

Super Fund

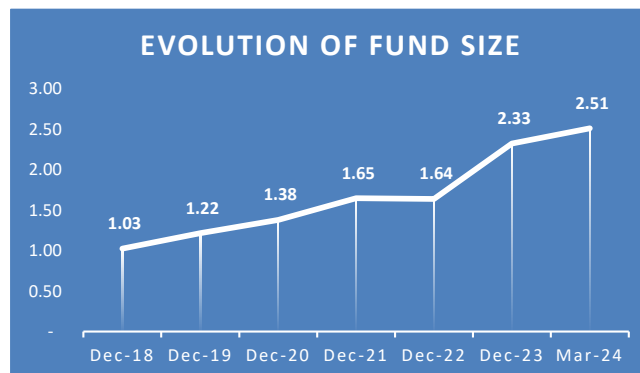
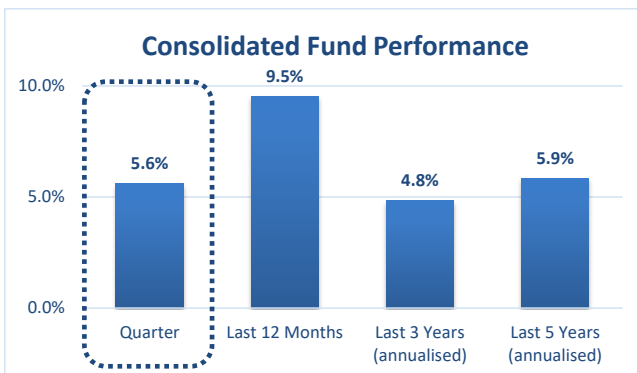
Investment Dashboard: Quarter ended

31 March 2024

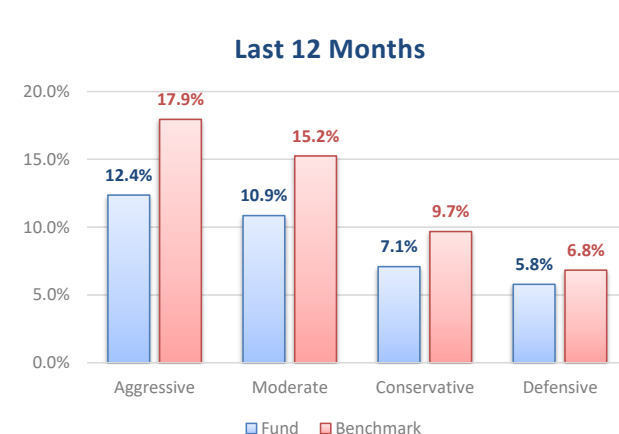
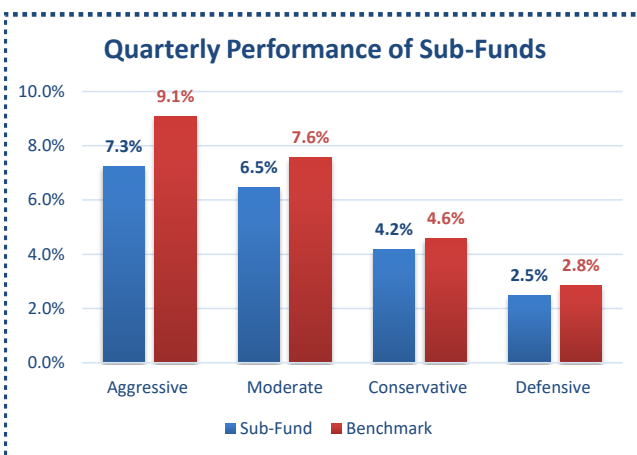
Quarterly Market Commentary

- In the backdrop of a resilient US economy and ongoing enthusiasm around Artificial Intelligence, Global stocks, as measured by the MSCI All Country World Index rose by 8.2% during the first quarter of the year.
- The US Dollar also appreciated by around 5.5% relative to the Rupee. This positively impacted the foreign investments of the Fund.
- Foreign Bonds saw negative returns (in USD terms) during the quarter.
- Locally, the Official Market Indices went up, mainly driven by MCB Group Ltd. The SEMTRI rose by 5.9% during the quarter.

Performance & Fund Evolution

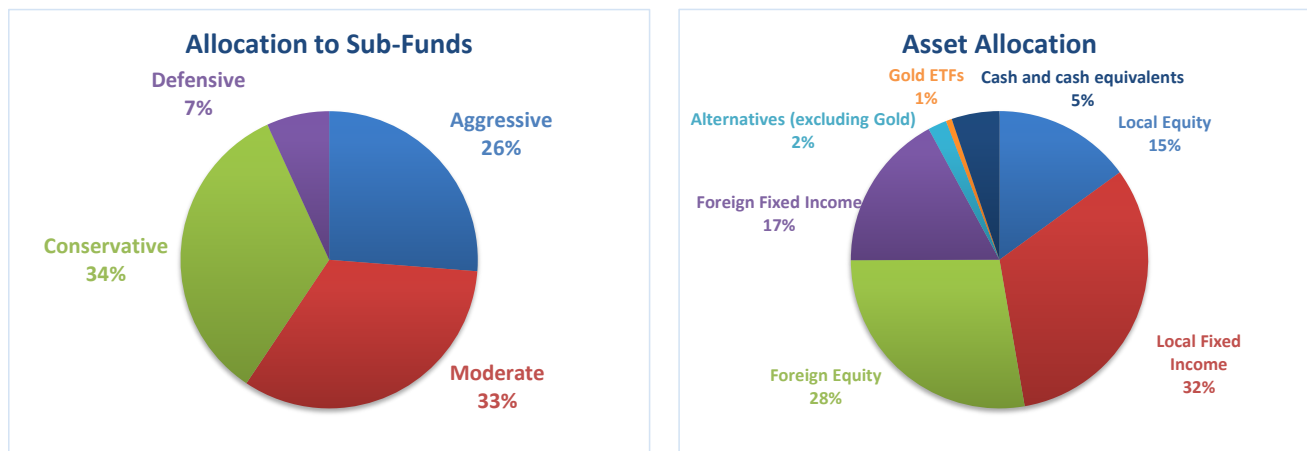


- The consolidated fund size grew from MUR 2.33bln to MUR 2.51bln during the quarter. Contributions amounting to MUR 49.8mln were transferred to SICOM Management Ltd (SICOM) in February. MCBIM and Swan Wealth also received new inflows amounting to MUR 6.8mln and MUR 89K, respectively relating to the pending transfer of assets from Rehm Grinaker Pension Fund.
- The overall Fund gained 5.6% during the quarter. The return over the past 12 months stood at 9.5%, compared to the year-on-year inflation of 4.9%. This means that the consolidated Fund earned real returns of 4.6% over the same period.
- Over a longer time horizon (5-Year period), Super Fund returned +5.9% (annualised in MUR terms).

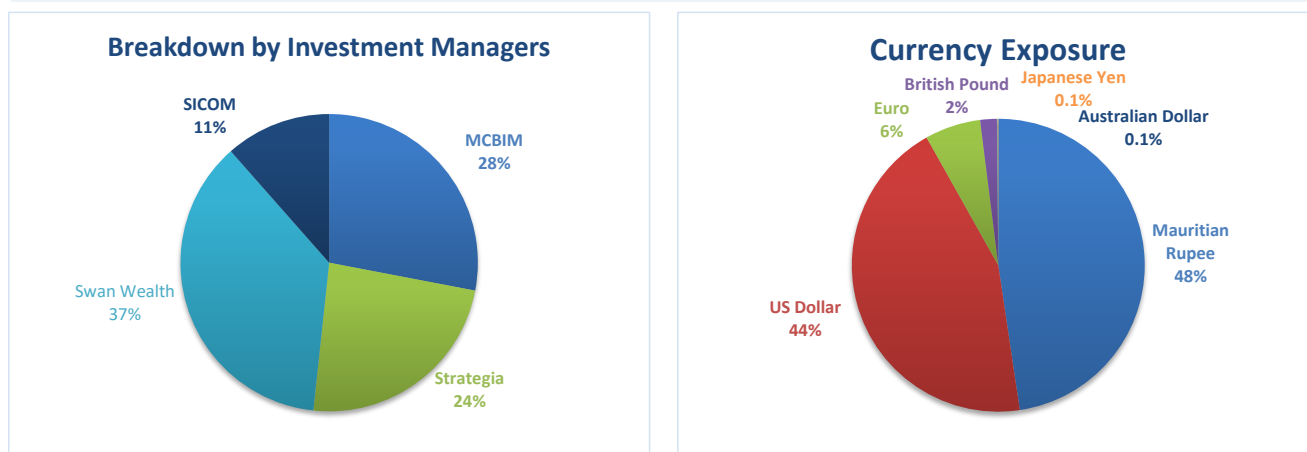


- All four sub-funds posted positive returns but underperformed their respective benchmarks during the quarter. The underperformance was more significant for the Aggressive and Moderate sub-funds. The latter suffered from the underexposure to foreign equities, which rallied during the quarter.
- We note similar underperformance of the four sub-funds over the last 12 months. As highlighted in our previous quarterly reports, the persistent underexposure to Foreign Equities and overexposure to cash and equivalents dragged down the performance of the sub-portfolios.

Portfolio Breakdown



- In terms of allocation to sub-funds, there was no material change, compared to last quarter.



- During the quarter, the activities of Ekada Capital Ltd were combined with those of Strategia Wealth Managers Ltd (Strategia). This transaction has been approved by the Financial Services Commission and the Supreme Court of Mauritius.

Consolidated Portfolio - Performance by Investment Manager

	Strategia	Swan Wealth	MCBIM	SICOM
Quarter	5.6%	6.8%	4.7%	4.1%
Year-to-Date	5.6%	6.8%	4.7%	4.1%
Last 12 Months	8.7%	11.8%	8.6%	-
Last 3 Years (annualised)	4.9%	5.8%	-	-
Last 5-Years (annualised)	5.4%	7.7%	-	-

Note:

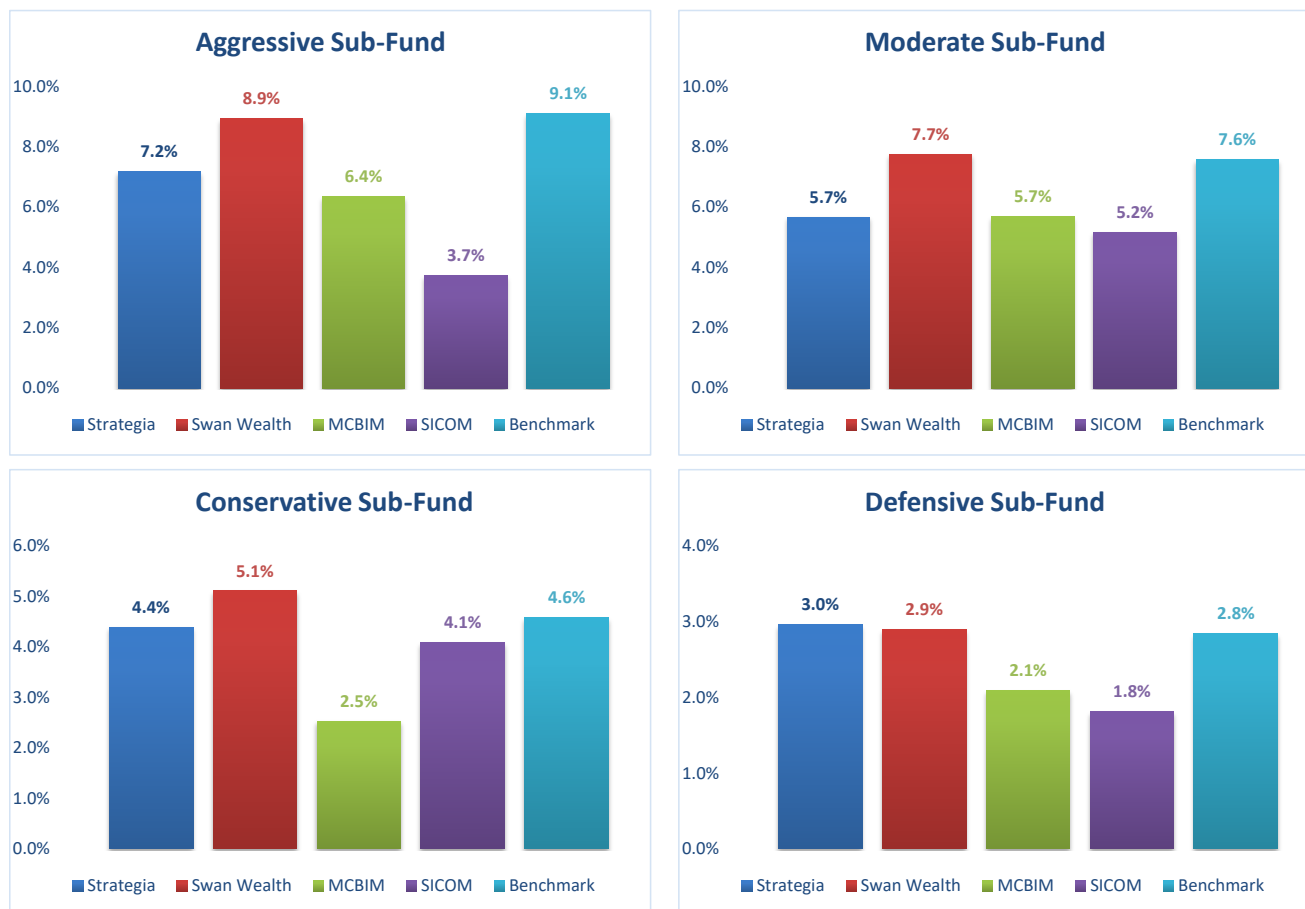
(1) Full monitoring for MCBIM begun in Q3 2022, upon the completion of transfer of assets.

(2) SICOM was recently appointed as the fourth investment manager and started managing the assets of the Fund since 13 September 2023. **SICOM has been given until end-June 2024 to rebalance its portfolio before commenting further on its performance.**

- During the quarter, Swan Wealth returned +6.8%, outperforming the other investment managers.
- Strategia, MCBIM and SICOM returned +5.6%, +4.7% and +4.1%, respectively.

- Over the last 12 months, Swan Wealth remained the better-performing investment manager. The returns posted by Strategia and MCBIM were comparable.

→ As at end-March, MCBIM continued to hold on several investments inherited from Strategia (Invesco DB Commodity Index Tracking Fund ETF, Saxa Gres Bond, Republic of Rwanda Bond) at the time of its appointment in December 2021. In their previous quarterly presentation, MCBIM mentioned that they aim to gradually dispose of these investments. We recommend that the Investment Sub-committee queries with the investment manager why these securities continue to be held and the reasons behind the underperformance noted in the different sub-funds.

Sub-Funds - Quarterly Performance by Investment Manager


Note: Strategia valued certain of its holdings at the latest trade prices available which have not been updated by MCB Custody. Aon believes that it is reasonable to price instruments at their recent market value and therefore, has used Strategia's figures to compute performance.

- MCBIM significantly underperformed across all sub-funds.
- Strategia managed to slightly beat the benchmark for its Defensive portfolio but underperformed for the remaining three sub-portfolios.
- Swan Wealth, on the other hand, returned in line with the respective benchmarks in the Moderate and Defensive sub-funds and slightly outperformed for the Conservative sub-fund.

Cash Holdings

The IPS prescribes that "Should the Fund hold excess cash (higher than 2% of their total portfolio at a point in time), the Investment Managers will be expected to invest the surplus cash in short term Mauritian Treasury Bills and/or deposits, so long that yields are higher than the interest rate paid by the Custodian."

As at end-March 2024 (in MUR mln)	Strategia	Swan Wealth	MCBIM	SICOM	Consolidated
Cash held in Custodian Account	5.3	67.3	19.5	35.9	128.0
% of Total Portfolio	1%	7%	3%	12%	5%

- Overall Cash holdings stood at 5% as at 31 March 2024 (down from 9% as at end-December).
- We note that Swan Wealth held significantly more than 2% of its cash and equivalents at bank (in the custodian bank account which currently earns no interest) for all the sub-funds.
- MCBIM also held around 3% of its portfolio as surplus cash at bank.
- Strategia was within the permitted variance in cash and equivalents.
- As mentioned above, SICOM is still in process of gradually deploying the cash. SICOM consolidated its portfolios across all the asset classes during the quarter. We will monitor the evolution of its cash position closely in the coming quarters and update the Investment Subcommittee (ISC) accordingly.

Compliance to Investment Policy Statement (IPS)

• During the last quarter, we had observed some non-compliance of the investment managers in foreign equities, local fixed income and cash and equivalents. During this quarter, we noted that the investment managers complied to the IPS in foreign equities and local fixed income.

• Swan Wealth and Strategia were however overweight to Foreign Fixed Income in their Defensive and Aggressive portfolios, respectively.

• SICOM and Swan Wealth were above the maximum permissible allocation to cash and equivalents in some of the sub-funds as shown in the table below.

New Investment Policy Statement (Effective 01 July 2022)				
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	25%	20%	10%	7.5%
Foreign Equities	45%	35%	20%	7.5%
Alternative investments	5%	5%	0%	0%
Local Fixed Income	15%	30%	50%	65%
Foreign Fixed Income	10%	10%	15%	15%
Cash and Equivalents	0%	0%	5%	5%

A maximum variance of +/-10% is permitted for equities and foreign fixed income asset classes (both local and foreign). A maximum variance of +/-5% is permitted for alternative investments for Aggressive and Moderate sub-funds and +5% for Conservative and Defensive sub-funds. For cash and equivalents, a permitted variance of +5% is allowed for the Aggressive and Moderate sub-funds and +/-5% for the Conservative and Defensive sub-funds.

Swan Wealth				
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	20%	15%	6%	5%
Foreign Equities	44%	33%	19%	6%
Alternative investments	3%	3%	0%	2%
Local Fixed Income	13%	23%	45%	55%
Foreign Fixed Income	18%	19%	20%	26%
Cash and Equivalents	4%	7%	10%	6%

Strategia				
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	24%	19%	10%	9%
Foreign Equities	36%	27%	18%	9%
Alternative investments	5%	4%	2%	0%
Local Fixed Income	14%	30%	47%	65%
Foreign Fixed Income	21%	19%	22%	17%
Cash and Equivalents	1%	0%	1%	0%

	MCBIM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	28%	19%	13%	9%
Foreign Equities	39%	34%	13%	5%
Alternative investments	5%	4%	3%	3%
Local Fixed Income	12%	27%	54%	63%
Foreign Fixed Income	13%	12%	14%	16%
Cash and Equivalents	2%	3%	3%	4%

	SICOM (newly appointed)			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	12%	13%	7%	6%
Foreign Equities	45%	35%	20%	7%
Alternative investments	2%	2%	0%	0%
Local Fixed Income	11%	26%	47%	62%
Foreign Fixed Income	10%	10%	15%	15%
Cash and Equivalents	20%	14%	11%	10%

Underweight	Overweight
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Disclaimer:

Aon Solutions Ltd (Aon) has computed performance figures using official statements provided by MCB Custody and certain security prices provided by the investment managers which are deemed to be relatively accurate. Note that fees have not been accrued. Aon cannot be held responsible for any discrepancies in the figures provided by the Custodian/investment managers. Past performance is not a guide to the future.