

Annual Report 2021



Authorised Long-term Ethical Equity Fund

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report together with the Audited Financial Statements of A.L.E.E.F. Ltd for the year ended December 31, 2021, contents of which are listed below:

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CORPORATE INFORMATION

DIRECTORS :

	Date Appointed	Date Resigned
Mazahir F.E. Adamjee	December 14, 1999	-
Reshard Abdool Neetoo	December 14, 1999	-
Feisal Kathrada	May 18,2016	-
Heng Moye Christiane Yeung Chin Shing	August 6, 2019	-
Kamal Haasan Iyaroo(Alternate Director to Heng Moye Christiane Yeung Chin Shing)	August 6, 2019	-
Samade Jhummun	August 26, 2020	-

SECRETARY, REGISTRAR AND TRANSFER OFFICE :

Tri-Pro Administrators Ltd
Level 5, Maeva Tower
Bank Street, Cybercity
Ebène
REPUBLIC OF MAURITIUS

REGISTERED OFFICE :

Tri-Pro Administrators Ltd
Level 5, Maeva Tower
Bank Street, Cybercity
Ebène
REPUBLIC OF MAURITIUS

CUSTODIAN :

The Mauritius Commercial Bank Ltd
9-15, Sir William Newton Street, Port Louis
Republic of Mauritius

BANKERS :

The Mauritius Commercial Bank Ltd
9-15, Sir William Newton Street, Port Louis
Republic of Mauritius

AUDITORS

BDO & Co
(Chartered Accountants)
10, Frère Félix de Valois Street, Port Louis
Republic of Mauritius





ALEEF INVESTING MAINLY IN GLOBAL
COMPANIES AND TARGETING
LONG TERM CAPITAL APPRECIATION

CORPORATE GOVERNANCE REPORT

DECEMBER 31, 2021

The Board considers that it has maintained appropriate policies and procedures during the year ended December 31, 2021 to ensure compliance with the Corporate Governance Framework of the Fund.

The eight principles of the Code have been implemented as detailed below:

1) Governance Structure

A.L.E.E.F. Ltd (the "Fund") was incorporated in the Republic of Mauritius in 1999 as a public company limited by shares. The Fund has obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Companies Act 1984 as retained by Companies Act 2001. Following the changes in the Securities Act 2005, the Fund obtained its CIS license from the Financial Services Commission ("FSC") on the October 1, 2012.

As per the Code, all organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified. The Board takes its fiduciary responsibilities seriously. Each Director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the organisation in order for it to prosper. The Board has approved all the key guiding documents and policies and affirms each key governance role.

As part of the Corporate Governance Framework which the Board has adopted, the Fund has also adopted a Board Charter, which clearly defines the role, function and objectives of the Board of Directors, the various committees in place, as well as that of the Secretary, Tri-Pro Administrators Ltd ("Tri-Pro").

In addition, in line with the Securities Act 2005 ("SA 05"), the Board is ultimately responsible for the Fund's code of ethics and safety and social issues with regards to its employees. The Board confirms that there is an on-going process for identifying, evaluating and managing the various risks faced by the Fund.

Role of the Board

The Board also plays a leadership role by overseeing its delegated functions to ensure that objectives of the Fund are being met through the implementation of adequate policies and processes that lead to value-creation.

Key Governance Responsibilities

The Board acknowledges that it should lead and control the organisation and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements as follows:

- i) Determine, agree and develop the Fund's general policy on corporate governance in accordance with the Code;
- ii) Advise and make recommendations to the Board on all aspects of corporate governance and new Board Appointment;
- iii) Prepare the Corporate Governance Report; and
- iv) Review the terms and conditions of all service agreement between the Fund and service providers.

The profiles of the Board of Directors are set out as follows:

Mr A. Reshard Neetoo - Independent Non-Executive Director

Mr A. Reshard Neetoo is a Graduate in Mechanical Engineering and is the Managing Director of Neetoo Group of Industries.

Mr Mazahir F.E. Adamjee - Independent Non-Executive Director

Mr Mazahir F.E. Adamjee is a Chartered Accountant a Fellow Member of the Institute of Chartered Accountants in England and Wales. He is the former Deputy Managing Director and Director of Currimjee Jeewanjee and Company Limited, Former Chairman of Mauritius Export Processing Zone Association, Former Director of Bramer Banking Corporation Ltd, Former Managing Director of Bonair Group of companies and Former Managing Director of Quality Beverages Limited, a company listed on the Stock Exchange of Mauritius Ltd. He continues to hold Non- Executive Directorship position in numerous Companies within the Currimjee Group.

Mr Feisal Kathrada - Independent Non-Executive Director

Feisal Kathrada holds a B.A (Hons) degree in Economics and is a Fellow Member of The Association of Chartered Certified Accountants (UK). He worked for De Chazal Du Mee from 1991 to 1992 in the Consultancy Department. From 1992 to 2004, he headed the Finance & Administrative Departments of The Arvind Overseas (Mauritius) Ltd & Arvind Spinning Ltd, both being subsidiaries of The Arvind Mills Ltd, a textile conglomerate based in Ahmedabad, India. Feisal joined Island Life Assurance Co. Ltd in February 2005 as Finance Manager and was the Head of Finance & Investment until his retirement on 30 April 2021.

Mr. Sulliman Adam Moollan - Independent Non-Executive Director (ceased to hold office as director as from 10 November 2021)

Mr Sulliman Adam Moollan holds a Bachelor's Degree in Economics from Monash University in Australia. He is a Fellow of the Certified Practising Accountants of Australia. He is a Fellow of the Mauritius Institute of Directors.

Mrs Christiane Yeung Chin Shing - Independent Non-Executive Director

Mrs. Yeung was the chairperson of the Executive Committee of the Mauritius branch of the Society of Trust and Estate Practitioners (STEP) in 2009. She has also been an active member of the Executive Committee of the Association of Trust and Management Companies. She is also an Associate of the Institute of Chartered Secretaries and Administrators (UK) since 1997 and holds a Diploma in Management Studies from the University of Mauritius.

Mrs. Yeung joined the Rogers Group in 1983, a listed conglomerate in Mauritius, and was seconded to IMM Ltd (the first management company to be licensed by Mauritius Offshore Business Activities Authority) in 1992 to start up the company in the offshore sector. Since 2008, Mrs. Yeung is a director of Tri-Pro Administrators Ltd ("TRI-PRO"). As one of the co-founders of TRI-PRO, a management Fund licensed by the Financial Services Commission of Mauritius, she is on course again to take the challenge of bringing TRI-PRO to new heights.

Mr Kamal Haasan Iyaroo - Alternate Director to Mrs Christiane Yeung Chin Shing

Mr. Iyaroo is currently the Chief Operating Officer at TRI-PRO and has under his responsibility the overall portfolio of clients. He has considerable experience in the structuring and administration of investment vehicles, ranging from trusts vehicles, protected cell companies, private companies to private equity funds and hedge funds. His areas of specialisation include set up and administration of funds and companies, and Fund law and anti-money laundering compliance.

Mr. Iyaroo joined the global business sector in 2005 and worked for one of the leading fund administrators in Mauritius from 2005 to 2009. In 2009, he joined TRI-PRO. Mr. Iyaroo holds a Bachelor of Science degree in Finance with Law and a Master of Science degree in Finance from the University of Leicester. He also serves on boards of directors for global business companies, closed-end funds, collective investment schemes and Mauritius domestic companies.

Mr Samade Jhummun

Mr. Jhummun, Chief Executive Officer at Mauritius Finance ("MF"), is a Fellow of the Association of Chartered Certified Accountants, member of the Chartered Institute for Securities & Investment, member of the International Fiscal Association and a member of the Mauritius Institute of Directors. He also holds an Advanced Professional Non-Executive Director Diploma from The Financial Times and has more than 20 years experience in the Financial Services industry, having occupied senior positions in Mauritius, the Channel Islands and Ireland. Prior to joining MF, he was the Chief Executive Officer of Global Finance Mauritius.

The Board currently comprises of Mr A. Reshard Neetoo, Mr Mazahir F.E. Adamjee, Mr Feisal Kathrada, Mrs Christiane Yeung Chin Shing, Mr Kamal Haasan Iyaroo (Alternate Director to Mrs Christiane Yeung Chin Shing) and Mr. Samade Jhummun. During the period under review, Mr Sulliman Adam Moollan was also a member of the Board until his demise on 10 November 2021

The Board meets as and when required to discuss routine and other significant matters so as to ensure that the directors maintain overall control and supervision of the Fund's affairs.

Governance Structure (cont'd)

2) Structure of the Board and its Committees

The Board is a unitary Board and is composed of directors coming from different sectors. Every director has drawn from his professional background and expertise in positively contributing to the Board's activities. The Board is aware of the requirement of holding Continuous Development Programmes.

The Board considers that its current size and composition are appropriate for the type of activity in which the Fund is engaged and for the effective discharge of the Board's responsibilities.

The Investment Committee ("IC") consists of the following members.

1. Mr Chandrasekhara Lutchmiah;
2. Mr. Feisal Abdool Khaleck Kathrada;
3. Mr. Sulliman Adam Moollan (until his demise on 10 November 2021);
4. Mr Samade Jhummun; and
5. Mrs. Christiane Yeung Chin Shing.

The role of the IC is to advise the Board of the Company on investments and disinvestments generally. The IC is responsible for making recommendations to the Board on decisions affecting the portfolio and investment opportunities to grow the portfolio. The IC has established a regular meeting schedule, which shall be at least two times annually or more frequently as circumstances require. During the financial year 2021, the IC held 3 meetings.

3) Director Appointment Procedures

The directors appointed as of date are appropriately qualified and of sufficient calibre to exercise independence of mind and judgment.

Eligibility for appointment as a director is guided by the FSC's fit and proper test, requirements of the Mauritius Companies Act 2001 and relevant regulations and guidelines.

The directors of the Fund are appointed in line with the Constitution and the appointment, resignation and re-election of the directors are considered at the annual meeting of the shareholders. The board members of the Fund possess relevant qualification and experience, and sufficient knowledge of the financial sector in general and the global business in particular. They all meet the competency standards and are encouraged to follow ongoing training in order for them to continually update their skills and knowledge.

The current directors will submit themselves to re-election by the shareholders at the Fund's forthcoming annual meeting.

Fund Secretary

The Fund Secretary has an advisory role in all governance-related matters concerning the Fund and acts as the main point of contact for the directors and shareholders, should they require guidance on their statutory responsibilities

The principal functions of the Fund Secretary include supplying the Board with high quality and timely information, collaborating with the Board in the preparation of agendas and coordinating the information flow between the directors.

Tri-Pro was appointed by the Board as Fund Secretary since September 30, 2019.

During the period under review, Mr. Samade Jhummun has been appointed as additional director and all prior appointment of directors been effected in accordance with the Constitution of the Fund subject to receipt of customer due diligence documents on the latter, in line with the Code of prevention of Money Laundering and Terrorist Financing. In addition, FSC approval has been duly received prior to the appointment of the above-mentioned director.

The Board is aware of the requirement of holding Continuous Development Programmes.



Governance Structure (cont'd)

4) Directors Duties, Remuneration and Performance

The directors of the Fund are aware of their duties under the Companies Act 2001 and the Constitution of the Fund and exercise sufficient care, diligence and skills for the good conduct of the business.

The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Fund's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making. The Board meetings are usually held at the Registered Office of the Company. However, owing to the COVID-19 Pandemic, this time, the meetings were held over video-conferencing. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members in advance of the meetings.

Number of Board meetings and the attendance of the Directors during the financial year 2021

Sr	Name of Director	No. of Board Meetings held during FY 2021	No. of Board Meetings attended by the Directors during FY 2021	Attendance at the last AGM
1.	Mr Sulliman Adam Moollan	2	2	Yes
2.	Mr Mazahir F.E Adamjee	2	1	Yes
3.	Mr Feisal Kathrada	2	1	Yes
4.	Mrs Christiane Yeung Chin Shing	2	2	Yes
5.	Mr Samade Jhummun	2	2	Yes
6.	Mr A. Reshard Neetoo	2	1	Yes

For the period under review, no disclosure of interest has been made to the Board.

The Fund, in line with the SA05, has also adopted a Policy for Conflicts of interest.

• Legal Duties

All of the Directors on the Board including any alternate directors are fully apprised of their fiduciary duties as laid out in the Mauritius Companies Act, 2001.

• Conflict of Interest

The Directors must declare the nature of their interest(s), depending on the following circumstances:

- at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration;
- if the Director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or
- in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested.

A register of interests is kept by the Fund Secretary and is updated on a regular basis. The register is also available to the shareholders of the Fund upon request to the Fund Secretary.

• Directors' Remuneration

No remuneration has been paid to the directors in form of share options or bonuses or bonuses associated with organizational performance

• Directors' Liability Insurance

The Fund has in place a proper liability Directors & Officers and Professional Indemnity Insurance cover for its directors and officers, renewable on a yearly basis, for any legal action entered against them

Governance Structure (cont'd)

5) Risk Management and Internal Control

The oversight of risk management and internal control activities, either at the level of the Fund or its service providers, is currently delegated to the Board of directors which regularly reviews the effectiveness of the internal control and risk management systems of the Fund. The Board also reviews the performance of the external auditors and approves any proposed discharge of the external auditors when circumstances warrant. Additionally, with the direction of the Board, management has developed and implemented appropriate frameworks and effective processes for sound management of risk

The directors are responsible for maintaining an effective system of internal control and risk management.

The Fund follows the internal procedure in place at Tri-Pro.

Day to day activities are undertaken by the Secretary, Tri-Pro, which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Fund relies on the internal controls of Tri-Pro

The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Fund. Further, risks and uncertainties are managed at the level of the board of directors of the Fund. Moreover, considering the size and nature of its business activities, the Fund does not have a whistle blowing policy in place. Instead, all Fund affairs are addressed to the Board of directors of the Fund. Moreover, Tri-Pro has a whistle blowing policy in place.

Moreover, the Board of directors is responsible for the day-to-day management as well as the Fund's strategic, financial, operational and compliance risk matters. Further, the Board has also developed and implemented appropriate framework and effective process for the sound management of risk.

6) Reporting with Integrity

The directors are responsible for preparing the audited financial statements of the Fund on a yearly basis in accordance with applicable law and regulations. The financial statements have been prepared under the IFRS, which is an accepted accounting standard as per FSC circular dated December 2, 2014.

The financial statements of the Fund for the year ended December 31, 2021 will be filed with the FSC within the statutory deadline, after the Board's approval.

Directors acknowledge their responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the Fund as at the end of the financial year and the cash flows for the year and which comply with International Financial Reporting Framework (IFRS); and
- the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The financial statements are tabled for review and approval by the Board of Directors, before filing with the Financial Services Commission ('FSC') on an annual basis. Quarterly management accounts are filed with the FSC within 45 days of quarter end.

The directors make an assessment of the Fund's ability to continue as a going concern and same is disclosed in the financial statements every year. The Manual describes the Fund's culture, ethics and values.

Due to the nature of its activities, the Fund:

- has no adverse impact on environment;
- has no impact on health and safety issues;
- has no adverse impact on social issues; and
- has no corporate social responsibility in place.

The Fund has CSR of Rs.39,257 (2020: Rs.26,259) for the current year.

The Fund does maintain a website.



CORPORATE GOVERNANCE REPORT (cont'd)

DECEMBER 31, 2021

Governance Structure (cont'd)

7) Audit

• Directors' responsibilities

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with all the requirements of the Companies Act 2001 and IFRS and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Any deviations on the above will be reported in the independent auditors' report attached to the financial statements.

• External Audit

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

BDO & Co was re-appointed as the statutory auditors for the financial year ended December 31, 2021 at the shareholders' meeting held on June 28, 2021. The re-appointment of BDO & Co will be done at the next Annual Meeting of the Fund.

Fees payable (inclusive of VAT) to the external auditors for audit services for the year are as follows:

	2021	2020
	Rs.	Rs
Audit fees	(114,425)	106,375

The External auditors provide only audit services to the Fund.

8) Relations with Shareholders and other Key stakeholders

The Annual Meeting of the shareholders of the Fund will be held by July 27, 2022 to adopt the audited financial statements of the Fund for the year ended December 31, 2021. Notice of this meeting will be sent within the deadline stipulated by the Constitution of the Fund.

ANNUAL REPORT AND STATUTORY DISCLOSURES

DECEMBER 31, 2021

1. The directors submit herewith their Annual Report to the shareholders together with the Audited Financial Statements for the year ended December 31, 2021.

2. Main activity

The objective of the Fund is long-term capital appreciation with a reasonable income yield.

Details of the investment portfolio are as follows:

LOCAL INVESTMENT

	2021		2021	2020
	No. of shares	Market value		
		Rs.	Rs.	Rs.
Listed securities				
Industry				
MOROIL	39,766	20.00	874,852	
MCFI	13,000	9.74	126,620	
United Docks Ltd	4,100	62.00	254,200	1,255,672
				1,404,807
Commerce				
United Basalt Ltd	22,000	155.00	3,410,000	
Vivo Energy Ltd	5,466	243.00	1,328,238	4,738,238
				3,941,485
				5,993,910
DEM Securities				
Ascencia Ltd	77,500	30.10	2,332,750	
Lavastone Ltd	134,500	2.06	277,070	2,609,820
				1,974,420
				8,603,730
				7,320,712



FOREIGN INVESTMENTS

	2021			2020
	No. of shares	Market value	Total	
STOCKS		CAD	Rs.	Rs.
Reitmans Canada Ltd	5,000	2.08	353,235	37,188
		CHF	Rs.	Rs.
ABB Ltd	600	34.90	986,379	660,424
Nestle SA	429	127.44	2,575,313	970,651
			3,561,692	1,631,075
		EUR	Rs.	Rs.
Arcelormittal	-	-	-	607,265
Danone	460	54.59	1,223,930	1,194,316
Ishares Msci World Islamic	1,518	39.37	2,912,511	2,220,615
Teliasonera AB	5,000	3.45	841,252	816,186
Essilor Luxottica	-	-	-	862,404
Vestas Wind Systems	500	26.67	649,948	-
KONINKLIJKE PHILIPS N.V.	710	32.77	1,133,846	-
			6,761,487	5,700,786
		GBP	Rs.	Rs.
Glaxo Smithline Plc	550	16.07	513,831	394,883
Rio Tinto PLC	-	-	-	1,229,109
Unilever PLC	800	39.46	1,835,447	1,301,745
Vodafone Plc	16,332	1.21	1,066,140	1,057,252
Reckitt Benckiser Group PLC	392	63.42	1,445,646	-
			4,861,064	3,982,989
		SGD	Rs.	Rs.
Keppel	8,000	5.12	1,309,696	641,619

FOREIGN INVESTMENTS (cont'd)

	2021			2020
	No. of shares	Market value USD	Total Rs.	
Bhp Billiton	-	-	-	899,895
Cabot Oil & Gas	1,000	19.00	818,900	640,618
Coca-Cola Company	710	59.21	1,811,885	1,963,738
CVS Caremark Corporation Shares	-	-	-	1,075,042
Exxon Mobil Corp	350	61.19	923,051	243,301
General Electric	-	-	-	667,219
Ishares Global Healthcare ET	490	90.34	1,907,890	1,474,071
Ishares S&P Glb Energy Sector	700	27.51	829,977	559,439
Ishares Msci Em Islamic Etf	1,400	22.36	1,349,052	2,218,486
Ishates Msci World Islamic Ucits Etf	1,277	44.60	2,454,726	1,874,826
Ishares US Technology	-	-	-	-
Ishares MSCI USA Islamic UCITS	950	63.09	2,583,220	1,016,824
Johnson and Johnson Inc	-	-	-	439,696
Kraft Heinz Co	529	35.90	818,516	721,488
Microsoft Corporation	-	-	-	551,390
Pfizer Inc	200	59.05	509,011	1,520,897
Sanlam Africa Core Real Esta	2,200	2.24	212,397	193,917
SPDR Gold Shares	120	170.96	884,205	842,216
Upjohn - Viatris	-	-	-	95,864
Wabtec Corp	-	-	-	23,043
ALIBABA GROUP HOLDING-SP ADR	200	118.79	1,023,970	-
AIRBNB INC - CLASS A	120	166.49	861,086	-
ALMALIASANLAM ACTIVE SHARIAH GLOBAL	4,999	8.54	1,839,248	-
GENERAL ELECTRIC COMPANY	196	94.47	798,045	-
CISCO SYSTEMS INC	330	63.37	901,312	-
LOGITECH INTERNATIONAL REG SA	130	82.48	462,135	-
			20,988,626	17,021,970
Total overseas			37,835,800	29,015,627
Total			46,439,530	36,336,339

Exchange rate used in the translation of foreign investments:

- CAD1=Rs. 33.97 (2020: CAD \$1=Rs.30.99)
- CHF1=Rs. 47.11 (2020: CHF1=Rs. 44.55)
- EUR1=Rs. 48.74 (2020: EUR1=Rs.48.30)
- GBP1=Rs. 58.15 (2020: GBP1=Rs.53.50)
- SGD1=Rs. 31.98 (2020: SGD1=Rs.29.82)
- US\$1=Rs. 43.1 (2020: US\$1=Rs.39.35)



ANNUAL REPORT AND STATUTORY DISCLOSURES (CONT'D)

DECEMBER 31, 2021

3. Results

The Fund's profit for the year amounting to Rs.7,888,273 the year (2020: profit Rs.3,098,975).

4. Share capital

During the year under review, 117,278 shares were issued (2020: nil) and 773 (2020: 46,523) shares were redeemed

5. Service contracts and contract of significance

There are no service contracts between the Fund and its Directors. There was no contract of significance subsisting during the period under review, whereby the Fund is or was a party and in which a Director is or was materially interested, either directly or indirectly.

6. Substantial shareholders

There was no substantial shareholder as at December 31, 2021.

7. Auditors' fees

The fees payable to the auditors (including VAT), for audit and other services were:

	2021	2020
	Rs.	Rs.
Audit fees	114,425	106,375

8. Donation

Corporate Social Responsibility activities during the year amounting to Rs.37,255 (2020: Rs.26,259).

9. Directors' emoluments and benefits

	2021	2020
	Rs.	Rs.
Executive directors	-	-
Non-executive directors	-	-

10. Status and registered office

The Fund is an open-ended Fund and was incorporated on December 14, 1999 as a public company with limited liability. The Fund has obtained approval from the Ministry of Finance to be an 'Authorised Mutual Fund' under Section 35 of the Companies Act 1984 as retained by Companies Act 2001. The Fund's registered office is c/o 5th Floor, 19 Bank Street, Cybercity, Ebene 72201, Republic of Mauritius.

11. Dividends

Dividend declared for the year ended December 31, 2020 on May 28, 2021 amounting to Rs.513,486 (Rs.0.20 per share).

No dividend was declared in the year ended December 31, 2021.

12. Post audit adjustments

As at 31 December 2021, the Fund's Net Asset Value and NAV per share as per these set of audited financial statements amount to Rs.48,534,260 and Rs.18.08 respectively, as compared to the published Net Asset Value and NAV per share of Rs.49,516,789 and Rs.18.44. The differences in audited and reported figures are due to the audit adjustments as described below:

- Tax adjustments for financial year 2020 adjusted in opening Net Asset Value in financial year 2021 for an amount of Rs.97,096.
- Income tax and CSR tax charged for the financial year 2021 amounting to Rs.71,025.
- Adjustment made to investment payable and receivable from broker re-adjusted to foreign exchange gain/losses Rs 851,179.



.....
Director



.....
Director

Date : 14th June 2022

SECRETARY'S CERTIFICATE

DECEMBER 31, 2021

We certify that, to the best of our knowledge and belief, the Fund has filed with the Registrar of Companies all such returns as are required of the Fund under the Companies Act 2001 in terms of section 166(d).



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TRI-PRO ADMINISTRATORS LTD
COMPANY SECRETARY

Date : 14th June 2022

REPORT OF THE MANAGER

DECEMBER 31, 2021

We are pleased to present the Manager's report together with the audited Financial Statements of A.L.E.E.F. Ltd (the "Fund") for the year ended December 31, 2021.

Fund performance and Fund Size

For the year 2021, the performance of the Fund edged higher by 18.64%, with the Fund's net asset per share standing at Rs.18.08. The Net Asset Value of the Fund as at end of December 2021 stood at Rs.48.5m. The number of shares issued amounted to 117,278 units and the number of shares redeemed amounted to 773 units. The number of shares in issue as at end of December 2021 stood at 2,684,709 shares.

Income

Gross revenue generated for the year 2021 amounted to Rs.9.76m (2020 : Rs.4.56m) and constituted mostly of dividend income of Rs.1.07m, fair value gain on financial assets through profit or loss of Rs.6.06m and profit on disposal of financial assets through profit or loss of Rs.2.35m.

Expenses

Total expenses for the year 2021 amounted to Rs.1.17m, indicating a decrease of 5.89% as from last year.

FUND EXPENSES	2021	2020
	Rs.	Rs.
Administrative Fee	281,802	280,450
Audit Fee	114,425	106,375
Bank Fees	6,448	4,545
Broker fees	110,286	90,090
Custodian fee	167,191	189,312
Licence	103,500	103,500
Management fee	-	272,697
Marketing fees	204,150	-
Other expense	23,550	40,937
Insurance expense	60,300	60,300
Printing expense	99,546	96,245
Total	1,171,198	1,244,451

Fund Performance:

For the year ended 31 December 2021, ALEEF saw its net asset value (NAV) per share gaining 18.64%, helped by a conservative allocation in Mauritius and its higher exposure to international markets. ALEEF's NAV outperformed major Mauritian investment funds with overseas exposure for the year 2021 and also for the period Jan 2019 to Dec 2021. The investment portfolio is positioned to take advantage of global economic growth, with a bias towards developed markets such as US and Europe. The fund uses a blended investment approach whereby the core of the portfolio consists of diversified index tracker funds and also direct exposure to liquid, blue chip companies with favourable earnings outlook.

Since the pandemic, a more active and thematic investment style was adopted, whereby favouring sectors and companies that are expected to broader economy. In this respect, exposure to pharmaceuticals, consumer staples and energy was increased, while positions in emerging countries and small to mid-capitalised companies were reduced. Additionally, the exposure to hard foreign currency was increased, with most of the equity and cash positions kept in USD, EUR and GBP. Hence, one of contributors of positive performance has been the appreciation of foreign currency versus the Mauritian Rupee.

During the last quarter of 2021, we maintain our prudent strategy of gradual accumulation of quality stocks, and at the same time taking advantage of the volatile market with some active trading. In December, we increased our exposure to technology stocks through acquisition of Logitech, a Swiss technology firm manufacturing devices enabling video conferencing, computing and digital platforms. Logitech trades at an attractive level with price multiple of 19x and offers a dividend yield of 1.2%, while its gross margin stood at 40%, with no debt (cash pile USD 1.7bn).

The top holdings of the fund are UBP, Ishares MSCI World Islamic Index Fund, Ishares MSCI USA Islamic Index Fund, Nestle, Ascencia, Ishares S&P Gopal Healthcare, Unilver and Coca-Cola.

Outlook and Strategy

We started the first months of the year 2022 with all the ingredients conducive to fuel financial market volatility. There was growing uncertainty about the strength corporate earnings progression in an environment of rising interest rates, supply chain constraints (main linked to lockdowns, shutdown of ports and production capacity) and more recently war in Ukraine. This was unexpected and led to retreat of investors from risk assets. As we had expected, the price increases accelerated in the first quarter of 2022 and we believe that this trend will continue in the coming months, with major central banks to gradually increase key interest rates during the year to keep inflation in check.

Central banks shifted their narratives from a “transitory” inflation to potentially a longer-than-expected cycle of higher prices resulting from the commodity supply shock and higher wages. The US central bank increased interest rate by 0.25%, with indication of further upcoming hikes in May and for the rest of 2022. The tightening mode, in view of taming inflation, was also observed in UK with two interest rate hikes during the first quarter of 2022, while the European Central Bank announced the end of its asset purchase programme by June 2022, which would trigger higher cost of capital for corporate debts. Against such an environment, we maintain a defensive strategy and maintain the fund's overall allocation, which is well exposed to raw materials and oil sector. Moreover, the fund is exposed to a well-diversified portfolio of defensive consumer staple companies such as Danone, Nestle, Unilever and Coca-Cola, as well as pharmaceutical giants Pfizer and GlaxoSmithKline.

In this context, we will maintain our investment allocation to blue chip companies, favouring companies with strong balance sheet, healthy cash flow generation and attractive valuations within developed economies. The fund will remain well-diversified across economies, currencies and sectors. During the first months of 2022, we initiated some profit taking and built a healthy cash buffer. We added some selected additions as the global markets weakened by increasing the fund's exposure to US technology sector.

In the year ahead, we will maintain our disciplined approach and will focus on quality stocks, while maintaining a cash cushion to be able to take opportunistic positions in any market dips. We are looking at investment opportunities with the right entry points to increasing exposure to technology and industrial sectors. We also plan to reduce the exposure to emerging markets.

AUDITOR'S REPORT

To the Shareholders of A.L.E.E.F. Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of A.L.E.E.F. Ltd (the "Fund"), on pages 8 to 23 which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable shares 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 financial statements on pages 8 to 23 give a true and fair view of the financial position of the Fund as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

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 the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"). 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 Directors are responsible for the other information. The other information comprises the information included in the Corporate Information, Corporate Governance Report, Annual Report and Statutory Disclosures, Secretary's Certificate and Report of the Manager 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 Directors and Those Charged with Governance for the Financial Statements

The directors 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 Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

AUDITOR'S REPORT (CONT'D)

To the Shareholders of A.L.E.E.F. Ltd

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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 directors.
- Conclude on the appropriateness of directors' 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.

AUDITOR'S REPORT (CONT'D)

To the Shareholders of A.L.E.E.F. Ltd

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Fund, other than in our capacity as auditors and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Fund as far as it appears from our examination of those records.

Other Matter

This report is made solely to the shareholders of A.L.E.E.F. Ltd (the "Fund"), as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



BDO & Co

Chartered Accountants



Didier Dabydin, FCA

Licensed by FRC

Port Louis,
Mauritius.

Date : 14th June 2022



**ALEEF OUTPERFORMED MAJOR MAURITIAN
DIVERSIFIED MUTUAL FUNDS FOR
THREE CONSECUTIVE YEARS**

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	Notes	2021	2020	2021	2020
		Rs.	Rs.	% of Fund	% of Fund
ASSETS					
Current assets					
Financial assets at fair value through profit or loss					
- Local investments	5	8,603,730	7,320,712	17.73%	18.71%
- Foreign investments	5	37,835,800	29,015,627	77.96%	74.15%
Other receivables and prepayments		93,259	102,118	0.19%	0.26%
Cash and cash equivalents	10	3,702,245	3,237,176	7.63%	8.27%
Total assets	Rs.	50,235,034	39,675,633	103.50%	101.39%
LIABILITIES					
Current liabilities					
Other payables and accruals	7	1,002,503	327,800	2.07%	0.84%
Dividend payable	8	627,246	116,644	1.29%	0.30%
Income tax liabilities	9	71,025	97,855	0.15%	0.25%
Liabilities (excluding net assets attributable to holders of redeemable shares)		1,700,774	542,299	3.50%	1.39%
Net assets attributable to holders of redeemable shares	6 Rs.	48,534,260	39,133,334	100.00	100.00

These financial statements have been approved for issue by the Board of Directors on the : 14th June 2022

Director:




Date : 14th June 2022

The notes on pages 26 to 36 form an integral part of these financial statements.
Auditor's report on pages 18,19,20.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2021

	Notes	2021		2020	
		Rs.	Rs.	Rs.	Rs.
GROSS INCOME					
Dividend income	2.4	1,074,883		870,099	
Profit on disposal of financial assets through profit or loss		2,347,093		1,082,610	
Fair value gain on financial assets through profit or loss	5	6,064,133		1,986,157	
Net foreign exchange gain		251,508		612,007	
Other income		22,639	9,760,256	13,269	4,564,142
FUND EXPENSES					
Management fees	11	-		272,697	
Custody fees		167,191		189,312	
Licence		103,500		103,500	
Bank charges		6,448		4,545	
Audit fees		114,425		106,375	
Printing		99,546		96,245	
Brokerage fees		110,286		90,090	
Marketing fees		204,150		-	
Other expenses		23,550		40,937	
Insurance expense		60,300		60,300	
Administration Fees		281,802	(1,171,198)	280,450	(1,244,451)
Profit/(loss) before tax and finance costs			8,589,058		3,319,691
Finance costs					
Distribution to holders of redeemable shares	8		(513,641)		-
Profit/(loss) before tax			8,075,417		3,319,691
Income tax expense	9		(187,144)		(220,716)
Profit/(loss) for the year			7,888,273		3,098,975
Other comprehensive income for the year					
			-		-
Total comprehensive income for the year	Rs		7,888,273	Rs	3,098,975

The notes on pages 26 to 36 form an integral part of these financial statements.
Auditor's report on pages 18, 19, 20.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE

DECEMBER 31, 2021

	2021	2020
	Rs.	Rs.
Net assets attributable to holders of redeemable shares at January 1,	39,133,334	36,697,824
Issue of redeemable shares	1,524,600	-
Redemption of redeemable shares	(11,947)	(663,465)
Net increase/decrease in share transactions	1,512,653	(663,465)
Total comprehensive income for the year	7,888,273	3,098,975
Net assets attributable to holders of redeemable shares at December 31,	48,534,260	39,133,334

The notes on pages 26 to 36 form an integral part of these financial statements.
Auditor's report on pages 18, 19, 20.

STATEMENT OF CASH FLOWS

DECEMBER 31, 2021

Expenses	Note	2021	2020
		Rs.	Rs.
Cash generated from operating activities			
Profit before taxation		8,075,417	3,319,691
Adjustment for:			
Profit on disposal of financial assets at fair value through profit or loss		(2,347,093)	(1,082,610)
Dividend income		(1,074,883)	(870,099)
Dividend payable		513,641	-
Fair value (gains)/losses of financial assets through profit or loss		(6,064,133)	(1,986,157)
Changes in working capital:			
- other receivables and prepayments		8,859	672
- other payables and accruals		674,703	(49,080)
Cash used in operating activities		(213,489)	(667,583)
Tax paid	9(a)	(213,974)	(162,618)
Net cash used in operating activities		(427,463)	(830,201)
Cash flows from investing activities			
Proceeds on sale of financial assets at fair value through profit or loss		12,906,736	6,107,448
Purchase of financial assets at fair value through profit or loss	5	(14,598,701)	(10,406,758)
Dividends received		1,074,883	859,635
Net cash generated from investing activities		(617,082)	(3,439,675)
Cash flows from financing activities			
Subscription of shares		1,524,600	-
Redemption of shares		(11,947)	(663,465)
Dividends paid	8	(3,039)	(154,558)
Net cash used in financing activities		1,509,614	(818,023)
Increase/(decrease) in cash and cash equivalents		Rs. 465,069	(5,087,899)
Movement in cash and cash equivalents			
At January 1,		3,237,176	8,325,075
Increase/(decrease)		465,069	(5,087,899)
At December 31,	10	Rs. 3,702,245	3,237,176

The notes on pages 26 to 36 form an integral part of these financial statements.
Auditor's report on pages 18,19,20.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. GENERAL INFORMATION

A.L.E.E.F. Ltd is an open ended Fund incorporated and domiciled in Mauritius. The Fund is authorised by the Financial Services Commission to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005. The address of its registered office is c/o Tri-Pro Administrators Ltd, Level 5, Maeva Tower, Bank Street, Cybercity, Ebène. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of A.L.E.E.F. Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements are that of an individual entity and are presented in Mauritian Rupees except when otherwise indicated. Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention except that:

- (i) financial assets at fair value through profit or loss are stated at fair value;
- (ii) relevant financial assets and financial liabilities are carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period Interest Rate Benchmark Reform Phase 2 (IBOR)

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures, in the context of the IBOR reform. The following standards, amendments and interpretations did not have an impact on the financial statements:

IFRS 4 Insurance Contracts

IFRS 7 Financial Instruments - Disclosures

IFRS 9 Financial Instruments

IFRS 16 Leases

Covid 19 related rent concessions: Effective June 1, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments have no impact on the Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods, but which the Fund has not early adopted..

Effective date January 1, 2022

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018-2020

IFRS 3 Business Combinations

Reference to the Conceptual Framework

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018-2020

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts-Cost of Fulfilling a Contract

Effective date January 1, 2023

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a Company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Amendment for which effective date has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Where relevant, the Fund is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policy. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Financial assets

(a) Classification

The Fund classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Fund's accounting policy for each category is as follows:

(i) Fair value through profit or loss

Financial assets at fair value through profit or loss (FVPL) include financial assets held for trading and financial assets designated upon initial recognition as fair value through profit or loss. The objective of the Fund is long-term capital appreciation with a reasonable income yield

The financial assets are initially measured at fair value. They are subsequently measured at fair value with the changes in fair value recognised in the statement of profit or loss.

(ii) Amortised cost

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

Amounts due from brokers represent receivables for securities sold that have been contracted for but not yet settled or delivered on the statement of position date respectively. The due from brokers balance is held for collection.

Impairment provisions for receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2.3 Financial liabilities

The Fund's financial liabilities include the following items:-

The Fund's redeemable shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument.

Redeemable shares are issued at the holder's option at price based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of redeemable shares with the total number of outstanding redeemable shares. In accordance with the provision of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemption. Dividends paid on redeemable shares are considered as finance cost.

Payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Revenue recognition

Dividend income is recognised when the shareholder's right to receive payment is established by reference to the ex-dividend rate.

Net gains or losses on disposal of financial assets at fair value through profit or loss are recognised in the statement of profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.5 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using the Mauritian rupees, the currency of the primary economic environment in which the Fund operates ("functional currency").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in profit or loss.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss are reported as fair value gain or loss.

2.6 Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if deferred income taxes arises from initial recognition of an asset or liability in a transaction, other than a business combination, that the time of the transaction affect neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Other payable and accruals

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

2.9 Provisions

Provisions are recognised when the Fund has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realised the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Fund's objective in managing risk is to create and protect shareholders value. Risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other control.

The Fund's activities expose it to a variety of financial risks : market risk (including currency risk and price risk) credit risk and liquidity risk.

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the Fund's financial performance.

(a) Price risk

The Fund is exposed to equity securities price risk due to investments held by the Fund and classified as fair value through profit or loss. To manage the price risk arising from the investments in equity securities, the Fund diversifies its portfolio.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of the investments of the Fund's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5 %.

Categories of investments:

Financial assets at fair value through profit or loss

Listed:

- Official market
- DEM

Foreign

Impact on equality	
2021	2020
Rs	Rs
+/-	+/-
299,695	267,315
130,491	98,721
1,891,790	1,450,781
<u>2,321,976</u>	<u>1,816,817</u>

(b) Foreign exchange risk

The Fund has assets and liabilities denominated in United States Dollar, Pounds Sterling and Euro. Consequently, the Fund is exposed to the risk that the exchange rate of the Mauritian rupee may have relative effect on the reported values of the Fund's assets and liabilities which are denominated in such currencies.

Exposure to foreign currency risk is not hedged.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

3. Financial Risk Management (Cont'd)

3.1 Financial risk factors (cont'd)

(b) Foreign exchange risk (cont'd)

Currency profile	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	Rs.	Rs.	Rs.	Rs.
Currency				
Mauritian Rupees	10,254,109	49,607,788	7,521,572	39,461,134
US Dollar	22,246,180	-	18,506,520	-
GBP	4,956,831	-	3,982,989	-
Euro	7,460,032	-	7,252,552	-
Canadian Dollars	353,235	-	37,188	-
Swiss Franc	3,561,692	-	1,631,075	-
Singaporean Dollar	1,309,696	-	641,619	-
	50,141,775	49,607,788	39,573,515	39,461,134

At December 31, 2021, if the rupee had weakened/strengthened by 10% against foreign currencies with all other variables held constant, the impact on post-tax profit would have been Rs.398,887 (2020: Rs.320,519) higher/lower arising on foreign exchange losses/gains on retranslation of USD/GBP/EURO/CAD/ CHF/SGD denominated financial assets at fair value through profit or loss and bank balances.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

(d) Credit risk

The Fund does not have significant credit risk. Deposits are held with banks with good reputation and other receivables may consist of dividend and proceeds on sale of shares, for which there is no past history default.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

FINANCIAL RISK MANAGEMENT (cont'd)

Fair value estimation (cont'd)

Level 1:

Financial assets at fair value

2021	2020
Rs.	Rs.
46,439,530	36,336,339

The nominal value less credit adjustments of receivables and payables are assumed to approximate their fair values.

4. Critical Accounting Estimates And Judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) The carrying amounts of the financial assets at fair value through profit or loss are as follows:

	2021				2020
	Local Equities		Foreign Equities	Total	Total
	Official Market	DEM			
At January 1,	5,346,292	1,974,420	29,015,627	36,336,339	28,968,262
Additions	-	-	14,598,701	14,598,701	10,406,758
Disposals	(300,366)	(423,850)	(9,835,427)	(10,559,643)	(5,024,838)
Change in fair value	947,984	1,059,250	4,056,899	6,064,133	1,986,157
At December 31,	5,993,910	2,609,820	37,835,800	46,439,530	36,336,339

(b) Financial assets at fair value through profit or loss are classified as level 1 hierarchy.

(c) Financial assets at fair value through profit or loss consist of equity listed securities at fair value.

(d) Financial assets at fair value through profit or loss are denominated in the following currencies:

	2021	2020
	Rs.	Rs.
Mauritian Rupees	8,603,730	7,320,712
US Dollar	20,988,626	17,021,970
GBP	4,861,064	3,982,989
Euro	6,761,487	5,700,786
Canadian Dollars	353,235	37,188
Swiss Franc	3,561,692	1,631,075
Singaporean Dollar	1,309,696	641,619
	46,439,530	36,336,339

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

6. Redeemable Shares

Redeemable shares are issued at the holder's option at price based on the Fund's net asset value per share at the time of issue or redemption. Such shares are classified as financial liabilities. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of redeemable shares with the total number of outstanding redeemable shares. In accordance with the provision of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemption. The authorised redeemable shares capital is 10,000,000 shares.

(a) Movement in shares during the year:

	No. of shares	
	2021	2020
	Rs.	Rs.
At January 1,	2,568,204	2,614,727
Shares subscribed	117,278	
Shares redeemed	(773)	(46,523)
At December 31,	<u>2,684,709</u>	<u>2,568,204</u>
	Rs.	Rs.
(b) Net assets per share	18.08	15.24
Based on:		
Net assets attributable to holders of redeemable shares	<u>48,534,260</u>	<u>39,133,334</u>
Number of ordinary shares in issue	<u>2,684,709</u>	<u>2,568,204</u>

7. Other Payables And Accruals

	2021	2020
	Rs.	Rs.
Professional fees payable	189,024	207,321
Advance on share application	693,000	-
Redemption of redeemable shares payable	120,479	120,479
	<u>1,002,503</u>	<u>327,800</u>

The carrying amounts of other payables approximate their fair values.

8. DIVIDEND

	2021	2020
	Rs.	Rs.
Dividend payable at January 1,	116,644	271,202
Declared during the year	513,641	-
Paid during the year	(3,039)	(154,558)
Dividend payable at December 31,	<u>627,246</u>	<u>116,644</u>

Dividend declared for 2020 amounting to Rs.513,641 (Rs.0.20 per share) is presented as finance cost.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

9. INCOME TAX

- (a) Statement of financial position
At January 1,
Under provision previous year
Charge for the year
Corporate social responsibility
Withholding tax paid
Tax paid during the year
At December 31,

	2021	2020
	Rs.	Rs.
	97,855	39,757
	-	(6,511)
	149,889	200,968
	37,255	26,259
	(116,119)	(129,372)
	(97,855)	(33,246)
	<u>71,025</u>	<u>97,855</u>

- Statement of profit or loss
Charge for the year
Withholding tax
Under provision previous year
Corporate social responsibility
Tax charge

	2021	2020
	Rs.	Rs.
	33,770	71,596
	116,119	129,372
	-	(6,511)
	37,255	26,259
	<u>187,144</u>	<u>220,716</u>

- (b) The tax on the Fund's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Fund as follows:

Profit/(loss) before taxation and dividend payable

Tax calculated at 15% (2018:15%)

Income not subject to tax

Expenses not deductible for tax purposes

Withholding tax

Corporate social responsibility

Foreign tax credit

Under provision previous year

Tax charge

	2021	2020
	Rs.	Rs.
	8,075,417	3,319,691
	1,211,313	497,954
	(1,258,809)	(575,505)
	187,600	223,937
	116,119	129,372
	37,255	26,259
	(106,334)	(74,790)
	-	(6,511)
	<u>187,144</u>	<u>220,716</u>

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

10. CASH AND CASH EQUIVALENTS

	2021	2020
	Rs.	Rs.
Cash at bank	Rs. 3,702,245	3,237,176

(a) Cash and cash equivalents are denominated in the following currencies:

	2021		2020	
	FX	Rs.	FX	Rs.
MUR	-	1,650,379	-	200,860
USD	29,178	1,257,554	37,727	1,484,550
GBP	1,647	95,767	-	-
EUR	14,332	698,545	32,131	1,551,766
	Rs.	3,702,245		3,237,176

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

11. MANAGEMENT FEES

	2021	2020
	Rs.	Rs.
Local management fees	Rs. -	272,697

Management fee is 0.75% per annum calculated on the monthly NAV of the Fund.

Management services by Birdie Fund Managers Ltd) was terminated on December 31, 2020.

12. EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements.