

AFRICAN DOMESTIC BOND FUND
the "FUND"

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2026

AFRICAN DOMESTIC BOND FUND
ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026

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NOTICE

Unless otherwise mentioned herein, all references of Acts and Regulations in this Annual Report relates to legislations issued in the Republic of Mauritius.

AFRICAN DOMESTIC BOND FUND

MANAGEMENT & ADMINISTRATION

		Date of appointment	Date of resignation
BOARD MEMBERS	Mr Patrick Eric Ronald Lam Yan Foon	May 04, 2017	September 23, 2025
	Mr Jean Hok Yui How Hong	October 05, 2017	-
	Mr Krishen Patten	May 06, 2024	September 15, 2026
	Ms Medina Sarah Torabally	June 11, 2024	-
	Mrs Vandana Sandya Nathoo	February 12, 2025	-
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 6th Floor, Two Tribeca Tribeca Central Trianon 72261 Mauritius		
FUND MANAGER	MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis Mauritius		
CORPORATE SECRETARY	Apex Fund & Corporate Services (Mauritius) Ltd 6th Floor, Two Tribeca Tribeca Central Trianon 72261 Mauritius		
REGISTRAR	M.C.B Registry & Securities Ltd 9-15, Sir William Newton Street Port Louis Mauritius		
BANKER	The Mauritius Commercial Bank Limited 9-15, Sir William Newton Street Port Louis Mauritius		

AFRICAN DOMESTIC BOND FUND

MANAGEMENT & ADMINISTRATION

**CUSTODIAN FOR
INVESTMENTS**

Standard Chartered Bank (Mauritius) Limited
6th Floor, Standard Chartered Tower
19 Bank Street
Cybercity, Ebène, 72201
Mauritius

AUDITOR

Deloitte
7th-8th Floors, Standard Chartered Tower
19-21 Bank Street
Cybercity, Ebène, 72201
Mauritius

ISIN

MU0607S00004

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE

1.1 Overview

African Domestic Bond Fund (the "Fund") was incorporated in Mauritius under the Mauritius Companies Act 2001 on May 04, 2017 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 a Global Scheme pursuant to a Global Business Licence from the FSC. The Fund was admitted on the Stock Exchange of Mauritius (the "SEM") on September 19, 2018 and on the Exchange Traded Funds Board of the Botswana Stock Exchange Limited on September 15, 2022 for the secondary listing of the Participating Shares of the Fund. The Fund is not a Public Interest Entity ('PIE') as defined by law but is required to apply the National Code of Corporate Governance for Mauritius (2016) (the "Code") by the FSC under the circular letter CL281021. It is committed to the highest standard of business integrity, transparency and professionalism 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.

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 Manager and the ultimate holding company of the Manager, MCB Group Limited ("MCBG"), are required to comply with the principles of the Code.

Throughout the year ended June 30, 2026, to the best of the Board's knowledge, the organisation has complied with the Code in all material aspects except for certain areas as set out in this corporate governance report.

1.2 Constitutive documents or Charter documents

1.2.1 Board Charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The Charter provides 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.

1.2.2 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;
- (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.

AFRICAN DOMESTIC BOND FUND

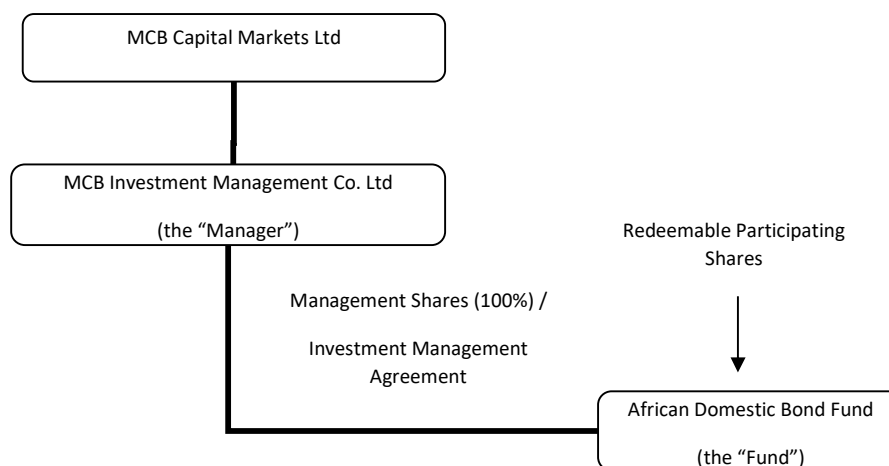
CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE (CONT'D)

1.2 Constitutive documents or Charter documents (Cont'd)

1.2.3 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.



1.2.4 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	-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	-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	-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 Mauritius Companies Act 2001 (the "Act") as may be amended from time to time.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

1. GOVERNANCE STRUCTURE (CONT'D)

1.2 Constitutive documents or Charter documents (Cont'd)

1.2.5 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 three 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.

The Fund is currently managed by a unitary Board of three members, residents of Mauritius, and all three (3) are Independent Non-Executive Directors.

The Board meets at least four times 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 regularly to ensure that there is an appropriate balance of skill, experience, knowledge and gender representation on the board to carry out its duties and responsibilities effectively.

The Board is currently composed of three members as detailed below:

Name	Title	Category	Gender	Country of Residence
Mr. Jean Hok Yui HOW HONG	Director	Independent	Male	Mauritius
Ms. Medina Sarah TORABALLY	Director	Independent	Female	Mauritius
Mrs. Vandana Sandya NATHOO	Director	Independent	Female	Mauritius

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE (CONT'D)

2.2 Composition of the Board (Cont'd)

Mr. Krishen Patten served as a director during the financial year and resigned on September 15, 2026.

The size of the Board and its level of diversity is commensurate with the size of the Fund which is a Collective Investment Scheme with no employees.

As a Collective Investment Scheme, the Fund has no executive Directors, with day-to-day management and investment activities delegated to the Investment Manager under the Placement Memorandum. The Board considers its current structure appropriate and proportionate, with three independent non-executive Directors providing effective oversight and maintaining clear separation between governance and management responsibilities.

2.3 Profile of Directors

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

(i) Jean Hok Yui 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 other listed companies: Innodis Ltd (Stock Exchange of Mauritius).

(ii) Medina Sarah Torabally, Independent Director

Ms Medina Torabally holds a Bachelor of Laws (LLB) from the University of Reading and a Bar Professional Training Course (BPTC) certificate from City University, London. Medina is a barrister-at-law practising at the Bar of Mauritius and a non-practising barrister of England & Wales. She trained as a litigation associate at Benoit Chambers before joining the Permanent Court of Arbitration (PCA) as an assistant legal counsel. Medina subsequently joined CMS Prism, in association with CMS, where she is currently a managing associate leading tax controversy matters. Her practice focuses primarily on tax controversy, advising clients from the stage of audits, investigations, and assessments by the Mauritius Revenue Authority. She regularly appears before the Revenue Tribunal, the Supreme Court of Mauritius, and the Judicial Committee of the Privy Council. She also has experience in commercial disputes and arbitration.

Directorship in other listed companies: None.

(iii) Vandana Sandya Nathoo, Independent Director

Mrs. Vandana Ramdennee-Nathoo studied Computer Science and Business at the University of Warwick under a merit scholarship. With experience in retail banking, entrepreneurship, and strategic sales leadership, she has held senior positions at HSBC and Banque Des Mascareignes (a member of the Caisse d'Épargne Group, France), where she was responsible for leading the flagship branch and driving operational excellence across key business divisions respectively. Building on this foundation, Vandana subsequently established a specialist training firm, becoming a trusted partner to major financial institutions in Mauritius. Vandana currently serves as an Independent Non-Executive Director on the board of a major listed Mauritian conglomerate, a top 50 company and on three of MCB Capital Market's collective investment vehicles as well as on the ethics committee of a not-for-profit organisation.

Directorship in other listed companies: Almarys Limited (Stock Exchange of Mauritius).

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE (CONT'D)

Corporate Secretary

The Fund's secretary is Apex Fund & Corporate Services (Mauritius) Ltd, a private company incorporated in Mauritius with registered office address at 6th Floor, Two Tribeca, Tribeca Central, Trianon, 72261, Mauritius ("Corporate Secretary"). Apex Fund & Corporate Services (Mauritius) Ltd, is regulated by the Financial Services Commission and provide inter-alia management, fund administration, trusteeship and other corporate administration and secretarial services. The Corporate Secretary has a pool of professionals who have in-depth knowledge and understanding of the latest rules and regulations governing businesses and other legal entities. All board members have access to the Corporate Secretary for information relating to the Board matters. Profile of the key personnel of Apex Fund & Corporate Services (Mauritius) Ltd is below:

Purnima Boyjonauth-Bhogun (Deepti)

Deepti is currently a Senior Vice President at Apex Fund & Corporate Services (Mauritius) Ltd (AFCS) whereby she oversees a portfolio of clients which include a mixture of Funds, Global Business Licence companies, Investment Managers, Investment Advisors, Domestic Companies amongst others. Her main role is to ensure excellent client service, ensuring clients are being managed in line with the regulatory framework. She also acts as Director and authorised signatory on client companies. Moreover she leads a team and ensures proper guidance and coaching at all times along with ensuring efficiency.

Deepti holds a BSc (Hons.) Finance from the University of Mauritius and is ACCA (Association of Chartered Certified Accountants) qualified.

Harshee Dewkurrun

Harshee is currently a Corporate Manager at Apex Fund & Corporate Services (Mauritius) Ltd (AFCS) whereby she oversees a portfolio of clients which include a mixture of Funds, Global Business Licence companies, Authorised companies, Investment Managers, and Domestic companies. Harshee is an accomplished professional with over 15 years of experience, overseeing portfolios of high-net-worth clients in the Global Business Sector. Extensive knowledge and experience in corporate secretarial, corporate restructuring, fund and trust administration and client servicing.

Harshee holds a BSc (Hons.) Business Economics with Information Systems from the University of Mauritius.

2.4 Board Attendance

Board meetings are usually held at least four times 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
Mr. Krishen Patten (Resigned on September 15, 2026)	4
Ms. Medina Sarah Torabally	4
Mrs. Vandana Sandya Nathoo	3

* Physically or through their duly appointed alternate director pursuant to Article 24.9 of the constitution.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

2. THE BOARD STRUCTURE (CONT'D)

2.5 Board Committees

As a Collective Investment Scheme, the Fund's day-to-day management and investment activities are delegated to the Manager under the Placement Memorandum. The three independent non-executive Directors collectively provide effective oversight, governance and challenge of the Manager. Given the Fund's size, complexity and operating model, the Board considers the existing structure appropriate and proportionate; accordingly, no separate Audit or Corporate Governance Committees have been established.

3. DIRECTORS APPOINTMENT PROCEDURES

3.1 Directors Selection

The Corporate Governance and Sustainability Committee (CGSC) 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 CGSC then proposes the selected candidates to the Manager and the Board of the Fund for review and approval. The ultimate authority for appointment and induction of directors and for succession planning remain with the Board of Directors of the Fund.

3.2 Election and Re-election of Directors

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

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 director 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.

During the year, Directors completed online information security awareness training aimed at enhancing their understanding of cyber risks, data protection and security best practices. The training reinforced the importance of safeguarding information assets and supporting a strong culture of security and risk awareness across the Group.

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.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

3. DIRECTORS APPOINTMENT PROCEDURES (CONT'D)

3.6 Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Fund. The Fund expects a time commitment of around 10 days 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. The Directors allocate sufficient time to the Fund's operation (refer to 2.5).

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Legal Duties of Directors

The Directors are aware of their legal duties under 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. The Directors allocate sufficient time to the Company's operation (refer to 2.5).

4.2 Remuneration Philosophy

The CGSC is responsible for the setting up and developing of the Group's policy concerning the remuneration of directors. MCBG lays significant emphasis on appointing the right people with relevant skills and appropriate behaviours, and rewarding them, in line with market practice.

The Fund's remuneration philosophy for directors is a fixed annual director fees and a board attendance fee.

4.3 Directors' Remuneration

Directors	Remuneration from the Fund	
	2026	2025
	USD	USD
Mr Jean Hok Yui How Hong	1,902	1,769
Ms Medina Sarah Torabally	1,902	1,887
Mrs. Vandana Sandya Nathoo	1,706	735
Mr Patrick Eric Ronald Lam Yan Foon (Resigned on September 23, 2025)	-	-
Mr Krishen Patten (Resigned on September 15, 2026)	-	-
	5,511	4,391

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 Yui How Hong, Ms Medina Sarah Torabally and Mrs Vandana Sandya Nathoo are entitled to a fixed annual director fees and board attendance fee respectively. The Board reviews the remuneration of independent and those non-executive directors who are eligible to receive director's remuneration, and recommendations are made to the CGSC of MCBG, the ultimate holding company.

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).

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

4. DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE (CONT'D)

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

Related party transactions have been conducted in accordance with the Conflicts of interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 14 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 and Business Conduct

Compliance with the Code of Ethics and Business Conduct is regularly monitored and evaluated by the Board of the Manager. The above policies can be viewed on the website of MCBG.

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 importance of regularly reviewing its performance and effectiveness, as well as that of its directors. Given that the Board is relatively newly constituted, it will reassess the need to undertake an evaluation of its performance in due course.

A board evaluation of the board of directors of the Manager was carried out in July 2024 for the financial year 2023/2024 and the review established that the Directors consider the Board to be effective with an appropriate mix of expertise, skills and competence.

The Board of directors of the Manager has decided that the board evaluation exercise will be carried out every 3 years. As such, the next exercise will be held in 2027.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

5. RISK GOVERNANCE AND INTERNAL CONTROL

The Board of Directors has delegated the responsibilities to ensure the effectiveness of the internal control systems to the Manager of the Fund which has set adequate policies to provide reasonable assurance that risks are identified and managed appropriately. Any serious issue arising is taken at Board level.

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 risk management mechanisms in place include:

- A system for the ongoing identification and assessment of risk;
- Development of strategies in respect of risk and definition of acceptable and non-acceptable levels of risk;
- Reviewing the effectiveness of the system of internal control; and
- Processes to reduce or mitigate identified risks and contain them within the levels of tolerance defined by the Board.

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 and regulatory risks are mainly the risks that the Fund does not comply with legal & regulatory requirements namely SEM, FSC and Registrar of Companies. These risks are managed by the Board, taking advice from the Fund's legal advisor where appropriate and setting out of proper processes and procedures in order to comply with all relevant legislations in force to safeguard the assets of the Fund. The Board is also covered under appropriate insurance cover taken by the Fund's immediate holding company. Regulatory reporting has been outsourced to experienced team of professionals within the MCB Group.

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.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

6. REPORTING WITH INTEGRITY (CONT'D)

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, board charter, the interim accounts and the latest Audited Financial Statements as well as the Manager's corporate governance undertakings are published on the website of MCB Capital Markets. These documents have been approved by the Board and are monitored and updated in a timely manner further to any changes in laws requirements from regulatory bodies or decision taken by the Board.

6.6 Assessment of the organisation's financial, environmental, social and governance position performance and outlook

The assessment of the organisation's financial, social and governance position performance and outlook are detailed in the Manager's report.

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 Internal Audit Strategic Business Unit (IA SBU) of The Mauritius Commercial Bank Ltd, which provides another balanced assessment of key risks and controls, independent from reports received from the Manager's management.

The Head of IA SBU is independent of the Executive Management of the Manager and reports to the Audit Committee of MCBCM.

IA SBU ensures that the quality of internal audit services provided to MCB Group remains aligned with internationally recognised professional standards and leading practices. IA SBU adopts a systematic, disciplined and risk-based approach, leveraging focused audit programmes, data analytics and computer-assisted audit techniques to evaluate and enhance the effectiveness of MCB Group governance, risk management and internal control processes. In accordance with the requirements of the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA), an external quality assessment of the internal audit activity is required to be conducted at least once every five years. The latest external quality assessment was performed in 2023 by an internationally recognised auditing firm, which concluded that the IA SBU was in conformance with the International Standards for the Professional Practice of Internal Audit (IPPF Standards) that were in force at the time. In addition, the IA SBU is currently undergoing an independent assessment by the Institut Français de l'Audit et du Contrôle Interne (IFACI), an organisation affiliated with the IIA, as part of its continuous improvement journey, with a view to obtain the IFACI Quality Certification, which provides independent recognition of the function's conformance with the Global Internal Audit Standards (GIAS).

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

7. AUDIT (CONT'D)

7.1 Internal Audit (Cont'd)

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

A follow-up of findings raised from the prior audit was performed specifically covering actions implemented around the following processes:

- Information Technology: Security Awareness Trainings and Quantis Logical Access Management/ Shared Folder Administration.
- Governance: Resource management & continuity planning.

7.2 External Auditor

Deloitte has been appointed as external auditor in 2025 and the tenure of office will be a maximum of 7 years pursuant to section 41A of the Financial Reporting Act 2004 regarding listed entities.

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

The Board recommends the appointment of external auditors 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; and
- 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 firm for the Fund be rotated every seven years.

7.3 Auditor's Fees

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

	2026	2025
	USD	USD
Audit fees - Deloitte - Yearly Audit	8,957	10,925
	<u>8,957</u>	<u>10,925</u>

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.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

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:

- (i) 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;
- (ii) 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;
- (iii) 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 FSC and such other relevant authorities;
- (iv) 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;
- (v) To deal with applications for shares of the Fund and cause for the issue of shares duly subscribed for;
- (vi) To calculate the Net Asset Value of the Participating Shares; and
- (vii) To perform (by itself or through other service providers) all administrative services required by the Fund and engage in any other lawful activities.

(b) Registrar

The Fund has appointed M.C.B 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 Participating Shares and the safe-keeping of certificates, if any;
- (ii) Recording in the register all redemption and/or issue of 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 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.

AFRICAN DOMESTIC BOND FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2026

8. RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS (CONT'D)

(c) Corporate Secretary

Apex Fund & Corporate Services (Mauritius) Ltd has been appointed as 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.

8.3 Shareholders holding more than 5% of the Fund

Holders of Management Shares as at June 30, 2026

MCB Investment Management Co. Ltd	100.0%
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8.4 Share Option Plan

No such scheme currently exists within the Fund.

8.5 Timetable of important events

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

8.6 Distribution Policy

The holder of Management Share does not have any rights to dividends whereas holders of Redeemable Participating Shares are entitled to distribution twice a year (subject to solvency requirements).

AFRICAN DOMESTIC BOND FUND**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED JUNE 30, 2026**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

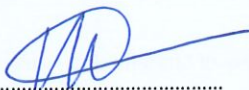
The directors collectively as a Board acknowledge their responsibilities for the following and state that:

- (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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the Mauritius Companies Act 2001;
- (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.

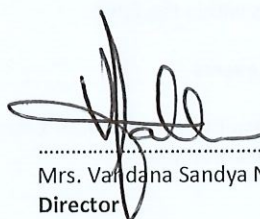
The external auditor is responsible for reporting on whether the financial statements are fairly presented.

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:



.....
Ms. Medina Sarah Torabally
Director



.....
Mrs. Vardana Sandya Nathoo
Director

Date: September 23, 2026

AFRICAN DOMESTIC BOND FUND

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2026

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2026

As per circular letter issued by the FSC on October 28, 2021.

Name of Fund : African Domestic Bond Fund

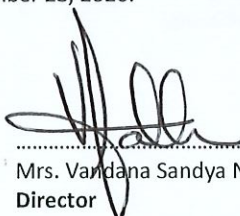
Reporting Period : July 01, 2025 to June 30, 2026

We, the Directors of African Domestic Bond Fund, confirm to the best of our knowledge that the Fund has complied with all of its obligations and requirements under the Code of Corporate Governance except for certain sections as disclosed hereunder.

Principle	Section relating to	Reasons for non-compliance
2	Organisations should have at least an Audit Committee and a Corporate Governance Committee.	As a Collective Investment Scheme, the Fund's day-to-day management and investment-related activities are entrusted to the Manager in accordance with the Placement Memorandum. The Board comprises of three independent non-executive directors who, collectively, are able to discharge the oversight and governance responsibilities that would ordinarily be addressed through Audit and Corporate Governance Committees, including appropriate challenge and oversight of the Manager. Having regard to the Fund's size, complexity, nature and operating model, the Board considers the existing governance structure to be appropriate and proportionate. Accordingly, the Fund has not established separate Audit and Corporate Governance Committees.
2	Board Structure with a designated chairperson, with an appropriate combination of executive, non-executive and independent directors and having both genders.	As a Collective Investment Scheme, the Fund has no executive Directors, as its day-to-day management and investment-related activities are entrusted to the Investment Manager in accordance with the Placement Memorandum. The Board considers its current structure appropriate and proportionate to the Fund's nature, size and operating model. The three independent non-executive Directors provide effective oversight and objective challenge of the Manager, while maintaining a clear distinction between the Board's governance responsibilities and the management and investment functions delegated to the Manager.

Signed for and on behalf of the Board of Directors on September 23, 2026.


.....
Ms Medina Sarah Torabally
Director


.....
Mrs. Vandana Sandya Nathoo
Director

AFRICAN DOMESTIC BOND FUND

MANAGER'S REPORT

FOR THE YEAR ENDED JUNE 30, 2026

Performance Review

As at 30 June 2026, the Fund size stood at USD 44.8m. During the year, the Fund rose by 17.7%, while its benchmark (BADBC) was up 18.1%. The Fund paid a dividend of USD 0.68 per share during financial year 2026 (2025: USD 0.59), translating to a dividend yield of

Portfolio Review

The Fund invests in local currency government and quasi-government bonds of African countries and seeks to provide investment returns that corresponds closely to the return of the AfDB/AFMISM Bloomberg® African Bond Index 25% Capped ("Index"), before fees and expenses.

Portfolio characteristics as at the end of June 2026 are shown below:

Statistic	Fund	Benchmark
Modified duration (Years)	4.9	4.83
No. of bonds	66	586
Current Yield %	12.6%	12.3%

Country allocation in Fund as at June 2026:

Country	Fund allocation	Benchmark
Egypt	21.2%	22.5%
Nigeria	8.5%	9.0%
South Africa	24.6%	25.1%
Kenya	8.7%	10.2%
Ghana	1.4%	0.7%
Zambia	4.4%	3.6%
Morocco	21.5%	24.2%
Mauritius	2.2%	2.2%
Namibia	2.4%	1.9%
Botswana	0.4%	0.6%
USD (Cash)	4.7%	0.0%

The Fund started the financial year strongly, generating a gain of 19.7% between June and February as African bond markets benefited from supportive fundamentals and positive investor sentiment. Meanwhile, Morocco (-0.8%) and Botswana (-8.0%) were down with the BBG Morocco Local Sov Index and BBG Botswana Local Sov Index, as well as FX posting negative returns. The fund's return declined from February to April following the outbreak of the Middle East war, which resulted in heightened volatility, a stronger US dollar and weaker risk sentiment. Most markets within the Fund posted negative returns during this period, although Kenya and Zambia remained resilient. Zambia's strong maize harvest outlook, copper-driven FX inflows, and policy reforms supported the currency, while Kenya was supported by strong foreign exchange reserves, steady remittance inflows, and improved investor confidence following the sovereign rating upgrade and successful debt management operations. As markets gradually adjusted to the changing environment, confidence recovered and African bond markets rebounded, allowing all country exposures within the Fund to end the year with positive returns. Zambia, measured by the BBG Zambia Local Sov Index, was the strongest-performing market, delivering a total return of 57.9%, followed by Nigeria (30.4%), Ghana (29.6%), South Africa (29.1%) and Egypt (22.4%).

Looking ahead, market volatility may remain elevated in the near term. While uncertainty and US dollar strength could continue to weigh on sentiment, underlying fundamentals across many African bond markets remain supportive. The Manager will maintain a selective approach to portfolio positioning.

A. Ibrahim

MANAGER

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

AFRICAN DOMESTIC BOND FUND
SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED JUNE 30, 2026

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

A handwritten signature in blue ink, enclosed in a blue oval. The signature appears to be "P. Baypranath".

For and on behalf of
Apex Fund & Corporate Services (Mauritius) Ltd

Date: September 23, 2026

Independent auditor's report to the Shareholders of AFRICAN DOMESTIC BOND FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **AFRICAN DOMESTIC BOND FUND** (the "Fund") set out on pages 20 to 46, which comprise the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to holders of redeemable participating shareholders, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2026, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies.

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our audit report.

Other information

The directors are responsible for the other information. The other information comprises the Management & Administration, the Corporate Governance Report, the Statement of Compliance, the Manager's report, the Secretary's Certificate, the Three years' summary of published results of assets and liabilities and the Statement of Financial Highlights but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business Licence companies and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of 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.

The directors are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditor's report to the Shareholders of
AFRICAN DOMESTIC BOND FUND (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 the directors 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

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Fund other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from our examination of those records.

Financial Services Act 2007

Our responsibility under the Financial Services Commission Circular Letter CL281021 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 relating to reporting on the Code, and has disclosed and explained the instances of non-compliance with the recommendations under Principle 2 relating to the composition of the Board and the establishment of Board Committees, in its Statement of Compliance.

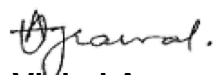
Use of this report

This report is made solely to the Fund's shareholders, as a body, in accordance with section 205 of the Mauritius 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 to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.
Deloitte

Chartered Accountants

September 23, 2026


Vishal Agrawal, FCA

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AFRICAN DOMESTIC BOND FUND**STATEMENT OF FINANCIAL POSITION****AS AT JUNE 30, 2026**

	<u>Notes</u>	<u>2026</u> USD	<u>2025</u> USD
ASSETS			
Financial assets at fair value through profit or loss	6	44,619,057	38,186,269
Other receivables	7	3,792	8,758
Cash and cash equivalents	12(b)	204,940	702,248
Total assets		<u>44,827,789</u>	<u>38,897,275</u>
EQUITY			
Management share	10	10	10
LIABILITIES			
Other payables	11	34,032	45,246
Current tax liabilities	13(a)	6,703	8,684
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		40,735	53,930
Net assets attributable to holders of redeemable participating shares	9(iv)	44,787,044	38,843,335
Total liabilities		<u>44,827,779</u>	<u>38,897,265</u>
Total equity and liabilities		<u>44,827,789</u>	<u>38,897,275</u>
Net asset value per share	9(iv)	7.39	6.88

These financial statements have been approved for issue by the Board of Directors on: September 23, 2026



Ms Medina Sarah Torabally
Director



Mrs Vandana Sandya Nathoo
Director

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 19(a) to 19(b).

AFRICAN DOMESTIC BOND FUND**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026**

	Notes	2026	2025
		USD	USD
Income			
Interest on fixed income securities	6(iv)	4,927,626	3,860,853
Bank interest		439	282
		4,928,065	3,861,135
Expenses			
Manager's fees	14(a)	(131,462)	(103,877)
Custodian's fees		(77,844)	(67,790)
Licence fees		(36,017)	(34,246)
Registrar's fees	14(b)	(33,237)	(24,062)
Other direct expenses		(18,501)	(22,998)
Professional fees		(15,166)	(16,520)
		(312,227)	(269,493)
Net income		4,615,838	3,591,642
Fair value gains on financial assets	6	2,210,656	4,086,879
Foreign exchange (losses)/gains		(31,319)	7,932
Gains on disposal of financial assets		554,987	425,758
		2,734,324	4,520,569
Profit before distribution		7,350,162	8,112,211
Distribution to holders of redeemable participating shares	8	(4,124,283)	(3,227,010)
Profit before taxation		3,225,879	4,885,201
Taxation	13(b)	(329,426)	(332,308)
Profit for the year		2,896,453	4,552,893
Equalisation			
Income received on units created		167,528	45,935
Income paid on units liquidated		(48,490)	(2,175)
		119,038	43,760
Increase in net assets attributable to holders of redeemable participating shares		3,015,491	4,596,653

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 19(a) to 19(b).

AFRICAN DOMESTIC BOND FUND**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED JUNE 30, 2026**

	<u>Notes</u>	<u>Total</u> USD
At July 01, 2025		38,843,335
Issue of redeemable participating shares	9 (ii)	5,004,239
Redemption of redeemable participating shares	9 (ii)	(2,076,021)
Increase in net assets attributable to holders of redeemable participating shares		<u>3,015,491</u>
At June 30, 2026		<u><u>44,787,044</u></u>
At July 01, 2024		32,353,795
Issue of redeemable participating shares	9 (ii)	2,007,892
Redemption of redeemable participating shares	9 (ii)	(115,005)
Increase in net assets attributable to holders of redeemable participating shares		<u>4,596,653</u>
At June 30, 2025		<u><u>38,843,335</u></u>

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 19(a) to 19(b).

AFRICAN DOMESTIC BOND FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Notes	2026	2025
		USD	USD
Cash flows from operating activities			
Cash used in operations	12 (a)	(318,036)	(246,537)
Tax paid	13 (a)	(331,407)	(321,462)
Refund of tax		-	1,034
Interest received on fixed income securities		4,294,314	3,541,671
Purchase of financial assets		(13,736,220)	(9,628,659)
Proceeds from disposal of financial assets		10,702,387	8,498,371
Net cash from operating activities		611,038	1,844,418
Cash flows from financing activities			
Issue of redeemable participating shares	9 (ii)	2,910,732	517,317
Redemption of redeemable participating shares	9 (ii)	(2,076,021)	(115,005)
Income received on redeemable participating shares created		167,528	45,935
Income paid on redeemable participating shares liquidated		(48,490)	(2,175)
Distribution paid to holders of redeemable participating shares	8	(2,030,776)	(1,736,435)
Net cash used in financing activities		(1,077,027)	(1,290,363)
(Decrease)/increase in cash and cash equivalents		(465,989)	554,055
Movement in cash and cash equivalents			
At July 01,		702,248	140,261
(Decrease)/increase in cash and cash equivalents		(465,989)	554,055
Effect of foreign exchange difference		(31,319)	7,932
At June 30,	12(b)	204,940	702,248

Non Cash transaction :

Out of the total distribution of **USD 4,124,283** (2025:USD 3,227,010) to holders of redeemable participating shares for the year, **USD 2,093,507** (2025: USD 1,490,575) were reinvested during the year.

The notes on pages 24 to 46 form an integral part of these financial statements.
Independent auditor's report on pages 19(a) to 19(b).

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

1 OBJECTIVE

The Fund's objective is to track the performance of the AfDB/ AFMI Bloomberg African Bond Index (Bloomberg ticker: BADBC Index) which is a rules-based market value weighted composite index. The Fund is a foreign debt securities collective investment scheme and invests its assets principally in the sovereign bonds of African countries.

2 BASIS OF PREPARATION

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

The financial statements of the Fund comply with the Mauritius Companies Act 2001 and have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The financial statements are prepared under the historical cost convention, except for financial assets at fair value through profit or loss which are stated at fair value (note 6).

The financial statements are presented in US Dollars (USD) and all values are rounded to the nearest dollar, except when otherwise indicated.

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

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 21	Lack of Exchangeability - Amendments to IAS 21- (effective 1 January 2025)
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Standards, Amendments to published Standards and Interpretations issued but not yet effective

At the date of the authorisation of the financial statements, the following relevant new and revised standards were issued but effective on annual periods beginning on or after the respective dates as indicated.

IAS 21	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) (effective 1 January 2027)
IFRS 18	Presentation and Disclosures in Financial Statements (effective 1 January 2027)
IFRS 19	Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
IFRS 20	Regulatory Assets and Regulatory Liabilities (effective 1 January 2029)
IFRS 9 & IFRS 7	Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments (effective 1 January 2026)
IFRS 9 & IFRS 7	Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements (effective 1 January 2026)
Annual	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7
Improvements to	Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9
IFRS Accounting	Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flow
Standards –	(effective 1 January 2026)
Volume 11	
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (Amendments to IAS 28) (effective 1 January 2027)

The directors anticipate that these IFRS Accounting Standards will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Financial assets

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Despite the foregoing, the Fund may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Fund may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income; and
- the Fund may irrevocably designate a debt investment that meets the amortised cost or Fair Value Through Other Comprehensive Income "FVTOCI" criteria as measured at Fair Value Through Profit or Loss "FVTPL" if doing so eliminates or significantly reduces an accounting mismatch.

The Fund has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) *Financial assets (cont'd)*

Classification of financial assets (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Fund recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

Interest income is recognised in profit or loss.

Cash and cash equivalents

Cash at bank consists of balances with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically investments in equity instruments are classified as at FVTPL, unless the Fund designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) *Financial assets (cont'd)*

Classification of financial assets (cont'd)

Financial assets at FVTPL (Cont'd)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in Note 6.

The Fund has investments in quoted fixed income securities as disclosed in Note 6.

Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses (ECL) on other receivables that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, if any, that is available without undue cost or effort.

(i) *Significant increase in credit risk*

The Fund assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The receivable party has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Fund considers a financial asset to have low credit risk if the counterparty has a strong financial position and there is no past due amounts.

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) *Financial assets (cont'd)*

Impairment of financial assets (cont'd)

(ii) Definition of default

The Fund considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the borrower; or
- information developed internally or obtained from external sources indicates that the borrower is unlikely to pay its creditors, including the Fund, in full (without taking into account any collateral held by the Fund).

Irrespective of the above analysis, the Fund considers that default has occurred when a financial asset is more than 90 days past due from the date the Fund makes the call for repayment unless the Fund has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy

The Fund writes off a financial asset when there is information indicating that the borrower is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the borrower has been placed under liquidation or has entered into bankruptcy proceedings.

Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss and other comprehensive income.

(b) *Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Fund, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) *Financial liabilities (cont'd)*

Financial liabilities at FVTPL (cont'd)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Fund exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Fund accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

(c) *Management Share*

Management share is classified as equity. Incremental costs directly attributable to the issue of management share is recognised as a deduction from equity, net of any tax effects.

(d) *Redeemable 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.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Redeemable participating Shares (cont'd)

The Redeemable 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 redemption date being every business day and also in the event of the Fund's liquidation.

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

(e) 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 Mauritius Financial Services Act 2007. Subscriptions and redemptions of the redeemable participating 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 transactions 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.

Foreign exchange gains and losses that relate to cash and cash equivalents and all other foreign exchange gains and losses are presented in profit or loss within 'foreign exchange gains/(losses)'.

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

(f) Fees and other expenses

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

(g) 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.

Interest income is recognised in profit or loss as it accrues.

(h) Current and deferred income tax

Current tax

The current income tax 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.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) *Current and deferred income tax (cont'd)*

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.

Deferred income tax is determined using the 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 amount will be available against which deductible temporary differences and losses can be utilised.

(i) *Related Parties*

Parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control the Fund or exercise significant influence over the Fund in making financial and operating decisions, or vice versa, or where the Fund is subject to common control or common significant influence. Related parties may be individuals or other entities.

4 FINANCIAL RISK MANAGEMENT

(a) **Fair value estimation**

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair value.

(b) **Financial risk factors**

The Fund's activities expose it to a variety of financial risks, including:

- Foreign currency risk;
- Liquidity risk ;
- Price risk; and
- Credit risk

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Fund's returns, competitiveness and flexibility.

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

Foreign currency risk

The Fund operates internationally and is exposed to foreign exchange risks arising from various currency exposures. Appropriate diversification is ensured through the investment policy and guidelines approved by the Fund's Board of Directors. The currency profile is disclosed in note 16 (c).

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk factors (cont'd)

Liquidity risk (cont'd)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. The Fund keeps a minimum cash ratio and invests primarily in easily marketable securities to meet any redemptions.

The following are the contractual maturities of financial assets and financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

As at June 30, 2026	On demand USD	Less than 1 year USD	Total USD
Financial assets*			
Financial assets at fair value through profit or loss	44,619,057	-	44,619,057
Other receivables	949	-	949
Cash and cash equivalents	204,940	-	204,940
	<u>44,824,946</u>	<u>-</u>	<u>44,824,946</u>
Financial liabilities*			
Other payables	34,032	-	34,032
Net assets attributable to holders of redeemable participating shares	<u>44,787,044</u>	<u>-</u>	<u>44,787,044</u>
	<u>44,821,076</u>	<u>-</u>	<u>44,821,076</u>
Net position	<u>3,870</u>	<u>-</u>	<u>3,870</u>
As at June 30, 2025	On demand USD	Less than 1 year USD	Total USD
Financial assets*			
Financial assets at fair value through profit or loss	38,186,269	-	38,186,269
Other receivables	911	-	911
Cash and cash equivalents	702,248	-	702,248
	<u>38,889,428</u>	<u>-</u>	<u>38,889,428</u>
Financial liabilities*			
Other payables	45,246	-	45,246
Net assets attributable to holders of redeemable participating shares	<u>38,843,335</u>	<u>-</u>	<u>38,843,335</u>
	<u>38,888,581</u>	<u>-</u>	<u>38,888,581</u>
Net position	<u>847</u>	<u>-</u>	<u>847</u>

*Expenses prepaid of USD 2,843 (2025: USD 7,847) have been excluded from financial assets.

*Current tax liabilities of USD 6,703 (2025: USD 8,684) has been excluded from financial liabilities.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk factors (cont'd)

Price risk

The Fund is exposed to price risk, i.e., the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded on the market. Appropriate diversification is ensured through the investment policy and guidelines approved by the Fund's Board of Directors.

To manage its price risk arising from investments in securities, the Fund diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund. The sensitivity analysis is disclosed in note 16 (d).

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 cash and cash equivalents.

A significant amount of cash is held with the following institutions:

	Rating	2026 USD	2025 USD
The Mauritius Commercial Bank Limited	Baa3	7,149	4,861
Standard Chartered Bank (Mauritius) Limited	Baa3	197,791	697,387
		204,940	702,248

The bank balance is assessed to have low credit risk as it is held with a reputable financial institution. No ECL provision has been recognised as the amount is not material.

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, 2026 and 2025, the Fund has invested in debt securities with the following credit quality:

Rating	2026	2025
AAA	0.46%	1.82%
A	0.00%	0.62%
A1	0.00%	0.00%
Baa3	0.00%	0.00%
BBB	2.71%	2.51%
BB	49.13%	45.49%
B	17.90%	11.53%
CCC	29.80%	32.53%
C	0.00%	5.50%
Total	100.00%	100.00%

The Board and the manager monitor the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

AFRICAN DOMESTIC BOND FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk factors (cont'd)

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. The Board and the Manager mitigate interest rate risk by investing in instrument with fixed interest rate.

(c) *Capital management*

The capital of the Fund is represented by the net assets attributable to holders of redeemable participating shares.

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 redemption date being every business day and are classified as liabilities. See note 9 for a description of the terms of the redeemable participating shares issued by the Fund.

The Fund's objectives in managing the 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.

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.

There are neither significant judgements in the application of the Fund's accounting policies nor accounting estimates and other sources of estimation uncertainty that have been identified as giving rise to a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2026	2025
	USD	USD
At July 01,	36,675,433	31,032,508
Additions during the year	13,736,220	9,628,659
Disposal during the year	(10,147,400)	(8,072,613)
Fair value gains on financial assets	2,210,656	4,086,879
	42,474,909	36,675,433
Interest receivable	2,144,148	1,510,836
At June 30,	44,619,057	38,186,269

- (i) Fair value for the above investments was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy) as disclosed in note 16(a).
- (ii) The maximum exposure to credit risk is USD 44,619,057 (2025: USD 38,186,269)
- (iii) Although the portfolio consists primarily of sovereign securities, the Fund remains exposed to sovereign credit risk and market-implied credit spread movements and Credit risk from government bonds is low and as such all changes in fair value are attributable to changes in market conditions.
- (iv) Interest Income earned on financial assets at FVTPL for the year amounted to USD 4,927,626 (2025: USD 3,860,853).

7 OTHER RECEIVABLES

	2026	2025
	USD	USD
Management share receivable (note 10)	10	10
Other receivables	939	901
Prepayments	2,843	7,847
	3,792	8,758

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

8 DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	2026	2025
	USD	USD
Distribution declared during the year	4,124,283	3,227,010
Distribution paid during the year	2,030,776	1,736,435
Distribution re-invested during the year (note 9 (ii))	2,093,507	1,490,575
	4,124,283	3,227,010
Interim per share	0.30	0.31
Final per share	0.38	0.28
	0.68	0.59

On April 06, 2021, the Board approved and implemented a dividend reinvestment plan, whereby investors have the option to reinvest their dividends in the Fund.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

9 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES

Issued and fully paid	2026	2025
	No. of Shares	No. of Shares
(i) At July 01,	5,642,560	5,337,164
Issue of shares during the year	712,489	324,347
Redemption of shares during the year	(291,334)	(18,951)
At June 30,	6,063,715	5,642,560
	2026	2025
	USD	USD
(ii) At July 01,	55,055,300	53,162,413
Issue of shares during the year - Cash consideration	2,910,732	517,317
Issue of shares during the year - Non cash (note 8)	2,093,507	1,490,575
Redemption of shares during the year	(2,076,021)	(115,005)
At June 30,	57,983,518	55,055,300

The share capital of the Fund is denominated in USD and is made up of no par value shares. The Board may issue redeemable participating shares at any time and there is no limit on the number of shares to be issued.

(iii) Class Rights

Rights of Redeemable Participating Shares

(a) Voting rights

The holders of Redeemable Participating Shares shall not have the right to receive notice of meeting of shareholders of the Fund and shall have no right to vote at any such meetings and/or to approve any resolution of the Fund except in the circumstances permitted by the Constitution or required under Mauritian Law.

(b) Dividends

The holders of Redeemable Participating Shares shall have 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 Share in accordance with the Constitution.

(iv) Reconciliation of Net Assets and Net Asset 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 redeemable participating shares.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

9 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES (CONT'D)

(iv) Reconciliation of Net Assets and Net Asset Value per Share (cont'd)

	2026	2025
	USD	USD
Net Assets calculated as per Prospectus	44,786,809	38,850,061
Adjustments:		
Other receivable	1,598	(11,497)
Other payables	(1,360)	1,304
Tax liabilities	(3)	3,467
Net Assets as per Financial Reporting	44,787,044	38,843,335
	Per Share	Per Share
	USD	USD
Net Assets per share calculated as per Prospectus	7.39	6.89
Adjustments:		
Other receivable	-	(0.01)
Other payables	(0.00)	0.00
Tax liabilities	(0.00)	0.00
Net Assets per share as per Financial Reporting	7.39	6.88

10 MANAGEMENT SHARE

One Management Share of USD 10 was issued by the Fund to MCB Investment Management Co. Ltd on incorporation. The management share is receivable at as June 30, 2026 as disclosed in note 7 to the annual report. The Board has issued Management Share only to the Manager at no par value.

The Board may issue management shares at any time and there is no limit on number of shares to be issued.

Rights of Management Share

(a) Voting rights:

The holder of the Management Share shall have the right to receive notice of meeting of any meeting of the shareholders of the Fund and shall have all the voting rights of the Fund requiring shareholders' approval under the Act.

(b) Dividends:

The holder of the Management Share shall not have any rights to dividends.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

10 MANAGEMENT SHARE (CONT'D)

(c) Distribution of surplus assets:

Upon winding up of the Fund, the holder of the Management Share shall have the right to receive an amount equal to the sums paid up on such Management Share but after payment to the holders of Redeemable Participating Shares in accordance with the Constitution.

The Management Share shall be non-redeemable.

11 OTHER PAYABLES

	2026	2025
	USD	USD
Manager's fees payable	11,150	9,362
Registrar's fees payable	2,564	2,153
Custodian's fees payable	6,499	5,832
Index provider fee payable	3,380	15,578
Licence fee Payable	-	683
Professional fees payable	10,439	11,638
	34,032	45,246

12 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash used in operations

	Notes	2026	2025
		USD	USD
Profit before taxation		3,225,879	4,885,201
<i>Adjustments for:</i>			
Distribution to holders of redeemable participating shares	8	4,124,283	3,227,010
Fair value gains on financial assets	6	(2,210,656)	(4,086,879)
Foreign exchange losses/(gains)		31,319	(7,932)
Gains on disposal of financial assets		(554,987)	(425,758)
Interest income on fixed income securities		(4,927,626)	(3,860,853)
		(311,788)	(269,211)
Changes in working capital:			
Other receivables		4,966	(412)
Other payables		(11,214)	23,086
Cash used in operations		(318,036)	(246,537)

(b) Cash and cash equivalents

	2026	2025
	USD	USD
Cash at bank	204,940	702,248

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

13 INCOME TAX

The Fund is subject to income tax in Mauritius on its chargeable income at 15% (2025: 15%). Additionally, from year of assessment commencing on 1 July 2024, the Fund is also liable to a Corporate Climate Responsibility Levy ("CCR Levy") at 2% of its chargeable income where its gross income for the year exceeds MUR 50 Million. The Fund is also entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign sourced income against its tax liability on such income, or (b) a partial exemption of 80% on specified income derived by the Fund, with the remaining 20% of the income being subject to 15% tax and 2% CCR Levy.

(a) In the statement of financial position

	2026	2025
	USD	USD
At July 01,	8,684	(3,196)
Charge for the year	329,426	332,308
Refund of tax	-	1,034
Paid during the year	(331,407)	(321,462)
At June 30,	6,703	8,684

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

	2026	2025
	USD	USD
Current tax on the adjusted profit for the year at 15%	280,086	220,888
Corporate Climate Responsibility Levy	37,345	29,452
Withholding tax suffered	305,113	310,917
Under Accrual	-	2,162
Relief on foreign tax suffered	(293,118)	(231,111)
	329,426	332,308

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:

	2026	2025
	USD	USD
Profit after distribution and before taxation	3,225,879	4,885,201
Tax calculated at a rate of 15% (2025 : 15%)	483,882	732,780
Tax effect on:		
Expenses not deductible for tax purposes	649,186	507,938
Income not subject to tax	(852,982)	(1,019,830)
Under accrual for previous year	-	2,162
Corporate Climate Responsibility Levy	37,345	29,452
Relief on foreign tax suffered	(293,118)	(231,111)
Withholding tax suffered	305,113	310,917
Tax charge	329,426	332,308

Expenses not deductible for tax purposes for financial year 2026 relates to distribution to holders of redeemable participating shares and expenses relating to exempt income.

Income not subject to tax for financial year 2026 relates to fair value gains on financial assets, gains on disposal and exempt income as per the Second Schedule of the Income Tax Act 1995. The withholding tax suffered was incurred on the interest received.

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

14 RELATED PARTY TRANSACTIONS

The transactions of the Fund with parties related to the Manager during the years 2026 and 2025 are as follows:

(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 Manager. The investment management fees are detailed below:

	2026	2025
	USD	USD
MCB Investment Management Co. Ltd	131,462	103,877

(b) Registrar Fees

MCB Registry & Securities Ltd, which is an entity under common control, acts as the Registrar and Transfer Agent of the Fund. MCB Group Limited is the ultimate holding company of the Registrar. The Registrar fees are detailed below:

	2026	2025
	USD	USD
M.C.B Registry & Securities Ltd	33,237	24,062

(c) Key Management Personnel (including Directors' Remuneration)

	2026	2025
	USD	USD
Directors fees	5,498	4,391

There is no personnel compensation for short-term employee benefits, post-employment benefits, long term benefits, termination benefits and share-based payment.

(d) Outstanding balances as at June 30,

	2026	2025
	USD	USD
Payables to related parties:		
-MCB Investment Management Co. Ltd	11,150	9,362
-M.C.B Registry & Securities Ltd	2,564	2,153
	13,714	11,515
Receivable from related party:		
-MCB Investment Management Co. Ltd	10	10

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

14 RELATED PARTY TRANSACTIONS (CONT'D)

(d) Outstanding balances as at June 30,

-The above transactions reflect the commercial objective of the Fund and occurred in the normal course of business.

-There has been no guarantees provided or received for any related party receivables or payables.

-The outstanding balances as at year end are unsecured, interest free and repayable on demand.

-Settlement for the above balances occurs in cash.

(e) Cash and cash equivalents

	<u>2026</u>	<u>2025</u>
	<u>USD</u>	<u>USD</u>
The Mauritius Commercial Bank Limited	<u>7,149</u>	<u>4,861</u>

15 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, 2026.

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AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

16 (a) Schedule of investments as at

June 30, 2025		June 30, 2026	
Market Value		Market Value	
(USD)	Security Description	(USD)	% of Net Assets
Quoted Fixed Income Securities			
236,996	Botswana Government Bond - 7.75% - 10-Sep-31	199,484	0.45%
37,901	Egypt Government Bond - 13.564% - 14-Jan-2030	41,485	0.09%
1,229,972	Egypt Government Bond - 14.06% - 12-Jan-2026	-	-
119,970	Egypt Government Bond - 14.217% - 15-Oct-2026	130,502	0.29%
72,142	Egypt Government Bond - 14.382% - 12-Jan-2031	78,801	0.18%
75,314	Egypt Government Bond - 14.40% - 10-Sep-2029	80,450	0.18%
502,098	Egypt Government Bond - 14.556% - 13-Oct-2027	530,410	1.18%
35,324	Egypt Government Bond - 15.70% - 07-Nov-2027	37,481	0.08%
43,200	Egypt Government Bond - 16.10% - 07-May-2029	45,431	0.10%
241,121	Egypt Government Bond - 16.50% - 02-Apr-2026	-	-
168,469	Egypt Government Bond - 17.18% - 09-May-2027	176,387	0.39%
-	Egypt Government Bond - 21.173% - 20-Jan-2029	257,378	0.57%
-	Egypt Government Bond - 21.182% - 06-Jan-2029	2,854,695	6.37%
2,898,677	Egypt Government Bond - 22.576% - 07-Jan-2028	2,801,099	6.25%
-	Egypt Government Bond - 23.381% - 26-Aug-2028	984,073	2.20%
-	Egypt Government Bond - 24.439% - 05-Aug-2028	195,296	0.44%
747,954	Egypt Government Bond - 24.458% - 01-Oct-2027	732,283	1.64%
293,436	Egypt Government Bond - 25.318% - 13-Aug-2027	529,625	1.18%
100,990	Ghana Government Bond - 8.65% - 13-Feb-2029	-	-
90,665	Ghana Government Bond - 8.8% - 12-Feb-2030	-	-
78,482	Ghana Government Bond - 8.95% - 11-Feb-2031	-	-
77,875	Ghana Government Bond - 9.10% - 10-Feb-2032	91,159	0.20%
72,053	Ghana Government Bond - 9.25% - 08-Feb-2033	89,445	0.20%
69,844	Ghana Government Bond - 9.40% - 07-Feb-2034	86,834	0.19%
73,080	Ghana Government Bond - 9.55% - 06-Feb-2035	85,685	0.19%
72,267	Ghana Government Bond - 9.7% - 05-Feb-2036	86,137	0.19%
67,559	Ghana Government Bond - 9.85% - 03-Feb-2037	85,031	0.19%
67,244	Ghana Government Bond - 10% - 02-Feb-2038	85,191	0.19%
988,022	Kenya Government Bond - 11.75% - 08-Oct-2035	-	-
747,148	Kenya Infrastructure Bond - 11.95% - 25-Oct-2038	-	-
212,570	Kenya Infrastructure Bond - 12.20% - 22-Feb-2044	220,607	0.49%
964,488	Kenya Infrastructure Bond - 12.667% - 21-Mar-2039	981,824	2.19%
442,852	Kenya Infrastructure Bond - 12.737% - 18-Aug-2042	445,862	1.00%
-	Kenya Infrastructure Bond - 12.965% - 28-Jan-2041	1,057,271	2.36%
1,018,604	Kenya Infrastructure Bond - 14.399% - 20-Feb-2040	1,026,253	2.29%
184,628	Kenya Infrastructure Bond - 13.742% - 21-May-2040	184,418	0.41%
426,581	Mauritius Government Bond - 4.79% - 05-Aug-2032	-	-
491,709	Mauritius Government Bond - 5.24% - 30-Sep-2042	-	-
43,568	Mauritius Government Bond - 5.50% - 30-May-2044	-	-
-	Mauritius Government Bond - 5.85% - 05-Feb-2046	986,096	2.20%
2,712,597	Morocco Government Bond - 2.05% - 20-Apr-2026	-	-
2,613,193	Morocco Government Bond - 2.30% - 16-Jun-2031	2,478,305	5.53%
-	Morocco Government Bond - 2.60% - 20-Oct-2031	2,262,133	5.05%

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

16 (a) Schedule of investments as at (cont'd)

June 30, 2025 Market Value (USD)	Security Description	June 30, 2026 Market Value (USD)	% of Net Assets
784,818	Morocco Government Bond - 2.70% - 17-Jun-2030	738,875	1.65%
1,138,941	Morocco Government Bond - 3.00% - 16-Jul-2035	1,061,137	2.37%
525,891	Morocco Government Bond - 4.00% - 14-Feb-2050	474,992	1.06%
-	Morocco Government Bond - 4.25% - 18-Jul-2039	1,323,219	2.96%
137,968	Morocco Government Bond - 4.50% - 19-Apr-2055	226,750	0.51%
679,282	Morocco Government Bond - 4.75% - 14-Mar-2039	617,972	1.38%
-	Morocco Government Bond - 4.88% - 15-Feb-2055	349,681	0.78%
670,036	Namibia Government Bond - 9.00% - 15-Apr-2032	736,175	1.64%
162,349	Namibia Government Bond - 10.0% - 15-Oct-2048	270,973	0.61%
198,769	Nigeria Government Bond - 12.1493% - 18-Jul-2034	227,218	0.51%
160,990	Nigeria Government Bond - 12.40% - 18-Mar-2036	181,535	0.41%
132,112	Nigeria Government Bond - 12.50% - 22-Jan-2026	-	-
203,117	Nigeria Government Bond - 12.98% - 27-Mar-2050	243,124	0.54%
83,320	Nigeria Government Bond - 13% - 21-Jan-2042	99,463	0.22%
242,913	Nigeria Government Bond - 13.98% - 23-Feb-2028	281,824	0.63%
133,959	Nigeria Government Bond - 14.80% - 26-Apr-2049	159,659	0.36%
-	Nigeria Government Bond - 15.45% - 21-Jun-2038	411,727	0.92%
783,718	Nigeria Government Bond - 16.25% - 18-Apr-2037	520,610	1.16%
50,655	Nigeria Government Bond - 16.2884% - 17-Mar-2027	57,389	0.13%
-	Nigeria Government Bond - 18.50% - 21-Feb-2031	333,940	0.75%
641,863	Nigeria Government Bond - 19.0% - 21-Feb-2034	703,706	1.57%
691,460	Nigeria Government Bond - 19.89% - 15-May-2033	382,306	0.85%
158,450	Nigeria Government Bond - 22.6% - 29-Jan-2035	171,974	0.38%
380,540	Republic of South Africa - 6.25% - 31-Mar-2036	473,010	1.06%
228,852	Republic of South Africa - 6.50% - 28-Feb-2041	295,483	0.66%
727,270	Republic of South Africa - 7.00% - 28-Feb-2031	1,001,991	2.24%
827,897	Republic of South Africa - 8.00% - 31-Jan-2030	1,020,190	2.28%
1,300,308	Republic of South Africa - 8.25% - 31-Mar-2032	1,119,598	2.50%
1,112,181	Republic of South Africa - 8.50% - 31-Jan-2037	1,375,582	3.07%
743,771	Republic of South Africa - 8.75% - 31-Jan-2044	971,131	2.17%
1,233,098	Republic of South Africa - 8.75% - 28-Feb-2048	1,632,486	3.65%
1,144,274	Republic of South Africa - 8.875% - 28-Feb-2035	1,372,092	3.06%
947,261	Republic of South Africa - 9.00% - 31-Jan-2040	1,351,907	3.02%
118,434	Republic of South Africa - 11.625% - 31-Mar-2053	391,075	0.87%
2,012,343	Zambia Government Bond - 13.00% - 25-Jan-2031	1,968,984	4.40%
36,675,433	TOTAL QUOTED FIXED INCOME SECURITIES	42,474,909	94.83%
1,510,836	TOTAL INTEREST RECEIVABLE	2,144,148	4.79%
38,186,269	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	44,619,057	99.62%
657,076	OTHER ASSETS AND LIABILITIES	167,997	0.38%
38,843,345	NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	44,787,054	100.00%

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

16 (b) Categories of financial instruments

Assets and liabilities classified by currencies

	<u>BWP</u> USD	<u>EGP</u> USD	<u>GHS</u> USD	<u>KES</u> USD	<u>MAD</u> USD	<u>MUR</u> USD	<u>NAD</u> USD	<u>NGN</u> USD	<u>ZAR</u> USD	<u>ZMW</u> USD	<u>USD</u> USD	<u>Total</u> USD
At June 30, 2026												
<u>At Amortised Cost</u>												
Other receivables	-	-	-	-	-	-	-	-	-	-	949	949
Cash and cash equivalents	-	-	-	-	94,374	112	48,840	54,042	-	-	7,572	204,940
<u>At Fair Value Through Profit or Loss</u>												
Financial assets at fair value through profit or loss	205,065	10,639,066	636,436	4,058,781	9,665,822	1,009,149	1,027,666	3,951,443	11,337,988	2,087,641	-	44,619,057
Total assets	<u>205,065</u>	<u>10,639,066</u>	<u>636,436</u>	<u>4,058,781</u>	<u>9,760,196</u>	<u>1,009,261</u>	<u>1,076,506</u>	<u>4,005,485</u>	<u>11,337,988</u>	<u>2,087,641</u>	<u>8,521</u>	<u>44,824,946</u>
<u>At Amortised Cost</u>												
Other payables	-	-	-	-	-	-	-	-	-	-	34,032	34,032
Net assets attributable to holders of redeemable	-	-	-	-	-	-	-	-	-	-	44,787,044	44,787,044
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,821,076</u>	<u>44,821,076</u>
At June 30, 2025												
<u>At Amortised Cost</u>												
Other receivables	-	-	-	-	-	-	-	-	-	-	911	911
Cash and cash equivalents	16,524	18,540	226	12,652	72,141	1,282	40,609	56	33	-	540,185	702,248
<u>At Fair Value Through Profit or Loss</u>												
Financial assets at fair value through profit or loss	242,910	7,108,096	811,984	4,686,786	8,658,460	977,893	849,465	3,645,321	9,061,899	2,143,455	-	38,186,269
Total assets	<u>259,434</u>	<u>7,126,636</u>	<u>812,210</u>	<u>4,699,438</u>	<u>8,730,601</u>	<u>979,175</u>	<u>890,074</u>	<u>3,645,377</u>	<u>9,061,932</u>	<u>2,143,455</u>	<u>541,096</u>	<u>38,889,428</u>
<u>At Amortised Cost</u>												
Other payables	-	-	-	-	-	-	-	-	-	-	45,246	45,246
Net assets attributable to holders of redeemable	-	-	-	-	-	-	-	-	-	-	38,843,335	38,843,335
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,888,581</u>	<u>38,888,581</u>

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

16 (c) Currency profile sensitivity analysis

June 30, 2025		June 30, 2026	
Market Value		Market Value	
(USD)	Currency Profile	(USD)	% of Net Assets
259,434	BWP	205,065	0.46%
7,126,636	EGP	10,639,066	23.75%
812,210	GHS	636,436	1.42%
4,699,438	KES	4,058,781	9.06%
8,730,601	MAD	9,760,196	21.79%
979,175	MUR	1,009,261	2.25%
890,074	NAD	1,076,506	2.40%
3,645,377	NGN	4,005,485	8.94%
9,061,932	ZAR	11,337,988	25.32%
2,143,455	ZMW	2,087,641	4.66%
495,013	USD	(29,371)	(0.07%)
38,843,345	NET ASSETS	44,787,054	100.0%
Fair Value Hierarchy			
38,186,269	Level 1	44,619,057	99.62%
38,186,269	TOTAL MARKET VALUE OF INVESTMENTS	44,619,057	99.62%

A reasonably possible strengthening/ weakening of the USD against BWP, EGP, GHS, KES, MAD, MUR, NAD, NGN, ZAR and ZMW at June 30, 2026 would have affected the measurement of financial instruments denominated in a foreign currency and affected loss by the amounts shown below.

The analysis is based on the assumption that the USD strengthened/weakened against the above currencies by 5% (2025: 5%) based on historical observation and its corresponding impact on loss/profit.

		June 30, 2026	June 30, 2025
<u>Currency sensitivity</u>		<u>Impact on Profit before taxation</u>	<u>Impact on Profit before taxation</u>
BWP	USD Weakened by 5%	higher by USD10k lower by USD10k	higher by USD13k lower by USD13k
BWP	USD Strengthened by 5%		
EGP	USD Weakened by 5%	higher by USD532k lower by USD532k	higher by USD356k lower by USD356k
EGP	USD Strengthened by 5%		
GHS	USD Weakened by 5%	higher by USD32k lower by USD32k	higher by USD41k lower by USD41k
GHS	USD Strengthened by 5%		
KES	USD Weakened by 5%	higher by USD203k lower by USD203k	higher by USD235k lower by USD235k
KES	USD Strengthened by 5%		
MAD	USD Weakened by 5%	higher by USD488k lower by USD488k	higher by USD437k lower by USD437k
MAD	USD Strengthened by 5%		

AFRICAN DOMESTIC BOND FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

16 (c) Currency profile sensitivity analysis (cont'd)

		<u>June 30, 2026</u>	<u>June 30, 2025</u>
<u>Currency sensitivity (cont'd)</u>		Impact on Profit before taxation	Impact on Profit before taxation
MUR	USD Weakened by 5%	higher by USD51k lower by USD51k	higher by USD49k lower by USD49k
MUR	USD Strengthened by 5%		
NAD	USD Weakened by 5%	higher by USD54k lower by USD54k	higher by USD45k lower by USD45k
NAD	USD Strengthened by 5%		
NGN	USD Weakened by 5%	higher by USD200k lower by	higher by USD182k lower by
NGN	USD Strengthened by 5%	USD200k	USD182k
ZAR	USD Weakened by 5%	higher by USD567k lower by	higher by USD453k lower by
ZAR	USD Strengthened by 5%	USD567k	USD453k
ZMW	USD Weakened by 5%	higher by USD104k lower by	higher by USD107k lower by
ZMW	USD Strengthened by 5%	USD104k	USD107k

The above reflects the impact on changes in USD against other currencies, with all other variables held constant, mainly as a result of retranslation of foreign currency denominated bank balances and financial assets on profit or loss before taxation.

16 (d) Price risk sensitivity analysis

The Fund is also exposed to price risk with the incidence of the market price of debt instrument held. The table below summarises the impact of increases/(decreases) in the debt instrument price of the Fund. The analysis is based on the assumption that the price increases/decreases by 10% (2024: 10%) based on historical observation and its corresponding impact on loss/profit.

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
<u>Market price sensitivity</u>	Impact on Profit before taxation	Impact on Profit before taxation
Increase in fair value by 10%	higher by USD4,247k lower by	higher by USD3,668k lower by
Decrease in fair value by 10%	USD4,247k	USD3,668k

The above reflects the impact of changes in market price, with all other variables held constant, on profit or loss before taxation.

AFRICAN DOMESTIC BOND FUND

THREE YEARS' SUMMARY OF PUBLISHED RESULTS OF ASSETS AND LIABILITIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	June 30, 2026 USD	June 30, 2025 USD	June 30, 2024 USD
Income	4,928,065	3,861,135	3,786,448
Expenses	(312,227)	(269,493)	(263,212)
Net Income	4,615,838	3,591,642	3,523,236
Fair value gains on financial assets	2,210,656	4,086,879	(3,612,644)
Foreign exchange (losses)/gains	(31,319)	7,932	84,289
Gains on disposal of financial assets	554,987	425,758	(1,622,488)
	2,734,324	4,520,569	(5,150,843)
Profit before distribution	7,350,162	8,112,211	(1,627,607)
Distribution to holders of redeemable participating shares	(4,124,283)	(3,227,010)	(3,048,019)
Profit before taxation	3,225,879	4,885,201	(4,675,626)
Taxation	(329,426)	(332,308)	(391,945)
Profit for the year	2,896,453	4,552,893	(5,067,571)
Equalisation			
Income received on units created	167,528	45,935	12,986
Income paid on units liquidated	(48,490)	(2,175)	(51,460)
	119,038	43,760	(38,474)
Increase in net assets attributable to holders of redeemable participating shares	3,015,491	4,596,653	(5,106,045)

STATEMENT OF FINANCIAL POSITION

Total assets	44,827,789	38,897,275	32,375,965
Management share	10	10	10
Current liabilities	40,735	53,930	22,160
Net assets attributable to holders of redeemable participating shares	44,787,044	38,843,335	32,353,795
Total equity and liabilities	44,827,789	38,897,275	32,375,965
Net asset value per share	7.39	6.88	6.06

AFRICAN DOMESTIC BOND FUND

APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2026

Closing exchange rate:	USD
EGP	0.02016129
NGN	0.000652422
GHS	0.096618357
ZMW	0.041710115
KES	0.007738141
ZAR	0.056459535
MAD	0.111197598
BWP	0.075266066

Calculation notes:

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

(Total Expense Ratio)

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

	Year ended June 30, 2026	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2023
	USD	USD	USD	USD
Opening net asset value	38,843,335	32,353,795	38,242,546	43,030,767
Total revenue	4,928,065	3,861,135	3,786,448	3,916,471
Total expenses	(641,653)	(601,801)	(655,157)	(634,624)
Realised gains/(losses) for the year	554,987	425,758	(1,622,488)	773,433
Unrealised gains/(losses) for the year	2,179,337	4,094,811	(3,528,355)	(11,935,902)
Distribution declared from net income	(4,124,283)	(3,227,010)	(3,048,019)	(3,839,640)
Income received on issue of shares	167,528	45,935	12,986	315,310
Income paid on disposal of shares	(48,490)	(2,175)	(51,460)	(34,859)
Total increase/(decrease) from operations	3,015,491	4,596,653	(5,106,045)	(11,439,811)
Net subscriptions / redemptions	2,928,218	1,892,887	(782,706)	6,651,590
Closing net asset value	44,787,044	38,843,335	32,353,795	38,242,546
Portfolio Turnover Rate	44.25%	50.33%	60.78%	12.09%
Redeemable Participating Shares				
Number of shares outstanding	6,063,715	5,642,560	5,337,164	5,444,956
Management Expense Ratio (Total Expense Ratio)	0.71%	0.78%	0.74%	0.70%
Closing market price per share	7.39	6.88	6.06	7.02