



MCB USD Short Duration Fund Ltd

Fund's objective

The Fund aims at achieving better returns than a traditional bank savings account by adopting a conservative investment strategy through investments primarily in USD-denominated fixed income securities with low volatility, whilst providing daily liquidity to investors.

The Fund may also hold ancillary liquid assets (cash, deposits, securities which evidence deposits, commercial paper, securities evidencing commercial paper, short term promissory notes and short term loans with a maturity of less than one year) and funds that will help in achieving the Fund's objective.

Why choose the Fund?

Daily liquidity

The Fund provides daily liquidity, allowing investors to quickly convert their investment back into cash whenever they need it.

Better diversification

The Fund invests in a diversified, multi-sector mix of bonds around the globe, with at least 70% in investment grade (high quality) securities, with a maximum of 10% of Net Asset Value (NAV) per issuer. It also allows a maximum of 30% in high yield bonds (with no securities lower than B- (S&P/ Fitch) or B3 (Moody's); with a maximum of 7.5% of NAV per issuer. The fund also invests in different countries, with a maximum 25% of NAV per country classified as emerging or frontier markets.

Resistance to interest rate fluctuations

The Fund mainly invests in short-term bonds (with overall duration of the fund kept at less than or equal to 6 months), which are more resistant to interest rate fluctuations, and can serve as a defensive position against market volatility.

Active Fund Management

Active fund management is essential to ensuring the key objectives of the fund - low volatility, high liquidity and maximizing returns-are achieved. The Manager will adjust maturity of investments and the duration of the fund to reflect interest rate views and expected cash inflows and outflows of the fund.

Investment Universe

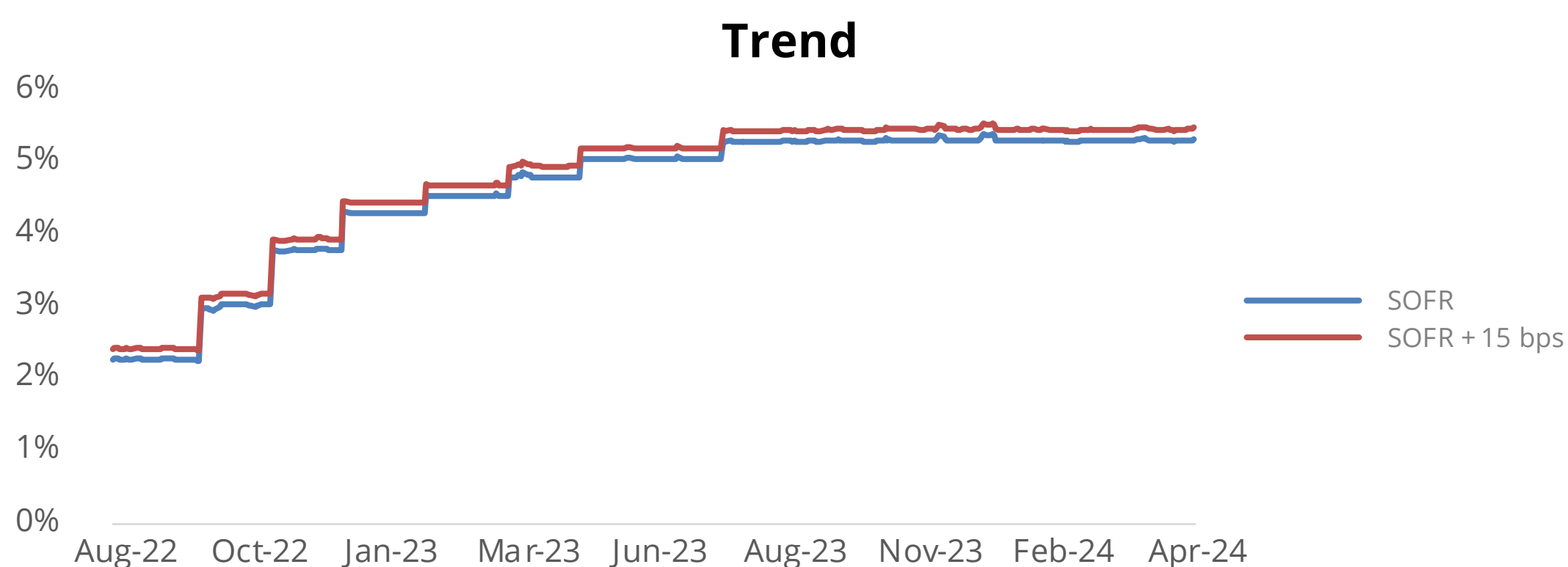
The Fund's investments will comprise of fixed income securities in USD, (as per "Authorized Investments" in Offering Memorandum), selected based on an asset mix that the Manager believes should reflect the Benchmark (as described below). The three main categories of securities that the fund will be invested in, and their rationale, are as follows:

- Floating-rate notes: the coupons from such investments will reflect any eventual change in interest rates, which should also affect the Benchmark;
- Fixed rate bonds from the investment grade spectrum: to provide liquidity to the Fund; and
- Fixed rate bonds from the high-yield spectrum: to provide additional yield.

The Manager will decide on the allocation of the money market and short-term debt instruments.

Benchmark

The Fund uses the United States SOFR (Secured Overnight Financing Rate) + 15 bps as Benchmark (the Benchmark).



Source: Bloomberg, MCBIM as at 30 April 2024

Suitability

The Fund is suitable for investors:

- who have an amount of idle cash for an unknown period of time, such as:
 - accounts until the funds transfers can be made;
 - Financial institutions, corporates and high net worth Individuals who temporarily have idle or surplus USD cash ; potentially awaiting deployment into other projects;
 - investment managers waiting for the correct timing to invest in other opportunities;
- who seek liquidity with reasonable returns;
- who have low risk tolerance and who have a short-term investment horizon;
- who prefer diversified instruments

Risk Management

- **Interest rate risk:** Fixed income securities with longer duration are sensitive to interest rate changes. The fund will invest in short term papers, with the duration of the Fund maintained at less than or equal to 6 months.
- **Credit risk:** at least 70% of the Fund will be invested in high quality investment grade (least S&P, Moody's or Fitch) and no investments shall be made in securities rated lower than B- (S&P/Fitch) or B3 (Moody's).
- **Issuer concentration:** maximum of 10% of the NAV per issuer for investment grade and 7.5% for high yield securities.
- **Geographic concentration:** maximum of 25% of the NAV per country classified as emerging or frontier markets.

Summary Details

Name of Fund	MCB USD Short Duration Fund Ltd
Place of incorporation	Republic of Mauritius
Type of Fund	Collective Investment Scheme (open- ended fund) authorized as an Expert Fund
Currency	USD
Dealing Day	Every business day
Fees	Management Fee 0.25% TER 0.5% (subject to fund size being at least USD 20 million) No entry and exit fees
Manager	MCB Investment Management Co. Ltd
Minimum initial investment	USD 100,000 or USD 10,000 for Qualified Investors who are Sophisticated Investors
Minimum Additional investment	USD 10,000
Custodian	The Mauritius Commercial Bank Ltd
Corporate Secretary	MCB Group Corporate Services Ltd
Benchmark	United States SOFR Secured Overnight Financing Rate + 15 bps

How to invest in the Fund?

Subscription

Subscription for Participating Shares may be made on each Dealing Day. In order to subscribe for Participating Shares, an investor must complete the Subscription documents. These documents, along with related KYC documents, and the subscription monies, by wire transfer, should reach the Manager before 14.00 hrs (Mauritian Time). Dealing Days for the Fund are every Business Day.

Redemption

For any redemption request, the Applicant shall fill in the Redemption form, to be served and delivered at the registered office of the Manager. This should reach the Manager before 9.00 hrs (Mauritian Time). Upon the redemption of shares, the Manager shall, within seven (7) Business Days of the applicable Dealing Day, direct the paying agent to cause to be paid to the investor the Redemption Proceeds. Payment of the Redemption Proceeds shall be made in the Base Currency of the Fund and net of any fees or other applicable charges.

For more information, please contact:

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Investors are not protected by any statutory compensation arrangement in Mauritius in the event of the Fund's failure. The Financial Services Commission of Mauritius (the "FSC") does not vouch for the financial soundness of the Fund.

The Fund is incorporated under the laws of Mauritius. It is authorised as a collective investment scheme and is further categorised as an expert fund by the FSC in Mauritius. It is managed by MCB Investment Management Co. Ltd, a fund manager incorporated under the laws of Mauritius and duly licensed by the FSC to operate as a CIS manager. The principal distributor of the Fund is M.C.B Stockbrokers Limited, which is incorporated under the laws of Mauritius and which holds an investment dealer (full service dealer including underwriting) licence from the FSC.



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