	(140,480)	140,480	-
Additions	-	20,318,988	20,318,988
Disposals	(13,299)	(7,524,827)	(7,538,126)
Interest accrued	-	43,115	43,115
Expected credit losses (Note 9)	-	104,373	104,373
Net unrealised loss on financial assets at FVOCI	(809,316)	(625,508)	(1,434,824)
At 30 June 2022	10,931,274	61,194,174	72,125,448

7(a). FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

	Equity	Debt	Total
	MUR	MUR	MUR
At 01 July 2022	**10,931,274**	**61,194,174**	**72,125,448**
Reclassification to financial assets at FVTPL (note 7b)	**-**	**(61,194,174)**	**(61,194,174)**
Disposals	**(5,838,487)**	**-**	**(5,838,487)**
Net unrealised loss on financial assets at FVOCI	**(185,003)**	**-**	**(185,003)**
At 30 June 2023	**4,907,784**	**-**	**4,907,784**

7(b). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Equity	Debt	Total
	MUR	MUR	MUR
At 01 July 2021	-	113,346,460	113,346,460
Additions	-	23,960,114	23,960,114
Disposals	-	(77,076,634)	(77,076,634)
Interest accrued	-	(813,604)	(813,604)
Net unrealised gain on financial assets at FVTPL	-	2,291,261	2,291,261
At 30 June 2022	-	61,707,597	61,707,597
At 01 July 2022	**-**	**61,707,597**	**61,707,597**
Reclassification from financial assets at FVOCI (note 7a)	**-**	**61,194,174**	**61,194,174**
Additions	**33,000,584**	**16,399,143**	**49,399,727**
Disposals	**(1,864,048)**	**(63,786,476)**	**(65,650,524)**
Interest accrued	**-**	**(781,105)**	**(781,105)**
Net unrealised loss on financial assets at FVTPL	**(275,271)**	**(2,892,563)**	**(3,167,834)**
At 30 June 2023	**30,861,265**	**71,840,770**	**102,702,035**

7(c). Equities financial assets comprise the following:

	2023			2022	
Equity and equity-related instruments	**Fair value FVOCI MUR**	**Fair value FVTPL MUR**	**Dividend income MUR**	Fair value FVOCI MUR	Dividend income MUR
Ishares_Core US Aggregate	**4,907,784**	**-**	**277,492**	9,114,088	167,539
Ishares_Core Global AGG Bond	**-**	**13,545,867**	**60,228**	-	-
Ishares_Core US Aggregate	**-**	**8,410,158**	**-**	-	-
Ishares_US Preference Stock	**-**	**-**	**7,375**	1,805,720	84,650
Vanguard Long-Term Bond ETF	**-**	**5,391,917**	**24,855**	-	-
Ascencia Ltd	**-**	**-**	**363**	11,466	697
New Mauritius Hotels pref shares		**-**	**10,560**	-	-
Pimco Income "E" (USD) INC	**-**	**3,513,323**	**149,097**	-	-
	4,907,784	**30,861,265**	**529,970**	10,931,274	252,886

7(d). Debt financial assets comprise the following:

	2023	2022		
	Fair value FVTPL MUR	Fair value FVTPL MUR	Fair value FVOCI MUR	Maturity dates
Government bonds	**43,256,763**	61,707,597	-	Jul 2023 - Jun 2043
Other local debts				
MCB Group Ltd 3.5% 5Y Notes	**-**	-	4,473,709	22/01/2023
SBM USD Note 4.75% Class B2 Series Bond	**2,021,865**	-	2,092,946	28/06/2025
SBM MUR Note 5.75% Class A2 Series Bond	**1,600,767**	-	4,995,031	28/06/2028
IBL LTD_5%_SERIES 2 NOTES		-	10,215,523	08/09/2022
CIM Financial Services Ltd_CFSL 4% 31/07/2025	**5,193,025**	-	9,415,764	31/07/2025
Alpha Capital Protected Note - Series 1	**-**	-	3,016,475	15/11/2022
FTPT 3.20% 27/04/26	**2,930,009**	-	2,930,009	27/04/2026
FTPT 3.55% 27/04/28	**4,021,361**	-	4,021,362	27/04/2028
FTPT 4.85% 06/06/2029	**-**	-	2,307,620	06/06/2029
FTPT 5.50% 06/06/2032	**-**	-	1,204,508	06/06/2032
SBM Bond	**-**	-	3,044,129	10/03/2024
Northfields International High School Limited	**-**	-	1,017,402	31/08/2026
Innodis Ltd_1.75%_21/03/2023	**-**	-	2,006,728	21/03/2023
Innodis Ltd_3.9%_21/12/2026	**-**	-	1,543,592	21/12/2026
New Mauritius Hotels Preference shares	**175,200**	-	153,600	No stated maturity
SBM Perpetual Fund Limited	**1,063,135**	-	1,017,608	No stated maturity
Fidelity US Dollar Bond "A" (USD) Acc	**11,578,645**	-	7,738,168	No stated maturity
Total	**71,840,770**	61,707,597	61,194,174	

8. FINANCIAL ASSETS HELD AT AMORTISED COST

	2023 MUR	2022 MUR
At 01 July	**31,209,417**	31,020,229
Additions	**8,000,000**	-
Disposals	**(21,949,296)**	-
Interest amortised	**5,262**	63,338
Expected credit losses (Note 9)	**(40,320)**	125,850
Realised loss	**(48,728)**	-
At 30 June	**17,176,335**	31,209,417

(a) The breakdown of financial assets at amortised cost is as follows:

	Interest rates	**2023 MUR**	2022 MUR	Maturity dates
Government bonds	12.96% - 13.00%	**6,290,838**	10,226,060	Jul 29-Apr 33
Term deposits with financial institutions				
ABC Banking Corporation Ltd Notes	5.60%	**2,811,902**	2,851,615	24/04/2025
Bank One Limited Notes	5.00%	**-**	3,003,152	22/06/2030
Other local bonds				
Ciel Note	4.98%	**-**	5,120,366	02/02/2025
Ascencia Ltd	4.00%	**-**	5,000,816	29/12/2030
Gamma Civic	4.33%	**5,006,709**	5,007,408	18/06/2031
ENL Bond	5.85%	**3,066,886**	-	10/08/2032
		17,176,335	31,209,417	

8. FINANCIAL ASSETS HELD AT AMORTISED COST (CONTINUED)

(b) Financial assets at amortised cost are further analysed as follows:

	2023	2022
	MUR	MUR
Non-current	**17,176,335**	31,209,417
Current	**-**	-
	17,176,335	31,209,417

9. ALLOWANCE FOR EXPECTED CREDIT LOSSES (ECLs)

	ECL on Amortised cost MUR	**ECL on FVOCI MUR**	**TOTAL MUR**
At 01 July 2021	307,622	140,160	447,782
Movement during the year (Note 7(a) and 8)	(125,850)	(104,373)	(230,223)
At 30 June 2022	181,772	35,787	217,559
At 01 Jul 2022	**181,772**	**35,787**	**217,559**
Reversal upon reclassification to FVTPL	**-**	**(35,787)**	**(35,787)**
Movement during the year (Note 8)	**40,320**	**-**	**40,320**
At 30 June 2023	**222,092**	**-**	**222,092**

The financial assets are classified under Stage 1 (2022: Stage 1).

10. FAIR VALUE MEASUREMENT HIERARCHY

Fair value of the Fund's local and foreign investments that are measured at fair value on a recurring basis

IFRS 13 requires disclosures relating to fair value measurement using a three level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

10. FAIR VALUE MEASUREMENT HIERARCHY (CONTINUED)

The following table provides an analysis of local and foreign investments grouped into level 1 and 2 based on the degree to which the fair value is observable.

	Level 1	Level 2	Level 3	Total
	MUR	MUR	MUR	MUR
2023				
Financial assets at FVOCI				
Equity investments	**4,907,784**	**-**	**-**	**4,907,784**
Financial assets at FVTPL				
Equity investments	**27,347,942**	**3,513,323**	**-**	**30,861,265**
Debt investments	**59,198,990**	**12,641,780**	**-**	**71,840,770**
At 30 June 2023	**91,454,716**	**16,155,103**	**-**	**107,609,819**
2022				
Financial assets at FVOCI				
Equity investments	10,931,274	-	-	10,931,274
Debt investments	49,421,923	8,755,776	3,016,475	61,194,174
Financial assets at FVTPL				
Debt investments	61,707,597	-	-	61,707,597
At 30 June 2022	**122,060,794**	**8,755,776**	**3,016,475**	**133,833,045**

There has been no transfer between levels during the financial year.

Level 3 reconciliation

The table below shows a reconciliation of all movements in the fair value of financial instruments categorised with the Level 3 between the beginning and the end of the reporting period:

	2023	2022
	MUR	MUR
At start	**3,016,475**	3,160,176
Maturity	**(3,016,475)**	-
Fair value movement	**-**	(143,701)
At end	**-**	3,016,475

Concentration of equity price risk

The equity investments are further analysed as follows:

	2023	2022	2023	2022
	MUR	MUR	%	%
Local				
Others	**363**	11,466	**-**	100
Foreign				
Financial Sector	**529,970**	10,919,808	**100**	100

11. OTHER PAYABLES

	2023	2022
	MUR	MUR
Manager's fees (note 16)	**90,210**	139,647
Trustee's fees (note 17)	**10,374**	16,059
Auditor's fees	**287,500**	126,500
Administrator's fees (note 19)	**15,919**	24,644
Registry fees (note 18)	**10,613**	16,429
Custodian fees (note 21)	**8,073**	8,056
Entry and exit fees (note 20)	**202**	665
Tax advisor fees	**32,603**	28,750
Professional fees	**8,625**	8,625
Unclaimed dividends	**236,095**	152,802
Payable to SBM Fund Services	**27,995**	27,995
Redemption payable	**-**	98,120
Subscription refundable	**-**	5,000
	728,209	653,292

The carrying amount of other payables approximate their fair value.

Other payables are unsecured, interest free and repayable within 3 months.

12. TAXATION

Income tax is calculated at the rate of 15% on profit for the year as adjusted for income tax purposes (2022: 15%).

The Fund is able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption are taxed at 15%. As an alternative to the partial exemption, the Fund can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction

(a) Income tax liability

	2023	2022
	MUR	MUR
At 01 July	**147,825**	293,605
Charge for the year	**149,672**	195,680
Tax paid during the year	**(147,826)**	(179,170)
Tax paid in advance	**(116,736)**	(47,855)
Over provision in previous year	**-**	(114,435)
At 30 June	**32,935**	147,825

12. TAXATION (CONTINUED)

(b) Reconciliation of tax charge

	2023	2022
	MUR	MUR
Profit before tax	**4,345,905**	8,325,110
Tax on accounting profit at the tax rate of 15%	**651,886**	1,248,767
Tax effect of:		
Exempt income	**(909,792)**	(1,048,876)
Non taxable income	**(441,114)**	(511,190)
Non-deductible expenses	**848,692**	506,979
Over provision in previous year	**-**	(114,435)
	149,672	81,245
Witholding tax suffered outside Mauritius	**106,737**	75,657
Tax expense	**256,409**	156,902
Tax charge for the year	**149,672**	195,680
Over provision in previous year	**-**	(114,435)
Witholding tax on foreign dividend income (Note 15(a))	**106,737**	75,657
Tax expense	**256,409**	156,902

13. RELATED PARTY DISCLOSURES

During the years ended 30 June 2023 and 2022, the Fund transacted with related entities. Details of the nature, volume of transactions and balances with the entities are shown below.

	Balances with related parties		**Fund expenses**	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
SBM Mauritius Asset Managers Ltd				
Manager fees payable	**90,210**	139,647		
Manager fees			**1,517,329**	1,803,056
Entry and Exit fees payable	**202**	665		
SBM Fund Services Ltd				
Administrator fees payable	**15,919**	24,644		
Administrator fees			**267,764**	318,186
Registry fees payable	**10,613**	16,429		
Registry fees			**178,509**	212,124
Postage fees payable	**27,995**	27,995		
Postage fees			**111,148**	132,860
DTOS Trustees Ltd				
Trustee fees payable	**10,374**	16,059		
Trustee fees			**174,493**	206,751
SBM Bank (Mauritius) Ltd				
Custodian fees payable	**8,073**	8,056		
Custodian fees			**153,937**	126,295
Balances held with Bank	**5,414,727**	36,606,766		
Bank charges			**12,399**	5,225

13. RELATED PARTY DISCLOSURES (CONTINUED)

	Balances with related parties		Fund expenses	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
SBM Holdings Ltd				
Investments in ultimate holding	**7,087,977**	10,132,106		
Interest Income			**207,355**	439,529
SBM Perpetual Fund Limited				
Investment in other related parties	**1,063,135**	1,017,607		

No compensation was paid to key management personnel during the year (2022: Nil).

Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payable.

14. FINANCIAL RISK MANAGEMENT

Risk is inherent in the Fund's activities and is managed through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls put in place at the investment manager company level. The Fund is exposed to market risk(which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds. The Fund has investment guidelines that set out its overall business strategies and its tolerance for risk.

14.1 Categories of financial instruments

	2023	2022
	MUR	MUR
Financial assets		
Cash and cash equivalents at amortised cost	**5,414,727**	36,606,766
Financial assets at fair value through OCI	**4,907,784**	72,125,448
Financial assets at fair value through profit or loss	**102,702,035**	61,707,597
Financial assets at amortised cost	**17,176,335**	31,209,417
	130,200,881	201,649,228
Financial liabilities		
Other payables at amortised cost	**728,209**	653,292

14.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity as provided in Note 3.

14.3 Risk management

The Fund's credit risk is managed by the Investment manager subject to the Fund's established policy, procedures and controls. The credit exposure is monitored by the investment team and reported to the Fund’s board and Investment Committee on a quarterly basis. There are internal limits with respect to single issuer exposure, maximum sector exposure and the Fund will hold a diversified portfolio of securities in mitigating overall portfolio credit risk. Investment–grade securities are mostly targeted in managing credit risk but credit migration is monitored.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.4 Market risk

Market risk is the risk of loss resulting from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices.

Foreign currency risk

The Fund invests in securities, including maintenance of cash that are denominated in such currencies other than in Mauritian Rupee ("MUR"). Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Fund will necessarily be subject to foreign exchange risk.

The currency profile of the Fund's financial assets and liabilities is summarised as follows:

	Financial assets		Financial Liablities	
	2023	2022	**2023**	2022
	MUR	MUR	**MUR**	MUR
Mauritian Rupee	**77,432,137**	177,656,906	**728,209**	653,292
United States Dollar	**52,696,699**	23,971,120	**-**	-
Euro	**72,045**	21,202	**-**	-
	130,200,881	201,649,228	**728,209**	653,292

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.4 Market risk (Continued)

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rate, with all other variables held constant, on the Fund's profit before tax and equity:

	Increase / decrease percentage		Effect on profit before tax and equity	
	2023	2022	**2023**	2022
			MUR	MUR
United States Dollar	**10%**	10%	**(5,269,670)**	(2,397,112)
	-10%	-10%	**5,269,670**	2,397,112
Euro	**10%**	10%	**(7,205)**	(2,120)
	-10%	-10%	**7,205**	2,120

Equity and Bond price risk

The Fund is exposed to the risk that the value of its investment securities will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all securities traded in the market. Market risk is managed through diversification of the investment portfolio.

Price sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity and bond price risks at the reporting date and assesses the impact of a 5% change in the price of local and foreign investment.

	Change in price by	**2023**	2022
	%	**MUR**	MUR
Profit /(loss) before tax	+ 5	**5,380,491**	6,691,652

A fall in equity and bond prices by 5% would have resulted in an equal but opposite impact on net

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

At the reporting date, the interest rate profile of the Fund's interest bearing financial instruments was:

	2023	2022
Variable rate asset	**MUR**	MUR
Financial assets at fair value through OCI	**-**	17,981,337
Financial assets at fair value through profit or loss	**8,552,138**	-
Financial assets at amortised cost	**14,364,435**	20,234,272
Balance with bank	**5,414,727**	36,606,766
	28,331,300	74,822,375

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.4 Market risk (Continued)

Interest rate risk (Continued)

Fixed rate assets	**2023** **MUR**	2022 MUR
Financial assets at fair value through OCI	-	34,457,061
Financial assets at fair value through profit or loss	**53,155,459**	61,707,597
Financial assets at amortised cost	**2,811,900**	10,975,145
	55,967,359	107,139,803

The Fund is exposed to interest rate risk on its variable rate assets.

Interest rate sensitivity analysis

The sensitivity analysis below assesses the impact of a change in interest rate over a 12-month period. If the interest rate had been 2% higher:

	Change in interest rate by %	**2023** **MUR**	2022 MUR
Effect on profit before tax	+ 2	**566,626**	1,496,448

A decrease in interest rate by 2% would have resulted in an equal but opposite impact on profit before tax and net assets.

14.5 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within debt instruments, cash and cash equivalents.

The Investment Manager's policy is to closely monitor the creditworthiness of the fund's counterparties by reviewing their credit ratings, financial statements and press releases on a regular basis.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Financial assets subject to IFRS 9's impairment requirements

The Fund's financial assets subject to the expected credit loss model within IFRS 9 are financial assets at amortised cost.

At 30 June 2023, the total financial assets at amortised cost was **MUR 17,176,335** on which a loss allowance of **MUR 222,092** has been provided (2022: Financial assets at amortised cost was MUR 31,209,417 on which a loss allowance of MUR 181,772 was provided).

There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the period.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.5 Credit risk (continued)

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of exposures.The Fund considers that these exposures have low credit risk based on the external credit rating of the counterparties. The Fund has assessed that ECL on cash and cash equivalents is not considered to be material.

Probabilities of default have been used to calculate the loss allowance. The 12-month and lifetime probabilities are based on historical data supplied by Moody or Standard and Poor for each credit rating and are recalibrated based on current market prices. Loss given default parameters generally reflect an assumed recovery rate of **55%**. However, if the assets were credit-impaired, the estimate loss would be based on a specific assessment of expected cash shortfalls and on the original effective interest rate.

The loss on financial assets is detailed as follows:

2023	**Rating**	**PD_1**	**LGD_1**	**MUR**
Financial assets at amortised cost				
Government Bonds	**Baa3**	**0.0003**	**45%**	**784**
Term deposits with other financial institutions	**A+ / unrated**	**0.000503566 - 0.160838259**	**45%**	**219,397**
Other local bonds	**AA- / A stable**	**0.000045975- 0.160838259**	**40.63%-51.45%**	**1,911**
				222,092
2022				
Financial assets at FVOCI				
Term deposits with other financial institutions	Baa3	0.0012	45%	8,117
Other local bonds	AAA - Unrated	0.000012239 - 0.000035774	42.05% - 49.71%	27,670
Financial assets at amortised cost				
Government Bonds	Baa2	0.0000	45%	52
Term deposits with other financial institutions	A- / A+	0.00001224 - 0.00003577	34.61% - 51.23%	180,220
Other local bonds	A- / A+	0.00001224 - 0.00003577	34.61% - 51.23%	1,500
				181,772
Total				217,559

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.5 Credit risk (Continued)

Financial assets not subject to IFRS 9's impairment requirements

The Fund is not exposed to credit risk on its equity instruments held at FVOCI and FVTPL as well as debt instruments held at FVTPL. These classes of financial assets are not subject to IFRS 9's requirements. The carrying amounts of equity financial assets held at FVOCI (**MUR 4,907,784**) and financial assets held at FVTPL **(MUR 102,702,035)** under IFRS 9 represents the Fund's maximum exposure to credit risk on financial instruments not subject to IFRS 9 impairment requirements under respective reporting (2022: Equity financial assets at FVOCI amounted to MUR 10,931,274 and Debt financial assets at FVTPL amounted to MUR 61,707,597).

14.6 Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected. The Fund is exposed to cash redemptions of its redeemable shares on a regular basis. Shares are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's prospectus.

The Manager may limit the total number of the units in the Fund that may be redeemed on any business day to 10% of that outstanding units in the Fund.

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Disposal of other assets

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund can be required to pay.

Financial assets

Analysis of equity and debt securities into maturity groupings is based on the expected date on which these assets will be realised. For other assets, the analysis into maturity groupings is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date on which the assets will be realised.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.6 Liquidity risk (Continued)

The following table summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Fund's financial assets (undiscounted where appropriate) in order to provide a complete view of the Fund's contractual commitments and liquidity .

2023	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	No stated maturity	Total
	MUR	MUR	MUR	MUR	MUR	MUR
Financial assets						
Cash and cash equivalents	**5,414,727**	**-**	**-**	**-**	**-**	**5,414,727**
Financial assets at FVOCI	**-**	**-**		**-**	**4,907,784**	**4,907,784**
Financial assets at FVTPL	**47,478,048**	**6,926,976**	**16,836,996**	**30,221,680**	**1,238,335**	**102,702,035**
Financial assets at amortised cost	**-**	**2,811,901**	**-**	**14,364,434**	**-**	**17,176,335**
	52,892,775	**9,738,877**	**16,836,996**	**44,586,114**	**6,146,119**	**130,200,881**
Financial liabilities						
Other payables	**728,209**	**-**	**-**	**-**	**-**	**728,209**
Net financial assets	**52,164,566**	**9,738,877**	**16,836,996**	**44,586,114**	**6,146,119**	**129,472,672**
2022						
Financial assets						
Cash and cash equivalents	36,606,766	-	-	-	-	36,606,766
Financial assets at FVOCI	30,643,709	3,044,129	16,999,713	12,528,521	8,909,376	72,125,448
Financial assets at FVTPL		5,056,709	5,023,372	51,627,516	-	61,707,597
Financial assets at amortised cost	-	-	7,971,981	23,237,436	-	31,209,417
	67,250,475	8,100,838	29,995,066	87,393,473	8,909,376	201,649,228
Financial liabilities						
Other payables	653,292	-	-	-	-	653,292
Net financial assets	66,597,183	8,100,838	29,995,066	87,393,473	8,909,376	200,995,936

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

14.6 Liquidity risk (Continued)

Excessive risk concentration

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risks arises when a number of financial instruments or contracts are entered into with the same counterparty or when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of liquidity risk may arise from repayment terms of financial liabilities. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency. In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The investment manager is instructed to reduce exposure to excessive risk concentrations.

The Fund shall not invest more than 20% of its Net Asset Value in securities issued by a single issuer (a company or other corporate entity including the subsidiaries thereof) at the time of purchase.

The Fund shall not hold more than 20% of any class of security listed or unlisted, issued by a single issuer. The Fund has complied with these restrictions.

15. INCOME

	2023	2022
	MUR	MUR
(a) Dividend Income		
Foreign dividends	**519,047**	252,189
Local dividends	**10,923**	697
Total	**529,970**	252,886
Witholding tax suffered on foreign dividends (Note 12(b))	**106,737**	75,657
(b) Interest Income		
Interest income calculated using effective interest method		
Income on Government bond	**1,404,197**	-
Interest on other local bonds	**1,139,330**	3,710,080
	2,543,527	3,710,080
Interest income on financial assets held at FVTPL		
Income on Government bond	**2,833,858**	4,777,494
Income on Foreign bond	**137,160**	-
Interest on other local bonds	**1,534,357**	-
	4,505,375	4,777,494

16. MANAGER'S FEES

Manager's fees are computed daily based on **0.85% p.a of net asset value** of the Fund (2022: 0.85% of NAV) and the fees are payable monthly in arrears.

17. TRUSTEE'S FEES

Trustee's fees are computed daily based on **0.085% p.a of net asset value of the Fund plus VAT** (2022:0.085% of NAV plus VAT) with a minimum of MUR 5,000 and maximum MUR 20,000 per month and the fees are payable monthly in arrears.

18. REGISTRY'S FEES

Registry's fees are computed daily based on **0.10% p.a of net asset value** of the Fund (2022: 0.10% of NAV) and the fees are payable monthly in arrears.

19. ADMINISTRATOR'S FEES

Administrator's fees are computed daily based on **0.15% p.a of net asset value** of the Fund (2022:0.15% of NAV) and the fees are payable monthly in arrears.

20. ENTRY FEE AND EXIT FEE

Entry fees of up to 0.50% (2022: up to 0.50%) on the units subscribed are retained by the Investment Manager to meet any administration costs in relation to subscription of units.

Exit fees of 0.5% of the Net Asset Value per unit will be applicable at the time of redemption. The redemption proceeds will be reduced by the amount of the exit fees and the net amount paid to the Unitholder.

21. CUSTODIAN FEES

Custodian's fees are computed daily based on **0.06% p.a of investment value** of the Fund (2022: 0.06% p.a of investment value) and the fees are payable monthly in arrears.

22. DISTRIBUTION TO UNITHOLDERS

	Distribution	Distribution per unit
	MUR	**MUR**
As at 30 June 2023 distributions made to unitholders were follows:		
Year ended 30 June 2022	**1,518,718**	0.09
Quarter ended 30 Sept 2022	**1,176,495**	0.08
Quarter ended 31 December 2022	**1,309,500**	0.08
Quarter ended 31 March 2023	**1,360,968**	0.12
	5,365,681	
As at 30 June 2022 distributions made to unitholders were follows:		
Year ended 30 June 2021	1,131,856	0.06
Quarter ended 30 Sept 2021	1,507,845	0.08
Quarter ended 31 December 2021	1,565,688	0.09
Quarter ended 31 March 2022	1,203,424	0.07
	5,408,813	

23. EVENTS AFTER REPORTING DATE

There has been no material events after the reporting date which would require disclosure or adjustment to the Financial Statements for the year ended 30 June 2023.