

# Super Fund

Investment Dashboard: Quarter ended

31 March 2025

## Quarterly Market Commentary

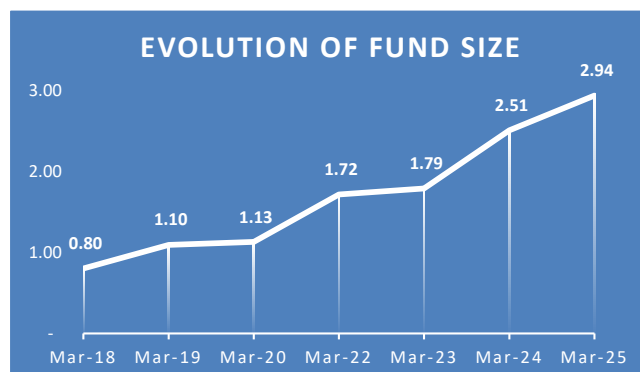
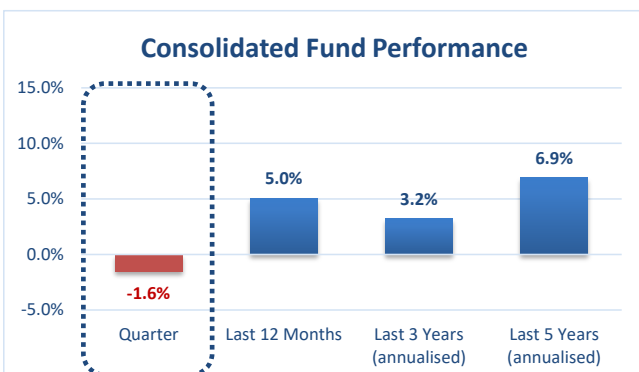
- The first quarter witnessed increased market volatility following escalating geopolitical tensions, announcement of new tariffs and fear of a recession. This had a negative impact on global equities, as measured by the MSCI All Country World Index, which fell by 1.3% (in USD terms) during the same time period. Growth stocks fell sharply while value stocks rallied. Technology stocks also suffered during the quarter.
- The bond market benefitted from falling yields and rising inflation expectations. The Bloomberg Aggregate Total Return Index returned 2.6% (in USD terms) over the past 3 months.
- The US Dollar depreciated by 3%, relative to the Rupee during the quarter. This negatively impacted the foreign investments of the Fund.
- Gold reached new highs, closing the quarter with an increase of 19.3% (in USD terms).
- Locally, the Official Market Indices went up, mainly driven by MCB Group Ltd. The SEMTRI rose by 3.8% during the quarter.

## Post-quarter Update

The major stock markets had rollercoaster weeks during April. Besides the tariff announcements by Trump, investors also panicked when the latter criticized the Federal Reserve Chair, Jerome Powell, for not cutting interest rates at a faster pace.

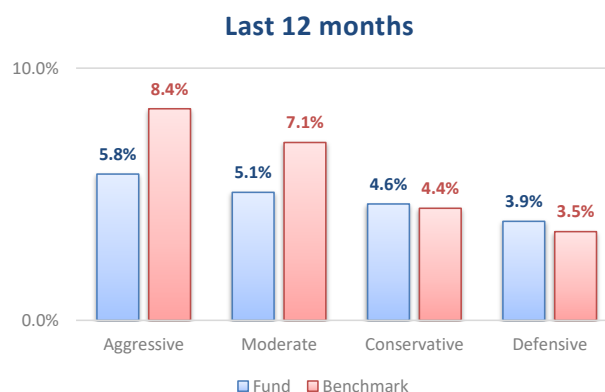
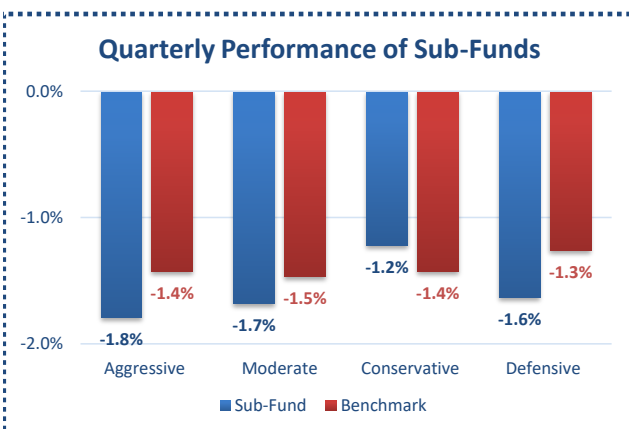
Between end-March and April, the S&P 500 fell by 0.8% while the MSCI ACWI rose by 0.9% in USD terms. The dollar moreover dropped to a three-year low against a basket of currencies and the price of gold rose above \$3,500 a troy ounce for the first time.

## Performance & Fund Evolution



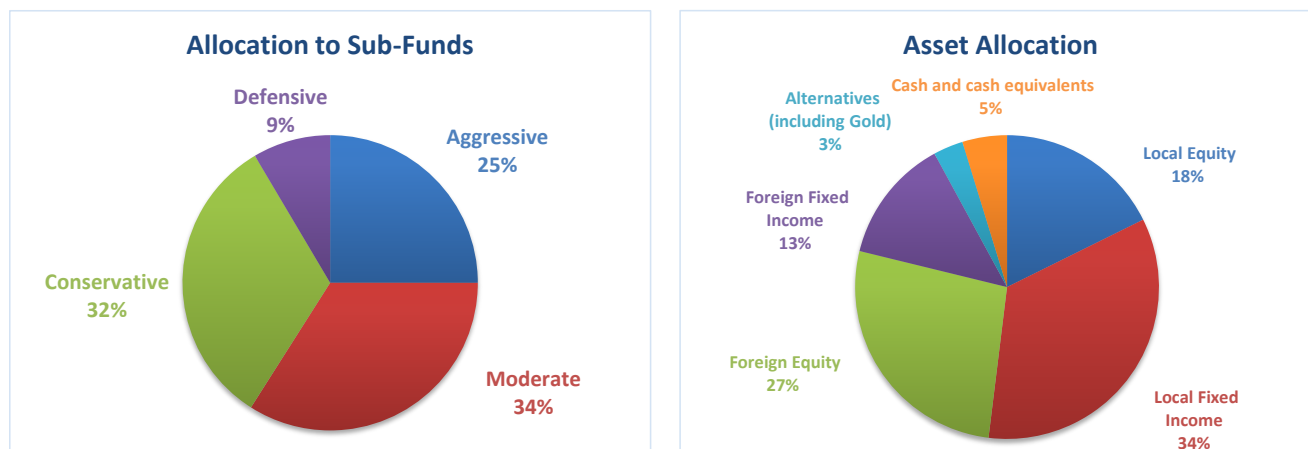
- The consolidated fund size slightly fell from MUR 2.96bn to MUR 2.94bn during the quarter. Contributions amounting to MUR 29.8mln were transferred to SICOM Management Ltd (SICOM) in March.
- The overall Fund lost 1.6% during the quarter. The return over the past 12 months stood at 5.0%, compared to the year-on-year inflation of 1.8%. This means that the Consolidated Fund earned real returns of 3.2% over the same period.
- Over a longer time horizon (5-Year period), Super Fund returned +6.9% (annualised in MUR terms).

*Note: As at 31 March 2025, Swan Wealth has earmarked USD 950K for investment to be made in the Swan Global Fund-Fixed Maturity Bond in April. However, as per the custodian reports provided, this amount has already been accounted as a purchase while not being reflected in the portfolio valuation. For the purpose of our monitoring, the USD 950K has been added back to the portfolio valuation amount as at end-March. We have checked with Swan Wealth and the investment was allotted during April. We moreover recommend that the Investment Sub-committee requests further information on this related party investment from Swan Wealth.*



- Returns for all sub-funds were negative during Q1 2025. The Aggressive, Moderate and Defensive sub-funds underperformed the benchmark. The Conservative sub-fund however outperformed the benchmark due to its low exposure to USD denominated assets.
- Over the last 12 months, significant underperformance was noted for the Aggressive and Moderate sub-funds while the Conservative and Defensive sub-funds managed to slightly 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.

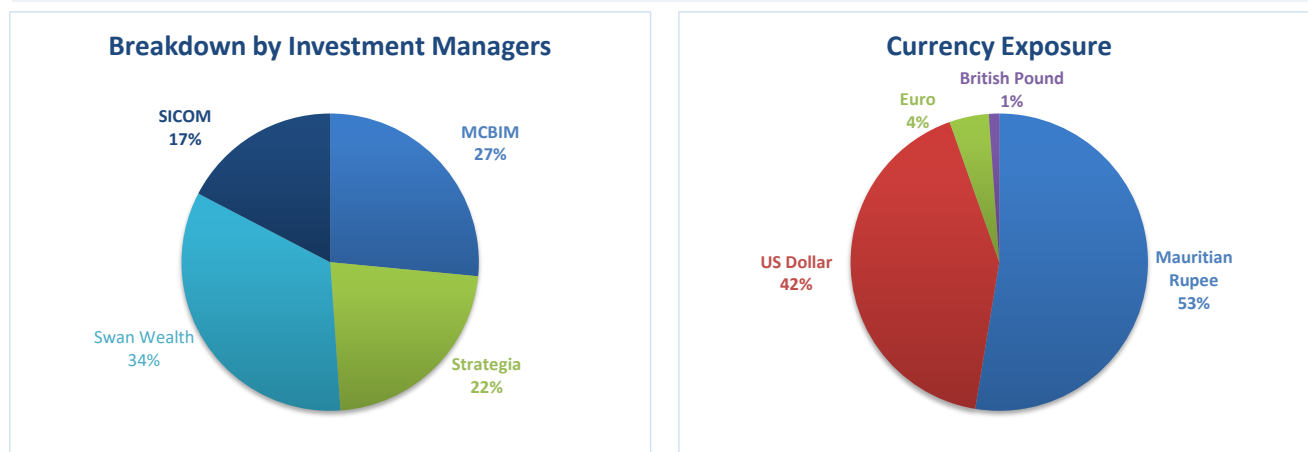
### Portfolio Breakdown



- 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-March, 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-March.



### Consolidated Portfolio - Performance by Investment Manager

	Strategia	Swan Wealth	MCBIM	SICOM
Quarter	-0.5%	-2.1%	-1.3%	-2.3%
Last 12 Months	5.9%	4.8%	4.8%	4.7%
Last 3 Years (annualised)	3.2%	4.3%	-	-
Last 5-Years (annualised)	6.7%	8.5%	-	-

#### Note:

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

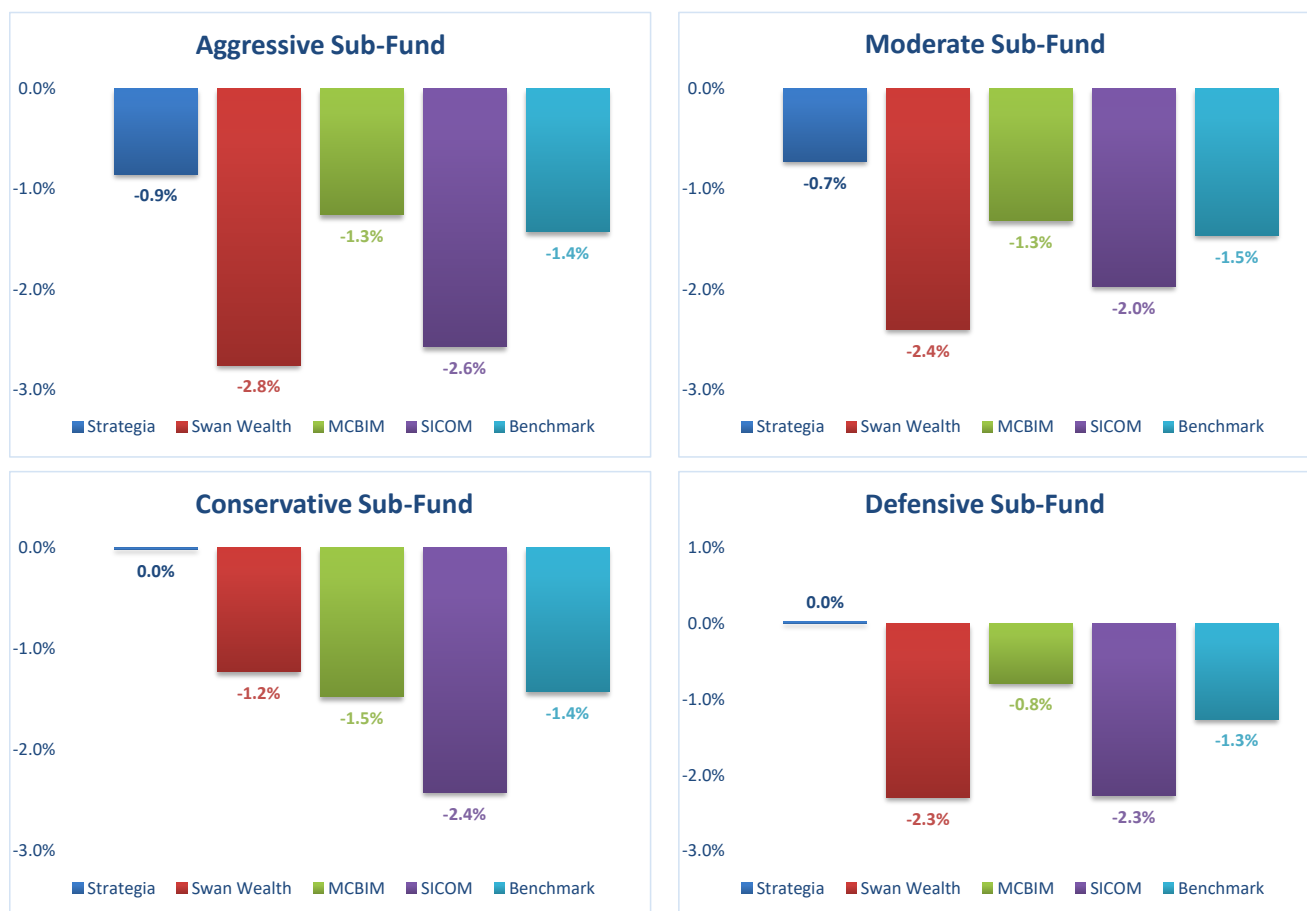
(2) SICOM was appointed as the fourth investment manager during September 2023. Full monitoring has begun in Q3 2024.

- During the quarter, all investment managers posted negative returns. Strategia returned -0.5%, outperforming the other investment managers.

- Over the last 12 months, Strategia's performance was highest. The returns posted by the other investment managers 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 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.*

- Strategia outperformed the other investment managers while also beating the benchmark across all the sub-funds.
- MCBIM returned more or less in line with the benchmark across all the sub-funds except for the Defensive sub-fund, whereby it outperformed the benchmark.
- Swan Wealth significantly underperformed the benchmark in the Aggressive, Moderate and Defensive sub-funds. However, it returned in line with the benchmark for the Conservative sub-fund. **We recommend that the Investment Sub-committee queries the reasons for the high underperformance with Swan Wealth.**
- SICOM underperformed the benchmark in all the sub-funds while being the worst performer in the Conservative sub-fund. Given that SICOM is still receiving cash flows, the performance across sub-funds should be assessed with caution.

### 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 2025 (in MUR mln)	Strategia	Swan Wealth	MCBIM	SICOM	Consolidated
Cash held in Custodian Account	9.4	18.5	27.7	40.9	96.5
% of Total Portfolio	1%	2%	4%	8%	3%

- Overall Cash holdings stood at 3% as at 31 March 2025, similar to the end-December weight.
- We note that Swan Wealth held more than 2% of its cash and equivalents at bank (in the custodian bank account which currently earns no interest) for its Aggressive, Conservative and Defensive 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 4% 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. **We strongly recommend that the ISC queries with MCBIM about the large cash balance as at end-March.** The non-compliance continued since last quarters.
- 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 11 March 2025, SICOM received contributions of MUR 18.2mln, MUR 3.5mln and MUR 8.0mln in its Moderate, Conservative and Defensive sub-funds respectively, thereby explaining the large cash balance as at the end of the quarter. All the sub-funds except for the Conservative sub-fund remain in non-compliance since last quarter.

### Compliance to Investment Policy Statement (IPS)

- As at end-March, Swan Wealth was overweight to Cash and Equivalents in its Conservative portfolio.
- SICOM was overweight to Cash and Equivalents in its Aggressive and Moderate portfolios. Note however that MUR 18.2mln was received in the Moderate sub-fund during March.

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. **As a result, investment managers who are less optimistic on the prospects of certain cash classes may choose to reduce exposure by the maximum permitted variance.**

	Swan Wealth			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	23%	19%	9%	6%
Foreign Equities	42%	33%	19%	8%
Alternative investments	4%	4%	0%	2%
Local Fixed Income	11%	27%	45%	55%
Foreign Fixed Income	15%	14%	17%	19%
Cash and Equivalents	4%	2%	11%	10%

	Strategia			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	26%	21%	12%	9%
Foreign Equities	41%	31%	19%	9%
Alternative investments	6%	5%	2%	0%
Local Fixed Income	15%	32%	47%	65%
Foreign Fixed Income	11%	10%	18%	16%
Cash and Equivalents	1%	1%	2%	1%

	MCBIM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	30%	22%	12%	10%
Foreign Equities	37%	31%	10%	5%
Alternative investments	6%	5%	2%	4%
Local Fixed Income	12%	27%	58%	62%
Foreign Fixed Income	12%	12%	13%	16%
Cash and Equivalents	3%	3%	5%	2%

	SICOM			
Asset Class	Aggressive	Moderate	Conservative	Defensive
Local Equities	23%	17%	11%	15%
Foreign Equities	41%	29%	20%	8%
Alternative investments	3%	3%	0%	0%
Local Fixed Income	18%	27%	54%	59%
Foreign Fixed Income	9%	7%	14%	12%
Cash and Equivalents	7%	17%	0%	7%

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.