



super fund
caring for your retirement



ANNUAL
REPORT
2021

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

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“... the Fund stood resilient,
achieving a positive investment
return of 11.5% for the year 2021 ”

4 PRESIDENT'S MESSAGE



NAVIGATING THROUGH THE TORRENTS

Dear Members

As President of Super Fund, it is my pleasure to present to you the Fund's Annual Report and Financial Statements for the financial year ended 31 December 2021. I trust that this report will give you a useful update on the financial status of the Fund, as well as a summary of the activities in relation to members and beneficiaries and the investment performance over the last year.

Super Fund successfully navigated through very turbulent waters in fiscal year 2021. We completed the year with almost Rs1.7billion in assets under management and met the majority of our key performance indicators.

Highlights

The impact of the COVID-19 pandemic presented extraordinary challenges in the past year. The unique circumstances created by the pandemic underscored the importance of maintaining well-diversified assets and adhering to robust investment strategies. Against the backdrop of volatile and uncertain conditions, I am pleased to report that the Fund **stood resilient, achieving a positive investment return of 11.5% for the year 2021**. With a corresponding inflation rate of 6.85%, the Fund returned around 4.7% in real terms. The annualised return over 5 years is 7.6%. The performance of our investment funds for the year 2021 confirms the resilience of Super Fund. The net asset value experienced a 20% growth from MUR 1.4 billion in 2020 to MUR 1.7 billion in 2021.

With the speedy growth of the fund under management, the Management Committee took the decision of appointing a third investment manager during the year with the objective of enhancing the returns and managing its risks. After a Request for Proposal followed by thorough analysis, the Management Committee appointed MCB Investment Managers Ltd as a third fund manager. The new fund manager shall bring in the Fund, a fresh perspective, another investment style, diversification and potentially higher returns. Accordingly, part of the funds managed by EKADA Capital Ltd was transferred to MCB Investment Management Ltd.

As from December 2021, the Fund is collectively managed by Ekada Capital Ltd, Swan Wealth Managers Ltd, and MCB Investment Managers Ltd with the following share of total assets: 37%, 35% and 28% respectively. The Investment Subcommittee is currently working on the reallocation of new contributions to investment managers which will surely bring an equitable balance among the three investment managers in 2022.

Every three years, the Fund completes an actuarial valuation in accordance with the Private Pension Schemes (Technical Funding Requirement) Rules. A valuation of the Fund as at 31 December 2020 was carried out by our actuary to assess the overall funding level and sustainability of the Fund. The review concluded that Super Fund is in a sound financial condition and the overall funding level at 31 December 2020 was 99%.

During the year 2021, the Management Committee also reviewed the Investment Policy Statement (IPS). The new IPS includes a revised investment strategy for the Annuity Fund which stood at MUR 128.4 million at 31 December 2021. The new investment policy shall be effective as from July 2022.

In terms of membership, despite a difficult operating environment caused by increasing competition, we were able to grow our membership. The number of members has increased from 2,242 in year 2020 to 2,915 in year 2021. This remarkable performance is again the testimony of trust employers have in us.

Being a pooled fund, Super Fund obtains and benefits from economies of scale - the bigger the fund grows, the lesser the fees in percentage terms. In this respect, we have revised the contribution towards expenses for participating employers. The rate of contribution for an employer organisation has been decreased to 0.68% of contributing salary.

New Legislation

The contribution to the Portable Retirement Gratuity Fund (PRGF) is effective as from January 2022. Super Fund, being a non-profit making, private pension scheme, remains an excellent option to the PRGF. The Fund has since, attracted the interest of many corporates which are willing to join as participating employer in order to comply with this new legislation.

Governance

During the year 2021, a new Management Committee was constituted which comprises of nine members. The nine members come from diverse backgrounds and bring in a wealth of experience and knowledge to the Management Committee. Together, we will strive to create value for our members. The nine members are in fact the Fund's Trustees with the requisite fiduciary duties.

Looking forward

The year ahead still remains full of challenges. While the indications are that the world is finding ways to manage the human and economic disruption from COVID-19, the developing situation in Ukraine prevents us from returning to a position of ease. We continue to hope that there is an imminent and orderly resolution and we are closely monitoring the financial markets and taking action to mitigate the impact on our fund.

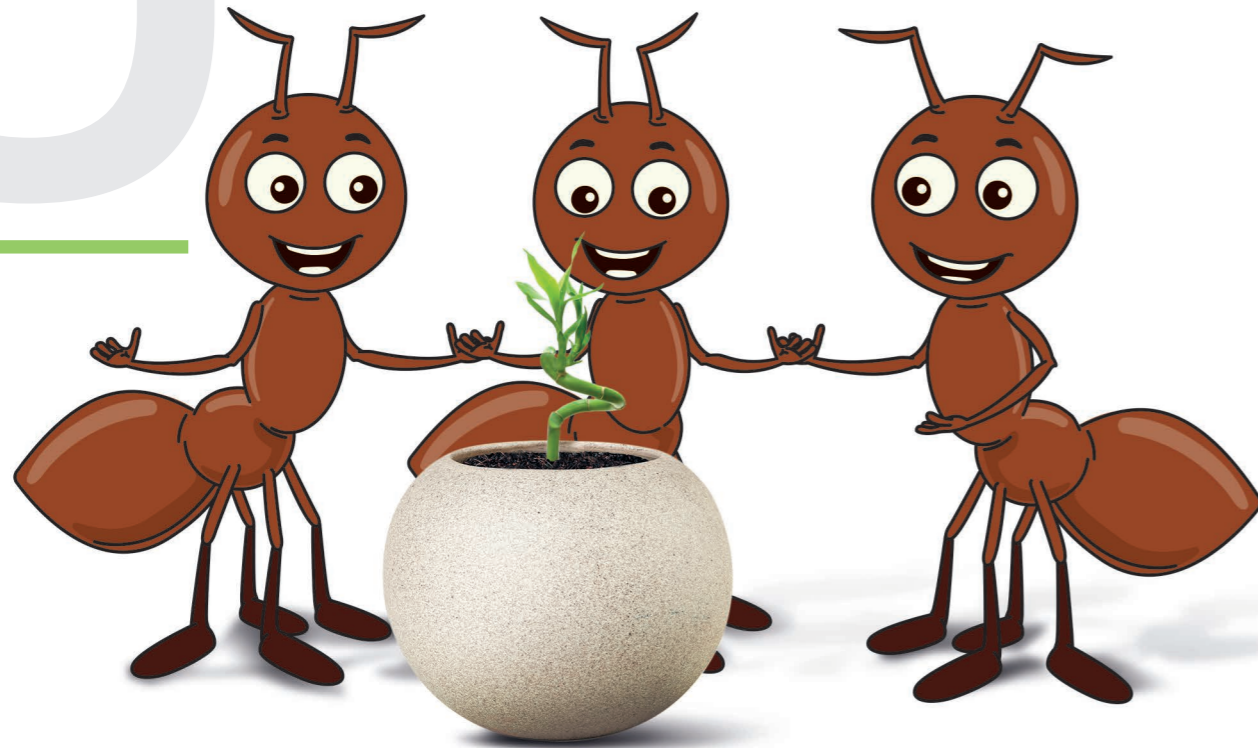
In closing

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, Custodians, Advisers and Business Mauritius. I also take this opportunity to thank our dedicated Committee Members. It is indeed a pleasure for me to work and collaborate with the entire team for the growth of Super Fund and for the benefit of all Members.

We remain committed to taking Super Fund to yet **Surer** and **Safer** heights.

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 entity 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 2021:

Mr Daniel Chan Chong
FGY Services Ltd
President

Mr Jean Marc Desvaux
General Construction Co Ltd
Vice President

Mr Nilesh Gammoo
Business Mauritius
Secretary

Mrs Valérie Tranquille
Maureva Ltd
Member

Ms Hanishta Camadoo
Reinsurance Solutions Ltd
Member

Mr Rakesh Rajcoomar
Dale International Trust Company Ltd
Member

Mr Dominique A Béchard
Ekium Amio Ltd
Member

Mr Jerome Valin
Digital Island Ltd
Member

Mr Salim Albeerdly
Orange Business Services Ltd
Member

The Management Committee met five times during the year.

The Audit and Corporate Governance, and Investment sub-committees have also held meetings to assist the Management Committee in its decision-making processes.

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

Mrs Valérie Tranquille
Maureva 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. The committee makes recommendations to the Management Committee on all corporate governance provisions to be adopted so that the Management Committee remains effective in ensuring that the Fund complies with prevailing corporate principles and practices. The Committee also reviews the internal control processes and the annual financial statements before their submission to the Management Committee.

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

Investment Committee

The Investment Committee is chaired by Mr Jean Marc Desveaux and composed of the following members:

Mrs Valérie Tranquille
Maureva Ltd
Member

Ms Hanishta Camadoo
Reinsurance Solutions Ltd
Member

Mr Dominique A Béchard
Ekium Amio Ltd
Member

Mr Nilesh Gammoo
Business Mauritius
Secretary

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, four meetings were held by the committee.

ACTIVITIES DURING THE YEAR



Actuarial Valuation

A triennial valuation of the Fund as at 31 December 2020 was performed by the Actuary of the fund, Aon Solutions Ltd in line with the Private Pension Schemes Act to assess and examine the financial position of the Fund. The valuation has been carried out with the following objectives:

- To assess the current financial soundness of the Fund by comparing the value of liabilities accrued to the valuation date with the value of the assets held as at that date and by assessing the fairness of investment allocation to members;
- To review the levels of reserves in the Fund;
- To review the contribution rate payable to cover expenses;
- To report on the implications of recent legislative changes; and
- To review the strategic asset allocation in light of the Fund's membership.

The report also provided certain recommendations on the governance, investment and cash positions of the Fund. The next full actuarial valuation is expected to be carried out not later than 31 December 2023.

Appointment of a new Fund Manager

The portfolio has grown significantly since the previous valuation with nearly 1.5 billion under management. Considering the size of the fund and to be in line with best practices, the Committee has taken several measures to enhance the protection of the interests of the beneficiaries and therefore took the decision of appointing a third investment manager with the objective of enhancing the returns and managing its risks. After a Request for Proposal followed by thorough analysis, the committee appointed MCB Investment Managers Ltd as a third fund manager during the year. The new fund manager shall bring in the Fund, an another investment style, diversification and potentially higher returns.

Super Fund shall now be jointly managed by Ekada Capital Management Ltd and Swan Wealth Managers Ltd and MCB Investment Managers Ltd.



10 KEY FIGURES



TOTAL ASSETS
1.7 BILLION

2020: 1.4 BILLION



ANNUITY FUND
128 Million

2020: 81 MILLION



AVERAGE MONTHLY CONTRIBUTION
13 Million

2020: 11 MILLION



ANNUAL RETURN **11.5%**

2020: 6.2%



PARTICIPATING EMPLOYERS **96**

2020: 92



BENEFICIARIES
2915

2020: 2242

12

REMARKS BY THE INVESTMENT ADVISOR



In wake of a resurging coronavirus mutation and number of cases worldwide, businesses are readapting to the new paradigm shift and economies are surviving the new normal. Investors risk appetite have been growing in search for higher returns while maintaining a minimum safety cushion. For the calendar year 2021, Super Fund's performance was double digit, +12.1%, slightly above the benchmark, +12.0%. The Fund performed remarkably well despite challenging market conditions. All the investment profiles delivered positive returns during the period. The Fund's investments were made within the required limits and permitted variances of the IPS.

Foreign markets have been on a rising trend except for emerging markets – developed markets have been top performers with a rally of US and European stocks. Volatility has been within acceptable levels and below the previous year figure. Gold has closed the year down and posted -3.5%. MSCI World climbed 20.1% while the MSCI EM fell 4.6%. The US dollar appreciated versus major currencies. Despite a rise in the number of infections globally due to the coronavirus mutation, economies were reopening gradually, and restrictions were removed – governments were putting much emphasis on the vaccination program. Central banks around the world adopted an accommodative monetary policy to support economic recovery. Value stocks and beaten-down stocks skyrocketed during the year. On the other hand, the local economy has been on a recovery mode as from the second semester with the easing of restrictions and newly announced measures for the arrival of tourists in Mauritius. The country was also removed from the FATF grey list in October. A pickup in the local market was noted as from May and the SEMTRI closed the year 2021 with total returns of +31.1%. Hotel stocks & bluechip stocks rallied and companies resumed their dividend payment. The Mauritian Rupee slid versus all currencies but most severely against the US dollar, -10.3%.

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.
- Selection and appointment process of a new Fund Manager to the Fund.

At the time of writing, economies are being impacted by rising inflationary pressure and higher prices of commodities. The ongoing conflict between Russia and Ukraine has caused major disruption in the financial world. Also, investors are pricing several US rate hikes from the Federal Reserve during the year which will impact growth and megacaps stocks. Our local economy remained under pressure with the weakening of the Mauritian Rupee against the US dollar and rising cost of goods and services. The availability of foreign exchange is another dilemma that the Central Bank is fixing via intervention and supply of FX to the banks.

We shall continue to focus on value creation to the members of Super Fund and ensure that assets are properly invested and managed at all levels. The aim is to generate alpha and superior returns over time whilst adopting risk mitigating measures in tight economic context. Super Fund will continue to leverage on the expertise of its Advisors, Fund Managers, Actuaries and Board Members for achieving its overall objectives.

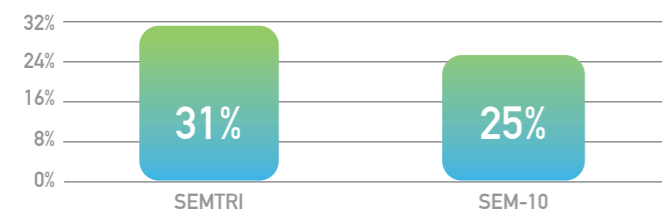
LCF Securities Ltd

REMARKS BY THE INVESTMENT CONSULTANT

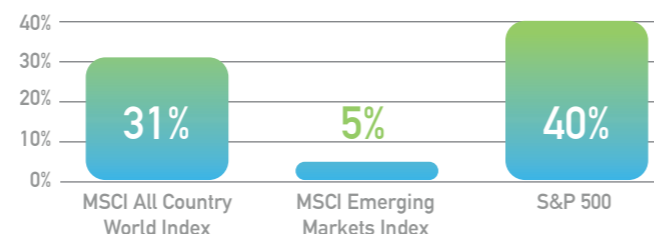
Market Review of 2021

Following the onset of the pandemic in 2020, 2021 was a year of uncertainty and anticipation for a "return to normal". The distribution of Covid-19 vaccines and the easing of lockdowns supported the economic rebound. However, the emergence of new Covid variants (Delta and Omicron) hindered a full recovery. Moreover, supply chain issues and rising inflation further added to market volatility during the year.

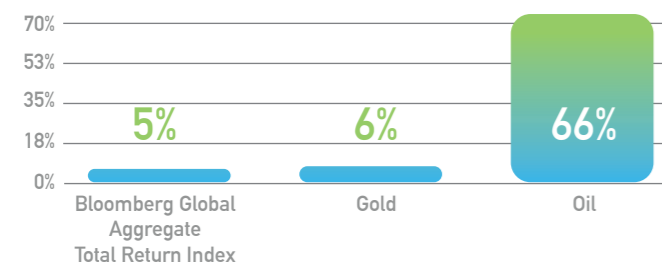
Local Equities (in MUR)



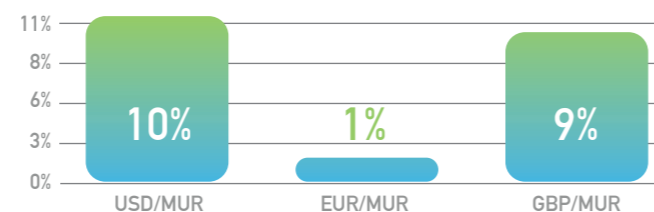
Foreign Equities (in MUR)



Other Investments (in MUR)



Currency Movements Relative to the MUR



Coming out of a volatile 2020, the foreign equity markets continued to rally and reached new highs in 2021. The S&P 500 notched 70 all-time highs in 2021. The MSCI All Country World Index gained 31% in MUR terms during the year. The MSCI Emerging Markets, on the other hand returned +5% amid China's struggles (which is the largest component of the MSCI Emerging Markets Index).

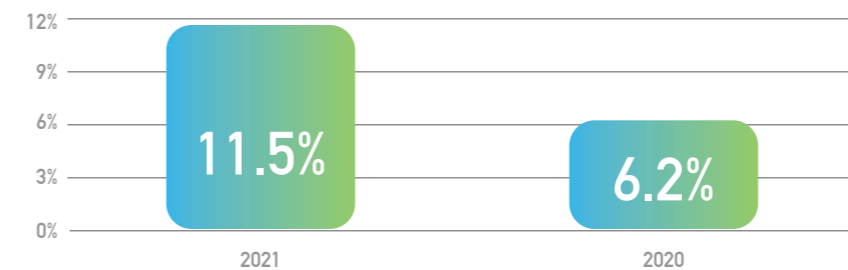
Upon the reopening of the Mauritian borders, the local equity market also rose to recover the pandemic losses. Investors further gained confidence as Mauritius was removed from the FATF grey list. Moreover, certain local companies published good financial results and resumed the payment of dividends. Over the year, the SEMTRI rose by 31%.

The safe-haven metal, gold was up by 6% for the year. The price of oil rose by 66% and reached their highest levels since 2014 in the backdrop of increasing demand, restricted supplies and the then possible Ukraine-Russia crisis.

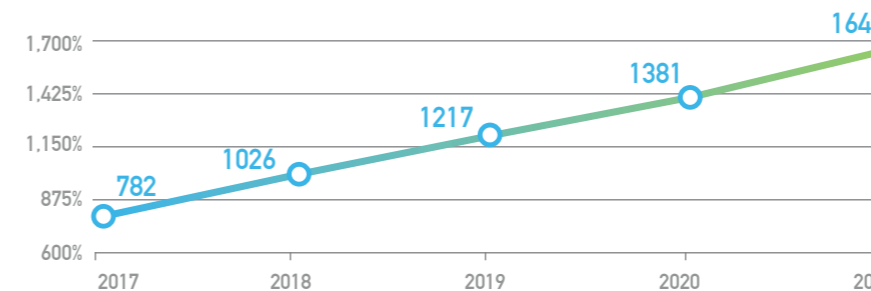
The USD and GBP appreciated significantly by 10% and 9% respectively against the Mauritian Rupee. However, there was a shortage of foreign currency available locally for investment purposes.

Investment Overview

Overall Fund Performance (MUR)



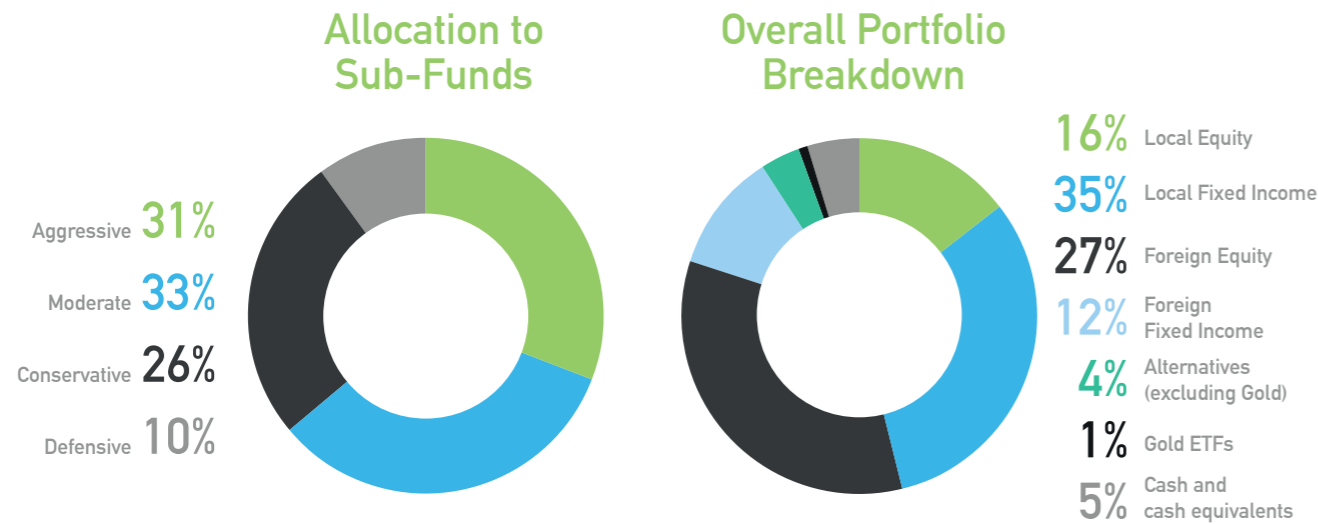
Evolution of Fund Size (MUR mln)



The fund size grew from MUR 1.38bln to MUR 1.65bln over the year. Total contributions amounted to around MUR 103mln. The overall fund returned +11.5%. Note as well that the year-on-year inflation rate stood at 6.8% at 31 December 2021. (Source: Statistics Mauritius)

As at end-December, around 46% of the overall portfolio was invested in foreign currencies denominated investments. Therefore, the appreciation of FOREX relative to the MUR contributed positively to the performance of the fund.

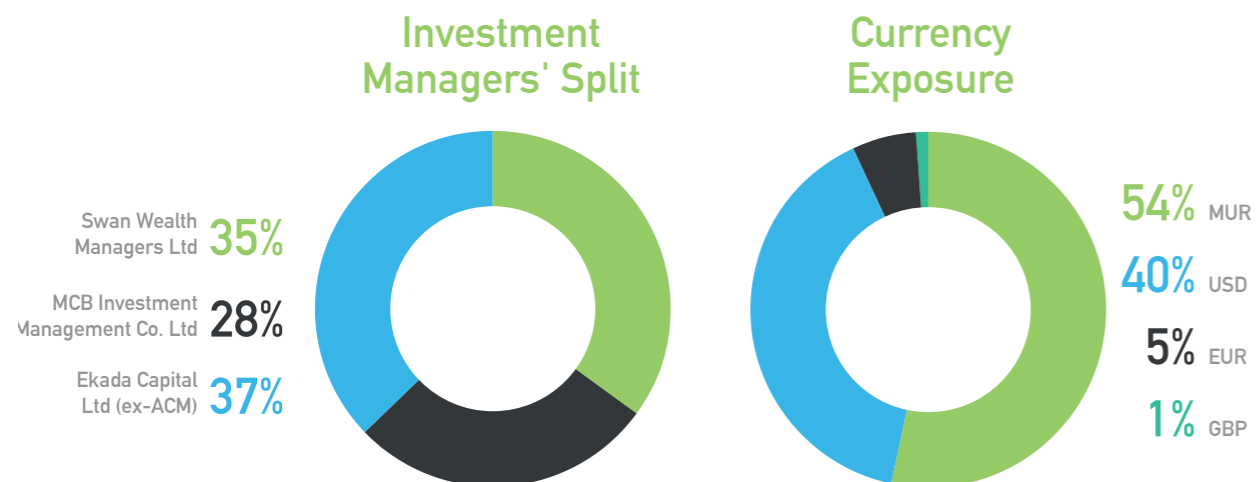
Asset Allocation



There was no major change in the allocation to the sub-funds during the year. Allocation to the Defensive sub-fund remains fairly low (10%). As at end-December, the Moderate sub-fund had the highest allocation (33%) closely followed by the Aggressive sub-fund (29%).

In terms of overall asset allocation to different asset classes, around 52% of the overall Fund was invested in matching assets (local and foreign fixed income instruments, cash and cash equivalents) as at end of the financial year. The remaining 48% were invested in growth assets.

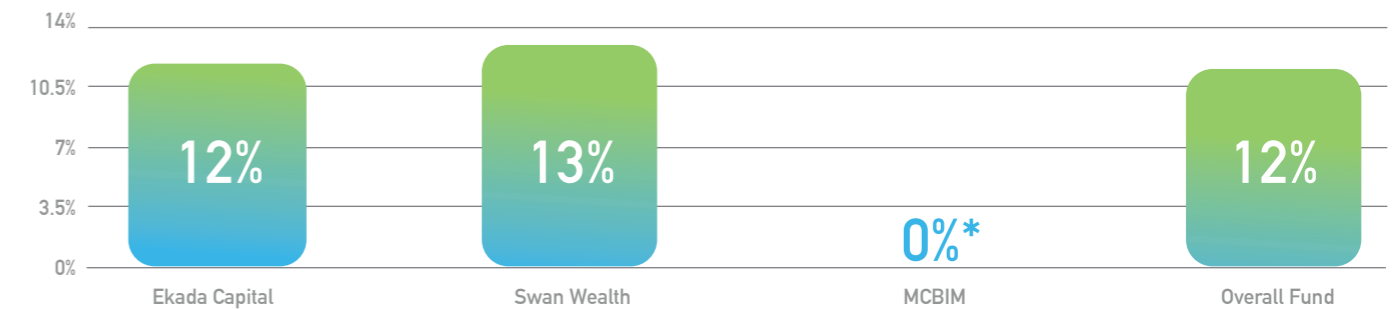
Note that cash and cash equivalents include cash holdings at bank and short-term instruments and money market funds.



Appointment of Additional Investment Manager

MCB Investment Management Co. Ltd (MCBIM) was appointed as an additional investment manager during the year following a tender exercise. 50% of assets held by Ekada Capital Ltd was in process to be transferred to MCBIM as at end-December 2021. The transfer was fully completed in April 2022. Note that as at end-December 2021, all three investment managers were compliant with the Fund's Investment Policy Statement.

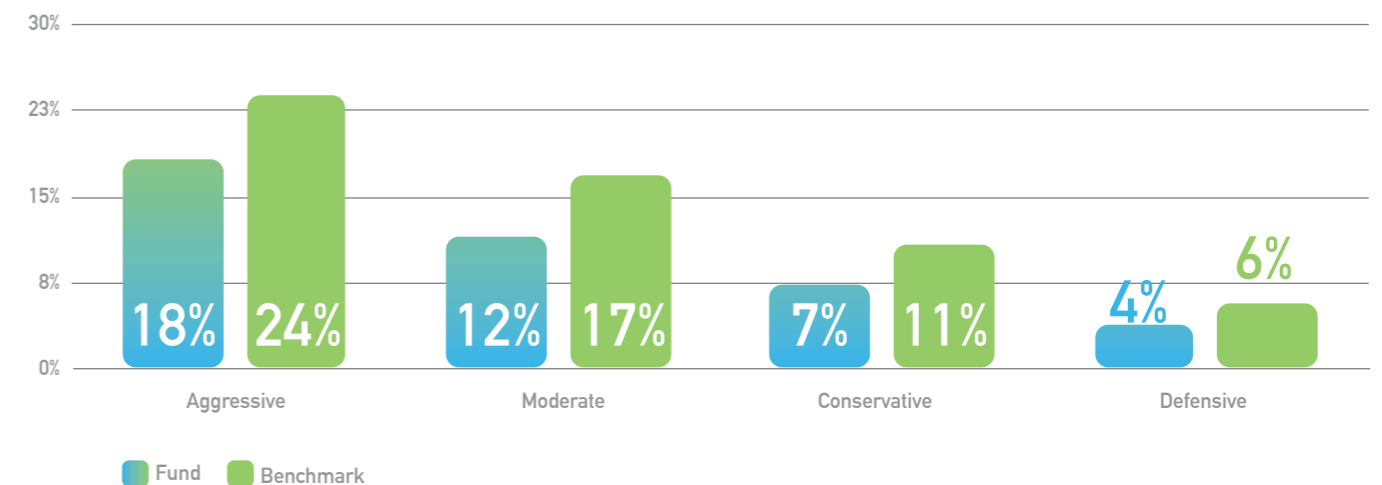
Consolidated Performance of Investment Managers



In 2021, Swan Wealth has registered a performance of 12.9%. Ekada Capital returned 11.9% over the same period.

**As at end of the financial year, the transfer of assets to MCBIM was still in progress. Therefore, the performance of MCBIM has not been compared with that of the other investment managers.*

Performance by Sub-Funds in 2021



For the year ended 31 December 2021, all the four sub-funds underperformed their respective benchmarks. The highest return was registered for the Aggressive sub-fund, which has more exposure to growth assets (local and foreign equities, alternative investments).

Investment Strategy Review of the Fund

Post the financial year end, the investment strategy of the Fund was reviewed in March 2022, following the actuarial valuation of the Fund (carried out as at 31 December 2020).

The new investment strategy proposes a slight shift from local investments to foreign investments for the four-sub funds in view of improving the risk-adjusted investment returns in the medium-to-long term. Given the low yield environment, allocation to local fixed income instruments has also been reduced for the four sub-funds.

The Investment Policy Statement has been updated and approved by the Management Committee.

Annuity Fund

In past years, the Annuity Fund had been fully invested in the Defensive sub-fund. In today's context, given the low yields and rising inflation, the investment strategy of the Annuity Fund was also reviewed post financial year end.

The new strategy (20% Moderate, 40% Conservative and 40% Defensive) now takes a more balanced approach and targets a real return of 1% p.a. (i.e., 1% above inflation rate) in the medium term.

The annuity rates used by the Fund at retirement to determine the pensions payable from the Fund are based on prevailing market conditions and life expectancy. As these conditions change over time, the annuity rates are subject to regular review to ensure that they remain appropriate.

Aon Solutions Ltd

10 REMARKS BY THE ACTUARY

Actuarial Valuation

In 2021, AON Solutions carried out a formal actuarial valuation of Super Fund as at 31 December 2020.

Our main findings and recommendations to the Management Committee were as follows:

- ▶ The liabilities of the Fund towards active and deferred members amounting to Rs 1,324.1 million were fully backed by assets of the same amount.
- ▶ The reserves built up in the Employer Reserve Account were Rs 22.0 million and the Employers could keep contributions towards expenses at the current level of 0.72% of Pensionable Emoluments, or contribute at any other appropriate rate determined by the Management Committee based on subsequently available information, until the next actuarial review.
- ▶ The reserves built up in the Annuity Fund were Rs 81.7 million. The estimated liability in respect of pensioners at the valuation date is Rs 90.9m, so the Annuity Fund had a deficit of Rs 9.2m at the valuation date. Based on our recommendation, the Management Committee approved the transfer of Rs 9.2m from the Employer Reserve Account to the Annuity Fund, which will restore the overall funding level to 100%.
- ▶ We recommended that the Investment Policy Statement of the Fund be reviewed.
- ▶ We recommended that the investment strategy of the Annuity Fund be reviewed. The revised Annuity Fund investment strategy should then be reflected in the Investment Policy Statement.
- ▶ With cash making up 14% of the Fund assets, we recommended that the Management Committee should closely monitor large cash positions being held by the investment managers on a regular basis.

The next actuarial valuation will be carried out in 2024 as at 31 December 2023.

Aon Solutions Ltd

FUND MANAGER'S REVIEW

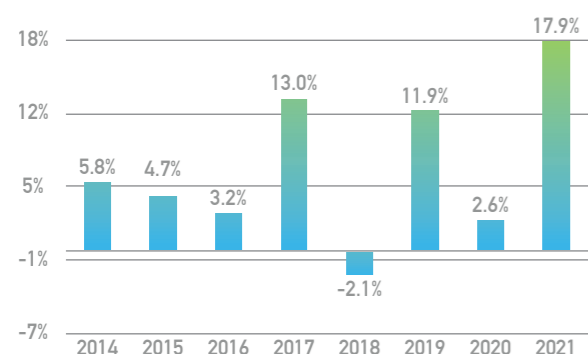
EKADA CAPITAL LTD

Investment Report 2021

As of 31st December 2021, the net asset value of the fund stood at MUR 603,382,763. 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	17.93%	9.84%	7.00%	3.38%
2 - Year	20.97%	14.48%	14.31%	10.76%
Since Inception (March 2014)	71.33%	56.40%	57.23%	50.46%
Annualized	7.19%	5.94%	6.01%	5.41%

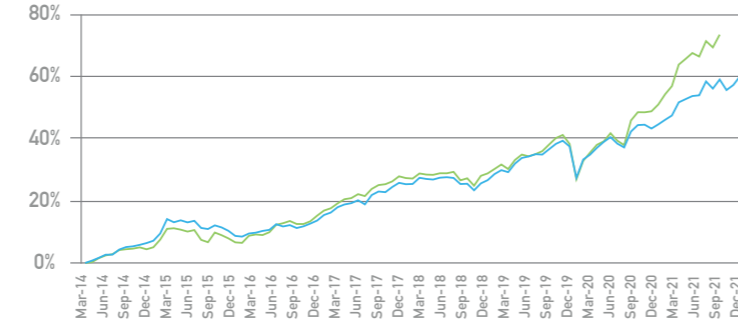
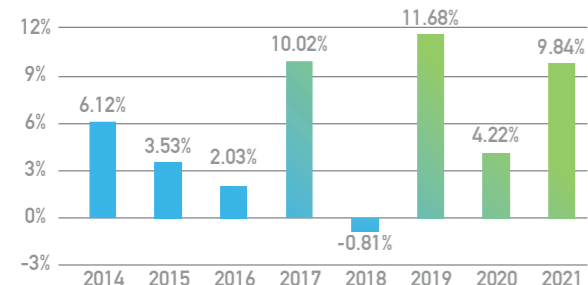
Superfund Aggressive



— Superfund Aggressive — Asset-Weighted Benchmark

* *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*

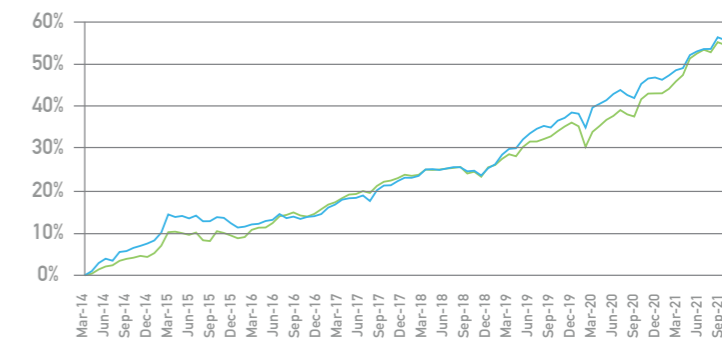
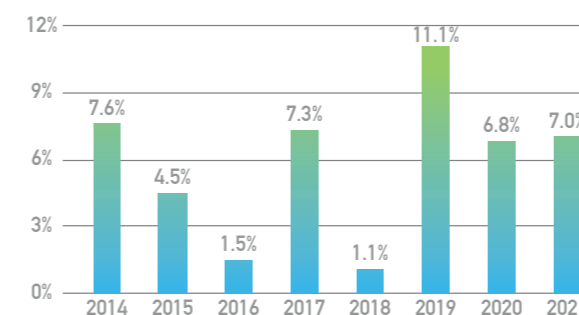
Superfund Moderate



— Superfund Moderate — Asset-Weighted Benchmark

* *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*

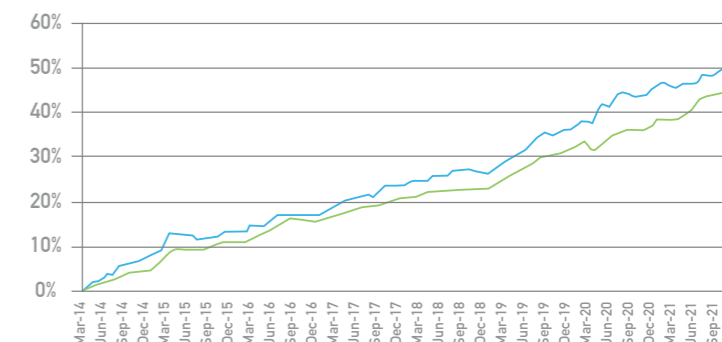
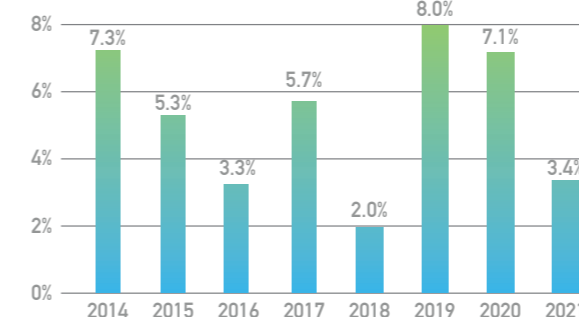
Superfund Conservative



— Superfund Conservative — Asset-Weighted Benchmark

* *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*

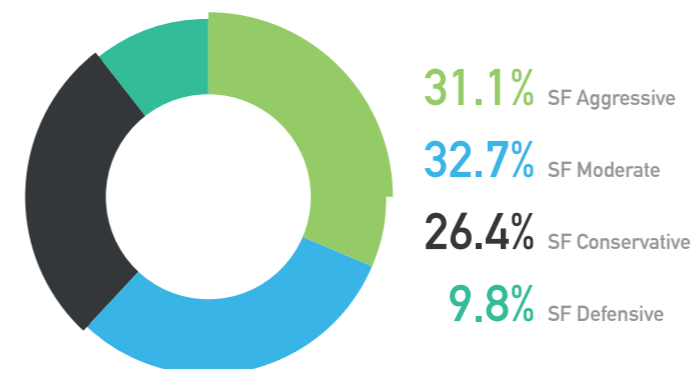
Superfund Defensive



— Superfund Defensive — Asset-Weighted Benchmark

* *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*

Consolidated Fund Position



FUND MANAGER'S COMMENT

The year 2021 was a year of uncertainty and anticipation, of hopes for a return to a degree of normalcy following the onset of the COVID-19 pandemic in 2020. While COVID-19 continued to dominate headlines, concerns also focused on inflation and its potential impact. Global equities, as measured by the MSCI All Country World Index posted a return of 16.80 % in USD for the year 2021. For the period, growth stocks have outperformed valued stocks. The fixed income market experienced more tepid returns than the equity market, with the Barclays Global Aggregate Bond Index returning -4.71% in USD. For the year, corporate bonds outperformed their government counterparts. Global yield curves finished the year generally higher and steeper than at the start of 2021. The Bloomberg Commodity Spot Index, which tracks energy, metal and crop futures, amongst others ended the year with a 27% gain, the biggest since the 2009 recovery from the great financial crisis. However, gold price dropped by 3.5% in 2021.

On the foreign fixed income side, 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 2021 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 cloud computing, cybersecurity, clean energy and minimum volatility instruments, amongst others. The performance of the sub-portfolios were particularly impacted by the poor returns of the Chinese market and exposure to global clean energy which were amongst the poor performers for the year.

2021 was a good year for the local equity market as well. The positive performance of the SEMDEX (27.3%) was driven by the much-anticipated re-opening of the borders, removal of Mauritius from the FATF grey list and optimism about economic recovery. Stocks were bought as and when entry opportunities and liquidity arose. Preference was given to companies with low gearing, sound corporate governance and the main source of income is from foreign operations. Yields on government instruments moved up during the year, with the Bank of Mauritius (BOM) maintaining its accommodative stance by leaving the repo unchanged, and the yield curve also steepened.

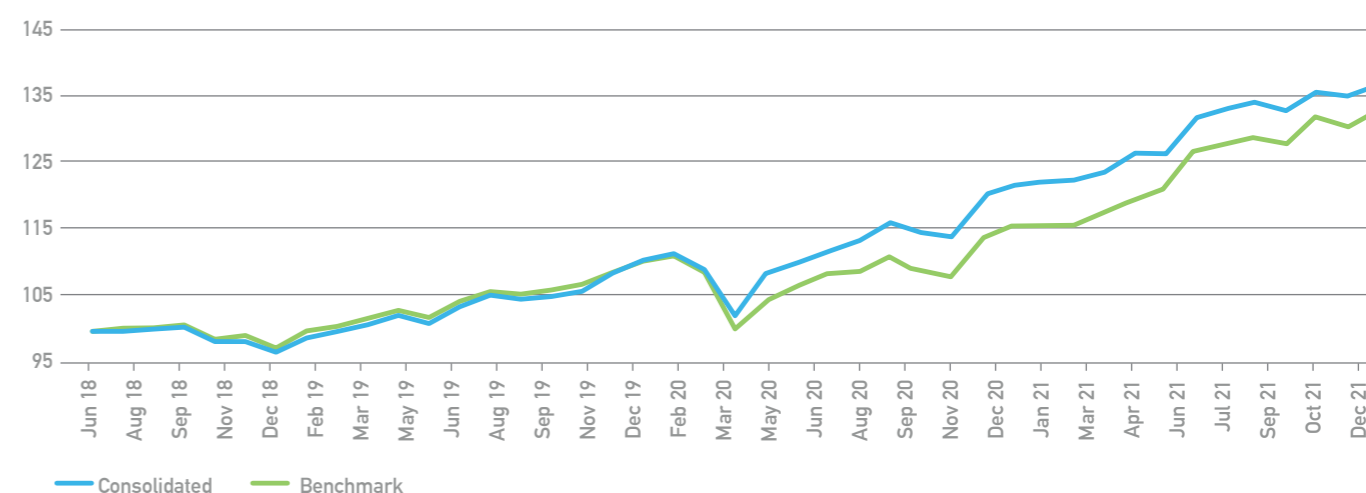
FUND MANAGER'S REVIEW SWAN WEALTH MANAGERS LTD

The consolidated Fund value under management of Swan Managers Ltd as at 31-Dec-21 was MUR 577 million. The Fund posted a robust double-digit gain of 12.9% (year-on-year) but trailed its overall benchmark during CY 2021 owing to softer growth from its underlying sub-portfolios. Underperformance was attributable to (i) an underweight exposure to an outperforming local equity asset class and (ii) the local fixed income asset class which is being fairly valued against the benchmark which is yield oriented and thus, leading to an underperformance as yields went up in CY2021. Cash holdings further weighed on overall Fund performance. However, support was obtained from superior returns from its foreign fixed income and alternative investment portfolios.

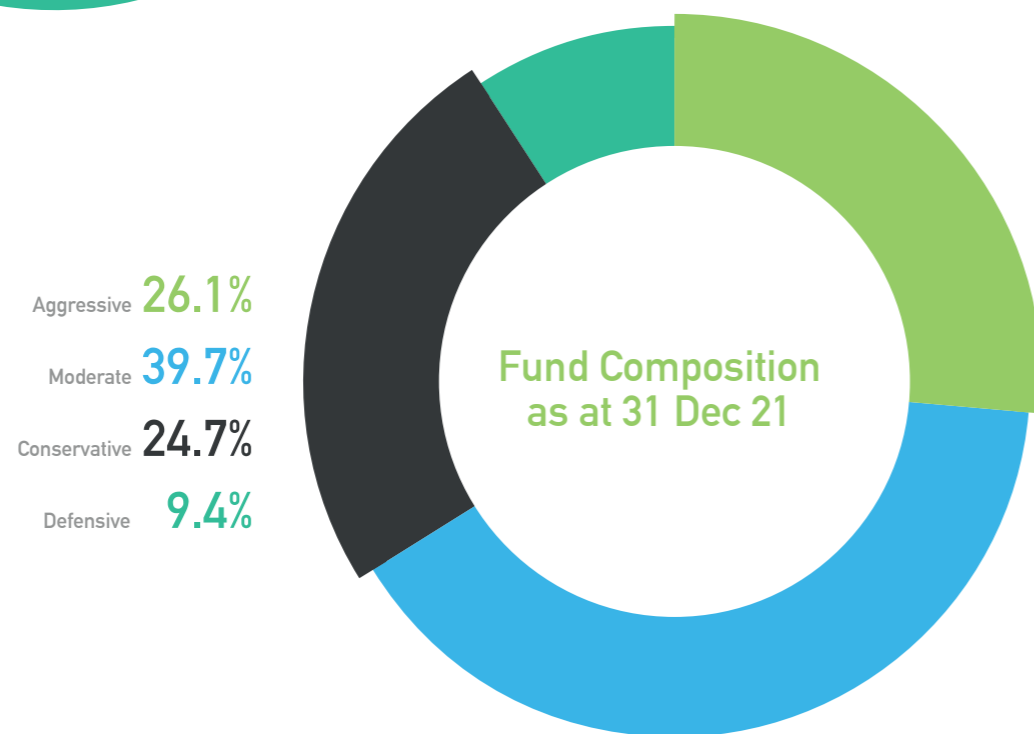
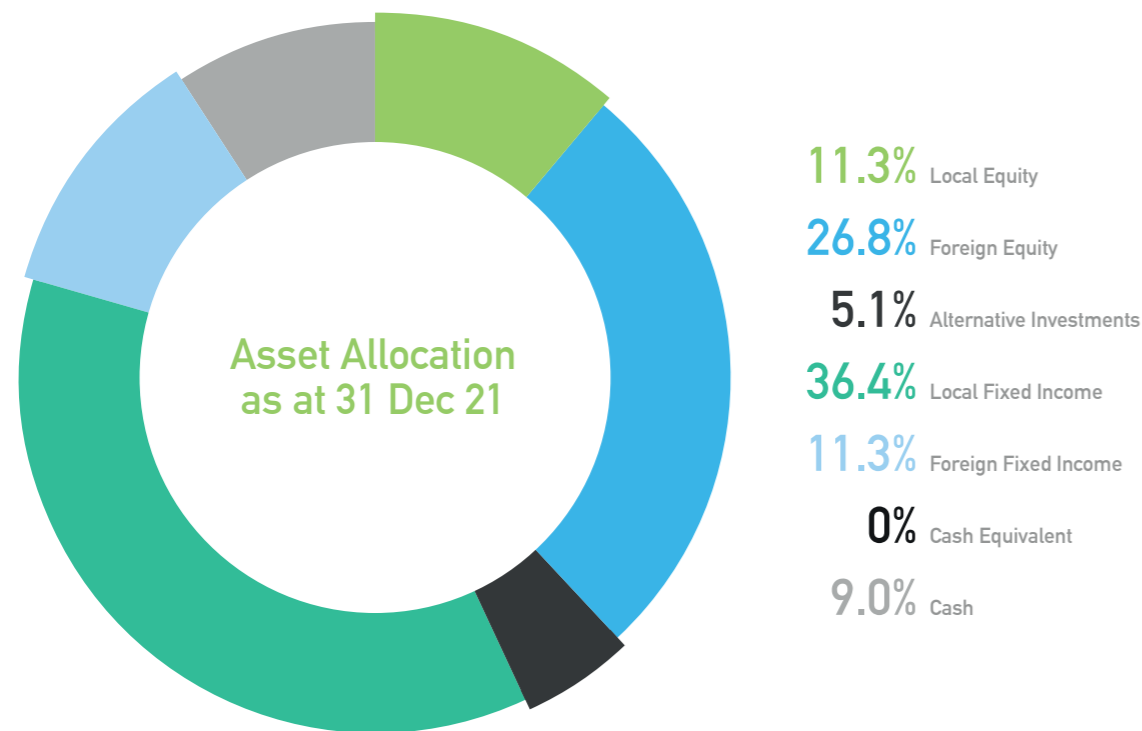
Fund Performances (in MUR) for the year ended 31 December 2021

Performance	Aggressive	Moderate	Conservative	Defensive	CONSOLIDATED
Superfund	+19.3%	+14.7%	+7.7%	+4.0%	+12.9%
Benchmark	+23.3%	+16.3%	+9.5%	+5.5%	+15.3%

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).



Despite prevailing forex scarcity in the domestic market, we managed to build up exposure to the foreign equity and alternative investment asset classes. On the local side, we continued to build-up our exposure by targeting attractive entry opportunities. On the fixed income front, we were underweight on the local market due to limited corporate issuances offering attractive risk-return trade off. As such, we invested only marginally on the corporate segment during the year. We held tactical overweight positioning for sub-funds Aggressive and Moderate on the foreign fixed income segment while the remaining sub-funds were broadly aligned with their foreign target weights.

Market Review (CY 2021)

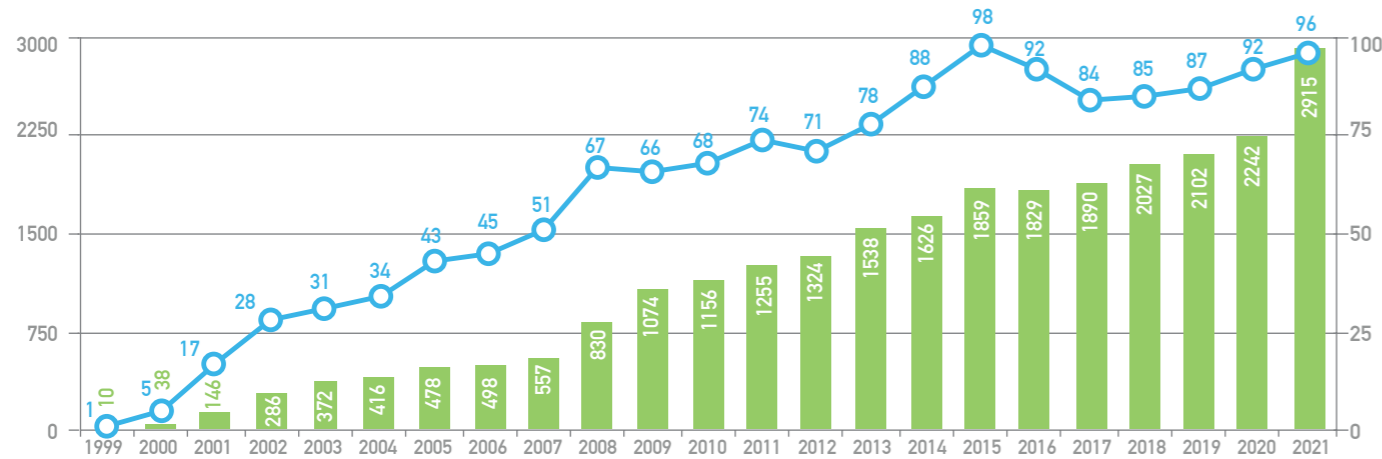
Despite a second national lockdown in Mar-21, the local bourse (SEMDEX: +27.3%) recouped all its losses registered in CY 2020 (-24.3%), boosted by (i) the COVID-19 vaccination roll-out in Mauritius, (ii) gradual deconfinement and (iii) signs of improvement in earnings reports along with resumption of dividend distribution. With the majority of the listed stocks closing in positive territory, the top performers were CIEL (+63.0%), LUX (+58.3%) and Terra (+55.3%). The main detractors on the other hand were: Bluelife (-47.0%), Harel Mallac (-31.5%) and MCFI (-24.8%). On the macroeconomic front, the Mauritian economy is expected to grow by 4.8% for the CY2021, led mainly by the manufacturing and construction sectors. Internationally, global equities posted a robust double-digit growth, as global economic recovery and re-opening continued. However, as the year progressed, rising inflation and prospects of policy tightening by major central banks held back gains. Concerns over a new and more infectious COVID-19 strains (Delta & Omicron variants), supply chain disruptions, and fears of contagion from China Evergrande Group's debt situation further weighed on markets. Regionally, US equities finished the year at a new-all time high level with +38.0% in MUR, supported by positive corporate results across a broad range of sectors, while the economy returned to pre-pandemic spending patterns. However, a combination of supply shortages, and pent-up demand contributed to a 30-year high headline inflation, thereby prompting the US Federal Reserve to adopt a more hawkish stance. Emerging Market equities grew but lagged its developed peers amid (i) weakness in China stocks owing to new Chinese government regulations on internet companies, (ii) US government restrictions on investments in Chinese companies, (iii) China Evergrande Group's debt situation and (iv) the global spread of the Delta variant.

Regarding fixed income, the local market was marked by surging bond yields, excessive cash liquidity and creeping inflation. In terms of weighted yields, 364D GoM T-Bills rose by 77bps (y-o-y), 3Yr GoM Notes gained 146 bps (y-o-y), 5Yr Bond increased by 170bps (y-o-y) and 10Yr, 15Yr and 20Yr GoM Bonds grew by 301bps, 85bps and 179bps (y-o-y) respectively. The MPC of the BoM kept the Key Repo Rate unchanged at 1.85% during its meetings in Feb-21, Aug-21, Oct-21 and Dec-21. Moreover, the FATF removed Mauritius from its list of high-risk jurisdictions as the country successfully tackled the strategic deficiencies identified during its visit in February 2020. Headline inflation accelerated to 4.00% at year-end (+150bps y-o-y). Excess cash holdings, rose throughout the year and reached an all-time high of MUR 97.6m (+49.1% y-o-y) while the average cash ratio surged to 21.55% in Dec-21. On the forex side, the EUR, GBP and USD appreciated by 0.9%, 8.7% and 9.5% (y-o-y) respectively vis-à-vis the MUR. During CY 2021, the BoM intervened on the domestic foreign exchange market in a consistent manner, supplying a record level of USD 965m in total to support USD needs and to partially reverse MUR depreciation. On the international level, 2021 was characterised by the resurgence of Covid-19 cases around the world owing to the advent of the Delta and Omicron variants, which delayed several reopening plans across Europe and Asia. Persistent supply chain disruptions and booming energy prices eventually led to central banks withdrawing their accommodative stance in view of suppressing inflationary pressures. For the US alone, the CPI climbed 7% in 2021, the largest 12-month gain since June 1982. Rising global inflation led to a general increment in global government bond yields. In the US, The FED maintained its key rate in the range 0.00%-0.25% in its December meeting. However, the increasingly tight labour market and tenacious inflationary level pressured the Committee to reduce net monthly asset purchases of Treasury and mortgage-backed securities. The US 10Yr yield ended higher at 1.52% (+59bps y-o-y). In the Eurozone, annual inflation rate was estimated at 5% in December; the highest level since 2008 while inflation in Germany pushed above 5.3%; a near 30-year high. The ECB kept the key interest rate at the same level of 0.0% throughout the year and announced the following in December: (a) the end of the pandemic emergency purchase programme in March 2022 and (b) a 50% reduction in monthly purchases under the asset purchase programme. The 10Yr German Bunds rose by 39bps to close at -0.18% (y-o-y). In the UK, economic data revealed an unemployment rate of 4.2% and record job vacancies of 1.2 million from Sep-21 to Nov-21. The CPI increased by 5.4% (y-o-y) as a consequence of soaring energy prices and microchip shortages. The BoE ultimately rose its interest rates in December from 0.10% to 0.25% in response to the persistent inflation and the increased likelihood of a wage-price spiral. The 10Yr UK Gilt ended the year higher at 0.97% (+78bps y-o-y). On the Japanese side, the 10Yr Japanese bond closed higher at 0.07% (+5bps y-o-y).

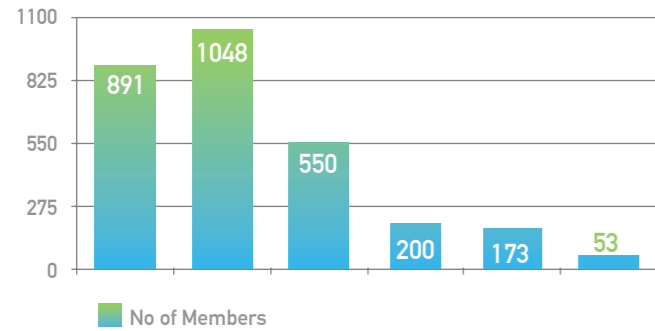
Fund Manager's Review-MCB Investment Managers Ltd

MCB Investment Management Ltd (MCBIM) was appointed as Fund Manager for Super Fund on the 28th June 2021. Following the transfer of assets from the other Fund Managers to MCB IM in December 2021, we focused on a review of the asset allocation and portfolio.

MEMBERSHIP AND ANALYSIS



Age Distribution



Membership Data

No. of Schemes	96
Cancellations	266
New	939
Active Members	2,915
Deferred Pensioners	1,401
Pensioners	165
Total Monthly Salary (Rs)	115.9 M
Average Monthly Salary (Rs)	39,750

Sex Distribution



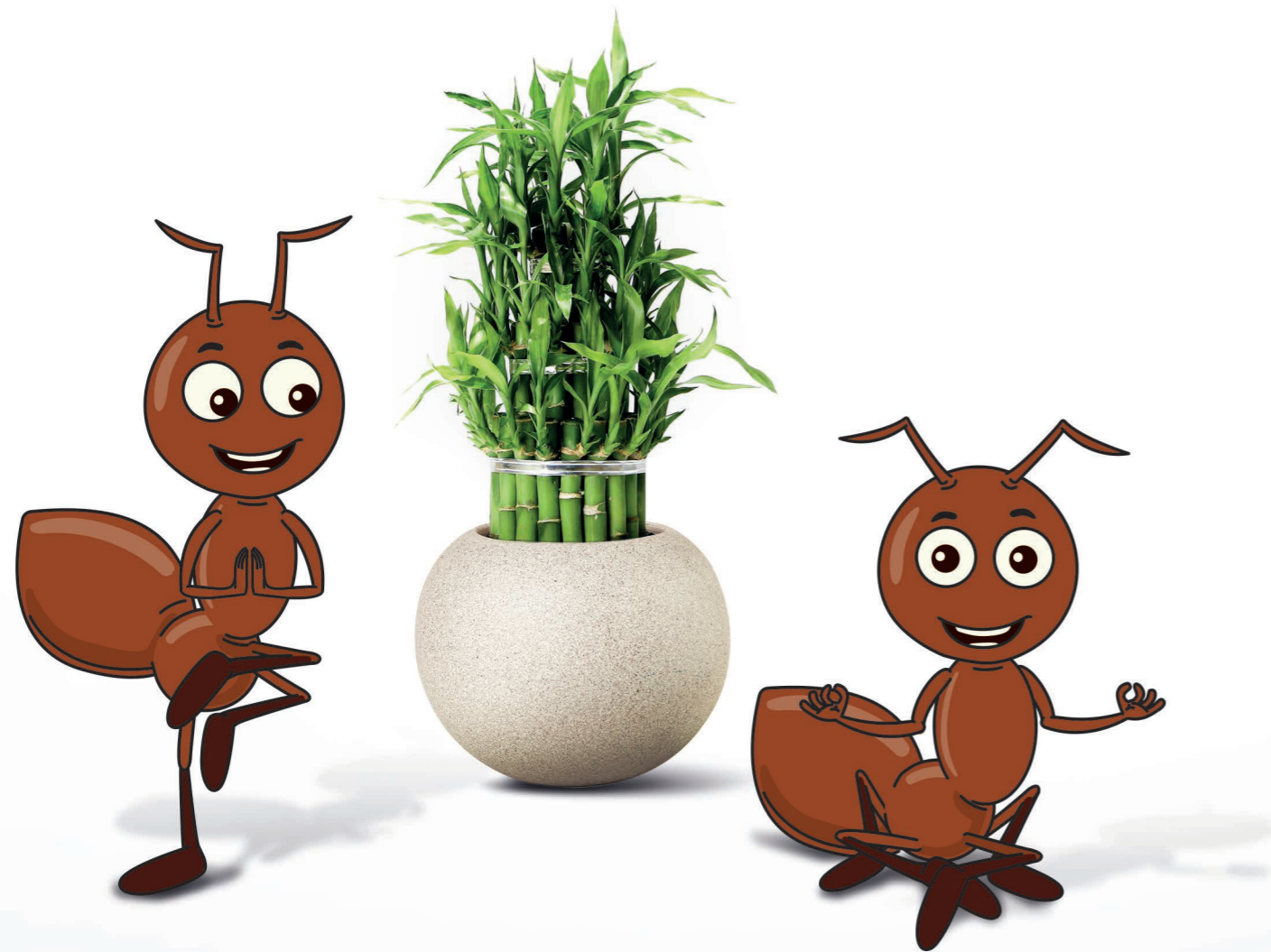
27 PARTICIPATING EMPLOYERS

AGENCE FRANCAISE DE DEVELOPPEMENT ANALYSIS CO. LTD.
 ARUP - SIGMA LTD.
 ASSOCIATED CONTAINER SERVICES LTD.
 ASSOCIATED TEXTILES SERVICES LTD.
 BRITISH AIRWAYS (MAURITIUS)
 BUSINESS MAURITIUS PROVIDENT ASSOCIATION
 CARI AGENCY LTD.
 CCMA CONSULTING
 CKLB INTERNATIONAL MANAGEMENT LTD.
 COMMUNAUTE FIAT
 CRESIM LIMITEE
 CREATIVE HR SOLUTIONS LTD.
 DALE INTERNATIONAL TRUST CO. LTD.
 DECORATIVE BLINDS CO. LTD
 DPD LASER (MAURITIUS) LTD. - CHRONOPOST (MAURITIUS)
 E.R.C LEVAGE
 ECOVADIS (MAURITIUS) LTD.
 EKADA CAPITAL LTD.
 EGECO LTD.
 EKIUAM AMIO 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.
 GAMMA TREASURY MANAGEMENT LIMITED
 GAMMATECH LTD
 GAZ CARBONIQUE LTD
 GMF LTD
 GRANDE RIVIERE INVESTMENT CO. LTD.
 GREEN YELLOW INDIAN OCEAN
 GREENZONE LTD.
 GUARDRISK INTERNATIONAL LTD PCC
 HI- TECHNOLAB LTD
 IMATECH LTD
 IMMOSPHERE
 IN & OUT TRADING LTD.
 INTEGO GREEN LTD

INTEGO LTD
 ISLAND SALT LTD.
 JPH OFFICES LTD
 LA MOISSON LTEE
 LORETO INSTITUTE
 LOTTOTECH LTD.
 MARAND TRADING COMPANY LTD
 MAURCO LTD
 MAUREVA LTD
 MECHANIZATION CO. LTD.
 MEDSCHEME (MTIUS) LTD.
 MIROVERRE LTD
 NEO FOODS
 NESTLE'S PRODUCTS (MAURITIUS) LIMITED
 ORANGE BUSINESS SERVICES MAURITIUS LTD.
 OZIMATE LTD
 PAIE SERVICE LTEE
 PAJR MEDICAL LTD.
 PANACHE & CO LTD
 PASTEUR PHARMACEUTICALS LIMITED
 PEX HYDRAULICS (MTIUS) LTD.
 POOL JOSEPH MERVEN LTD
 PRINCES TUNA (MAURITIUS) LTD
 QED ACTUARIES & CONSULTANTS
 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 2021



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30 REPORT OF THE MANAGEMENT COMMITTEE

33 REPORT OF THE AUDITORS

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37 EMPLOYER RESERVE ACCOUNT

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REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2021

The Management Committee has pleasure in submitting its report together with the audited financial statements for the year ended December 31, 2021.

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

	December 31, 2021	December 31, 2020
Deferred pensioners	1,402	1,206
Number of pensioners	165	138
Number of pensionable active staff covered by the Fund	2,915	2,242

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 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.
- An early age retirement or early ill health retirement.
- A gratuity on death of a Member in service before Normal Retirement Date.
- 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.

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2021 (CONT'D)

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	Vice Chairperson (appointed June 29, 2018)
Mr. Rakesh Rajcoomar	Treasurer (appointed August 16, 2021)
Ms Hanishta Camadoo	Vice Treasurer (appointed August 27, 2021)
Mr Jerome Valin	Member (appointed August 27, 2021)
Ms. Valérie Tranquille	Member (appointed August 27, 2021)
Mr. Dominique Bécharde	Member (appointed August 27, 2021)
Mr. Salim Albeerdly	Member (appointed April 7, 2022)
Mr. Franco Tuyau	Member (resigned on August 27, 2021)
Mr. Bharuth Kumar Ramdany	Member (resigned on December 31, 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. Maurice Felix	Member (resigned on October 29, 2021)

3. INVESTMENT POLICY

The Management Committee determines the investment policy to be adopted by the Fund. The investment portfolios are actively managed by Ekada Capital Ltd (formerly known as Afrasia Capital Management Ltd), Swan Wealth Managers Ltd and MCB Investment Management Co Ltd.

4. INVESTMENT REPORT

	2021	2020
The Fund's net assets at December 31, were as follows:		
Cash at bank, including dealing accounts	182,771,408	107,527,618
Investment at fair value	1,499,604,753	1,276,992,569
Other assets less liabilities	28,573,060	43,238,430
	1,710,949,221	1,427,758,617
Less employer reserve account	(14,452,167)	(22,022,971)
Less annuity fund	(128,354,514)	(81,671,336)
	1,568,142,540	1,324,064,310

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED DECEMBER 31, 2021 (CONT'D)

4. INVESTMENT REPORT (CONT'D)

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

	2021	2020
Annual Return	11.50%	6.20%

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.

	2021	2020
Aggressive	18.50%	3.90%
Moderate	11.20%	6.60%
Conservative	7.00%	6.90%
Defensive	4.40%	6.70%

5. AUDITORS

The auditors, BDO & Co, have indicated their willingness to continue in office.

6. ADMINISTRATORS

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

7. ACTUARY

Aon Solutions 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.

11. SUBSEQUENT EVENTS

On February 24, 2022, The Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. Although the extent of these impacts has not been assessed at this stage, currently there is no direct impact on the Fund, as it does not have any transactions with both Ukraine and Russia.

Except for the above, the Management Committee is not aware of any events occurring between the reporting date and the date of approval of the financial statements that may require any adjustment or disclosure in the financial statements.

For and on behalf of the Management Committee.



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 35 to 54 which comprise the statement of net assets available for benefits as at December 31, 2021, 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 35 to 54 give a true and fair view of the financial position of the Fund as at December 31, 2021, 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). We have fulfilled our other ethical responsibilities in accordance with 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUPER FUND (CONT'D)

Report on the audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

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, 2021.

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, 2021 as far as it appears from our examination of those records.

Other Matter

This report is made solely to the members of 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

BDO & CO
Port Louis, Mauritius
Date: 20 JUNE 2022

Shabnam Peerocus

SHABNAM PEEROCUS, FCA
Licensed by FRC

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2021

	Notes	2021 Rs.	2020 Rs.
ASSETS			
Non-current assets			
Financial assets at fair value	5	1,441,107,620	1,243,594,477
Financial assets at amortised cost	6	8,500,571	8,500,571
		1,449,608,191	1,252,095,048
Current assets			
Accounts receivable	7	23,312,571	19,274,871
Financial assets at fair value	5	58,497,133	33,398,092
Financial assets at amortised cost	6	3,506,233	20,002,164
Other financial assets at amortised cost	7A	1,405,129	3,444,173
Bank balance		42,828,777	32,064,983
Dealings account	8	139,942,631	75,462,635
		269,492,474	183,646,918
Total assets		1,719,100,665	1,435,741,966
LIABILITIES			
Current liabilities			
Accounts payable	9	8,151,444	7,983,349
TOTAL ASSETS LESS TOTAL LIABILITIES		1,710,949,221	1,427,758,617
Employer reserve account	10	(14,452,167)	(22,022,971)
Annuity fund		(128,354,514)	(81,671,336)
NET ASSETS AVAILABLE FOR BENEFITS		1,568,142,540	1,324,064,310

Approved by the Management Committee and authorised for issue on 20 JUNE 2022.



CHAIRMAN



SECRETARY

The notes on pages 40 to 54 form an integral part of these financial statements.

Auditor's report on pages 33 to 34.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -YEAR ENDED DECEMBER 31, 2021

	Notes	2021 Rs.	2020 Rs.
Contributions and benefits			
Contributions received and receivable	11	143,194,519	123,509,776
Benefits paid and payable	12	(8,736,909)	(4,858,678)
Payments to and on account of leavers	13	(54,477,617)	(24,817,872)
		(63,214,526)	(29,676,550)
Net additions from dealings with members		79,979,993	93,833,226
Returns on investments			
Investment income	14	32,378,222	23,136,465
Increase in fair value of financial assets		92,826,031	39,470,744
Profit on disposal of financial assets		39,083,620	13,740,294
Investment management expenses	15	(4,336,491)	(3,567,847)
Foreign exchange gains		4,139,166	1,143,405
Other income		7,689	263,797
Net returns on investments		164,098,237	74,186,858
Net increase for the year		244,078,230	168,020,084
Net assets available for benefits			
At January 1,		1,324,064,310	1,156,044,226
Net increase		244,078,230	168,020,084
At December 31,		1,568,142,540	1,324,064,310

The notes on pages 40 to 54 form an integral part of these financial statements.

Auditor's report on pages 33 to 34.

EMPLOYER RESERVE ACCOUNT YEAR ENDED DECEMBER 31, 2021

	Notes	2021 Rs.	2020 Rs.
Contributions		18,328,122	15,436,546
Disability claims refund		137,408	128,832
Death refund		1,582,888	3,626,740
Transfer from statement of changes in net assets available for benefits		63,214,526	29,676,550
		83,262,944	48,868,668
Withdrawal benefits		13,830,431	5,173,503
Disability claims		137,408	128,832
Death claim		1,582,888	3,626,740
Lump sums		8,736,909	4,858,678
Transfer to annuity fund		49,847,188	12,420,900
Transfer to employer contribution		1,088,836	-
Administration fees		5,200,262	4,538,157
Actuarial fees		414,000	414,000
Assurance costs		8,633,051	7,082,609
Audit fees		126,500	135,000
Annuity buyout		-	4,277,978
Other expenses		1,236,275	1,163,396
		90,833,748	43,819,793
(Deficit)/surplus for the year	10	(7,570,804)	5,048,875

The notes on pages 40 to 54 form an integral part of these financial statements.

Auditor's report on pages 33 to 34.

ANNUITY FUND YEAR ENDED DECEMBER 31, 2021

	2021 Rs.	2020 Rs.
At January 1,	81,671,336	69,602,535
Transfer from employer reserve account	49,847,188	12,420,900
Interest income	2,496,870	1,783,132
Dividend income	583,233	425,840
Increase in fair value of financial assets	624,599	3,034,484
Profit on disposal of financial assets	308,603	780,799
Foreign exchange gains	168,744	54,481
Other income	-	6,563
	54,029,237	18,506,199
Pensions paid	(6,996,317)	(5,962,036)
Bank charges	(1,472)	(2,829)
Management fees	(191,831)	(214,006)
Custody fees	(156,439)	(140,812)
Other expenses	-	(117,715)
	(7,346,059)	(6,437,398)
Surplus	46,683,178	12,068,801
At December 31,	128,354,514	81,671,336

The notes on pages 40 to 54 form an integral part of these financial statements.

Auditor's report on pages 33 to 34.

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2021

	2021 Rs.	2020 Rs.
Cash flows from operating activities		
Contributions received	156,396,104	140,585,617
Disability refund	137,408	128,832
Death claim refund	4,174,544	1,024,348
Pensions and retirement gratuities paid	(15,079,131)	(14,987,494)
Administrative expenses	(4,959,011)	(4,462,281)
Insurance premium paid	(8,178,737)	(6,577,882)
Withdrawal benefits paid	(13,032,091)	(26,095,104)
Disability payment	(126,888)	(128,832)
Other expenses paid	(1,437,098)	(884,206)
Death gratuities	(4,185,280)	(1,024,348)
Net cash from operating activities	113,709,820	87,578,650
Cash flows from investing activities		
Income from quoted securities	10,789,490	6,019,392
Interests received	24,102,655	19,501,627
Proceeds from disposal of investments	706,215,133	325,827,037
Purchase of investments	(779,487,772)	(400,088,093)
Management and other charges	(4,393,446)	(4,089,434)
Net cash used in investing activities	(42,773,940)	(52,829,471)
Foreign exchange gain	4,307,910	1,197,886
Net increase in cash and cash equivalents	75,243,790	35,947,065
Movement in cash and cash equivalents		
At January 1,	107,527,618	71,580,553
Increase	75,243,790	35,947,065
At December 31,	182,771,408	107,527,618
Represented by:		
Bank balance	42,828,777	32,064,983
Dealings account	139,942,631	75,462,635
	182,771,408	107,527,618

The notes on pages 40 to 54 form an integral part of these financial statements.

Auditor's report on pages 33 to 34.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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, 2021 were authorised for issue in accordance with a resolution of Management Committee as dated on page 35.

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. 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).

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Interest Rate Benchmark Reform Phase 2

IFRS 4 Insurance Contracts: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 4 enables an insurer applying the temporary exemption from IFRS 9 to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments have no impact on the Fund's financial statements.

IFRS 7 Financial Instruments - Disclosures: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a fund to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that fund. The amendments have no impact on the Fund's financial statements.

IFRS 9 Financial Instruments: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IFRS 9 enable a fund to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:

- designating an alternative benchmark rate as the hedged risk; or
- changing the description of the hedged item, including the designated portion, or of the hedging instrument.

The amendments have no impact on the Fund's financial statements.

IFRS 16 Leases: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a fund to apply a practical expedient to account for a lease modification required by the IBOR reform. The amendments have no impact on the Fund's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

IFRS 16 Leases

Covid 19 related rent concessions: Effective June 1, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. 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, 2022 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:

Effective date January 1, 2022

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018-2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018-2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018-2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4-Insurance Contracts.

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

IAS 1 Presentation of Financial Statements (Cont'd)

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a fund accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

Amendment for which effective date has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (Cont'd)

(ii) Accounts receivable (Cont'd)

contribution receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

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.

	2021 Rs.	2020 Rs.
Impact on:		
US Dollar	33,052,386	26,778,967
UK Pound	576,083	442,155
Euro	4,614,157	4,017,543
Australian Dollar	94	91
	38,242,720	31,238,756

(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%.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(a) Market risk

(ii) Price risk (Cont'd)

	Impact on changes in net assets available for benefits	
	2021 Rs.	2020 Rs.
Category of investments:		
Designated at fair value	74,980,238	63,849,628

(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	2021 % p.a.	2020 % p.a.
Financial assets			
Financial assets at fair value	MUR	2 - 10	3 - 10

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:

	2021 Rs.	2020 Rs.
Surplus	60,257	48,315

(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 in-existent 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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (Cont'd)

(b) Credit risk (Cont'd)

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.

	Gross maximum exposure	
	2021 Rs.	2020 Rs.
Contributions and other receivables	23,312,571	19,274,871
Bank balance	42,828,777	32,064,983
Dealing account	139,942,631	75,462,635
	206,083,979	126,802,489

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	
	2021 Rs.	2020 Rs.
Accounts payable	8,151,444	7,983,349

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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

5. FINANCIAL ASSETS AT FAIR VALUE

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

	2021		Total Rs.
	Local Rs.	Foreign Rs.	
At January 1,	696,285,268	580,707,301	1,276,992,569
Additions	222,660,596	553,327,176	775,987,772
Disposals	(141,770,430)	(505,050,317)	(646,820,747)
Fair value (losses)/gains	39,580,667	53,864,492	93,445,159
At December 31,	816,756,101	682,848,652	1,499,604,753
Non-current	758,258,967	682,848,653	1,441,107,620
Current	58,497,133	-	58,497,133
	<u>816,756,100</u>	<u>682,848,653</u>	<u>1,499,604,753</u>
Denominated in the following currencies:			
- Rupee	816,756,100	-	816,756,100
- US Dollar	-	597,211,356	597,211,356
- British Pound	-	5,877,608	5,877,608
- Euro	-	79,759,689	79,759,689
	<u>816,756,100</u>	<u>682,848,653</u>	<u>1,499,604,753</u>

(b) At December 31, 2021

	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Total	<u>920,861,426</u>	<u>578,743,327</u>	<u>1,499,604,753</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

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

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

	2020		Total Rs.
	Local Rs.	Foreign Rs.	
At January 1,	629,584,409	516,119,612	1,145,704,021
Additions	197,290,682	202,797,411	400,088,093
Disposals	(97,728,263)	(213,577,681)	(311,305,944)
Fair value gains	(32,861,560)	75,367,959	42,506,399
At December 31,	696,285,268	580,707,301	1,276,992,569
Non-current	662,887,176	580,707,301	1,243,594,477
Current	33,398,092	-	33,398,092
	<u>696,285,268</u>	<u>580,707,301</u>	<u>1,276,992,569</u>
Denominated in the following currencies:			
- Rupee	696,285,268	-	696,285,268
- US Dollar	-	498,904,948	498,904,948
- Australian Dollar	-	8,843,095	8,843,095
- Euro	-	72,959,258	72,959,258
	<u>696,285,268</u>	<u>580,707,301</u>	<u>1,276,992,569</u>

(b) At December 31, 2020

	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.
Total	<u>754,119,677</u>	<u>522,872,892</u>	<u>1,276,992,569</u>

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

6. FINANCIAL ASSETS AT AMORTISED COST

	2021 Rs.	2020 Rs.
SHORT TERM DEPOSIT		
Mutual Aid Association	-	20,002,164
La Prudence Leasing Finance Co.Ltd	3,506,233	-
LONG TERM DEPOSIT		
Mutual Aid Association	8,500,571	8,500,571
	<u>12,006,804</u>	<u>28,502,735</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

7. ACCOUNTS RECEIVABLE

	2021 Rs.	2020 Rs.
Contributions receivable	23,312,571	19,274,871
Less: provision for impairment	-	-
	<u>23,312,571</u>	<u>19,274,871</u>

The carrying amount of accounts receivable approximate their fair value.

The ageing of contributions receivable is as follows:

	2021 Rs.	2020 Rs.
0 to 3 months	21,524,922	19,274,871
3 to 6 months	1,787,649	-
6 months to 1 year	-	-
Greater than 1 year	-	-
	<u>23,312,571</u>	<u>19,274,871</u>

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

(i) Impairment of contributions receivable

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

To measure the expected credit losses, contributions receivable 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, 2021 was determined as follows for contributions receivable:

	Less than 90 days Rs.	More than 90 days past due Rs.	More than 180 days past due Rs.	More than 360 days past due Rs.	Total Rs.
At December 31, 2021					
Expected loss rate	Nil	Nil	Nil	Nil	Nil
Gross carrying amount - contributions receivable	21,524,922	1,787,649	-	-	23,312,571
Loss allowance	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

7. ACCOUNTS RECEIVABLE (CONT'D)

(i) Impairment of contributions receivable (Cont'd)

	Less than 90 days Rs.	More than 90 days past due Rs.	More than 180 days past due Rs.	More than 360 days past due Rs.	Total Rs.
At December 31, 2020					
Expected loss rate	Nil	Nil	Nil	Nil	Nil
Gross carrying amount - contributions receivable	19,274,871	-	-	-	19,274,871
Loss allowance	-	-	-	-	-

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

	2021 Rs.	2020 Rs.
Loss allowance as at January 1 ,	-	3,631,330
Loss allowance recognised in employer reserve account during the year	-	-
Receivables written off during the year as uncollectible	-	(3,631,330)
At December 31,	<u>-</u>	<u>-</u>

7A. OTHER FINANCIAL ASSETS AT AMORTISED COST

	2021 Rs.	2020 Rs.
Other receivables	<u>1,405,129</u>	<u>3,444,173</u>

8. DEALINGS ACCOUNT

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

9. ACCOUNTS PAYABLE

	2021 Rs.	2020 Rs.
Benefits payable	1,928,645	3,075,686
Other payables and accruals	6,222,799	4,907,663
	8,151,444	7,983,349

The carrying amount of accounts payable approximate their fair value.

Accounts payable are denominated in Mauritian rupee.

10. EMPLOYER RESERVE ACCOUNT

	2021 Rs.	2020 Rs.
At January 1,	22,022,971	16,974,096
(Deficit)/surplus for the year	(7,570,804)	5,048,875
At December 31,	14,452,167	22,022,971

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.

11. CONTRIBUTIONS RECEIVABLE

	2021 Rs.	2020 Rs.
Employers' contributions	114,830,160	95,969,145
Employees' contributions	26,712,967	24,131,036
Employers' special contributions	-	27,771
Transfer from other funds	1,651,392	3,381,824
	143,194,519	123,509,776

12. BENEFITS PAYABLE

	2021 Rs.	2020 Rs.
Lump sums retirement benefits	8,736,909	4,858,678

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021 (CONT'D)

13. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2021 Rs.	2020 Rs.
Individual transfers to other schemes	13,830,431	5,173,503
Transfer to employers' reserve	40,647,186	19,644,369
	54,477,617	24,817,872

14. INVESTMENT INCOME

	2021 Rs.	2020 Rs.
Dividend income	10,772,436	5,593,552
Interest income	21,605,786	17,542,913
	32,378,222	23,136,465

15. INVESTMENT MANAGEMENT EXPENSES

	2021 Rs.	2020 Rs.
Management and custodian fees	4,326,863	3,557,237
Other expenses	9,628	10,610
	4,336,491	3,567,847

16. 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.

17. ACTUARIAL ASSUMPTIONS VALUATION AND FUNDING POLICY

An actuarial study has been carried out at December 31, 2020 based on the following principles:

- Assets of the Fund would earn an average long term investment return of 4.5% p.a.
- Pension in payment increase is discretionary.

The Fund liabilities with respect to active and deferred members amounted to Rs.1,324.1 million as at December 31, 2020. These were fully backed by assets of the same amount.

The reserves built up in the Annuity Fund as at December 31, 2020 were Rs.81.7 million. The Total Accumulated Share (TAS) of retiring members is transferred to this Fund and pensions are then paid out from this Fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021 (CONT'D)

17. ACTUARIAL ASSUMPTIONS VALUATION AND FUNDING POLICY (CONT'D)

The estimated liability in respect of pensioners at the valuation date is Rs. 90.9 million assuming no future pension increases. These are backed by assets of Rs.81.7 million. The Annuity Fund therefore had a deficit of Rs.9.2 million at the valuation date. This represents a funding level of 90%. The Management Committee has approved the transfer of Rs 9.2m from the Employer Reserve Account to the Annuity Fund, which will restore the overall funding level to 100%.

The study also recommended a change in the investment strategy for the Annuity Fund which is expected to improve the financial position of the Annuity Fund over time as it continues to grow.

The Fund is in a sound financial condition as at 31 December 2020.

The next full actuarial valuation report is expected to be carried out not later than December 31, 2023.

18. IMPACT OF COVID-19

In light of COVID-19, the year 2020 was marked by unprecedented market volatility. However, year 2021 brought some hopes for global economic growth and a return to a degree of normalcy. Economic rebound was primarily driven by the (i) distribution of vaccines, (ii) easing of lockdowns and (iii) strong earnings reports. Despite the emergence of new variants and monetary policy tightening in some regions, foreign equity markets continued to surge on, thereby reaching new all-time high level towards the end of the year. On the local front, a second national lockdown was imposed in March 2021 following the resurgence in COVID-19 cases. However (i) the rapid deconfinement, (ii) exit of Mauritius from the FATF grey list and (iii) re-opening of our borders, helped to maintain the positive momentum of the domestic bourse until the end of the year.

On the equity side, a tactical overweight exposure was maintained on the foreign market. The Fund continued to gradually build up our exposure on the local bourse amid availability of interesting entry opportunity. On the alternative front, the fund adopted a barbell approach between growth and protection.

On the fixed income side, superior performance was mainly driven by our foreign exposure albeit indications of a gradual withdrawal of accommodative stance from central banks as witnessed by year end. The fixed income asset mix for the sub-portfolios remain well positioned on treasuries and selected global bond market segment via Funds, ETFs and direct bonds.

As the Fund moves into 2022, COVID-19 is expected to continue to be factored in the global economy as each new wave and variant arises. 2022 is anticipated to be the year of monetary normalisation, amid persistent inflationary pressures, the Fund will likely see a slower overall economic growth than in 2021. Though further COVID-19 curveballs are expected to cause havoc along the way, the world overall has become more adept at managing the virus.

19. SUBSEQUENT EVENTS

On February 24, 2022, The Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. Although the extent of these impacts has not been assessed at this stage, currently there is no direct impact on the Fund, as it does not have any transactions with both Ukraine and Russia.


Except for the above, the Management Committee is not aware of any events occurring between the reporting date and the date of approval of the financial statements that may require any adjustment or disclosure in the financial statements.

NOTES



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