

MCB CASH MANAGEMENT FUND
the "FUND"

ANNUAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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NOTICE

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

MCB CASH MANAGEMENT FUND

MANAGEMENT & ADMINISTRATION

		Date of appointment
BOARD MEMBERS	Mr Patrick Eric Ronald Lam Yan Foon Mr Jean Hok Yui How Hong Ms Li Fa Cheung Kai Suet	December 09, 2015 September 21, 2017 January 31, 2022
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 Lot 15 A3 1st Floor, Cybercity Ebène 72201, 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 Lot 15 A3 1st Floor, Cybercity Ebène 72201, 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	The Mauritius Commercial Bank Ltd - Custody Business Unit 9-15, Sir William Newton Street Port Louis, MAURITIUS	
AUDITOR	BDO & Co 10, Frère Felix de Valois Street Port Louis, MAURITIUS	
ISIN	MU0511S00008	

MCB CASH MANAGEMENT FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

1. GOVERNANCE STRUCTURE

1.1 Overview

MCB Cash Management Fund (the "Fund") was incorporated in Mauritius under the Companies Act 2001 on December 09, 2015 as a public company with liability limited by shares and is authorised by the Financial Services Commission (the "FSC") to operate as a Collective Investment Scheme, categorised as an Expert Fund pursuant to a Global Business Licence issued by the FSC. The Fund is not a public interest entity as defined by law but is required to apply the National Code of Corporate Governance for Mauritius (2016) (the "Code") by the FSC. It is committed to the highest standard of business integrity, transparency and professionalism in all its activities to ensure that the activities of the Fund are managed ethically and responsibly to enhance value for all stakeholders.

The Fund is managed by MCB Investment Management Co. Ltd (the "Manager"), a company duly licensed by the FSC to promote, manage and administer collective investment schemes and closed-end funds.

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

1.2 Statement of Compliance

The board of directors has given and will continue to give due consideration to the principles of good corporate governance which are applicable to the Fund under the Code. It is worth noting that the ultimate holding company of the Manager, MCB Group Limited ("MCBG"), is required to comply with the principles of the Code.

Throughout the year ended June 30, 2023 to the best of the Board's knowledge, the organisation has complied with the Code in all material aspects except for certain sections as mentioned and explained in the table below.

Principle	Section relating to	Reasons for non-compliance
2	Organisations should have at least an Audit Committee and a Corporate Governance Committee	Given that the Fund is a Collective Investment Scheme, this Principle is being complied with at the level of the Manager's holding and ultimate holding companies.
2	Board Structure with a designated Chairperson, an appropriate combination of executive, non-executive and independent directors and having both genders.	Given that the Fund is a Collective Investment Scheme with no employees, executive directors cannot be appointed. There is no designated Chairperson for the Fund and the Chairperson for board meetings is decided when the directors meet. Moreover, the Board of the Manager is fully compliant with this Principle.

The board of directors will regularly reassess the requirements of the Code to ensure that the Fund remains compliant thereto.

1.3 Constitutive documents or Charter documents

1.3.1 Board Charter

The Board Charter has been duly approved by the Board and is reviewed by the latter on a regular basis. The Charter provides for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Fund are duly escalated to the Board of the Fund.

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1.3.2 Constitution and Prospectus

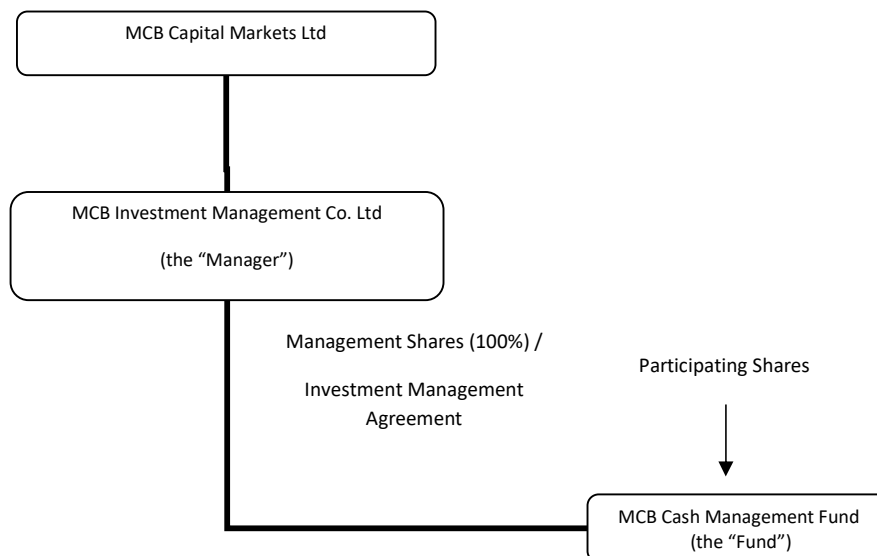
The constitution and prospectus of the Fund (the “Constitutive Documents”) have been duly approved by the Board and are reviewed by the latter on a regular basis. The Constitutive Documents provide for delegation of authority and clear lines of responsibility with a reporting mechanism whereby matters affecting the affairs and reputation of the Fund are duly escalated to the Board of the Fund.

The Constitutive Documents provide amongst others the following main objectives:

- (i) Defining the Fund's purpose, strategy and value;
- (ii) Determining policies and best practices to ensure that the business is conducted with the highest standards of ethical conduct within the Fund;
- (iii) Reviewing and, where appropriate, approving risk policy of the Fund; and
- (iv) Reviewing and approving the financial statements of the Fund.

1.3.3 Organisation Structure

The Fund has issued one management share to the Manager, a wholly owned subsidiary of MCB Capital Markets Ltd (“MCBCM”), which is itself wholly-owned by MCBG.



1.3.4 Statement of Main Accountabilities

The Board is responsible and accountable for the long-term success of the Fund and has approved and set the main accountabilities of the Board collectively as follows:

Main Accountabilities	
Chairperson	-Provides overall leadership to the Board -Ensures that the Board is effective in its tasks of setting and implementing the Fund’s direction and strategy -Ensures that the development needs of the directors are identified and appropriate training is provided to continuously update their skills and knowledge -Maintains sound relations with the shareholders

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Board	<ul style="list-style-type: none">-Ensures compliance by the Fund with applicable legislation, regulation and policies-Safeguards the assets of the Fund-Ensures Board decisions are being implemented and the long-term interests of the shareholders are being served
Secretary	<ul style="list-style-type: none">-Providing guidance to the Board relating to their duties, responsibilities and powers-Informing the Board of all legislation pertaining to meetings of the shareholders and the Board-Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained-Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are required under the Companies Act 2001 (the "Act") as may be amended from time to time

1.3.5 Material Clauses of the Constitution

As per the constitution of the Fund, no shareholder shall have any pre-emptive rights whatsoever to subscribe for any additional shares issued by the Fund. The Board is expressly permitted to issue further Redeemable Participating Shares as the case may be, at any time ranking as to voting or distribution rights or both equally with Redeemable Participating Shares, already issued by the Fund without such issue qualifying as a variation of class rights of the existing Redeemable Participating Shares.

2. THE BOARD STRUCTURE

2.1 Board roles and responsibilities

The Board's primary function is to direct and supervise the business and affairs of the Fund. The Board currently consists of three directors, at least two of whom shall at all times be resident in Mauritius. All board meetings of the Fund are chaired from and decisions are taken in Mauritius. The members of the Board are appointed by the holder of the Management Share.

The Fund is currently managed by a unitary Board of 3 members, residents of Mauritius, out of whom one (1) is Non-Executive and two (2) are Independent Non-Executive Directors.

There is no designated Chairperson for the Fund. The Chairperson for board meetings is decided when the directors meet.

The Board meets at least four times a year to review the investments, operations and administrative affairs of the Fund. There are no service contracts between the Fund and any of its directors in their personal capacity, nor are any such contracts proposed. A director may vote at, or be counted in the quorum of any meeting of the Board to consider any contract in which the director is interested, provided that such director declares the interest prior to the taking the vote at the meeting and causes such interest to be recorded in the register of interests.

All the members of the Board possess the necessary knowledge, skills, objectivity, intellectual honesty, integrity, experience and commitment to make sound judgements on various key issues relevant to the business of the Fund, independent of the Manager and to protect the interests of shareholders, clients and other stakeholders.

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All directors receive timely information so that they are equipped to play as full a part as possible in board meetings. All board members have access to the Company Secretary for any further information they require.

The Fund has entered into an investment management agreement of unlimited duration with the Manager which gives the Manager full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board.

2.2 Composition of the Board

The Board examines the size, composition and the essential competencies of its members annually to ensure that there is an appropriate balance of skill, experience and knowledge to enable it to carry out its duties and responsibilities effectively. The Board currently comprises of three members as detailed below:

Name	Title	Category	Gender	Country of Residence
Jean Hok Yui HOW HONG	Director	Independent	Male	Mauritius
Patrick Eric Ronald LAM YAN FOON	Director	Non-Executive	Male	Mauritius
Li Fa CHEUNG KAI SUET	Director	Independent	Female	Mauritius

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

Given that the Fund has no employees, it is not possible to have executive directors. Day-to-day operations are handled by its functionaries which include the Manager, a registrar and a custodian.

Mr Patrick Eric Ronald Lam Yan Foon is a director of the Fund, the Manager and MCBCM.

2.3 Profile of Directors

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

(i) Jean Hok Yui How Hong, Independent Director

Mr. How Hong holds a Diploma in Sugar Technology (School of Agriculture, University of Mauritius). He has 40 years' management experience in the agro-industry, wholesale and distribution sector at Innodis Ltd. He was the Chief Operating Officer for 3 years and then Chief Executive Officer for 8 years prior to retiring in December 2016. Mr. How Hong has assumed functions of Executive Director of Mauritius Farms Ltd, and General Manager (Commercial Division) of Happy World Ltd.

Directorship in listed companies: Innodis Ltd, MCB India Sovereign Bond ETF and African Domestic Bond Fund (Stock Exchange of Mauritius)

(ii) Patrick Eric Ronald Lam Yan Foon (Rony Lam), Non-Executive Director

Mr. Lam started his career with KPMG in Beijing and London, where he qualified as a Chartered Accountant. Since 2000, he has pursued a career in investment banking at HSBC Investment Bank and Barclays in London and Asia. From 2007 to 2012, he was a Partner at Fenchurch Advisory Partners, a leading UK investment banking firm focused exclusively on advising financial institutions on mergers and acquisitions and capital markets transactions. Mr Lam was a Cambridge Commonwealth Trust scholar and holds a BA (Honours) and MA (Cantab) in Economics from Cambridge University. He also has a Diploma in Mandarin Chinese from Renmin University of China.

Directorship in listed funds: MCB India Sovereign Bond ETF and African Domestic Bond Fund (Stock Exchange of Mauritius)

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(iii) **Li Fa Cheung Kai Suet, Independent Director**

Ms. Cheung Kai Suet holds a Graduate Diploma in Statistics of the UK Institute of Statisticians, now Royal Statistical Society, and was appointed Chartered Statistician in 2004. She has extensive experience in official statistics. She was the Director/Chief Executive Officer of Statistics Mauritius, the national statistical agency of Mauritius, for 10 years where she was responsible for the development of official statistics and for the co-ordination of statistical activities in the country. Before that, she was Deputy Director of the agency for 5 years. During her terms of office, she took a 2-years' leave to work as Senior Economist for the International Monetary Fund where she was mostly involved in capacity development activities. She is now retired and is currently working as a part-time international consultant in official statistical system.

Directorship in listed funds: MCB India Sovereign Bond ETF and African Domestic Bond Fund (Stock Exchange of Mauritius)

2.4 Corporate Secretary

The Fund's secretary is Apex Fund & Corporate Services (Mauritius) Ltd, a private company incorporated in Mauritius with registered office address at Lot 15 A3, 1st Floor Cybercity, Ebene, 72201 Mauritius ("Corporate Secretary"). Apex Fund & Corporate Services (Mauritius) Ltd, is regulated by the Financial Services Commission and provide inter-alia management, fund administration, trusteeship and other corporate administration and secretarial services. The Corporate Secretary has a pool of professionals who have in-depth knowledge and understanding of the latest rules and regulations governing businesses and other legal entities. All board members have access to the Corporate Secretary for information relating to the Board matters. Profile of the key personnel of Apex Fund & Corporate Services (Mauritius) Ltd is below:

Purnima Boyjonauth-Bhogun (Deepti)

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

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

Mohammad Salman Ibrahim Hatteea

More than a decade in the offshore industry during which he amassed the savoir-faire in fiduciary & corporate services.

During his career, he has been exposed to sophisticated vehicles including Investment Funds, regulated intermediaries amongst others. Such exposure had enhanced his understanding of the industry and given him the capabilities to participate in corporate structuring, handling company establishment and ongoing administration, be responsible for liaison with authorities, provided dedicated investors' services to HNWI/Institution Investors and much more.

He is currently pursuing his Bsc (Hons) Finance with Law at the Open University of Mauritius.

2.5 Board Attendance

Board meetings are usually held at least four times a year but may be convened at any time in case urgent matters need to be discussed.

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No of Meetings held during the year *	4
Directors	
Mr. Jean Hok Yui How Hong*	4
Mr. Patrick Eric Ronald Lam Yan Foon*	4
Ms. Li Fa Cheung Kai Suet	4

* Physically or through their duly appointed alternate director pursuant to Article 23.9 of the Constitution.

2.6 Board Committees

Given that the Fund is a Collective Investment Scheme, all board committees have been set up at the level of the Manager's Group.

3 DIRECTORS APPOINTMENT PROCEDURES

3.1 Directors Selection

The Remuneration, Corporate Governance, Ethics and Sustainability Committee (RCGESC) of MCBG identifies suitable candidates for the Board of the Fund after determining whether the potential candidates have the required criteria it has established. The RCGESC then proposes the selected candidates to the Manager and the Board of the Fund for review and approval. The RCGESC also oversees succession planning for independent directors. The ultimate authority for appointment and induction of directors and for succession planning remain with the Board of directors of the Fund.

3.2 Election and Re-election of Directors

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

3.3 Induction of new Directors

All new directors are given an induction pack, which comprises the offering and constitutive documents and the minutes of the last meeting of the Board. An introductory meeting is organised to explain the business activities of the Fund and its governing policies. The other directors as well as the Company Secretary are readily available to answer any queries that newly appointed directors may have with respect to the Fund.

The above mentioned induction programme meets the specific needs of both the Fund and the newly appointed directors and enable the latter to participate actively in Board discussions.

3.4 Professional Development

Directors are encouraged to keep themselves up to date with the professional practices and industry related developments. The Board regularly reviews and comes to an agreement with each director, if necessary, on his or her training and development needs. Upon request from directors, the Fund provides the necessary resources for developing and updating its directors' knowledge and capabilities. No professional training was provided to the directors for the year under review.

3.5 Succession Planning

The Fund does not have any direct employees. MCBG is one of the largest group of companies in Mauritius with a large pool of talent with different skills, academic and professional qualifications, and expertise in various fields of business. The MCB Group strategy includes the recognition and fostering of talents within executive and management levels across the Group thus ensuring that opportunities are created to develop current and future leaders.

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3.6 Time Commitment

Each director is expected to devote sufficient time and attention to the affairs of the Fund. The Fund anticipates a time commitment of at least 48 hours per annum. This will include attendance at Board meetings, the Annual Meeting of Shareholders and meetings as part of the Board evaluation process and training and development programmes. There is always the possibility of additional time commitment in respect of ad-hoc matters that may arise from time to time, and particularly when the Fund is undergoing a period of increased activity. The directors allocate sufficient time to the Fund's operation (refer to 2.5).

4 DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

4.1 Legal duties of Directors

The directors are aware of their legal duties under the Act and other relevant legislations. They exercise the required standard degree of care, skill and diligence which a reasonably prudent and competent director in such position would exercise.

4.2 Remuneration Philosophy

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

The Fund's remuneration philosophy for directors is a fixed annual director fees.

4.3 Directors' Remuneration

Directors	Remuneration from the Fund	
	2023	2022
	USD	USD
Mr. Jean Hok Yui HOW HONG	327	345
Ms. Divya BASANTA LALA (Resigned on August 3, 2021)	-	30
Mr. Patrick Eric Ronald LAM YAN FOON	-	-
Ms. Li Fa CHEUNG KAI SUET	327	140
	654	515

Directors who are already in an executive position within the MCB Group do not receive additional remuneration as Board member, in line with MCBG policy. Mr Jean Hok Yui How Hong and Ms Li Fa Cheung Kai Suet are entitled to a fixed annual director fees of MUR 15,000 each. The Board reviews the remuneration of independent and those non-executive directors who are eligible to receive director's remuneration, and recommendations are made to the RCGESC of MCB Group Ltd, the ultimate holding company.

4.4 Directors' interests in shares

The directors do not hold shares in the Fund directly or through any associate (as defined under the Listing Rules of the Stock Exchange of Mauritius).

4.5 Directors' service contracts

There are no fixed term contracts or service contracts between the Fund and the directors.

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CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

4.6 Related Party Transactions

Related party transactions have been conducted in accordance with the Conflicts of interest and Related Party Transaction Policy and the Code of Ethics. For related party transactions, please refer to note 17 of the Financial Statements.

4.7 Policies of the Fund and Code of Ethics

The following policies of the ultimate holding company, MCBG, have been adopted by the Manager:

- Information, Information Technology and Information Security Governance Policy
- Conflicts of interest and Related Party Transaction Policy
- Whistleblowing Policy
- Code of Ethics

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

4.8 Whistleblowing

The Whistleblowing Policy of MCBG provides all employees within the Group, including those of the Manager, a reporting channel on suspected misconduct or malpractice within the Manager without the risk of subsequent victimization or discrimination. The policy outlines the complaint handling and reporting processes to improve transparency.

4.9 Information Governance

The Fund has outsourced substantially all its operations to reputable service providers, mainly within the MCB Group, to whom the policies (as per 4.7 above) of MCBG applies. The Board oversees information governance of its service providers.

4.10 Register of Interest

An interest register is maintained by the Corporate Secretary and is available for consultation by the shareholder upon request.

4.11 Directors' Performance

The Board acknowledges the need of regularly reviewing the performance and effectiveness of the Board and its Directors. The directors endeavour to maintain the same vigilance in leading the Fund. A review is currently being carried out by means of a questionnaire to be filled by each Director to assess the Board's effectiveness and whether directors continue to discharge their respective duties effectively.

5 RISK GOVERNANCE AND INTERNAL CONTROL

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

The Manager's policy on risk management encompasses all significant business risks including physical, operational, human resources, technology, business continuity, financial, compliance and reputational which could influence the achievement of the Fund's objectives.

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The system of internal control, which is embedded in all key operations of the Manager, provides reasonable rather than absolute assurance that the Fund's business objectives will be achieved.

The Manager, is responsible for the design, implementation and monitoring of all risk, compliance and anti-money laundering policies and procedures of the Fund and has a direct reporting line to the Board of Directors.

The Board is satisfied regarding the implementation, operation and effectiveness of internal control and risk management.

The risk management mechanisms in place include:

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

The key risks for the Fund are legal, regulatory, operational, reputational, performance and financial risks. The Board is ultimately responsible for these matters but delegates the ongoing tasks to the Manager.

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

The **operational risks** profile of business activities and processes have been analysed and following evaluation, appropriate controls have been designed and implemented. In addition, risk arising from business processes is managed through the application of the necessary technical controls at every stage of those processes.

Reputational and performance risks are managed by the Board.

The identification and management of the financial risks are discussed in note 4 to the Financial Statements.

During the financial year under review all significant areas with respect to risk governance were covered by the internal control and no risk or deficiency has been noted in the organisation's system of internal controls.

6 REPORTING WITH INTEGRITY

6.1 Health and Safety Issues

The Manager is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders.

The Fund however does not have any employees.

6.2 Corporate Social Responsibility

There were no Corporate Social Responsibility contributions made during the year under review.

6.3 Charitable Donation

No donation was made by the Fund during the year under review.

6.4 Political Donation

The Fund did not make any political donation during the year under review.

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6.5 Documents on website

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

7 AUDIT

7.1 Internal Audit

Given that the Fund is a Collective Investment Scheme, internal audit assignments are done at the level of the Manager.

The internal audit function of the Manager is outsourced to the Group Internal Audit Department of The Mauritius Commercial Bank Ltd (GIA), which provides another balanced assessment of key risks and controls, independent from reports received from the Manager's management.

The Head of GIA is independent of the Executive Management of the Manager and reports to the Audit Committee of MCBCM semi-annually. The audit team executes its duties freely and objectively in accordance with the Institute of Internal Auditors' Code of Ethics and International Standards on independence and objectivity. All members of the audit team are required to sign the Code of Ethics on an annual basis.

GIA ensures that the quality of internal audit services provided to the Manager is aligned with recognised best practices. GIA leverages on a systematic and disciplined approach, notably through the use of well-focused audit work programs and computer aided audit techniques to evaluate the effectiveness of the internal control systems of the Manager. The Institute of Internal Auditors requires each internal audit function to have an external quality assessment conducted at least once every five years. The last exercise was carried out in November/December 2018, by an internationally recognised auditing firm which confirmed the Internal Audit BU's compliance with the International Standards for the Professional Practice of Internal Audit issued by the above-mentioned institute.

Areas, systems and processes covered by internal audit including non-financial matters are as follows:

- Governance: Review of minutes of Board meetings and review of monitoring process of the Risk and Compliance Unit
- Accounting: Bank reconciliation and fixed assets
- Investment: Investment agreement
- CIS Management: Settlement and dealing, pricing and reporting
- Client take-on: Unit trust –application and redemption
- IT: Quantis logical access management, disaster recovery, shared folder administration, Service Level Agreement
- Others: Human resources analysis

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

7.2 External Auditor

The current auditor is BDO & Co and has been appointed in June 2016 and the tenure of office will be reviewed in due course in line with good governance.

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

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The Board recommends the appointment of external auditor to the shareholder.

The Board also evaluates the performance of the External Auditor and reviews the integrity, independence and objectivity of the External Auditor by:

- Confirming that the External Auditor is independent from the Fund
- Considering whether the relationships that may exist between the Fund and the External Auditor impair the External Auditor's judgement

The board will recommend that the audit partner for the Fund be rotated every seven years.

7.3 Auditor's Fees

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

	2023	2022
	USD	USD
Audit fees - BDO & Co	<u>3,968</u>	<u>3,565</u>

Fees are inclusive of VAT. No other services have been provided by the auditor for the year under review.

8 RELATIONS WITH THE SHAREHOLDER AND OTHER KEY STAKEHOLDERS

Shareholders are kept properly informed on matters affecting the Fund. The annual meeting of shareholder is held in accordance with the Act and upon consultation with the shareholder. Notices for the annual meeting and other shareholder meetings are duly sent to the shareholder.

The Fund's website is used to provide relevant information to other stakeholders. Open lines of communication are maintained to ensure transparency and optimal disclosure.

8.1 Shareholders Agreement Affecting The Governance of the Fund by the Board

There is currently no such agreement.

8.2 Major Transaction

No major transaction as defined under section 130(2) of the Act was undertaken.

8.3 Third Party Management Agreement

(a) Investment Management Agreement

The Fund has entered into an investment management agreement with the Manager which gives the latter full power to administer, supervise and direct the acquisition and/or disposal (by whatever means) of the Fund's investments subject to and in compliance with the investment objectives and in light of any reasonable instructions that may be given by the Board. The Manager fulfils additional duties and reporting obligations including:

- (i) To provide instructions with respect to the execution of purchases and sales of investments on behalf of the Fund as it deems to be in the best interests of the Fund;

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- (ii) To make all material disclosures to the Fund regarding itself and its members, managers, partners, officers, directors, shareholders, employees, affiliates or any person who controls any of the foregoing, their investment performance and general investment methods, the investment performance of their customer accounts;
- (iii) To maintain a continuous record of all investments and securities acquired by the Fund and with respect to all transactions effected by it or on behalf of the Fund in accordance with such regulatory and reporting requirements of the FSC and such other relevant authorities;
- (iv) To maintain such books and records as are appropriate, check all periodical reports, transaction advice and/or statements received from time to time from the Custodian and shall render to the Fund such periodic and special reports as the Fund may reasonably request from time to time;
- (v) To deal with applications for shares of the Fund and cause for the issue of shares duly subscribed for;
- (vi) To calculate the Net Asset Value of the Redeemable Participating Shares; and
- (vii) To perform (by itself or through other service providers) all administrative services required by the Fund and engage in any other lawful activities.

(b) Registrar

The Fund has appointed MCB Registry and Securities Ltd as its registrar (the "Registrar"). The Registrar is incorporated under the laws of Mauritius and is licensed by the FSC as a Registrar and Transfer Agent. The duties of the Registrar include:

- (i) Maintaining, in relation to each class of shares, the register of shareholders of the Fund and generally performing all actions related to the issuance and transfer of Redeemable Participating Shares and the safe-keeping of certificates, if any;
- (ii) Recording in the register all redemption and/or issue of Redeemable Participating Shares;
- (iii) Dealing with and replying to all correspondence and other communications addressed to the Fund in relation to the replacement or transfer of Redeemable Participating Shares; and
- (iv) Performing all other incidental services necessary to its duties, which duties are set out in the registrar and transfer agent agreement.

(c) Corporate Secretary

Apex Fund & Corporate Services (Mauritius) Ltd has been appointed as corporate secretary. The Corporate Secretary is incorporated under the laws of Mauritius and is licensed by the FSC as a Management Company to, inter alia, provide company management services to Global Business companies. The duties of the Corporate Secretary include:

- (i) Providing guidance to the Board relating to their duties, responsibilities and powers;
- (ii) Informing the Board of all legislation pertaining to meetings of the shareholders and the Board;
- (iii) Ensuring that the minutes of all meetings of shareholders and Board are properly recorded, and that all statutory registers are properly maintained; and
- (iv) Certifying in the annual financial statements, that the Fund has filed with the Registrar of Companies all such returns as are and may be required under Mauritian laws.

MCB CASH MANAGEMENT FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

8.4 Shareholders Holding more than 5% of the Fund

Holders of Management Shares as at June 30, 2023

MCB Investment Management Co. Ltd	<u>100.0%</u>
-----------------------------------	---------------

Mr. Patrick Eric Ronald Lam Yan Foon is director of the Fund, the Fund Manager and MCBCM.

8.5 Share Option Plan

No such scheme currently exists within the Fund.

8.6 Timetable of important events

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

8.7 Distribution Policy

The Fund does not have a distribution policy as the holders of both Management Share and Redeemable Participating Shares do not have any rights to dividends.

MCB CASH MANAGEMENT FUND

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- (i) the financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the result of operations and cash flows for the year;
- (ii) adequate accounting records and effective internal control systems and risk management have been maintained;
- (iii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iv) the financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) and the Companies Act 2001;
- (v) the financial statements have been prepared on a going concern basis;
- (vi) they are responsible for safeguarding the assets of the Fund;
- (vii) they are responsible for leading and controlling the organization and meeting all legal and regulatory requirements;
- (viii) they have taken reasonable steps for the prevention and detection of fraud and other irregularities.

The External Auditor is responsible for reporting on whether the financial statements are fairly presented.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, we are satisfied that the annual report and financial statements taken as a whole are fair, balanced and understandable.

For and on behalf of the Board of Directors:



.....
Mr Patrick Eric Ronald Lam Yan Foon
Director



.....
Ms Li Fa Cheung Kai Suet
Director

Date: September 22, 2023

MCB CASH MANAGEMENT FUND

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED JUNE 30, 2023

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

Name of Fund : MCB Cash Management Fund

Reporting Period : July 01, 2022 to June 30, 2023

We, the directors of MCB Cash Management Fund, confirm to the best of our knowledge that the Fund has complied with all of its obligations and requirements under the Code of Corporate Governance except for certain sections as mentioned and explained in section 1.2 of the Corporate Governance Report.

Signed for and on behalf of the Board of Directors on September 22, 2023.



.....
Mr Patrick Eric Ronald Lam Yan Foon
Director



.....
Ms Li Fa Cheung Kai Suet
Director

MCB CASH MANAGEMENT FUND

MANAGER'S REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Performance Review

As at June 30, 2023, the Fund size was USD 19.4m. It delivered an annualised return of 1.0% since inception (July 16, 2016) against the benchmark (1 month USD Libor) which returned 1.5% annualised for the same period. During the year, the Fund was up by 3.3% against the benchmark return of 4.1%.

Portfolio Review

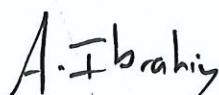
The Fund, as per its mandate, invests in short term (maturities less than a year) corporate and government bonds. In order to better manage liquidity, the Fund ensured investments were equally spaced out across different maturities. During the course of the year, the Fund maintained an average 30% exposure to High Yield bonds (Investment Grade at 70%) in an effort to enhance yield of the portfolio while respecting its internal guidelines. The Fund continues to deliver very attractive returns in such environment.

Portfolio characteristics as at the end of June 2023 are shown below:

Statistic	Fund
USD Exposure %	100.00%
Investment Grade exposure %	86.97%
Effective Duration (Years)	0.43
Current Yield %	7.97%

Outlook for Markets

The Federal Open Market Committee (FOMC) continued to raise Fed funds rate over the financial year ended June 2023 to combat inflation. Rates increased from 1.75% in June 2022 to 5.25% in June 2023. Yields on the front end of the curve saw increases between 195 and 412 basis points. One year bond yields increased from 2.7% in June 2022 to 5.4% in June 2023. With such increase in yields, the front end of the curve remains attractive, liquid and provides stable and enhanced returns on the USD cash for clients.



MANAGER

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

MCB CASH MANAGEMENT FUND
SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED JUNE 30, 2023

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



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

Date: September 22, 2023

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of **MCB Cash Management Fund**

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **MCB Cash Management Fund** (the "Fund") on pages 17 to 42 which comprise the statement of financial position as June 30, 2023, the statement of profit or loss and other comprehensive income, the statement of net assets attributable to holders of redeemable participating shares and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 17 to 42 give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards (the "IESBA Code"))*. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

During the year ended June 30, 2020, the investment in notes issued by CM Structured Finance (1) Ltd for a facility to NMC Healthcare LLC ("NMC") had been impaired by USD 6M following various announcements made on the Regulatory News Service of the London Stock Exchange, whereby NMC Health PLC had reported debts of USD 2.1 billion as at June 30, 2019 and an estimated undisclosed debts of USD 4.5 billion as at March 23, 2020. At June 30, 2023, the Fund had a financial asset of USD 0.6M representing a 10% first loss guarantee which is recoverable at the end of the recovery process. As of date, the Fund awaits the outcome of the recovery process. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Shareholder of MCB Cash Management Fund

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
To the Shareholder of MCB Cash Management Fund

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Fund, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Fund as far as it appears from our examination of those records.

Mauritian Financial Services Act 2007

Our responsibility under the Mauritian Financial Services Act 2007 Circular Letter CL281021 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Fund has complied with the requirements of the Code.

Other Matter

This report is made solely to the Fund's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's shareholders those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.



BDO & Co
Chartered Accountants



Galina Rangasamy, FCCA
Licensed by FRC


Port Louis,
Republic of Mauritius

22 SEP 2023

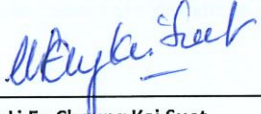
MCB CASH MANAGEMENT FUND
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Notes	2023 USD	2022 USD
ASSETS			
Other receivables	7	608,938	610,120
Financial assets at fair value through profit or loss	6	18,013,788	23,076,982
Cash and cash equivalents	16 (b)	<u>851,310</u>	<u>4,567,407</u>
Total assets		<u><u>19,474,036</u></u>	<u><u>28,254,509</u></u>
EQUITY			
Management share	9	<u>10</u>	<u>10</u>
LIABILITIES			
Other payables	10	10,588	2,694,912
Current tax liabilities	11 (a)	<u>4,933</u>	<u>8,254</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		15,521	2,703,166
Net assets attributable to holders of redeemable participating shares	8	<u>19,458,505</u>	<u>25,551,333</u>
Total liabilities		<u>19,474,026</u>	<u>28,254,499</u>
Total equity and liabilities		<u><u>19,474,036</u></u>	<u><u>28,254,509</u></u>
Net asset value per share		<u>1,074.53</u>	<u>1,039.09</u>

These financial statements have been approved for issue by the Board of Directors on September 22, 2023



 Mr Patrick Eric Ronald Lam Yan Foon
 Director



 Ms Li Fa Cheung Kai Suet
 Director

The notes on pages 23 to 44 form an integral part of these financial statements.
 Independent auditor's report on pages 18 to 18 (b).

MCB CASH MANAGEMENT FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023 USD	2022 USD
Income			
Interest on fixed income securities	3 (b)	897,040	1,207,143
Refund from Manager (to cap total expense ratio)		18,900	20,408
		915,940	1,227,551
Expenses			
Manager's fees	12	57,952	80,313
Registrar's fees	13	10,663	14,804
Custodian's fees	14	9,273	12,850
Licence fees		8,014	6,366
Professional fees		5,341	4,771
Secretarial fees		4,133	4,045
Other direct expenses		-	3,622
Bank charges		1,244	1,555
		96,620	128,326
Operating profit		819,320	1,099,225
Fair value losses on financial assets	6	(44,263)	(251,046)
Gains/(losses) on disposal of financial assets		22,714	(300,979)
		(21,549)	(552,025)
Profit before taxation		797,771	547,200
Taxation	11 (b)	(37,621)	(35,169)
Profit for the year		760,150	512,031
Other comprehensive income		-	-
Increase in net assets attributable to holders of redeemable participating shares		760,150	512,031

The notes on pages 23 to 44 form an integral part of these financial statements.
Independent auditor's report on pages 18 to 18 (b).

MCB CASH MANAGEMENT FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED JUNE 30, 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		USD	USD
At July 01,		25,551,333	34,970,381
Redemption of redeemable participating shares	8	(6,852,978)	(9,931,079)
Increase in net assets attributable to holders of redeemable participating shares		<u>760,150</u>	<u>512,031</u>
At June 30,		<u><u>19,458,505</u></u>	<u><u>25,551,333</u></u>

The notes on pages 23 to 44 form an integral part of these financial statements.
Independent auditor's report on pages 18 to 18 (b).

MCB CASH MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Notes	2023	2022
		USD	USD
Cash flows from operating activities			
Cash used in operations	16 (a)	(79,134)	(111,762)
Tax paid	11 (a)	(28,114)	(37,649)
Net cash used in operating activities		<u>(107,248)</u>	<u>(149,411)</u>
Cash flows from investing activities			
Interest received		834,644	1,331,957
Purchase of financial assets		(25,930,065)	(32,010,069)
Proceeds from disposal of financial assets		28,339,550	44,174,190
Net cash generated from investing activities		<u>3,244,129</u>	<u>13,496,078</u>
Cash flows from financing activities			
Redemption of redeemable participating shares	8	<u>(6,852,978)</u>	<u>(9,931,079)</u>
(Decrease)/increase in cash and cash equivalents		<u>(3,716,097)</u>	<u>3,415,588</u>
Movement in cash and cash equivalents			
At July 01,		4,567,407	1,151,819
(Decrease)/increase in cash and cash equivalents		<u>(3,716,097)</u>	<u>3,415,588</u>
At June 30,	16 (b)	<u>851,310</u>	<u>4,567,407</u>

The notes on pages 23 to 44 form an integral part of these financial statements.
Independent auditor's report on pages 18 to 18 (b).

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 OBJECTIVE

The Fund's objective is to achieve a consistent level of return commensurate with low risk investment strategies by investing primarily in fixed income securities issued by corporates and government.

These financial statements will be submitted for consideration and approval at the forthcoming annual meeting of shareholders of the Fund.

2 BASIS OF PREPARATION

The financial statements of MCB Cash Management Fund comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that:

- (i) financial assets at fair value through profit or loss and financial liabilities are stated at their fair value; and
- (ii) relevant financial assets and financial liabilities are stated at amortised cost.

The financial statements of the Fund are presented in US Dollars (USD) which is the functional currency of the Fund and all values are rounded to the nearest dollar, except where otherwise indicated.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Fund's financial statements.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Fund's financial statements.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018– 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Fund's financial statements.

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Fund's financial statements.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Fund's financial statements.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018– 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Fund's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2023 or later periods, but the Fund has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts.

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements for recognising the effect of change in accounting prospectively remain unchanged.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

Effective date January 1, 2023 (Cont'd)

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items.

International Tax Reform — Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The effective date of this amendment has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2 BASIS OF PREPARATION (CONT'D)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (Cont'd)

The effective date of this amendment has been deferred indefinitely until further notice (Cont'd)

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

Where relevant, the Fund is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currencies

(i) *Functional and presentation currency*

The financial statements are presented in US Dollars (USD), which is the Fund's functional and presentation currency. The Fund's business or other activity is carried out in a currency other than the Mauritian rupee, which is a requirement of the Financial Services Act 2007. Subscriptions and redemptions of the redeemable participating shares in the Fund are denominated in US Dollar. The performance of the Fund is measured and reported to the investors in USD. The Board of Directors considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency of the Fund using the mid-exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end mid-exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate prevailing at the date that their fair value are determined.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

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

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Net gains/(losses) from financial instruments at fair value through profit or loss

Net gains/(losses) from financial instruments at fair value through profit or loss include all realised and unrealised fair value changes.

(d) Fees & other expenses

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

(e) Current and deferred income tax

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

(f) Financial assets

The Fund classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Manager determines the classification of investments at initial recognition.

The accounting policy for each category is as follows:

(i) Fair value through profit or loss

The Fund classifies the following financial assets at fair value through profit or loss (FVTPL):

- investment in debt instruments which are held for trading and elected to be classified as FVTPL by the directors
- debt investments that do not qualify for measurement at either amortised cost or FVOCI

(ii) Amortised cost

These assets arise principally where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Fund's financial assets measured at amortised cost comprise other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include bank balances.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (cont'd)

Derecognition of financial assets

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(g) Financial liabilities

The Fund classifies its financial liabilities as follows:

- Other payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(h) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

(i) Participating Shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

The Participating Shares are the most subordinate classes of financial instruments in the Fund and rank pari passu in all material respects and have the same terms and conditions. The Participating Shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

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

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Management Share

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

(k) Capital Management

The Redeemable Participating Shares issued by the Fund provide an investor with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each daily redemption date and are classified as liabilities. See Note 8 for a description of the terms of the Redeemable Participating Shares issued by the Fund.

The Fund's objectives in managing the Redeemable Participating Shares are to ensure a stable base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

The Fund is not subject to any externally imposed capital requirements.

4 FINANCIAL RISK MANAGEMENT

(a) Introduction and Overview

The Fund has exposure to the following risks although the list below is not exhaustive:

- Credit Risk
- Liquidity Risk
- Market Risk
- Interest Rate Risk
- Operational Risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

Risk Management Framework

The Fund may maintain positions in a variety of derivative and non-derivative financial instruments in accordance with its investment management strategy. To enable the Fund to do so, the Manager shall take active positions in eligible bonds and currencies, but within risk parameters which are more fully described in the prospectus of the Fund.

The Fund's investments comprises of quoted debt securities and the Fund intends to hold most of the securities until maturity so as to limit trading costs.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Introduction and Overview (cont'd)

Risk Management Framework (cont'd)

Asset purchases and sales are determined by the Manager, who has been given discretionary authority to manage the asset allocation to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Board of Directors. In instances where the portfolio has diverged from target asset allocations, the Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

(b) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held and cash and cash equivalents.

A Fund could lose money if the issuer or guarantor of a fixed income security (including a security purchased with securities lending collateral), or the counterparty to a derivative contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

The Fund invests in investment grade and unrated securities issued by corporates, governments and government-backed institutions.

At June 30, 2023 and 2022, the Fund has invested in debt securities with the following credit quality:

Rating	2023	2022
AAA	4.17%	12.65%
AA	6.43%	10.72%
A	31.37%	10.21%
BBB	45.55%	54.69%
BB	0.00%	7.31%
B	12.48%	4.42%
Not Rated	0.00%	0.00%
Total	100.00%	100.00%

Derivative Financial Instruments

The Fund enters into over-the-counter (OTC) derivatives. OTC derivatives expose the Fund to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Fund. The Fund mitigates this risk by entering in transactions with highly rated and reputed counterparties.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Credit Risk (cont'd)

Derivative financial instruments are transacted with The Mauritius Commercial Bank Ltd, (the leading bank in Mauritius) within predetermined limits, and with whom the Fund has signed master netting agreements.

Following Moody's Investors Service's ("Moody's" or the "Agency") rating action on the Mauritian Government's long-term issuer rating on 28 July 2022, the Agency has affirmed all ratings and assessments of Mauritius Commercial Bank Ltd ("MCB" or the "Bank") with its Long-term Deposit and Issuer Ratings maintained at Baa3 with a stable outlook. The stable outlook on the Bank's Long-Term Deposit and Issuer Ratings incorporates the stable outlook on the sovereign rating and reflects the view that MCB's ratings already capture the current risks to its financials from the still difficult operating conditions.

Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default. For the purposes of reporting in the statement of financial position, the derivative financial assets and liabilities have not been offset, as they do not meet the offsetting criteria. The net exposure to credit risk mitigated by master netting arrangements may change significantly within a short period of time due to the highly volatile nature of the fair value of the derivatives underlying the arrangements.

Settlement Risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the vast majority of transactions, the Fund mitigates this risk by conducting settlements through a broker or by participating in primary auctions of Central Banks.

(c) Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Illiquid securities are securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the securities. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. This situation can be exacerbated in times of adverse market or economic conditions.

Management of Liquidity Risk

The Fund's constitution provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at each redemption date.

The Fund's liquidity risk is managed by requiring investors to provide a notice of redemption before 9.00hrs (Mauritian Time) on any dealing day, such day being every business day, in order to be processed at the redemption price prevailing on that dealing day. All Redemption Requests received after 9.00hrs (Mauritian Time) will be processed on the following dealing day's redemption price. Redemption monies will be paid to the applicant within seven business days of deal date.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Market Risk

Market risk is the risk that changes in market prices due to fluctuations in interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The market price of securities owned by the Fund may go up or down. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular Fund, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Management of Market Risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective.

The Fund's market risk is managed on a daily basis by the Manager in accordance with policies and procedures in place.

The Fund may use derivatives to manage its exposure to foreign currency and interest rate. The instruments used include forward contracts, futures and options. The Fund does not apply hedge accounting.

(e) Interest Rate Risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Duration is proportional to the time to maturity of a security and inversely proportional to the magnitude of the coupon. The duration of securities whose cash flows fluctuate, such as inflation linked bonds, will change as the cash flow profile changes.

Exposure to currency risk

The Fund is not exposed to any currency risk as its assets and liabilities are denominated in USD.

(f) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's operations either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks may arise from all of the Fund's activities.

MCB CASH MANAGEMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Operational Risk (cont'd)

The Fund's objective is to manage operational risks so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

The Fund may face increased operational risks as a result of the growth of its business. Operational risk is the risk of direct and indirect loss resulting from inadequate or failed internal processes, people, systems or external events. Operational risks are inherent in the Fund's business, including the risk of loss resulting from inadequate or failed internal and external processes, documentation, people and systems or from external events. The Fund's business is dependent on its ability to process accurately and efficiently a high volume of complex transactions across numerous and diverse products and services, in different currencies and subject to a number of different legal and regulatory regimes. The Fund's systems and processes are designed to ensure that the operational risks associated with its activities are appropriately controlled, but any weakness in these systems could result in a negative impact on the Fund's business, financial condition, results of operations and prospects.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers.

Operational risk relating to systems and personnel has been minimised by investing in adequate training. The Fund has invested in backup computing systems and infrastructure that are held offsite whereby qualified personnel will be able to act in a timely manner should the need arise. Operational procedures have been set to ensure that all transactions are done with the highest standards.

The directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular discussions with the service providers.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and the other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Limitation of sensitivity analysis (cont'd)

Sensitivity analysis does not take into consideration that the Fund's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Fund's view of possible near-term market changes that cannot be predicted with any certainty.

(b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Fund uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Fund's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	2023	2022
	USD	USD
At July 01,	22,897,140	32,931,558
Additions during the year	23,248,337	34,691,797
Disposals during the year	(28,571,200)	(45,069,640)
Fair value release	254,364	594,471
Fair value losses on financial assets	(44,263)	(251,046)
	17,784,378	22,897,140
Interest receivable	229,410	179,842
At June 30,	18,013,788	23,076,982

7 OTHER RECEIVABLES

	2023	2022
	USD	USD
Other receivable	600,000	600,000
Prepaid expenses	5,792	6,202
Receivable from Manager	3,136	3,908
Share capital receivable	10	10
	608,938	610,120

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

(ii) Other receivable of USD 600,000 consists of a 10% first loss guarantee on the investment made in the notes issued by CM Structured Finance (1) Ltd for a facility to NMC Healthcare LLC ("NMC"), which will be payable at the end of the NMC recovery process.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

8 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES

The analysis of movements in the number of redeemable participating shares during the year under review are as follows:

(i) Issued and Fully Paid	2023	2022
	USD	USD
At July 01,	26,478,343	36,409,422
Redemption of shares during the year	(6,852,978)	(9,931,079)
At June 30,	19,625,365	26,478,343

(ii) Number of Shares	2023	2022
	No. of Shares	No. of Shares
At July 01,	24,590	34,192
Redemption of shares during the year	(6,481)	(9,602)
At June 30,	18,109	24,590

(iii) Class Rights

Rights of Redeemable Participating Shares:

The Redeemable Participating Shares have no par value and are issued at the issue price in accordance to the Offering Memorandum. They shall confer upon the holders thereof the rights set out below.

a) Voting rights

The holders of Redeemable Participating shares shall not have the right to receive notice of meeting of shareholders and attend such meetings, and shall have no right to vote at any meeting of shareholders, other than class meetings, of the Fund and/or to approve any resolution of the Fund.

b) Distributions

The holders of Redeemable Participating Shares shall not have any rights to distributions.

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 Shares in accordance with the Constitution.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

8 MOVEMENT IN REDEEMABLE PARTICIPATING SHARES (CONT'D)

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

	2023	2022
	USD	USD
Net Assets calculated as per Prospectus as at June 30,	19,447,558	25,552,606
Adjustments:		
Interest receivable	8,357	-
Other receivable	1,168	2,005
Other payables	-	(1,011)
Income tax adjustment	1,422	(2,267)
Net Assets as per Financial Reporting as at June 30,	19,458,505	25,551,333
	2023	2022
	USD	USD
	Per Share	Per Share
Net Assets per share as per Prospectus as at June 30,	1,073.93	1,039.15
Adjustments:		
Interest receivable	0.47	-
Other receivable	0.06	0.08
Other payables	-	(0.05)
Income tax adjustment	0.07	(0.09)
Net Assets per share as per Financial Reporting as at June 30,	1,074.53	1,039.09

9 MANAGEMENT SHARE

One Management Share of USD 10 was issued by the Fund to MCB Investment Management Co. Ltd on incorporation.

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) Distributions

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

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

9 MANAGEMENT SHARE (CONT'D)

c) Distribution of surplus assets

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

The Management Share shall be non-redeemable.

10 OTHER PAYABLES

	2023	2022
	USD	USD
Amount due within one year		
Investment settlement*	-	2,681,728
Manager's fees payable to Manager	4,409	5,248
Professional fees payable	4,686	4,226
Custodian's fees payable to Custodian	682	2,744
Registrar's fees payable to Registrar	811	966
	10,588	2,694,912

*The investment settlement arises from purchase of debt security which was settled after year end.

(i) The carrying amounts of other payables approximate their fair value.

(ii) Amount due to related parties is disclosed in Note 17 (d).

11 INCOME TAX

The Fund is a tax incentive 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% of some of the income derived, including but not limited to foreign source dividends or interest income.

(a) In the statement of financial position	2023	2022
	USD	USD
At July 01,	8,254	10,734
Tax charge for the year	24,793	35,169
Tax paid during the year	(28,114)	(37,649)
At June 30,	4,933	8,254

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11 INCOME TAX (CONT'D)

(b) In the statement of profit or loss and other comprehensive income	<u>2023</u> USD	<u>2022</u> USD
Current tax on the adjusted profit for the year at 15% (2022: 15%)	24,793	35,169
Withholding tax	12,828	-
Charge for the year	<u>37,621</u>	<u>35,169</u>

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

	<u>2023</u> USD	<u>2022</u> USD
Profit before taxation	797,771	547,200
Tax effect on:		
Expenses not deductible for tax purposes	91,549	652,979
Exempt Income	(663,603)	(965,714)
Chargeable income	<u>225,717</u>	<u>234,465</u>
Tax calculated at 15% (2022: 15%)	33,856	35,169
Withholding tax	12,828	-
Foreign tax credit relief (80%)	(9,063)	-
Taxation charge	<u>37,621</u>	<u>35,169</u>

12 MANAGER'S FEES

A management fee is payable by the Fund to the Manager, calculated as a percentage per annum of the NAV of the Fund. The management fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the management fee currently stands at 0.25% per annum (2022: 0.25%).

13 REGISTRAR'S FEES

A registrar fee is payable by the Fund to the Registrar, calculated as a percentage per annum of the NAV of the Fund for keeping the register of shareholders. The registrar fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the registrar fee currently stands at 0.046% per annum (2022: 0.046%).

14 CUSTODIAN'S FEES

A custodian fee is payable by the Fund to the Custodian, calculated as a percentage of the value of investment in the country in which we invest for the safe-keeping and dealing with the assets of the Fund. The custodian fee accrues on a daily basis and is payable on the last Business Day of each month. This percentage may from time to time be revised by the Manager after agreement with the Board. The rate of the custodian fee currently stands at 0.04% per annum (2022: 0.04%).

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

15 AUDIT & TAXATION FEES

	2023	2022
	USD	USD
Auditor's remuneration	3,968	3,566
Taxation fee	719	690
	4,687	4,256

16 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash from operations

	2023	2022
	USD	USD
Profit before taxation	797,771	547,200
Adjustments for:		
Fair value losses on financial assets	44,263	251,046
(Gains)/losses on disposal of financial assets	(22,714)	300,979
Interest on fixed income securities	(897,040)	(1,207,143)
	(77,720)	(107,918)
Changes in working capital:		
- other receivables	1,182	(2,408)
- other payables	(2,596)	(1,436)
Cash used in operations	(79,134)	(111,762)

(b) Cash and Cash Equivalents

	2023	2022
	USD	USD
Cash at bank	851,310	4,567,407

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

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

(c) Reconciliation of financing activities

	<u>2023</u>	<u>2022</u>
	USD	USD
At July 01,	26,478,343	36,409,422
Redemption of redeemable participating shares	<u>(6,852,978)</u>	<u>(9,931,079)</u>
Movement in redeemable participating shares	<u>(6,852,978)</u>	<u>(9,931,079)</u>
At June 30,	<u>19,625,365</u>	<u>26,478,343</u>

17 RELATED PARTY TRANSACTIONS

The transactions of the Fund with related parties during the years 2023 and 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:

	<u>2023</u>	<u>2022</u>
	USD	USD
MCB Investment Management Co. Ltd	<u>57,952</u>	<u>80,313</u>

(b) Registrar's Fees

MCB Registry & Securities Ltd 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:

	<u>2023</u>	<u>2022</u>
	USD	USD
MCB Registry & Securities Ltd	<u>10,663</u>	<u>14,804</u>

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

	<u>2023</u>	<u>2022</u>
	USD	USD
Directors fees	<u>654</u>	<u>515</u>

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

17 RELATED PARTY TRANSACTIONS (CONT'D)

(d) Custodian's Fees

The Fund appointed The Mauritius Commercial Bank Ltd to provide custody services in respect of the Fund's assets. MCB Group Limited is the ultimate holding company of the Custodian. The custodian fees are detailed below:

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
The Mauritius Commercial Bank Ltd	<u>9,273</u>	<u>12,850</u>

(e) Outstanding balances as at June 30,

Payables to related parties

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
MCB Investment Management Co. Ltd (Manager)	4,409	5,248
MCB Registry & Securities Ltd (Registrar)	811	966
The Mauritius Commercial Bank Ltd (Custodian)	<u>682</u>	<u>2,744</u>
	<u>5,902</u>	<u>8,958</u>

The outstanding amounts are interest free and repayable on demand.

(f) Bank balances

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
The Mauritius Commercial Bank Ltd	<u>851,310</u>	<u>4,567,407</u>

All the above transactions have been carried out at least under market terms and conditions. There have been no guarantees provided or received for any related party receivables or payables.

18 EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended June 30, 2023.

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Investments as at

<u>June 30, 2022</u>		<u>June 30, 2023</u>	
Market Value	Security Description	Market Value	% of Net
(USD)		(USD)	Assets
	Quoted Foreign Fixed Income Securities		
1,350,540	Abu Dhabi Govt -2.50% - 11-Oct-2022	-	0.00%
-	Abbvie Inc - 3.75% - 14-Nov-2023	993,040	5.10%
-	Afreximbank - 5.25% - 11-Oct-2023	1,240,737	6.38%
1,697,977	Afrex - US0003M1.5 - 01-Aug-2022	-	0.00%
1,301,027	Apicorp Sukuk Ltd - 3.141%- 01-Nov-2022	-	0.00%
-	Arab Petroleum Invst - 4.125% - 18-Sep-2023	1,193,928	6.14%
1,799,208	Axis Bank Dubai - 3.00% - 08-Aug-2022	-	0.00%
-	Baidu Inc - 3.875% - 29-Sep-2023	696,451	3.58%
-	Banco Santander SA - 0.701% - 30-Jun-2024	994,750	5.11%
-	Bharti Airtel - 5.35% - 20-May-2024	746,032	3.83%
-	BOC Aviation Ltd - 2.75% - 02-Dec-2023	986,270	5.07%
997,850	Citic Securities Fin Mtn - 2.75% - 24-Oct-2022	-	0.00%
-	CNOOC Curtis Funding No 1 - 4.50% - 03-Oct-2023	1,195,260	6.14%
1,315,171	Dell Int Lcc / Emc Corp - 5.45% - 15-Jun-2023	-	0.00%
1,498,635	Deutsche Bank Ag - 3.300% - 16-Nov-2022	-	0.00%
1,031,772	DIB Sukuk Ltd - 3.625% - 06-Feb-2023	-	0.00%
-	Ecobank Transnational - 9.5% - 18-Apr-2024	995,650	5.12%
1,699,694	Export - Import Bk India - US0003M 1.0 - 21-Aug-2022	-	0.00%
-	Export - Import Bk India - 3.875% - 12-Mar-2024	985,730	5.07%
1,302,210	GlenIn - 4.125% - 30-May-2023	-	0.00%
1,159,292	ICICI Bank - 3.25% - 09-Sep-2022	-	0.00%
1,326,364	Indian Oil Corp Ltd - 5.75% - 01-Aug-2023	1,299,493	6.68%
-	Oil India Ltd - 5.375% - 17-Apr-2024	994,090	5.11%
1,300,936	Ongc Videsh Ltd - 3.75% - 07-May-2023	-	0.00%
1,500,810	QIIB Senior Sukuk Ltd - US0003M1.52 - 30-Sep-2022	-	0.00%
-	QNB Finance Ltd - 3.5% - 28-Mar-2024	983,860	5.06%
231,230	Rec Ltd - 4.75% - 19-May-2023	-	0.00%
1,080,530	Republic of Egypt - 5.577% - 21-Feb-2023	-	0.00%
-	Republic of Nigeria - 6.375% - 12-Jul-2023	1,297,699	6.67%
-	Sinopec Grp Overseas Dev - 3.75% - 12-Sep-2023	995,980	5.12%
997,160	Standard Chartered - 3.95% - 11-Jan-2023	-	0.00%
-	Standard Chartered - 5.20% - 26-Jan-2024	989,620	5.09%
-	State Bank India/London - 4.50% - 28-Sep-2023	1,195,788	6.15%
1,306,734	State Of Qatar - 3.875% - 23-Apr-2023	-	0.00%
22,897,140	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	17,784,378	91.40%
179,842	INTEREST RECEIVABLE ON FINANCIAL ASSETS	229,410	1.19%
23,076,982	TOTAL ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	18,013,788	92.58%
23,076,982	TOTAL MARKET VALUE OF INVESTMENTS	18,013,788	92.58%
2,474,361	OTHER ASSETS NET OF LIABILITIES	1,444,727	7.42%
25,551,343	NET ASSETS	19,458,515	100.00%

MCB CASH MANAGEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Schedule of Investments as at

<u>June 30, 2022</u>		<u>June 30, 2023</u>	
Market Value		Market Value	% of Net
(USD)	Security Description	(USD)	Assets
	<u>Currency Profile</u>		
25,551,343	USD	19,458,515	100.00%
<u>25,551,343</u>	NET ASSETS	<u>19,458,515</u>	<u>100.00%</u>
	<u>Fair Value Hierarchy</u>		
23,076,982	Level 1	18,013,788	92.58%
<u>23,076,982</u>	TOTAL MARKET VALUE OF INVESTMENTS	<u>18,013,788</u>	<u>92.58%</u>

The below reflects the impact on changes in interest rates on bonds, with all other variables held constant, on profit before taxation.

	<u>Jun 30, 2023</u>	<u>Jun 30, 2022</u>
	Impact on Profit	Impact on
	before taxation	Profit before
		taxation
<u>Interest rates sensitivity</u>		
Decrease by 0.25%	lower by USD45k	lower by USD57k
Increase by 0.25%	higher by USD45k	higher by USD57k

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

	<u>Jun 30, 2023</u>	<u>Jun 30, 2022</u>
	Impact on Profit	Impact on
	before taxation	Profit before
		taxation
<u>Market price sensitivity</u>		
Increase in fair value by 10%	higher by USD1.8m	higher by USD2.3m
Decrease in fair value by 10%	lower by USD1.8m	lower by USD2.3m

All foreign fixed income securities have coupon rates ranging between 0.70% and 9.50% and maturity dates ranging from July 12, 2023 to June 30, 2024.

None of the financial assets are either past due or impaired.

MCB CASH MANAGEMENT FUND
APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2023

Closing exchange rates:	USD
MUR	45.55

Calculation notes:

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

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

	2023	2022	2021	2020
	USD	USD	USD	USD
Opening net asset value	25,551,343	34,970,391	49,220,664	44,981,743
Total revenue	915,940	1,227,551	1,775,164	2,576,772
Total expenses	(134,241)	(163,495)	(232,235)	(297,049)
Realised gains/(losses) for the year	22,714	(300,979)	(474,751)	(600,884)
Unrealised losses for the year	(44,263)	(251,046)	(599,115)	(5,543,593)
Total increase/(decrease) from operations	760,150	512,031	469,063	(3,864,754)
Net (redemptions)/subscriptions	(6,852,978)	(9,931,079)	(14,719,336)	8,103,675
Closing net asset value	19,458,515	25,551,343	34,970,391	49,220,664
Portfolio turnover rate	204.96%	207.16%	202.31%	203.19%
Redeemable Participating Shares				
Number of shares outstanding	18,109	24,590	34,192	48,610
Total Expense Ratio	0.336%	0.336%	0.369%	0.336%
Closing market price per share (NAV)	1,074.53	1,039.09	1,022.76	1,012.55