

Annual Report 2023



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, 2023, contents of which are listed below:

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CORPORATE INFORMATION

DIRECTORS :

	Date Appointed	Date Resigned
Mazahir F.E. Adamjee	December 14, 1999	July 27, 2022
Reshard Abdool Neetoo	December 14, 1999	November 22, 2022
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	-
Shakil Ibrahim Moollan	June 28, 2022	-
Mohammad Riyad Neetoo	February 21, 2023	-

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

The Board considers that it has maintained appropriate policies and procedures during the year ended December 31, 2023 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 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.

Mrs Christiane Heng Moye 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 Shakil Ibrahim Moollan - Independent Non-Executive Director [appointed on 28 June 2022]

Mr Shakil Moollan holds a B.A (Hons) Degree in Finance and Accounting from the University of East London UK. He is also a member of the Chartered Institute of Management (UK). He has more than 20 years' experience in Accounting and Tax practicing in both International and local firms. He is the founder of Moollan & Moollan Ltd (Chartered Certified Accountants) and founder of several business units that makes up Moollan & Moollan Group, providing turn key financial administration solutions to businesses. He also serves on the Board of Directors for Medine Limited, Investcorp Holdings Ltd and for various local and Global Companies.

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

Mr. Iyaroo is currently the Managing Director 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 - Independent Non-Executive Director

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.

Mr. Mohammad Riyad Neetoo - Independent Non-Executive Director (Appointed on 21 February 2023)

Mr Riyad Neetoo holds a Bachelor of Science degree in Economics and a Master of Science degree in Finance & Investment Management from the University of Hertfordshire. Mr Neetoo has worked in the Banking sector in Mauritius before joining Furnicon Ltd. He is now the Finance Director of the Furnicon Group of Companies.

2) Structure of the Board and its Committees

The Board currently comprises of Mr M. Riyad Neetoo, Mr Shakil Ibrahim Moollan, Mr Feisal Kathrada, Mrs Christiane Yeung Chin Shing, Mr Kamal Haasan Iyaroo (Alternate Director to Mrs Christiane Yeung Chin Shing) and Mr. Samade Jhummun.

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.

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. Shakil Ibrahim Moollan;
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 a least two times annually or more frequently as circumstances require. During the financial year 2023, the IC held 4 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.

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 or at any other place as agreed by the directors. Meetings are also 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 2023

Sr	Name of Director	No. of Board Meetings held during FY 2023	No. of Board Meetings attended by the Directors during FY 2023	Attendance at the last AGM
1.	Mr Shakil Ibrahim Moollan	5	5	Yes
2.	Mr Feisal Kathrada	5	5	No
3.	Mrs Christiane Yeung Chin Shing	5	3	Yes
4.	Mr Samade Jhummun	5	2	Yes
5.	Mr Mohammad Riyad Neetoo	5	4	Yes
6.	Mr. Kamal Haasan Iyaroo*	5	2	No

*Mr. Kamal Haasan Iyaroo acted as Alternate Director for Mrs. Christiane Yeung Chin Shing for the Board meetings held on 05 April 2023 and 13 April 2023.

For the year 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:

- a) at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration;

4) Directors Duties, Remuneration and Performance (cont'd)

- b) 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
- c) 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.

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, 2023 will be filed with the FSC within the statutory deadline, after the Board's approval.

Directors acknowledge their responsibilities for:

- a) adequate accounting records and maintenance of effective internal control systems;
- b) 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
- c) 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.

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.

6) Reporting with Integrity (cont'd)

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.14,237 (2022: Rs.18,576) for the current year.

The Fund does maintain a website.

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.

• **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, 2023 at the Annual meeting held on June 28, 2023. 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:

	2023	2022
	Rs.	Rs.
Audit fees	163,990	150,650

8) Relations with Shareholders and other Key stakeholders

The Annual Meeting of the shareholders of the Fund will be held by June 28, 2024 to adopt the audited financial statements of the Fund for the year ended December 31, 2023. Notice of this meeting will be sent within the deadline stipulated by the Constitution of the Fund.

ANNUAL REPORT AND STATUTORY DISCLOSURES

DECEMBER 31, 2023

1. The directors submit herewith their Annual Report to the shareholders together with the Audited Financial Statements for the year ended December 31, 2023.

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

Listed securities Industry

MOROIL

Mauritius Chemical and Fertilizers Industry Ltd - (MCFI)

United Docks Ltd

Commerce

United Basalt Ltd

Vivo Energy Ltd

DEM Securities

Ascencia Ltd

Lavastone Ltd

Total local investments

2023		Total	Total
No. of shares	Market value	2023	2022
	Rs.	Rs.	Rs.
39,766	17.50	695,905	795,320
13,000	9.28	120,640	126,100
4,100	56.00	330,624	225,500
		<u>1,147,169</u>	<u>1,146,920</u>
20,900	100.00	2,090,000	2,293,775
5,466	330.75	1,807,880	1,448,490
		<u>3,897,880</u>	<u>3,742,265</u>
88,900	18.90	1,680,210	2,200,275
134,500	1.53	205,785	310,695
		<u>1,885,995</u>	<u>2,510,970</u>
		<u>6,931,044</u>	<u>7,400,155</u>

ANNUAL REPORT AND STATUTORY DISCLOSURES

DECEMBER 31, 2023

FOREIGN INVESTMENTS 2023

	2023			2022
	No. of shares	Market value	Total	Total
STOCKS				
Reitmans Canada Ltd	5,000	CAD 2.44	Rs. 409,859	Rs. 354,087
ABB Ltd	600	CHF 37.30	Rs. 1,176,181	Rs. 800,468
Nestle SA	429	97.51	2,198,470	2,185,314
Accelleron Industries AG	-	-	-	27,314
			3,374,651	3,013,096
Danone	460	EUR 58.68	Rs. 1,321,702	Rs. 1,051,105
Ishares Msci World Islamic	1,518	42.28	3,142,625	2,526,623
Teliasonera AB	5,000	2.31	565,546	556,980
CAP GEMINI SA	63	188.75	582,255	456,020
Vestas Wind Systems	500	28.69	702,403	634,261
KONINKLIJKE PHILIPS N.V.	768	21.09	793,092	477,610
			7,107,623	5,702,599
Glaxo Smithline Plc	440	GBP 14.50	Rs. 359,673	Rs. 331,704
Haleon PLC	-	-	-	94,286
Unilever PLC	800	38.00	1,713,800	1,753,931
Vodafone Plc	16,332	0.69	635,294	719,212
Reckitt Benckiser Group PLC	392	54.20	1,197,766	1,182,482
			3,906,532	4,081,615
Keppel	4,000	SGD 6.21	Rs. 834,872	Rs. 948,011
KEPPEL REIT SG1T22929874 (Spin Off)	800	0.93	25,006	-
			859,878	948,011

ANNUAL REPORT AND STATUTORY DISCLOSURES

DECEMBER 31, 2023

FOREIGN INVESTMENTS 2023 (cont'd)

	2023			2022
	No. of shares	Market value	Total	Total
Alphabet INC	100	140.93	620,797	387,306
Coca-Cola Company	710	58.93	1,843,065	1,971,369
General Electric	196	127.63	1,101,932	716,857
Ishares Global Healthcare ET	490	86.72	1,871,808	1,815,456
Ishares S&P Glb Energy Sector	300	39.11	516,839	510,574
Ishares Msci Em Islamic Etf	2,025	18.75	1,672,523	1,497,348
Ishares Msci World Islamic Ucits Etf	1,277	46.88	2,637,087	2,150,489
Ishares MSCI USA Islamic UCITS	950	68.11	2,850,233	2,271,590
Ishares Expanded Tech-Software	-	-	-	1,340,142
Ishares U.S. Medical Devices ETF	205	53.97	487,363	470,409
Kraft Heinz Co	529	36.98	861,725	940,029
Microsoft Corporation	-	-	-	523,407
Pfizer Inc	200	28.79	253,640	447,325
Sanlam Africa Core Real Estate	2,200	1.24	120,168	215,107
SPDR Gold Shares	-	-	-	888,574
SATURNA AL KAWTHAR GLOBAL	4,999	8.16	1,796,881	1,455,436
Grit Real Estate Income Group	24,000	0.30	317,160	257,199
Infosys Ltd	600	18.38	485,783	471,682
Alibaba Group Holding-SP ADR	200	77.51	682,863	769,026
AIRBNB INC	120	136.14	719,636	447,849
Cisco Systems INC	573	50.52	1,275,158	1,191,546
Logitech International REG SA	130	95.06	544,361	353,238
			20,659,021	21,091,958
Total overseas			36,317,564	35,191,366
Total			43,248,608	42,591,521

Exchange rate used in the translation of foreign investments:

- CAD 1=Rs.33.595 (2022: CAD 1=Rs. 32.49)
- CHF 1=Rs. 52.555 (2022: CHF 1=Rs. 47.55)
- EUR 1=Rs. 48.965 (2022: EUR 1=Rs. 46.42)
- GBP 1=Rs. 56.375 (2022: GBP 1=Rs. 52.43)
- SGD 1=Rs. 33.61 (2022: SGD 1=Rs. 32.65)
- USD 1=Rs. 44.05 (2022: USD 1=Rs. 43.65)

ANNUAL REPORT AND STATUTORY DISCLOSURES

DECEMBER 31, 2023

3. Results

The Fund's profit for the year amounted to Rs.4,476,366. (2022: loss Rs.6,033,123).

4. Share capital

During the year under review, 2,888 shares were issued (2022: 269,442 shares) and 90,808 shares were redeemed (2022: 223,975 shares).

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, 2023.

7. Auditors' fees

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

	2023	2022
	Rs.	Rs.
Audit fees	163,990	150,650

8. Donation

Corporate Social Responsibility activities during the year amounting to Rs.14,237 (2022: Rs.18,576).

9. Directors' emoluments and benefits

	2023	2022
	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

No dividend was declared for the year ended December 31, 2023 (2022: no dividend declared).



Director



Director

Date : 24 June 2024

SECRETARY'S CERTIFICATE

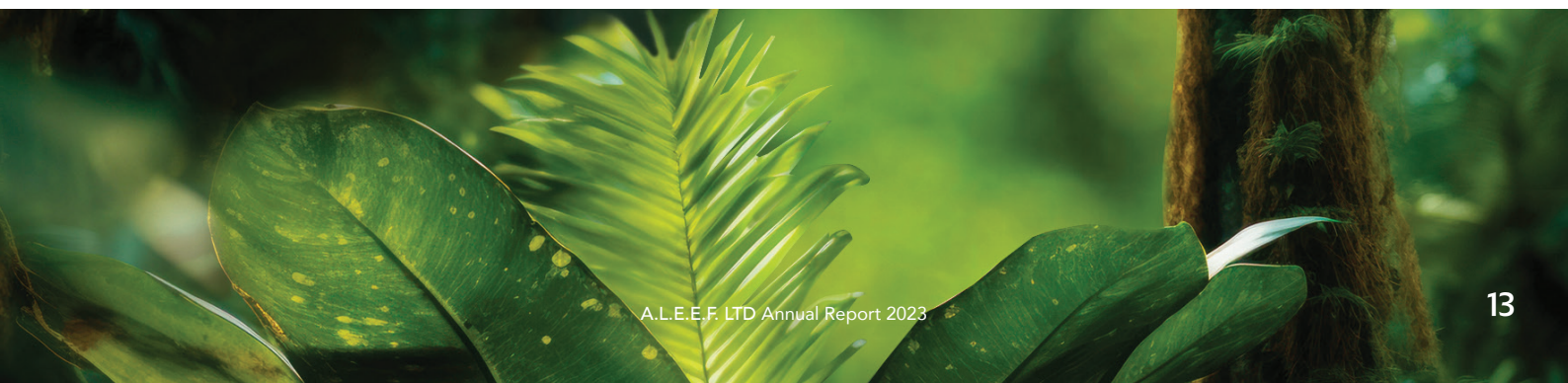
DECEMBER 31, 2023

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 : 24 June 2024



REPORT OF THE MANAGER

YEAR ENDED DECEMBER 31, 2023

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, 2023.

Fund performance and Fund Size

For the year 2023, the performance of the Fund edged higher by 10.22% (2022: lower by 10.73%), with the Fund's net asset per share standing at Rs.17.79 (2022: Rs.16.14). The Net Asset Value of the Fund as at end of December 2023 stood at Rs.47.01m (2022: Rs.44.06m). The number of shares issued amounted to 2,888 units (2022: 269,442 units) and the number of shares redeemed amounted to 90,808 units (2022: 223,975 units). The number of shares in issue as at end of December 2023 stood at 2,692,266 shares (2022: 2,730,176 shares).

Income

Gross revenue generated for the year 2023 amounted to Rs.5.8m (2022: Rs.2.3m) and constituted mostly of dividend income of Rs 1,054,469 (2022: Rs.589,488), profit on disposal of financial assets of Rs.1,287,711 (2022: Rs.653,528), foreign exchange gain of Rs. 113,764 (2022: Rs.947,389) and fair value gain on financial assets through profit and loss of Rs. 3.31m (2022: fair value loss Rs.6.77m).

Expenses

Total expenses for the year 2023 amounted to Rs.1.23m (2022: Rs.1.32m), indicating a modest decrease against that of last year.

FUND EXPENSES	2023	2022
	Rs.	Rs.
Administration Fees	355,350	336,481
Marketing fees	233,332	276,952
Audit fees	214,245	150,650
Custody fees	131,644	183,749
Licence	103,500	103,500
Printing	79,351	74,042
Insurance expense	62,770	61,565
Other expenses	25,650	71,735
Bank charges	477	7,483
Brokerage fees	-	36,773
Total	1,206,319	1,302,930

Fund Performance:

For the year ended 31 December 2023, ALEEF saw its net asset value (NAV) per share increasing by 10.22% (2022: decreasing by 10.73%). The fund maintained its upward trajectory by gaining 4% in the last quarter of 2023. During the last quarter of 2023, the positive development of the financial markets surprised many analysts and investors. Significant amounts of dollars were lost by speculators who had played against the markets through short-selling. We believe that such large bearish stance will not open new short positions in the coming quarters, a factor that should have a positive impact on the reduction in volatility.

The risks of recessions have been abandoned in favour of a hasty fight against rising prices. We are witnessing a gradual rebalancing between supply and demand, with the exception of food products, which are experiencing price increases much higher than other everyday consumer products. Nevertheless, being by definition seasonal, and dependent on climatic factors, we are backing on a constant fall in prices over the coming months, with a reduction in underlying inflation.

During the year under review, profit taking were effected on select technology stocks (Microsoft, ishares Expanded Tech Sector ETF and GE Healthcare Technology) and also SPDR Gold ETF. A conservative approach was adopted ahead as pockets of the market traded at expensive valuations.

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.

In 2023, the global macroeconomic landscape was characterized by significant volatility and transitional shifts. Central banks' earlier missteps, involving initial underestimation of inflation followed by aggressive interest rate hikes, created a tumultuous environment. These actions led to disruptions across various sectors, notably banking, real estate, and commerce.

REPORT OF THE MANAGER

YEAR ENDED DECEMBER 31, 2023

Fund Performance (cont'd):

Despite these challenges, the year saw a remarkable recovery in Asian economies, which bolstered global trade and manufacturing output. Inflation began to decline from its peak levels, settling below 5% by year's end in most industrialized nations.

Outlook and Strategy:

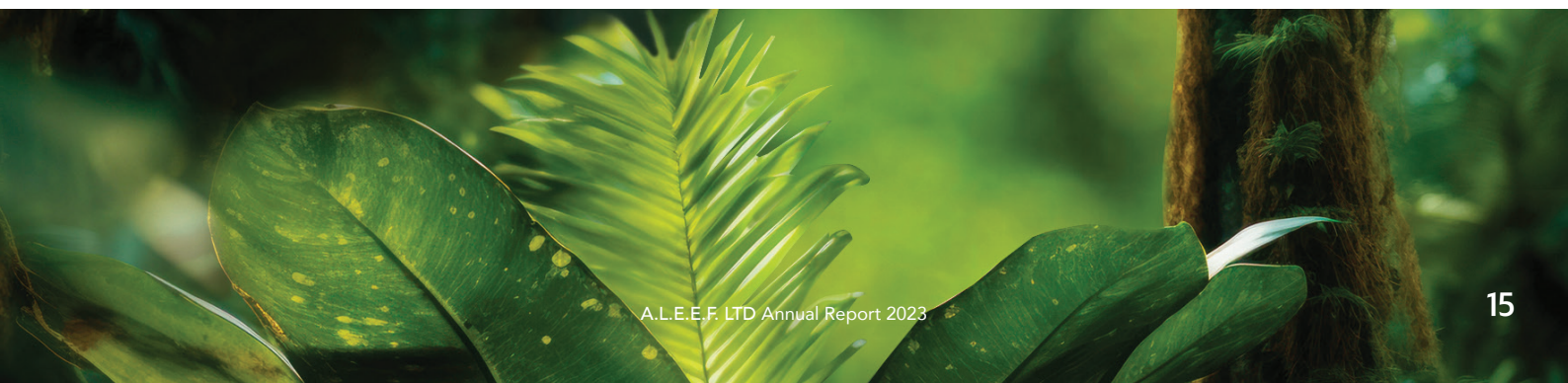
ALEEF gave back some gains in April, declining 1.3% during the month. However, the fund remains in positive territory year-to-date with a 5.2% return. After an impressive first quarter across nearly all global equity segments, equities pulled back almost across the board in April. We highlighted last month that inflation and interest rates will likely remain a key point of discussion for equity investors for the foreseeable future. This indeed continues to be the case, as exhibited during April. The selloff was largely driven by higher than expected inflation readings and the subsequent repricing of interest rate expectations.

In Europe, while inflation moderated slightly, it remained stickier than expected, especially for core components. The eurozone's composite PMI showed resilience, rising to 51.4, keeping hopes of a soft landing alive. However, the European Central Bank maintained a hawkish stance in combating inflation.

Consensus view has evolved from expecting 150bps in US rate cuts in 2024 at the start of the year, to now expecting just 50bps. This higher-for-longer environment may keep equity prices range bound for the rest of the year. It is also worth noting that, while earnings reports have been generally healthy, guidance has been subdued lately, reflecting senior management uncertainty:

Since the start of 2024, we took advantage of the pullback in specific stocks to gradually add to equity exposure for ALEEF, including initiating a new positions in consumer sports giant Nike shares, semiconductor maker Intel and UK student accommodation leader Unite Group at attractive valuations.

While the near-term outlook remains uncertain, we believe our emphasis on high-quality, cash-generative companies well-positioned to capitalize on secular growth trends should benefit relative performance over the long run.



INDEPENDENT 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 "Company"), on pages 18 to 31 which comprise the statement of financial position as at December 31, 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issue by the International Accounting Standards Board ("IFRS Accounting 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 IFRS Accounting 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 Company'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.

The Directors are responsible for overseeing the Company'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.

INDEPENDENT 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 (cont'd)

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 Company'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 Company'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 Company 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

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 Company, other than in our capacity as auditor 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 Company as far as it appears from our examination of those records.

Other Matter

This report is made solely to the Company's Shareholders, 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 Company'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 Company and the Company'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 : 24 June 2024

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	Notes	2023	2022	2023	2022
		Rs.	Rs.	% of Fund	% of Fund
ASSETS					
Current assets					
Financial assets at fair value through profit or loss					
- Local investments	5	6,931,044	7,400,155	14.74%	16.80%
- Foreign investments	5	36,317,564	35,191,366	77.26%	79.87%
Other receivables and prepayments		82,295	81,750	0.18%	0.19%
Cash and cash equivalents	10	4,279,076	2,155,538	9.10%	4.89%
Total assets	Rs.	47,609,979	44,828,809	101.28%	101.75%
LIABILITIES					
Current liabilities					
Other payables and accruals	7	444,266	549,378	0.95%	1.25%
Dividend payable	8	140,310	140,310	0.30%	0.32%
Income tax liabilities	9	19,329	79,796	0.04%	0.18%
Liabilities (excluding net assets attributable to holders of redeemable shares)		603,905	769,484	1.28%	1.75%
Net assets attributable to holders of redeemable shares)	6 Rs.	47,006,074	44,059,325	100.00	100.00

These financial statements have been approved for issue by the Board of Directors on the 11 June 2023



Director



Director

Date : 24 June 2024

The notes on pages 22 to 31 form an integral part of these financial statements.
Auditor's report on pages 16 to 17..

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2023

	Notes	2023		2022	
		Rs.	Rs.	Rs.	Rs.
GROSS INCOME					
Dividend income	2.4	1,054,469		589,488	
Profit on disposal of financial assets through profit or loss		1,287,711		653,528	
Fair value gain on financial assets through profit or loss	5	3,307,280		-	
Net foreign exchange gain		113,764		947,389	
Other income		32,256	5,795,480	60,241	2,250,646
FUND EXPENSES					
Administration Fees		355,350		336,481	
Marketing fees		233,332		276,952	
Audit fees		214,245		150,650	
Custody fees		131,644		183,749	
Licence		103,500		103,500	
Printing		79,351		74,042	
Insurance expense		62,770		61,565	
Other expenses		25,650		71,735	
Bank charges		477		7,483	
Fair value loss on financial assets through profit or loss	5	-		6,766,424	
Brokerage fees		-	(1,206,319)	36,773	(8,069,354)
Profit/(loss) before tax and finance costs			4,589,161		(5,818,708)
Finance costs					
Distribution to holders of redeemable shares	8		-		-
(Loss)/profit before tax			4,589,161		(5,818,708)
Income tax expense	9		(112,795)		(214,415)
(Loss)/profit for the year			4,476,366		(6,033,123)
Other comprehensive income for the year			-		-
Total comprehensive income for the year			4,476,366		(6,033,123)

The notes on pages 22 to 31 form an integral part of these financial statements.
Auditor's report on pages 16 to 17..

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	Rs.	Rs.
Net assets attributable to holders of redeemable shares at January 1,	44,059,325	48,534,260
Issue of redeemable shares	49,500	5,329,540
Redemption of redeemable shares	(1,579,117)	(3,771,352)
Net increase in share transactions	<u>(1,529,617)</u>	<u>1,558,188</u>
Total comprehensive income for the year	4,476,366	(6,033,123)
Net assets attributable to holders of redeemable shares at December 31,	Rs. <u>44,059,325</u>	<u>48,534,260</u>

The notes on pages 22 to 31 form an integral part of these financial statements.
Auditor's report on pages 16 to 17..

STATEMENT OF CASH FLOWS

DECEMBER 31, 2023

	Notes	2023	2022
		Rs.	Rs.
Cash generated from operating activities			
Profit/(loss) before taxation		4,589,161	(5,818,708)
Adjustment for:			
Profit on disposal of financial assets at fair value through profit or loss		(1,287,711)	(653,528)
Dividend income		(1,054,469)	(589,488)
Fair value loss/(gain) of financial assets through profit or loss		(3,307,280)	6,766,424
Changes in working capital:			
- other receivables and prepayments		(545)	11,509
- other payables and accruals		(105,112)	(453,125)
Cash used in operating activities		(1,165,956)	(736,916)
Tax paid	9(a)	(173,262)	(205,644)
Net cash used in operating activities		(1,339,218)	(942,560)
Cash flows from investing activities			
Proceeds on sale of financial assets at fair value through profit or loss		4,179,056	3,821,591
Purchase of financial assets at fair value through profit or loss	5	(241,152)	(6,086,478)
Dividends received		1,054,469	589,488
Net cash absorbed in investing activities		4,992,373	(1,675,399)
Cash flows from financing activities			
Subscription of shares		49,500	5,329,540
Redemption of shares		(1,579,117)	(3,771,352)
Dividends paid	8	-	(486,936)
Net cash (used in)/generated from financing activities		(1,529,617)	1,071,252
Increase/(decrease) in cash and cash equivalents		2,123,538	(1,546,707)
Movement in cash and cash equivalents			
At January 1,		2,155,538	3,702,245
Increase/(decrease)		2,123,538	(1,546,707)
At December 31,	10	4,279,076	2,155,538

The notes on pages 22 to 31 form an integral part of these financial statements.
Auditor's report on pages 16 to 17..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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 Mauritian 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;
- (i) other relevant financial assets and financial liabilities 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

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS Accounting Standards. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 - Insurance Contracts. The amendments have no impact on the Fund's financial statements.

IFRS 1 Presentation of Financial Statements & IFRS Practice Statement 2 Making Materiality Judgements

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. These amendments have no effect on the measurement or presentation of any items of the Fund's financial statements but affect the disclosure of accounting policies of the Fund. During the year, only material accounting policies are disclosed in the Fund's financial statements.

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. The amendments have no impact on the Fund's financial statements.

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. The amendments have no impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

IAS 12 *Income Taxes*

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments have no impact on the Group's financial statements.

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, 2024 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2024

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.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 *Classification of Liabilities as Current or Non-Current*, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 *Leases*

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 *Statement of Cash Flows & IFRS 7 *Financial Instruments: Disclosures**

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The effective date of this amendment 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): Narrow scope amendment to 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

The effective date of this amendment has been deferred indefinitely until further notice

IAS 28 Investments in Associates and Joint Ventures (cont'd)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Revenue recognition (cont'd)

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 arise 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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.

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:	Impact on equality	
	2023	2022
	Rs	Rs
	+/-	+/-
<u>Financial assets at fair value through profit or loss</u>		
Listed:		
- Official market	252,252	244,459
- DEM	94,300	125,549
Foreign	1,815,878	1,759,568
	<u>2,162,430</u>	<u>2,129,576</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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors

(b) Foreign exchange risk (cont'd)

Exposure to foreign currency risk is not hedged.

Currency profile	2023		2022	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Currency	Rs.	Rs.	Rs.	Rs.
Mauritian Rupees	7,090,935	47,006,827	7,863,004	-
US Dollar	23,605,442	-	21,637,363	-
GBP	5,015,716	-	4,844,435	-
Euro	7,171,203	-	6,087,063	-
Canadian Dollars	409,859	-	354,087	-
Swiss Franc	3,374,651	-	3,013,096	-
Singaporean Dollar	859,878	-	948,011	-
	47,527,684	47,006,827	44,747,059	-

At December 31, 2023, 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. 404,367 (2022: Rs. 368,841) 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

FOR THE YEAR ENDED DECEMBER 31, 2023

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation (cont'd)

	2023	2022
	Rs.	Rs.
Level 1:		
Financial assets at fair value	43,248,608	42,591,521

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:

	2023			2022	
	Local Equities			Total	
	Official Market	DEM	Foreign Equities	Total	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
At January 1,	4,889,185	2,510,970	35,191,366	42,591,521	46,439,530
Additions	99,220	-	141,932	241,152	6,086,478
Disposals	-	-	(2,891,345)	(2,891,345)	(3,168,063)
Change in fair value	56,644	(624,975)	3,875,611	3,307,280	(6,766,424)
At December 31,	5,045,049	1,885,995	36,317,564	43,248,608	42,591,521

(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:

	2023	2022
	Rs.	Rs.
Mauritian Rupees	6,931,044	7,400,155
US Dollar	20,659,021	21,091,958
GBP	3,906,532	4,081,615
Euro	7,107,623	5,702,599
Canadian Dollars	409,859	354,087
Swiss Franc	3,374,651	3,013,096
Singaporean Dollar	859,878	948,011
	43,248,608	42,591,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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	
	2023	2022
At January 1,	Rs. 2,730,176	Rs. 2,684,709
Shares subscribed	2,888	269,442
Shares redeemed	(90,808)	(223,975)
At December 31,	<u>2,642,256</u>	<u>2,730,176</u>

(b) Net assets per share

Based on:

Net assets attributable to holders of redeemable shares
Number of ordinary shares in issue

	2023	2022
	Rs. 17.79	Rs. 16.14
	47,006,074	44,059,325
	<u>2,642,256</u>	<u>2,730,176</u>

7. OTHER PAYABLES AND ACCRUALS

Professional fees payable
Advance on share application
Redemption of redeemable shares payable

	2023	2022
	Rs. 274,287	Rs. 395,203
	49,500	-
	120,479	154,175
	<u>444,266</u>	<u>549,378</u>

The carrying amounts of other payables approximate their fair values.

8. DIVIDEND

Dividend payable at January 1,
Paid during the year
Dividend payable at December 31,

	2023	2022
	Rs. 140,310	Rs. 627,246
	-	(486,936)
	<u>140,310</u>	<u>140,310</u>

No dividend declared for 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

9. INCOME TAX

a) Statement of financial position

	2023	2022
	Rs.	Rs.
At January 1,	79,796	71,025
Charge for the year	98,558	190,604
Corporate social responsibility	14,237	23,811
Withholding tax paid	(119,576)	(134,619)
Tax paid during the year	(53,686)	(71,025)
At December 31,	19,329	79,796

Statement of profit or loss

Charge for the year	(21,018)	55,985
Withholding tax	119,576	134,619
Corporate social responsibility	14,237	23,811
Tax charge	112,795	214,415

(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:

	2023	2022
	Rs.	Rs.
Profit/(Loss) before taxation	4,589,161	(5,818,708)
Tax calculated at 15% (2022:15%)	688,374	(872,806)
Income not subject to tax	(726,198)	(139,127)
Expenses not deductible for tax purposes	44,984	1,088,766
Withholding tax	119,576	134,619
Corporate social responsibility	14,237	23,811
Foreign tax credit	(28,178)	(20,848)
Tax charge	112,795	214,415

10. CASH AND CASH EQUIVALENTS

	2023	2022
	Rs.	Rs.
Cash at bank	Rs. 4,279,076	2,155,538

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

	2023		2022	
	FX	Rs.	FX	Rs.
MUR	-	159,891	-	462,849
USD	66,888	2,946,421	12,495	545,405
GBP	19,675	1,109,183	14,551	762,820
EUR	1,299	63,581	8,283	384,464
Rs.		4,279,076		2,155,538

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

11. RELATED PARTY TRANSACTION

	Name of related party	Nature of relationship	Nature of transactions	Volume of transactions	Debit/(credit) balances at 31 December 2023	Debit/(credit) balances at 31 December 2022
2023	Tri-Pro Administrators Ltd	Administrator	Payment of administrative fees	355,350	-	-
2022	Tri-Pro Administrators Ltd	Administrator	Payment of administrative fees	336,481	-	-

12. EVENT AFTER 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.

