

**AFRICAN DOMESTIC BOND FUND**  
**the "FUND"**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

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**AFRICAN DOMESTIC BOND FUND  
INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

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## AFRICAN DOMESTIC BOND FUND MANAGEMENT & ADMINISTRATION

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

# AFRICAN DOMESTIC BOND FUND

## MANAGER'S REPORT

### FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

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#### Performance Review

As at December 30, 2022, the Fund size stood at USD 41.6m. During the period, the Fund posted a return of -2.2% against the benchmark, which returned -2%. The fund paid a dividend of USD 0.89 in 2022, translating to a dividend yield of 11.17% in December 2022.

#### Portfolio Review

As per its investment objective, the Fund invests in local currency government and quasi-government bonds of African countries and seeks to provide investment returns that corresponds closely to the return of the AfDB/AFMISM Bloomberg® African Bond Index 25% Capped ("Index"), before fees and expenses.

Portfolio characteristics as at the end of December 2022 are shown below:

Statistic	Fund	Benchmark
Modified duration (Years)	4.53	4.39
No. of bonds	57	479
Current Yield %	12.8%	13.3%

Country allocation in Fund as at December 2022:

Country	Fund allocation	Benchmark
Egypt	18.7%	24.7%
Nigeria	11.4%	15.7%
South Africa	29.3%	24.8%
Kenya	7.5%	9.5%
Ghana	2.2%	1.6%
Zambia	4.4%	2.7%
Morocco	16.0%	16.8%
Mauritius	2.2%	2.1%
Namibia	0.0%	1.4%
Botswana	0.6%	0.6%

#### Outlook for Markets

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

The fund is exposed to interest and exchange rate risks from within the markets it invests in. The underlying universe is inherently diverse, with commodity exporters such as Nigeria, to commodity importers such as Egypt and well diversified economies in Kenya and South Africa to name a few, while remaining relatively uncorrelated to global asset classes at the same time. Due to a mix of growth potential, underlying demographics, commodity risks moderating and better macro economic management, we remain constructive on the asset class. The Manager remains overweight South Africa and Zambia, with underweights in Morocco, Kenya and Nigeria and neutral the remaining countries against the benchmark. The Fund will aim to track its benchmark and attempt to implement the above views, within the constraints of the mandate.

  
**FUND MANAGER**

For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Notes	December 31, 2022 USD	June 30, 2022 USD
<b>ASSETS</b>			
Other receivables	4	3,433	8,143
Financial assets at fair value through profit or loss	3	37,980,610	40,601,094
Cash and cash equivalents		<u>3,695,270</u>	<u>4,178,864</u>
<b>Total assets</b>		<u><b>41,679,313</b></u>	<u><b>44,788,101</b></u>
<b>EQUITY</b>			
Management share	7	<u>10</u>	<u>10</u>
<b>LIABILITIES</b>			
Other payables	8	78,671	1,744,793
Current tax liabilities	10(a)	<u>11,770</u>	<u>12,531</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		90,441	1,757,324
<b>Net assets attributable to holders of redeemable participating shares</b>		<u><b>41,588,862</b></u>	<u><b>43,030,767</b></u>
<b>Total liabilities</b>		<u><b>41,679,303</b></u>	<u><b>44,788,091</b></u>
<b>Total equity and liabilities</b>		<u><b>41,679,313</b></u>	<u><b>44,788,101</b></u>
<b>Net asset value per share</b>		<u><b>7.97</b></u>	<u><b>9.33</b></u>

These financial statements have been approved for issue by the Board of Directors on: February 09, 2023



Mr Patrick Eric Ronald Lam Yan Foon  
 Director



Ms Li Fa Cheung Ka Suet  
 Director

The notes on pages 7 to 15 form an integral part of these interim financial statements.

**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	Notes	3-months ended Dec 31, 2022	3-months ended Dec 31, 2021	6-months ended Dec 31, 2022	6-months ended Dec 31, 2021
		USD	USD	USD	USD
<b>Income</b>					
Interest on fixed income securities		1,006,950	938,191	2,056,806	1,842,989
<b>Expenses</b>					
Manager's fees		31,380	28,361	63,010	56,176
Custodian's fees		17,513	16,315	35,364	32,981
Licence fees		9,981	10,037	17,575	20,052
Registrar's fees		7,295	6,802	14,570	13,263
Other direct expenses		11,413	6,405	16,658	9,533
Professional fees		1,622	1,033	2,947	5,517
		<u>79,204</u>	<u>68,953</u>	<u>150,124</u>	<u>137,522</u>
<b>Operating profit</b>		<u>927,746</u>	<u>869,238</u>	<u>1,906,682</u>	<u>1,705,467</u>
Fair value losses on financial assets		(1,943,149)	(917,559)	(6,244,476)	(1,661,648)
Foreign exchange gains/(losses)		136,698	(103,790)	115,064	(132,803)
Losses on disposal of financial assets		-	(114,657)	(8,616)	(114,657)
		<u>(1,806,451)</u>	<u>(1,136,006)</u>	<u>(6,138,028)</u>	<u>(1,909,108)</u>
<b>Loss before distribution</b>		<u>(878,705)</u>	<u>(266,768)</u>	<u>(4,231,346)</u>	<u>(203,641)</u>
Distribution to holders of redeemable participating shares		(2,244,078)	(1,418,722)	(2,244,078)	(1,418,722)
<b>Loss before taxation</b>		<u>(3,122,783)</u>	<u>(1,685,490)</u>	<u>(6,475,424)</u>	<u>(1,622,363)</u>
Taxation	10 (b)	(82,299)	(88,502)	(182,879)	(185,310)
<b>Loss for the period</b>		<u>(3,205,082)</u>	<u>(1,773,992)</u>	<u>(6,658,303)</u>	<u>(1,807,673)</u>
<b>Equalisation</b>					
Income received on units created		10,708	48,118	268,706	76,423
Income paid on units liquidated		(450)	(63,002)	(27,983)	(63,002)
		<u>10,258</u>	<u>(14,884)</u>	<u>240,723</u>	<u>13,421</u>
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>		<u>(3,194,824)</u>	<u>(1,788,876)</u>	<u>(6,417,580)</u>	<u>(1,794,252)</u>

The notes on pages 7 to 15 form an integral part of these interim financial statements.

**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF**  
**REDEEMABLE PARTICIPATING SHARES FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	<u>Notes</u>	<u>Total</u> USD
At July 01, 2022		43,030,767
Issue of redeemable participating shares	6 (ii)	5,770,412
Redemption of redeemable participating shares	6 (ii)	(794,737)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(6,417,580)</u>
At December 31, 2022		<u>41,588,862</u>
At July 01, 2021		36,348,698
Issue of redeemable participating shares	6 (ii)	3,618,253
Redemption of redeemable participating shares	6 (ii)	(2,926,732)
Decrease in net assets attributable to holders of redeemable participating shares		<u>(1,794,252)</u>
At December 31, 2021		<u>35,245,967</u>

The notes on pages 7 to 15 form an integral part of these interim financial statements.

**AFRICAN DOMESTIC BOND FUND**  
**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

	Notes	6 months to Dec 31, 2022	6 months to Dec 31, 2021
		USD	USD
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	9 (a)	(1,811,536)	505,150
Tax paid		(183,640)	(188,687)
<b>Net cash (used in)/generated from operating activities</b>		<u>(1,995,176)</u>	<u>316,463</u>
<b>Cash flows from investing activities</b>			
Interest received		1,957,219	1,844,502
Purchase of financial assets		(4,258,852)	(4,476,921)
Proceeds from disposal of financial assets		725,831	3,452,441
<b>Net cash (used in)/generated from investing activities</b>		<u>(1,575,802)</u>	<u>820,022</u>
<b>Cash flows from financing activities</b>			
Issue of redeemable participating shares	6 (ii)	4,931,191	2,993,577
Redemption of redeemable participating shares	6 (ii)	(794,737)	(2,926,732)
Income received on redeemable participating shares created		268,706	76,423
Income paid on redeemable participating shares liquidated		(27,983)	(63,002)
Distribution paid to holders of redeemable participating shares	8	(1,404,857)	(794,046)
<b>Net cash generated from/(used in) financing activities</b>		<u>2,972,320</u>	<u>(713,780)</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<u>(598,658)</u>	<u>422,705</u>
<b>Movement in cash and cash equivalents</b>			
At July 01,		4,178,864	2,756,081
(Decrease)/increase in cash and cash equivalents		(598,658)	422,705
Foreign exchange difference		115,064	(132,803)
<b>At December 31,</b>	9(c)	<u>3,695,270</u>	<u>3,045,983</u>

The notes on pages 7 to 15 form an integral part of these interim financial statements.



**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

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**1 REPORTING ENTITY**

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

The Fund's objective is to track the performance of the AfDB/ AFMI Bloomberg African Bond Index (Bloomberg ticker : BADBC Index) which is a rules-based market value weighted composite index.

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

**2 BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended June 30, 2022 and comply with IAS 34.

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

	6 months to Dec 31, 2022	Year to Jun 30, 2022
	USD	USD
Opening balance	39,244,856	34,813,261
Additions during the period/year	4,258,852	14,713,144
Disposal during the period/year	(784,756)	(4,314,921)
Fair value losses on financial assets	(6,244,476)	(5,920,931)
Fair value release on disposal	50,309	(45,697)
	<u>36,524,785</u>	<u>39,244,856</u>
Interest receivable	1,455,825	1,356,238
<b>Closing balance</b>	<b><u>37,980,610</u></b>	<b><u>40,601,094</u></b>

**4 OTHER RECEIVABLES**

	Dec 31, 2022	Jun 30, 2022
	USD	USD
Share capital receivable	10	10
Prepayments	3,423	8,133
	<u>3,433</u>	<u>8,143</u>

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

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

**5 DISTRIBUTION TO REDEEMABLE PARTICIPATING SHAREHOLDERS**

	6 months to Dec 31, 2022	Year to Jun 30, 2022
	USD	USD
Distribution declared during the period/year	<u>2,244,078</u>	<u>3,133,423</u>
Distribution paid during the period/year	1,404,857	1,732,784
Distribution re-invested during the period/year	<u>839,221</u>	<u>1,400,639</u>
	<u>2,244,078</u>	<u>3,133,423</u>
Interim per unit	0.44	0.42
Final per unit	-	0.45
	<u>0.44</u>	<u>0.87</u>

On April 06, 2021, the Board approved and implemented a dividend reinvestment plan, whereby investors have the option to reinvest their dividends in the Fund automatically by completing an Election Form available online at [www.mcbccapitalmarkets.mu](http://www.mcbccapitalmarkets.mu) and returning it by e-mail to [contact.rs@mcbcm.mu](mailto:contact.rs@mcbcm.mu) or to MCB Registry & Securities Ltd, Sir William Newton Street, Port Louis, Mauritius.

**6 MOVEMENT IN PARTICIPATING SHARES**

	6 months to Dec 31, 2022	6 months to Dec 31, 2021
	No. of Shares	No. of Shares
<b>Issued and fully paid</b>		
(i) <b>Opening balance</b>	4,611,648	3,312,795
Issue of shares during the period	693,120	346,666
Redemption of shares during the period	<u>(92,522)</u>	<u>(286,373)</u>
<b>Closing balance</b>	<u>5,212,246</u>	<u>3,373,088</u>
	6 months to Dec 31, 2022	6 months to Dec 31, 2021
	USD	USD
(ii) <b>Opening balance</b>	47,293,529	34,701,801
Issue of shares during the period - Cash consideration	4,931,191	2,993,577
Issue of shares during the period - Non cash	839,221	624,676
Redemption of shares during the period	<u>(794,737)</u>	<u>(2,926,732)</u>
<b>Closing balance</b>	<u>52,269,204</u>	<u>35,393,322</u>

**(iii) Class Rights**

**Rights of Redeemable Participating Shares**

**(a) Voting rights**

The holders of Redeemable Participating Shares shall not have the right to receive notice of meeting of shareholders of the Fund and shall have no right to vote at any such meetings and/or to approve any resolution of the Fund except in the circumstances permitted by the Constitution or required under Mauritian Law.

**(b) Dividends**

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

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

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

**(c) Distribution of surplus assets**

Upon winding up of the Fund, the holders of Redeemable Participating Shares shall have the right to a pro-rata share of any surplus assets of the Fund but in priority to the holder of Management Share in accordance with the Constitution.

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

In accordance with the Fund's Prospectus, the formation cost of the Fund is amortised over a period of five years for the purpose of calculating the issue and redemption prices of the participating shares.

	Dec 31, 2022	June 30, 2021
	USD	USD
Net Assets calculated as per Prospectus	41,550,315	43,036,719
<b>Adjustments:</b>		
Formation costs	(3,376)	(5,770)
Other receivable	(6,892)	3
Other payables	(846)	(557)
Tax liabilities	49,661	372
Share capital receivable	10	10
<b>Net Assets as per Financial Reporting</b>	<b>41,588,872</b>	<b>43,030,777</b>
	Per Share	Per Share
	USD	USD
Net Assets per share calculated as per Prospectus	7.97	9.33
<b>Adjustments:</b>		
Formation costs	0.00	0.00
Other receivable	(0.00)	0.00
Other payables	(0.00)	0.00
Tax liabilities	(0.00)	0.00
Share capital receivable	0.00	0.00
<b>Net Assets per share as per Financial Reporting</b>	<b>7.97</b>	<b>9.33</b>

**7 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) Dividends:**

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

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

**7 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.

**8 OTHER PAYABLES**

	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	USD	USD
Manager's fees payable	41,764	10,028
Registrar's fees payable	9,606	2,306
Custodian's fees payable	11,301	5,745
Index provider fee payable	12,579	6,199
Professional fees payable	3,421	4,617
Investment settlement**	-	1,715,898
	<u>78,671</u>	<u>1,744,793</u>

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

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

	<u>6 months to Dec 31, 2022</u>	<u>6 months to Dec 31, 2021</u>
	USD	USD
<b>(a) Cash (used in)/generated from operations</b>		
Loss before taxation	(4,231,346)	(203,641)
<i>Adjustments for:</i>		
Fair value losses on financial assets	6,244,476	1,661,648
Foreign exchange (gains)/losses	(115,064)	132,803
Losses on disposal of financial assets	8,616	114,657
Interest income	(2,056,806)	(1,842,989)
	<u>(150,124)</u>	<u>(137,522)</u>
<b>Changes in working capital:</b>		
Other receivables	4,710	(3,419)
Other payables	(1,666,122)	646,091
<b>Cash (used in)/generated from operations</b>	<u>(1,811,536)</u>	<u>505,150</u>
<b>(b) Reconciliation of liabilities arising from financing activities</b>		
	<u>6 months to Dec 31, 2022</u>	<u>6 months to Dec 31, 2021</u>
	USD	USD
Opening balance	45,058,527	34,701,801
Net cash flows	4,136,454	691,521
<b>Closing balance</b>	<u>49,194,981</u>	<u>35,393,322</u>

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

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

**(c) Cash and cash equivalents**

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
	USD	USD
Cash at bank	<u>3,695,270</u>	<u>3,045,983</u>

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

**10 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**

	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	USD	USD
<b>Opening balance</b>	<b>12,531</b>	12,778
Charge for the period/year	<b>182,879</b>	351,314
Paid during the period/year	<b>(183,640)</b>	(351,561)
<b>Closing balance</b>	<b>11,770</b>	<b>12,531</b>

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

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

	<u>6 months to Dec 31, 2022</u>	<u>6 months to Dec 31, 2021</u>
	USD	USD
(Loss)/profit before taxation	<u>(4,231,346)</u>	<u>(203,641)</u>
Tax calculated at a rate of 15% (2022 : 15%)	<b>(634,702)</b>	(30,546)
Tax effect on:		
Expenses not deductible for tax purposes	<b>949,990</b>	266,446
Income not subject to tax	<b>(173,983)</b>	-
Relief on foreign tax suffered	<b>(100,816)</b>	(207,469)
Withholding tax suffered	<b>142,390</b>	156,879
<b>Tax charge</b>	<b>182,879</b>	<b>185,310</b>

Expenses not deductible for tax purposes relates to fair value loss on financial assets, loss on disposal of investment and expenses relating to exempt income.

The withholding tax suffered was incurred on the interest received.

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

**11 RELATED PARTY TRANSACTIONS**

The transactions of the Fund with related parties 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>6 months to Dec 31, 2022</u>	<u>6 months to Dec 31, 2021</u>
	USD	USD
MCB Investment Management Co. Ltd	<u>63,010</u>	<u>56,176</u>

**(b) Registrar 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>6 months to Dec 31, 2022</u>	<u>6 months to Dec 31, 2021</u>
	USD	USD
MCB Registry & Securities Ltd	<u>14,570</u>	<u>13,263</u>

**(c) Outstanding balances**

	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	USD	USD
Payables to related parties:		
-MCB Investment Management Co. Ltd	41,764	10,028
-MCB Registry & Securities Ltd	<u>9,606</u>	<u>2,306</u>
	<u>51,370</u>	<u>12,334</u>

-The above transactions reflect the commercial objective of the Fund and occurred in the normal course of business.

-There has been no guarantees provided or received for any related party receivables or payables.

-The outstanding balances as at year end are unsecured, interest free and repayable on demand.

**(d) Bank balances**

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
	USD	USD
The Mauritius Commercial Bank Ltd	<u>54,106</u>	<u>23,279</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.

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

June 30, 2022	SCHEDULE OF INVESTMENTS AS AT	December 31,	
Market Value		2022	
(USD)	Security Description	Market Value	% of Net Assets
(USD)		(USD)	
<b>Quoted Foreign Fixed Income Securities</b>			
253,864	Botswana Government Bond 7.75% - 09-Oct-2031	246,760	0.59%
85,319	Egypt Government Bond 13.973% - 04-Feb-2023	64,675	0.16%
586,667	Egypt Government Bond 17.20% - 09-Aug-2023	430,231	1.03%
277,180	Egypt Government Bond 18.35% - 09-Oct-2023	200,632	0.48%
1,425,085	Egypt Government Bond 14.313% - 13-Oct-2023	1,048,723	2.52%
1,414,290	Egypt Government Bond 14.35% - 10-Sep-2024	1,022,198	2.46%
907,702	Egypt Government Bond 14.522% - 04-Jan-2025	639,466	1.54%
493,945	Egypt Government Bond 14.50% - 20-Feb-2025	350,538	0.84%
1,588,737	Egypt Government Bond 14.06% - 12-Jan-2026	1,096,243	2.64%
680,772	Egypt Government Bond 16.50% - 02-Apr-2026	472,580	1.14%
346,874	Egypt Government Bond 14.217% - 15-Oct-2026	230,963	0.56%
519,992	Egypt Government Bond 17.18% - 09-May-2027	347,022	0.83%
1,502,214	Egypt Government Bond 14.556% - 13-Oct-2027	999,638	2.40%
107,661	Egypt Government Bond 15.70% - 07-Nov-2027	71,849	0.17%
134,776	Egypt Government Bond 16.10% - 07-May-2029	90,950	0.22%
241,115	Egypt Government Bond 14.40% - 10-Sep-2029	157,332	0.38%
116,944	Egypt Government Bond 13.564% - 14-Jan-2030	78,382	0.19%
231,769	Egypt Government Bond 14.382% - 12-Jan-2031	154,723	0.37%
542,407	Ghana Government Bond 19.75% - 25-Mar-2024	414,893	1.00%
183,090	Ghana Government Bond 19.00% - 02-Nov-2026	142,418	0.34%
117,778	Ghana Government Bond 19.75% - 15-Mar-2032	287,152	0.69%
39,970	Ghana Government Bond 20.20% - 01-Aug-2039	22,396	0.05%
1,053,641	Kenya Government Bond 11.75% - 08-Oct-2035	963,351	2.32%
649,185	Kenya Infrastructure Bond 11.95% - 25-Oct-2038	741,703	1.78%
1,058,988	Kenya Infrastructure Bond 12.667% - 21-Mar-2039	949,094	2.28%
126,736	Kenya Infrastructure Bond 12.737% - 18-Aug-2042	113,511	0.27%
239,522	Kenya Infrastructure Bond 12.20% - 22-Feb-2044	210,876	0.51%
-	Mauritius Government Bond - 4.79% - 05-Aug-2032	422,424	1.02%
-	Mauritius Government Bond - 5.24% - 30-Sep-2042	460,983	1.11%
1,794,187	Morocco Government Bond 2.85% - 15-Apr-2024	1,700,640	4.09%
977,413	Morocco Government Bond 2.05% - 20-Apr-2026	914,099	2.20%
696,424	Morocco Government Bond 2.70% - 17-Jun-2030	614,943	1.48%
2,251,162	Morocco Government Bond 2.30% - 16-Jun-2031	1,997,697	4.80%
977,837	Morocco Government Bond 3.00% - 16-Jul-2035	839,030	2.02%
489,593	Morocco Government Bond 4.00% - 14-Feb-2050	375,606	0.90%
306,354	Nigeria Government Bond 12.75% - 27-April-2023	272,150	0.65%
383,004	Nigeria Government Bond 14.20% - 14-Mar-2024	327,211	0.79%
533,043	Nigeria Government Bond 12.50% - 22-Jan-2026	460,895	1.11%
228,424	Nigeria Government Bond 16.2884% - 17-Mar-2027	187,146	0.45%
766,781	Nigeria Government Bond 13.98% - 23-Feb-2028	636,540	1.53%
967,340	Nigeria Government Bond 12.1493% - 18-Jul-2034	824,965	1.98%
795,864	Nigeria Government Bond 12.40% - 18-Mar-2036	681,537	1.64%
412,344	Nigeria Government Bond 14.80% - 26-Apr-2049	347,022	0.83%

**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

June 30, 2022 Market Value (USD)	SCHEDULE OF INVESTMENTS AS AT Security Description	December 31, 2022 Market Value (USD)	% of Net Assets
641,665	Nigeria Government Bond 12.98% - 27-Mar-2050	540,674	1.30%
166,361	Republic Of South Africa 7.75% - 28-Feb-2023	157,680	0.38%
1,895,237	Republic Of South Africa 10.50% - 21-Dec-2026	1,841,678	4.43%
1,877,113	Republic Of South Africa 8.00% - 31-Jan-2030	2,002,519	4.82%
553,843	Republic Of South Africa 7.00% -28-Feb-2031	663,861	1.60%
1,019,121	Republic Of South Africa 8.25% - 31-Mar-2032	1,209,161	2.91%
907,474	Republic Of South Africa 8.875% -28-Feb-2035	1,024,656	2.46%
360,940	Republic Of South Africa 6.25% - 31-Mar-2036	349,388	0.84%
853,945	Republic Of South Africa 8.50% - 31-Jan-2037	1,054,421	2.54%
661,275	Republic Of South Africa 9.00% - 31-Jan-2040	718,946	1.73%
271,367	Republic Of South Africa 6.50% - 28-Feb-2041	343,382	0.83%
770,921	Republic Of South Africa 8.75% - 31-Jan-2044	855,478	2.06%
1,287,572	Republic Of South Africa 8.75% - 28-Feb-2048	1,363,079	3.28%
301,537	Zambia Government Bond 11.00% - 26-Feb-2023	-	0.00%
1,170,492	Zambia Government Bond 13.00% - 25-Jan-2031	1,788,675	4.28%
39,244,856	<b>TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES</b>	<b>36,524,785</b>	<b>87.82%</b>
1,356,238	<b>TOTAL INTEREST RECEIVABLE</b>	1,455,825	3.50%
40,601,094	<b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>37,980,610</b>	<b>91.32%</b>
2,429,683	OTHER ASSETS AND LIABILITIES	3,608,262	8.68%
43,030,777	<b>NET ASSETS</b>	<b>41,588,872</b>	<b>100.0%</b>



**AFRICAN DOMESTIC BOND FUND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

June 30, 2022	SCHEDULE OF INVESTMENTS AS AT	December 31,	
Market Value		2022	
(USD)	Security Description	Market Value	% of Net Assets
(USD)		(USD)	
<b>Currency Profile</b>			
261,458	BWP	262,615	0.63%
12,927,702	EGP	7,942,333	19.10%
963,477	GHS	928,876	2.23%
3,204,376	KES	3,094,268	7.44%
7,287,070	MAD	6,556,688	15.77%
-	MUR	901,024	2.17%
5,241,496	NGN	4,756,689	11.44%
11,035,220	ZAR	12,130,968	29.17%
1,598,297	ZMW	1,981,113	4.76%
511,681	USD	3,034,298	7.30%
<u>43,030,777</u>	<b>NET ASSETS</b>	<u>41,588,872</u>	<u>100.0%</u>
<b>Fair Value Hierarchy</b>			
40,601,094	Level 1	37,980,610	91.32%
<u>40,601,094</u>	<b>TOTAL MARKET VALUE OF INVESTMENTS</b>	<u>37,980,610</u>	<u>91.32%</u>

A reasonably possible strengthening/ weakening of the USD against mainly EGP, KES, MAD, NGN and ZAR at December 31, 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below.

The analysis is based on the assumption that the USD strengthened/weakened against the above currencies by 5% (June 30, 2022: 5%) based on historical observation and its corresponding impact on loss/profit.

	Dec 31, 2022	June 30, 2022
	Impact on Loss	Impact on Loss
	before taxation	before taxation
<b>Currency sensitivity</b>		
	higher by	higher by
USD Weakened by 5%	USD1,928k	USD2,126k
	lower by	lower by
USD Strengthened by 5%	USD1,928k	USD2,126k

The above reflects the impact on changes in USD against other currencies, with all other variables held constant, mainly as a result of retranslation of foreign currency denominated bank balances and financial assets on profit or loss before taxation.

The Fund is also exposed to price risk with the incidence of the market price of debt instrument held. The table below summarises the impact of increases/(decreases) in the debt instrument price of the Fund. The analysis is based on the assumption that the price increases/decreases by 10% (2022: 10%) based on historical observation and its corresponding impact on loss/profit.

	Dec 31, 2022	June 30, 2022
	Impact on Loss	Impact on Loss
	before taxation	before taxation
<b>Market price sensitivity</b>		
	lower by	lower by
Increase in fair value by 10%	USD3,652k	USD3,924k
	higher by	higher by
Decrease in fair value by 10%	USD3,652k	USD3,924k

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

AFRICAN DOMESTIC BOND FUND

**APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

Closing exchange rate:	USD
EGP	0.0403
NGN	0.0022
GHS	0.0984
ZMW	0.0553
KES	0.0081
ZAR	0.0587
MAD	0.0958
BWP	0.0784

**Calculation notes:**

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

(Total Expense Ratio)

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

	6 months to Dec 31, 2022	Year ended Jun 30, 2022	Year ended Jun 30, 2021	Year ended Jun 30, 2020
	USD		USD	USD
<b>Opening net asset value</b>	43,030,777	36,348,708	25,130,801	20,105,101
Total revenue	2,056,806	3,685,522	3,544,066	2,964,992
Total expenses	(333,003)	(627,971)	(513,526)	(443,654)
Realised (losses)/gains for the period/year	(8,616)	(118,079)	518,779	9,840
Unrealised (losses)/gains for the period/year	(6,129,412)	(6,106,886)	91,371	(877,626)
Distribution declared from net income	(2,244,078)	(3,133,423)	(3,419,965)	(2,619,523)
Income received on issue of shares	268,706	454,180	531,056	233,170
Income paid on disposal of shares	(27,983)	(63,002)	(38,749)	(62,702)
<b>Total (decrease)/increase from operations</b>	(6,417,580)	(5,909,659)	713,032	(795,503)
Net subscriptions	4,975,675	12,591,728	10,504,875	5,821,203
<b>Closing net asset value</b>	41,588,872	43,030,777	36,348,708	25,130,801
Portfolio Turnover Rate	-1.85%	5.09%	38.13%	38.60%
<b>Redeemable Participating Shares</b>				
Number of shares outstanding	5,212,246	4,611,648	3,312,795	2,353,184
Management Expense Ratio (Total Expense Ratio)	0.72%	0.74%	0.72%	0.82%
Closing market price per share	7.97	9.33	10.97	10.68