

MCB Unit Trust

Simplified Prospectuses | Last Updated: 30th June 2018

AUTHORISATION

These Simplified Prospectuses contain only key information about the sub-funds of the MCB Unit Trust (the "Funds") which have been authorised by the Financial Services Commission (FSC) under the Securities Act 2005. In granting this authorisation, it must be clearly understood that the FSC does not vouch for the financial soundness of the Funds or for the correctness of any statements made herein or any opinions expressed with regards to them.

The Directors of the Manager, whose names are set out in Section 3 of these Simplified Prospectuses, accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information provided in this document is in accordance with the facts and contains a fair summary of the key information set out in the full Prospectus. The information contained in these Simplified Prospectuses should be read in conjunction with the full text of the Prospectus. It is the responsibility of each person relying on these Simplified Prospectuses to ensure that the said prospectuses are the latest one issued for the Funds.

The full Prospectus is available on request, free of charge, as specified in section 1.3 of this document.

RESTRICTION OF SALE

Restriction of sale to US Person - The MCB Unit Trust, its sub-funds and any of the underlying securities have not been registered under the United States Securities Act of 1933, as amended, or the United States Investment Company Act of 1940, as amended and may not be offered, sold or delivered in the United States, or to or for the account of a US Person. Any such investor should consult their own legal, tax and other advisers to determine whether an investment in this sub-fund could result in adverse consequences to the investor or its related persons and affiliates. All US Persons may have United States tax consequences arising from investing in the Funds.

ANTI-MONEY LAUNDERING PROVISIONS

The Financial Intelligence and Anti-Money Laundering Act 2002 provides for the offences of money laundering, the reporting of suspicious transactions and the measures to combat money laundering. A money laundering offence is committed when a person engages in a transaction that involves property which is or represents the proceeds of any crime or receives, is in possession of, conceals, disguises, transfers, converts, disposes of, removes from or brings into Mauritius any property which is or represents the proceeds of any crime. The Act also lays down the obligation on "every bank, financial institution, cash dealer or member of a relevant profession or occupation" to report forthwith to the Financial Intelligence Unit (FIU) any "suspicious transaction". To satisfy the requirements under this Act, the Manager may require additional evidence of identification from a prospective investor prior to issuing units. Besides existing legislation, the Funds will also adhere to the requirements of the relevant codes on Prevention of Money Laundering issued by the FSC.

DESCRIPTION OF SECURITIES OFFERED

The beneficial interest in the Funds is divided into units, each of which is of equal value and confers equal interest. However, no unit in a Fund shall confer any interest in any other funds constituted under the MCB Unit Trust. The units will be denominated in Mauritian Rupees (except for units of the MCB Bond & Currency Fund which are denominated in US Dollars). On purchase and redemption of units in the Funds, the Manager will make an entry in the register of unitholders, which is the definitive evidence of holding in the Funds.

Unitholders of the Funds are entitled to the following rights, amongst others: liquidation rights, meetings of unitholders, redemption / repurchase, switching, inspection of registers, transfer of units, annual and interim report and annual statement of accounts.

The above rights of the unitholders can be modified:

- (a) by either the Trustee, when it is of the opinion that this is necessary to comply with the provisions of any statutory authority or to correct a manifest error; or
- (b) by way of an 'Extraordinary Resolution' passed at a meeting duly convened and carried by a majority of not less than three-fourths of the unitholders; or
- (c) where such modification is otherwise expressly authorised by the Funds' constitutive documents.

SIGNATURE

The Simplified Prospectuses have been approved for issue by the Trustee and the Board of directors of the Manager.

1 IMPORTANT INFORMATION

1.1 Name and address of the Funds

Name of the Funds:

MCB General Fund (MCBGF)
MCB Tracker Fund (MCBTF)
MCB Yield Fund (MCBYF)
MCB Domestic Equities Fund (MCBDEF)
MCB Overseas Fund (MCBOF)
MCB Bond & Currency Fund (MCBBCF)
MCB 2025 Target Date Fund (MCB2025TDF)
MCB 2030 Target Date Fund (MCB2030TDF)
MCB 2035 Target Date Fund (MCB2035TDF)
MCB 2040 Target Date Fund (MCB2040TDF)

Address:

C/o MCB Investment Management Co. Ltd
Sir William Newton Street, Port Louis

1.2 Constitution

The Funds have been established as open-ended collective investment schemes in the Republic of Mauritius (under section 97 of the Securities Act 2005) under the existing MCB Unit Trust by way of Supplemental Deeds between MCB Investment Management Ltd (the Manager) and Multiconsult Trustees Ltd (the Trustee).

1.3 Documents available for inspection

The following documents, which form part of the constitutive documents of the Funds, are available, free of charge, for inspection at the office of the Manager, during office hours:

1. The Trust Deed
2. The Supplemental Deeds
3. The full Prospectus
4. The annual and interim management reports

2 FUNCTIONARIES

Function	Company	Address	Contact details
The CIS Manager	MCB Investment Management Co Ltd	Sir William Newton Street Port Louis	☎ : +230 202 5515 ✉ : mcbim@mcbcm.mu 🌐 : www.mcbcm.mu
The Trustee	Multiconsult Trustees Ltd	Les Cascades Building Edith Cavell Street Port Louis	☎ : +230 212 9808 🌐 : www.multiconsult.mu
The Registrar	MCB Registry & Securities Ltd	Sir William Newton Street Port Louis	☎ : +230 202 5419 ✉ : mcbrc@mcbcm.mu
The Custodian	The Mauritius Commercial Bank Ltd	Sir William Newton Street Port Louis	☎ : +230 202 5000 ✉ : custody@mcb.mu 🌐 : www.mcb.mu
The Auditor	BDO & Co	10, Frère Félix de Valois St Port Louis	☎ : +230 202 3000
The Principal Distributor	MCB Stockbrokers Ltd	Sir William Newton Street Port Louis	☎ : +230 202 5555 ✉ : mcbcb@mcbcm.mu 🌐 : www.mcbcm.mu

3 GOVERNANCE

Board of Directors

The Funds do not have their own board of directors. However, all decisions relative to the Funds are taken by the board of the Manager with the approval of the Trustee. The members of the board of the Manager are as follows: Managing director: Miss Ameenah Ibrahim; non-executive directors: Messrs. Patrick Eric Ronald (Rony) Lam Yan Foon, Gilbert Gnany, Jeremy Paulson-Ellis, independent director: Michael Naameh.

4 GENERAL INVESTMENT RESTRICTIONS

General investment restrictions of the Funds are as follows. The Funds shall not directly:

- (a) invest in any company where, immediately after the investment, more than 10% of any one class of Securities of that company would be held by the Funds;
- (b) purchase real estate;

- (c) purchase or sell derivatives (except for the MCB Bond & Currency Fund)
- (d) purchase a mortgage;
- (e) purchase a security for the purpose of exercising control or management of the issuer of the security;
- (f) purchase an illiquid asset if, immediately after the purchase more than 10% of the net assets of the collective investment scheme, taken at market value at the time of the purchase, would consist of illiquid assets; or
- (g) purchase or sell commodity, including precious metals.

5 GENERAL RISK FACTORS

General risk factors of the Funds are as follows:

- Any investment carries a level of risk that generally reflects its potential for reward. Neither the Manager, the Trustee, the Principal Distributor, nor any other functionary guarantees the performance of the Funds, the attainment of the stated objectives, or the repayment of capital.

- You are not certain to make a profit and in certain circumstances you may even lose money. Any income is not fixed. The value of your investments and any income derived from them can go up as well as down.
- Any tax treatment detailed in these prospectuses may change and any implied tax benefits will vary between investors and may change in the future.
- Losses may be made due to adverse movements in equity, bond, currency and other market prices and to changes in

the volatility of any of these. The key factors driving changes in these market prices are economic growth and inflation, both of which themselves depend to a greater or lesser extent on official economic and interest rate policy.

We suggest that you contact an independent financial adviser if you are in any doubt about the suitability of an investment in the Funds, or if you are not confident that you fully understand the risks involved.

6 EXPENSES, MAIN FEES AND CHARGES

Fund	Entry Fee (%)	Exit Fee (%)	Switch Fee	Management Fee (% p.a.)	Trustee Fee (% p.a.)	Custodian (% p.a.)	Registrar Fee (% p.a.) excl. VAT	Total Expense Ratio (% p.a)*
MCBGF	0.75	0.25	MUR300	1.00	0.10	0.10	0.20	1.96
MCBTF	0.75	0.25	MUR300	0.80	0.10	0.10	0.20	1.28
MCBYF	0.75	0.25	MUR300	0.85	0.10	0.10	0.20	1.33
MCBDEF	0.75	0.25	MUR300	1.00	0.10	0.10	0.20	1.51
MCBOF	0.75	0.25	MUR300	1.00	0.10	0.10	0.20	2.76
MCBBCF	0.75	0.25	US\$10	1.00	0.10	0.10	0.15	1.41
MCB2025TDF	0.75	0.25	MUR300	1.60	0.10	0.10	0.15	2.30
MCB2030TDF	0.75	0.25	MUR300	1.60	0.10	0.10	0.15	2.36
MCB2035TDF	0.75	0.25	MUR300	1.60	0.10	0.10	0.15	2.35
MCB2040TDF	0.75	0.25	MUR300	1.60	0.10	0.10	0.15	2.35

TER has been calculated for the period 1 July 2017 to 30 June 2018, based on the total weighted NAV, excluding acquired cost

7 OTHER INFORMATION

Fund	Launch Date	Launch Price	Distributions	Minimum holding period	Minimum investor's holding	Minimum initial lump sum	Minimum subsequent lump sums	Minimum monthly savings	Minimum redemption amount
MCBGF	14 Oct 1994	MUR10.00	Declared once yearly on 31 December	5 years or more	50 units	Equivalent of 50 units	Equivalent of 50 units	MUR500	MUR1,500
MCBTF	17 Jun 1998	MUR10.00	Declared twice yearly on 31 December and 30 June	5 years or more	50 units	Equivalent of 50 units	Equivalent of 50 units	MUR500	MUR1,500
MCBYF	06 Jun 2003	MUR10.00	Declared twice yearly on 31 December and 30 June	1 year or more	50 units	Equivalent of 50 units	Equivalent of 50 units	MUR500	MUR1,500
MCBDEF	31 Aug 2001	MUR10.00	Declared once yearly on 31 December	5 years or more	50 units	Higher of MUR5,000 and equivalent of 50 units	MUR1,500	MUR500	MUR1,500
MCBOF	1 Mar 2009	MUR10.00	All net income reinvested	5 years or more	1,000 units	Higher of MUR10,000 and equivalent of 50 units	MUR1,000	MUR500	MUR1,500

MCBBCF	15 Apr 2011	US\$10.00	All net income reinvested	3 years or more	100 units	Higher of US\$1,000 and equivalent of 100 units	US\$500	US\$100	US\$500
MCB2025TDF	19 Mar 2012	MUR10.00	All net income reinvested	5 years or more	100 units	MUR25,000	MUR10,000	MUR1,000	MUR1,500
MCB2030TDF	19 Mar 2012	MUR10.00	All net income reinvested	5 years or more	100 units	MUR25,000	MUR10,000	MUR1,000	MUR1,500
MCB2035TDF	19 Mar 2012	MUR10.00	All net income reinvested	5 years or more	100 units	MUR25,000	MUR10,000	MUR1,000	MUR1,500
MCB2040TDF	19 Mar 2012	MUR10.00	All net income reinvested	5 years or more	100 units	MUR25,000	MUR10,000	MUR1,000	MUR1,500

APPENDIX 1 – SPECIFICS OF THE FUNDS

Section 1 – MCB General Fund

A1.1 Investment objective

The objective of MCB General Fund is to achieve long term capital appreciation whilst ensuring regular short term income.

A1.2 Planned asset mix

Asset mix recommendations will be formulated and proposed to the CIS Supervisory Committee. When approving the investments, the latter will pay particular attention to macro-economic factors and other environmental elements such as government policy and their potential effect on companies' performance and growth/return potential.

A1.3 Assets allocation table

<i>Asset Class</i>	<i>Permitted Range</i>
Deposits	10% - 25%
Fixed Income Securities	5% - 20%
Government bonds and bills	5% - 20%
Equities of which	
Quoted	30% - 55%
Unquoted	0% - 10%

A1.4 Geographical concentration

The Manager intends to invest up to 40% of the Fund in overseas assets. Such assets, the management of which will be entrusted to professional overseas managers, will comprise short term

deposits, bonds, convertible bonds, shares and investment funds, all marketable securities with very liquid negotiability. Such investments may also comprise securities of offshore funds listed on the Stock Exchange of Mauritius.

A1.5 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB General Fund.

The Fund shall not directly:

- invest in any company where, immediately after the investment, more than 15% of the Fund's Net Asset Value would be invested in that company; and
- undertake any overseas investments where, immediately after the investments, more than 40% of the Fund's Net Asset Value would consist of such investments.

The Fund has applied for and obtained a derogation to invest up to 15% of its net asset value in a single security.

A1.6 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Past performance, Inflation, Currency and Emerging Markets. Investors should read the 'Risk Factors' set out in Appendix 2.

A1.7 Suitability

MCB General Fund is suitable for an investor:

- with an intended long-term investment horizon;
- seeking long-term capital gains rather than regular high dividend inflows; and
- willing to have an exposure to the main overseas markets.

Section 2 – MCB Tracker Fund

A2.1 Investment objective

MCB Tracker Fund will follow a “Tilting Index” philosophy with the primary objective of tracking the SEM-10 Index. Consequently MCB Tracker Fund aims to produce a before-fee performance approaching that of the SEM-10 Index and therefore offers to the investor long capital growth with regular but limited income.

A2.2 Planned asset mix

The portfolio will consist of investments in the shares of companies included in the SEM-10 Index and the SEM-10 Index Reserve List. The Manager will use the weightings as derived from daily SEM-10 quotations as an indicative benchmark to constitute the asset mix, with the following flexibilities:

- The Manager will be granted a 15% margin above or below the benchmark percentage weighting. As an example, suppose the weighting for The Mauritius Commercial Bank Ltd shares in the SEM-10 Index as at a specific date was 22.82%. The Fund’s weighting in that stock on that day would therefore have been between 19.40% and 26.24%. Similarly, if the State Bank of Mauritius Ltd weighting on that day was 21.11% and consequently the Fund’s weighting would have been between 17.94% and 24.28%.
- The Manager may, if he sees fit, invest up to an aggregate of 15% of the Fund in the companies on the ‘Reserve List’ of the SEM-10 Index.
- The Manager may remain in a cash position if, with the agreement of the CIS Supervisory Committee, they believe that the shares targeted to be bought or sold are too thinly traded and that execution would be to the disadvantage of the Unitholders.

A2.3 Assets allocation table

<i>Securities</i>	<i>Permitted Range</i>
SEM-10 Constituents	Up to 100%
SEM-10 Reserve List Constituents	Up to 15%

A2.4 Investment restrictions

- In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restriction applies to MCB Tracker Fund: The Fund will restrict its investments to the shares of companies included in the SEM-10 Index and the SEM-10 Index Reserve List.

A2.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Past performance, Inflation, and Concentration. Investors should read the ‘Risk Factors’ set out in Appendix 2.

A2.6 Suitability

MCB Tracker Fund is suitable for an investor:

- with an intended long-term investment horizon;
- seeking long-term capital gains rather than regular high dividend inflows; and

- willing to invest in blue-chip companies on the Stock Exchange of Mauritius without having to individually manage the stocks.

Section 3 – MCB Yield Fund

A3.1 Investment objective

The objective of the MCB Yield Fund is to endeavour to yield 1% above the savings rate offered by commercial banks in Mauritius, over any given financial year. For the purpose of this Fund, “yield” is defined as the total distributions (including income, cash or bonus units) made by the Fund per unit in respect of any financial year, as a percentage of the issue price per unit prevailing at the beginning of that financial year.

The formula for calculating the yield is as follows:

$$\text{Yield} = Y_t = 100 \times \frac{\text{Total distributions made per unit in respect of financial year } t}{\text{Issue price per unit on the first business day of financial year } t}$$

The objective is to endeavour to deliver:

$Y_t \geq WAS_t + 1\%$, where WAS_t = Weighted Average Savings rate from three commercial banks over year t.

A3.2 Investment strategy

The Manager will adopt an active approach to managing the Fund. Diversification of assets, independent advice and careful screening should help the Fund attain the above objective as well as preserving the Fund’s capital value. Investment decisions will be made following an assessment of (i) economic conditions, (ii) yield and maturity considerations and (iii) underlying fundamentals of the proposed investment.

The Manager shall review the prevailing economic conditions and shall have regard to local fiscal and monetary policies. Other parameters, such as the Repo Rate, corporate dividend payout ratios, corporate gearing and quality of assets will be important considerations for the Manager. The Manager will constitute a portfolio of fixed income instruments with varying maturities and some high-yield equities, but shall exclude investments that present an unacceptable credit, sector or liquidity risk to the Fund’s portfolio. The Manager will have a quality bias in its security selection and shall manage risk through broad diversification.

A3.3 Planned asset mix

A significant portion of the Fund’s assets will be invested in fixed interest securities that make regular interest payments on set dates. Listed equities will also form part of the portfolio, provided yield and liquidity considerations are appropriate to the Fund’s overall objective.

A3.4 Assets allocation table

<i>Assets class</i>	<i>Maximum %</i>
Short term cash instruments	100
Bank of Mauritius TBills and Bonds	70
Corporate debentures	50

Bank and leasing deposits	40
Equities or Domestic Collective Investment Schemes	30
Overseas investments in fixed-income instruments or CIS (including cash and cash equivalents)	20

Within the prescribed restrictions, the Manager is free to alter the Fund's asset allocation in order to take advantage of anticipated interest rate movements or market opportunities. However, the Manager shall avoid market timing and interest rate speculation in favour of strategies providing a more consistent value over time.

A3.5 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB Yield Fund.

The Fund shall not directly:

- invest in any company where, immediately after the investment, more than 5% of the Fund's Net Asset Value would be invested in that company;
- make any deposit(s) in any one banking or deposit taking institution where the aggregate value of such deposits would exceed 15% of the Fund's Net Asset Value;
- invest more than 20% of its Net Asset Value in overseas assets;
- invest in 'non-investment grade' bonds with regards to overseas fixed-income; and
- hold more than 20% of its Net Asset Value in foreign currencies.

For temporary defensive purposes the Fund may at times invest substantially all of its assets in Government of Mauritius securities and cash balances held in short-term deposit accounts with commercial banks.

A3.6 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Past performance, Inflation, Liquidity and Interest Rate. Investors should read the 'Risk Factors' set out in Appendix 2.

A3.7 Suitability

MCB Yield Fund is suitable for an investor seeking:

- high current income but unwilling to accept large volatility from the stock markets;
- to obtain a regular and predictable income flow; and
- to have a higher exposure to fixed-income instruments than to equities.

Section 4 – MCB Domestic Equities Fund

A4.1 Investment objective

The MCB Domestic Equities Fund seeks to achieve long-term capital appreciation through investment in a diversified portfolio of shares listed on the Stock Exchange of Mauritius.

A4.2 Planned asset mix

The Fund's assets will be invested mainly in domestic equities listed on the Stock Exchange of Mauritius. The maximum investment (expressed as a percentage of the Fund's Net Assets) in the various assets that the Fund may make is given in the assets allocation table below.

A4.3 Asset allocation table

<i>Assets class</i>	<i>Maximum %</i>
Listed Equities	100
Cash and deposits, including bank & leasing deposits, bills, bonds, debentures, loan notes, cash & equivalents	15*

* In the first few months following the opening up, the Fund may be temporarily higher than 15% in cash and deposits.

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A4.4 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB Domestic Equities Fund.

The Fund shall not directly:

- invest in any company where more than 25% of its Net Assets would be invested in the shares of any single company;
- acquire more than 5% of the shares of any single company;
- invest in assets outside Mauritius; and
- invest, in the normal course of its investment activity, more than fifteen percent (15%) of its Net Assets in deposits or money market instruments.

The Fund has applied for and obtained a derogation to invest up to 25% of its net asset value in a single issuer security.

A4.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Past performance and Inflation. Investors should read the 'Risk Factors' set out in Appendix 2.

A4.6 Suitability

MCB Domestic Equities Fund is suitable for local and foreign investors looking for long-term capital appreciation from a portfolio of diversified local securities.

Section 5 – MCB Overseas Fund

A5.1 Investment objective

The MCB Overseas Fund seeks to achieve long term capital growth by investing mainly in foreign collective investment schemes providing exposure to the world's principal stock, bond and currency markets, enabling access to a world wide balanced portfolio in a single investment product.

A5.2 Planned asset mix

The Fund's assets will be invested mainly in foreign equity collective investment schemes, fixed income portfolios and alternative investments established in reputable jurisdictions. The

maximum investments (expressed as a percentage of the Fund's portfolio) in the various assets that the Fund may make is given in the assets allocation table below.

A5.3 Assets allocation table

<i>Assets class</i>	<i>Maximum %</i>
Equities	70
Fixed Income	50
Alternative Investments	50
Cash and cash equivalents	20

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A5.4 Geographical concentration

The Fund will invest in overseas assets which provide an exposure to the world's stocks and securities. The main equity markets will be as follows (expressed as a percentage of the Fund's equity portfolio):

	<u>Indicative ranges</u>
Europe	35%-45%
Asia	12%-25%
America	35%-45%
Emerging Markets	4%-20%

Note, however, that these figures are indicative only and that the Manager reserves discretion as to how the geographical split will be made after taking into consideration such factors that may affect these markets.

A5.5 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB Overseas Fund.

The Fund shall not directly:

- invest more than 5% of its portfolio in the shares/units of any single collective investment schemes;
- acquire more than 10% of the shares/units of any single authorised collective investment scheme; and
- invest in Mauritian securities, including local collective investment schemes in assets outside Mauritius.

A5.6 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Capital, Inflation, Currency and Emerging Markets. Investors should read the 'Risk Factors' set out in Appendix 2.

A5.7 Suitability

MCB Overseas Fund is suitable for:

- investors looking for long-term capital appreciation from a portfolio of diversified foreign securities;
- investors having an investment horizon of at least 3 years;

- investors who will not require regular income from their investments; and
- individuals wishing to save for their children's overseas educational expenses and hedge their savings against any depreciation of the rupee.

Section 6 – MCB Bond & Currency Fund

A6.1 Investment objective

The MCB Bond & Currency Fund focuses on generating a stable return in USD for investors from coupon income, capital appreciation and currency appreciation by providing an exposure to interest bearing securities. The Manager intends to invest in mostly USD-denominated assets, its base currency, and may take controlled non-USD whenever it deems fit. Exposure to bond and currency markets will be routinely monitored and assessed as new information arises to ensure that the portfolio is structured in line with the Manager's views. The latter intends to maintain a high degree of liquidity to enable him to take advantage of attractive investment opportunities as they arise.

A6.2 Benchmark

The MCB Bond & Currency Fund will be managed as an absolute return fund, aiming to offer stable returns in all business environments. There will be no specific benchmark.

A6.3 Investment strategy and planned asset mix

The Fund's assets will be invested primarily in bonds issued by governments, institutions and corporations in both developing and developed countries. When judged appropriate by the Manager, investments in currencies other than the US Dollar will be hedged back into the US Dollar and as such, the Fund may use derivatives (e.g., currency forwards, futures and/or options) for the purpose of hedging and efficient portfolio management. The fund has sought and obtained the approval of the FSC for the use of derivatives but strictly for the purposes described in this section.

The Manager will pay careful attention to the quality and marketability of the securities to be held by the Fund. A minimum of 70% of the portfolio will consist of investment-grade instruments, i.e., instruments whose second best rating is either a Fitch and S&P rating of at least BBB- or a Moody's rating of at least Baa3.

A6.4 Asset allocation table

<i>Asset class</i>	<i>Maximum %</i>
Fixed income instruments of which:	
Investment-grade	100
Non-investment grade	30

The Manager may appoint specialist Fund Managers for the management of the above asset class.

A6.5 Currency universe and mix and portfolio duration

The indicative currency universe and mix are as follows: Australian Dollar (AUD), United States Dollar (USD), New Zealand Dollar (NZD), Canadian Dollar (CAD), Euro (EUR), Great Britain Pound Sterling (GBP), Japanese Yen (JPY), Norwegian Krone (NOK), Swiss Francs (CHF), Brazilian Real (BRL).

The above currency list is indicative and the Manager may use any other currencies in pursuing the Fund's investment objective. The currency mix of denominations will be varied, reflecting the Manager's assessment of likely exchange rate movements.

When, in the opinion of the Manager, the general trend in interest rates is upward, a substantial portion of the Fund's assets is likely to be held in the form of short-dated bonds and other short-term instruments such as certificates of deposits.

A6.6 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses (except restriction (c) relative to investment in derivatives), the following specific restrictions apply to MCB Bond & Currency Fund.

The Fund shall not directly:

- (a) Invest in any company where, immediately after the investment, more than 10% of any one class of securities of that company would be held by the Fund;
- (b) invest more than 30% of its portfolio in non-investment grade or non-rated instruments;
- (c) invest in equities;
- (d) purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than 10% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer; and
- (e) invest more than 20% of its portfolio in non-USD currencies.

A6.7 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Interest Rate, Market, Capital, Inflation, Regulatory, Currency, Liquidity, Investment Management, Economic, Emerging Markets and Derivatives. Investors should read the 'Risk Factors' set out in Appendix 2.

A6.8 Suitability

MCB Bond & Currency Fund is suitable for investors:

- looking for exposure to a portfolio of diversified global fixed income securities;
- having an investment horizon of at least 3 years; and
- seeking non-rupee investment.

Section 7 – MCB 2025 Target Date Fund

A7.1 Investment objective

The MCB 2025 Target Date Fund is devised for investors who have an investment time horizon, about or close to the Target Date, i.e., 30 June 2025. Depending on its proximity to the Target Date, the Fund will endeavour to achieve the following objectives to varying degrees: growth, income and conservation of capital. The Fund will seek to achieve those investment objectives by investing in a mix local and foreign securities in different combinations and weightings. As the Fund approaches and passes the Target Date, it will increasingly emphasise on income and conservation of capital by investing a greater portion of its assets in bonds or other fixed income securities and high-yielding equities. In this endeavour the Fund will seek to balance the total return and stability over time in light of the Target Date.

A7.2 Planned asset mix

The planned asset mix will begin with a more aggressive allocation and gradually move to a more conservative allocation, following an asset allocation glide path. In early investing years, the glide path allocates more to asset classes like stocks to maximise wealth accumulation potential. In later investing years, the glide path allocates more to fixed income and cash securities to add stability and generate income within the Fund. In a target-date strategy the glide path is used to change the combination of assets to become more conservative as the target year approaches.

The Manager may periodically rebalance or modify the asset mix of the Fund and change the underlying investments. According to its investment strategy, the Manager will continue to manage the Fund for approximately twenty years after the Fund reaches the Target Date. The management of the Fund post Target Date shall be driven by a conservative investment strategy. On or after the Target Date and subject to any regulatory approval as may be required, the Fund may be combined with other funds (including any of the Sub-Funds) in a single portfolio with a conservative investment strategy.

A7.3 Asset allocation table

<i>Assets class</i>	<i>During 1st year (%)</i>	<i>At Target Date (%)</i>
Equities	70-100	15-30
Fixed income & currencies	10-20	60-75
Alternative investments	0-15	0-5
Cash and cash equivalents*	0-10	0-50

* In the first few months following the launch of the Fund, the latter may temporarily hold significant amount of cash and cash equivalents well above the indicated range.

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A7.4 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB 2025 Target Date Fund:

- The Fund shall not directly invest more than 30% in foreign securities and currencies.
- The Fund has applied for and obtained a derogation to invest up to 25% of its net asset value in securities of any one issuer.

A7.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Interest Rate, Inflation, Economic, Emerging Markets, Currency and Derivatives. Investors should read the 'Risk Factors' set out in Appendix 2.

A7.6 Suitability

MCB 2025 Target Date Fund is suitable for investors having an investment time horizon on or about 30 June 2025.

Section 8 – MCB 2030 Target Date Fund

A8.1 Investment objective

The MCB 2030 Target Date Fund is devised for investors who have an investment time horizon, about or close to the Target Date, i.e., 30 June 2030. Depending on its proximity to the Target Date, the Fund will endeavour to achieve the following objectives to varying degrees: growth, income and conservation of capital. The Fund will seek to achieve those investment objectives by investing in a mix local and foreign securities in different combinations and weightings. As the Fund approaches and passes the Target Date, it will increasingly emphasise on income and conservation of capital by investing a greater portion of its assets in bonds or other fixed income securities and high-yielding equities. In this endeavour the Fund will seek to balance the total return and stability over time in light of the Target Date.

A8.2 Planned asset mix

The planned asset mix will begin with a more aggressive allocation and gradually move to a more conservative allocation, following an asset allocation glide path. In early investing years, the glide path allocates more to asset classes like stocks to maximise wealth accumulation potential. In later investing years, the glide path allocates more to fixed income and cash securities to add stability and generate income within the Fund. In a target-date strategy the glide path is used to change the combination of assets to become more conservative as the target year approaches.

The Manager may periodically rebalance or modify the asset mix of the Fund and change the underlying investments. According to its investment strategy, the Manager will continue to manage the Fund for approximately twenty years after the Fund reaches the Target Date. The management of the Fund post Target Date shall be driven by a conservative investment strategy. On or after the Target Date and subject to any regulatory approval as may be required, the Fund may be combined with other funds (including any of the Sub-Funds) in a single portfolio with a conservative investment strategy.

A8.3 Asset allocation table

<i>Assets class</i>	<i>During 1st year (%)</i>	<i>At Target Date (%)</i>
Equities	70-100	15-30
Fixed income & currencies	10-20	60-75
Alternative investments	0-15	0-5
Cash and cash equivalents*	0-10	0-50

* In the first few months following the launch of the Fund, the latter may temporarily hold significant amount of cash and cash equivalents well above the indicated range.

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A8.4 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB 2030 Target Date Fund:

- The Fund shall not directly invest more than 30% in foreign securities and currencies.
- The Fund has applied for and obtained a derogation to invest up to 25% of its net asset value in securities of any one issuer.

A8.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Interest Rate, Inflation, Economic, Emerging Markets, Currency and Derivatives. Investors should read the 'Risk Factors' set out in Appendix 2.

A8.6 Suitability

MCB 2030 Target Date Fund is suitable for investors having an investment time horizon on or about 30 June 2030.

Section 9 – MCB 2035 Target Date Fund

A9.1 Investment objective

The MCB 2035 Target Date Fund is devised for investors who have an investment time horizon, about or close to the Target Date, i.e., 30 June 2035. Depending on its proximity to the Target Date, the Fund will endeavour to achieve the following objectives to varying degrees: growth, income and conservation of capital. The Fund will seek to achieve those investment objectives by investing in a mix local and foreign securities in different combinations and weightings. As the Fund approaches and passes the Target Date, it will increasingly emphasise on income and conservation of capital by investing a greater portion of its assets in bonds or other fixed income securities and high-yielding equities. In this endeavour the Fund will seek to balance the total return and stability over time in light of the Target Date.

A9.2 Planned asset mix

The planned asset mix will begin with a more aggressive allocation and gradually move to a more conservative allocation, following an asset allocation glide path. In early investing years, the glide path allocates more to asset classes like stocks to maximise wealth accumulation potential. In later investing years, the glide path allocates more to fixed income and cash securities to add stability and generate income within the Fund. In a target-date strategy the glide path is used to change the combination of assets to become more conservative as the target year approaches.

The Manager may periodically rebalance or modify the asset mix of the Fund and change the underlying investments. According to its investment strategy, the Manager will continue to manage the Fund for approximately twenty years after the Fund reaches the Target Date. The management of the Fund post Target Date shall be driven by a conservative investment strategy. On or after the Target Date and subject to any regulatory approval as may be required, the Fund may be combined with other funds (including any of the Sub-Funds) in a single portfolio with a conservative investment strategy.

A9.3 Asset allocation table

<i>Assets class</i>	<i>During 1st year (%)</i>	<i>At Target Date (%)</i>
Equities	70-100	15-30
Fixed income & currencies	10-20	60-75
Alternative investments	0-15	0-5
Cash and cash equivalents*	0-10	0-50

* In the first few months following the launch of the Fund, the latter may temporarily hold significant amount of cash and cash equivalents well above the indicated range.

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A9.4 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB 2035 Target Date Fund:

- The Fund shall not directly invest more than 30% in foreign securities and currencies.
- The Fund has applied for and obtained a derogation to invest up to 25% of its net asset value in securities of any one issuer.

A9.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Interest Rate, Inflation, Economic, Emerging Markets, Currency and Derivatives. Investors should read the 'Risk Factors' set out in Appendix 2.

A9.6 Suitability

MCB 2035 Target Date Fund is suitable for investors having an investment time horizon on or about 30 June 2035.

Section 10 – MCB 2040 Target Date Fund

A10.1 Investment objective

The MCB 2040 Target Date Fund is devised for investors who have an investment time horizon, about or close to the Target Date, i.e., 30 June 2040. Depending on its proximity to the Target Date, the Fund will endeavour to achieve the following objectives to varying degrees: growth, income and conservation of capital. The Fund will seek to achieve those investment objectives by investing in a mix local and foreign securities in different combinations and weightings. As the Fund approaches and passes the Target Date, it will increasingly emphasise on income and conservation of capital by investing a greater portion of its assets in bonds or other fixed income securities and high-yielding equities. In this endeavour the Fund will seek to balance the total return and stability over time in light of the Target Date.

A10.2 Planned asset mix

The planned asset mix will begin with a more aggressive allocation and gradually move to a more conservative allocation, following

an asset allocation glide path. In early investing years, the glide path allocates more to asset classes like stocks to maximise wealth accumulation potential. In later investing years, the glide path allocates more to fixed income and cash securities to add stability and generate income within the Fund. In a target-date strategy the glide path is used to change the combination of assets to become more conservative as the target year approaches.

The Manager may periodically rebalance or modify the asset mix of the Fund and change the underlying investments. According to its investment strategy, the Manager will continue to manage the Fund for approximately twenty years after the Fund reaches the Target Date. The management of the Fund post Target Date shall be driven by a conservative investment strategy. On or after the Target Date and subject to any regulatory approval as may be required, the Fund may be combined with other funds (including any of the Sub-Funds) in a single portfolio with a conservative investment strategy.

A10.3 Asset allocation table

<i>Assets class</i>	<i>During 1st year (%)</i>	<i>At Target Date (%)</i>
Equities	70-100	15-30
Fixed income & currencies	10-20	60-75
Alternative investments	0-15	0-5
Cash and cash equivalents*	0-10	0-50

* In the first few months following the launch of the Fund, the latter may temporarily hold significant amount of cash and cash equivalents well above the indicated range.

The Manager may appoint specialist Fund Managers for the management of any of the above asset classes.

A10.4 Investment restrictions

In addition to the general investment restrictions listed in Section 4 of these Simplified Prospectuses, the following specific restrictions apply to MCB 2040 Target Date Fund.

- The Fund shall not directly invest more than 30% in foreign securities and currencies
- The Fund has applied for and obtained a derogation to invest up to 25% of its net asset value in securities of any one issuer..

A10.5 Risk Warnings

In addition to the general risk factors provided in Section 5 of these Simplified Prospectuses, the following specific risks are identified as particularly relevant for this Fund: Market, Interest Rate, Inflation, Economic, Emerging Markets, Currency and Derivatives. Investors should read the 'Risk Factors' set out in Appendix 2.

A10.6 Suitability

MCB 2040 Target Date Fund is suitable for investors having an investment time horizon on or about 30 June 2040.

APPENDIX 2 – RISK FACTORS DESCRIPTION

Risk factor name	Risk factor description
Market risk	The value of the Funds' assets will fluctuate as a result of changes in market prices of the underlying securities of the Funds, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded on the market.
Capital risk	Expenses of some of the Funds will be paid out in full from their capital account and this may constrain future capital growth.
Past performance risk	The past performance of the Funds should not be taken as a guide to their future performance. Funds that have performed well in the past may perform poorly in the future and vice versa.
Inflation risk	Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses in the Funds' investments.
Currency risk	For some Funds, investments will be made in securities which will be denominated in currencies other than the Base Currency of the Funds and thus movements in exchange rates may cause the value of the investments to rise or fall.
Concentration risk	Funds which invest in a narrow range of securities or in specialised sectors may be more volatile than more broadly diversified equity funds.
Regulatory risk	The value of investments may be adversely affected by changes in government policies, regulations and taxation laws.
Liquidity risk	Securities that are not actively traded may not be readily convertible to cash without some loss of capital.
Economic risk	A downturn in general economic conditions may adversely affect investments.
Investment management risk	This exists in all managed investments and refers to the possibility, amongst other things, that the Manager may fail to anticipate market movements or manage

Risk factor name	Risk factor description
	investment risks or execute the Funds' investment strategy effectively.
Interest rate risk	Some Funds invest in bonds and other debt instruments, the values of which usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a debt instrument's value will usually not affect the amount of interest income paid to the Funds, but will affect the value of the Funds' units. Interest rate risk is generally greater for investments with longer maturities.
Emerging markets risk	Some Funds invest in emerging markets and thus involve certain risks and special considerations not typically associated with investing in other established economies or securities markets. Such risks may include risk of nationalisation or expropriation of assets or confiscatory taxation, social economic and political uncertainty including war, corporate or foreign exchange, price fluctuations, difference in accounting standards, less regulated securities exchange.
Derivatives risk	Futures contracts may have restricted liquidity due to certain exchanges limiting fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". These prevent trades from being executed at prices beyond the daily limits during a single trading day. Also, once the price of a contract for a futures contract has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit.