

MCB CASH MANAGEMENT FUND
the "FUND"

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

MCB CASH MANAGEMENT FUND

ANNUAL REPORT - FOR THE YEAR ENDED JUNE 30, 2021

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MCB CASH MANAGEMENT FUND

MANAGEMENT & ADMINISTRATION

PLACE OF BUSINESS OF THE FUND	C/o MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS
REGISTERED OFFICE	C/o Apex Fund & Corporate Services (Mauritius) Ltd Lot 15 A3 1st Floor, Cybercity Ebène 72201, MAURITIUS
BOARD MEMBERS	Mr Jean Hok Yui How Hong Mr Patrick Eric Ronald Lam Yan Foon Ms Divya Basanta Lala (<i>Resignation with effect from August 03, 2021</i>)
FUND MANAGER	MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS
CORPORATE SECRETARY	Apex Fund & Corporate Services (Mauritius) Ltd Lot 15 A3 1st Floor, Cybercity Ebène 72201, MAURITIUS
REGISTRAR	MCB Registry & Securities Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS
BANKER	The Mauritius Commercial Bank Ltd 9-15 Sir William Newton Street Port Louis, MAURITIUS
CUSTODIAN FOR INVESTMENTS	The Mauritius Commercial Bank Ltd 9-15 Sir William Newton Street Port Louis, MAURITIUS
AUDITOR	BDO & Co. Ltd 10, Frère Felix de Valois Street Port Louis, MAURITIUS
LEGAL ADVISOR	BRIDGES LTD 5 Unicorn House, Royal Street Port Louis, MAURITIUS
ISIN	MU0511S00008

I. GOVERNANCE STRUCTURE**I.1 Overview**

MCB Cash Management Fund (the "Fund") was incorporated in Mauritius under the Companies Act 2001 on December 09, 2015 as a public company with liability limited by shares and is authorised by the Financial Services Commission (the "FSC") to operate as a Collective Investment Scheme, categorised as an Expert Fund pursuant to a Global Business Licence issued by the FSC. The Fund is not a public interest entity as defined by law but is required to apply the National Code of Corporate Governance for Mauritius (2016) (the "Code") by the FSC. It is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities of the Fund are managed ethically and responsibly to enhance value for all stakeholders.

The Fund is managed by MCB Investment Management Co. Ltd (the "Manager"), a company duly licensed by the FSC to promote, manage and administer collective investment schemes and closed-end funds.

The Fund has no employees and its day-to-day operations are handled by its functionaries which include the Manager, a registrar and a custodian.

I.2 Statement of Compliance

The Board of directors has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Fund under the Code. It is worth noting that the ultimate holding company of the Manager, MCB Group Limited ("MCBG"), is complying with the principles of the Code.

Throughout the year ended June 30, 2021 to the best of the Board's knowledge the organisation has complied with the Code in all material aspects except for certain sections as mentioned and explained in the table below.

Principle	Section relating to	Reasons for non-compliance
2	Organisations should have at least an Audit Committee and a Corporate Governance Committee	Given that the Fund is a Collective Investment Scheme, this Principle is being complied with at the level of the Manager's holding and ultimate holding companies.
2	Board Structure with an appropriate combination of executive, non-executive and independent directors and having both genders.	Given that the Fund is a Collective Investment Scheme with no employees, executive directors cannot be appointed. Moreover, the Board of the Manager, is fully compliant with this Principle.

The Board of directors will regularly reassess the requirements of the Code to ensure that the Fund remains compliant thereto.

I.3 Constitutive documents**I.3.1 Constitution and Prospectus**

The constitution and prospectus of the Fund (the "Constitutive Documents") have been duly approved by the Board and are reviewed by the latter on a regular basis. The Constitutive Documents provide for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Fund are duly escalated to the Board of the Fund.

The Constitutive Documents provide amongst others the following main objectives:

- (i) Defining the Fund's purpose, strategy and value;

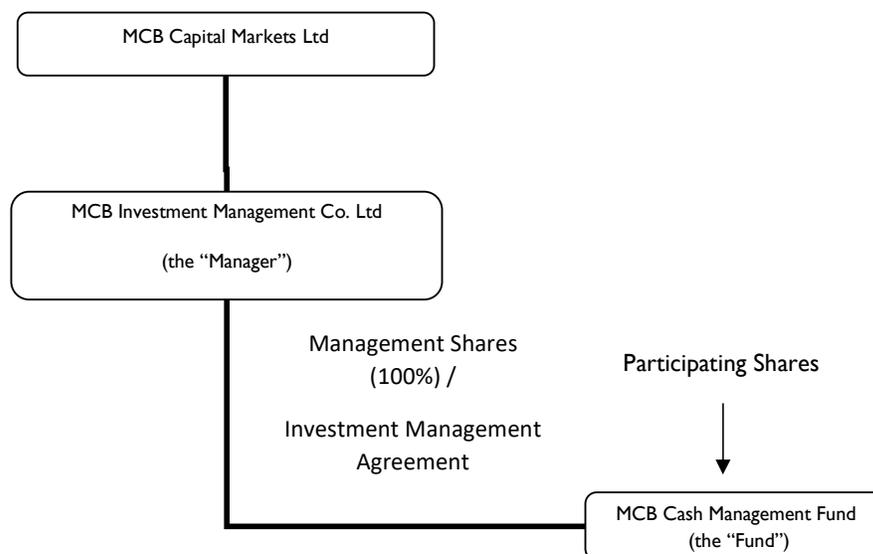
MCB CASH MANAGEMENT FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

- (ii) Determining policies and best practices to ensure that the business is conducted with the highest standards of ethical conduct within the Fund;
- (iii) Reviewing and, where appropriate, approving risk policy of the Fund; and
- (iv) Reviewing and approving the financial statements of the Fund.

1.3.2 Organisation Structure

The Fund has issued one management share to the Manager, a wholly owned subsidiary of MCB Capital Markets Ltd ("MCBCM"), which is itself wholly-owned by MCBG.



1.3.3 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Fund and has approved and set the main accountabilities of the Board collectively as follows:

Main Accountabilities	
Chairperson	<ul style="list-style-type: none"> -Provides overall leadership to the Board -Ensures that the Board is effective in its tasks of setting and implementing the Fund's direction and strategy -Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge -Maintains sound relations with the shareholders
Board	<ul style="list-style-type: none"> -Ensures compliance by the Fund with applicable legislation, regulation and policies -Safeguards the assets of the Fund. -Ensures Board decisions are being implemented and the long-term interests of the shareholders are being served.
Secretary	<ul style="list-style-type: none"> -Providing guidance to the Board relating to their duties, responsibilities and powers -Informing the Board of all legislation pertaining to meetings of the shareholders and the Board -Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained -Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are required under the Act as may be amended from time to time.

1.3.4 Material Clauses of the Constitution

As per the Constitution of the Fund, no shareholder shall have any pre-emptive rights whatsoever to subscribe for any additional shares issued by the Fund. The Board is expressly permitted to issue further Redeemable Participating Shares as the case may be, at any time ranking as to voting or distribution rights or both equally with Redeemable Participating Shares, already issued by the Fund without such issue qualifying as a variation of class rights of the existing Redeemable Participating Shares.

2. THE BOARD STRUCTURE**2.1 Board roles and responsibilities**

The Board's primary function is to direct and supervise the business and affairs of the Fund. The Board currently consists of two directors, at least two of whom shall at all times be resident in Mauritius. All board meetings of the Fund are chaired from and decisions are taken in Mauritius. The members of the Board are appointed by the holder of the Management Share.

There is no designated Chairperson for the Fund. The Chairperson for board meetings is decided when the directors meet.

The Board meets at least twice a year to review the investments, operations and administrative affairs of the Fund. There are no service contracts between the Fund and any of its directors in their personal capacity, nor are any such contracts proposed. A director may vote at, or be counted in the quorum of any meeting of the Board to consider any contract in which the director is interested, provided that such director declares the interest prior to the taking the vote at the meeting and causes such interest to be recorded in the register of interests.

All the members of the board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Fund, independent of the Manager and to protect the interests of shareholders, clients and other stakeholders.

All directors receive timely information so that they are equipped to play as full a part as possible in board meetings. All board members have access to the Company Secretary for any further information they require.

The Fund has entered into an investment management agreement of unlimited duration with the Manager which gives the Manager full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board.

2.2 Composition of the Board

The Board examines the size, composition and the essential competencies of its members annually to ensure that there is an appropriate balance of skill, experience and knowledge to enable it to carry out its duties and responsibilities effectively. The Board currently comprises of two members as detailed below:

Name	Title	Category	Gender	Country of Residence
Jean HOK HUI HOW HONG	Director	Independent	Male	Mauritius
Patrick Eric Ronald LAM YAN FOON	Director	Non-Executive	Male	Mauritius

Given that the Fund has no employees, it is not possible to have executive directors.

Ms Divya Basanta Lala was an independent director of the Fund during the year and resigned on August 03, 2021 and the Board is in the process of appointing an independent director in replacement of Ms Basanta Lala.

Mr Patrick Eric Ronald Lam Yan Foon is a director of the Fund, the Manager and MCBCM.

2.3 Profile of Directors

A brief profile of each director along with their directorships is set out below:

(i) Jean Hok Hui How Hong, Independent Director

Mr. How Hong holds a Diploma in Sugar Technology (School of Agriculture, University of Mauritius). He has 40 years' management experience in the agro-industry, wholesale and distribution sector at Innodis Ltd. He was the Chief Operating Officer for 3 years and then Chief Executive Officer for 8 years prior to retiring in December 2016. Mr. How Hong has assumed functions of Executive Director of Mauritius Farms Ltd, and General Manager (Commercial Division) of Happy World Ltd.

Directorship in listed companies: Innodis Ltd, MCB India Sovereign Bond ETF and African Domestic Bond Fund

(ii) Patrick Eric Ronald Lam Yan Foon (Rony Lam), Non-Executive Director

Mr. Rony Lam started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays in London and Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading UK investment banking firm focused exclusively on advising financial institutions on mergers and acquisitions and capital markets transactions. Rony was a Cambridge Commonwealth Trust scholar and holds a BA (Honours) and MA (Cantab) in Economics from Cambridge University. He also has a Diploma in Mandarin Chinese from Renmin University of China.

Directorship in listed funds: MCB India Sovereign Bond ETF and African Domestic Bond Fund

2.4 Corporate Secretary

The Fund's secretary is Apex Fund & Corporate Services (Mauritius) Ltd, a private company incorporated in Mauritius with registered office address at Lot 15 A3, 1st Floor Cybercity, Ebene 72201 Mauritius ("Corporate Secretary"). All board members have access to the Corporate Secretary for information relating to the Board matters.

2.5 Board Attendance

Board meetings are usually held at least twice a year but may be convened at any time in case urgent matters need to be discussed.

No of Meetings held during the year *	4
Directors	
Mr. Jean Hok Yui How Hong*	4
Ms. Divya Basanta Lala (Resigned on August 03, 2021)	4
Mr. Patrick Eric Ronald Lam Yan Foon*	4

* Physically or through their duly appointed alternate director pursuant to Article 23.9 of the Constitution.

2.6 Board Committees

Given that the Fund is a Collective Investment Scheme, all board committees have been set up at the level of the Manager's Group.

3. DIRECTORS APPOINTMENT PROCEDURES

3.1 Directors Selection

The Remuneration, Corporate Governance and Ethics Committee (RCGEC) of MCBG identifies suitable candidates for the Board of the Fund after determining whether the potential candidates have the required criteria it has established. The RCGEC then proposes the selected candidates to the Manager and the Board of the Fund for review and approval.

3.2 Election and Re-election of Directors

All directors are re-elected each year at the annual meeting of shareholders.

3.3 Induction of new Directors

All new directors are given an induction pack, which comprises the offering and constitutive documents and the minutes of the last meeting of the Board. An introductory meeting is organised to explain the business activities of the Fund and its governing policies.

The other directors as well as the Company Secretary are readily available to answer any queries that newly appointed directors may have with respect to the Fund.

The above mentioned induction programme meets the specific needs of both the Fund and the newly appointed directors and enable the latter to participate actively in Board discussions.

3.4 Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry related developments. The Board regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from directors, the Fund provides the necessary resources for developing and updating its directors' knowledge and capabilities.

3.5 Succession Planning

The Fund does not have any direct employees. MCBG is one of the largest group of companies in Mauritius with a large pool of talent with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders.

3.6 Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Fund. The Fund anticipates a time commitment of at least 48 hours per annum. This will include attendance at Board meetings, the Annual Meeting of Shareholders and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad-hoc matters that may arise from time to time, and particularly when the Fund is undergoing a period of increased activity.

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Legal duties of Directors

The directors are aware of their legal duties under the Companies Act 2001 (the "Act") and other relevant legislations. They exercise the required standard degree of care, skill and diligence which a reasonably prudent and competent director in such position would exercise.

4.2 Remuneration Philosophy

The Fund does not have any staff and as such does not have a remuneration philosophy.

4.3 Directors' Remuneration

Directors	Remuneration from the Fund	
	2021	2020
	USD	USD
Jean HOK HUI HOW HONG	378	381
Divya BASANTA LALA (Resigned on August 3, 2021)	378	238
Patrick Eric Ronald LAM YAN FOON	-	-
Bernard D'Hotman De Villiers (Resigned on 27 November 2019)	-	143
	756	762

Directors who are already in an executive position within the MCB Group do not receive additional remuneration as Board member, in line with MCBG policy. Mr Jean Hok Hui How Hong and Ms Divya Basanta Lala are entitled to a fixed annual director fees of MUR 15,000 each.

4.4 Directors' interests in shares

The directors do not hold shares in the Fund directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

4.5 Directors' service contracts

There are no fixed term contracts or service contracts between the Fund and the directors.

4.6 Related Party Transactions

For related party transactions, please refer to note 18 of the Financial Statements.

4.7 Policies of the Fund and Code of Ethics

The following policies of the ultimate holding company, MCBG, have been adopted by the Manager:

- Information, Information Technology and Information Security Governance Policy
- Conflicts of interest and Related Party Transaction Policy
- Whistleblowing Policy
- Code of Ethics

Compliance with the Code of Ethics is regularly monitored and evaluated by the Board of the Manager.

4.8 Whistleblowing

The Whistleblowing Policy of MCBG provides all employees within the Group, including those of the Manager, a reporting channel on suspected misconduct or malpractice within the Manager without the risk of subsequent victimization or discrimination. The policy outlines the complaint handling and reporting processes to improve transparency.

4.9 Information Governance

The Fund has outsourced substantially all its operations to reputable service providers, mainly within the MCB Group, to whom the policies (as per 4.7 above) of MCBG applies. The Board oversees information governance of its service providers.

4.10 Register of Interest

An interest register is maintained by the Corporate Secretary and is available for consultation by the shareholder upon request.

4.11 Directors' Performance

The Board acknowledges the need of regularly reviewing the performance and effectiveness of the Board and its Directors. The directors endeavour to maintain the same vigilance in leading the Fund.

5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board has ultimate responsibility for risk management which is delegated to the Manager of the Fund.

The Manager's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Fund's objectives.

The system of internal control, which is embedded in all key operations of the Manager, provides reasonable rather than absolute assurance that the Fund's business objectives will be achieved.

The Manager, is responsible for the design, implementation and monitoring of all risk, compliance and anti-money laundering policies and procedures of the Fund and has a direct reporting line to the Board of Directors.

The Board is satisfied regarding the implementation, operation and effectiveness of internal control and risk management.

The key risks for the Fund are legal, regulatory, operational, reputational, performance and financial risks. The Board is ultimately responsible for these matters but delegates the ongoing tasks to the Manager.

Legal risks are managed by the Manager, taking advice from the Fund's legal advisor where appropriate. The Board also takes out appropriate insurance cover.

Regulatory risks are managed by the Manager and involves the setting out of proper processes and procedures in order to meet the licensing requirements set by the Financial Services Commission and the Fund's responsibilities under The Financial Intelligence and Anti-Money Laundering Act 2002.

The **operational risks** profile of business activities and processes have been analysed and following evaluation, appropriate controls have been designed and implemented. In addition, risk arising from business processes is managed through the application of the necessary technical controls at every stage of those processes.

Reputational and performance risks are managed by the Board.

The identification and management of the financial risks are discussed in note 4 to the Financial Statements.

During the financial year under review all significant areas with respect to risk governance were covered by the internal control and no risk or deficiency has been noted in the organisation's system of internal controls.

6. REPORTING WITH INTEGRITY

6.1 Health and Safety Issues

The Manager is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The Fund however does not have any employees.

6.2 Corporate Social Responsibility

There were no Corporate Social Responsibility contributions made during the year under review.

6.3 Charitable Donation

No donation was made by the Fund during the year under review.

6.4 Political Donation

The Fund did not make any political donation during the year under review.

6.5 Documents on website

The prospectus, constitution and the latest Audited Financial Statements as well as the Manager's corporate governance undertakings are published on the website of MCB Capital Markets.

7. AUDIT

7.1 Internal Audit

Given that the Fund is a Collective Investment Scheme, internal audit assignments are done at the level of the Manager.

The internal audit function of the Manager is outsourced to the Group Internal Audit Department of The Mauritius Commercial Bank Ltd (GIA), which provides another balanced assessment of key risks and controls, independent from reports received from the Manager's management.

The Head of GIA is independent of the Executive Management of the Manager and reports to the Audit Committee of MCBCM semi-annually.

GIA ensures that the quality of internal audit services provided to the Manager is aligned with recognised best practices. GIA leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Manager. The Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. The last exercise was carried out in November/December 2018, by an internationally recognised auditing firm which confirmed the Internal Audit BU's compliance with the International Standards for the Professional Practice of Internal Audit issued by the above-mentioned institute.

Areas, systems and processes covered by internal audit including non-financial matters are as follows:

- Governance: Review of minutes of Board meetings and review of monitoring process of the Risk and Compliance Unit
- Accounting: Bank reconciliation and fixed assets
- Investment: Investment agreement
- CIS Management: Settlement and dealing, pricing and reporting
- Client take-on: Unit trust –application and redemption
- IT: Quantis logical access management, disaster recovery, shared folder administration, Service Level Agreement
- Others: Human resources analysis

There are no restrictions placed on the internal auditors in conducting their audit exercises.

7.2 External Auditor

The Board receives reports from the Fund's external auditor. The external auditor did not carry out non-audit services for the Fund during the financial year under review.

The Board recommends the appointment of external auditor to the shareholder.

The Board also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the Fund

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

- Considering whether the relationships that may exist between the Fund and the External Auditor impair the External Auditor's judgement

The Board will recommend that the audit partner for the Fund be rotated every five years.

7.3 Auditor's Fees

The fees payable to the auditor, for audit for the year under review were as follows:

	2021	2020
	USD	USD
Audit fees - BDO & Co Ltd	3,048	2,530

Fees are inclusive of VAT. No other services have been provided by the auditor for the year under review.

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

Shareholders are kept properly informed on matters affecting the Fund. The annual meeting of shareholder is held in accordance with the Act and upon consultation with the shareholder. Notices for the annual meeting and other shareholder meetings are duly sent to the shareholder.

The Fund's website is used to provide relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

8.1 Shareholders Agreement Affecting The Governance of the Fund by the Board

There is currently no such agreement.

8.2 Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

8.3 Third Party Management Agreement

(a) Investment Management Agreement

The Fund has entered into an investment management agreement with the Manager which gives the latter full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board. The Manager fulfils additional duties and reporting obligations including:

- To provide instructions with respect to the execution of purchases and sales of investments on behalf of the Fund as it deems to be in the best interests of the Fund;
- To make all material disclosures to the Fund regarding itself and its members, managers, partners, officers, directors, shareholders, employees, affiliates or any person who controls any of the foregoing, their investment performance and general investment methods, the investment performance of their customer accounts;
- To maintain a continuous record of all investments and securities acquired by the Fund and with respect to all transactions effected by it or on behalf of the Fund in accordance with such regulatory and reporting requirements of the Financial Services Commission (the "FSC") and such other relevant authorities;
- To maintain such books and records as are appropriate, check all periodical reports, transaction advice and/or statements received from time to time from the Custodian and shall render to the Fund such periodic and special reports as the Fund may reasonably request from time to time;
- To deal with applications for shares of the Fund and cause for the issue of shares duly subscribed for;
- To calculate the Net Asset Value of the Redeemable Participating Shares; and
- To perform (by itself or through other service providers) all administrative services required by the Fund and engage in any other lawful activities.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2021

(b) Registrar

The Fund has appointed MCB Registry and Securities Ltd as its registrar (the "Registrar"). The Registrar is incorporated under the laws of Mauritius and is licensed by the FSC as a Registrar and Transfer Agent. The duties of the Registrar include:

- (i) Maintaining, in relation to each class of shares, the register of shareholders of the Fund and generally performing all actions related to the issuance and transfer of Redeemable Participating Shares and the safe-keeping of certificates, if any;
- (ii) Recording in the register all redemption and/or issue of Redeemable Participating Shares;
- (iii) Dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the replacement or transfer of Redeemable Participating Shares; and
- (iv) Performing all other incidental services necessary to its duties, which duties are set out in the registrar and transfer agent agreement.

(c) Corporate Secretary

Apex Fund & Corporate Services (Mauritius) Ltd has been appointed as corporate secretary (the "Corporate Secretary"). The Corporate Secretary is incorporated under the laws of Mauritius and is licensed by the FSC as a Management Company to, inter alia, provide company management services to global business companies. The duties of the Corporate Secretary include:

- (i) Providing guidance to the Board relating to their duties, responsibilities and powers;
- (ii) Informing the Board of all legislation pertaining to meetings of the shareholders and the Board;
- (iii) Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained; and
- (iv) Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are and may be required under Mauritian laws.

8.4 Shareholders Holding more than 5% of the Fund

Holders of Management Shares as at June 30, 2021

MCB Investment Management Co. Ltd	100.0%
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Mr. Patrick Eric Ronald Lam Yan Foon is director of the Fund, the Fund Manager and MCBCM.

8.5 Share Option Plan

No such scheme currently exists within the Fund.

8.6 Timetable of important events

The Board aims to hold board meetings at least twice a year. Annual Meeting of Shareholders is usually held in November/December.

8.7 Dividend Policy

The Fund does not have a dividend policy as the holders of both Management Share and Redeemable Participating Shares do not have any rights to dividends.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (i) the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the result of operations and cash flows for the year;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS), the Companies Act 2001 and the Financial Reporting Act 2004;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Fund;
- (vii) they are responsible for leading and controlling the organization and meeting all legal and regulatory requirements;
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The external auditor is responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report and financial statements taken as a whole are fair, balanced and understandable.

For and on behalf of the Board of directors:



.....
Director



.....
Director

Date: September 20, 2021

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MANAGER'S REPORT FOR THE YEAR ENDED JUNE 30, 2021

Performance Review

The Fund was launched on July 15, 2016 with an initial size of USD 10.7m. As at June 30, 2021, the Fund size was USD 35m. It delivered an annualised return of 2.3% since inception against the benchmark (1 month USD Libor) which returned 6.4% annualised for the same period.

Portfolio Review

The Fund, as per its mandate, invests in short term (maturities less than a year) corporate and government bonds. In order to better manage liquidity, the Fund ensured investments were equally spaced out across different maturities. During the course of the year, the Fund maintained an average 30% exposure to High Yield bonds (Investment Grade at 70%) in an effort to enhance yield of the portfolio while respecting its internal guidelines. The Fund continues to deliver very attractive returns in such low yield environment.

Portfolio characteristics as at the end of June 2021 are shown below:

Statistic	Fund
USD Exposure %	100.00%
Investment Grade exposure %	71.60%
Effective Duration (Years)	0.42
Current Yield %	2.82%

Outlook for Markets

Even though new and more contagious COVID-19 variants are spreading, vaccines seem to be effective. With high vaccination rates and the global reopening remains on track, Inflation is the new concern but the spike looks transitory. Bond yields across the curve rose during the last month but remained moderate on the short end during the quarter. Rates are expected to remain low in the medium term, but start hiking eventually. With the increase in yields, the front end of the curve remains attractive, liquid and provides stable and enhanced returns on the USD cash for clients in relative comparison to current accounts.



MANAGER

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

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SECRETARY'S CERTIFICATE FOR THE YEAR ENDED JUNE 30, 2021

Pursuant to section 166(d) of the Companies Act 2001, I certify that, to the best of my knowledge and belief, the Fund has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001.



SECRETARY

For and on behalf of

Apex Fund & Corporate Services (Mauritius) Ltd

Date: September 20, 2021

MCB CASH MANAGEMENT FUND

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MCB Cash Management Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MCB Cash Management Fund (the "Fund"), on pages 16 to 41 which comprise the statement of financial position as at June 30, 2021, the statement of profit or loss and other comprehensive income, statement of net assets attributable to holders of redeemable participating shares and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 16 to 41 give a true and fair view of the financial position of the Fund as at June 30, 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 Companies Act 2001.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code")*. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 6 to the financial statements, which describe the effects of the impairment in the financial assets at fair value through profit and loss following the various announcements made on the Regulatory News Service of the London Stock Exchange, whereby NMC Health PLC had reported debts of USD 2.1 billion as at June 30, 2019 and an estimated undisclosed debts of USD 4.5 billion as at March 23, 2020. The investment in notes issued by CM Structured Finance (1) Ltd for a facility to NMC Healthcare LLC ("NMC") has been impaired for an amount of USD 6M.

At June 30, 2021, the Fund had a financial asset of USD 0.6M representing a 10% first loss guarantee which is recoverable at the end of the recovery process. As of date, the Fund awaits the outcome of the administration process. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.



MCB CASH MANAGEMENT FUND

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of MCB Cash Management Fund

Other Information (Cont'd)

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.

Corporate Governance Report

Our responsibility under the Financial Services Act Circular Letter CL280218 is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Fund has complied with the requirements of the Code.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the Directors 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 Directors are 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 Directors 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.



MCB CASH MANAGEMENT FUND

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholders of MCB Cash Management Fund

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

- 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 Directors.
- Conclude on the appropriateness of Directors' 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.

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

Companies Act 2001

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

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Fund as far as it appears from our examination of those records.

Other Matter

This report is made solely to the shareholders of the Fund, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's shareholders those matters we are required to state 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & CO

Chartered Accountants

Galina Rangasamy

Galina Rangasamy, FCCA

Licensed by FRC

Port Louis,
Mauritius

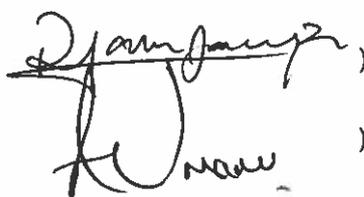
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MCB CASH MANAGEMENT FUND

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	Note	2021 USD	2020 USD
Non-current assets			
Financial assets at fair value through profit or loss	6	4,938,591	-
Other receivables	7	600,000	600,000
		<u>5,538,591</u>	<u>600,000</u>
Current assets			
Financial assets at fair value through profit or loss	6	28,297,623	48,392,168
Other receivables	7	7,712	16,410
Cash and cash equivalents	17 (b)	1,151,819	2,338,881
Total current assets		<u>29,457,154</u>	<u>50,747,459</u>
Total assets	USD	<u><u>34,995,745</u></u>	<u><u>51,347,459</u></u>
REPRESENTED BY:			
Net assets attributable to holders of redeemable participating shares		34,970,381	49,220,654
Management share	16	10	10
		<u>34,970,391</u>	<u>49,220,664</u>
Current liabilities			
Trade and other payables	9	14,620	2,112,125
Current tax liability	10 (a)	10,734	14,670
Total liabilities		<u>25,354</u>	<u>2,126,795</u>
Total net assets attributable to holders of redeemable participating shares and liabilities	USD	<u><u>34,995,745</u></u>	<u><u>51,347,459</u></u>

These financial statements have been approved for issue by the Board of Directors on September 20, 2021



DIRECTORS

The notes on pages 20 to 41 form an integral part of these financial statements.
Independent auditor's report on pages 15 to 15 (b).

MCB CASH MANAGEMENT FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	<u>Note</u>	<u>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Income			
Interest income		1,757,493	2,554,565
Refund from manager (to cap total expense ratio)		17,671	22,207
		<u>1,775,164</u>	<u>2,576,772</u>
Expenses			
Licence fees		6,404	6,452
Manager's fees	11	110,835	154,099
Registrar's fees	12	20,521	28,354
Custodian's fees	13	17,734	24,656
Professional fees		18,568	3,897
Other direct expenses		3,281	3,087
Secretarial fees		3,285	5,862
Bank charges		155	135
		<u>180,783</u>	<u>226,542</u>
Net losses from financial instruments at fair value through profit & loss			
Net fair value losses on financial assets	14	(599,115)	(5,543,593)
Losses on disposal of financial assets		(474,751)	(600,884)
		<u>(1,073,866)</u>	<u>(6,144,477)</u>
Profit/ (loss) before taxation		520,515	(3,794,247)
Taxation	10 (b)	(51,452)	(70,507)
Profit/ (loss) for the year		<u>469,063</u>	<u>(3,864,754)</u>
Other comprehensive income		-	-
Total comprehensive income for the year	USD	<u><u>469,063</u></u>	<u><u>(3,864,754)</u></u>

The notes on pages 20 to 41 form an integral part of these financial statements.
Independent auditor's report on pages 15 to 15 (b).

MCB CASH MANAGEMENT FUND**STATEMENT OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED JUNE 30, 2021**

	Note	Net Assets Attributable to Holders of Redeemable Participating Shares USD
As at July 01, 2020		49,220,664
Issue of redeemable participating shares	8	290,324
Redemption of redeemable participating shares	8	(15,009,660)
Total comprehensive income for the year		469,063
Balance at June 30, 2021	USD	34,970,391
As at July 01, 2019		44,981,742
Issue of redeemable participating shares	8	42,237,318
Redemption of redeemable participating shares	8	(34,133,643)
Total comprehensive income for the year		(3,864,754)
Balance at June 30, 2020	USD	49,220,664

The notes on pages 20 to 41 form an integral part of these financial statements.
Independent auditor's report on pages 15 to 15 (b).

MCB CASH MANAGEMENT FUND**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021	2020
		USD	USD
Cash flows from operating activities			
Cash (used in)/ generated from operations	17 (a)	(2,251,919)	977,205
Tax paid	10 (a)	(55,388)	(71,719)
Interest received		1,908,576	2,601,896
Net cash (used in)/generated from operating activities		(398,731)	3,507,382
Cash flows from investing activities			
Purchase of financial assets		(45,361,336)	(105,554,767)
Disposal of financial assets		59,292,341	94,393,206
Net cash generated from/ (used in) investing activities		13,931,005	(11,161,561)
Cash flows from financing activities			
Issue of redeemable participating shares	8	290,324	42,237,318
Redemption of redeemable participating shares	8	(15,009,660)	(34,133,643)
Net cash (used in)/ generated from financing activities		(14,719,336)	8,103,675
Net (decrease)/increase in cash and cash equivalents		(1,187,062)	449,496
Movement in cash and cash Equivalents			
At July 01,		2,338,881	1,889,385
(Decrease)/increase		(1,187,062)	449,496
At June 30,	17 (b)	1,151,819	2,338,881

The notes on pages 20 to 41 form an integral part of these financial statements.
Independent auditor's report on pages 15 to 15 (b).

I REPORTING ENTITY

MCB Cash Management Fund (the "Fund") was incorporated in Mauritius under the Companies Act 2001 on December 09, 2015 as a public company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission (the "FSC") to operate as a Collective Investment Scheme, categorised as an Expert Fund. The Fund's registered office is C/o Apex Fund & Corporate Services (Mauritius) Ltd, Lot 15 A3, 1st Floor, Cybercity Ebene 72201, Mauritius.

The Fund's objective is to achieve a consistent level of return commensurate with low risk investment strategies by investing primarily in fixed income securities issued by corporates and government.

These financial statements will be submitted for consideration and approval at the forthcoming annual meeting of shareholders of the Fund.

The Fund is being promoted by MCB Investment Management Co. Ltd (the "Manager"), which is a company duly licensed by the FSC to promote funds and offer management, administration, distribution and other services to collective investment schemes and closed-end funds.

2 BASIS OF PREPARATION

The financial statements of MCB Cash Management Fund comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) financial assets at fair value through profit or loss and financial liabilities are stated at their fair value; and
- (ii) relevant financial assets and financial liabilities are stated at amortised cost.

The financial statements of the Fund are presented in US Dollars (USD) which is the functional currency of the Fund and all values are rounded to the nearest dollar, except where otherwise indicated.

Amendments to published Standards and Interpretations effective in the reporting period

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

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

2 BASIS OF PREPARATION (CONT'D)

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

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

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

Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) provides an option to apply a simplified accounting treatment to some lease modifications in the accounts of the lessee. The amendment has no impact on the Fund's financial statements.

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

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

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

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

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018-2020

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Amendments to IFRS 17
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Definition of accounting estimates (Amendments to IAS 8)
- Disclosure of accounting policies (Amendments to IAS 1)
- Deferred tax related to assets and liabilities arising from a single transaction (IAS 12)

2 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

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 5.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in US Dollars (USD), which is the Fund's functional and presentation currency. The Fund's business or other activity is carried out in a currency other than the Mauritian rupee, which is a requirement of the Financial Services Act 2007. Subscriptions and redemptions of the redeemable shares in the Fund are denominated in US Dollar. The performance of the Fund is measured and reported to the investors in USD. The Board of Directors considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Fund using the mid-exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end mid-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Foreign currencies (cont'd)

(ii) *Transactions and balances (cont'd)*

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate prevailing at the date that their fair value are determined.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

- For all financial instruments measured at amortised cost, interest income and interest expense are recognised in a time-proportion basis using the effective interest method. This method uses the effective interest rate (EIR) that exactly discounts the estimated future cash receipts or payments over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The carrying amount of the financial asset or financial liability is adjusted if the Fund revises their estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

(c) Net gains/(losses) from financial instruments at fair value through profit or loss

Net gains/(losses) from financial instruments at fair value through profit or loss include all realised and unrealised fair value changes.

(d) Fees & Other Expenses

Fees and other expenses are recognised in profit or loss on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Current and Deferred Income Tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly to equity.

Current Tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

(f) 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 Manager determines the classification of investments at initial recognition.

The fund accounting policy for each category is as follows:

(i) Fair value through profit or loss

The Fund classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income

(ii) Amortised cost

These assets arise principally where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Fund financial assets measured at amortised cost comprise other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include bank balances.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Assets (cont'd)

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(g) Financial liabilities

The Fund classifies its financial liabilities as follows:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(h) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(i) Participating Shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Participating Shares are the most subordinate classes of financial instruments in the Fund and rank *pari passu* in all material respects and have the same terms and conditions. The Participating Shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

The Participating Shares are classified as financial liabilities and are measured at the present value of the redemption amount.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Capital Management

The Fund has no equity. The Redeemable Participating Shares issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and are classified as liabilities. See Note 8 for a description of the terms of the Redeemable Participating Shares issued by the Fund.

The Fund's objectives in managing the Redeemable Participating Shares are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

The Fund is not subject to any externally imposed capital requirements.

4 FINANCIAL RISK MANAGEMENT

(a) Introduction and Overview

The Fund has exposure to the following risks although the list below is not exhaustive:

- Credit Risk
- Liquidity Risk
- Market Risk
- Interest Rate Risk
- Operational Risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk Management Framework

The Fund may maintain positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. To enable the Fund to do so, the Manager shall take active positions in eligible bonds and currencies, but within risk parameters which are more fully described in the prospectus of the Fund.

The Fund comprises of quoted and unquoted debt securities and intends to hold most of the securities until maturity so as to limit trading costs.

Asset purchases and sales are determined by the Manager, who has been given discretionary authority to manage the asset allocation to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the board of directors. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets and cash and cash equivalents.

A Fund could lose money if the issuer or guarantor of a fixed income security (including a security purchased with securities lending collateral), or the counterparty to a derivative contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

The Fund invests in investment grade and unrated securities issued by corporates, governments and government-backed institutions.

At June 30, the Fund has invested in debt securities with the following credit quality:

Rating	2021	2020
AAA	2.82%	1.72%
AA	0.00%	0.00%
A	26.82%	21.87%
BBB	41.62%	43.28%
BB	0.00%	22.85%
B	26.80%	10.28%
Not Rated	1.94%	0.00%
Total	100.00%	100.00%

Derivative Financial Instruments

The Fund enters into over-the-counter (OTC) derivatives. OTC derivatives expose the Fund to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Fund. The Fund mitigates this risk by entering in transactions with highly rated and reputed counterparties.

Derivative financial instruments are transacted with The Mauritius Commercial Bank Ltd, (the leading bank in Mauritius) within predetermined limits, and with whom the Fund has signed master netting agreements. On 4 March 2021, Moody's downgraded Mauritius Government's long-term issuer rating to Baa2 from Baa1, with a negative outlook maintained. As a consequence, MCB Ltd's long-term bank deposit and issuer ratings were reviewed to Baa3 from Baa2 with a negative outlook. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default. For the purposes of reporting in the statement of financial position, the derivative financial assets and liabilities have not been offset, as they do not meet the offsetting criteria. The net exposure to credit risk mitigated by master netting arrangements may change significantly within a short period of time due to the highly volatile nature of the fair value of the derivatives underlying the arrangements.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (cont'd)

Settlement Risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker or by participating in primary auctions of Central Banks.

(c) Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Illiquid securities are securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the securities. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. This situation can be exacerbated in times of adverse market or economic conditions.

Management of Liquidity Risk

The Fund's constitution provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at each redemption date.

The Fund's liquidity risk is managed by requiring investors to provide a notice of redemption before 9.00hrs (Mauritian Time) on any dealing day, such day being every business day, in order to be processed at the redemption price prevailing on that dealing day. All Redemption Requests received after 9.00hrs (Mauritian Time) will be processed on the following dealing day's redemption price. Redemption monies will be paid to the applicant within seven business days of deal date.

(d) Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk (Cont'd)

The market price of securities owned by the Fund may go up or down. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular Fund, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Management of Market Risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Manager in accordance with policies and procedures in place.

The Fund may use derivatives to manage its exposure to foreign currency and interest rate. The instruments used include forward contracts, futures and options. The Fund does not apply hedge accounting.

(e) Interest Rate Risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Duration is proportional to the time to maturity of a security and inversely proportional to the magnitude of the coupon. The duration of securities whose cash flows fluctuate, such as inflation linked bonds, will change as the cash flow profile changes.

Exposure to currency risk

The Fund is not exposed to any currency risk as its assets and liabilities are denominated in USD.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks may arise from all of the Fund's activities.

The Fund's objective is to manage operational risks so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The Fund may face increased operational risks as a result of the growth of its business. Operational risk is the risk of direct and indirect loss resulting from inadequate or failed internal processes, people, systems or external events. Operational risks are inherent in the Fund's business, including the risk of loss resulting from inadequate or failed internal and external processes, documentation, people and systems or from external events. The Fund's business is dependent on its ability to process accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. The Fund's systems and processes are designed to ensure that the operational risks associated with its activities are appropriately controlled, but any weakness in these systems could result in a negative impact on the Fund's business, financial condition, results of operations and prospects.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers.

Operational risk relating to systems and personnel has been minimised by investing in adequate training. The Fund has invested in backup computing systems and infrastructure that are held offsite whereby qualified personnel will be able to act in a timely manner should the need arise. Operational procedures have been set to ensure that all transactions are done with the highest standards.

The directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Critical accounting estimates and assumptions

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Limitation of sensitivity analysis

Sensitivity analysis in respect of interest rate 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 the 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.

(b) 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.

(c) 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.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movement in financial assets at fair value through profit or loss may be summarised as follows:

	2021	2020
	USD	USD
At July 01,	47,936,429	43,519,345
Additions during the year	45,361,336	105,554,767
Disposals during the year	(59,910,685)	(95,026,249)
Fair value release	143,593	32,159
Fair value losses on financial assets	(599,115)	(6,143,593)
	32,931,558	47,936,429
Interest receivable	304,656	455,739
At June 30,	33,236,214	48,392,168
Split as follows:		
Non-current assets	4,938,591	-
Current assets	28,297,623	48,392,168

In accordance with IFRS 9, the investment made by the Fund in the notes issued by CM Structured Finance (I) Ltd for a facility to NMC Healthcare LLC ("NMC"), a leading provider of healthcare services in the United Arab Emirates (UAE) and a subsidiary of NMC Health Plc, has been impaired to USD Nil, by taking into account the expected credit losses from NMC and on the basis of various announcements made on the Regulatory News Service of the London Stock Exchange, whereby NMC Health Plc had reported debts of USD 2.1 billion as at June 30, 2019 and an estimated undisclosed debts of USD 4.5 billion as at March 23, 2020.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

7 OTHER RECEIVABLES	2021	2020
	USD	USD
Expenses prepaid	6,262	7,312
Receivable from Manager	1,440	9,088
Other receivable	600,000	600,000
Share capital receivable	10	10
	<u>607,712</u>	<u>616,410</u>
Split as follows:		
Non-current assets	600,000	600,000
Current assets	7,712	16,410
	<u>607,712</u>	<u>616,410</u>

The carrying amounts of other receivables approximate their fair value and do not contain impaired balances. The Fund does not hold any collateral as security.

Other receivable of USD 600,000 consists of a 10% first loss guarantee on the investment made in the notes issued by CM Structured Finance (I) Ltd for a facility to NMC Healthcare LLC ("NMC"), which will be payable at the end of the NMC recovery process.

8 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES

The analysis of movements in the number of redeemable participating shares during the year under review are as follows:

(i) Issued and Fully Paid	2021	2020
	USD	USD
At July 01,	51,128,758	43,025,083
Issue of shares during the year	290,324	42,237,318
Redemption of shares during the year	<u>(15,009,660)</u>	<u>(34,133,643)</u>
At June 30,	<u>36,409,422</u>	<u>51,128,758</u>
(ii) Number of Shares	2021	2020
	No. of Shares	No. of Shares
At July 01,	48,610	42,368
Issue of shares during the year	284	39,426
Redemption of shares during the year	<u>(14,702)</u>	<u>(33,184)</u>
At June 30,	<u>34,192</u>	<u>48,610</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

8 MOVEMENT IN PARTICIPATING SHARES (CONT'D)

(iii) Class Rights

Redeemable Participating Shares:

The Redeemable Participating Shares have no par value and are issued at the issue price in accordance to the Offering Memorandum. They shall confer upon the holders thereof the rights set out below.

a) Voting rights

The holders of Redeemable Participating shares shall not have the right to receive notice of meeting of shareholders and attend such meetings, and shall have no right to vote at any meeting of shareholders, other than class meetings, of the Fund and/or to approve any resolution of the Fund.

b) Dividends

The holders of Redeemable Participating Shares shall not have any rights to dividends.

c) Distribution of surplus assets

Upon winding up of the Fund, the holders of Redeemable Participating Shares shall have the right to a pro-rata share of any surplus assets of the Fund but in priority to the holder of Management Shares in accordance with the Constitution.

(iv) Reconciliation of Net Assets and Net Assets Value per Share

In accordance with the Fund's Prospectus, the formation cost of the Fund is amortised over a period of five years for the purpose of calculating the issue and redemption prices of the participating shares.

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Net Assets calculated as per Prospectus as at June 30,	34,988,907	49,216,223
Adjustments:		
Other receivable	(18,184)	-
(Over) / under accrual of fees and other payables	(352)	4,421
Share capital receivable	10	10
Net Assets as per Financial Reporting as at June 30,	<u>34,970,381</u>	<u>49,220,654</u>
	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
	<u>Per Share</u>	<u>Per Share</u>
Net Assets per share as per Prospectus as at June 30,	1,023.28	1,012.46
Adjustments:		
Other receivable	(0.51)	-
(Over)/under accrual of fees and other expenses	(0.01)	0.09
Net Assets per share as per Financial Reporting as at June 30,	<u>1,022.76</u>	<u>1,012.55</u>

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

9 TRADE AND OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Amount due within one year		
Manager's fees payable to fund manager	8,159	10,175
Custodian's fees payable to custodian	1,305	1,628
Registrar's fees payable to registrar	1,501	1,872
Professional fees payable	3,655	3,105
Trade payable	-	2,095,345
	<u>14,620</u>	<u>2,112,125</u>

The carrying amounts of trade and other payables approximate their fair value.

Amount due to related parties is disclosed in Note 18 (d).

10 INCOME TAX

The Fund is a tax incentive company in Mauritius and under current laws and regulations is liable to pay tax on its net income at a rate of 15%. Pursuant to the enactment of the Finance Act 2018, with effect as from January 01, 2019, the Deemed Tax Credit has been phased out, through the implementation of a new tax regime. Under the new tax regime and subject to meeting the necessary substance and compliance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) along with such guidelines issued by the competent authorities in Mauritius, the Fund is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Fund's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

(a) In the statement of financial position

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Opening balance	14,670	15,882
Income tax on the adjusted profit for the year at 15%	51,452	70,507
Tax paid during the year	<u>(55,388)</u>	<u>(71,719)</u>
Closing balance	<u>10,734</u>	<u>14,670</u>

(b) In the statement of profit or loss and other comprehensive income

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Current tax on the adjusted profit for the year at 15%	47,937	70,507
Withholding tax	<u>3,515</u>	<u>-</u>
Charge for the year	<u>51,452</u>	<u>70,507</u>

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

10 INCOME TAX (CONT'D)

The tax on the Fund's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Fund as follows:

	2021	2020
	USD	USD
Profit/(loss) before taxation	520,515	(3,794,247)
Tax effect on:		
Expenses not deductible for tax purposes	1,087,998	6,144,477
Chargeable income	1,608,513	2,350,230
Tax calculated at 15%	241,277	352,535
Withholding tax	3,515	-
Foreign tax credit relief (80%)	(193,340)	(282,028)
Taxation charge	51,452	70,507

11 MANAGER'S FEES

A management fee is payable by the Fund to the Manager, calculated as a percentage per annum of the NAV of the Fund. The management fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the management fee currently stands at 0.25 % per annum.

12 REGISTRAR'S FEES

A registrar fee is payable by the Fund to the Registrar, calculated as a percentage per annum of the NAV of the Fund for keeping the register of shareholders. The registrar fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the registrar fee currently stands at 0.046% per annum.

13 CUSTODIAN'S FEES

A custodian fee is payable by the Fund to the Custodian, calculated as a percentage of the value of investment in the country in which we invest for the safe-keeping and dealing with the assets of the Fund. The custodian fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the custodian fee currently stands at 0.04% per annum.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

14 NET FAIR VALUE LOSSES ON FINANCIAL ASSETS

	2021	2020
	USD	USD
Fair value losses on financial assets (note 6)	(599,115)	(6,143,593)
10% first loss guarantee receivable (note 7)	-	600,000
Net fair value losses on financial assets	(599,115)	(5,543,593)

USD 600,000 consists of a 10% first loss guarantee on investment made in the notes issued by CM Structured Finance (I) Ltd for a facility to NMC Healthcare LLC ("NMC"), which will be payable at the end of the NMC recovery process.

15 AUDIT & TAXATION FEES

	2021	2020
	USD	USD
Auditor's remuneration	3,047	2,531
Taxation fee	633	575
	3,680	3,106

16 MANAGEMENT SHARE

One Management Share of USD 10 was issued by the Fund to MCB Investment Management Co. Ltd on incorporation.

17 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash from operations

	2021	2020
	USD	USD
Profit/(loss) before taxation	520,515	(3,794,247)
Adjustments for:		
Fair value losses on financial assets	599,115	6,143,593
Losses on disposal of financial assets	474,751	600,884
Interest income	(1,757,493)	(2,554,565)
	(163,112)	395,665
Changes in working capital:		
- other receivables	8,698	(591,803)
- trade and other payables	(2,097,505)	1,173,343
Cash (used in)/ generated from operations	(2,251,919)	977,205

(b) Cash and Cash Equivalents

	2021	2020
	USD	USD
Cash at bank	1,151,819	2,338,881

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

17 NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(c) Reconciliation of financing activities

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
At July 01,	51,128,758	43,025,083
Issue of redeemable participating shares - Cash subscription	290,324	42,237,318
Redemption of redeemable participating shares	<u>(15,009,660)</u>	<u>(34,133,643)</u>
Movement in redeemable participating shares	<u>(14,719,336)</u>	<u>8,103,675</u>
At June 30,	<u>36,409,422</u>	<u>51,128,758</u>

18 RELATED PARTY TRANSACTIONS

The transactions of the Fund with related parties during the year are as follows:

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
(a) Manager's Fees		
The Fund appointed MCB Investment Management Co. Ltd to implement the investment strategy as specified in the Prospectus. MCB Group Limited is the ultimate holding company of the Fund Manager. The investment management fees for the year under review are detailed below:		
MCB Investment Management Co. Ltd	<u>110,835</u>	<u>154,099</u>
(b) Registrar's Fees		
MCB Registry & Securities Ltd acts as the Registrar and Transfer Agent of the Fund. MCB Group Limited is the ultimate holding company of the Registrar. The Registrar fees for the year under review are detailed below:		
MCB Registry & Securities Ltd	<u>20,521</u>	<u>28,354</u>
(c) Custodian's Fees		
The Fund appointed The Mauritius Commercial Bank Ltd to provide custody services in respect of the Fund's assets. MCB Group Limited is the ultimate holding company of the Custodian. The custodian fees for the year		
The Mauritius Commercial Bank Ltd	<u>17,734</u>	<u>24,656</u>

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

18 RELATED PARTY TRANSACTIONS (CONT'D)

(d) Outstanding balances as at June 30,	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
<i>Payables to related parties</i>		
MCB Investment Management Co. Ltd (Manager)	8,159	10,175
MCB Registry & Securities Ltd (Registrar)	1,501	1,872
The Mauritius Commercial Bank Ltd (Custodian)	1,305	1,628
	<u>10,965</u>	<u>13,675</u>
(e) Bank balances	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
The Mauritius Commercial Bank Ltd	<u>1,151,819</u>	<u>2,338,881</u>

All the above transactions have been carried out at least under market terms & conditions. There have been no guarantees provided or received for any related party receivables or payables.

19 COVID 19 IMPACT ASSESSMENT

Covid-19 pandemic continues to pose a threat in Mauritius and to the business. Worldwide, the virus that causes Covid-19 is mutating and new variants present new threats and are a constant cause of worry for Mauritius. The Fund will continue to adopt all necessary measures to mitigate the downside financial risks caused by the pandemic while ensuring the safety of its clients. The Fund has adequate funds to satisfy any existing commitments and obligations.

The Fund will continue to follow the various government policies and advice whilst continuing to operate in the best and safest way possible. If the financial markets and/or the overall economy are impacted for an extended period, the carrying value of the financial assets and the Fund's financial results may be materially adversely affected.

20 EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended June 30, 2021.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Schedule of Investments as at

<u>June 30, 2020</u>		<u>June 30, 2021</u>	
Market Value	Security Description	Market Value	% of Net Assets
(USD)		(USD)	
Quoted Foreign Fixed Income Securities			
-	US0003M 1.5 Afrexia - 01-Aug-2022	1,709,826	4.89%
-	US0003M 1.0 EXPORT - IMPORT BK INDIA - 21-Aug-2022	1,703,145	4.87%
-	US0003M 1.52 QIIB SENIOR SUKUK LTD - 30-Sep-2022	1,518,465	4.34%
-	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	4,931,436	14.10%
-	INTEREST RECEIVABLE ON NON-CURRENT ASSETS	7,155	0.02%
TOTAL NON-CURRENT ASSETS – FINANCIAL ASSETS			
-	AT FAIR VALUE THROUGH PROFIT OR LOSS	4,938,591	14.12%
Quoted Foreign Fixed Income Securities			
1,007,260	2.30% DAIMLER FINANCE NORTH AMERICA LLC - 12-Feb-2021	-	-
1,001,630	2.343% FORD MOTOR CREDIT CO LLC - 02-Nov-2020	-	-
812,114	2.375% NATIONAL GRID NORTH AMERICA INC - 30-Sep-2020	-	-
201,610	2.75% ICBCIL FINANCE CO LTD - 19-May-2021	-	-
2,001,900	2.875% AXIS BANK / DUBAI - 01-Jun-2021	-	-
1,206,540	2.95% CSEEC FINANCE CAYMAN I LIMITED - 19-Nov-2020	-	-
200,254	3.068% REC LTD - 18-Dec-2020	-	-
449,645	3.157% FORD MOTOR CREDIT CO LLC - 04-Aug-2020	-	-
991,990	3.336% FORD MOTOR CREDIT CO LLC - 18-Mar-2021	-	-
1,021,320	3.45% CAPITAL ONE FINANCIAL CO - 30-Apr-2021	-	-
988,120	3.47% FORD MOTOR CREDIT CO LLC - 05-Apr-2021	-	-
5,038,800	3.5% IBQ FINANCE LTD - 25-Nov-2020	-	-
1,201,764	3.5% MINMETALS BANTEOUS FINANCE - 30-Jul-2020	-	-
508,425	3.542% EI SUKUK CO LTD - 31-May-2021	-	-
2,524,500	4.00% AFRICAN EXPORT IMOIRT BANK - 24-May-2021	-	-
2,433,648	4.25% DEUTSCHE BANK AG - 04-Feb-2021	-	-
2,189,151	4.25% IDBI BANK LTD GIFT - IFC- 30-Nov-2020	-	-
1,027,640	4.42% DIAMOND I FINANCE CORPORATION - 15-Jun-2021	-	-
1,007,940	4.5% RELIANCE HOLDINGS USA - 19-Oct-2020	-	-
3,539,607	4.875% GOLD FIELDS OROGEN HOLDINGS BVI - 07-Oct-2020	-	-
879,848	5.14% BARCLAYS BANK PLC - 14-Oct-2020	-	-
216,604	5.298% RAS LAFFAN LIQUEFIED NATURAL GAS CO LTD - 30-Sep-2020	-	-
3,582,355	5.50% BANQUE OUEST AFRICAINE DE DEVELOPEMENT - 06-May-2021	-	-
4,054,520	5.75% ICICI BANK / HK - 16-Nov-2020	-	-
1,330,693	6.25% BANK OF INDIA LONDON - 16-Feb-2021	-	-
3,048,690	6.75% FEDERAL REPUBLIC OF NIGERIA - 28-Jan-2021	-	-

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Schedule of Investments as at

<u>June 30, 2020</u>		<u>June 30, 2021</u>	
Market Value	Security Description	Market Value	% of Net Assets
(USD)		(USD)	
1,913,788	8.75% SENEGAL GOVERNMENT INTERNATIONAL BOND - 13-May-2021	-	-
1,193,712	US0003M0.95 ICBCIL FINANCE CO LTD - 15-May-2021	-	-
2,362,361	US0003M1.35 QNB FINANCE LTD - 31-May-2021	-	-
-	5.625% Republic of Nigeria - 27-Jun-2022	2,077,540	5.94%
-	4.00% STATE BANK INDIA/LONDON - 24-Jan-2022	692,056	1.98%
-	5.625% INDIAN OIL CORP LTD - 02-Aug-2021	803,176	2.30%
-	5.7% Standard Chartered - 25-Jan-2022	308,433	0.88%
-	2.875% ONGC VIDESH LTD - 27-Jan-2022	2,021,720	5.78%
-	3.500% BLUESTAR FIN HOLDINGS - 30-Sep-2021	2,008,900	5.75%
-	2.625% CHINA GRT WALL INTL III - 27-Oct-2021	2,002,660	5.73%
-	10.5% Acc Ltd - 19-Oct-2021	2,020,629	5.78%
-	6.125% EGYPT GOVERNMENT BOND - 31-Jan-2022	1,023,460	2.93%
-	3.25% STATE BANK INDIA/LONDON - 24-Jan-2022	983,308	2.81%
-	3.664% DIB SUKUK LTD - 14-Feb-2022	1,732,929	4.96%
-	3.75% HUARONG FINANCE - 27-Apr-2022	840,740	2.40%
-	7.750000% United Bank for Africa - 08-Jun-2022	2,070,920	5.92%
-	7.375% Zenith Bank Plc - 30-May-2022	2,084,920	5.96%
-	4.125% CSSC CAPITAL ONE LTD - 27-Sep-2021	2,012,220	5.75%
-	4.25% CITIC SECURITIES FIN MTN - 10-Dec-2021	658,535	1.88%
-	4.375% Bharat Petroleum - 24-Jan-2022	2,037,400	5.83%
-	US0003M 2.3 SINO OCEAN LAND IV- 31-Jul-2021	1,800,576	5.15%
-	US0003M HUARONG FINANCE - 27-Apr-2022	820,000	2.35%
47,936,429	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	28,000,122	80.07%
455,739	INTEREST RECEIVABLE ON CURRENT ASSETS	297,501	0.85%

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

Schedule of Investments as at

<u>June 30, 2020</u>		<u>June 30, 2021</u>	
Market Value	Security Description	Market Value	% of Net Assets
(USD)		(USD)	
TOTAL CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
<u>48,392,168</u>		<u>28,297,623</u>	<u>80.92%</u>
48,392,168	TOTAL MARKET VALUE OF INVESTMENTS	33,236,214	95.04%
828,496	OTHER ASSETS NET OF LIABILITIES	1,734,177	4.96%
<u>49,220,664</u>	NET ASSETS	<u>34,970,391</u>	<u>100.00%</u>
<u>Currency Profile</u>			
49,220,664	USD	34,970,391	100.00%
<u>49,220,664</u>	NET ASSETS	<u>34,970,391</u>	<u>100.00%</u>
<u>Fair Value Hierarchy</u>			
48,392,168	Level I	33,236,214	95.04%
<u>48,392,168</u>	TOTAL MARKET VALUE OF INVESTMENTS	<u>33,236,214</u>	<u>95.04%</u>

Had fair value increased/decreased by 10%, the impact on profit/(loss) before taxation would have been USD 3.29m (June 30, 2020: USD 4.79m) higher/ lower with all other variables held constant.

At June 30, 2021, if interest rates had been 25 basis points higher/ lower, with all other variables held constant, profit/(loss) before taxation would have been USD 82.3k higher/ lower (2020: USD 119.8k), mainly as a result of higher/ lower interest income on bonds.

All foreign fixed income securities have coupon rates ranging between 1.1854% and 10.5% and maturity dates ranging from July 31, 2021 to September 30, 2022.

None of the financial assets are either past due or impaired.

MCB CASH MANAGEMENT FUND

APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2021

Closing exchange rates:	USD
MUR	42.5000

Calculation notes:

$$\text{Total Expense Ratio} = \frac{\text{Management \& Administration Expenses}}{\text{Daily Average Net Assets}}$$

$$\text{Portfolio Turnover Rate} = \frac{(\text{Purchases} - \text{Subscriptions}) + (\text{Disposals} - \text{Redemptions})}{\text{Daily Average Net Assets}}$$

	2021	2020	2019	2018
	USD	USD	USD	USD
Opening net asset value	49,220,664	44,981,742	37,141,732	24,145,030
Total revenue	1,775,164	2,576,772	1,536,881	1,292,099
Total expenses	(232,235)	(297,049)	(184,130)	(172,776)
Realised losses for the year	(474,751)	(600,884)	(125,714)	(343,768)
Unrealised losses for the year	(599,115)	(5,543,593)	(32,159)	(184,968)
Total increase from operations	469,063	(3,864,754)	1,194,878	590,587
Net Subscriptions	(14,719,336)	8,103,675	6,645,132	12,406,115
Closing net asset value	34,970,391	49,220,664	44,981,742	37,141,732
Portfolio turnover rate	202.31%	203.19%	305.97%	226.81%
Redeemable Participating Shares				
Number of shares outstanding	34,192	48,610	42,368	36,126
Total Expense Ratio	0.369%	0.336%	0.336%	0.336%
Closing market price per share (NAV)	1,022.76	1,012.55	1,061.69	1,028.31