

**AFRICAN DOMESTIC BOND FUND**

the "FUND"

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**AFRICAN DOMESTIC BOND FUND**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

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**NOTICE**

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

# AFRICAN DOMESTIC BOND FUND

## MANAGEMENT & ADMINISTRATION

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		<u>Date of appointment</u>	<u>Date of resignation</u>
<b>BOARD MEMBERS</b>	Mr Gilbert Gnany	May 04, 2017	March 31, 2024
	Mr Patrick Eric Ronald Lam Yan Foon	May 04, 2017	-
	Mr Jean Hok Yui How Hong	October 05, 2017	-
	Ms Li Fa Cheung Kai Suet	January 31, 2022	March 19, 2024
	Mr Krishen Patten	May 06, 2024	-
<b>PLACE OF BUSINESS OF THE FUND</b>	C/o MCB Investment Management Co. Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
<b>REGISTERED OFFICE</b>	C/o Apex Fund & Corporate Services (Mauritius) Ltd Lot 15 A3 1st Floor, Cybercity Ebène 72201, MAURITIUS		
<b>FUND MANAGER</b>	<b>MCB Investment Management Co. Ltd</b> 9-15, Sir William Newton Street Port Louis, MAURITIUS		
<b>CORPORATE SECRETARY</b>	<b>Apex Fund &amp; Corporate Services (Mauritius) Ltd</b> Lot 15 A3 1st Floor, Cybercity Ebène 72201, MAURITIUS		
<b>REGISTRAR</b>	<b>MCB Registry &amp; Securities Ltd</b> 9-15, Sir William Newton Street Port Louis, MAURITIUS		
<b>BANKER</b>	<b>The Mauritius Commercial Bank Ltd</b> 9-15, Sir William Newton Street Port Louis, MAURITIUS		
<b>CUSTODIAN FOR INVESTMENTS</b>	<b>Standard Chartered Bank (Mauritius) Limited</b> 19 Bank Street, 6th Floor, Standard Chartered Tower Cybercity, Ebène, 72201, MAURITIUS		
<b>AUDITOR</b>	<b>BDO &amp; Co.</b> 10, Frère Felix de Valois Street Port Louis, MAURITIUS		
<b>ISIN</b>	MU0607S00004		

# AFRICAN DOMESTIC BOND FUND

## MANAGER'S REPORT

### FOR THE NINE MONTHS ENDED MARCH 31, 2024

#### Performance Review

For the quarter ended March 31, 2024, the Fund size stood at USD 31.9m. During the quarter, the Fund posted a return of -10.6% against the benchmark return of -11.5%.

#### Portfolio Review

As per its investment objective, 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 March 2024 are shown below:

Statistic	Fund	Benchmark
Modified duration (Years)	4.60	4.27
No. of bonds	68	492
Current Yield %	15.50%	14.25%

#### Country allocation in fund as at March 2024:

Country	Fund allocation	Benchmark
Egypt	17.70%	15.86%
Nigeria	4.80%	12.13%
South Africa	25.50%	24.40%
Kenya	9.20%	12.33%
Ghana	2.60%	1.09%
Zambia	10.30%	3.22%
Morocco	24.20%	24.56%
Mauritius	3.00%	3.30%
Namibia	1.90%	2.02%
Botswana	0.80%	1.05%

The Fund invests in Pan-African local currency government and quasi-government bonds on an unhedged basis and as a result provides access to a growing asset class that has significant performance tail winds and remains relatively uncorrelated to major asset classes. The ETF structure allows the Fund to do this in a liquid, transparent and cost-efficient manner.

The Fund is exposed to interest and exchange rate risks from within the markets it invests in. The underlying universe is inherently diverse, with commodity exporters such as Nigeria, to commodity importers such as Egypt and well diversified economies in Kenya and South Africa to name a few, while remaining relatively uncorrelated to global asset classes at the same time. Due to a mix of growth potential, underlying demographics, commodity risks moderating and better macroeconomic management, we remain constructive on the asset class. The negative performance during the quarter was driven by the devaluation of two major currencies in the Fund, namely the Nigerian Naira and the Egyptian Pound. In February, Nigeria devalued its currency for the second time in eight months, as the West African country bids to clear up its messy system of exchange rates and attract investment to its flailing economy, by nearly 40% to the dollar. In terms of liquidity, all the FX backlogs were cleared. In a long-awaited currency devaluation, the Egyptian authorities devalued the pound to depreciate more than 60%. There was also a massive hike of 600 basis points by the Central Bank of Egypt, in view to improve Egypt's investment attractiveness and support the currency by raising real interest rate towards positive levels. The team is overweight South Africa, Egypt, Zambia and Ghana, neutral Morocco, Mauritius, Namibia, Botswana, underweight Kenya and will eventually add exposure to Nigeria to reduce the underweight positioning.

MANAGER

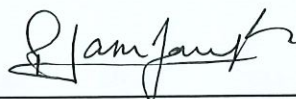
For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**

	<u>Notes</u>	<u>March 31, 2024 USD</u>	<u>June 30, 2023 USD</u>
<b>ASSETS</b>			
Other receivables	4	19,458	8,202
Financial assets at fair value through profit or loss	3	31,481,213	35,993,701
Cash and cash equivalents		<u>469,518</u>	<u>2,279,340</u>
<b>Total assets</b>		<b><u>31,970,189</u></b>	<b><u>38,281,243</u></b>
<b>EQUITY</b>			
Management share	7	<u>10</u>	<u>10</u>
<b>LIABILITIES</b>			
Other payables	8	35,826	30,848
Current tax liabilities	10(a)	<u>-</u>	<u>7,839</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		35,826	38,687
<b>Net assets attributable to holders of redeemable participating shares</b>	6(iv)	<b><u>31,934,353</u></b>	<b><u>38,242,546</u></b>
<b>Total liabilities</b>		<b><u>31,970,179</u></b>	<b><u>38,281,233</u></b>
<b>Total equity and liabilities</b>		<b><u>31,970,189</u></b>	<b><u>38,281,243</u></b>
<b>Net asset value per share</b>	6(iv)	<b><u>6.08</u></b>	<b><u>7.02</u></b>

These financial statements have been approved for issue by the Board of Directors on: 07 May 2024



Mr Patrick Eric Ronald Lam Yan Foon  
 Director



Mr Krishen Patten  
 Director

The notes on pages 7 to 18 form an integral part of these financial statements.

## AFRICAN DOMESTIC BOND FUND

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED MARCH 31, 2024

Notes	3-months ended Mar 31, 2024	3-months ended Mar 31, 2023	9 months ended Mar 31, 2024	9 months ended Mar 31, 2023
	USD	USD	USD	USD
<b>Income</b>				
Interest on fixed income securities	846,627	854,421	2,867,537	2,911,227
Interest Income on bank account	207	-	375	-
	<u>846,834</u>	<u>854,421</u>	<u>2,867,912</u>	<u>2,911,227</u>
<b>Expenses</b>				
Manager's fees	11(a) 25,502	29,470	82,432	92,480
Custodian's fees	18,221	11,637	54,818	47,001
Licence fees	8,602	8,559	26,010	26,134
Registrar's fees	11(b) 5,872	7,132	19,439	21,702
Other direct expenses	5,478	6,720	16,750	23,378
Professional fees	1,438	1,294	4,346	4,241
	<u>65,113</u>	<u>64,812</u>	<u>203,795</u>	<u>214,936</u>
<b>Operating profit</b>	<u>781,721</u>	<u>789,609</u>	<u>2,664,117</u>	<u>2,696,291</u>
Fair value losses on financial assets	(4,132,129)	(3,825,776)	(5,391,026)	(10,070,252)
Foreign exchange (losses)/gains	(347,307)	(51,306)	(465,012)	63,758
Gains on disposal of financial assets	47,414	822,319	63,515	813,703
	<u>(4,432,022)</u>	<u>(3,054,763)</u>	<u>(5,792,523)</u>	<u>(9,192,791)</u>
<b>Loss before distribution</b>	<u>(3,650,301)</u>	<u>(2,265,154)</u>	<u>(3,128,406)</u>	<u>(6,496,500)</u>
Distribution to holders of redeemable participating shares	-	-	(1,525,581)	(2,244,078)
<b>Loss before taxation</b>	<u>(3,650,301)</u>	<u>(2,265,154)</u>	<u>(4,653,987)</u>	<u>(8,740,578)</u>
Taxation	11(b) (162,953)	(104,385)	(326,032)	(287,264)
<b>Loss for the period</b>	<u>(3,813,254)</u>	<u>(2,369,539)</u>	<u>(4,980,019)</u>	<u>(9,027,842)</u>
<b>Equalisation</b>				
Income received on units created	-	31,663	8,435	300,369
Income paid on units liquidated	(49,223)	(2,531)	(49,594)	(30,514)
	<u>(49,223)</u>	<u>29,132</u>	<u>(41,159)</u>	<u>269,855</u>
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>	<u>(3,862,477)</u>	<u>(2,340,407)</u>	<u>(5,021,178)</u>	<u>(8,757,987)</u>

The notes on pages 7 to 18 form an integral part of these financial statements.

## AFRICAN DOMESTIC BOND FUND

### CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE NINE MONTHS ENDED MARCH 31, 2024

	<u>Notes</u>	<u>Total USD</u>
<b>At July 01, 2023</b>		<b>38,242,546</b>
Issue of redeemable participating shares	6 (ii)	638,177
Redemption of redeemable participating shares	6 (ii)	(1,925,192)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(5,021,178)</u>
<b>At March 31, 2024</b>		<b><u>31,934,353</u></b>
At July 01, 2022		43,030,767
Issue of redeemable participating shares	6 (ii)	6,738,749
Redemption of redeemable participating shares	6 (ii)	(905,966)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(8,757,987)</u>
At March 31, 2023		<b><u>40,105,563</u></b>

The notes on pages 7 to 18 form an integral part of these financial statements.



**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	<b>Notes</b>	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
		<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	9 (a)	<b>(199,501)</b>	(1,932,704)
Tax paid		<b>(344,068)</b>	(290,291)
<b>Net cash used in operating activities</b>		<b>(543,569)</b>	<b>(2,222,995)</b>
<b>Cash flows from investing activities</b>			
Interest received on fixed income securities		<b>3,250,727</b>	3,271,325
Purchase of financial assets		<b>(7,706,868)</b>	(8,713,685)
Proceeds from disposal of financial assets		<b>6,508,654</b>	3,043,021
<b>Net cash generated from/(used in) investing activities</b>		<b>2,052,513</b>	<b>(2,399,339)</b>
<b>Cash flows from financing activities</b>			
Issue of redeemable participating shares	6 (ii)	<b>18,020</b>	5,899,528
Redemption of redeemable participating shares	6 (ii)	<b>(1,925,192)</b>	(905,966)
Income received on redeemable participating shares created		<b>8,435</b>	300,369
Income paid on redeemable participating shares liquidated		<b>(49,594)</b>	(30,514)
Distribution paid to holders of redeemable participating shares	8	<b>(905,424)</b>	(1,404,857)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(2,853,755)</b>	<b>3,858,560</b>
<b>Decrease in cash and cash equivalents</b>		<b>(1,344,811)</b>	<b>(763,774)</b>
<b>Movement in cash and cash equivalents</b>			
At July 01,		<b>2,279,341</b>	4,178,864
Decrease in cash and cash equivalents		<b>(1,344,811)</b>	(763,774)
Effect of foreign exchange difference		<b>(465,012)</b>	63,758
<b>At March 31,</b>	9 (c)	<b>469,518</b>	<b>3,478,848</b>

The notes on pages 7 to 18 form an integral part of these financial statements.



# AFRICAN DOMESTIC BOND FUND

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

### 1 REPORTING ENTITY

African Domestic Bond Fund was incorporated in Mauritius under the Companies Act 2001 on May 04, 2017 as a public company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission to operate as a Collective Investment Scheme, categorised as a Global Scheme. The Fund's registered office is C/o Apex Fund & Corporate Services (Mauritius) Ltd, Lot 15 A3, 1st Floor, Cybercity, Ebène 72201, Mauritius.

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

### 2 BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended June 30, 2023 and comply with IAS 34.

### 3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>9 months to Mar 31, 2024</b>	<b>Year to Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Opening balance	<b>34,624,047</b>	39,244,856
Additions during the period/year	<b>7,706,868</b>	9,648,365
Disposal during the period/year	<b>(8,551,456)</b>	(3,562,517)
Fair value losses on financial assets	<b>(5,391,026)</b>	(11,733,501)
Fair value release on disposal	<b>2,106,317</b>	1,026,844
	<b>30,494,750</b>	34,624,047
Interest receivable	<b>986,463</b>	1,369,654
<b>Closing balance</b>	<b>31,481,213</b>	<b>35,993,701</b>

(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 14 (a).

(ii) The maximum exposure to credit risk is USD 31,481,213 (June 30, 2023: USD 35,993,701)

(iii) Credit risk from government bonds is low and as such all changes in fair value are attributable to changes in markets conditions.

### 4 OTHER RECEIVABLES

	<b>Mar 31, 2024</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Share capital receivable (note 7)	<b>10</b>	10
Current tax asset	<b>10,197</b>	-
Prepayments	<b>9,251</b>	8,192
	<b>19,458</b>	8,202

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

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**5 DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS**

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
Distribution declared during the period	<u>1,525,581</u>	<u>2,244,078</u>
Distribution paid during the period	<u>905,424</u>	<u>1,404,857</u>
Distribution re-invested during the period (note 6 (ii))	<u>620,157</u>	<u>839,221</u>
	<u>1,525,581</u>	<u>2,244,078</u>
Interim per unit	<u>0.28</u>	<u>0.44</u>
Final per unit	<u>-</u>	<u>-</u>
	<u>0.28</u>	<u>0.44</u>

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 automatically by completing an Election Form available online at [www.mcbscapitalmarkets.mu](http://www.mcbscapitalmarkets.mu) and returning it by e-mail to [contact.rs@mcbscm.mu](mailto:contact.rs@mcbscm.mu) or to MCB Registry & Securities Ltd, Sir William Newton Street, Port Louis, Mauritius.

**6 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES**

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
<b>Issued and fully paid</b>		
(i) Opening balance	<u>5,444,956</u>	<u>4,611,648</u>
Issue of shares during the period	<u>97,445</u>	<u>825,046</u>
Redemption of shares during the period	<u>(292,615)</u>	<u>(107,412)</u>
<b>Closing balance</b>	<u>5,249,786</u>	<u>5,329,282</u>
	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
(ii) Opening balance	<u>53,945,119</u>	<u>47,293,529</u>
Issue of shares during the period - Cash consideration	<u>18,020</u>	<u>5,899,528</u>
Issue of shares during the period - Non cash (note 8)	<u>620,157</u>	<u>839,221</u>
Redemption of shares during the period	<u>(1,925,192)</u>	<u>(905,966)</u>
<b>Closing balance</b>	<u>52,658,104</u>	<u>53,126,312</u>

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.

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

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**6 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES (CONT'D)**

**(iii) Class Rights (cont'd)**

**(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 participating shares.

	<b>Mar 31, 2024</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Net Assets calculated as per Prospectus	<b>31,935,671</b>	38,228,488
<b>Adjustments:</b>		
Formation costs	-	(1,021)
Other receivable	<b>(1,308)</b>	15,004
Other payables	<b>(10)</b>	-
Tax liabilities	-	75
<b>Net Assets as per Financial Reporting</b>	<b><u>31,934,353</u></b>	<b><u>38,242,546</u></b>
	<b>Per Share</b>	<b>Per Share</b>
	<b>USD</b>	<b>USD</b>
Net Assets per share calculated as per Prospectus	<b>6.08</b>	7.02
<b>Adjustments:</b>		
Formation costs	-	(0.00)
Other receivable	<b>(0.00)</b>	0.00
Other payables	<b>(0.00)</b>	-
Tax liabilities	-	0.00
<b>Net Assets per share as per Financial Reporting</b>	<b><u>6.08</u></b>	<b><u>7.02</u></b>

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**7 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 Mar 31, 2024 as disclosed in note 4 to the interim 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.

**(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 Participating Shares in accordance with the Constitution.

The Management Share shall be non-redeemable.

**8 OTHER PAYABLES**

	<b>Mar 31, 2024</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Manager's fees payable	16,361	9,373
Registrar's fees payable	3,763	2,156
Custodian's fees payable	5,390	4,808
Index provider fee payable	6,258	9,382
Professional fees payable	4,044	5,129
Investment settlement*	10	-
	<b>35,826</b>	<b>30,848</b>

**9 NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
<b>(a) Cash used in operations</b>		
Loss before taxation	(3,128,406)	(6,496,500)
Adjustments for:		
Fair value losses on financial assets	5,391,026	10,070,252
Foreign exchange losses/(gains)	465,012	(63,758)
Gains on disposal of financial assets	(63,515)	(813,703)
Interest income on fixed income securities	(2,867,537)	(2,911,227)
	<b>(203,420)</b>	<b>(214,936)</b>
<b>(b) Changes in working capital:</b>		
Other receivables	(1,059)	(994)
Other payables	4,978	(1,716,774)
<b>Cash generated used in operations</b>	<b>(199,501)</b>	<b>(1,932,704)</b>

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

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

	<b>Mar 31, 2024</b>	<b>Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
<b>(c) Cash and cash equivalents</b>		
Cash at bank	<b>469,518</b>	<b>3,478,848</b>

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was recognised during the year.

**10 INCOME TAX**

The Fund is a tax resident company in Mauritius and under current laws and regulations is liable to pay tax on its net income at a rate of 15%. The Fund is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Fund's tax liability computed at 15% on such income, or (b) a partial exemption of 80% on its income other than interest which qualifies for an 95% exemption.

**(a) In the Statement of Financial Position**

	<b>Mar 31, 2024</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
<b>Opening balance</b>	<b>7,839</b>	<b>12,531</b>
Charge for the period/year	<b>326,032</b>	<b>348,930</b>
Paid during the period/year	<b>(344,068)</b>	<b>(353,622)</b>
<b>Closing balance</b>	<b>(10,197)</b>	<b>7,839</b>

**(b) In the Statement of Profit or Loss and other Comprehensive Income**

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

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
Loss after distribution and before taxation	<b>(4,653,987)</b>	<b>(8,740,578)</b>
Tax calculated at a rate of 15% (2023 : 15%)	<b>(698,098)</b>	<b>(1,311,087)</b>
Tax effect on:		
Expenses not deductible for tax purposes	<b>1,081,054</b>	<b>1,740,668</b>
Income not subject to tax	<b>(227,654)</b>	<b>(215,545)</b>
Relief on foreign tax suffered	<b>(146,093)</b>	<b>(164,042)</b>
Withholding tax suffered	<b>316,823</b>	<b>237,270</b>
<b>Tax charge</b>	<b>326,032</b>	<b>287,264</b>

Expenses not deductible for tax purposes relates to fair value loss on financial assets, distribution to holders of redeemable participating shares and expenses relating to exempt income.

Income not subject to tax relates to 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 INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**11 RELATED PARTY TRANSACTIONS**

The transactions of the Fund with parties related to the Manager during the period Mar 31, 2024 and Mar 31, 2023 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:

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
MCB Investment Management Co. Ltd	<b>82,432</b>	92,480

**(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:

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
MCB Registry & Securities Ltd	<b>19,439</b>	21,702

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

	<b>9 months to Mar 31, 2024</b>	<b>9 months to Mar 31, 2023</b>
	<b>USD</b>	<b>USD</b>
Directors fees	<b>495</b>	337

**(d) Outstanding balances**

	<b>Mar 31, 2024</b>	<b>June 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Payables to related parties:		
-MCB Investment Management Co. Ltd	<b>16,361</b>	10,087
-MCB Registry & Securities Ltd	<b>3,763</b>	2,320
	<b>20,124</b>	12,407
Receivable from related party:		
-MCB Investment Management Co. Ltd	<b>10</b>	10

-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.

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

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**11 RELATED PARTY TRANSACTIONS (CONT'D)**

**(e) Bank balances**

	<u>Mar 31, 2024</u>	<u>Mar 31, 2023</u>
	USD	USD
The Mauritius Commercial Bank Ltd	<u>24,258</u>	<u>1,000,411</u>

**12 EVENTS AFTER THE REPORTING PERIOD**

On March 28, 2024, the Fund has declared a dividend of USD 0.29 per share to all shareholders registered at the close of business on April 18, 2024. The ex-div date was April 16, 2024.



**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**13 (a) Schedule of investments as at**

<u>June 30, 2023</u>		<u>March 31, 2024</u>	
Market Value		Market Value	% of Net
(USD)	Security Description	(USD)	Assets
<b>Quoted Foreign Fixed Income Securities</b>			
231,049	Botswana Government Bond - 7.75% - 10-Sep-31	239,627	0.75%
54,292	Egypt Government Bond - 13.564% - 14-Jan-2030	30,519	0.10%
1,766,790	Egypt Government Bond - 14.06% - 12-Jan-2026	1,103,927	3.46%
173,822	Egypt Government Bond - 14.217% - 15-Oct-2026	108,501	0.34%
851,135	Egypt Government Bond - 14.313% - 13-Oct-2023	-	-
105,950	Egypt Government Bond - 14.382% - 12-Jan-2031	58,339	0.18%
798,492	Egypt Government Bond - 14.35% - 10-Sep-2024	594,628	1.86%
109,542	Egypt Government Bond - 14.40% - 10-Sep-2029	62,145	0.19%
271,850	Egypt Government Bond - 14.50% - 20-Feb-2025	180,398	0.56%
488,672	Egypt Government Bond - 14.522% - 04-Jan-2025	327,252	1.02%
-	Egypt Government Bond - 14.531% - 14-Sep-2024	174,914	0.55%
733,042	Egypt Government Bond - 14.556% - 13-Oct-2027	432,802	1.36%
50,981	Egypt Government Bond - 15.70% - 07-Nov-2027	30,462	0.10%
63,715	Egypt Government Bond - 16.10% - 07-May-2029	36,313	0.11%
357,672	Egypt Government Bond - 16.50% - 02-Apr-2026	224,798	0.70%
256,253	Egypt Government Bond - 17.18% - 09-May-2027	151,058	0.47%
345,548	Egypt Government Bond - 17.20% - 09-Aug-2023	-	-
159,634	Egypt Government Bond - 18.35% - 09-Oct-2023	-	-
862,547	Egypt Treasury Bill - 0.0001% - 16-Jan-2024	-	-
-	Egypt Treasury Bill - 0.0001% - 16-Apr-2024	1,567,103	4.91%
-	Egypt Treasury Bill - 0.0001% - 04-Mar-2025	406,087	1.27%
73,955	Ghana Government Bond - 8.35% - 16-Feb-2027	65,562	0.21%
73,955	Ghana Government Bond - 8.5% - 15-Feb-2028	65,659	0.21%
73,955	Ghana Government Bond - 8.65% - 13-Feb-2029	65,756	0.21%
73,955	Ghana Government Bond - 8.8% - 12-Feb-2030	65,852	0.21%
65,738	Ghana Government Bond - 8.95% - 11-Feb-2031	58,622	0.18%
65,738	Ghana Government Bond - 9.10% - 10-Feb-2032	58,708	0.18%
65,738	Ghana Government Bond - 9.25% - 08-Feb-2033	58,794	0.18%
65,738	Ghana Government Bond - 9.40% - 07-Feb-2034	58,881	0.18%
65,738	Ghana Government Bond - 9.55% - 06-Feb-2035	58,967	0.18%
65,738	Ghana Government Bond - 9.7% - 05-Feb-2036	59,054	0.18%
65,738	Ghana Government Bond - 9.85% - 03-Feb-2037	59,140	0.19%
65,738	Ghana Government Bond - 10% - 02-Feb-2038	59,227	0.19%
778,227	Kenya Government Bond - 11.75% - 08-Oct-2035	781,122	2.45%
599,184	Kenya Infrastructure Bond - 11.95% - 25-Oct-2038	604,265	1.89%
166,948	Kenya Infrastructure Bond - 12.20% - 22-Feb-2044	164,550	0.52%
769,644	Kenya Infrastructure Bond - 12.667% - 21-Mar-2039	768,450	2.41%
90,519	Kenya Infrastructure Bond - 12.737% - 18-Aug-2042	277,568	0.87%
147,391	Kenya Infrastructure Bond - 13.742% - 21-May-2040	145,119	0.45%
424,905	Mauritius Government Bond - 4.79% - 05-Aug-2032	417,293	1.31%
514,180	Mauritius Government Bond - 5.24% - 30-Sep-2042	505,550	1.58%
965,170	Morocco Government Bond - 2.05% - 20-Apr-2026	963,483	3.02%
2,121,684	Morocco Government Bond - 2.30% - 16-Jun-2031	2,177,892	6.82%
641,804	Morocco Government Bond - 2.70% - 17-Jun-2030	661,706	2.07%
1,795,510	Morocco Government Bond - 2.85% - 15-Apr-2024	1,764,873	5.53%

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**13 (a) Schedule of investments as at (cont'd)**

<b>June 30, 2023</b>		<b>March 31, 2024</b>	
<b>Market Value</b>		<b>Market Value</b>	<b>% of Net</b>
<b>(USD)</b>	<b>Security Description</b>	<b>(USD)</b>	<b>Assets</b>
880,191	Morocco Government Bond - 3.00% - 16-Jul-2035	921,639	2.89%
365,404	Morocco Government Bond - 4.00% - 14-Feb-2050	392,484	1.23%
-	Morocco Government Bond - 4.75% - 14-Mar-2039	549,018	1.72%
584,922	Namibia Government Bond - 9% - 15-Apr-2032	573,189	1.79%
-	Nigeria Treasury bill -0.001%- 06-Feb-2025	185,792	0.58%
492,178	Nigeria Government Bond - 12.1493% - 18-Jul-2034	208,012	0.65%
400,454	Nigeria Government Bond - 12.40% - 18-Mar-2036	170,841	0.53%
292,356	Nigeria Government Bond - 12.50% - 22-Jan-2026	140,721	0.44%
302,088	Nigeria Government Bond - 12.98% - 27-Mar-2050	143,069	0.45%
-	Nigeria Government Bond - 13% - 21-Jan-2042	88,208	0.28%
397,213	Nigeria Government Bond - 13.98% - 23-Feb-2028	177,853	0.56%
203,548	Nigeria Government Bond - 14.20% - 14-Mar-2024	-	-
204,252	Nigeria Government Bond - 14.80% - 26-Apr-2049	137,128	0.43%
-	Nigeria Government Bond - 16.25% - 18-Apr-2037	133,008	0.42%
122,586	Nigeria Government Bond - 16.2884% - 17-Mar-2027	56,154	0.18%
306,291	Republic of South Africa - 6.25% - 31-Mar-2036	298,299	0.93%
293,679	Republic of South Africa - 6.50% - 28-Feb-2041	282,914	0.89%
594,821	Republic of South Africa - 7.00% - 28-Feb-2031	597,808	1.87%
1,793,805	Republic of South Africa - 8.00% - 31-Jan-2030	1,094,614	3.43%
1,076,446	Republic of South Africa - 8.25% -31-Mar-2032	1,066,879	3.34%
918,695	Republic of South Africa - 8.50% - 31-Jan-2037	885,735	2.77%
728,184	Republic of South Africa - 8.75% -31-Jan-2044	693,584	2.17%
1,144,690	Republic of South Africa - 8.75% -28-Feb-2048	1,091,452	3.42%
900,189	Republic of South Africa - 8.875% -28-Feb-2035	874,876	2.74%
616,281	Republic of South Africa - 9.00% -31-Jan-2040	759,252	2.38%
1,635,538	Republic of South Africa - 10.50% -21-Dec-2026	-	-
-	Republic of South Africa - 11.625% - 31-Mar-2053	76,735	0.24%
2,657,408	Zambia Government Bond - 13.00% - 25-Jan-2031	2,836,856	8.88%
194,952	Zambia Government Bond - 13% - 03-Apr-2033	363,664	1.12%
<b>34,624,047</b>	<b>TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES</b>	<b>30,494,750</b>	<b>95.48%</b>
<b>1,369,654</b>	<b>TOTAL INTEREST RECEIVABLE</b>	<b>986,463</b>	<b>3.10%</b>
<b>35,993,701</b>	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>31,481,213</b>	<b>98.58%</b>
2,248,855	OTHER ASSETS AND LIABILITIES	453,150	1.42%
<b>38,242,556</b>	<b>NET ASSETS</b>	<b>31,934,363</b>	<b>100.00%</b>

## AFRICAN DOMESTIC BOND FUND

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

#### 13 (b) Categories of financial instruments

##### Assets and liabilities as per statement of financial position

	<u>BWP</u> <u>USD</u>	<u>EGP</u> <u>USD</u>	<u>GHS</u> <u>USD</u>	<u>KES</u> <u>USD</u>	<u>MAD</u> <u>USD</u>	<u>MUR</u> <u>USD</u>	<u>NAD</u> <u>USD</u>	<u>NGN</u> <u>USD</u>	<u>ZAR</u> <u>USD</u>	<u>ZMW</u> <u>USD</u>	<u>USD</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>At March 31, 2024</b>												
<u>At Amortised Cost</u>												
Other receivables	-	-	-	-	-	-	-	-	-	-	19,458	19,458
Cash and cash equivalents	7,869	1,633	56,157	93,424	50,287	10,305	108	48,761	162,921	3,161	34,892	469,518
<u>At Fair Value Through Profit or Loss</u>												
Financial assets at fair value through profit or loss	240,743	5,749,494	745,571	2,894,568	7,596,206	939,798	600,115	1,482,564	7,888,691	3,343,463	-	31,481,213
<b>Total assets</b>	<b>248,612</b>	<b>5,751,127</b>	<b>801,728</b>	<b>2,987,992</b>	<b>7,646,493</b>	<b>950,103</b>	<b>600,223</b>	<b>1,531,325</b>	<b>8,051,612</b>	<b>3,346,624</b>	<b>54,350</b>	<b>31,970,189</b>
<u>At Amortised Cost</u>												
Other payables	-	-	-	-	-	-	-	-	-	-	35,826	35,826
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	-	-	-	-	-	31,934,353	31,934,353
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,970,179</b>	<b>31,970,179</b>
<b>At June 30, 2023</b>												
<u>At Amortised Cost</u>												
Other receivables	-	-	-	-	-	-	-	-	-	-	8,202	8,202
Cash and cash equivalents	17,136	244,458	-	53,807	130,069	25,652	1,897	513,641	83,194	735,625	473,861	2,279,340
<u>At Fair Value Through Profit or Loss</u>												
Financial assets at fair value through profit or loss	236,864	7,904,762	864,395	2,620,217	6,841,889	954,510	597,211	2,524,622	10,334,210	3,115,021	-	35,993,701
<b>Total assets</b>	<b>254,000</b>	<b>8,149,220</b>	<b>864,395</b>	<b>2,674,024</b>	<b>6,971,958</b>	<b>980,162</b>	<b>599,108</b>	<b>3,038,263</b>	<b>10,417,404</b>	<b>3,850,646</b>	<b>482,063</b>	<b>38,281,243</b>
<u>At Amortised Cost</u>												
Other payables	-	-	-	-	-	-	-	-	-	-	38,687	38,687
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	-	-	-	-	-	38,242,546	38,242,546
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,281,233</b>	<b>38,281,233</b>

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**13 (c) Currency profile sensitivity analysis**

<b>June 30, 2023</b>		<b>March 31, 2024</b>	
<b>Market Value</b>	<b>Currency Profile</b>	<b>Market Value</b>	<b>% of Net Assets</b>
<b>(USD)</b>		<b>(USD)</b>	
254,000	BWP	248,612	0.78%
8,149,220	EGP	5,751,127	18.01%
864,395	GHS	801,728	2.51%
2,674,024	KES	2,987,992	9.36%
6,971,958	MAD	7,646,493	23.94%
980,162	MUR	950,103	2.98%
599,108	NAD	600,223	1.88%
3,038,263	NGN	1,531,325	4.80%
10,417,404	ZAR	8,051,612	25.21%
3,850,646	ZMW	3,346,624	10.48%
443,376	USD	18,524	0.06%
<b>38,242,556</b>	<b>NET ASSETS</b>	<b>31,934,363</b>	<b>100.0%</b>
<b>Fair Value Hierarchy</b>			
35,993,701	Level 1	31,481,213	98.58%
<b>35,993,701</b>	<b>TOTAL MARKET VALUE OF INVESTMENTS</b>	<b>31,481,213</b>	<b>98.58%</b>

A reasonably possible strengthening/ weakening of the USD against BWP, EGP, GHS, KES, MAD, MUR, NAD, NGN, ZAR and ZMW at March 31, 2024 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% (2023: 5%) based on historical observation and its corresponding impact on loss/profit.

		<b>Mar 31, 2024</b>	<b>Jun 30, 2023</b>
		<b>Impact on Loss before taxation</b>	<b>Impact on Loss before taxation</b>
<b>Currency sensitivity</b>			
BWP	USD Weakened by 5%	higher by USD12k	higher by USD13k
BWP	USD Strengthened by 5%	lower by USD12k	lower by USD13k
EGP	USD Weakened by 5%	higher by USD288k	higher by USD408k
EGP	USD Strengthened by 5%	lower by USD288k	lower by USD408k
GHS	USD Weakened by 5%	higher by USD40k	higher by USD43k
GHS	USD Strengthened by 5%	lower by USD40k	lower by USD43k
KES	USD Weakened by 5%	higher by USD149k	higher by USD134k
KES	USD Strengthened by 5%	lower by USD149k	lower by USD134k

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**13 (c) Currency profile sensitivity analysis (cont'd)**

		<u>Mar 31, 2024</u>	<u>Jun 30, 2023</u>
		<b>Impact on Loss before taxation</b>	Impact on Loss before taxation
<b><u>Currency sensitivity (cont'd)</u></b>			
MAD	USD Weakened by 5%	higher by USD382k	higher by USD349k
MAD	USD Strengthened by 5%	lower by USD382k	lower by USD349k
MUR	USD Weakened by 5%	higher by USD48k	higher by USD49k
MUR	USD Strengthened by 5%	lower by USD48k	lower by USD49k
NAD	USD Weakened by 5%	lower by USD30k	lower by USD30k
NAD	USD Strengthened by 5%	higher by USD30k	higher by USD30k
NGN	USD Weakened by 5%	higher by USD77k	higher by USD152k
NGN	USD Strengthened by 5%	lower by USD77k	lower by USD152k
ZAR	USD Weakened by 5%	higher by USD403k	higher by USD521k
ZAR	USD Strengthened by 5%	lower by USD403k	lower by USD521k
ZMW	USD Weakened by 5%	higher by USD167k	higher by USD193k
ZMW	USD Strengthened by 5%	lower by USD167k	lower by USD193k

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.

**12 (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% (June 30,2023: 10%) based on historical observation and its corresponding impact on loss/profit.

		<u>Mar 31, 2024</u>	<u>Jun 30, 2023</u>
		<b>Impact on Loss before taxation</b>	Impact on Loss before taxation
<b><u>Market price sensitivity</u></b>			
	Increase in fair value by 10%	lower by USD3,049k	lower by USD3,462k
	Decrease in fair value by 10%	higher by USD3,049k	higher by USD3,462k

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

### APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

Closing exchange rate: USD

EGP	0.0212
NGN	0.0007
GHS	0.0755
ZMW	0.0401
KES	0.0076
ZAR	0.0530
MAD	0.0992
BWP	0.0729

#### Calculation notes:

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

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

	<b>9 months to March 31, 2024</b>	<b>Year ended June 30, 2023</b>	<b>Year ended June 30, 2022</b>	<b>Year ended June 30, 2021</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Opening net asset value</b>	38,242,556	43,030,777	36,348,708	25,130,801
Total revenue	2,867,912	3,916,471	3,685,522	3,544,066
Total expenses	(529,827)	(634,624)	(627,971)	(513,526)
Realised gains/(losses) for the period/year	63,515	773,433	(118,079)	518,779
Unrealised (losses)/gains for the period/year	(5,856,038)	(11,935,902)	(6,106,886)	91,371
Distribution declared from net income	(1,525,581)	(3,839,640)	(3,133,423)	(3,419,965)
Income received on issue of shares	8,435	315,310	454,180	531,056
Income paid on disposal of shares	(49,594)	(34,859)	(63,002)	(38,749)
<b>Total (decrease)/increase from operations</b>	<b>(5,021,178)</b>	<b>(11,439,811)</b>	<b>(5,909,659)</b>	<b>713,032</b>
Net subscriptions	(1,287,015)	6,651,590	12,591,728	10,504,875
<b>Closing net asset value</b>	<b>31,934,363</b>	<b>38,242,556</b>	<b>43,030,777</b>	<b>36,348,708</b>
Portfolio Turnover Rate	33.01%	12.09%	5.09%	38.13%
<b>Redeemable Participating Shares</b>				
Number of shares outstanding	5,249,786	5,444,956	4,611,648	3,312,795
Management Expense Ratio (Total Expense Ratio)	0.74%	0.70%	0.74%	0.72%
Closing market price per share	6.08	7.02	9.33	10.97