SBM PERPETUAL FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2025

CONTENTS

FUND MANAGER	SBM Mauritius Asset Managers Ltd Level 3, Lot15A3, Hyvec Business Park Wall Street Ebène Cybercity Mauritius
FUND ADMINISTRATOR AND REGISTRY	SBM Fund Services Ltd Level 3, Lot15A3, Hyvec Business Park Wall Street Ebène Cybercity Mauritius
BANKER AND CUSTODIAN	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue Port Louis Mauritius
REGISTERED OFFICE	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue Port Louis Mauritius
AUDITOR	PricewaterhouseCoopers PwC Centre Avenue de Telfair Telfair 80829, Moka Mauritius
TRUSTEE	DTOS Trustees Ltd 10th Floor, Standard Chartered Tower 19, Cybercity, Ebène Mauritius

INVESTMENT COMMITTEE

	Date of appointment	Date of resignation
Mr. Alain Eric Koo Khen Heong Venpin	Jul-15	18-Jul-25
Mr. Roshan Ramoly	Jul-15	18-Jul-25
Mr. Assad Abdullatiff	17-Jul-23	24-Jun-25
Mr. Aakash Krishan Kalachand	05-Aug-25	-
Mr. Shunmoogum Coopoosamy	05-Aug-25	-
Mr. Raoul Claude Nicolas Gufflet	05-Aug-25	-

Investment Manager's Statement

Dear Unitholder,

Financial year (FY) 2025 was defined by the interplay between inflation dynamics and monetary policy. Following two years of elevated price pressures stemming from supply chain disruptions, energy shocks, and geopolitical tensions, the global economy began to show signs of stabilisation. Monetary authorities across major economies, led by the US Federal Reserve, shifted towards a more accommodative stance as inflation eased from its peaks, paving the way for expectations of rate cuts and a soft-landing scenario.

Despite headwinds from tighter financing conditions, persistent geopolitical risks and the shift in trade policies, global equity markets delivered another year of strong returns. Major indices reached record highs for a second consecutive year, driven by robust corporate earnings, easing inflation, and investor optimism surrounding artificial intelligence and technological innovation. Bond markets, meanwhile, saw significant shifts as long-term yields moderated sharply towards year-end, reflecting both improving inflation expectations and the anticipated pivot in monetary policy.

Geopolitics, however, remained a defining risk factor. Trade tensions, reciprocal tariffs, and the conflict dynamics in the Middle East generated intermittent bouts of volatility. Yet, markets continued to demonstrate resilience, supported by robust corporate earnings, improving productivity trends, and investor confidence in central banks' capacity to act pre-emptively.

Our approach in FY25 continued to emphasise diversification, tactical positioning, and disciplined risk management. We sustained our overweight to semiconductors and AI beneficiaries, while broadening exposure into industrials and healthcare to capture cyclical recovery opportunities. On the fixed income side, we gradually extended duration to benefit from the normalisation of the yield curve as inflationary pressures eased. Within domestic equities, our pro-cyclical stance in financials, hotels, and select conglomerates yielded positive results, aided by a supportive macroeconomic backdrop and robust earnings delivery.

Looking ahead, we expect FY 2026 to be shaped by a Goldilocks environment of moderating but positive global growth, easing interest rates, and a broadening of market leadership. Earnings growth will be central to sustaining equity valuations, while falling yields should continue to support risk assets and improve bond returns. We also expect AI and digitalisation to drive incremental productivity gains globally, offering structural tailwinds in the face of ageing populations and tighter labour markets.

While risks remain - particularly from geopolitics, trade fragmentation, and election cycles in key economies - our base case is for continued resilience across markets. This environment creates attractive opportunities for active management, especially in balancing cyclical exposures with long-term thematic growth drivers.

We remain committed to delivering value through a disciplined, forward-looking, and adaptive investment approach, while staying true to our core principle of safeguarding and growing unitholder capital.

We thank our management team, stakeholders, and above all, our unitholders for their continued confidence and trust.

SBM Mauritius Asset Managers Ltd

29 SEP 2025

Investment Manager's Report

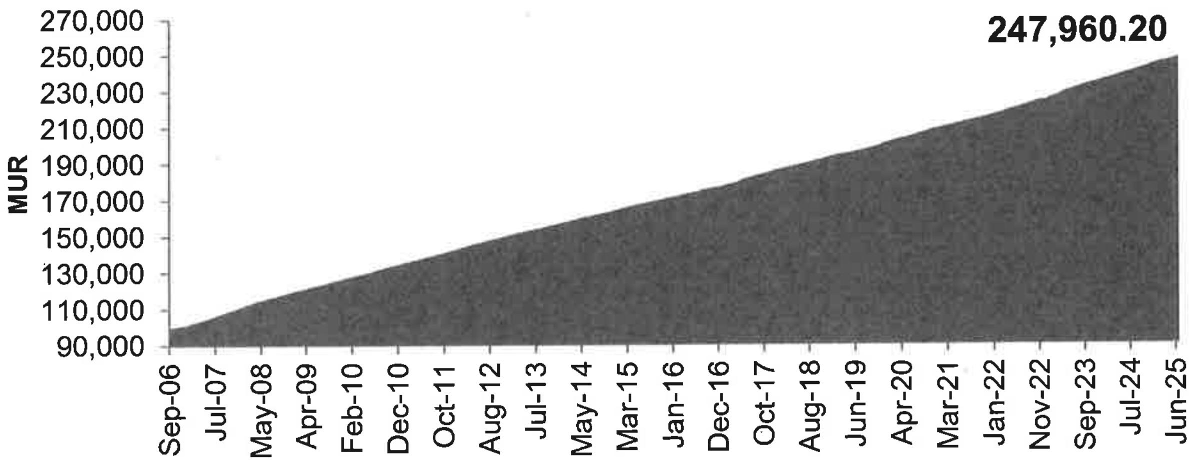
Performance commentary

The net assets of SBM Perpetual Fund grew from MUR 5,789.7M to MUR 5,910.3M with the net asset value per unit (NAV) increasing from MUR 239.17 to MUR 247.96 over the financial year 2025, equivalent to a return of 3.7%. As a comparison, its reference index (SBM Savings Rate + 1%) yielded 3.9% over the same period.

ANNUALISED RETURN

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SBM Perpetual Fund (%)	+3.7	+4.0	+3.9	+5.0
Benchmark (%)	+3.9	+3.8	+2.8	+4.3
	CY 24	**CY 23**	**CY 22**	**CY 21**
SBM Perpetual Fund (%)	+3.8	+4.7	+3.8	+3.4
Benchmark (%)	+4.0	+4.1	+1.9	+1.2

VALUE OF MUR 100,000 INVESTED SINCE INCEPTION



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

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

Positioning and strategy

SBM Perpetual Fund invests in domestic fixed income and fixed income-related securities. The investment strategy of the Fund is set according to its objective of capital preservation.

As at Jun-25, the exposure to Government of Mauritius (GoM) securities stood at 79.6% against 77.7% as at Jun-24, in line with the Fund's strategy to mitigate credit risk and preserve capital. To optimise risk-adjusted returns, the barbell strategy was maintained whereby the Fund allocated more capital to GoM at the long-end while allotting to corporate bonds at the short- to mid-end of the maturity pattern.

Within the corporate bond segment, the portfolio is well-diversified among issuers and sectors. It is the objective of the Fund to invest mainly in investment-grade corporate securities (on a domestic rating scale) in managing credit and liquidity risks. The exposure to corporate bonds declined to 19.2% as at Jun-25 versus 21.9% as at Jun-24 following the maturity of corporate bonds within the property, commerce, consumer non-cyclical and financial sectors.

As part of its liquidity strategy, the Fund maintained a cash and cash equivalent allocation of around 1.2%.

2(iii)

ASSET ALLOCATION (% net assets)

	30/06/24	30/06/25
Fixed income....................	99.6	98.8
Cash & cash equivalent........	0.4	1.2

GEOGRAPHICAL ALLOCATION (% net assets)

	Fund	Index
Mauritius.........................	100.0	100.0

FIXED INCOME ALLOCATION (% net assets)

	30/06/24	30/06/25
Government of Mauritius......	77.7	79.6
Corporate Bonds...............	21.9	19.2

SECTOR ALLOCATION (% net assets)

	30/06/24	30/06/25
Government of Mauritius.........	77.7	79.6
Investment..........................	8.7	8.0
Financial............................	7.0	6.9
Commerce...........................	3.0	2.0
Property..............................	1.8	1.7
Industry..............................	0.5	0.5
Consumer, Non cyclical............	0.5	0.0
Leisure & Hotels....................	0.4	-
Energy................................	0.0	0.1

TOP 5 HOLDINGS (% net assets)

	30/06/24	30/06/25
Government of Mauritius Inflation-indexed Bond 04/05/34	6.0	5.8
Government of Mauritius 27/01/43	3.6	3.5
Government of Mauritius 30/09/42	3.2	3.1
Government of Mauritius 09/03/28	2.9	2.8
Government of Mauritius 17/03/37	2.7	2.7
TOTAL	**18.4**	**17.9**

TOP 5 CORPORATE HOLDINGS (% net assets)

	30/06/24	30/06/25
Forty Two Point Two 27/04/28...	1.5	1.5
Forty Two Point Two 27/04/26...	1.3	1.3
SBM MUR Note Class A2 Series Bond 28/06/28......................	1.2	1.3
Ciel Finance Notes 25/11/31......	1.2	1.1
IBL Notes 26/06/31.................	1.1	1.1
TOTAL	**6.3**	**6.3**

Economic Review

Economy

In its July 2025 World Economic Outlook (WEO), the International Monetary Fund (IMF) revised its global growth projections modestly upward, forecasting 3.0% for 2025 and 3.1% for 2026. This upgrade reflects a combination of factors including the front-loading of economic activity ahead of scheduled tariff adjustments, a decline in effective tariff rates, looser financial conditions, and fiscal support measures in several major economies.

Despite these positive revisions, the IMF noted that risks to the global outlook remain tilted to the downside. The most pressing threats include the potential escalation of tariff measures, heightened policy and geopolitical uncertainty, and persistent conflicts that continue to disrupt trade and investment flows. Inflationary pressures, while gradually easing worldwide, remain uneven across regions. In particular, the United States is projected to maintain inflation above target throughout the second half of 2025, reflecting tariff-related supply shocks and cost pass-throughs.

REAL GDP GROWTH (IMF estimates, % YoY)

Group/ Country	Advanced	Euro Area	EM & Developing	EM Asia	Sub-Saharan Africa	United States	China	India	Mauritius*
2024(E)	1.8	0.9	4.3	5.3	4.0	2.8	5.0	6.5	4.9
2025(F)	1.5	1.0	4.1	5.1	4.0	1.9	4.8	6.4	3.1
2026(F)	1.6	1.2	4.0	4.7	4.3	2.0	4.2	6.4	-

**Statistics Mauritius estimates*

The IMF now expects advanced economies to expand by 1.5% in 2025 and 1.6% in 2026, slightly higher than the April WEO forecasts of 1.4% and 1.5% respectively. Growth in the United States is forecast at 1.9% in 2025, supported by lower tariff rates and improved financial conditions. However, these gains are expected to be partially offset by a sharper-than-anticipated cooling in private demand and a slowdown in immigration, both of which are weighing on labour force growth.

In the Euro Area, growth is projected to accelerate to 1.0% in 2025 (compared with 0.8% previously). The upward revision is largely attributable to Ireland's exceptionally strong performance in Q1 2025, underpinned by a surge in pharmaceutical exports to the United States following the opening of new production facilities. Although Ireland represents less than 5% of Eurozone GDP, its outsized performance influenced the aggregate forecast. Investment activity and net exports continue to underpin the region's growth outlook; however, private consumption remains subdued due to higher costs of living and ongoing labour market uncertainties.

Within the Euro Area, the growth projections for Germany and France have been nudged higher to 0.1% and 0.5%, respectively, while Italy remains unchanged at 0.6%. Spain continues to stand out as the regional outperformer, with a robust 2.5% growth rate expected in 2025, supported by domestic demand and a healthy tourism sector.

For emerging markets and developing economies, the growth forecast has been lifted by 0.4 percentage point for 2025 to 4.1%, while 2026 stands at 4.0%, slightly above the April forecast. The revision is driven primarily by China and India.

Economic Review (Cont'd)

Economy (Cont'd)

China's growth is now expected at 4.8% in 2025, marking a sharp 0.8 percentage point upgrade. The Chinese economy exhibited stronger-than-anticipated performance in the first half of 2025, primarily led by net exports benefiting from a weaker renminbi and reduced US-China tariffs. Fiscal measures provided modest support to household consumption, while inventory restocking is projected to sustain growth into the latter half of the year, albeit at a slower pace as earlier front-loaded activity fade.

India is projected to grow by 6.4% in both 2025 and 2026, reaffirming its position as the fastest-growing major economy. This marks an upward revision from the April forecasts of 6.2% and 6.3%, driven by a more favourable external environment, resilient domestic demand, and structural reforms enhancing investment momentum.

For Mauritius, Statistics Mauritius projects real GDP growth of 3.1% in 2025, down from 4.9% in 2024. The moderation reflects softer external demand, particularly in key export markets, and signs of normalisation in the tourism sector following a strong post-pandemic rebound. Nonetheless, construction activity, tourism services, and financial services are expected to remain the key drivers of domestic growth. Risks to the Mauritian economy stem mainly from global trade uncertainties, financial market volatility, and elevated geopolitical tensions, all of which could weigh on exports and investor sentiment.

Global headline inflation is projected to continue its downward trajectory, reaching 4.2% in 2025 and 3.6% in 2026, broadly in line with the April WEO estimates. Falling energy prices, softening demand conditions, and tariff-driven reductions in import costs are expected to underpin this disinflationary trend in several economies.

However, the situation in the United States diverges from the global pattern. Tariffs are operating as a supply-side shock, raising input costs and feeding into consumer prices. While producers are experiencing higher costs for intermediate goods, the weaker dollar and evidence of tariff pass-through effects are contributing to price pressures in import-sensitive categories. Geopolitical risks and uncertainties around the global trade regime add further complexity, with potential for renewed supply chain disruptions that could stall the disinflation process.

Financial markets review

Equity markets

Global equities delivered strong returns during FY25, buoyed by lower yields, a weaker dollar, and optimism surrounding artificial intelligence (AI). The MSCI World Index advanced +14.7%, while the S&P 500 gained +13.6%, closing the financial year at 6,204.95. US equities experienced a volatile year. Markets opened on a weak note in Q1 25 amid trade tariff announcements and competitive pressures from China's DeepSeek AI platform. However, sentiment improved sharply in the latter half of the financial year as inflation moderated, bond yields declined, and optimism surrounding AI-led productivity gains lifted investor confidence.

In Europe, equities posted more modest gains. The MSCI Europe Index rose +5.3%, supported by optimism around a newly elected pro-growth administration in Germany and the European Central Bank's (ECB) sequence of rate cuts. However, political instability in France and structural weakness in the auto and energy sectors limited upside. Large-cap names dominated performance, and the EuroStoxx 50 Index benefited from both policy tailwinds and investor preference for defensive exposures. Asia presented a mixed picture. Japan's equity market delivered only a muted +2.3% return as higher interest rates to contain inflation weighed on sentiment. In contrast, China's equity market surged +13.7% in local currency terms, driven by government support measures, improved trade conditions following tariff adjustments, and significant inflows into the technology sector. Broader emerging markets also performed strongly, with the MSCI Emerging Markets Index rising +12.6%, supported by falling US Treasury yields, dollar depreciation, and renewed investor appetite for risk assets.

The Mauritian equity market lagged global peers. The SEMDEX advanced +9.5%, reflecting earnings resilience in leading financial institutions, while the DEMEX fell -7.4%, weighed down by weak performance in select industrial and hospitality names. Major contributors to SEMDEX gains included MCBG, CIM, and SBMH, while IBLL, SUN, and EMTEL were the main detractors. At a stock level, CIM (+44.6%), PIM (+41.2%), and UDL (+40.6%) were the strongest performers, benefiting from earnings momentum and investor interest in diversified financials. Conversely, LOTO (-25.9%), IBLL (-25.0%), and HMALLAC (-24.0%) registered the steepest declines. By year-end, the SEMDEX traded at 6.37x earnings with a dividend yield of 4.80%, compared to 6.66x and 4.33% a year earlier.

EQUITY INDEX PERFORMANCE (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y
S&P 500	+5.0%	+10.6%	+5.5%	+5.5%	+13.6%	+63.9%	+100.1%
MSCI World	+4.2%	+11.0%	+8.6%	+8.6%	+14.7%	+58.1%	+82.9%
MSCI World Small Cap	+4.6%	+11.0%	+6.4%	+6.4%	+12.6%	+34.2%	+55.8%
MSCI Europe	-1.4%	+1.1%	+6.5%	+6.5%	+5.3%	+32.4%	+50.8%
MSCI EM	+5.7%	+11.0%	+13.7%	+13.7%	+12.6%	+22.2%	+22.9%
MSCI AC Asia	+4.1%	+11.7%	+12.0%	+12.0%	+12.7%	+28.7%	+28.8%
SEMDEX	-4.4%	-7.1%	-3.9%	-3.9%	+9.5%	+8.5%	38.9%
DEMEX	-1.0%	-4.2%	-5.1%	-5.1%	-7.4%	-24.3%	8.3%

TOP INDEX LEADERS (% local currency)

Global equities	1Y	Domestic equities	1Y
Nvidia Corp	+27.9	MCB Group Limited	+13.2
Broadcom Inc	+73.6	CIM Financial Services Ltd	+44.6
Meta Platforms Inc-Class A	+46.9	SBM Holdings Ltd	+19.6
Microsoft Corp	+12.1	ENL Limited	+34.5
Tesla Inc	+60.5	Vivo Energy Mauritius Ltd	+24.7

Financial markets review (Cont'd)

Bond markets

The global fixed income landscape in FY25 was dominated by shifting monetary policy expectations and evolving inflation dynamics. After a turbulent start to the year, government bond yields declined meaningfully in the second half, reflecting softer inflation prints and increased confidence that major central banks had reached or were nearing the end of their tightening cycles.

In the United States, the 10-year Treasury yield fell from 4.40% to 4.23% over the financial year, as moderating inflation data fuelled expectations of a more dovish Federal Reserve stance. Treasury markets benefited from safe-haven demand during periods of geopolitical stress, while the weaker dollar further supported foreign investor appetite. Corporate bonds also performed strongly, with credit spreads tightening on the back of solid earnings and healthy balance sheets. Investment grade spreads reached multi-year lows, underscoring investor confidence in corporate fundamentals.

European bond markets delivered mixed returns. The German 10-year Bund yield ended FY25 at 2.61%, up from 2.50% at the start of FY24, driven by increased fiscal spending commitments, following the loosening of the constitutional debt-brake, which led to higher government bond issuance and modest upward pressure on yields. However, divergence within the region was notable: while core sovereign yields declined, spreads on peripheral issuers such as Italy and Spain remained volatile amid fiscal sustainability concerns. Investment grade credit performed well, but high-yield markets experienced greater dispersion as weaker issuers faced refinancing challenges.

Asian fixed income markets reflected local monetary conditions. Japanese government bonds (JGBs) experienced significant volatility as the Bank of Japan pursued a delicate normalisation of its ultra-loose monetary policy. Yields rose meaningfully in early 2025 before stabilising after signs of slowing wage growth reduced expectations of aggressive tightening. In contrast, Chinese government bonds attracted inflows as rate differentials with the US narrowed, and easing measures from the People's Bank of China supported domestic credit conditions.

On the domestic secondary bond market, yields on the 91D Treasury bills surged by 119bps to 4.36% in June 2025. Yields on 182D Treasury bills and 364D Treasury bills soared by 115bps and 124bps to 4.57% and 4.92% respectively. 3Y GoM notes yield rose from 4.39% in June 2024 to 5.20% in June 2025, while the 5Y GoM bonds traded at 5.34% against 4.67%. Yields on the long-term bonds were also on the uptrend, with the 10Y GoM bonds trading at 5.62% as at June 2025, equivalent to an upswing of 60bps. The yield on 15Y GoM bonds climbed by 71bps to 5.99%, while the 20Y GoM bonds yield grew by 53bps to 6.09%.

Financial markets review (Cont'd)

Bond markets (Cont'd)

BOND INDEX PERFORMANCE (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y
Barclays Global Aggregate Bond.......	+1.9%	+4.5%	+7.3%	+7.3%	+8.9%	+8.5%	-5.7%
Barclays US Aggregate Bond...........	+1.5%	+1.2%	+4.0%	+4.0%	+6.1%	+7.8%	-3.6%
Barclays US Govt Inflation-Linked All Maturities Index	+1.0%	+0.4%	+4.6%	+4.6%	+5.7%	+6.9%	+7.3%
Barclays High Yield bond	+2.3%	+4.9%	+6.8%	+6.8%	+13.0%	+39.7%	+31.6%
JP Morgan EMU IG Bond	-0.2%	+1.8%	+0.6%	+0.6%	+4.4%	+2.1%	-10.6%
JP Morgan EM Bond	+2.5%	+3.5%	+5.6%	+5.6%	+9.8%	+28.1%	+7.9%
FTSE Asian Broad Bond..................	+1.4%	+1.8%	+4.4%	+4.4%	+7.5%	+17.1%	+5.6%

USD except for JP Morgan EMU IG Bond

MARKET YIELDS (%)

Tenor	United States		Germany		India		China		Mauritius	
	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24	Jun-25	Jun-24
91D	4.20	5.37	1.77	3.34	5.64	6.97	-	1.44	4.36	3.17
182D	4.25	5.26	1.79	3.3	5.67	6.97	-	1.45	4.57	3.42
364D	3.97	5.09	1.81	3.18	5.73	6.97	1.34	1.54	4.92	3.69
3Y	3.69	4.51	1.91	2.68	5.95	7.00	1.39	1.80	5.20	4.39
5Y	3.80	4.35	2.15	2.43	6.15	7.03	1.51	1.98	5.34	4.67
10Y	4.23	4.37	2.61	2.46	6.32	7.06	1.65	2.21	5.62	5.02
15Y	4.50	4.46	2.90	2.67	6.72	7.06	1.69	2.31	5.99	5.28
20Y	4.78	4.68	3.00	2.72	6.89	7.05	1.76	2.36	6.09	5.55

Commodity markets

Commodity markets were influenced by shifting demand patterns, geopolitical tensions, and currency dynamics; the S&P GSCI Index ending marginally higher by 0.3%. Brent traded within a broad range before tumbling by financial year end, reflecting softer global demand alongside increased supply from non-OPEC producers. Natural Gas, on the other hand, maintained its uptrend supported by the economic expansion of fast-growing Asian markets. Within precious metals, gold registered solid gains supported by lower US real yields, central bank purchases, and heightened demand for safe-haven assets amid geopolitical tensions. Industrial metals posted strong gains, with Copper prices rising on strong demand from electric vehicle and renewable energy sectors, alongside supply disruptions.

COMMODITIES

	Jun-25	Jun-24	FY25 (% YoY)
WTI $/Bbl..	67.61	86.41	-21.8
Brent $/Bbl..	65.11	81.54	-20.1
Natural gas USD $/mmBtu............................	3.46	2.60	32.9
Copper $/Oz...	503.00	439.05	14.6
Silver Spot $/Oz	36.11	29.14	23.9
Gold Spot $/Oz...	3,303.14	2,326.75	42.0

Financial markets review (Cont'd)

Forex

The foreign exchange landscape in FY25 was shaped by shifting monetary policy expectations, heightened geopolitical risks, and the unwinding of the US dollar's multi-year strength. The US Dollar Index (DXY) declined by 8.5% over the period, weighed down by a combination of aggressive US trade policies, increased market uncertainty, and waning investor confidence. The dollar came under further pressure amid rate cuts, which reduced yield support and encouraged diversification away from US assets. Geopolitical tensions in the Middle East, particularly the confrontation between Iran, Israel, and the United States, alongside reciprocal tariff measures between the US and its trading partners, accelerated the move lower in the greenback.

The euro emerged as one of the key beneficiaries of this trend. The EUR/USD pair appreciated by 10.2% year-on-year, reaching a one-year high of 1.18 by end-June 2025. The rebound reflected a revival in global risk appetite following a ceasefire agreement between Iran and Israel, which supported demand for European assets. Additionally, the euro gained traction from positive spillovers of fiscal stimulus measures in China and Germany, while the Fed's policy easing in late 2024 highlighted the relative resilience of the Eurozone. The British pound also strengthened, rallying 9.0% against the US dollar. Sterling's advance was underpinned by the recent persistence of UK inflation, above the Bank of England's 2% target. Market participants interpreted the elevated inflation backdrop as consistent with a "higher-for-longer" interest rate environment, which lent support to the currency.

In Asia, the Japanese yen regained ground, appreciating by 10.5% year-on-year to close at JPY 144.03 against the dollar. The yen benefitted from wider interest rate differentials following incremental moves by the Bank of Japan toward policy normalisation, as well as renewed safe-haven demand during episodes of global risk aversion. The Chinese renminbi (CNY) also strengthened, rising by 1.5% year-on-year. Improved domestic demand, progress in US-China trade negotiations, and a resurgence in investor confidence following the emergence of China's DeepSeek AI breakthrough - which showcased the country's competitiveness in next-generation technologies - helped bolster the yuan's international credibility and attracted flows into Chinese equities and bonds. The Indian rupee, by contrast, weakened 2.8% year-on-year against the dollar, weighed down by persistent trade and current account deficits. Although India maintained relatively higher interest rates than the US, external imbalances exerted a stronger drag on the currency.

The Mauritian rupee (MUR) posted a 3.1% appreciation against the USD, supported by the greenback's global weakness and targeted interventions by the Bank of Mauritius (BoM), which sold approximately USD 415 million in the domestic FX market during the period under review. The Key Repo Rate was raised to 4.5% in February 2025, to anchor inflation and achieve the objective of monetary stability.

FOREX

	Jun-25	Jun-24	FY25 (% YoY)
Dollar index	96.88	105.87	-8.5
EUR-USD	1.18	1.07	+10.2
GBP-USD	1.37	1.26	+9.0
USD-JPY	144.03	160.88	-10.5
USD-CNY	7.16	7.27	-1.5
USD-INR	85.77	83.39	+2.8
USD-MUR	45.06	46.52	-3.1

Market Outlook

Global financial markets entered FY26 with cautious optimism, supported by the continued moderation in inflation and a gradual shift towards monetary easing across advanced economies. In US, the Fed's rate cuts in late 2024 anchored sentiment, while softer inflation readings and a cooling labour market bolstered expectations of a soft landing. Europe's growth outlook remains modest but improving, driven by Germany's fiscal stimulus measures and stronger external demand. In Asia, China's targeted policy easing and AI-driven technological advances have stabilised growth, while Japan continues to benefit from corporate reforms and resilient export performance. India is projected to remain one of the world's fastest-growing economies, though external imbalances present headwinds.

In Mauritius, the growth momentum is projected to moderate in 2025, with Statistics Mauritius forecasting GDP growth of around 3.1%, below the 4.9% growth achieved in 2024, reflecting softer external demand, particularly in key export markets, and signs of normalisation in the tourism sector following a strong post-pandemic rebound. Construction, tourism and financial services are expected to remain the key drivers of economic growth. Large-scale infrastructure projects are expected to sustain activity in the construction sector, while the tourism industry continues to benefit from stronger connectivity and diversified source markets. From a monetary policy perspective, the BoM raised the Key Repo Rate to 4.50% in February 2025, balancing inflation management with growth support.

International equities are expected to remain supported by the twin drivers of monetary easing and earnings resilience. In the US, earnings momentum in mega-cap technology, semiconductors, and AI-linked industries should underpin market leadership, while more cyclical sectors could benefit from lower rates and stabilising growth. Valuations remain elevated in certain segments, but the prospect of lower discount rates and sustained earnings growth suggests further upside potential, albeit with increased volatility around policy and geopolitical headlines. European equities may benefit from policy support and improving industrial outlook. In Asia, opportunities remain concentrated in China's technology and consumer sectors and in India's structural growth story, while Japanese equities may continue to benefit from governance reforms and investor inflows. Domestically, equity markets are likely to track global risk sentiment while being supported by earnings growth in tourism, banking, and financial services.

Within fixed income, markets are transitioning into a more favourable phase following the peak in global interest rates. US Treasuries staged a strong rally in late 2024 as the Fed pivoted to rate cuts, and yields are expected to normalise further along the curve. This should support total returns across sovereign bonds, while credit markets stand to benefit from lower refinancing costs and resilient corporate fundamentals. In Europe, declining inflation and the European Central Bank's gradual easing path provide scope for sovereign yields to edge lower, while in emerging markets, selective opportunities remain in local-currency bonds where real yields are attractive and currencies are supported by improving fundamentals. In Mauritius, bond market conditions should remain broadly stable, underpinned by a contained interest rate environment.

Geopolitical risks - particularly in the Middle East - as well as uncertainty over global trade policies and elections in major economies remain key downside risks. Nevertheless, the macro backdrop of moderating inflation, stable growth, and supportive monetary policy is expected to provide a constructive environment for global assets in FY26.

The Trustee and Manager of SBM Perpetual Fund ("the Fund") are pleased to submit their Corporate Governance Report for the year ended 30 June 2025, inclusive of other statutory disclosures.

INTRODUCTION

SBM Perpetual Fund is an open-ended collective investment scheme which was previously incorporated as a public limited liability company pursuant to the Companies Act 2001 and is licensed by the Financial Services Commission.

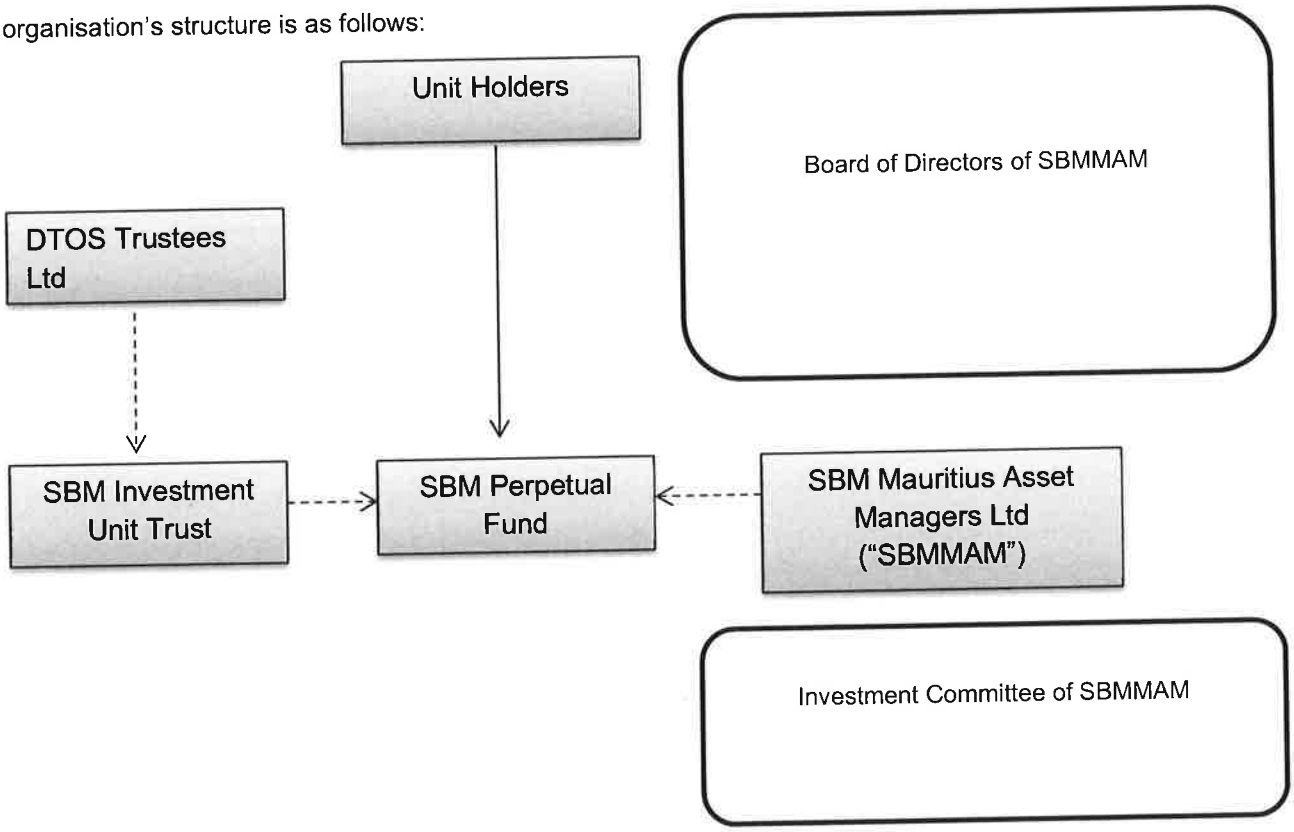
Following a restructuring exercise, the Fund has been restructured under the SBM Investment Unit Trust, whilst keeping their investment objectives and strategies by a Supplemental Deed of Amendment of the Trust Deed of the SBM Investment Unit Trust dated 31 December 2019 between the Manager, SBM Mauritius Asset Managers Ltd and DTOS Trustees Ltd.

The Fund's objective is to achieve long term growth by investing in a diversified portfolio of local fixed income instruments, including government issued instruments, cash, and term deposits. This Fund is suitable for investors seeking a relatively high level of capital preservation.

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

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

The organisation's structure is as follows:



INTRODUCTION (CONTINUED)

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

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

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

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

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

The Board of SBM Mauritius Asset Managers Ltd comprises of the following:

- Mr. Mr. Pierre Marrier d'Unienville (Resigned on 18 July 2025)
- Mr. Alain Eric Koo Khen Heong Venpin (Resigned on 18 July 2025)
- Mr. Shailendrasingh Sreekeessoon (Resigned on 18 July 2025)
- Mr. Roshan Ramoly (Resigned on 18 July 2025)
- Mr. Muhammad Assad Yussuf Abdullatiff (Resigned on 24 June 2025)
- Mr. Edward Vaughan Heberden (Resigned on 18 July 2025)
- Mrs. Nooreenah Bibi Mungur (Appointed on 18 July 2025)
- Mr. Aakash Krishan Kalachand (Appointed on 18 July 2025)
- Mr. Raoul Claude Nicolas Gufflet (Appointed on 05 August 2025)
- Mr. Shunmoogum (Radha) Coopoosamy (Appointed on 19 August 2025)
- Mr. Jayvash Nundoo (Appointed on 24 April 2024)

The Investment Committee of SBM Mauritius Asset Managers Ltd comprises of the following:

- Mr. Alain Eric Koo Khen Heong Venpin (Resigned on 18 July 2025)
- Mr. Roshan Ramoly (Resigned on 18 July 2025)
- Mr. Muhammad Assad Yussuf Abdullatiff (Resigned on 24 June 2025)
- Mr. Aakash Krishan Kalachand (Appointed on 05 August 2025)
- Mr. Shunmoogum (Radha) Coopoosamy (Appointed on 05 August 2025)
- Mr. Raoul Claude Nicolas Gufflet (Appointed on 05 August 2025)

INTRODUCTION (CONTINUED)

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

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

TRUST DEED AND SUPPLEMENTAL DEEDS

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

Salient features of the documents are:

No Unitholder shall be entitled to:

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

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

THE TRUSTEE AND THE MANAGER

Corporate Profile of the Trustee – DTOS Trustees Ltd

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

Role of the Trustee

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

THE TRUSTEE AND THE MANAGER (CONTINUED)

Role of the Trustee (CONTINUED)

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

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

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

Corporate Profile of the Manager – SBM MAM

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

Role of the Manager and its obligations

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

Its obligations cover but are not restricted to the following:

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

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

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

THE INVESTMENT COMMITTEE

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

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

Managing Conflict of Interest and Related Party Transactions

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

For the related party transaction, please refer to Note 21 to the Financial Statements.

Information, information technology and information security policy

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

RISK GOVERNANCE AND INTERNAL CONTROL

RISK MANAGEMENT

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

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

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

The risk management mechanisms in place include:

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

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

RISK GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

RISK MANAGEMENT (CONTINUED)

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

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

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

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

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

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

INTERNAL CONTROL

The Manager and the board of the Manager acknowledge their responsibility for internal control and work closely together and with the Fund Administrator to put in place a system of internal controls which is designed to provide the Trustee with reasonable assurance that the assets are safeguarded; that operations are carried out effectively and efficiently; that the financial controls are reliable and in compliance with applicable laws and regulations and that material frauds and other irregularities are either prevented or detected within a reasonable time.
The Manager and Fund Administrator prepare compliance and risk monitoring reports that are submitted to the Investment Committee and Board of the Manager on a quarterly basis for their review, following which recommendations are made to the Manager on an on-going basis. Preventive and corrective actions are then duly implemented to address internal control deficiencies and opportunities for improving the systems.

WHISTLEBLOWING POLICY

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

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

REPORTING WITH INTEGRITY

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

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

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

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

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

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

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

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

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

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

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

AUDIT

Internal Audit

The Non-Banking Financial cluster ('NBFC') of the SBM Group has its own permanent Internal Audit function reporting to the Risk Committee of SBM (NBFC) Holdings Ltd, the holding Company of NBFC. The internal audit team comprises of three fully qualified accountants. The Internal Audit oversees the Fund. The internal auditors provide assurance about the effectiveness of the risk management and control processes in place and they maintain their independence by reporting to the Risk Committee. The Head of Internal Audit has regular access to the Trustee and Manager and the chairperson of the Risk Committee. There were no restrictions on access by the internal auditors to records or members of the management team.

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

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

In doing so, the Internal Auditors obtain reasonable assurance that business objectives for the process under review are being achieved and material control deficiencies are detected. Upon completion of each review, a formal report detailing the audit findings and the appropriate recommendations are issued to the chairperson of Risk Committee and the Chief Executive Officer. Any deviation in policies and non-performance of internal controls are duly reported and discussed at Risk Committee level. Corrective actions are promptly taken and regular follow ups as well as reporting performed by Internal Audit until complete resolution.

External Audit

PricewaterhouseCoopers was appointed as statutory auditors of the Fund for the financial year ended 30 June 2025. The Trustee and Manager assess and review on a regular basis the independence of the external auditor.

The Fees for the year ended 30 June 2025 for audit services were **MUR 1,097,100** (2024: MUR 1,008,000). No non-audit services were provided by the external auditors during the financial year.

RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

SHAREHOLDING

Holding Structure – 30 June 2025
As at 30 June 2025, the Fund had issued **23,835,554 units** (As at 30 June 2024: 24,207,064 units) for a total fund size of **Rs 5,910,267,346** (30 June 2024: Rs Rs 5,789,400,284). The NAV per unit of the Fund as at 30 June 2025 was **Rs. 247.96** (30 June 2024: Rs. 239.16).

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

Year	NAV per unit
June 2023	230.48
June 2024	239.16
June 2025	247.96

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

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

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

Reporting date	30 June 2025
Publication of year end results	Within 90 days from end of 30 June 2025

Analysis of ownership
The Fund had **1,703 unitholders** as at 30 June 2025 (30 June 2024: 1,769 Unitholders). A breakdown of the category of Unitholders and the unit ownership as at 30 June 2025 are set out below:

Market Value (MUR)	No. of unitholders	No. of units	% holding
0 – 499,999	436	438,697	2%
500,000 – 999,999	342	924,876	4%
1M – 1,999,999	409	2,184,903	9%
2M – 4,999,999	306	3,735,456	16%
5M – 9,999,999	130	3,392,633	14%
10M – 49,999,999	69	4,997,823	21%
50M – 99,999,999	6	1,575,742	7%
100M – 499,999,999	4	3,215,142	13%
>500M	1	3,370,282	14%
TOTAL	**1,703**	**23,835,554**	**100%**

OTHER STATUTORY DISCLOSURES

SIGNIFICANT CONTRACTS

The following agreements have been approved by the Trustee and Manager and are still effective as at end of the financial year 2025:

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

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

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

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

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

On behalf of the Trustee and Manager

Mr. ....
On behalf of the Trustee
Date: 29 Sep 2025

DTOS TRUSTEES LTD
The Common Seal of

Mr. ....
On behalf of the Manager

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

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

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

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

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

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

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

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

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

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

On behalf of the Trustee and Manager

Mr. ....
On behalf of the Trustee
Date 29 SEP 2025

DTOS TRUSTEES LTD
The Common Seal of
*

Mr. .... N Pungor
On behalf of the Manager

STATEMENT OF COMPLIANCE
(Section 75 (3) of the Financial Reporting Act)

Name of PIE: SBM Perpetual Fund

Reporting Period: Year ended 30 June 2025

We, the Trustee and Manager of the SBM Perpetual Fund (the "Fund") confirm that to the best of our knowledge, the Fund has complied with most of its obligation and requirements under the National Code of Corporate Governance for Mauritius (2016) except for the principles as set out below:

Principle	Section relating to	Reason for non-compliance
1	Governance structure • Approval of Board Charter • Approval of organisation's code of ethics • Approval of job descriptions of key senior governance positions • Approval of statement of accountabilities	The Fund is set up as a Trust and this principle does not apply to a Trust structure. However, the main roles as described under this principle are fulfilled by the Manager of the Fund, SBM Mauritius Asset Managers Ltd, who ensures that the organisation is led by an effective Board, with clearly defined responsibilities and accountabilities.
2	The Structure of the Board and its Committees	The Fund is set up as a Trust and this principle does not apply to a Trust structure. It has no board of directors, no board committees, and no company secretary. However, the main roles as described under this principle are fulfilled by the Manager of the Fund, SBM Mauritius Asset Managers Ltd, who ensures that the Board is appropriately structured to provide effective leadership, oversight, and strategic direction for the organisation.
3	Director's Appointment Procedures	The Fund is set up as a Trust and this principle does not apply to a Trust structure. It has no board of directors, no board committees, and no company secretary. However, the main roles as described under this principle are fulfilled by the Manager of the Fund, SBM Mauritius Asset Managers Ltd, who ensures there is a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors.

Principle	Section relating to	Reason for non-compliance
4	Directors' Duties, Remuneration and Performance	The Fund is set up as a Trust and this principle does not apply to a Trust structure. It has no board of directors, no board committees, and no company secretary. However, the main roles as described under this principle are fulfilled by the Manager of the Fund, SBM Mauritius Asset Managers Ltd, who ensures ensure directors act ethically, fulfill legal duties, and contribute effectively to governance.
5	Reporting with Integrity • Absence of website	Given the Fund's structure as a Trust, it was not considered necessary to have a dedicated website. However, the Annual report is published in full on the website of the Manager of the Fund.
7	Audit	The Fund is set up as a Trust and it has no dedicated internal audit function and audit committee. However, the main roles described under this principle are fulfilled by SBM (NBFC) Holdings Ltd, the ultimate parent of the Manager of the Fund, who ensures there are effective audit structures in place for reliable reporting and assurance.

On behalf of the Trustee and Manager

The Common Seal of TOS TRUSTEES LTD

....
On behalf of the Trustee

....
On behalf of the Manager

Date: 29 SEP 2025

Independent Auditor's Report

To the Unit Holders of SBM Perpetual Fund

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SBM Perpetual Fund (the "Fund") as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

What we have audited

The financial statements of SBM Perpetual Fund set out on pages 8 to 33 comprise:

- the statement of financial position as at 30 June 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

pwc

Independent Auditor's Report

To the Unit Holders of SBM Perpetual Fund (Continued)

Report on the Audit of the Financial Statements (Continued)

Other Information

The Trustee and Manager are responsible for the other information. The other information comprises the corporate information, the investment manager's statement, the investment manager's report, the corporate governance report, the trustee's and manager's responsibilities in respect of the financial statements and the statement of compliance 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 identified above 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 on the other information, 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 the Trustee and Manager for the Financial Statements

The Trustee and Manager are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, and for such internal control as the Trustee and Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Trustee and Manager are responsible for overseeing the financial reporting process.

pwc

Independent Auditor's Report

To the Unit Holders of SBM Perpetual Fund (Continued)

Report on the Audit of the Financial Statements (Continued)

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 judgement and maintain professional scepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee and Manager.
- Conclude on the appropriateness of the Trustee and Manager's 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.

Independent Auditor's Report

To the Unit Holders of
SBM Perpetual Fund (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the Trustee and Manager 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 Financial Reporting Act 2004

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

Other Matter

This report, including the opinion, has been prepared for and only for the Fund's unit holders, as a body, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

Johanne How Cho Hee, licensed by FRC

01 October 2025

SBM PERPETUAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 MUR'000	2024 MUR'000
ASSETS			
Cash and cash equivalents		**98,513**	19,249
Other receivables	5	**130**	23
Financial assets at fair value through profit or loss	7	**849,774**	934,234
Financial assets held at amortised cost	6	**4,997,091**	4,873,374
		5,945,508	5,826,880
LIABILITIES			
Other payables	10	**34,593**	37,066
Income tax liability	11(a)	**648**	414
		35,241	37,480
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE FUND			
Redeemable units	12(i)	**4,411,982**	4,503,607
Retained earnings		**1,503,148**	1,289,798
Other reserve		**(4,863)**	(4,005)
	12(ii)	**5,910,267**	5,789,400
TOTAL EQUITY AND LIABILITIES		**5,945,508**	5,826,880

Approved by the Trustee and the Manager and authorised for issue on 29 SEP 2025

DTOS TRUSTEES LTD The Common Seal of

TRUSTEE **MANAGER**

The notes on pages 12 to 33 form part of these financial statements.

	Notes	30 June 2025	30 June 2024
		MUR'000	MUR'000
GROSS INCOME			
Interest income	13	**285,376**	276,605
FUND EXPENSES			
Manager's fees	14	**44,391**	42,045
Administrator's fees	15	**6,659**	6,307
Registry fees	16	**6,659**	6,307
Custodian fees	17	**3,386**	3,180
Trustee fee	18	**1,310**	690
Audit fees		**1,097**	1,008
Legal & professional fees		**75**	144
Sundry charges		**9**	79
Expected credit losses	8	**6,346**	2,901
Net loss on financial assets at FVTPL	7	**858**	4,670
		70,790	67,331
PROFIT BEFORE TAXATION		**214,586**	209,274
Income tax expense	11 (b)	**(2,094)**	(1,618)
PROFIT AFTER TAXATION		**212,492**	207,656
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**212,492**	207,656

The notes on pages 12 to 33 form part of these financial statements.

	Note	Issued units MUR'000	Retained earnings MUR'000	Other reserve MUR'000	Total MUR'000
At 01 July 2023		4,358,134	1,077,472	665	5,436,271
Issue of units	12 (i)	728,278	-		728,278
Redemption of units	12 (i)	(582,805)	-	-	(582,805)
Total comprehensive income for the year		-	207,656	-	207,656
Transfer: Net loss on financial assets at FVTPL		-	4,670	(4,670)	-
As at 30 June 2024		4,503,607	1,289,798	(4,005)	5,789,400
At 01 July 2024		**4,503,607**	**1,289,798**	**(4,005)**	**5,789,400**
Issue of units	12 (i)	**421,636**	-		**421,636**
Redemption of units	12 (i)	**(513,261)**	-	-	**(513,261)**
Total comprehensive income for the year		-	**212,492**	-	**212,492**
Transfer: **Net loss on financial assets at FVTPL**		-	**858**	**(858)**	-
As at 30 June 2025		**4,411,982**	**1,503,148**	**(4,863)**	**5,910,267**

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

The notes on pages 12 to 33 form part of these financial statements.

	Notes	30 June 2025	30 June 2024
		MUR'000	MUR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**214,586**	209,274
Adjustment for:			
Interest Income	13	**(285,376)**	(276,605)
Net loss on financial assets at FVTPL	7(b)	**858**	4,670
Expected credit losses	8	**6,346**	2,901
Operating loss before working capital changes		**(63,586)**	(59,760)
(Increase)/Decrease in other receivables		**(107)**	475
(Decrease)/Increase in other payables		**(2,473)**	9,416
Purchase of financial assets held at amortised cost	6	**(268,270)**	(675,181)
Purchase of financial assets held at FVTPL	7	**(60,095)**	(398,781)
Proceeds on maturity of financial assets held at amortised cost	6	**122,500**	466,432
Proceeds on disposal of financial assets held at FVTPL	7	**142,927**	89,831
Interest received		**301,853**	294,796
Net cash generated from/(used in)operations		**172,749**	(272,772)
Taxation paid	11(a)	**(1,860)**	(3,258)
Net cash generated from/ (used in) operating activities		**170,889**	(276,030)
CASHFLOWS FROM FINANCING ACTIVITIES			
Issue of redeemable units	12 (i)	**421,636**	728,278
Redemption of redeemable units	12 (i)	**(513,261)**	(582,805)
Net cash (used in)/ generated from financing activities		**(91,625)**	145,473
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**79,264**	(130,557)
CASH AND CASH EQUIVALENTS AT START OF YEAR		**19,249**	149,806
CASH AND CASH EQUIVALENTS AT END OF YEAR		**98,513**	19,249

The notes on pages 12 to 33 form part of these financial statements.

1 LEGAL FORM AND PRINCIPAL ACTIVITY

SBM Perpetual Fund Ltd ("the Fund") was incorporated on 28 September 2006 as a Public Company Limited by share. Its registered office is situated at SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius. The Fund was authorised to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005. The Fund is authorised to operate as a unit trust under the Securities Act 2005 and the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 (the "Securities Laws of Mauritius").

The principal activity of the Fund is to invest in long term securities and other instruments. The Fund's investment activities are managed by SBM Mauritius Asset Managers Ltd.

2 APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Fund has applied all the new and revised standard and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2024.

2.1 New standards and amendments to existing standards

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2024 that have a material effect on the financial statements of the Fund.

2.2 New standards, amendments and interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. The Fund's assessment of the impact of these new standards and amendments is set out below:

i) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.

ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

The IASB issued the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:
- the structure of the statement of profit or loss with defined subtotals;
- the requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Fund is currently still assessing the effect of the forthcoming standard and amendments.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and comply with the requirements of the Trust Deed, the Securities Act 2005, the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

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

The financial statements are presented in Mauritian Rupee ("MUR'000") and all values are rounded to the nearest thousand, except when otherwise indicated.

Going concern

The Manager of the Fund has made an assessment of its ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Manager is not aware of any material uncertainty that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements has been prepared on the going concern basis.

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Taxes (Continued)

Deferred tax (Continued)

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

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

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

(b) Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

As a result of the adoption of IFRS 9, the Fund has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require:
- Impairment of financial assets to be presented in a separate line item in the statement of comprehensive income; and
- Separate presentation in the statement of profit or loss and other comprehensive income of interest revenue calculated using the effective interest method.

Financial assets

Initial recognition and measurement

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

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

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

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

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the settlement date for debt instruments, i.e., the date that the Fund settles the purchase or sale of the asset.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

The Fund's financial assets at amortised cost include investments held in government bonds and local bonds, cash and cash equivalents and other receivables.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial assets (Continued)

Financial assets at amortised cost (Continued)

Amortised cost and effective interest method (Continued)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "interest income" line item.

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

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

- Investments in equity instruments are classified as at FVTPL, unless the Fund designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition. It has been acquired principally for the purpose of selling it in the near term;

- Debt instruments that do not meet the criteria for amortised cost or FVOCI are classified as at FVTPL. In addition, certain debt instruments that meet the SPPI criteria are also measured at FVTPL, as they are held within a business model that is managed and evaluated on a fair value basis. The collection of contractual cash flows is incidental to the Fund's investment strategy, which is primarily focused on fair value information for performance assessment and decision-making;

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in note 9. At the end of each reporting period, the fair value gains or losses are transferred to "Other reserve" as they are not distributable in accordance with the Prospectus of the Fund.

The Fund recognises all quoted bonds under this category.

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial assets (Continued)

Financial assets at fair value through OCI (FVOCI)

The Funds measure debt instruments at fair value through OCI if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Derecognition

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

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

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

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

Impairment of financial assets

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

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

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Fund considers this to be Baa3 for Moody's rating or BBB- as per Standard and Poor's rating. (See Note 20).

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:
• Significant financial difficulty of the borrower or issuer;
• A breach of contract such as default or being more than 30 days past due; or
• It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowances for ECLs in the statement of financial position

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

Write off policy

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Other payables
Other payables are stated at their amortised cost using the effective interest method.

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

Derecognition

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

Offsetting of financial instruments

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

Determination of fair value

The fair value for financial instruments traded in active markets at reporting date is based on their quoted price or binding dealer price quotations.

For all other financial assets not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis making as much use of available and supportable market data as possible.

An analysis of fair value instruments and further details as to how they are measured are provided in Note 9.

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

Determination of fair value (Continued)

• Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
• Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
• Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

(c) Interest income calculated using effective interest method

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

(d) Cash and cash equivalents

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

(e) Redeemable units

Redeemable units are classified as equity instruments when:

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

In addition to the redeemable units having all the above features, the Fund must have no other financial instrument or contract that has:
• Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund;
• The effect of substantially restricting or fixing the residual return to the holders of redeemable units.

The Fund classified its redeemable units as equity as it meets the above features.
The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

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

3 ACCOUNTING POLICIES (CONTINUED)

3.2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Related parties

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

4 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

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

Business model assessment

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

Estimates and assumptions

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

Expected credit losses (ECLs)

To calculate the ECL, the Fund has applied judgements that have a significant effect on the amounts recognised in the financial statements and include the classification of financial instruments into financial assets measured at amortised cost. Estimated ratings have been used for the calculation (Note 20).

5. OTHER RECEIVABLES

	2025 MUR'000	2024 MUR'000
Prepayments	**30**	23
Interest receivable	**100**	-
	130	23

6. FINANCIAL ASSETS HELD AT AMORTISED COST

	2025 MUR'000	2024 MUR'000
At 01 July	**4,873,374**	4,686,980
Additions	**268,270**	675,181
Maturity	**(122,500)**	(466,432)
Net interest accrued	**(15,707)**	(19,454)
Allowance for expected credit loss (Note 8)	**(6,346)**	(2,901)
At 30 June	**4,997,091**	4,873,374

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

2025	**Interest rate**	**Maturity**	**MUR'000**
Government bonds	**2.83% - 11.75%**	**Aug 25 - Mar 45**	**4,664,851**
Term deposits with financial institutions	**5.00%**	**Jun 30**	**53,053**
Other local bonds	**4.00% - 5.85%**	**Oct 26 - Dec 35**	**279,187**
			4,997,091

2024	Interest rate	Maturity	MUR'000
Government bonds	2.83% - 13.75%	May 25 - May 44	4,458,138
Term deposits with financial institutions	5.00%	Jun 30	53,044
Other local bonds	4.00% - 6.50%	Apr 24 - Dec 35	362,192
			4,873,374

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

	2025 MUR'000	2024 MUR'000
Non-current	**4,902,293**	4,752,060
Current	**94,798**	121,314
	4,997,091	4,873,374

6. FINANCIAL ASSETS HELD AT AMORTISED COST (CONTINUED)

(c) Details of financial assets held at amortised cost classified under term deposits with other financial institutions and other local bonds are as follows:

	2025	2024
	MUR'000	MUR'000
Government bonds	**4,664,851**	4,458,138
Term deposits with other financial institutions		
Bank One Notes	**53,053**	53,044
Other local bonds		
Ciel Note	**60,005**	89,603
Ignite Fitness Global Ltd	**-**	24,861
Ascencia Ltd	**69,961**	71,585
ENL	**51,063**	51,089
CFL	**67,111**	67,150
EnVolt Limited 3Y	**3,027**	3,030
The Mauritius Sugar Syndicate	**-**	26,849
Gamma Civic	**28,020**	28,025
	279,187	362,192
	4,997,091	4,873,374

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER PROFIT OR LOSS

	2025	2024
	MUR'000	MUR'000
At 01 July	**934,234**	628,692
Additions	**60,095**	398,781
Disposals	**(142,927)**	(89,831)
Interest accrued	**(770)**	1,262
Net loss on financial assets at FVTPL	**(858)**	(4,670)
At 30 June	**849,774**	934,234

(a) The breakdown of financial assets measured at fair value is as follows:

2025	**Interest rate**	**Maturity**	**MUR'000**
Government bonds	**3.92%**	**Aug 25 - Oct 26**	**47,219**
SBM bonds	**5.75%**	**Jun 28**	**74,956**
Term deposits with financial institutions	**4.00% - 4.75%**	**Jul 25 - Jul 30**	**141,137**
Other local bonds	**3.20% - 6.40%**	**Sep 24 -Jul 38**	**586,462**
			849,774

2024	Interest rate	Maturity	MUR'000
Government bonds	3.92%	Aug 25 - Oct 26	79,868
SBM bonds	5.75%	Jun 28	72,282
Term deposits with other financial institutions	4.00% - 4.75%	Jul 25 - Jul 30	141,194
Other local bonds	3.20% - 6.40%	Sep 24 -Jul 38	640,890
			934,234

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

(b) Details of financial assets measured at FVTPL are as follows:

	2025	2024
	MUR'000	MUR'000
Government bonds	**47,219**	79,868
CIM Financial Services Ltd	**98,210**	97,787
SBM MUR Note Class A2 series	**74,956**	72,282
Ascencia Ltd	**-**	1,182
IBL Ltd Notes	**30,117**	45,110
IBL Ltd Floating Rate Notes	**79,067**	117,951
Forty Two Point Two Notes	**198,252**	198,211
Innodis Ltd	**11,769**	11,767
Northfields International High School Limited	**1,008**	1,003
CFSL notes	**86,947**	85,908
United Docks Ltd 7 YR Fixed rate note	**52,162**	52,602
MCB Group Ltd Notes	**42,926**	43,406
ABCB notes	**51,439**	51,475
ENL Credit-Linked Notes	**75,702**	75,682
	849,774	934,234

(c) Financial assets measured at fair value are further analysed as follows:

	2025	2024
	MUR'000	MUR'000
Non-current	**706,325**	791,130
Current	**143,449**	143,104
	849,774	934,234

8. ALLOWANCE FOR EXPECTED CREDIT LOSSES (ECLs)

	2025	2024
	MUR'000	MUR'000
At start	**3,773**	872
Movement during the period	**6,346**	2,901
At end	**10,119**	3,773

All financial assets are classified under stage 1 at reporting date (2024: Stage 1).

9 FAIR VALUE MEASUREMENT HIERARCHY

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

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

9 FAIR VALUE MEASUREMENT HIERARCHY (CONTINUED)

	Level 1	Level 2	Level 3	Total
	MUR'000	MUR'000	MUR'000	MUR'000
2025				
Financial assets measured at FVTPL	**-**	**849,774**	**-**	**849,774**
2024				
Financial assets measured at FVTPL	-	934,234	-	934,234

There has been no transfers between levels.

10. OTHER PAYABLES

	2025	2024
	MUR'000	MUR'000
Audit fees	**1,097**	670
Manager's fee payable (Note 21)	**3,767**	3,345
Administrator fee payable (Note 21)	**565**	502
Custodian fees payable (Note 21)	**298**	265
Registry fees payable (Note 21)	**565**	502
Trustee fees payable (Note 21)	**116**	58
Entry and exit fees payable (Note 21)	**30**	40
Tax filing fees payable	**36**	36
Other professional fees payable	**9**	9
Redemption payable	**28,110**	31,639
	34,593	37,066

The carrying amount of other payables approximate their fair value. Other payables are unsecured, interest free and repayable within 3 months.

11. TAXATION

Income tax is calculated at the rate of 15% (2024: 15%) on profit for the year as adjusted for income tax purposes. The Fund is able to claim an 80% partial exemption on specific types of income (including but not limited to foreign dividends and interest), subject to meeting certain prescribed substance conditions. Other types of income not falling within the categories of income eligible to the 80% exemption are taxed at 15%. As an alternative to the 80% exemption, the Fund can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

Effective from the year of assessment commencing on 1 July 2024, CCR levy is applicable at 2% on chargeable income of companies and resident sociétés with a turnover of more than MUR 50 million. Given that the Fund has turnover exceeding MUR 50 million for the year ended 30 June 2025, the Fund is subject to CCR Levy.

(a) Income tax liability

	2025	2024
	MUR'000	MUR'000
At 01 July	**414**	2,055
Tax charge	**1,879**	1,618
Tax paid in advance	**(1,231)**	(1,204)
Income Tax paid	**(629)**	(2,055)
Underprovision in previous year	**215**	-
At 30 June	**648**	414

11. TAXATION (CONTINUED)

(b) Reconciliation of tax charge	2025 MUR'000	2024 MUR'000
Profit before taxation	**214,586**	209,274
Tax reconciliation at the tax rate of 15% (2024: 15%)	**32,188**	31,391
CCR Levy at 2%	**221**	-
Exempt income	**(40,691)**	(39,428)
Non deductible expenses	**10,161**	9,655
Underprovision in previous year	**215**	-
Income tax expense	**2,094**	1,618
Income tax charge	**1,879**	1,618
Over provision in previous year	**215**	-
Income tax expense	**2,094**	1,618

12. CAPITAL MANAGEMENT

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

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

The Fund's objectives for managing capital are:

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

The capital of the Fund consist of redeemable participating units denominated in Mauritian Rupees. The redeemable participating units are redeemable at the option of the shareholder based on net asset value. The redeemable participating units have been classified as equity.

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

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

Unitholders shall be entitled to vote at meetings of Unitholders.

The following matters shall require a meeting of Unitholders:

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

12. CAPITAL MANAGEMENT (CONTINUED)

(i) Movement during the year

	2025		2024	
	Units	MUR'000	Units	MUR'000
At 01 July	**24,207,064**	**4,503,607**	23,586,696	4,358,134
Units issued	**1,734,677**	**421,636**	3,102,885	728,278
Units redeemed	**(2,106,187)**	**(513,261)**	(2,482,517)	(582,805)
At 30 June	**23,835,554**	**4,411,982**	24,207,064	4,503,607

(ii) Net asset value per unit

	2025	2024
Net asset attributable to holders of units (MUR'000)	**5,910,267**	5,789,400
Net asset value per unit (MUR)	**247.96**	239.16

(iii) Prices per unit

	2025	2024
Issue price	**250.44**	241.55
Redemption price	**245.48**	236.77

13. INTEREST INCOME

	2025	2024
	MUR'000	MUR'000
Financial assets held at amortised cost	**244,287**	241,687
Financial assets held at FVTPL	**41,089**	34,918
	285,376	276,605

14. MANAGER'S FEES

Manager's fees are computed daily based on **0.75% p.a of net asset value** (2024: 0.75% of NAV) of the Fund and are payable monthly in arrears.

15. ADMINISTRATOR'S FEES

Administrator's fees are computed daily based on **0.1125% p.a of net asset value** (2024: 0.1125% of NAV) of the Fund and are payable monthly in arrears.

16. REGISTRY FEES

Registry's fees are computed daily based on **0.1125% p.a of net asset value** (2024: 0.1125% of NAV) of the Fund and are payable monthly in arrears.

17. CUSTODIAN FEES

Custodian's fees are computed daily based on **0.06% on investment value** (2024: 0.06% on investment value) of the Fund and are payable monthly in arrears.

18. TRUSTEE FEES

Trustee fees are charged at **0.020% per annum of the Net Asset Value plus VAT** of the Fund up to an AUM of MUR 8 billion, **or a maximum of MUR 150,000 monthly plus VAT** subject to a minimum of MUR 35,000 per month and a maximum of MUR 50,000 per month (2024: 0.020% + VAT). The Trustee fees are calculated on a daily basis and payable monthly in arrears.

19. EXIT FEES

Exit fees of 1.00% in year 1, 0.75% in year 2, 0.50% in year 3 and nil after year 3 (2024: 1.00% in year 1, 0.75% in year 2, 0.50% in year 3 and nil after year) will be applicable at the time of redemption. The redemption proceeds will be reduced by the amount of the exit fees and the net amount paid to the Unitholder.

20. FINANCIAL INSTRUMENTS

Categories of Financial Assets and Financial Liabilities

	2025	2024
Financial assets	**MUR'000**	MUR'000
Financial assets held at amortised cost	**4,997,091**	4,873,374
Financial assets held at FVTPL	**849,774**	934,234
Cash and cash equivalents at amortised cost	**98,513**	19,249
Other receivables at amortised cost	**100**	-
	5,945,478	5,826,857
Financial liabilities		
Other payables at amortised cost	**34,593**	37,066
	34,593	37,066

Material accounting policies

Details of the material accounting policies and methods adopted, (including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised) in respect of each class of financial asset and financial liability and equity instruments are disclosed in note 3 to the Financial Statements.

Financial risk management

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

Risk management

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

Market risk
Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund is exposed mostly to risk relating to changes in interest rates. This has been detailed under interest rate risk.

Currency risk
At the reporting date, there were no financial assets or liabilities denominated in foreign currencies. As such, the Fund is not exposed to currency risk.

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

20. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk (Continued)

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

	2025	2024
	MUR'000	MUR'000
Variable rate assets		
Deposits with financial institutions	**42,928**	43,406
Government bonds	**489,349**	498,304
Other local bonds	**506,628**	561,635
Balance with bank	**98,513**	19,249
	1,137,418	1,122,594
Fixed rate assets		
Deposits with financial institutions	**226,218**	223,112
Government bonds	**4,222,721**	4,039,703
Other local bonds	**359,021**	441,448
	4,807,960	4,704,263

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

The sensitivity analysis below assesses the impact of a change in interest rate over a 12-month period.

	Change in interest rate	2025	2024
	%	MUR'000	MUR'000
Profit before tax	+1	**11,374**	11,226

A decrease in interest rate by 1% would have resulted in an equal but opposite impact on profit before tax and net assets.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund seeks to mitigate its exposure to credit and counterparty risk by placing its cash, transacting in securities, placing deposits and bonds with reputable financial institutions.

The carrying amount of financial assets as disclosed in the statement of financial position represents the maximum credit exposure.

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

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

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of exposures.The Fund considers that these exposures have low credit risk based on the external credit rating of the counterparties.

Financial assets subject to IFRS 9's impairment requirements

The Fund's financial assets subject to the expected credit loss model within IFRS 9 are financial assets at amortised cost. At 30 June 2025, the total financial assets at amortised cost was **MUR 4,997,090,835** (2024: MUR 4,873,374,200) on which a loss allowance of **MUR 10,118,833** has been provided (2024: MUR 3,772,664 for financial assets at amortised cost) .

20. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Financial assets subject to IFRS 9's impairment requirements (Continued)

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

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

2025 **Financial assets**	**Rating**	**PD_1**	**LGD_1**	**MUR'000**
Government Bonds	**Baa3**	**0.0046552**	**45%**	**9,793**
Deposits with financial institutions	**A+**	**0.0005264**	**45%**	**13**
Other local bonds	**A+ / AA- / Unrated**	**0.000068- 0.000270**	**43.85%- 50.17%**	**313**
				10,119

2024 Financial assets	Rating	PD_1	LGD_1	MUR'000
Government Bonds	Baa3	0.001392	45%	2,794
Deposits with financial institutions	A+	0.000292	45%	7
Other local bonds	A+ / AA- / Unrated	0.0000385- 0.0004814	21.49%- 51.72%	972
				3,773

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected.

The Fund is exposed to cash redemptions of its redeemable shares on a regular basis. Units are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's prospectus. A unitholder who makes full or partial request for redemption of units shall be paid the Redemption Price within 30 (thirty) Days of the applicable Dealing Day, or after receipt of the completed original redemption documentation, whichever is later. The Manager may limit the total number of Units in the Fund that may be redeemed on any Dealing Day to 5% of the outstanding Units in the Fund.

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority):
- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Disposal of other assets

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

20. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

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

Financial liabilities

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

Financial assets

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

2025	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**Over 5 years**	**Total**
	MUR'000	**MUR'000**	**MUR'000**	**MUR'000**	**MUR'000**
Cash and cash equivalents	**98,513**	-	-	-	**98,513**
Financial assets held at amortised cost	**343,495**	**323,921**	**1,295,364**	**4,174,345**	**6,137,125**
Financial assets held at FVTPL	**143,449**	**105,855**	**357,389**	**243,081**	**849,774**
Total financial assets	**585,457**	**429,776**	**1,652,753**	**4,417,426**	**7,085,412**
Other payables	**34,593**	-	-	-	**34,593**
Total financial liabilities	**34,593**	-	-	-	**34,593**
Liquidity gap	**550,864**	**429,776**	**1,652,753**	**4,417,426**	**7,050,819**

2024	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Cash and cash equivalents	19,249	-	-	-	19,249
Financial assets held at amortised cost	284,581	346,546	1,327,290	5,814,463	7,772,879
Financial assets held at FVTPL	143,104	135,659	329,291	326,180	934,234
Total financial assets	446,934	482,205	1,656,581	6,140,643	8,726,363
Other payables	37,066	-	-	-	37,066
Total financial liabilities	37,066	-	-	-	37,066
Liquidity gap	409,868	482,205	1,656,581	6,140,643	8,689,297

21. RELATED PARTY DISCLOSURES

During the years ended 30 June 2025 and 30 June 2024, the Fund transacted with related entities. Details of the nature, volume of transactions and balances with the entities are shown below.

	Nature of relationship	Balances with related parties		Fund expense	
		2025	2024	**2025**	2024
		MUR'000	MUR'000	**MUR'000**	MUR'000
SBM Mauritius Asset Managers Ltd	**Fund Manager**				
Manager's fees payable		**3,767**	3,345		
Manager's fees expense				**44,391**	42,045
Entry and exit fees payable		**30**	40		
SBM Fund Services Ltd	**Fund Administrator**				
Administrator's fees payable		**565**	502		
Administrator's fees expense				**6,659**	6,307
Registry fees payable		**565**	502		
Registry fees expense				**6,659**	6,307
SBM Bank (Mauritius) Ltd	**Banker and Custodian**				
Custodian fees payable		**298**	265		
Custodian fees expense				**3,386**	3,180
Bank balances held with Bank		**98,513**	19,249		
Bank charges on Bank account				**5**	3
DTOS Trustees Ltd	**Trustee**				
Trustee fees payable		**116**	58		
Trustee expense				**1,310**	690
SBM Holdings Ltd	**Other related parties**				
Investments held in related parties		**74,956**	72,282		
Interest Income				**74,956**	6,287
Units issued to related parties	**Common Manager**				
SBM Yield Fund		**-**	1,103,301		
SBM Universal Fund		**5,618,484**	5,417,228		

Terms and conditions of transactions with related parties

Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party payables.
No compensation was paid to key management personnel for the year ended 30 June 2025 (30 June 2024:nil).

22. Excessive risk concentration

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risks arises when a number of financial instruments or contracts are entered into with the same counterparty or when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in econimic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic political or other conditions. Concentrations of liquidity risk may arise from repayment terms of financial liabilities. Concentrations of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency. In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The investment manager is instructed to reduce exposure to excessive risk concentrations. The Fund shall not purchase a security, other than a debt security issued by the Government of Mauritius or the Government of any other country, if, immediatley after the purchase more than 5% of its net assets, taken at market value at the time of purchase would be invested in securities of that issuer. The Fund shall also not purchase a security of an issuer where, immediately after the purchase, the Fund would hold more than 10% of a class of securities of that issuer. The Fund has complied with these restrictions.

23. EVENTS AFTER REPORTING DATE

There has been no material events after the reporting date which would require disclosure or adjustment to the Financial Statements for the year ended 30 June 2025.