

**MCB INDIA SOVEREIGN BOND ETF**  
the "FUND"

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

**MCB INDIA SOVEREIGN BOND ETF**  
**INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

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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

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		<b>Date of appointment</b>
<b>BOARD MEMBERS</b>	Mr Gilbert Gnany	March 04, 2016
	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
	Ms Li Fa Cheung Kai Suet	January 31, 2022
<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>Citibank, N.A.</b> FIFC, 11th Floor C-54/55, G Block, Bandra Kurla Complex, Bandra – East Mumbai 400 098, INDIA	
<b>AUDITORS</b>	<b>BDO &amp; Co</b> 10, Frere Felix de Valois Street Port Louis, MAURITIUS	
<b>ISIN</b>	MU0516N00024	

# MCB INDIA SOVEREIGN BOND ETF

## MANAGER'S REPORT

### FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

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)	1.10%	0.00%	5.00%	1.30%
MCB India Sovereign Bond ETF (Market price) <sup>1</sup>	-2.90%	-5.50%	-0.40%	0.60%
Benchmark	2.00%	1.50%	7.40%	3.00%

#### 1. Adjusted for Dividends

Inception date : 6 June 2016

Benchmark : ZyFin India Sovereign Bond Liquid Index

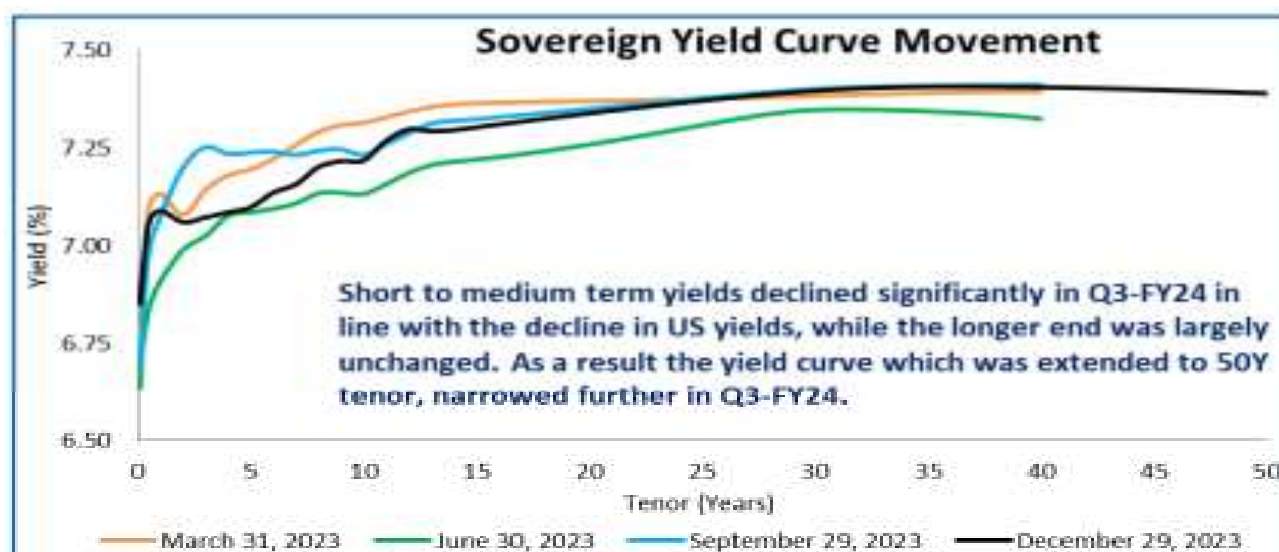
#### October to December 2023 review

With its GDP expanding 7.60% in the 2023Q4, the Indian economy continued to be the fastest growing major economy in the world. This growth was fueled by government expenditure as well as strong performance in the manufacturing, mining, and construction sectors. International organizations revised their growth estimates for India for this year and the following year upward in response to the country's noteworthy performance. While inflation continued to rise throughout the quarter, driven mostly by rising food prices, goods and services taxes receipts remained strong.

#### Yield Movement

With its GDP expanding 7.60% in the 2023Q4, the Indian economy continued to be the fastest growing major economy in the world. This growth was fueled by government expenditure as well as strong performance in the manufacturing, mining, and construction sectors. International organizations revised their growth estimates for India for this year and the following year upward in response to the country's noteworthy performance. While inflation continued to rise throughout the quarter, driven mostly by rising food prices, goods and services taxes receipts remained strong.

By mid-December, the sentiment in the global bond market had also completely changed, with the Fed indicating a more aggressive path of rate decreases in 2024.



# MCB INDIA SOVEREIGN BOND ETF

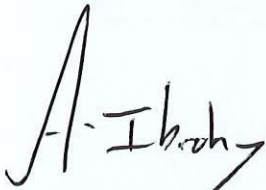
## MANAGER'S REPORT

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

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In the current market conditions, foreign banks continue to buy ahead of India's inclusion on global bond indices later this year. JP Morgan will add gilts to its Global Bond Index – Emerging Markets starting June 2024, while Bloomberg has proposed adding bonds under the fully accessible route to its emerging market indices starting September.

The Manager expects the 10 year g-sec yields to remain range bound and should trade within 7.15% to 7.30% levels in 2024Q1.



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, 2023**

	<u>Notes</u>	<u>December 31, 2023 USD</u>	<u>June 30, 2023 USD</u>
<b>ASSETS</b>			
Other receivables	4	15,486	12,791
Financial assets at fair value through profit or loss	3(i)	6,782,050	6,956,346
Cash and cash equivalents		<u>6,071</u>	<u>2,521</u>
<b>Total assets</b>		<u><u>6,803,607</u></u>	<u><u>6,971,658</u></u>
<b>EQUITY</b>			
Management Share	7	<u>10</u>	<u>10</u>
<b>LIABILITIES</b>			
Current tax liabilities	10(a)	13,678	29,396
Other payables	8	<u>18,143</u>	<u>11,312</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		31,821	40,708
<b>Net assets attributable to holders of redeemable participating shares</b>	6(iv)	<u><u>6,771,776</u></u>	<u><u>6,930,940</u></u>
<b>Total liabilities</b>		<u><u>6,803,597</u></u>	<u><u>6,971,648</u></u>
<b>Total equity and liabilities</b>		<u><u>6,803,607</u></u>	<u><u>6,971,658</u></u>
<b>Net asset value per share</b>	6(iv)	<u><u>7.56</u></u>	<u><u>7.69</u></u>

These financial statements have been approved for issue by the Board of Directors on February 08, 2024.



Mr Patrick Eric Ronald Lam Yan Foon  
 Director



Mr Jean Hok Yui How Hong  
 Director

The notes on pages 8 to 16 form an integral part of these interim financial statements.

## MCB INDIA SOVEREIGN BOND ETF

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

	Notes	3-months ended Dec 31, 2023 USD	3-months ended Dec 31, 2022 USD	6-months ended Dec 31, 2023 USD	6-months ended Dec 31, 2022 USD
<b>Income</b>					
Interest income on bank balances		277	-	277	-
Interest on fixed income securities		117,424	111,875	237,359	233,527
Refund from Manager		6,799	6,291	15,690	9,968
		<u>124,500</u>	<u>118,166</u>	<u>253,326</u>	<u>243,495</u>
<b>Expenses</b>					
Manager's fees		12,488	12,772	25,224	26,181
Licence fees		4,225	4,387	8,462	8,404
Professional fees		3,910	1,428	6,206	2,741
Custodian's fees		2,403	2,520	4,672	4,789
Other direct fees		802	1,013	2,608	1,398
Registrar's fees		1,463	1,213	2,724	2,480
		<u>25,291</u>	<u>23,333</u>	<u>49,896</u>	<u>45,993</u>
<b>Operating profit</b>		<u>99,209</u>	<u>94,833</u>	<u>203,430</u>	<u>197,502</u>
Net losses from financial instruments at fair value through profit or loss		(22,727)	(144,677)	(169,035)	(363,559)
Foreign exchange (losses)/gains		(416)	59,302	(522)	58,252
		<u>(23,143)</u>	<u>(85,375)</u>	<u>(169,557)</u>	<u>(305,307)</u>
<b>Profit/(loss) before distribution</b>		<u>76,066</u>	<u>9,458</u>	<u>33,873</u>	<u>(107,805)</u>
Distribution to holders of redeemable participating shares	5	(134,445)	(200,762)	(134,445)	(200,762)
<b>Loss before taxation</b>		<u>(58,379)</u>	<u>(191,304)</u>	<u>(100,572)</u>	<u>(308,567)</u>
Taxation	10(b)	(1,198)	(18,645)	(20,542)	(24,961)
<b>Loss for the period</b>		<u>(59,577)</u>	<u>(209,949)</u>	<u>(121,114)</u>	<u>(333,528)</u>
<b>Equalisation</b>					
Income paid on units liquidated		-	(176)	(650)	(671)
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>		<u>(59,577)</u>	<u>(210,125)</u>	<u>(121,764)</u>	<u>(334,199)</u>

The notes on pages 8 to 16 form an integral part of these interim 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, 2023

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	<u>Notes</u>	<u>6 months to Dec 31, 2023 USD</u>	<u>6 months to Dec 31, 2022 USD</u>
At July 01,		6,930,940	7,251,811
Redemption of redeemable participating shares	6(ii)	(37,400)	(58,839)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(121,764)</u>	<u>(334,199)</u>
At December 31,		<u><u>6,771,776</u></u>	<u><u>6,858,773</u></u>

The notes on pages 8 to 16 form an integral part of these interim financial statements.



**MCB INDIA SOVEREIGN BOND ETF**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

	<b>Notes</b>	<b>6 months to Dec 31, 2023 USD</b>	<b>6 months to Dec 31, 2022 USD</b>
<b>Cash flows from operating activities</b>			
Cash used in operations	9(a)	<b>(29,792)</b>	(28,350)
Tax paid		<b>(36,259)</b>	(24,101)
<b>Net cash used in operating activities</b>		<b>(66,051)</b>	(52,451)
<b>Cash flows from investing activities</b>			
Interest received on fixed income securities		<b>252,790</b>	278,386
Purchase of financial assets		<b>(6,749,134)</b>	(7,657,661)
Proceeds from disposal of financial assets		<b>6,738,962</b>	7,654,506
<b>Net cash generated from investing activities</b>		<b>242,618</b>	275,231
<b>Cash flows from financing activities</b>			
Redemption of redeemable participating shares	6(ii)	<b>(37,400)</b>	(58,839)
Income paid on redeemable participating shares liquidated		<b>(650)</b>	(671)
Distribution paid to holders of redeemable participating shares	5	<b>(134,445)</b>	(200,762)
<b>Net cash used in financing activities</b>		<b>(172,495)</b>	(260,272)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>4,072</b>	(37,492)
<b>Movement in cash and cash equivalents</b>			
At July 01,		<b>2,521</b>	683
Increase/(decrease) in cash and cash equivalents		<b>4,072</b>	(37,492)
Effect of foreign exchange differences		<b>(522)</b>	58,252
<b>At December 31,</b>	9(b)	<b>6,071</b>	21,443

The notes on pages 8 to 16 form an integral part of these interim financial statements.

# MCB INDIA SOVEREIGN BOND ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

### 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, 2023 and comply with IAS 34.

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

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

	<b>6 months to Dec 31, 2023</b>	<b>Year to Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Opening balance	<b>6,760,565</b>	7,050,607
Additions during the period/ year	<b>6,749,134</b>	14,648,412
Disposal during the period/ year	<b>(6,961,220)</b>	(15,489,483)
Fair value gains/(losses) on financial assets	<b>34,551</b>	(18,672)
Fair value release on disposal	<b>18,672</b>	569,701
	<b>6,601,702</b>	6,760,565
Interest receivable	<b>180,348</b>	195,781
<b>Closing balance</b>	<b>6,782,050</b>	6,956,346

As at December 31, 2023, 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 6,782,050 for the period ended December 31, 2023 (June 30, 2023: USD 6,956,346).

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
<b>(ii) Net losses from financial instruments at fair value through profit or loss</b>		
Fair value gains/(losses) on financial assets	<b>34,551</b>	(2,206)
Losses on disposal of financial assets	<b>(203,586)</b>	(361,353)
	<b>(169,035)</b>	(363,559)

# MCB INDIA SOVEREIGN BOND ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

### 4 OTHER RECEIVABLES

	<b>Dec 31, 2023</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Prepayments	8,677	9,911
Receivable from Manager	6,799	2,870
Share capital receivable	10	10
	<b>15,486</b>	<b>12,791</b>

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.

### 5 DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
Paid during the period	134,445	200,762
	<b>134,445</b>	<b>200,762</b>
Interim per unit	0.15	0.22
Final per unit	-	-
	<b>0.15</b>	<b>0.22</b>

### 6 MOVEMENT IN PARTICIPATING SHARES

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
<b>Issued and fully paid</b>		
(i) <b>Opening balance</b>	901,303	915,853
Redemption of shares during the period	(5,000)	(7,700)
<b>Closing balance</b>	<b>896,303</b>	<b>908,153</b>
	<b>USD</b>	<b>USD</b>
(ii) <b>Opening balance</b>	12,336,634	12,447,341
Redemption of shares during the period	(37,400)	(58,839)
<b>Closing balance</b>	<b>12,299,234</b>	<b>12,388,502</b>

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 Dividends

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

**MCB INDIA SOVEREIGN BOND ETF**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2023**

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

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

**Rights of Redeemable Participating Shares (Cont'd)**

**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.

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

	<b>Dec 31, 2023</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Net Assets calculated as per Prospectus	6,772,940	6,944,147
Adjustments:		
Income tax adjustment	(1,121)	(13,213)
Other payables	(41)	(4)
Other receivables	(1)	10
<b>Net Assets as per Financial Reporting</b>	<b>6,771,776</b>	<b>6,930,940</b>
	<b>Per Share</b>	<b>Per Share</b>
	<b>USD</b>	<b>USD</b>
Net Assets per share calculated as per Prospectus	7.56	7.70
Adjustments:		
Income tax adjustment	(0.00)	(0.01)
Other payables	(0.00)	(0.00)
Other receivables	(0.00)	0.00
<b>Net Assets per share as per Financial Reporting</b>	<b>7.56</b>	<b>7.69</b>

**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 Dec 31, 2023 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**

**1 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.

**2 Dividends**

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

**3 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, 2023

### 8 OTHER PAYABLES

	<b>Dec 31, 2023</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Manager's fees payable	12,489	4,179
Registrar's fees payable	408	395
Custodian's fees payable	1,504	1,504
Professional fees payable	3,565	5,060
Index Provider fees	177	173
	<b>18,143</b>	<b>11,312</b>

The carrying amounts of other payables approximate their fair values.

### 9 NOTES TO THE STATEMENT OF CASH FLOWS

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
<b>(a) Cash used in operations</b>		
Loss before taxation	(100,572)	(308,567)
Adjustments for:		
Distribution to holders of redeemable participating shares	134,445	200,762
Interest income on fixed income securities	(237,359)	(233,527)
Fair value (gains)/losses on financial assets	(34,551)	2,206
Foreign exchange losses/(gains)	522	(58,252)
Losses on disposal of financial assets	203,586	361,353
	<b>(33,929)</b>	<b>(36,025)</b>
<b>Changes in working capital:</b>		
Other receivables	(2,695)	5,486
Other payables	6,832	2,189
<b>Cash used in operations</b>	<b>(29,792)</b>	<b>(28,350)</b>
<b>(b) Cash and cash equivalents</b>		
	<b>Dec 31, 2023</b>	<b>Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
Cash at bank	6,071	21,443

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, 2023

### 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>Dec 31, 2023</b>	<b>Jun 30, 2023</b>
	<b>USD</b>	<b>USD</b>
Opening balance	29,396	24,346
Charge for the year	20,542	67,158
Paid for the year	(36,259)	(62,108)
Closing balance	<u>13,678</u>	<u>29,396</u>
Payable to:		
The Mauritius Revenue Authority	(671)	3,347
The Indian Tax Authority	14,349	26,049
	<u>13,678</u>	<u>29,396</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:

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
Loss before taxation	(100,572)	(308,567)
Tax effect on:		
Expenses not deductible for tax purposes	348,410	599,900
Income not subject to tax	(225,754)	(233,423)
<b>Chargeable income</b>	<u>22,084</u>	57,910
<b>Tax calculated at 15%</b>	<u>3,313</u>	8,687
Withholding Tax suffered	17,229	16,274
<b>Taxation charge</b>	<u>20,542</u>	<u>24,961</u>

# MCB INDIA SOVEREIGN BOND ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

### 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 period Dec 2023 and Dec 2022 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>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
MCB Investment Management Co. Ltd	<b>25,224</b>	26,181

#### (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>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
MCB Registry & Securities Ltd	<b>2,724</b>	2,480

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

	<b>6 months to Dec 31, 2023</b>	<b>6 months to Dec 31, 2022</b>
	<b>USD</b>	<b>USD</b>
Directors fees	<b>331</b>	337

#### (d) Outstanding balances

	<b>Dec 31, 2023</b>	<b>June 30, 2023</b>
	<b>USD</b>	<b>USD</b>
<i>Payables to related parties</i>		
MCB Investment Management Co. Ltd	<b>12,489</b>	4,179
MCB Registry & Securities Ltd	<b>408</b>	395
	<b>12,897</b>	4,574
<i>Receivable from related party</i>		
MCB Investment Management Co. Ltd	<b>10</b>	10

# MCB INDIA SOVEREIGN BOND ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

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

(e) Bank balances	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
	USD	USD
The Mauritius Commercial Bank Ltd	<u>6,071</u>	<u>7,793</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, 2023

### 12 (a) Schedule of investments as at

June 30, 2023 Market Value (USD)	Security Description	<u>December 31, 2023</u> Market Value (USD)	% of Net Assets
<b>Quoted Foreign Fixed Income Securities</b>			
6,760,565	7.26% GOI 2033	-	0.00%
-	7.18% GOI 2033	6,601,702	97.50%
<b>TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES</b>		<b>6,601,702</b>	<b>97.50%</b>
195,781	<b>TOTAL INTEREST RECEIVABLES</b>	180,348	2.66%
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>6,782,050</b>	<b>100.16%</b>
(25,396)	OTHER ASSETS AND LIABILITIES	(10,264)	(0.16%)
<b>6,930,950</b>	<b>NET ASSETS</b>	<b>6,771,786</b>	<b>100.0%</b>
<b>Currency Profile</b>			
6,932,648	INR	6,767,701	99.94%
(1,698)	USD	4,085	0.06%
<b>6,930,950</b>	<b>NET ASSETS</b>	<b>6,771,786</b>	<b>100.0%</b>
<b>Fair Value Hierarchy</b>			
6,956,346	Level 1	6,782,050	100.16%
<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>6,782,050</b>	<b>100.16%</b>

# MCB INDIA SOVEREIGN BOND ETF

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

### 12 (b) Currency profile sensitivity analysis

A reasonably possible strengthening/ weakening of the USD against INR at December 31, 2023 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% (2023: 5%) based on historical observation and its corresponding impact on loss/profit.

	<u>Dec 31, 2023</u>	<u>Jun 30, 2023</u>
	<b>Impact on Loss before taxation</b>	<b>Impact on Loss before taxation</b>
USD Weakened by 5%	higher by USD338k	higher by USD347k
USD Strengthened by 5%	lower by USD338k	lower by USD347k

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% (2023: 10%) based on historical observation and its corresponding impact on loss/profit.

	<u>Dec 31, 2023</u>	<u>Jun 30, 2023</u>
	<b>Impact on Loss before taxation</b>	<b>Impact on Loss before taxation</b>
Increase in fair value by 10%	lower by USD660k	lower by USD676k
Decrease in fair value by 10%	higher by USD660k	higher by USD676k

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

# MCB INDIA SOVEREIGN BOND ETF

## APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

### Closing exchange rate:

INRUSD 0.0120

### Calculation notes:

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

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

	<b>Period ended December 31, 2023 USD</b>	<b>Year ended June 30, 2023 USD</b>	<b>Year ended June 30, 2022 USD</b>	<b>Year ended June 30, 2021 USD</b>
<b>Opening net asset value</b>	6,930,950	7,251,821	8,469,563	8,631,076
Total revenue	253,326	505,468	521,695	538,388
Total expenses	(70,438)	(167,768)	(151,649)	(155,121)
Realised losses for the period/year	(203,586)	(188,859)	(628,483)	(17,369)
Unrealised gains/(losses) for the period/year	34,029	24,187	(602,122)	(89,238)
Distribution declared from net income	(134,445)	(381,322)	(357,183)	(448,526)
Income paid on redeemable participating shares liquidated	(650)	(1,870)	-	(1,664)
Income received on participating shares created	-	-	-	1,590
<b>Total decrease in operations</b>	<b>(121,764)</b>	<b>(210,164)</b>	<b>(1,217,742)</b>	<b>(171,940)</b>
Issue of redeemable participating shares	-	-	-	68,411
Redemption of redeemable participating shares	(37,400)	(110,707)	-	(57,984)
<b>Closing net asset value</b>	<b>6,771,786</b>	<b>6,930,950</b>	<b>7,251,821</b>	<b>8,469,563</b>
Portfolio turnover rate	195.62%	416.62%	405.25%	600.77%
<b>Redeemable Participating Shares</b>				
Number of shares outstanding	896,303	901,303	915,853	915,853
Management expense ratio (Total Expense Ratio)	0.99%	0.99%	0.99%	0.99%
Closing market price per share	7.56	7.69	7.92	9.24