

20

ANNUAL
REPORT 2020



super fund
caring for your retirement

OUR VISION

To create a community of happy pensioners celebrating life

OUR MISSION

We help our members prepare early for a rewarding retirement by providing sustainable, long term benefits in a cost effective manner

OUR VALUES

TRANSPARENCY

We communicate clearly and openly about the scheme we administer

FLEXIBILITY

We allow for and respond to our members' various needs without becoming unduly complex.

INNOVATION

We keep imagining the future and help prepare for it now

DEDICATION

We are result –oriented and we go the extra mile to meet our goals

RELIABILITY

We are committed to being responsible stewards of the funds entrusted to us



CONTENT

4 President's Message

An Overview 6

8 Highlights of 2020

Key Figures 9

10 Remarks by the Investment Advisors

Remarks by the Actuary 15

16 Fund Managers' Review

Membership and Analysis 21

22 Participating Employers

Financial Statements
for the year ended 31 Dec 2020 23

“ ... the pandemic will continue to shape our lives far into the future”



“The Fund continued its upward progression as we saw a 15% growth to Rs 1,427m in NAV”

President's Message

Dear Members

I am pleased to present to you the Super Fund's Annual Report and the audited financial statements for the year ended 31st December 2020.

Covid-19

It is impossible to discuss the last 12 months without first recognizing the pervasive impact of COVID-19. The world is facing one of the greatest health threats humankind has ever seen, one that is having a profound impact on the Mauritian and global economies. The impact is clear: people everywhere have experienced hardship, economies were disrupted and businesses were forced to adapt swiftly to unprecedented challenges. **Today, we are certain of one thing: the pandemic will continue to shape our lives far into the future!**

Our performance

Against the backdrop of these extreme conditions, I am pleased to report that the Fund stood resilient, delivering an annual return of 6.2% for the fiscal year 2020. The Fund continued its upward progression as we saw a 15% growth to Rs1,427m in net asset value as at 31 December 2020 from Rs1,242m the previous year.

The Fund is currently managed by AfrAsia Capital Management Ltd (now rebranded as Ekada Capital Ltd) and Swan Wealth Managers Ltd. Ekada Capital Ltd manages 70% of the Fund's assets and 30% is under the management of Swan Wealth Managers Ltd.

Key Highlights

With new members joining the Fund and continued strong performance, the fund under management will reach MUR 1.5 billion in 2021. Considering the size of the fund and to be in line with best practices, the Management Committee has taken several measures to protect the interests of Super Fund members. The Management Committee therefore took the decision of appointing a third investment/fund manager with the objective of increasing the returns and spreading its risks. A request for proposal for the provision of fund management services was sent to some leading investment/fund management companies in Mauritius. A special committee is evaluating the proposals received.

A triennial valuation of the Fund as at 31 December 2020 is also being carried out by our actuary to assess the overall funding level and sustainability of the Fund. The valuation will also provide us with the basis of funding requirement of the annuity fund. Thereon, we may decide on any discretionary pension increase to Super Fund's pensioners.

Due to the ongoing COVID-19 crisis, the year ahead still remains full of challenges; but the other side of the coin is that there are many opportunities. I am sure that, we, as a country and the pension industry as part of the insurance sector, will emerge stronger from this situation. I strongly believe that every crisis presents an opportunity, and it is up to us to make the best out of the situation. I am confident that the year ahead will be positive for Super Fund and with the combined efforts of our Management Committee members, the commitment of our partners and with the right and more active investment strategy, we will continue to create value for our members.

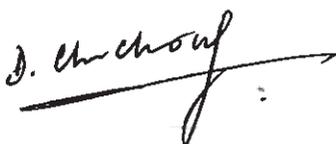
Governance

During the year, we said goodbye to Shashi Ramdany who presided over the Management Committee since 2017. We wish Shashi all the best on his new endeavours. I was honoured to chair a Management Committee of extremely engaged Members, determined to help Super Fund deliver results in a well-governed way.

This coming year will see the election/appointment and constitution of a new Management Committee. We encourage candidates from all backgrounds to ensure that the Management Committee has the right level of skills, experience and diversity.

In closing

I would like to express my thanks and pride in the work accomplished this past year by the whole team; our Fund Managers, Administrators, Actuaries, Advisers, Business Mauritius and my fellow Committee Members. A special thanks to our Vice-President who chairs the Investment Sub-Committee and our Secretary who is actively involved in all Sub-Committees. Working together coherently, we demonstrated deep commitment to this organisation and its purpose.



Sincerely
Daniel Chan Chong
President

An Overview

Management Committee

The Management Committee is the governing body vested with the power to administer the Fund, and, is accordingly the strategy and policy making arm of the Fund. The Management Committee retains ultimate responsibility for the Fund, even when delegating certain functions to internal staff and external service providers.

The Managing Committee comprised of the following members for the year 2020:

Mr Shashi Ramdany

Reinsurance Solutions Ltd

President (Resigned November 2020)

Mr Nilesh Gammoo

Business Mauritius

Secretary

Mr Daniel Chan Chong

FGY Services Ltd

Vice President (President as from December 2020)

Mr Franco Tuyau

Chronopost (Mauritius) Ltd

Member

Mr Maurice Felix

Orange Business Services Ltd

Member

Mr Feroze Acharauz

Panache Co Ltd

Member- resigned March 2020

Mr. Jean Marc Desvaux

General Construction Co Ltd

Member

Mr Rakesh Rajcoomar

Dale International Trust Company Limited

Member – August 2020

Ms Hanishta Camadoo

Reinsurance Solutions Ltd

Member – December 2020

Mr Jerome Valin

Digital Island

Member – December 2020

The Management Committee met three times during the year.

Audit, Risk and Governance Committee

The Committee is chaired by Mr Rakesh Rajcoomar and is composed of the following members:

Mr Nilesh Gammoo

Business Mauritius

Secretary

Mr Franco Tuyau

Chronopost (Mauritius) Ltd

Member

The Audit, Risk and Governance Committee operates under an approved charter, which clearly spells out the roles and responsibilities of the committee members. Its main tasks are to maintain and, where necessary, review the effectiveness of internal controls of the Fund in the light of the findings of the external auditors and review the financial statements.

During the year, The Audit, Risk and Governance Committee met once.

Investment Committee

As at 31 December 2020, the Investment Committee was chaired by Mr Daniel Chan Chong and composed of the following members:

Mr. Jean Marc Desvaux

General Construction Co Ltd

Member

Mr Nilesh Gammoo

Business Mauritius

Secretary

Mr Maurice Felix

Orange Business Services Ltd

Member

Ms Hanishta Camadoo

Reinsurance Solutions Ltd

Member – December 2020

The Investment Subcommittee monitors the investment performance of the entire fund as well as the sub funds on a quarterly basis. The Investment Committee lays down and reviews on a regular basis the investment strategy of the different sub funds under management by our fund managers. The committee reviews periodically the investment policies and ensure that investment decisions and investment operations are consistent with the Fund's investment policies and strategies.

During the year three meetings were held by the committee.

Highlights of 2020

2020 will definitely be remembered in history as the year when global activity was abruptly paralysed by the Coronavirus pandemic. In order to curb the spread of the Covid-19 across Mauritius, a national lockdown was imposed in the country on the 23 March 2020 and lifted on 30 May 2020.

While all sectors were impacted by the national lockdown, the tourism and related activities were affected the most. Companies including those in the pension industry are facing several significant challenges to which they need to respond rapidly.

Investment Policy Statement

The Investment Policy Statement (IPS) is reviewed periodically to ensure consistency in investment actions and that investments are made as per risk profile characteristics of each sub fund.

In 2020, the Investment Policy Statement was revised to cater for new benchmarking of asset classes. To ensure a fair and adequate benchmarking process, the committee members and its investment advisors reviewed the benchmark for the following asset classes: cash and cash equivalents, local fixed income securities and alternative investments. Cash and cash equivalent was referenced to the weighted average yield on 91d Government of Mauritius T-bills, local fixed income was benchmarked to the weighted average yield on 5yr and 10yr Government of Mauritius bonds and alternative investment to the MSCI World All Countries + 2%.

New Asset Allocations

A new asset class was added to the portfolio mix of Superfund during the year – Alternative investments, which constitutes of structured products, private equity/debt funds, property funds and commodity funds. Further to attractive entry opportunity following the COVID-19 outbreak, the Manager seized the opportunity to consolidate on the asset class for both Superfund Aggressive and Superfund Moderate mandates. As at 31-Dec-20, the Manager outpaced its corresponding benchmark, being MSCI All Country World Net Index + 2% p.a. through an active management of trending themes. As the pandemic froze global activities, strategies such as technology-centric stocks (e-commerce, online streaming services & video games) were amongst the top performers during the year.

The Workers' Rights (Portable Retirement Gratuity Fund) (Amendment) Regulations 2020

The Portable Retirement Gratuity Fund (PRGF) was introduced in the final quarter of 2019 through the enactment of The Workers' Rights Act 2019 and it targets companies operating in the private sector and self-employed.

PRGF contribution is exempted for workers whose employers are already contributing into a **private pension scheme** licenced by the Financial Services Commission under the Private Pension Schemes Act.

However, in view of the challenging circumstances surrounding the Covid-19 situation, this moratorium has been extended through **The Workers' Rights (Portable Retirement Gratuity Fund) (Amendment) Regulations 2020** which provide for the postponement of the payment of monthly contributions to the Portable Retirement Gratuity Fund (PRGF) from 01 January 2020 to 01 January 2022.

Key Figures

TOTAL ASSETS
1.427BILLION
2019: 1.242 BILLION

ANNUAL RETURN
6.20%
2019: 11.75%

PARTICIPATING
EMPLOYERS **92**
2019: 87

BENEFICIARIES
2242
2019: 2102

AVERAGE
MONTHLY
CONTRIBUTION
11.39 Million
2019: 10.5 MILLION

ANNUITY FUND
81.67 Million
2019: 69 MILLION



Remarks by the Investment Advisor

Despite a challenging year on both a sanitary and economic level, Super Fund delivered positive returns across all investment profiles. For the calendar year 2020, the Fund's consolidated performance was superior to the benchmark. The Fund Managers were closely monitored so that investments are made within the required limits and permitted variances.

Stock markets have been sailing across difficult times and volatility were at its peak, especially in the first four months of the year. Foreign markets had plunged sharply at the start of the pandemic but gradually recovered. Both the MSCI World and MSCI EM closed the calendar year 2020 up and posted +14.1% and 15.8% respectively. Countries deployed huge fiscal incentives and central banks fine-tuned their monetary policies to combat the ripple effects of the coronavirus on the economy. The local economy was however severely impacted: increase in budget deficit; tourism is among the most affected sector; Mauritius was in the FATF grey list; and depreciation of the Mauritian Rupee against major foreign currencies. As at end of December 2020, the SEMDEX was down 24.3% year-on-year. Mostly all listed blue-chip companies were in the red zone although a slight ticked up was noted in November due to talks on the vaccination program.

During the period under review, we assisted the IC to carry out the following:

- Review the investment management process and standardising the format of investment presentations by investment managers in view of ensuring overall good governance, comparability of performance and to align investment managers interest with the fund beneficiaries.
- Monitoring investment in listed and unlisted securities and ensuring disclosure of related party transactions, such as investment in fund managers' in-house funds or funds distributed by themselves.
- Stringent monitoring and follow up of investment managers' investment actions and proposed investment strategy as well as investment allocation across different asset classes to ensure consistency in their investment actions and investments are made as per risk profile characteristics of each sub-fund.

The ripple effects of the pandemic will perdure across different layers of the economy in the short to medium term – but the administration of vaccines will help return to normality coupled with appropriate fiscal and monetary policies. Several countries are re-opening their economies and have achieved herd immunity within its population. Companies that have an adequate debt level, positive cashflows and that have adapted to change, will survive these difficult times and will emerge stronger.

Market timing is undeniably a difficult task, but good investment principles and risk mitigation measures are essential factors to create value for the members. Super Fund will continue to leverage on its experience team of Advisors, Fund Managers, Actuaries and Board members for achieving its overall objectives.

Remarks by the Investment Advisor

Impact of Covid-19

2020 was marked by unprecedented market volatility associated with the outbreak of the pandemic. With economic activity coming to a halt, equity markets fell sharply in the first quarter of the year. Subsequently, global equities rallied on the back of generous fiscal stimulus and the arrival of vaccines. On the local front, the domestic economy continued to suffer from the spillover effects of the pandemic. The major local stock market indices thus ended the year in the red.

All the four sub-portfolios were cautiously positioned amidst the heightened volatility. On the equity side, the strategic overweight exposure to foreign equities and underweight exposure to local equities contributed positively to the consolidated fund's performance. Increased exposure to sectors and themes such as consumer staples, healthcare, and minimum volatility also benefitted the Fund.



On the fixed income side, the portfolios posted solid gains as policy rates and yields were driven down. The sub-portfolios were well exposed to treasury bonds as well as selected corporate bonds (via Funds, ETFs and a direct bond).

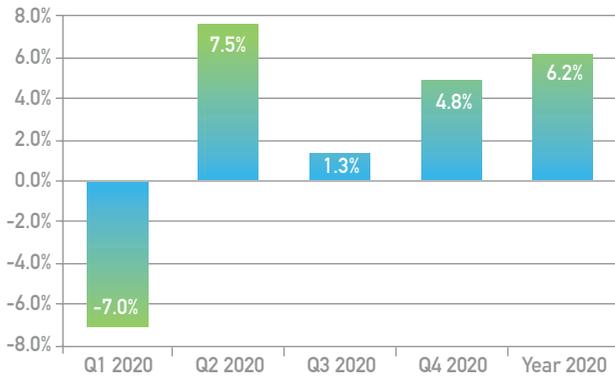
During the year, the sub-portfolios also increased their exposure to gold funds. Gold has generally proven itself to be highly effective investment vehicle for diversification and risk management because of its independence from other asset classes. Note that gold performed very well during 2020 following the pandemic outbreak.

With the rising number of cases worldwide, the pandemic however continues to pose a threat for the global as well as the local economy. Despite vaccination roll-out, apparition of new variants makes it quite difficult to establish the full impact of the COVID and how long it will take for economies to recover to pre COVID levels.

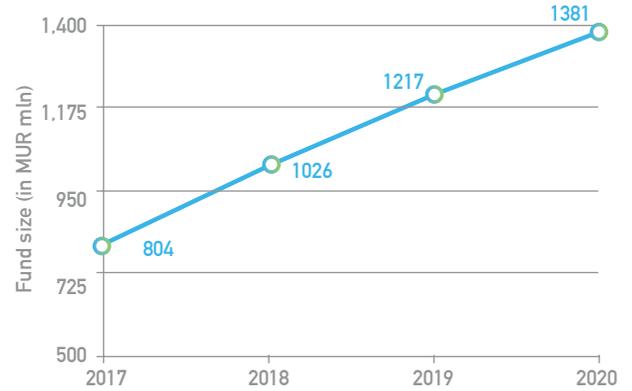
Fund Performance

Investment Review for the Year ended 31st December 2020

Overall Fund Performance



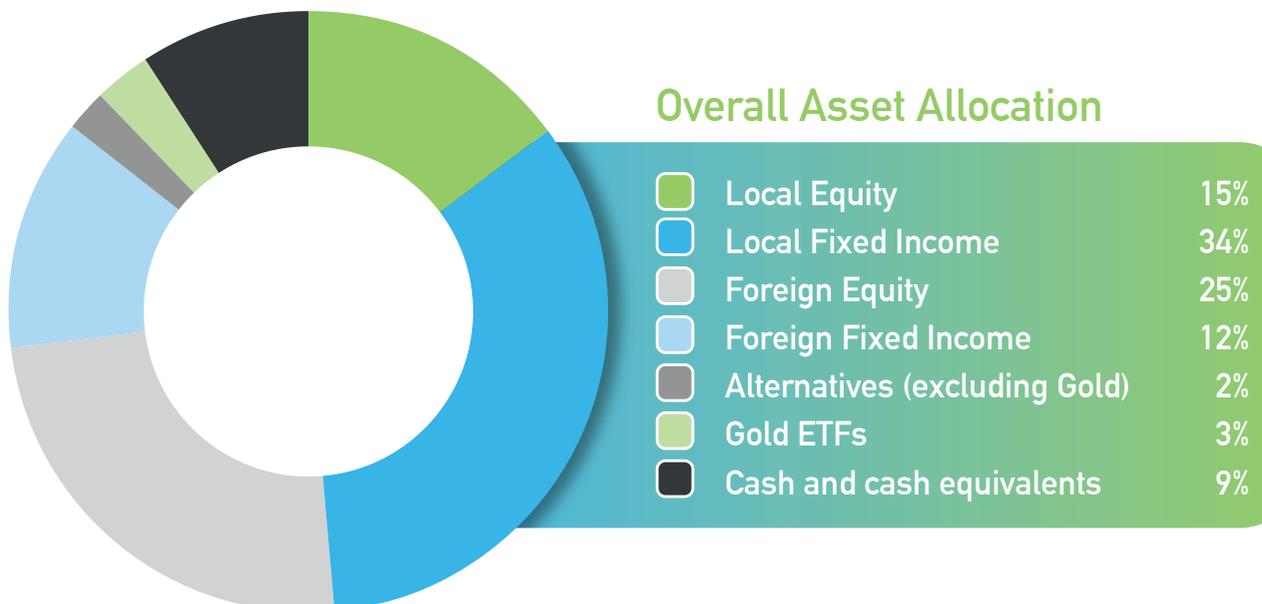
Evolution of Fund Size



Following a sharp drop in March, the fund's performance picked up in the subsequent months. For the year 2020, the Fund returned +6.16%.

Note: For the year 2020, the inflation rate stood at 2.71%. (source: Mauritius Statistics Office)

Asset Allocation (as at 31st December 2020)



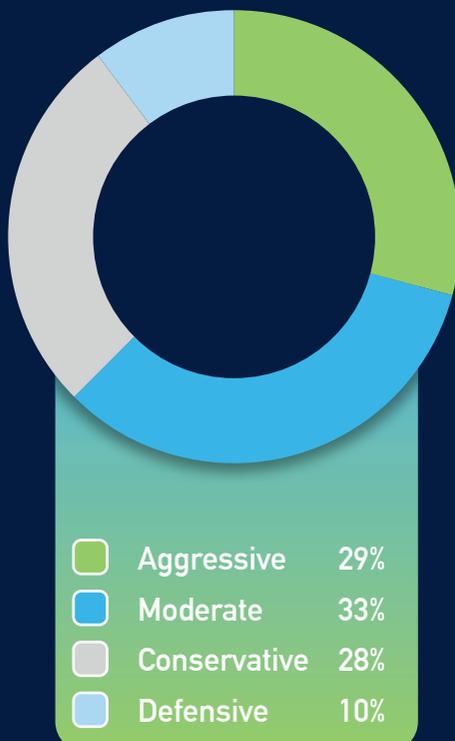
Investment Managers Split



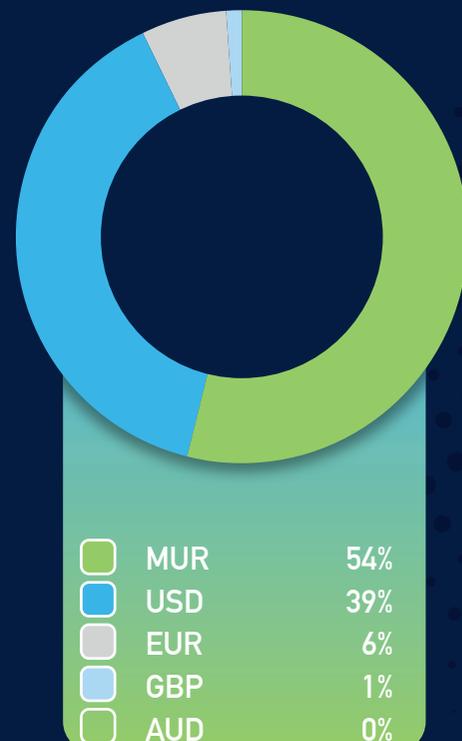
As at 31st December 2020, around 55% of the Fund was invested in matching assets (local and foreign fixed income instruments, cash and cash equivalents). The remaining 45% were invested in growth assets (local and foreign equities, Gold and other alternative investments).

Note that cash and cash equivalents include cash holdings at bank and short term instruments and money market funds.

Allocation by Sub-Fund

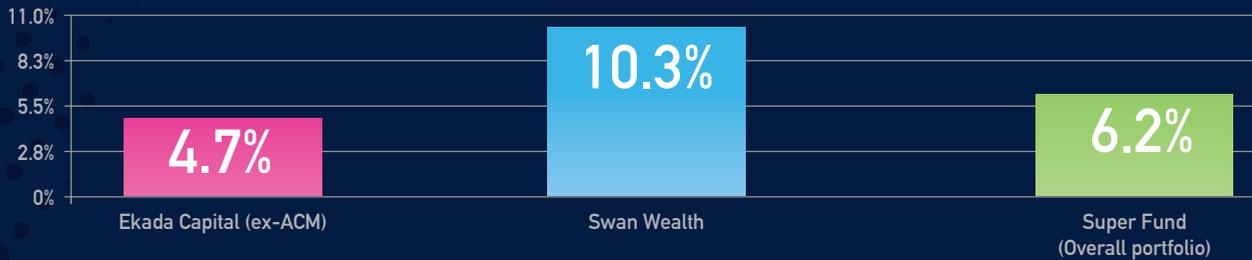


Currency Exposure

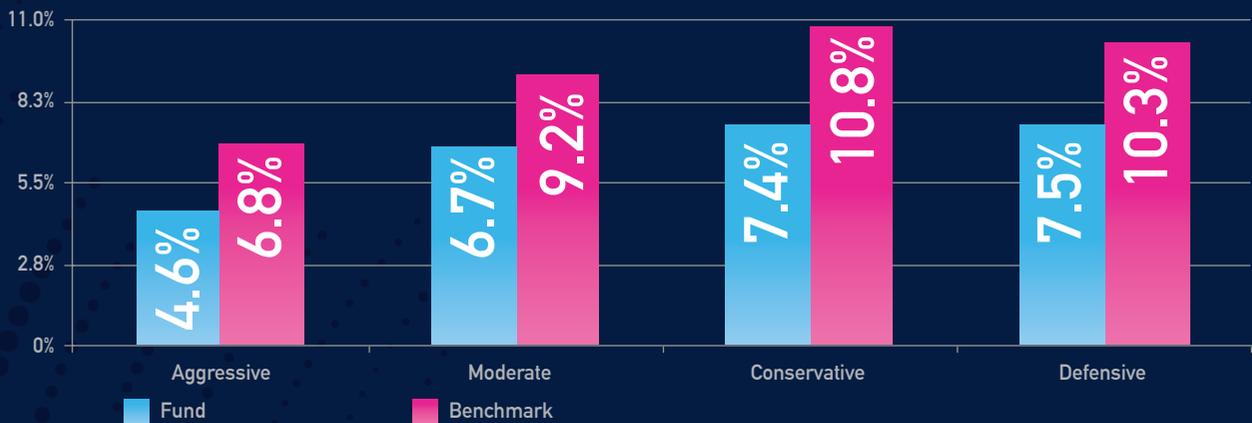


As at end-December 2020, the Moderate sub-fund had the highest allocation (33%) closely followed by the Aggressive sub-fund (29%).

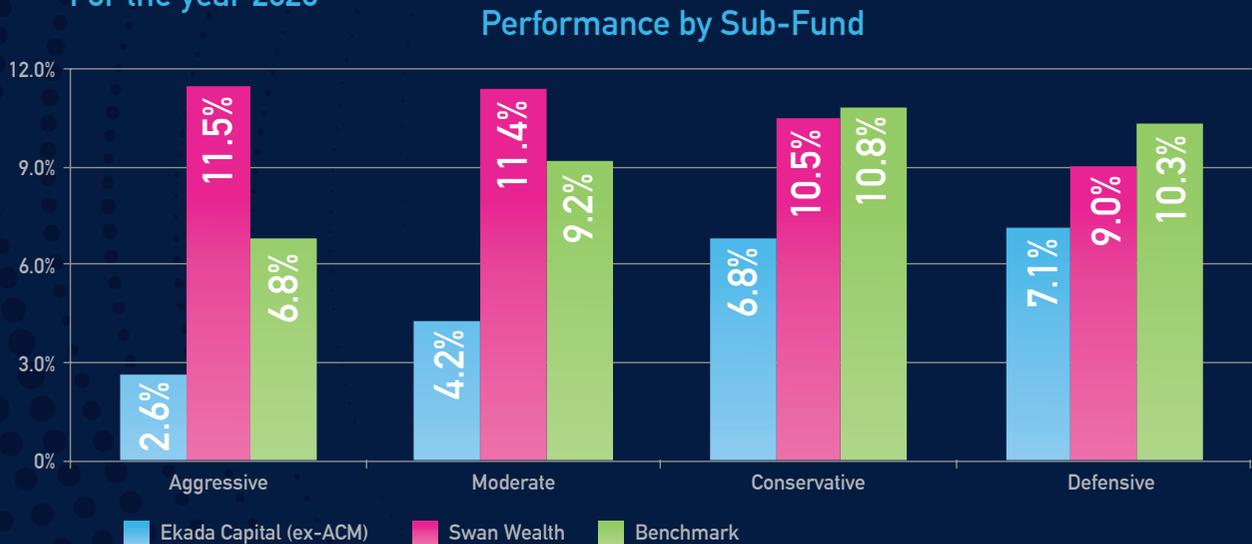
Consolidated Performance by Investment Managers For the year 2020



Performance by Sub-Fund For the year 2020



Performance by Relative Investment Managers For the year 2020



Imrith Ramtohum
Investment advisor

Remarks by the Actuary

At the end of 2020, the world was still fighting the COVID-19 pandemic with varying degrees of success as hopes grew with the introduction of several vaccines.

The abolition of the National Pension Fund (NPF) and introduction of the Contribution Sociale Generalisee (CSG) in September 2020 is likely to have significant long-term implications for the Fund. Replacing the NPF contributions by CSG contributions for typical members of the Fund is likely to result in higher overall contributions for lower benefits outside the Fund. This should in principle lead to higher contributions to the Fund in order to maintain the same overall pension target for the members. However, it is also possible that many employers and employees will find it difficult to allocate more contributions to the Fund, at least in the short term given the prevailing uncertain economic conditions.

We will take stock of where the Fund stands financially as we carry out our triennial actuarial valuation of the Fund this year.

In particular, the annuity rates used by the Fund which were reviewed with effect from 1 July 2020 due to the exceptional market conditions last year will be reassessed later in 2021.

The FSC recently published detailed guidelines on shifts or conversions from defined benefit (DB) to defined contribution (DC) pension plans. This should remove uncertainties on their requirements for approval of such changes and could benefit the Fund in the form of new clients in due course.

Mr Bernard Yen FIA
Managing Director

AON Hewitt Ltd

Fund Manager's Review - Ekada Capital

Investment Report 2020

As of 31st December 2020, the net asset value of the fund stood at MUR 964,629,891. The performance of the four sub portfolios (Aggressive, Moderate, Conservative and Defensive) are tabled below:

Performance (%)	Super Fund Aggressive	Super Fund Moderate	Super Fund Conservative	Super Fund Defensive
1 - Year	2.58%	4.22%	6.83%	7.14%
2 - Year	14.81%	16.39%	18.68%	15.70%
Since Inception (March 2014)	45.28%	42.39%	46.95%	45.54%
Annualized	5.69%	5.38%	5.87%	5.72%

Superfund Aggressive

* Asset-Weighted Benchmark Aggressive: 30% Semtri / 40% MSCI ACWI / 5% MSCI ACWI + 2% / 3% 91D T-Bill / 17% (50% Yield on 5yr GOM Bonds+50% Yield on 10yr GOM Bonds) / 5% Barcap

Superfund Moderate

* Asset-Weighted Benchmark Moderate: 20% Semtri / 25% MSCI ACWI / 5% MSCI ACWI + 2% / 3% 91D T-Bill / 37% (50% Yield on 5yr GOM Bonds+50% Yield on 10yr GOM Bonds) / 10% Barcap

Superfund Conservative

* Asset-Weighted Benchmark Conservative: 10% Semtri / 15% MSCI ACWI / 3% 91D T-Bill / 57% (50% Yield on 5yr GOM Bonds+50% Yield on 10yr GOM Bonds) / 15% Barcap

Superfund Defensive

* Asset-Weighted Benchmark Defensive: 5% Semtri / 5% MSCI ACWI / 8% 91D T-Bill / 67% (50% Yield on 5yr GOM Bonds+50% Yield on 10yr GOM Bonds) / 15% Barcap



For the year 2020, most equity indexes rose in the face of the deadly pandemic, boosted by massive government stimulus measures and the rapid development of coronavirus vaccines. Government imposed lockdowns brought the global economy to a virtual standstill. In a year marked by unprecedented volatility, stocks declined sharply from late February to March, followed by a remarkable nine-month rally that lifted several key market indexes to all-time highs. On the fixed income side, the intervention of most Central Banks drove yield lower by pushing the monetary policy rates to near zero level. In addition, Central Banks also launched an array of emergency lending programs and expanded an aggressive asset purchase program that pushed yields lower. The year 2020 turned out to be a bullish period for the commodity segment, particularly iron ore, copper, gold and palladium while oil had a torrid time for the period.

For fixed income, the sub-portfolios were well exposed to treasury bonds as well as selected corporate bonds (via Funds, ETFs and a direct bond). Hence, the fixed income exposure did not contribute much to the portfolio's performance as 2020 was almost exclusively a bull market only for equity. Within the foreign equities segment, the sub-portfolios were positioned with increased exposure to sectors and themes such as consumer staples, healthcare, and minimum volatility, amongst others, whilst on the local equity side, stocks were bought as and when entry opportunities and liquidity arose.

All four portfolios of Superfund (Aggressive, Moderate, Conservative and Defensive) adopted a cautious approach since the start of year 2020. Our aim was to control the volatility within an appropriate range. In this context, it is worth mentioning that for the year 2020, the maximum drawdown for the sub-portfolio Superfund Aggressive was -11.98% versus the benchmark at -12.29%. The maximum drawdown for the sub-portfolio Superfund Moderate was -7.10% versus the benchmark at -7.96%. Similarly, the maximum drawn for sub-portfolio Superfund Conservative and Defensive were -2.39% and -0.26% respectively compared to the benchmark at -3.63% and -1.29%.

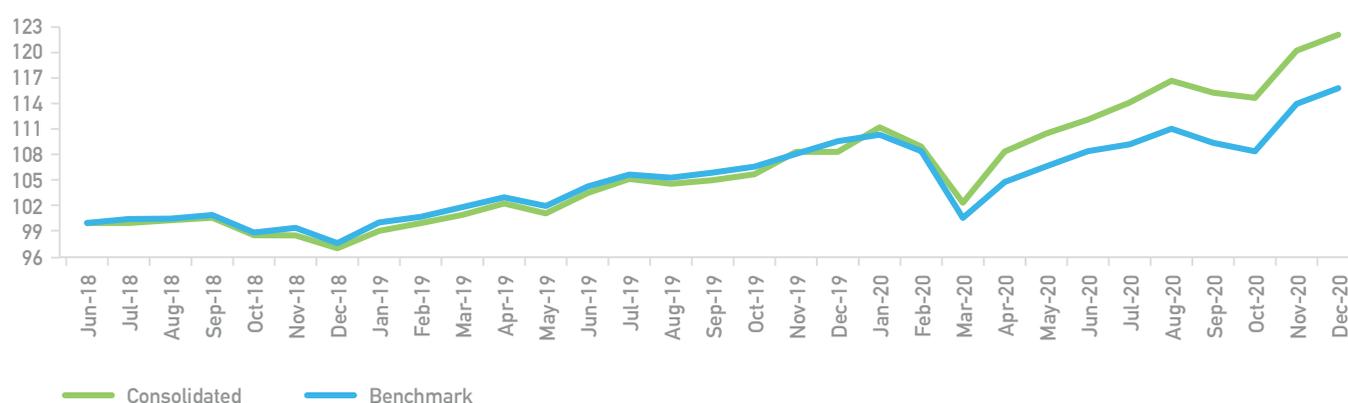
Fund Manager's Review - Swan Wealth Managers Ltd

The value of the Fund under management stood at MUR 416 million as at 31-Dec-20, with 90.9% of the funds invested on a consolidated basis. The Fund grew by more than two-fold (+12.6%) than its benchmark (+5.7%) in MUR for the year ended 2020 on the back of superior performances from all its sub-funds. The outperformance was attributable to (i) a tactical overweight exposure on international markets and (ii) minimum exposure on local bourse which closed in deep red territory during the period under review.

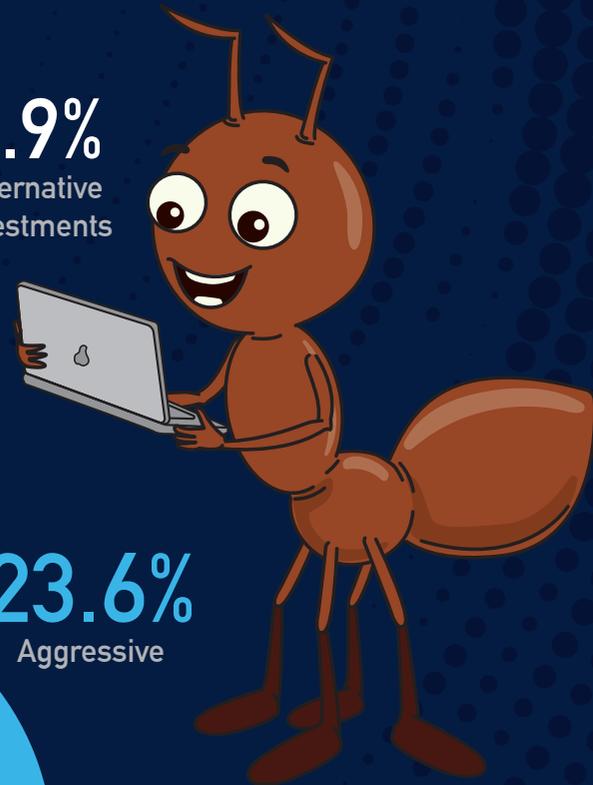
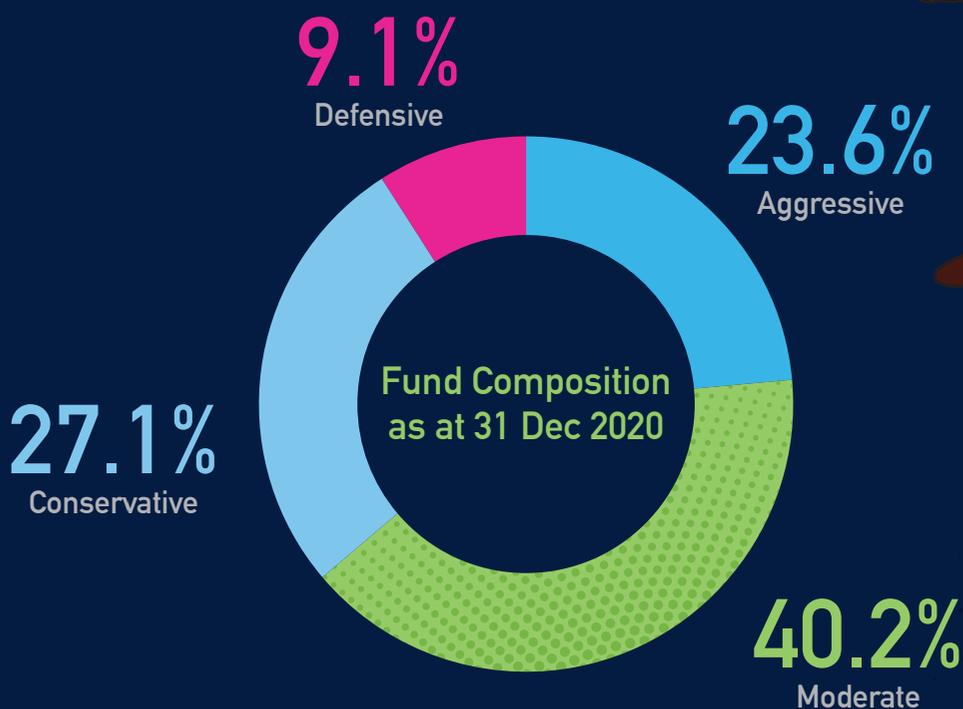
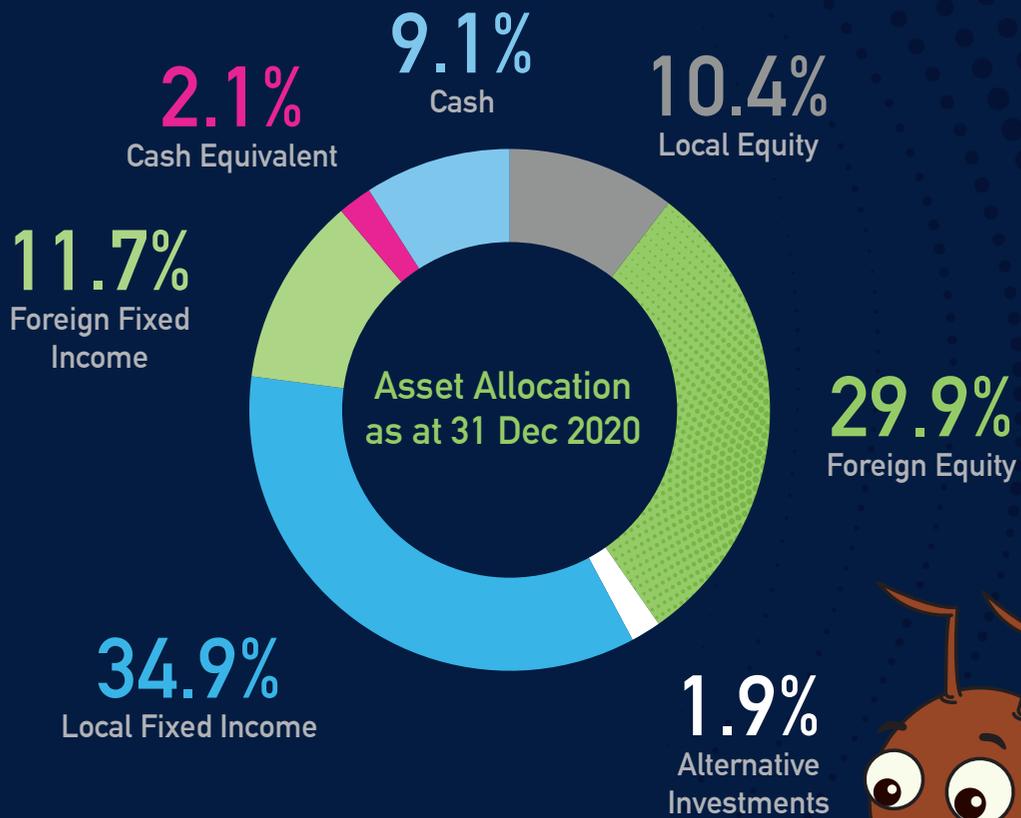
Fund Performances (in MUR) for the year ended 31 December 2020

Performance (%)	Aggressive	Moderate	Conservative	Defensive	Consolidated
Superfund	+18.4%	+11.4%	+11.2%	+9.5%	+12.6%
Benchmark	+5.2%	+5.7%	+5.8%	+4.7%	+5.7%

Indexed Performance since inception (MUR)



The benchmark is an asset-weighted benchmark comprising of SEMTRI (for local equity), MSCI All Country World Index (for foreign equity), MSCI All Country World Index + 2% (for alternative investments), 50% Yield on 5Y GOM Bonds + 50% Yield on 10Y GOM Bonds (for local fixed income), 91-Day Treasury Bills (for cash equivalents) and Barclays Capital Global Aggregate Index (for foreign fixed income). As from Dec-20 the benchmark for local fixed income was amended to (50% Yield on 5Y GOM Bonds + 50% Yield on 10Y GOM Bonds) versus the 91-Day Treasury Bills + 2% previously.



In terms of asset allocation as at 31-Dec-20, amid the relatively poor domestic outlook, we maintained an underweight exposure on the local equity market and consolidated instead on foreign equity and alternative investments to maximize upside potential. For the fixed income asset class, on the foreign side, all the sub funds were relatively in line with their respective target weight. On the local fixed income side, we were underweight for two sub-funds, Conservative and Defensive, given lack of attractive long term instruments on the market.

Market Review (CY 2020)

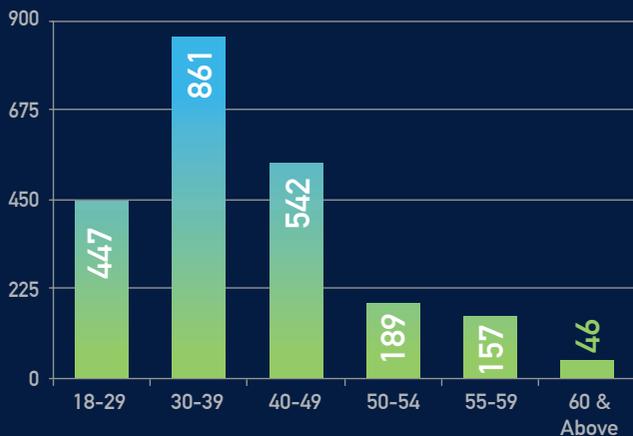
The local bourse (SEMDEX: -24.3%) closed the year 2020 in deep red territory as the outbreak of the coronavirus came as a hammer blow to an already weak domestic economy. While all sectors were impacted by the national lockdown, hotel and travelling counters were hit the hardest. Among the listed companies, Air Mauritius Ltd was the only entity that went under Administration. The main laggards for the year were NMHL (-61.0%) and Bluelife (-55.2%). However, the local equity market received some support from NIT (+25.0%) and Alteo (+23.9%). On the macroeconomic front, the Mauritian economy contracted by 14.2% year-on-year as compared to a growth of 3.6% in 2019. Internationally, global equities nose-dived in Mar-20 due to the spread of Covid-19 but rapidly recovered following the massive stimulus deployed by policymakers across the globe. Regionally, Japan equities outshined global indices, amid a better handling of the coronavirus. US equities also reached fresh highs in Dec-20 following the victory of Joe Biden as the new US President and the announcement of an effective vaccination by year-end. Emerging market equities posted robust gains and outpaced its Developed peers on the back of early signs of economic recovery. Among the emerging region, China stood out of the crowd by being the sole economy that grew by 2.3% in 2020, in comparison to the global economy that contracted by 4.3%.

On the fixed income front, the local market remained deeply impacted by high excess liquidity and tumbling yields. Excess liquidity maintained an upward trend throughout the year and peaked at MUR 65.4Bn in December, while yields reached their lowest level during the same period with 364D Tbills losing 203 bps (y-o-y), the 3Yr GOM notes losing 285 bps (y-o-y), the 5Yr GOM bonds losing 260 bps (y-o-y) and the 10Yr, 15Yr and 20Yr GOM bonds losing 306 bps, 123 bps and 222 bps (y-o-y) respectively. The Monetary Policy Committee of the Bank of Mauritius was held for the first time of the year in March 2020 and the Key Repo Rate was cut by 50bps to 2.85%, driven by the need to strengthen domestic economic activity. In view of the disruptive effects of the Covid-19 on the Mauritian Economy, there was a further 100bps cut in the rate to 1.85% in April 2020 and same was maintained throughout the year. Headline inflation surged during the year, peaking at 2.50% in December 2020 (versus 0.5% for the previous corresponding period). On the forex side, for the year ended 2020, the Bank of Mauritius intervened on the foreign exchange market in a regular manner and sold a total amount of USD 919.3Mio to commercial banks to alleviate the shortage of foreign currencies on the market. During the year, the EUR, GBP, and USD appreciated by 18.6%, 13% and 7.4% respectively vis-à-vis the MUR. On the international side, markets were in a state of chaos due to the rapid spread of Covid-19. Central Banks acted aggressively to quell the panic. In the US, the Federal Reserve (FED) cut its target rate to zero and injected \$2 trillion to support the economy. In comparison to year ended 2019, the 10Yr US Treasury and 10Yr UK Gilts closed at 0.91% (-101bps) and 0.20% (-62bps) respectively. In contrast, the 10Yr German Bund and the 10Yr Japanese Bonds saw some recovery in yields closing at -0.57% (+25bps) and 0.02% (+4bps) respectively.

SWAN

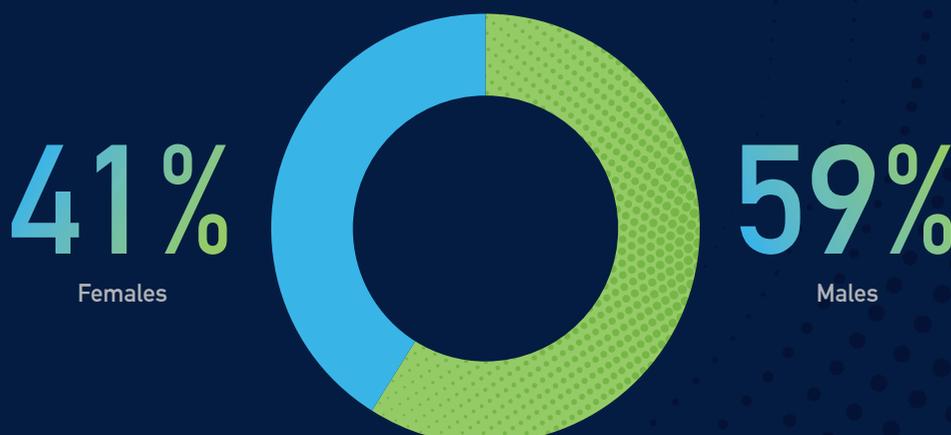
Swan Wealth Managers Ltd

Membership and Analysis



No. of Schemes	92
Cancellations	-54
New	37
Active Members	1829
Deferred Pensioners	753
Pensioners	69
Total Monthly Salary (Rs)	67,286,721.00
Average Monthly Salary (Rs)	36,789.00

Sex Distribution



Participating Employers

AFRASIA CAPITAL MANAGEMENT LTD
AGENCE FRANCAISE DE DEVELOPPEMENT
ANALYSIS CO LTD
ARUP - SIGMA LTD
ASSOCIATED CONTAINER SERVICES LTD.
ASSOCIATED TEXTILES SERVICES LTD.
BRITISH AIRWAYS (MAURITIUS)
CARI AGENCY LTD.
CCMA CONSULTING
CKLB INTERNATIONAL MANAGEMENT LTD.
COMMUNAUTE FIAT
EKIUM AMIO LTD
CREASIM LIMITEE
CREATIVE HR SOLUTIONS LTD.
DALE INTERNATIONAL TRUST CO. LTD.
DPD LASER (MAURITIUS) LTD.
E.R.C LEVAGE
ECOVADIS (MAURITIUS) LTD.
EGECO LTD.
ENGINEERING TECHNICAL & MANAGEMENT SERVICES LTD.
ETAIROS LTD.
FGY MANAGEMENT SERVICES LTD.
FLEXICOM CO. LTD.
GAMMA CIVIC LTD
GAMMA CONSTRUCTION LTD.
GAMMA CORPORATE SERVICES LTD
GAMMA MATERIALS LTD.
GAZ CARBONIQUE LTD
GMF LTD
GRANDE RIVIERE INVESTMENT CO. LTD.
GREEN YELLOW INDIAN OCEAN
GUARDRISK INTERNATIONAL LTD PCC
IMMOSPHERE
IN & OUT TRADING LTD.
INTEGO GREEN LTD
INTEGO LTD
ISLAND SALT LTD.
JPH OFFICES LTD
LA MOISSON LTEE
LORETO INSTITUTE
LOTTOTECH LTD.
MACUMBA LTD
MARAND TRADING COMPANY LTD
MAURCO LTD
MAUREVA LTD
MECHANIZATION CO. LTD.
MEDSCHEME (MTIUS) LTD.
MIROVERRE LTD
NEO FOODS
ORANGE BUSINESS SERVICES MAURITIUS LTD.
OZIMATE LTD
PAIE SERVICE
PAJR MEDICAL LTD.
PANACHE & CO LTD
PASTEUR PHARMACEUTICALS LIMITED
PEX HYDRAULICS (MTIUS) LTD.
POOL JOSEPH MERVEN LTD
PRINCES TUNA (MAURITIUS) LTD
QUANTILAB LTD.
REINSURANCE SOLUTIONS INTERNATIONAL LTD
ROLEM BUREAUTIQUE LTD.
SOPHIA OUTSOURCING LIMITED
SOVEREIGN CONSULTING LIMITED
SOVEREIGN CORPORATE SERVICES
SOVEREIGN TRUST (MAURITIUS) LTD.
STARTING BLOC
SWAN PENSIONS LTD.
TERRA MARKETING LTD.
THE GENERAL CONSTRUCTION CO. LTD.
TMF (MAURITIUS) LTD.
TSAR LTD.
UNICORN TRADING COMPANY (MSJ LTD)
VALENTIN LAGESSE ASSOCIES
VELOGIC GARAGE SERVICES LTD.
VELOGIC HAULAGE SERVICES LTD.
WAGTECH PROJECTS MAURITIUS LTD
XCLUSIVE CONCEPT
ZAC ASSOCIATES

Financial Statements

for the year ended 31 Dec 2020

CONTENT

2 REPORT OF THE MANAGEMENT COMMITTEE

REPORT OF THE AUDITORS 6

9 STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS 10

11 EMPLOYER RESERVE ACCOUNT

ANNUITY FUND 12

13 STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS 14



REPORT OF THE MANAGEMENT COMMITTEE - YEAR ENDED DECEMBER 31, 2020

The Management Committee has pleasure in submitting its report together with the audited financial statements for the year ended December 31, 2020.

1. DESCRIPTION OF THE FUND

1.1 Registration

The inception date of the Fund was January 1, 1999 and the registration date was July 15, 1999. It was registered under the Employees Superannuation Fund Act 1954 on January 1, 1999. A new Pension Scheme Licence was issued on 3 August 2013 by the Financial Services Commission pursuant to section 9 of the Private Pension Scheme Act 2012 on the Financial Services (Consolidated Licensing and Fees) Rules 2008 with effect from November 1, 2012 in replacement of the Employers Superannuation Fund Act 1954.

1.2 Object

The object of the Fund is to provide retirement, withdrawal, death and disablement benefits for the Beneficiaries as described in the Rules and Regulations of the fund and according to their contracts of employment.

Both employees and employers contribute to the Fund as follows:

Employees: 0 - 20% of pensionable emoluments

Employers: 3 - 20% of pensionable emoluments

The employers also contribute an additional percentage of pensionable emoluments to the Employer reserve account.

1.3 Type of scheme

The Fund is a defined contribution scheme, meaning that amounts to be paid as benefits are determined by contributions to the Fund together with investment earnings thereon less management fees and other charges.

The scheme also provides for death and disability benefits which are insured with various insurance companies.

1.4 Membership

	2020 Rs.	2019 Rs.
Deferred pensioners	1,206	1,036
Number of pensioners	138	128
Number of pensionable active staff covered by the Fund	2,242	2,102

REPORT OF THE MANAGEMENT COMMITTEE - YEAR ENDED DECEMBER 31, 2020

1. DESCRIPTION OF THE FUND (CONT'D)

1.5 Benefits payable under the scheme

The main benefits under the scheme, as specified in paragraphs 4 and 5 of the Rules and Regulations, are:

- (a) A pension for life for Members only or a joint pension on a Member's life and that of his Spouse, Child or Dependant on the Normal Retirement Date.
- (b) An early age retirement or early ill health retirement.
- (c) A gratuity on death of a Member in service before Normal Retirement Date.
- (d) A benefit on the Total and Permanent Disablement of a Member whilst in the Service of the Company before attainment of his Normal Retirement Date.

2. MANAGEMENT COMMITTEE

The Management Committee is made up as follows:

Mr. Daniel Chan Chong	- Chairperson (appointed June 23, 2017)
Mr. Nilesh Gammoo	- Secretary (appointed June 26, 2015)
Mr. Jean Marc Desvaux de Marigny	- Member (appointed June 29, 2018)
Mr. Maurice Felix	- Member (appointed March 15, 2019)
Mr. Franco Tuyau	- Member (appointed June 23, 2017)
Mr. Bharuth Kumar Ramdany	- Member (resigned on November 30, 2020)
Mr. Feroze Acharauz	- Member (resigned on December 30, 2020)
Mr. Twalha Dhunnoo	- Member (resigned on July 31, 2020)
Mr. Ashwin Foogooa	- Member (resigned on September 30, 2020)
Mr. Rakesh Rajcoomar	- Member
Ms Hanishta Camadoo	- Member
Mr Jerome Valin	- Member

3. INVESTMENT POLICY

The Management Committee determines the investment policy to be adopted by the Fund. The investment portfolios are actively managed by Afrasia Capital Management Ltd and Swan Wealth Managers Ltd.

REPORT OF THE MANAGEMENT COMMITTEE - YEAR ENDED DECEMBER 31, 2020

4. INVESTMENT REPORT

The Fund's net assets at December 31, were as follows:

	2020 Rs.	2019 Rs.
The Fund's net assets at December 31, were as follows:		
Cash at bank, including dealing accounts	107,527,618	71,580,553
Investment at fair value	1,305,495,304	1,174,207,927
Other assets less liabilities	14,735,695	(3,167,623)
	1,427,758,617	1,242,620,857
Less employer reserve account	(22,022,971)	(16,974,096)
Less annuity fund	(81,671,336)	(69,602,535)
	1,324,064,310	1,156,044,226

The annual returns on investment for the year under review is as follows:

	2020	2019
Annual Return	6.20%	11.75%

As from April 2014, the investment portfolio has been split into 4 sub-funds to give members an investment choice. Below is the returns on each sub funds.

	2020	2019
Aggressive	3.90%	12.40%
Moderate	6.60%	12.40%
Conservative	6.90%	10.50%
Defensive	6.70%	8.40%

5. AUDITORS

BDO & Co has been appointed as auditors and a resolution concerning its re-appointment will be proposed at the Annual Meeting.

6. ADMINISTRATORS

Swan Pensions Ltd, formerly Pension Consultants and Administrators Ltd, are the administrators of the Fund.

REPORT OF THE MANAGEMENT COMMITTEE - YEAR ENDED DECEMBER 31, 2020

7. ACTUARY

Aon Hewitt Ltd. is the actuary to the Fund.

8. CUSTODIAN

The Mauritius Commercial Bank Limited is the custodian to the Fund.

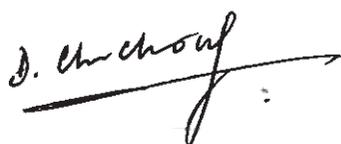
9. TERMINATION

The Fund may be wound up by a resolution of a majority of at least three quarters of the total number of the participants of the Fund present or represented at an Extraordinary Meeting called for the purpose.

10. ANNUITY FUND

As from April 2013, the Management Committee has changed its rule concerning Annuity Fund. Annuity payments are being paid out of Super Fund, instead of being bought out with insurance companies as from October 2013. This will allow a more dynamic and consistent pension payout, with discretionary increases instead of a flat-rate pension.

For and on behalf of the Management Committee.

A handwritten signature in black ink, appearing to read "J. Chouf", with a long horizontal stroke extending to the right.

Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPER FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Super Fund (the "Fund"), on pages 8 to 28 which comprise the statement of net assets available for benefits as at December 31, 2020, statement of changes in net assets available for benefits, employer reserve account, annuity fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements on pages 8 to 28 give a true and fair view of the financial position of the Fund as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Private Pension Schemes Act 2012.

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 are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Management Committee is responsible for the other information. The other information comprises the information included in the Report of the Management Committee 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 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, 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 Management Committee and Those Charged with Governance for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Private Pension Schemes Act 2012 and other regulations, and for such internal control as the Management Committee determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is 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 Management Committee either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPER FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 judgment and maintain professional skepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee.
- Conclude on the appropriateness of Management Committee'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.
- Obtain sufficient appropriate audit evidence regarding financial information of the entity or business activities within the Fund to express an opinion on the financial statements. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPER FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on Other Legal and Regulatory Requirements

Private Pension Schemes Act 2012

We have no relationship with, or interests in, the Fund, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required for the purpose of our audit in respect of the year ended December 31, 2020.

In our opinion, proper accounting records have been kept, recording and explaining correctly the transactions and financial position of the Fund for the year ended December 31, 2020 as far as it appears from our examination of those records.

Other Matter

This report is made solely to the members of Super Fund (the "Fund"), as a body, in accordance with the terms of the rules of the Fund. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO & CO
Port Louis, Mauritius

Date: 18 JUN 2021

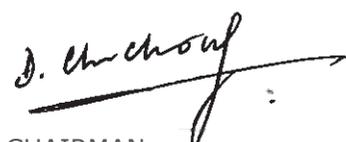


SHABNAM PEERBOCUS, FCA
Licensed by FRC

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - DECEMBER 31, 2020

	Notes	2020 Rs.	2019 Rs.
ASSETS			
Non-current assets			
Financial assets at fair value	5	1,252,095,048	1,160,154,579
Current assets			
Accounts receivable	7	19,274,871	20,914,166
Financial assets at fair value	5	53,400,256	14,053,348
Financial assets at amortised cost	7A	3,444,173	855,983
Bank balance		32,064,983	29,238,365
Dealings account	6	75,462,635	42,342,188
		183,646,918	107,404,050
Total assets		1,435,741,966	1,267,558,629
LIABILITIES			
Current liabilities			
Accounts payable	8	7,983,349	24,937,772
TOTAL ASSETS LESS TOTAL LIABILITIES		1,427,758,617	1,242,620,857
Employer reserve account	9	(22,022,971)	(16,974,096)
Annuity fund		(81,671,336)	(69,602,535)
NET ASSETS AVAILABLE FOR BENEFITS		1,324,064,310	1,156,044,226

Approved by the Management Committee and authorised for issue on 18 June 2021


CHAIRMAN


SECRETARY

The notes on pages 14 to 26 form an integral part of these financial statements.
Auditor's report on pages 6 to 8.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - YEAR ENDED DECEMBER 31, 2020

	Notes	2020 Rs.	2019 Rs.
Contributions and benefits			
Contributions received and receivable	10	123,509,776	115,210,405
Benefits paid and payable			
Payments to and on account of leavers	11 12	(4,858,678) (24,817,872)	(6,147,215) (59,284,995)
		(29,676,550)	(65,432,210)
Net additions from dealings with members		93,833,226	49,778,195
Returns on investments			
Investment income	13	23,136,465	33,690,186
Increase in fair value of financial assets		39,470,744	82,466,828
Interest accrued		-	-
Profit on disposal of financial assets		13,740,294	6,105,031
Investment management expenses	14	(3,567,847)	(5,223,025)
Foreign exchange gains		1,143,405	1,608,685
Other income		263,797	368,140
Net returns on investments		74,186,858	119,015,845
Net increase for the year		168,020,084	168,794,040
Net assets available for benefits			
At January 1,		1,156,044,226	987,250,186
Net increase		168,020,084	168,794,040
At December 31,		1,324,064,310	1,156,044,226

The notes on pages 14 to 26 form an integral part of these financial statements.
Auditor's report on pages 6 to 8.

EMPLOYER RESERVE ACCOUNT - YEAR ENDED DECEMBER 31, 2020

	Notes	2020 Rs.	2019 Rs.
Contributions		15,436,546	13,910,523
Disability claims refund		128,832	96,624
Death refund		3,626,740	1,056,770
Transfer from statement of changes in net assets available for benefits		29,676,550	65,432,210
		48,868,668	80,496,127
		3,444,173	29,238,365
Withdrawal benefits		5,173,503	41,096,495
Disability claims		128,832	151,559
Death claim		3,626,740	1,252,868
Lump sums		4,858,678	6,147,215
Transfer to annuity fund		12,420,900	16,482,032
Administration fees		4,538,157	5,080,466
Actuarial fees		414,000	407,100
Assurance costs		7,082,609	6,662,966
Audit fees		135,000	135,000
Annuity buyout		4,277,978	-
Impairment loss on contribution receivable		-	3,631,330
Other expenses		1,163,396	1,955,344
		43,819,793	83,002,375
Surplus/(deficit) for the year	9	5,048,875	(2,506,248)

The notes on pages 14 to 26 form an integral part of these financial statements.
 Auditor's report on pages 6 to 8.

ANNUITY FUND - YEAR ENDED DECEMBER 31, 2020

	2020 Rs.	2019 Rs.
At January 1,	69,602,535	53,372,838
Transfer from employer reserve account	12,420,900	16,482,032
Interest income	1,783,132	1,182,374
Dividend income	425,840	578,007
Increase in fair value of financial assets	3,034,484	2,591,368
Profit on disposal of financial assets	780,799	684,653
Foreign exchange gains	54,481	76,037
Other income	6,563	14,978
	18,506,199	21,609,449
Pensions paid	(5,962,036)	(4,932,124)
Bank charges	(2,829)	(3,481)
Management fees	(214,006)	(122,134)
Custody fees	(140,812)	(92,858)
Other expenses	(117,715)	(229,155)
	(6,437,398)	(5,379,752)
Surplus	12,068,801	16,229,697
At December 31,	81,671,336	69,602,535

The notes on pages 14 to 26 form an integral part of these financial statements.
Auditor's report on pages 6 to 8.

STATEMENT OF CASH FLOWS - YEAR ENDED DECEMBER 31, 2020

	2020 Rs.	2019 Rs.
Cash flows from operating activities		
Contributions received	140,585,617	126,711,771
Disability refund	128,832	107,360
Death claim refund	1,024,348	1,056,770
Pensions and retirement gratuities paid	(14,987,494)	(11,008,434)
Administrative expenses	(4,462,281)	(4,898,704)
Insurance premium paid	(6,577,882)	(6,440,653)
Withdrawal benefits paid	(26,095,104)	(20,194,100)
Disability payment	(128,832)	(151,559)
Other expenses paid	(884,206)	(2,198,779)
Death gratuities	(1,024,348)	(1,294,323)
Net cash from operating activities	87,578,650	81,689,349
Cash flows from investing activities		
Income from quoted securities	6,019,392	15,265,421
Interests received	19,501,627	27,674,122
Proceeds from disposal of investments	325,827,037	402,898,254
Purchase of investments	(400,088,093)	(567,225,762)
Management and other charges	(4,089,434)	(5,282,907)
Net cash used in investing activities	(52,829,471)	(126,670,872)
Foreign exchange gain	1,197,886	1,684,722
Net increase/(decrease) in cash and cash equivalents	35,947,065	(43,296,801)
Movement in cash and cash equivalents		
At January 1,	71,580,553	114,877,354
Increase/(decrease)	35,947,065	(43,296,801)
At December 31,	107,527,618	71,580,553
Represented by:		
Bank balance	32,064,983	29,238,365
Dealings account	75,462,635	42,342,188
	107,527,618	71,580,553

The notes on pages 14 to 26 form an integral part of these financial statements.
 Auditor's report on pages 6 to 8.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Super Fund (the "Fund") was registered under the Employees Superannuation Act 1954 on July 15, 1999. In August 2013, the Fund has been issued with a Pension Scheme Licence pursuant to Section 9 of the Private Pension Schemes Act 2012 and the Financial Services (Consolidated Licensing and Fees) Rules 2008 with effect from November 1, 2012 in replacement to the Employees Superannuation Act 1954. Membership is open to employees of companies who are members of Business Mauritius. The Fund is a defined contribution plan.

The financial statements of Superfund for the year ended December 31, 2020 were authorised for issue in accordance with a resolution of Management Committee as dated on page 8.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared under the historical cost convention, except that investments in financial assets are stated at fair value and relevant financial assets and financial liabilities are carried at fair value or at amortised cost. The financial statements are presented in Mauritian Rupee ('Rs.')

 and all values are rounded to the nearest rupee unless where otherwise stated. The Members consider this basis suitable to meet the financial provisions of the Private Pension Schemes Act 2012.

Statement of compliance

The Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Amendments to published Standards and Interpretations effective in the reporting period

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Fund's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Fund's financial statements.

Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) provides relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before the replacement of an existing interest rate benchmark with an alternative interest rate. The amendments have no impact on the Fund's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Fund's financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Fund's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) extends the temporary exemption to accounting periods beginning before January 1, 2023. The amendments have no impact on the Fund's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2021 or later periods, but which the Fund has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018-2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

Amendments to IFRS 17

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Where relevant, the Fund is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 Financial assets

The Fund classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Fund's accounting policy for each category is as follows:

(i) Financial assets at fair value

The Fund classifies its investments at fair value.

(ii) Accounts receivable

Accounts receivable (contributions receivable) are recognised when due. Contributions receivable are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Impairment provisions for contribution receivable are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the contribution receivable is assessed. This probability is multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the contribution receivables. For contribution receivables, which are reported net, such provisions are recorded in a separate provision account. On confirmation that the contribution receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (Cont'd)

(iii) Financial assets at amortised cost

Financial assets at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank, other short-term highly liquid investments with original maturities of 3 months or less.

2.3 Financial liabilities

Accounts payable

(a) Benefits payable

Benefits payable are stated at their nominal value.

The nominal value of contributions receivable and benefits payable are assumed to approximate their fair values.

(b) Other payables

Other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

2.4 Revenue recognition

Revenue earned by the Fund are recognised at one point in time on the following bases:

- Employers' and employees' contributions to the Pension Fund on an accrual basis in accordance with the substance of the relevant agreements.
- Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.

2.5 Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the Fund operates ("functional currency"). The financial statements are presented in Mauritian rupees, which is the Fund's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of changes in net assets available for benefits.

Translation differences on non-monetary items, such as equities held at fair value, are reported as part of the fair value gain or loss.

2.6 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including currency and price risk) and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) 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 foreign exchange rates, interest rates and equity prices.

(i) Currency risk

The Fund operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Great Britain Pound and Euro.

The Fund invests in global markets and holds both monetary and non-monetary assets denominated in foreign exchange currencies other than the functional currency. Foreign exchange risk, as defined in IFRS 7, arises as the value of future transactions recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

Foreign currency sensitivity analysis

The following table details the Fund's sensitivity to a 5% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk and represents Management Committee's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in net assets available for benefits where the Mauritian Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the net assets available for benefit, and the balances below would be positive.

	2020 Rs.	2019 Rs.
Impact on:		
US Dollar	26,778,967	679,964
UK Pound	442,155	-
Euro	4,017,543	10,939
Australian Dollar	91	77
	31,238,755	690,980

(ii) Price risk

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the statement of net assets available for benefits as financial assets at fair value. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund.

Sensitivity analysis

The table below summarises the impact of increases/decreases in the fair value of investments on the Fund's surplus for the year. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk (cont'd)

	Impact on changes in net assets available for benefits	
	2020 Rs.	2019 Rs.
Category of investments:		
Designated at fair value	65,274,765	58,710,396

(iii) Cash flow and fair value interest rate risk

The interest rate profile of the financial assets and financial liabilities of the Fund as at December 31:

	Currency	2020 % p.a.	2019 % p.a.
Financial assets			
Financial assets at fair value	MUR	3 - 10	4 - 6

Financial liabilities

None of the Fund's financial liabilities are interest-bearing.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date.

If interest rates had been 25 basis points higher, the effect on changes in net assets available for benefits would have been as follows:

	2020 Rs.	2019 Rs.
Surplus	48,315	50,463

(b) Credit risk

Credit risk is the risk that the Fund will incur a loss because its counterparties fail to discharge their contractual obligations. The Fund manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits. The Fund has established a credit quality review process to provide early identification of possible changes in the credit worthiness of counterparties. The risk of default on investment is almost inexistent given that Fund managers are of good reputation and inspire credibility. The risk that contribution may not be received is minimal. Credit risk on contribution is deemed to exist only when the going concern status of the participating employer is at stake.

The maximum exposure with respect to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amount of the Fund's financial assets.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (cont'd)

	Gross maximum exposure	
	2020 Rs.	2019 Rs.
Contributions and other receivables	19,274,871	20,914,166
Bank balance	32,064,983	29,238,365
Dealing account	75,462,635	42,342,188
	126,802,489	92,494,719

There is no concentration of credit risk since the receivable from the customer base is large and unrelated.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions.

The maturity profile of the non-derivative financial liabilities is summarised as follows:

	Less than 1 year	
	2020 Rs.	2019 Rs.
Accounts payable	7,983,349	24,937,772

3.2 Fair value estimation

Fair values estimation

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Fair value measurements recognised in the statement of net assets available for benefits

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3.3 Capital risk management

The capital of the Fund is represented by the net assets attributable to the members. The amount of net assets attributable to members can change significantly as the Fund is subject to members leaving and joining the Fund at their own discretion. The Fund's objective when managing the capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for members and to maintain a strong capital base for future payment of obligations towards members.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Critical accounting estimates and assumptions

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the fund's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(b) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Fund's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Fund's view of possible near-term market changes that cannot be predicted with any certainty.

(c) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Fund using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Fund would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. FINANCIAL ASSETS AT FAIR VALUE

(a) The carrying amounts of the financial assets at fair value are classified as follows:

	2020		Total Rs.
	Local Rs.	Foreign Rs.	
At January 1,	658,088,315	516,119,612	1,174,207,927
Additions	197,290,682	202,797,411	400,088,093
Disposals	(97,728,263)	(213,577,681)	(311,305,944)
Fair value (losses)/gains	(32,862,731)	75,367,959	42,505,228
At December 31,	724,788,003	580,707,301	1,305,495,304
Non-current	671,387,747	580,707,301	1,252,095,048
Current	53,400,256	-	53,400,256
	724,788,003	580,707,301	1,305,495,304
Denominated in the following currencies:			
- Rupee	724,788,003	-	724,788,003
- US Dollar	-	498,904,948	498,904,948
- British Pound	-	8,843,095	8,843,095
- Euro	-	72,959,258	72,959,258
	724,788,003	580,707,301	1,305,495,304
	Level 1 Rs.	Level 2 Rs.	Level 1 Rs.
(b) At December 31, 2020			
Total	754,119,677	551,375,627	1,305,495,304

(c) Changes in fair values of financial assets at fair value are recorded in the statement of changes in net assets available for benefits.

	2019		Total Rs.
	Local Rs.	Foreign Rs.	
At January 1,	536,683,324	381,349,215	918,032,539
Additions	414,299,152	152,926,610	567,225,762
Disposals	(293,826,211)	(102,282,359)	(396,108,570)
Fair value gains	932,050	84,126,146	85,058,196
At December 31,	658,088,315	516,119,612	1,174,207,927
Non-current	644,034,967	516,119,612	1,160,154,579
Current	14,053,348	-	14,053,348
	658,088,315	516,119,612	1,174,207,927

5. FINANCIAL ASSETS AT FAIR VALUE (CONT'D)

	2019		Total Rs.
	Local Rs.	Foreign Rs.	
Denominated in the following currencies:	658,088,315	-	658,088,315
- Rupee	-	470,475,508	470,475,508
- US Dollar	-	6,646,515	6,646,515
- Australian Dollar	-	38,997,589	38,997,589
- Euro	658,088,315	516,119,612	1,174,207,927
	Level 1 Rs.	Level 2 Rs.	Level 1 Rs.
(b) At December 31, 2019			
Total	610,618,686	563,589,241	1,174,207,927

6. DEALINGS ACCOUNT

The dealings account represent monies with the custodian for investments by the Fund Managers.

7. ACCOUNTS RECEIVABLE

	2020 Rs.	2019 Rs.
Contribution receivable	19,274,871	24,545,496
Less: provision for impairment	-	(3,631,330)
	19,274,871	20,914,166

The carrying amount of accounts receivable approximate their fair value.

The ageing of contribution receivable is as follows:

	2020 Rs.	2019 Rs.
0 to 3 months	19,274,871	19,247,047
3 to 6 months	-	955,443
6 months to 1 year	-	711,676
Greater than 1 year	-	3,631,330
	19,274,871	24,545,496

The carrying amount of contribution receivable is denominated in Mauritian rupees.

7. ACCOUNTS RECEIVABLE (CONT'D)

(i) Impairment of contribution receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all contribution receivables.

To measure the expected credit losses, contribution receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of contribution before December 31, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the employers to settle the contribution.

On that basis, the loss allowance as at December 31, 2020 was determined as follows for contribution receivables:

At December 31, 2020	Less than 90 days	More than 90 days past due	More than 180 days past due	More than 360 days past due	Total
	Rs. Nil	Rs. Nil	Rs. Nil	Rs. Nil	
Expected loss rate					
Gross carrying amount - contribution receivable	19,274,871	-	-	-	19,274,871
Loss allowance	-	-	-	-	-
At December 31, 2019					
Expected loss rate					
Gross carrying amount - contribution receivable	19,247,047	955,443	711,676	3,631,330	24,545,496
Loss allowance	-	-	-	3,631,330	3,631,330

(ii) The closing loss allowance for contribution receivables as at December 31, reconcile to the opening loss allowances as follows:

	2020 Rs.	2019 Rs.
Loss allowance as at January 1 ,	3,631,330	-
Loss allowance recognised in employer reserve account during the year	-	3,631,330
Receivables written off during the year as uncollectible	(3,631,330)	-
At December 31,	-	3,631,330

7A. FINANCIAL ASSETS AT AMORTISED COST

	2020 Rs.	2019 Rs.
Other receivables	3,444,173	855,983

8. ACCOUNTS PAYABLE

	2020 Rs.	2019 Rs.
Benefits payable	3,075,686	21,272,961
Other payables and accruals	4,907,663	3,664,811
	7,983,349	24,937,772

The carrying amount of accounts payable approximate their fair value.

Accounts payable are denominated in Mauritian rupee.

9. EMPLOYER RESERVE ACCOUNT

	2020 Rs.	2019 Rs.
At January 1,	16,974,096	19,480,344
Surplus/(deficit) for the year	5,048,875	(2,506,248)
At December 31,	22,022,971	16,974,096

The employer reserve account represents employers' contributions to meet costs and expenses, and any portion of a member's total accumulated share not paid as a benefit.

10. CONTRIBUTIONS RECEIVABLE

	2020 Rs.	2019 Rs.
Employers' contributions	95,969,145	88,635,125
Employees' contributions	24,131,036	23,129,471
Employers' special contributions	27,771	1,034,552
Transfer from other funds	3,381,824	2,411,257
	123,509,776	115,210,405

11. BENEFITS PAYABLE

	2020 Rs.	2019 Rs.
Transfer from other funds	4,858,678	6,147,215

12. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2020 Rs.	2019 Rs.
Individual transfers to other schemes	5,173,503	40,690,113
Transfer to employers' reserve	19,644,369	17,943,852
Refund of contributions	-	651,030
	24,817,872	59,284,995

13. INVESTMENT INCOME

	2020 Rs.	2019 Rs.
Dividend income	5,593,552	14,687,414
Interest income	17,542,913	19,002,772
	23,136,465	33,690,186

14. INVESTMENT MANAGEMENT EXPENSES

	2020 Rs.	2019 Rs.
Management and custodian fees	3,557,237	5,199,736
Other expenses	10,610	23,289
	3,567,847	5,223,025

15. TAXATION

Super Fund, being an exempt body of persons under part 1 of the second schedule of Income Tax Act 1995, is exempt from income tax.

16. ACTUARIAL ASSUMPTIONS VALUATION AND FUNDING POLICY

An actuarial study has been carried out at December 31, 2017 based on the following principles:

- (a) Assets of the Fund would earn an average long term investment return of 5.5% p.a.
- (b) Pension in payment would be increased on average in the long term at a rate of 1.5% per annum.

The Fund liabilities with respect to active and deferred members amounted to Rs.761.9 million as at December 31, 2017. These were fully backed by assets of the same amount.

The reserves built up in the Annuity Fund as at December 31, 2017 were Rs.39.8 million. The Total Accumulated Share (TAS) of retiring members is transferred to this Fund and pensions are then paid out from this Fund.

The estimated liability in respect of pensioners at the valuation date is Rs.38.7 million assuming no future pension increases. These are backed by assets of Rs.39.8 million. The Annuity Fund therefore had a surplus of Rs.1.1 million at the valuation date. This allows the Management Committee to consider granting annual discretionary increases at a modest level each January 1.

The next full actuarial valuation report is expected to be carried out not later than December 31, 2020.

However, as per the Private Pension Schemes Act, the actuarial valuation report is finalised and filed within 9 months from the end of the financial year of the pension fund. Therefore we expect that the next actuarial valuation report will only be available around July or August 2021.

17. IMPACT OF COVID-19

In light of the COVID-19, the year 2020 was marked by unprecedented market volatility. With economic activity coming to a halt, equity markets fell sharply in the first quarter of the year. Subsequently, global equities rallied on the back of generous fiscal stimulus and the arrival of vaccines. On the local front, the domestic economy continued to suffer from the spillover effects of the pandemic. The major local stock market indices thus ended the year in the red.

All the four sub-portfolios were cautiously positioned amidst the heightened volatility. On the equity side, the strategic overweight exposure to foreign equities and underweight exposure to local equities contributed positively to the consolidated fund's performance. Increased exposure to sectors and themes such as consumer staples, healthcare, and minimum volatility also benefitted the Fund.

On the fixed income side, the portfolios posted solid gains as policy rates and yields were driven down. The sub-portfolios were well exposed to treasury bonds as well as selected corporate bonds (via Funds, ETFs and a direct bond).

During the year, the sub-portfolios also increased their exposure to gold funds. Gold has generally proven itself to be highly effective investment vehicle for diversification and risk management because of its independence from other asset classes. Note that gold performed very well during 2020 following the pandemic outbreak.

With the rising number of cases worldwide, the pandemic however continues to pose a threat for the global as well as the local economy. Despite vaccination roll-out, apparition of new variants makes it quite difficult to establish the full impact of the COVID-19 and how long it will take for economies to recover to pre COVID-19 levels.





super fund
caring for your retirement

 BM-MCCI Building, Rue du Savoir, Ebène Cyber City, Ebène.

 +230 466 3600

 superfund@businessmauritius.org

 www.superfund.org.mu