

MCB INDIA SOVEREIGN BOND ETF
the "FUND"

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

MCB INDIA SOVEREIGN BOND ETF
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

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NOTICE

Unless otherwise mentioned herein, all references of Acts and Regulations in these interim financial statements relates to legislations issued in the Republic of Mauritius.

MCB INDIA SOVEREIGN BOND ETF

MANAGEMENT & ADMINISTRATION

		Date of appointment	Date of resignation
BOARD MEMBERS	Mr Sanjay Sachdev	March 04, 2016	-
	Mr Patrick Eric Ronald Lam Yan Foon	March 04, 2016	-
	Mr Jean Hok Yui How Hong	October 05, 2017	-
	Mr Krishen Patten	May 06, 2024	-
	Ms Medina Sarah Torabally	June 11, 2024	-
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	MCB Registry & Securities Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
BANKER	The Mauritius Commercial Bank Ltd 9-15, Sir William Newton Street Port Louis, MAURITIUS		
CUSTODIAN FOR INVESTMENTS	Citibank, N.A. FIFC, 11th Floor C-54/55, G Block, Bandra Kurla Complex, Bandra – East Mumbai 400 098, INDIA		
AUDITORS	Cays LLP Johanna Street Port Louis, MAURITIUS		
ISIN	MU0516N00024		

MCB INDIA SOVEREIGN BOND ETF

MANAGER'S REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

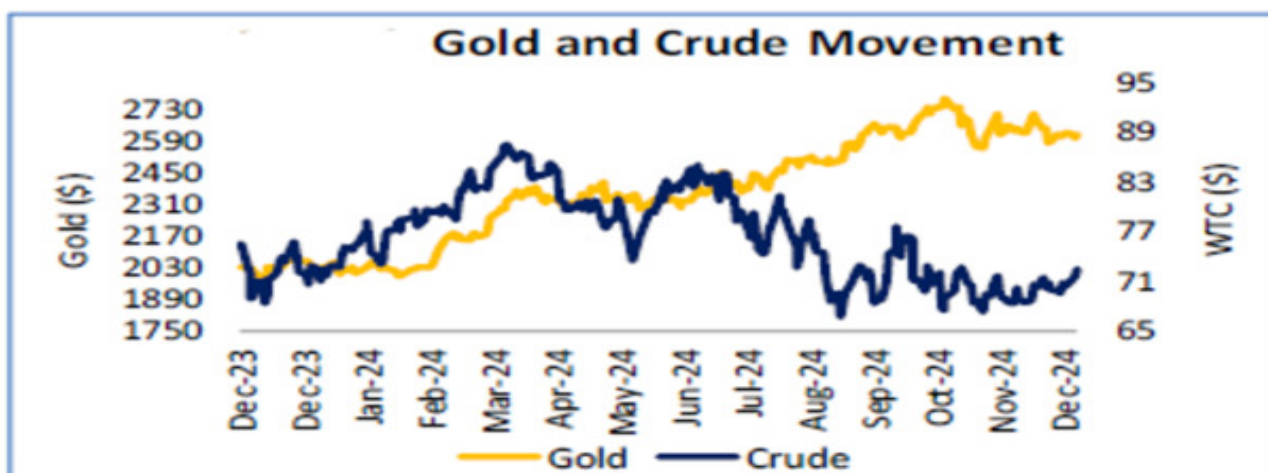
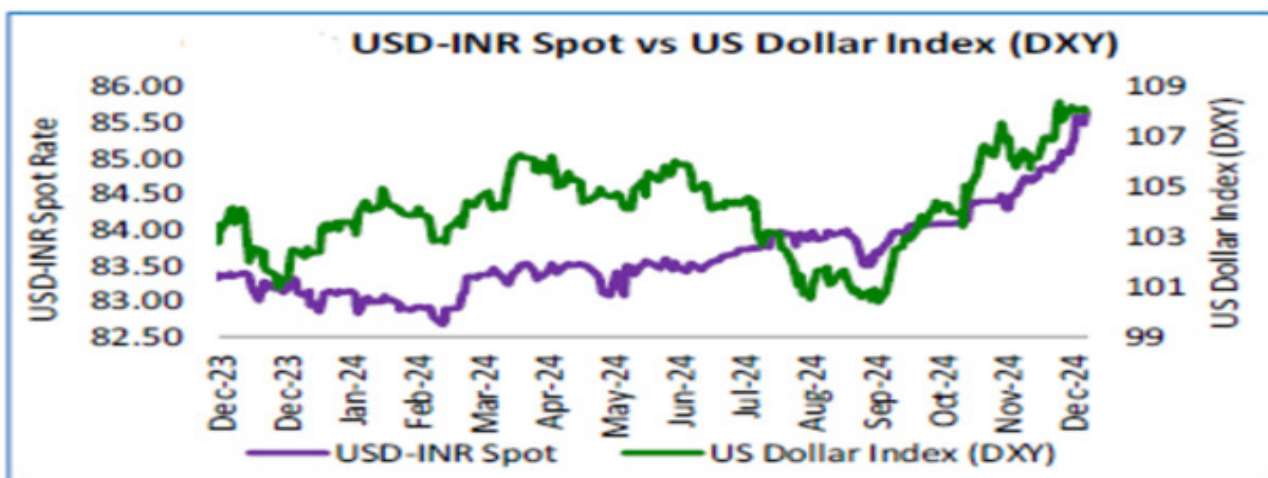
MCB India Sovereign Bond ETF Returns (USD)				
Security	3 Months	6 Months	1 Year	Inception (Annualised Return)
MCB India Sovereign Bond ETF (NAV to NAV)	-1.20%	0.00%	3.20%	1.50%
MCB India Sovereign Bond ETF (Market price) ¹	-4.60%	-4.40%	-6.30%	-0.30%
Benchmark	-0.80%	2.30%	6.40%	3.40%

1. Adjusted for Dividends

Inception date : 6 June 2016

Benchmark : ZyFin India Sovereign Bond Liquid Index

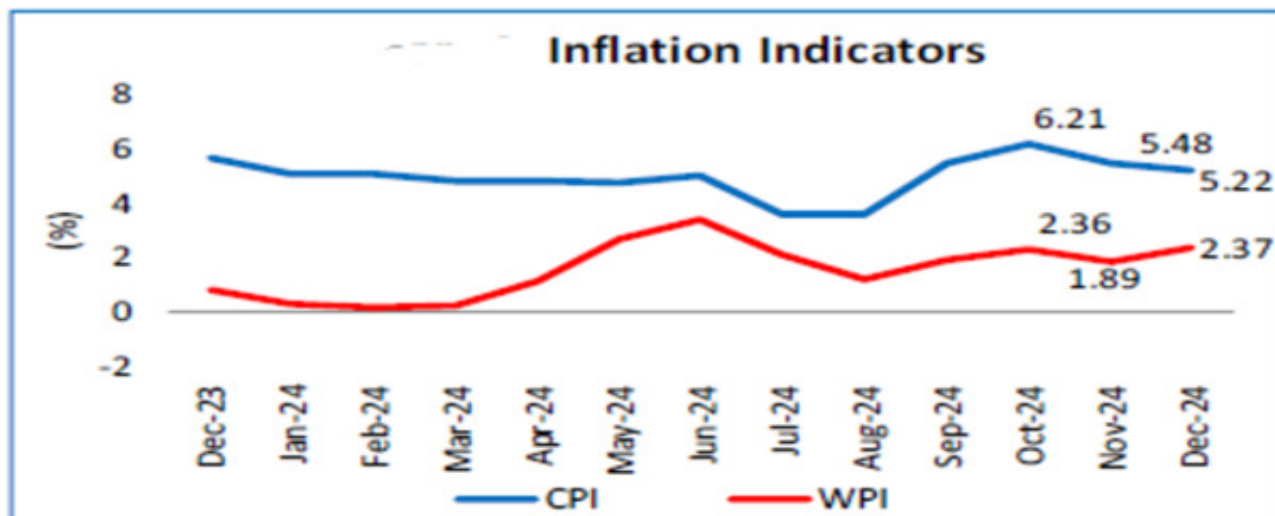
When economic concerns surfaced despite declining inflation in industrialized nations, central banks all over the world embarked on an easing binge. Following a 50 basis point rate decrease in September 2024, the US Federal Reserve lowered rates by 25 basis points in November and December, respectively. The European Central Bank then followed suit, while the Bank of England decided to cut rates by 25 basis points in November. In contrast, India's MPC decided to maintain rates in its October and December 2024 sessions because it was still committed to "a durable alignment of inflation with the target." Sticky inflation in December rekindled price worries, prompting the Fed to re-evaluate its policy response and raise the possibility of a smaller rate decrease than previously suggested.



MCB INDIA SOVEREIGN BOND ETF

MANAGER'S REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024



Domestically, the demand for a rate cut has been bolstered by lower inflation readings and a seven-quarter low GDP growth of 5.40%; nevertheless, the exchange rate's trajectory is expected to influence the timing and magnitude of rate changes in the near future.

Yield Movement

Due to tighter liquidity in the local banking system, heightened global unpredictability after the US elections, and foreign investors selling amid rising US rates, G-Sec trading fell in during the quarter.

G-Sec rates movements mirrored changes in US Treasury yields and geopolitical developments. The outcomes of the parliamentary elections and the liquidity injection through a gradual drop in CRR supplied the required impetus towards a downtrend in yields, even though waning expectations and signs of a policy rate cut drove prices down in October. In line with this, indexes had nominal change over the quarter, albeit a negative trend.

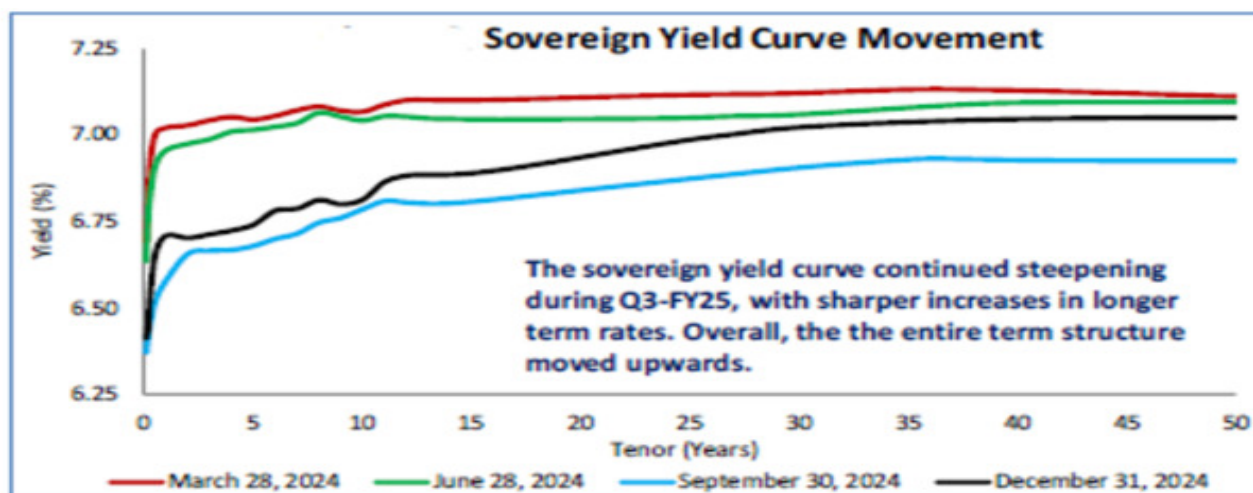
Following the announcement of much weaker last quarter GDP growth data, which raised expectations of monetary policy easing, the 10Y benchmark G-Sec yield saw a steep decline in the first week of December. The RBI's policy rate halt caused G-Sec spreads over the LAF repo rate to continue fall. Due to the US treasury rates rising as a result of the US Fed's hawkish remarks, the India-US spreads also saw a significant decline in December.

By the end of December, the whole Indian government bond yield curve had shifted upward due to ongoing pressures on the Indian Rupee, fast declining domestic liquidity, and international investors selling amid rising US rates. The yield curve steepened within the term structure as long-term rates increased more sharply. During the quarter, real rates pushed further into positive territory due to rising bond yields and declining inflation data.

MCB INDIA SOVEREIGN BOND ETF

MANAGER'S REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024



Spread Behaviour – Basis Points

Spread/Quarter	Q3-FY25	Q2-FY25	Q1-FY25	Q4-FY24	Q3-FY24
10Y-LAF Repo	31	42	59	64	81
10Y-1Y	23	18	7	3	19
10Y-3Y	10	12	2	8	6
10Y-5Y	6	9	0	6	5
15Y-10Y	6	2	3	4	6
40Y-10Y	20	11	10	9	16
10Y-CPI	116	271	219	212	194
LAF Repo-CPI	85	228	160	148	113
10Y-US10Y	253	296	265	299	287

India – US Spread

With the sell-off getting worse after the US presidential election, which has caused worldwide worry about the US's near-term monetary and trade policies, foreign inflows into the Indian G-Sec market saw a turnaround in October and November. Foreign investments in the Indian debt market were further burdened by ongoing pressure on the Indian Rupee and a dramatic reduction in the interest rate gap between India and the US. Overall, foreign investors' holdings of FAR bonds increased by a negligible 1.95%, or INR 5666.67 crore, in this quarter, as inflows into the bonds resumed in December due to growing expectations of rate reduction. In anticipation of a shift in the RBI's monetary stance due to signs of slowing GDP and declining inflation, foreign investors increased their positions in longer term bonds while decreasing their holdings in the 10Y–15Y category.

MANAGER

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

MCB INDIA SOVEREIGN BOND ETF
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Notes	December 31, 2024 USD	June 30, 2024 USD
ASSETS			
Other receivables	4	11,480	11,673
Tax receivable	10(a)	-	4,762
Financial assets at fair value through profit or loss	3(a)	6,588,992	6,733,451
Cash and cash equivalents		<u>32,884</u>	<u>11,140</u>
Total assets		<u>6,633,356</u>	<u>6,761,026</u>
EQUITY			
Management Share	7	<u>10</u>	<u>10</u>
LIABILITIES			
Current tax liabilities	10(a)	16,186	-
Other payables	8	<u>25,229</u>	<u>10,764</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		41,415	10,764
Net assets attributable to holders of redeemable participating shares	6(iv)	<u>6,591,931</u>	<u>6,750,252</u>
Total liabilities		<u>6,633,346</u>	<u>6,761,016</u>
Total equity and liabilities		<u>6,633,356</u>	<u>6,761,026</u>
Net asset value per redeemable participating share	6(iv)	<u>7.41</u>	<u>7.58</u>

These financial statements have been approved for issue by the Board of Directors on February 10, 2025.



Ms Medina Sarah Torabally
 Director



Mr Krishen Patten
 Director

The notes on pages 10 to 19 form an integral part of these financial statements.

MCB INDIA SOVEREIGN BOND ETF

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

	Notes	3-months ended Dec 31, 2024	3-months ended Dec 31, 2023	6-months ended Dec 31, 2024	6-months ended Dec 31, 2023
		USD	USD	USD	USD
Income					
Interest income on bank balances		600	277	600	277
Interest on fixed income securities		112,263	117,424	172,224	237,359
Refund from Manager		6,441	6,799	14,567	15,690
		<u>119,304</u>	<u>124,500</u>	<u>187,391</u>	<u>253,326</u>
Expenses					
Manager's fees	11(a)	12,235	12,488	24,694	25,224
Licence fees		4,426	4,225	8,440	8,462
Professional fees		1,991	3,910	3,985	6,206
Custodian's fees		2,268	2,403	4,537	4,672
Other direct fees		1,555	802	4,497	2,608
Registrar's fees	11(b)	1,156	1,463	2,337	2,724
		<u>23,631</u>	<u>25,291</u>	<u>48,490</u>	<u>49,896</u>
Net income		<u>95,673</u>	<u>99,209</u>	<u>138,901</u>	<u>203,430</u>
Net losses from financial instruments at fair value through profit or loss	3(b)	(163,789)	(22,727)	(100,686)	(169,035)
Foreign exchange losses		(676)	(416)	(43,360)	(522)
		<u>(164,465)</u>	<u>(23,143)</u>	<u>(144,046)</u>	<u>(169,557)</u>
(Loss)/Profit before distribution		<u>(68,792)</u>	<u>76,066</u>	<u>(5,145)</u>	<u>33,873</u>
Distribution to holders of redeemable participating shares	5	(133,497)	(134,445)	(133,497)	(134,445)
Loss before taxation		<u>(202,289)</u>	<u>(58,379)</u>	<u>(138,642)</u>	<u>(100,572)</u>
Taxation	10(b)	(12,300)	(1,198)	(19,679)	(20,542)
Loss for the period		<u>(214,589)</u>	<u>(59,577)</u>	<u>(158,321)</u>	<u>(121,114)</u>
Equalisation					
Income paid on units liquidated		-	-	-	(650)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(214,589)</u>	<u>(59,577)</u>	<u>(158,321)</u>	<u>(121,764)</u>

The notes on pages 10 to 19 form an integral part of these financial statements.

MCB INDIA SOVEREIGN BOND ETF

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

	Notes	6 months ended Dec 31, 2024 USD	6 months ended Dec 31, 2023 USD
At July 01		6,750,252	6,930,940
Redemption of redeemable participating shares	6(ii)	-	(37,400)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(158,321)</u>	<u>(121,764)</u>
At December 31,		<u><u>6,591,931</u></u>	<u><u>6,771,776</u></u>

The notes on pages 10 to 19 form an integral part of these financial statements.

MCB INDIA SOVEREIGN BOND ETF
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

	Notes	6 months ended Dec 31, 2024 USD	6 months ended Dec 31, 2023 USD
Cash flows from operating activities			
Cash used in operations	9(a)	(18,665)	(29,792)
Tax refund/Tax paid		1,269	(36,259)
Interest received on fixed income securities		245,896	252,790
Purchase of financial assets*	3(a)	(6,584,352)	(6,749,134)
Proceeds from disposal of financial assets*		<u>6,554,453</u>	<u>6,738,962</u>
Net cash generated from operating activities		<u>198,601</u>	<u>176,567</u>
Cash flows from financing activities			
Redemption of redeemable participating shares	6(ii)	-	(37,400)
Income paid on redeemable participating shares liquidated		-	(650)
Distribution paid to holders of redeemable participating shares	5	<u>(133,497)</u>	<u>(134,445)</u>
Net cash used in financing activities		<u>(133,497)</u>	<u>(172,495)</u>
Increase in cash and cash equivalents		<u>65,104</u>	<u>4,072</u>
Movement in cash and cash equivalents			
At July 01,		11,140	2,521
Increase in cash and cash equivalents		65,104	4,072
Effect of foreign exchange differences		<u>(43,360)</u>	<u>(522)</u>
At December 31,	9(b)	<u>32,884</u>	<u>6,071</u>

*Purchase of financial assets and proceeds from disposal of financial assets have been reclassified from investing activities to operating activities due to the nature of business of the Fund.

The notes on pages 10 to 19 form an integral part of these financial statements.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

1 OBJECTIVE

The Fund's objective is to track the performance of Zyfin India Sovereign Bond Liquid Index in USD which is constituted of the most liquid, fixed rate, local currency bond issued by the Central Government of India.

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, 2024 and comply with IAS 34.

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	6 months to Dec 31, 2024	Year to Jun 30, 2024
	USD	USD
At July 01,	6,555,796	6,760,565
Additions during the period/year	6,584,352	6,749,133
Disposal during the period/year	(6,495,327)	(7,033,044)
Fair value (losses)/gains on financial assets	(99,340)	60,471
Fair value release on disposal	(60,472)	18,671
	6,485,009	6,555,796
Interest receivable	103,983	177,655
At December 31,	6,588,992	6,733,451

As at December 31, 2024, the Fund has investment in one bond which is quoted on the National Stock Exchange of India Limited (NSE) and easily tradable with settlement received/paid the following day after trade has been executed. The Fund does not foresee any credit risk. Debt instrument is not secured by any collateral. All change in fair value is attributable to changes in market conditions as credit risk is low. The maximum exposure to credit risk is USD 6,588,992 for the financial year December 31, 2024 (June 30, 2024: USD 6,733,451).

(b) Net losses from financial instruments at fair value through profit or loss

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
Fair value (losses)/gains on financial assets	(99,340)	34,551
Losses on disposal of financial assets	(1,346)	(203,586)
	(100,686)	(169,035)

4 OTHER RECEIVABLES

	Dec 31, 2024	Jun 30, 2024
	USD	USD
Expenses prepaid	5,029	8,944
Receivable from Manager	6,441	2,719
Share capital receivable	10	10
	11,480	11,673

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.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

5 DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
Paid during the period	133,497	134,445
Interim per unit	0.15	0.15
Final per unit	-	-
	0.15	0.15

6 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	No. of Shares	No. of Shares
Issued and fully paid		
(i) Opening balance	889,978	901,303
Redemption of shares during the period	-	(5,000)
Closing balance	889,978	896,303
	USD	USD
(ii) Opening balance	12,251,968	12,336,634
Redemption of shares during the period	-	(37,400)
Closing balance	12,251,968	12,299,234

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

(iii) Class Rights

Rights of Redeemable Participating Shares

1 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.

2 Distribution

The holders of Redeemable Participating Shares shall have rights to distribution.

3 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 of the Fund.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

6 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES (CONTINUED)

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

	Dec 31, 2024	Jun 30, 2024
	USD	USD
Net Assets calculated as per Prospectus	6,589,045	6,729,477
Adjustments:		
Income tax adjustment	263	20,442
Other payables	22	310
Other receivables	2,602	24
Net Assets as per Financial Reporting	6,591,931	6,750,252
	Per Share	Per Share
	USD	USD
Net Assets per share calculated as per Prospectus	7.40	7.56
Adjustments:		
Income tax adjustment	0.00	0.02
Other payables	0.00	0.00
Other receivables	0.01	0.00
Net Assets per share as per Financial Reporting	7.41	7.58

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 December 31, 2024 as disclosed in note 4 to the interim report. The Board shall issue Management Share only to the Manager. The Management Share shall be non - redeemable. The Board may issue shares at any time and there is no limit on the number of shares to be issued of no par value.

Rights of Management Share

(i) 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 shareholder's approval under the Act.

(ii) Distribution

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

(iii) 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.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

8 OTHER PAYABLES

	Dec 31, 2024	Jun 30, 2024
	USD	USD
Manager's fees payable	12,235	4,052
Registrar's fees payable	1,156	381
Custodian's fees payable	5,949	1,411
Professional fees payable	4,712	4,750
Index Provider fees	1,177	170
	25,229	10,764

The carrying amounts of other payables approximate their fair values.

9 NOTES TO THE STATEMENT OF CASH FLOWS

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
(a) Cash used in operations		
Loss before taxation	(138,642)	(100,572)
Adjustments for:		
Distribution to holders of redeemable participating shares	133,497	134,445
Interest income on fixed income securities	(172,224)	(237,359)
Fair value losses/(gains) on financial assets	99,340	(34,551)
Foreign exchange losses	43,360	522
Losses on disposal of financial assets	1,346	203,586
	(33,323)	(33,929)
Changes in working capital:		
Other receivables	193	(2,695)
Other payables	14,465	6,832
Cash used in operations	(18,665)	(29,792)
(b) Cash and cash equivalents	Dec 31, 2024	Dec 31, 2023
	USD	USD
Cash at bank	32,884	6,071

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

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

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) an 80% exemption on its income other than interest which qualifies for an 95% exemption as per the Second Schedule of the Income Tax Act 1995.

(a) In the Statement of Financial Position

	Dec 31, 2024	Jun 30, 2024
	USD	USD
Tax payable/(receivable)		
At July 1	(4,762)	29,396
Charge for the period/year	19,679	8,141
Tax refund/paid for the period/year	1,269	(42,299)
At December 31/ June 30	<u>16,186</u>	<u>(4,762)</u>
Payable/(Receivable) to:		
The Mauritius Revenue Authority	1,764	1,647
The Indian Tax Authority	14,422	(6,409)
	<u>16,186</u>	<u>(4,762)</u>

The Fund suffers withholding tax at source on the interest income earned.

(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:

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
Loss before taxation	(138,642)	(100,572)
Tax effect on:		
Expenses not deductible for tax purposes	215,318	348,410
Income not subject to tax	(64,843)	(225,754)
Chargeable income	11,833	22,084
Tax calculated at 15%	1,775	3,313
Withholding Tax suffered	17,904	17,229
Taxation charge	<u>19,679</u>	<u>20,542</u>

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

10 INCOME TAX (CONT'D)

(b) In the Statement of Profit or Loss and Other Comprehensive Income (Cont'd)

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

Income not subject to tax comprises of exempt income and gains on disposal of financial assets.

Withholding tax has been suffered on income on fixed income securities

11 RELATED PARTY TRANSACTIONS

The transactions of the Fund with parties related to the Manager during the periods December 2024 and December 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:

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
MCB Investment Management Co. Ltd	24,694	25,224

(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:

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
MCB Registry & Securities Ltd	2,337	2,724

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

	6 months to Dec 31, 2024	6 months to Dec 31, 2023
	USD	USD
Directors fees	1,593	331

(d) Outstanding balances as at December 31

	Dec 31, 2024	June 30, 2024
	USD	USD
<i>Payables to related parties</i>		
MCB Investment Management Co. Ltd	12,235	4,052
MCB Registry & Securities Ltd	1,156	381
	13,391	4,433
<i>Receivable from related party</i>		
MCB Investment Management Co. Ltd	10	10

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

11 RELATED PARTY TRANSACTIONS (CONT'D)

(e) Bank balances	<u>Dec 31, 2024</u>	<u>Dec 31, 2023</u>
	USD	USD
The Mauritius Commercial Bank Ltd	<u>10,659</u>	<u>6,071</u>

The above transactions reflect the commercial objective of the Fund and occurred in the normal course of business. They have been carried out at least under market terms and conditions.

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 above transactions occurs in cash.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

12 (a) Schedule of investments as at

<u>June 30, 2024</u>		<u>December 31,</u>	
Market Value		<u>2024</u>	
(USD)	Security Description	Market Value	% of Net Assets
		(USD)	
	Quoted Foreign Fixed Income Securities		
6,555,796	7.18% GOI 2033	-	-
-	7.10% GOI 2034	6,485,009	98.38%
6,555,796	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	6,485,009	98.38%
177,655	TOTAL INTEREST RECEIVABLES	103,983	1.58%
6,733,451	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,588,992	99.96%
16,811	OTHER ASSETS AND LIABILITIES	2,949	0.04%
6,750,262	NET ASSETS	6,591,941	100.0%
	Currency Profile		
6,739,860	INR	6,596,795	100.07%
10,402	USD	(4,854)	(0.07%)
6,750,262	NET ASSETS	6,591,941	100.0%
	Fair Value Hierarchy		
6,733,451	Level 1	6,588,992	99.96%
6,733,451	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,588,992	99.96%

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

12 (b) Currency profile sensitivity analysis

A reasonably possible strengthening/ weakening of the USD against INR at December 31, 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below.

The analysis is based on the assumption that the USD strengthened/weakened against INR by 5% (2024: 5%) based on historical observation and its corresponding impact on loss/profit.

	<u>Dec 31, 2024</u>	<u>Jun 30, 2024</u>
	Impact on Loss before taxation	Impact on Loss before taxation
USD Weakened by 5%	lower by USD330k	lower by USD337k
USD Strengthened by 5%	higher by USD330k	higher by USD337k

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 (c) Price risk sensitivity analysis

The Fund is also exposed to price risk with the incidence of the market price of debt instrument held. The debt instrument is quoted on the National Stock Exchange of India Limited (NSE).

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>Dec 31, 2024</u>	<u>Jun 30, 2024</u>
	Impact on Loss before taxation	Impact on Loss before taxation
Increase in fair value by 10%	lower by USD649k	lower by USD656k
Decrease in fair value by 10%	higher by USD649k	higher by USD656k

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

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APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Closing exchange rate:

INRUSD 0.0117

Calculation notes:

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

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

	Period ended December 31, 2024 USD	Year ended June 30, 2024 USD	Year ended June 30, 2023 USD	Year ended June 30, 2022 USD
Opening net asset value	6,750,262	6,930,950	7,251,821	8,469,563
Total revenue	187,391	503,244	505,468	521,695
Total expenses	(68,169)	(104,856)	(167,768)	(151,649)
Realised losses for the period/year	(1,346)	(202,623)	(188,859)	(628,483)
Unrealised gains/(losses) for the period/year	(142,700)	58,893	24,187	(602,122)
Distribution declared from net income	(133,497)	(349,558)	(381,322)	(357,183)
Income paid on redeemable participating shares liquidated	-	(1,122)	(1,870)	-
Total decrease in operations	(158,321)	(96,022)	(210,164)	(1,217,742)
Redemption of redeemable participating shares	-	(84,666)	(110,707)	-
Closing net asset value	6,591,941	6,750,262	6,930,950	7,251,821
Portfolio turnover rate	194.82%	198.19%	416.62%	405.25%
Redeemable Participating Shares				
Number of shares outstanding	889,978	889,978	901,303	915,853
Management expense ratio (Total Expense Ratio)	0.99%	0.99%	0.99%	0.99%
Closing market price per share	7.41	7.58	7.69	7.92