

## Super Fund

Investment Dashboard: Quarter ended

30 June 2024

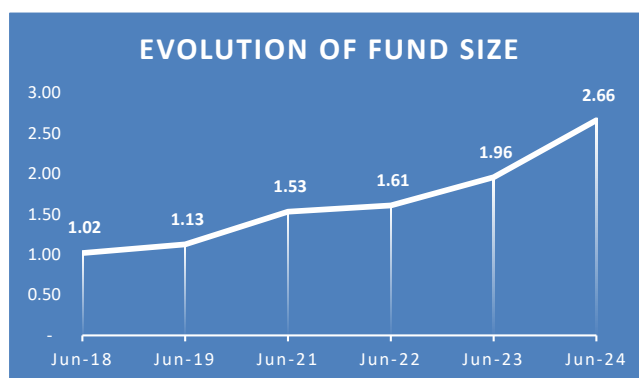
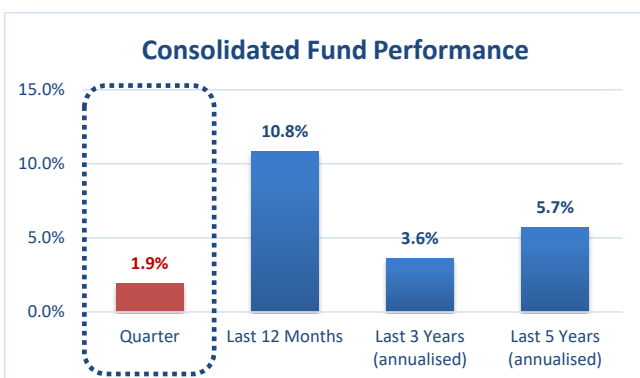
### Quarterly Market Commentary

- The second quarter of 2024 witnessed continued enthusiasm in Artificial Intelligence (AI) stocks, macroeconomic events, elections in some key countries and falling inflation. The MSCI All Country World Index gained 4.4% in MUR terms.
- The US Dollar also appreciated by around 1.5% relative to the Rupee.
- Foreign Bonds saw negative returns (in USD terms) during the quarter.
- The SEMTRI was rather flat and gained 0.4% over the same time period.

### Listing of Emtel on the Official Market of the SEM

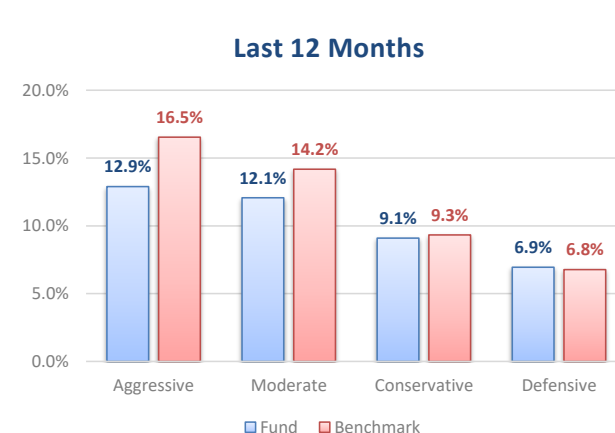
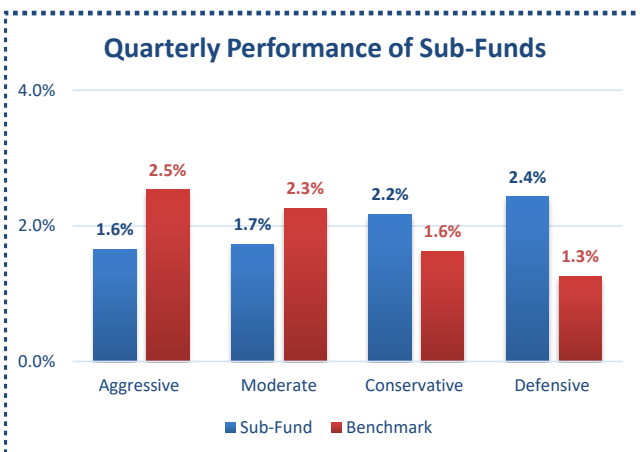
The Emtel Initial Public Offering has been fully subscribed. The Company was admitted on the Official List of the Stock Exchange of Mauritius (SEM) as from 5 July 2024, and on the basis of the Offer Price, the market capitalisation of Emtel upon listing is approximately MUR 10.5bn, ranking the Company amongst the five largest listed stocks (as measured by market capitalisation) quoted on the SEM. It is possible that Emtel will become a SEM-10 constituent in the coming months if certain criteria is satisfied.

### Performance & Fund Evolution



- The consolidated fund size grew from MUR 2.51bn to MUR 2.66bn during the quarter. Contributions amounting to MUR 85.2mln were transferred to SICOM Management Ltd (SICOM) in May. Swan Wealth and MCBIM also received new inflows amounting to MUR 12.8mln and MUR 1.0mln, respectively relating to the pending transfer of assets from Rehm Grinaker Pension Fund. The transfer during the quarter related mainly to Local Equities. The IPS states that "in case of local listed equities, the portfolio manager is limited to a maximum of (i) 130% of the weight of the share within the SEMDEX as a proportion of its local equity portfolio or (ii) 5% of the total portfolio value". Following the transfer, Swan Wealth's sub-funds were compliant to this limit.

- The overall Fund gained 1.9% during the quarter, translating to a year-to-date return of 7.6%. The return over the past 12 months stood at 10.8%, compared to the year-on-year inflation of 2.2%. This means that the consolidated Fund earned real returns of 8.6% over the same period.
- Over a longer time horizon (5-Year period), Super Fund returned +5.7% (annualised in MUR terms).

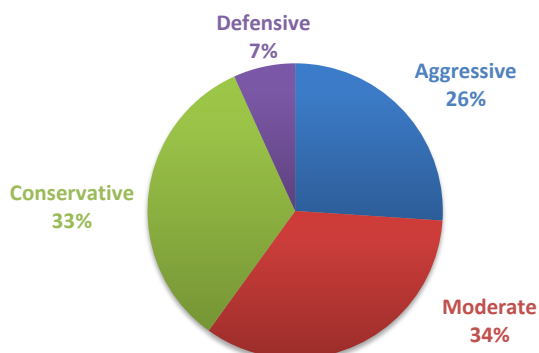


- All four sub-funds posted positive returns during the quarter. The Conservative and Defensive sub-funds outperformed while the Aggressive and Moderate sub-funds underperformed their respective benchmarks. The underexposure to Foreign Equities was the main performance detractor during the quarter.

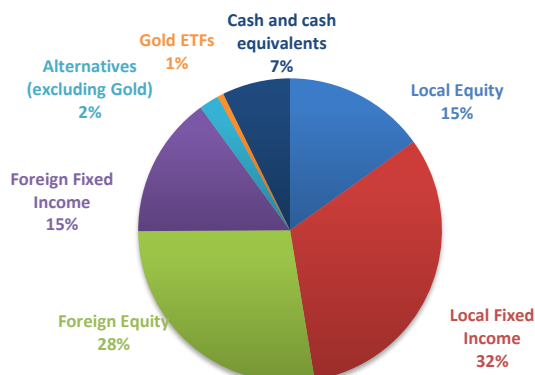
- Over the last 12 months, similar underperformance was noted for the Aggressive and Moderate sub-funds while the Conservative and Defensive sub-funds returned in line with the benchmark. As highlighted in our previous quarterly reports, the persistent underexposure to Foreign Equities and overexposure to cash and equivalents dragged down the performance of the sub-portfolios. The shortage of foreign currency for investment purposes might have also contributed to this situation.

#### Portfolio Breakdown

##### Allocation to Sub-Funds



##### Asset Allocation

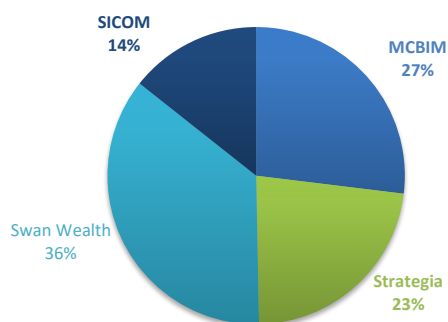


- In terms of allocation to sub-funds, there was no material change, compared to last quarter.

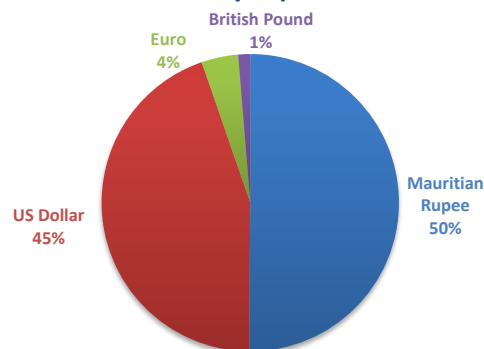
#### Note:

As at end-June, Strategia and SICOM were invested in mixed funds (All Weather Fund and Franklin Income Fund respectively). These investments have been split between Foreign Equity and Foreign Fixed Income based on the latest figures available as at end-June.

##### Breakdown by Investment Managers



##### Currency Exposure



#### Consolidated Portfolio - Performance by Investment Manager

	Strategia	Swan Wealth	MCBIM	SICOM
Quarter	1.7%	2.1%	1.7%	2.3%
Year-to-Date	7.4%	9.0%	6.5%	6.4%
Last 12 Months	10.6%	11.9%	10.8%	7.3%
Last 3 Years (annualised)	3.7%	4.3%	-	-
Last 5-Years (annualised)	5.3%	7.5%	-	-

#### Note:

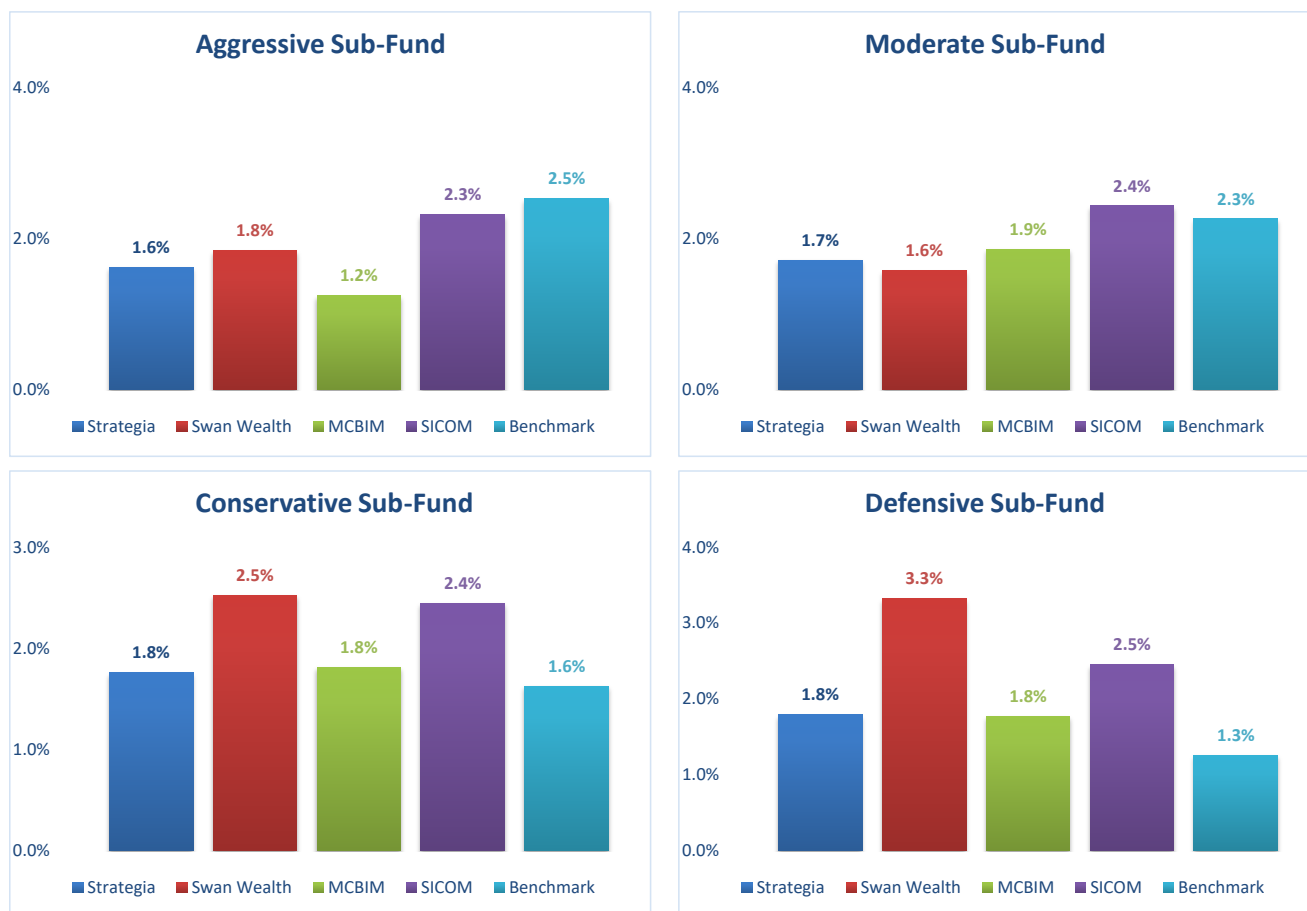
(1) Full monitoring for MCBIM begun in Q3 2022, upon the completion of transfer of assets.

(2) SICOM was appointed as the fourth investment manager during September 2023. **SICOM has been given until end-June 2024 to rebalance its portfolio before a full assessment is made.**

- During the quarter, SICOM returned +2.3%, outperforming the other investment managers.
- Swan Wealth, Strategia and MCBIM returned +2.1%, +1.7% and +1.7%, respectively.
- On the year-to-date basis, Swan Wealth remained the better-performing investment manager, followed by Strategia. The returns posted by MCBIM and SICOM were comparable.

→ As at end-June, 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 have been unable to find buyers for these investments. **We recommend that the Investment Sub-committee closely monitors the rebalancing exercise of MCBIM, especially that one of the instrument is an exchange traded fund. ETFs are usually very liquid.**

#### 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 underperformed for the Aggressive and Moderate sub-funds. The underperformance was however more significant in the Aggressive sub-fund.
- Strategia registered similar performance as MCBIM in all the subfunds except for the Aggressive sub-fund whereby it slightly outperformed MCBIM.
- Swan Wealth significantly outperformed the respective benchmarks in the Conservative and Defensive sub-funds and underperformed for the Aggressive and Moderate sub-funds.

### 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-June 2024 (in MUR mln)	Strategia	Swan Wealth	MCBIM	SICOM	Consolidated
Cash held in Custodian Account	20.4	65.8	16.8	54.3	157.2
% of Total Portfolio	3%	7%	2%	14%	6%

- Overall Cash holdings stood at 6% as at 30 June 2024 (up from 5% as at end-March).
- We note that Swan Wealth continued to hold 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. We recommend that the Investment Subcommittee (ISC) requests Swan Wealth to strictly comply with the above cash limit.
- MCBIM also held around 2% of its portfolio as surplus cash at bank, in line with the IPS.
- Strategia was also slightly above the cash limit only for its Aggressive sub-fund. Aon will monitor this exposure in the coming quarter.
- 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 as from next quarter and update the ISC accordingly.

### Compliance to Investment Policy Statement (IPS)

- During the last quarter, we had observed some non-compliance of the investment managers in foreign fixed income, local equities and cash and equivalents. As at end-June, we noted that the investment managers complied to the IPS in foreign fixed income and local equities.
- The IPS was further updated in May 2024, whereby benchmarks were updated. The changes will be reflected in the next quarterly monitoring report. **Note that there was no change in investment strategy.**

Asset Class	Investment Policy Statement			
	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 variance of +/-10% is permitted for equities and fixed income asset classes (both local and foreign). A 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	19%	17%	7%	5%
Foreign Equities	45%	35%	20%	7%
Alternative investments	3%	2%	0%	2%
Local Fixed Income	12%	26%	45%	57%
Foreign Fixed Income	18%	14%	18%	25%
Cash and Equivalents	4%	6%	10%	4%

	Strategia			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	23%	19%	10%	9%
Foreign Equities	36%	27%	17%	9%
Alternative investments	5%	4%	4%	0%
Local Fixed Income	15%	31%	44%	64%
Foreign Fixed Income	16%	17%	21%	17%
Cash and Equivalents	5%	2%	5%	1%

	MCBIM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	27%	19%	12%	9%
Foreign Equities	40%	34%	13%	6%
Alternative investments	5%	5%	3%	3%
Local Fixed Income	11%	26%	55%	56%
Foreign Fixed Income	13%	12%	13%	16%
Cash and Equivalents	3%	4%	4%	10%

	SICOM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	18%	11%	9%	6%
Foreign Equities	37%	21%	20%	9%
Alternative investments	2%	2%	0%	0%
Local Fixed Income	15%	21%	50%	65%
Foreign Fixed Income	9%	6%	14%	14%
Cash and Equivalents	18%	39%	7%	6%

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.