

## Super Fund

Investment Dashboard: Quarter ended

31 December 2024

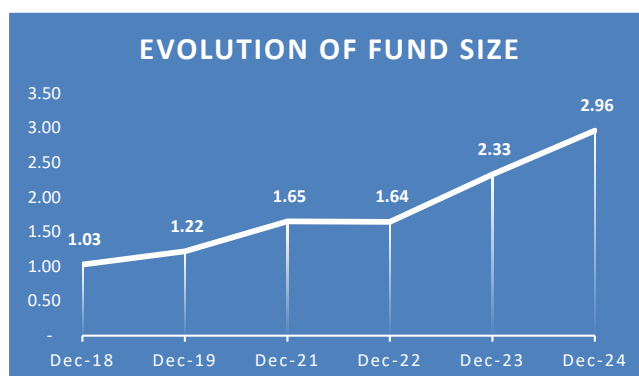
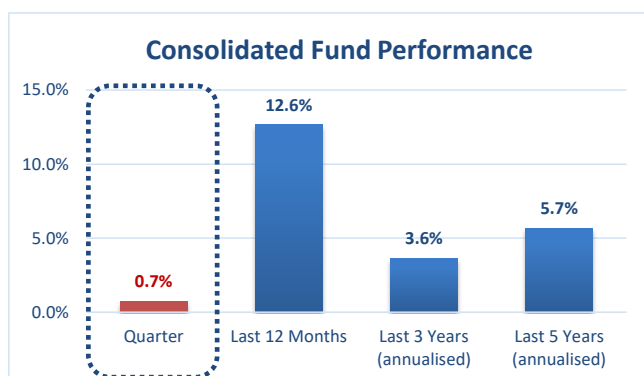
### Quarterly Market Commentary

- The fourth quarter was dominated by economic uncertainty, persistent inflation and the U.S. election, contributing to market volatility. However, US equities showed resilience and global stocks, as measured by the MSCI All Country World Index, rose by 1.5% (in MUR terms) during the same time period. Over 2024, the index increased by 25.6% (in MUR terms).
- Despite the continued interest rate cuts by the US Federal Reserve and the European Central Bank, the bond market fared poorly with the rise in long-term yields. The Bloomberg Aggregate Total Return Index returned -2.7% (in MUR terms) over the past 3 months. However, over the year, it returned 5.1% (in MUR terms).
- Gold price hit multiple record highs and wrapped up the year with a strong gain of 27.5%, in USD terms despite significant headwinds over 2024. The World Gold Council attributed this performance to strong central bank and investor demand, despite reduced consumer demand.
- The US Dollar appreciated by 2.5%, relative to the Rupee during the quarter. This positively impacted the foreign investments of the Fund. The greenback's strong performance was also reflected over the year as well with a gain of 6.9% against the Rupee.
- The Official Local Market indices went up, mainly driven by MCB Group Ltd. The SEMTRI rose by 4.6% over the last 3 months and by 24% over the past year.

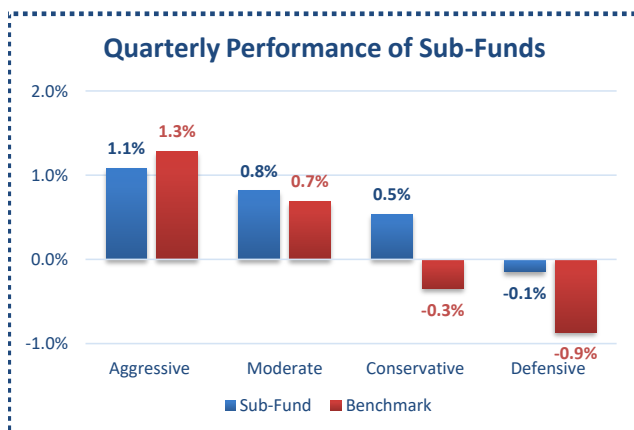
### Rebalancing of the SEM-10

On 08 January 2025, the SEM-10 Index Management Committee published the selected constituents of the SEM-10 and of the Reserve list for the first quarter of 2025. Emtel Limited and Phoenix Beverages Ltd were introduced in the Index (replacing Vivo Energy Mauritius Ltd and Afreximbank).

### Performance & Fund Evolution

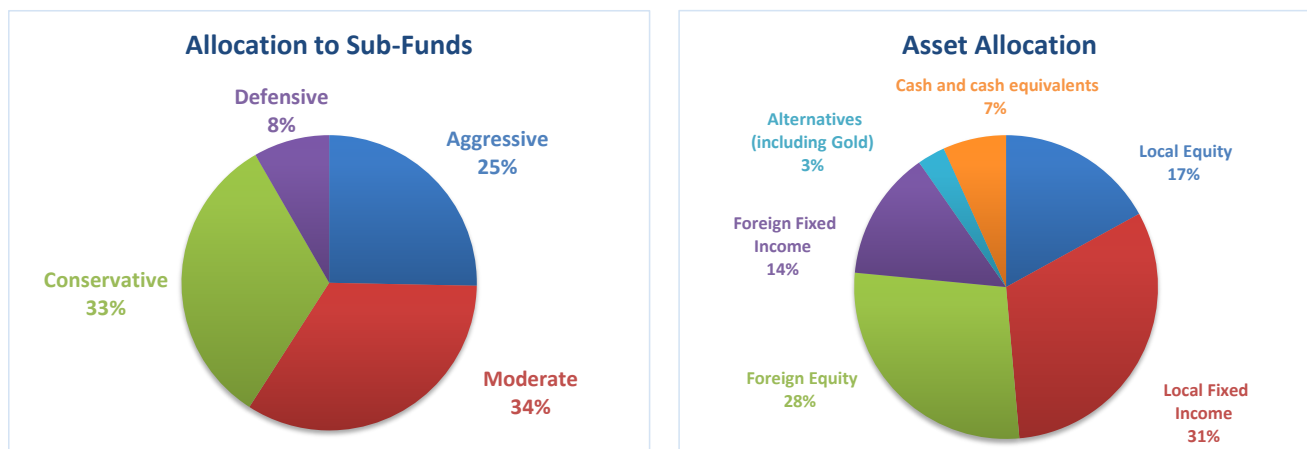


- The consolidated fund size grew from MUR 2.83bln to MUR 2.96bln during the quarter. Contributions amounting to MUR 33.9mln and MUR 28.1mln were transferred to SICOM Management Ltd (SICOM) and Strategia respectively in December. Swan Wealth and MCBIM also received new inflows amounting to MUR 5.2mln and MUR 37.8mln, respectively relating to the ongoing transfer from Rehm Grinaker Pension Fund.
- The overall Fund gained 0.7% during the quarter. The return over the year 2024 stood at 12.6%, compared to the year-on-year inflation of 2.9%. This means that the Consolidated Fund earned real returns of 9.7% over the same period.
- Over a longer time horizon (5-Year period), Super Fund returned +5.7% (annualised in MUR terms).



- The Moderate, Conservative and Defensive sub-funds managed to beat the benchmark. The Aggressive sub-fund however lagged the benchmark due to its underexposure to foreign equities.
- However, over the year 2024, the Aggressive, Moderate and Conservative sub-funds underperformed their respective benchmarks. The Defensive sub-fund managed to beat 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 partly contributed to this situation.

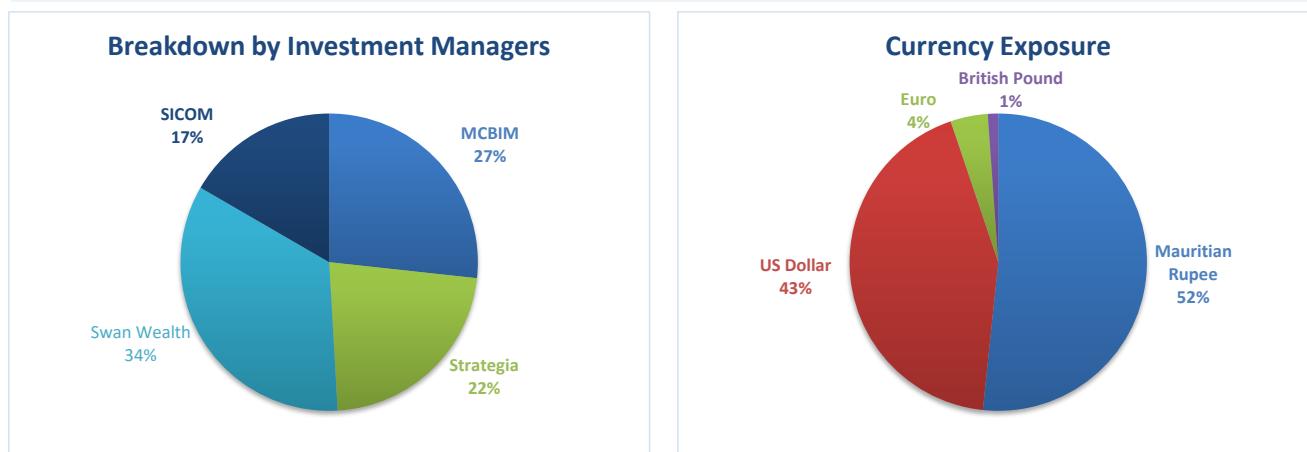
#### Portfolio Breakdown



- In terms of allocation to sub-funds, there was no material change, compared to last quarter. We note that allocation to the Defensive sub-fund remains below 10%.

#### Note:

As at end-December, 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-December.



#### Consolidated Portfolio - Performance by Investment Manager

	Strategia	Swan Wealth	MCBIM	SICOM
Quarter	0.5%	1.4%	0.0%	0.8%
Last 12 Months	12.3%	14.2%	11.2%	11.5%
Last 3 Years (annualised)	3.4%	4.5%	-	-
Last 5-Years (annualised)	5.3%	7.3%	-	-

#### Note:

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

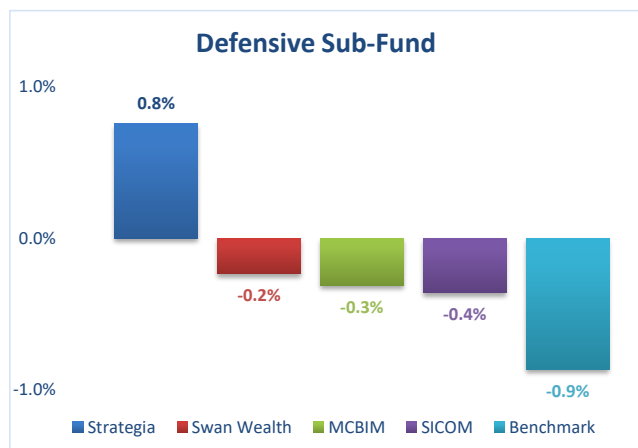
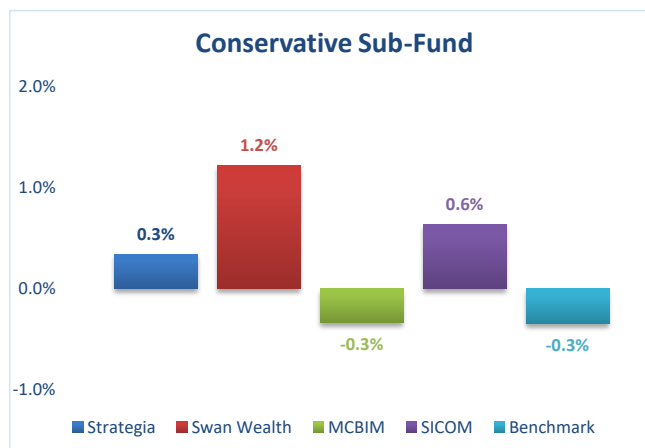
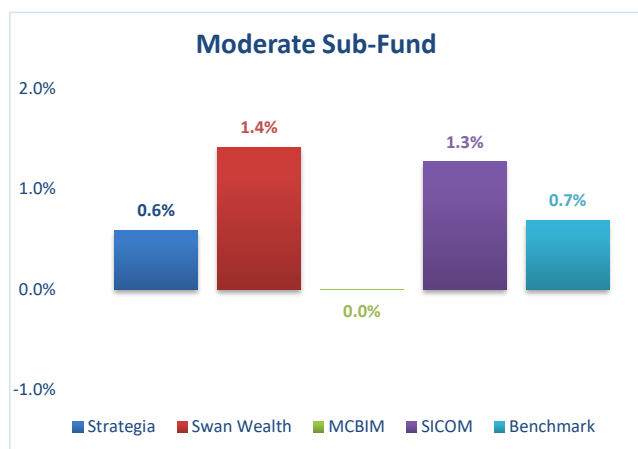
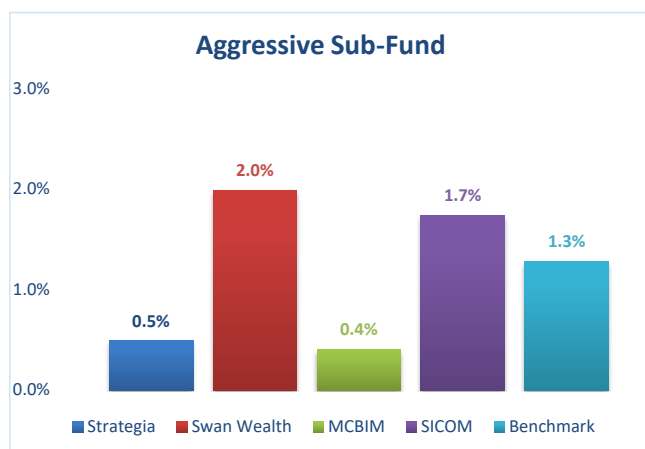
(2) SICOM was appointed as the fourth investment manager during September 2023. Full monitoring has begun in Q3 2024.

- During the quarter, SWAN Wealth was the top performer with a return of +1.4%, followed by SICOM (0.8%), Strategia (0.5%) and MCBIM (nil).

- On a year-to-date basis, Swan Wealth performance was highest followed by Strategia. The returns posted by MCBIM and SICOM were comparable.

→ As at end-December, 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 presentations, MCBIM mentioned that they were still gradually rebalancing the portfolio, as and when opportunities arose. **We recommend that the Investment Sub-committee closely monitors the rebalancing exercise of MCBIM, especially that one of the instruments 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. We believe that it is reasonable to price instruments at their recent market value and therefore, have used Strategia's figures to compute performance.*

- Swan Wealth outperformed the other investment managers in all the sub-funds except in the Defensive sub-fund whereby it was surpassed by Strategia.
- MCBIM recorded the lowest performance in all the sub-funds as compared to the other investment managers except for the Defensive sub-fund whereby it returned in line with Swan Wealth and SICOM.
- SICOM outperformed the benchmark in all the 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-December 2024 (in MUR mln)	Strategia	Swan Wealth	MCBIM	SICOM	Consolidated
Cash held in Custodian Account	6.5	34.1	52.1	29.3	122.0
% of Total Portfolio	1%	3%	7%	6%	4%

- Overall Cash holdings stood at 4% as at 31 December 2024 (down from 5% as at end-September).
- 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 its Moderate and Conservative sub-funds. **We strongly recommend that the Investment Subcommittee (ISC) requests Swan Wealth to strictly comply with the above cash limit.**
- MCBIM was not compliant with the IPS, holding around 7% of its portfolio as surplus cash at bank. The non-compliance was also seen in all of its sub-funds, being more prominent in the Conservative sub-fund. The latter received a contribution of MUR 35.5mln in late October explaining the non-compliance. **We strongly recommend that the ISC queries with MCBIM about the large cash balance of MUR 31.5mln as at end-December.** The non-compliance of the Aggressive and Defensive sub-funds continued since last quarter.
- Strategia held around 1% of its portfolio as surplus cash at bank, in line with the IPS. It was however not compliant in its Conservative sub-fund.
- SICOM continued to consolidate its portfolios across all the asset classes during the quarter. On 26 December 2024, SICOM received contributions of MUR 13.6mln and MUR 20.3mln in its Aggressive and Moderate sub-funds respectively, thereby explaining the large cash balance as at the end of the quarter. The Defensive sub-fund remain in non-compliance since last quarter.

### Compliance to Investment Policy Statement (IPS)

- As at end-December, Swan Wealth was overweight to Cash and Equivalents in its Moderate and Conservative portfolios.
- MCBIM was overweight to Cash and Equivalents in its Conservative portfolios.
- SICOM was overweight to Cash and Equivalents in its Aggressive and Moderate portfolios while being underweight in Local Fixed Income in the latter's sub-fund. This should however be interpreted with caution as SICOM received new contributions during late December.

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	21%	18%	9%	6%
Foreign Equities	44%	35%	20%	8%
Alternative investments	4%	4%	0%	2%
Local Fixed Income	12%	22%	42%	56%
Foreign Fixed Income	16%	14%	18%	21%
Cash and Equivalents	2%	6%	12%	7%

	Strategia			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	26%	19%	11%	9%
Foreign Equities	40%	31%	20%	9%
Alternative investments	5%	4%	2%	0%
Local Fixed Income	15%	31%	45%	64%
Foreign Fixed Income	14%	12%	18%	16%
Cash and Equivalents	1%	2%	4%	3%

	MCBIM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	29%	21%	11%	9%
Foreign Equities	38%	33%	11%	5%
Alternative investments	5%	4%	2%	3%
Local Fixed Income	10%	27%	51%	61%
Foreign Fixed Income	12%	12%	12%	16%
Cash and Equivalents	5%	3%	12%	4%

	SICOM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	21%	18%	11%	14%
Foreign Equities	40%	31%	22%	9%
Alternative investments	3%	3%	0%	0%
Local Fixed Income	14%	18%	52%	56%
Foreign Fixed Income	8%	7%	14%	13%
Cash and Equivalents	15%	23%	1%	8%

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.