

MCB INDIA SOVEREIGN BOND ETF
the "FUND"

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

**MCB INDIA SOVEREIGN BOND ETF
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

TABLE OF CONTENTS	PAGES
MANAGEMENT & ADMINISTRATION	1
MANAGER'S REPORT	2 - 4
INTERIM FINANCIAL STATEMENTS	5 - 16
STATEMENT OF FINANCIAL HIGHLIGHTS	17

MCB INDIA SOVEREIGN BOND ETF MANAGEMENT & ADMINISTRATION

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
BOARD MEMBERS	Mr Gilbert Gnany Mr Sanjay Sachdev Mr Patrick Eric Ronald Lam Yan Foon Mr Jean Hok Yui How Hong Ms Li Fa Cheung Kai Suet (<i>Appointed on January 31, 2022</i>)
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	Citibank, N.A. FIFC, 11th Floor C-54/55, G Block, Bandra Kurla Complex, Bandra – East Mumbai 400 098, INDIA
AUDITORS	BDO & Co 10, Frere Felix de Valois Street Port Louis, MAURITIUS
ISIN	MU0516N00024

MCB INDIA SOVEREIGN BOND ETF
MANAGER'S REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

Security	3 Months	6 Months	1 Year	Inception (Annualised Return)
MCB India Sovereign Bond ETF (NAV to NAV)	-0.50%	-2.10%	-11.80%	4.90%
MCB India Sovereign Bond ETF (Market price) ¹	0.40%	-4.10%	-10.90%	4.86%
Benchmark	0.70%	-0.70%	-9.80%	16.20%

1. Adjusted for Dividends

Inception date : 6 June 2016

Benchmark : ZyFin India Sovereign Bond Liquid Index

December 2022 Review

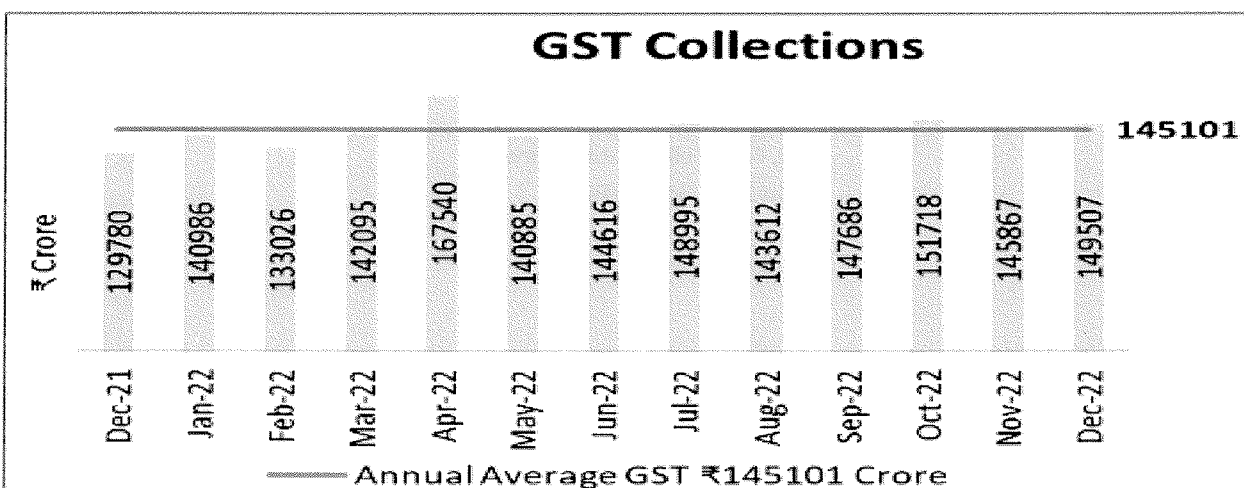
Market trajectories and Reserve Bank of India (RBI) actions were dictated by global events while the home front was mostly calm. Most of 2022 was dominated by the volatility triggered by aggressive policy tightening by global central banks led by the US Federal Reserve and a strengthening dollar on one hand and the Russian invasion of Ukraine on the other that pushed commodity prices to multi-year highs aggravating the global fight on inflation. China's zero-Covid policy added further elements of uncertainty on global growth and inflation.

India's domestic policy had to be tweaked swiftly in line with global developments and policy measures included rapid withdrawal of liquidity accommodation, frontloaded LAF Repo increases including an off-schedule rate hike and restoration of the width of the LAF corridor to pre-pandemic levels with the introduction of the Standing Deposit Facility (SDF) apart from RBI's multipronged interventions to address the depreciation in the rupee.

The domestic bond market battled the double whammy of dwindling liquidity amid hardening interest rates across the yield curve. Trading volumes were also impacted by high primary market borrowings for the third year running. Non-inclusion of Indian G-Secs in global bond indices worsened the negative sentiments in the bond market.

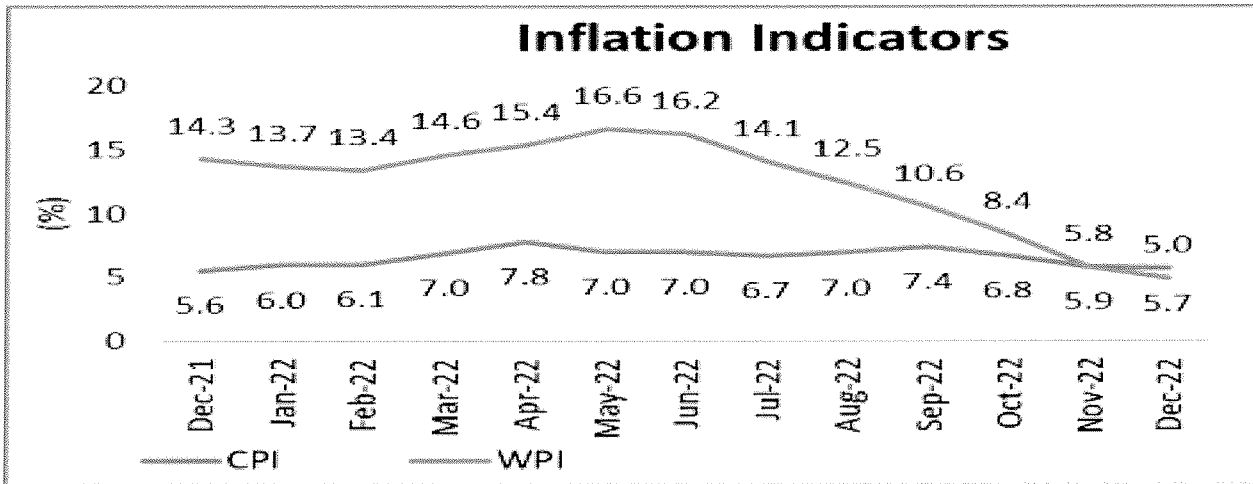
Although policy focus remains on bringing down the core inflation, the rapidly cooling headline inflation numbers may soon prompt RBI to take the foot off the accelerator and start pressing the brakes on the rate hikes giving some respite to the market that now has all eyes pinned on the upcoming budget.

India's growth outlook has been steadier and supported by high-frequency data related to credit growth, housing loans, toll collections, GST collections, railway freight traffic etc. Credit growth has been increasing by 15%-17% y-o-y while GST collection has been crossing the INR1.40 lakh crore mark since 10 months. Retail as well as wholesale inflation eased faster than expected in the quarter ending December 2022 while monthly accretion to foreign exchange reserves resumed and the rupee stabilized albeit at higher levels.

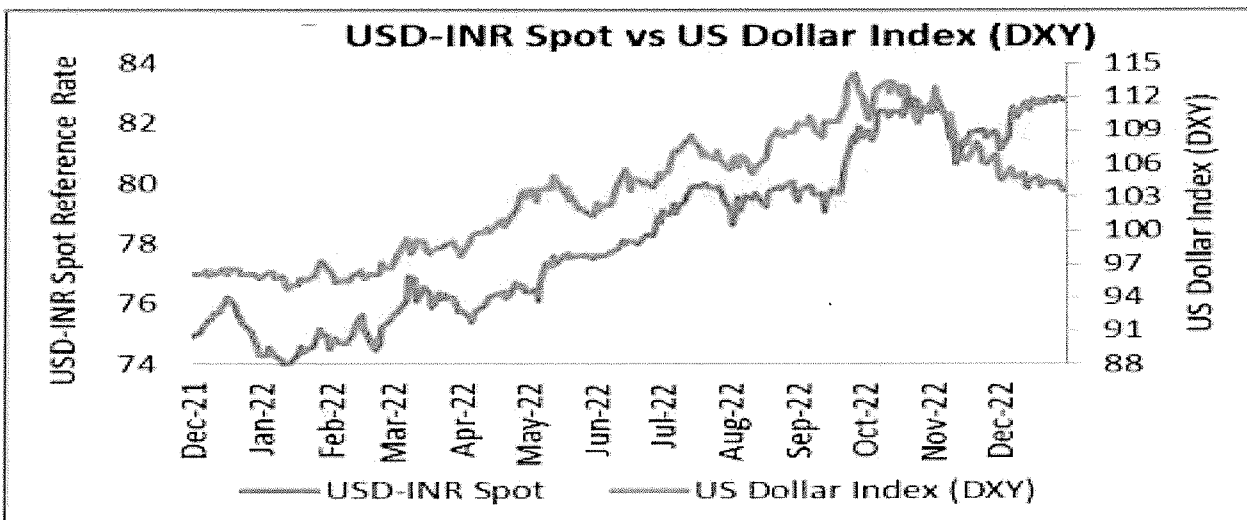


**MCB INDIA SOVEREIGN BOND ETF
MANAGER'S REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

December 2022 Review (Cont'd)



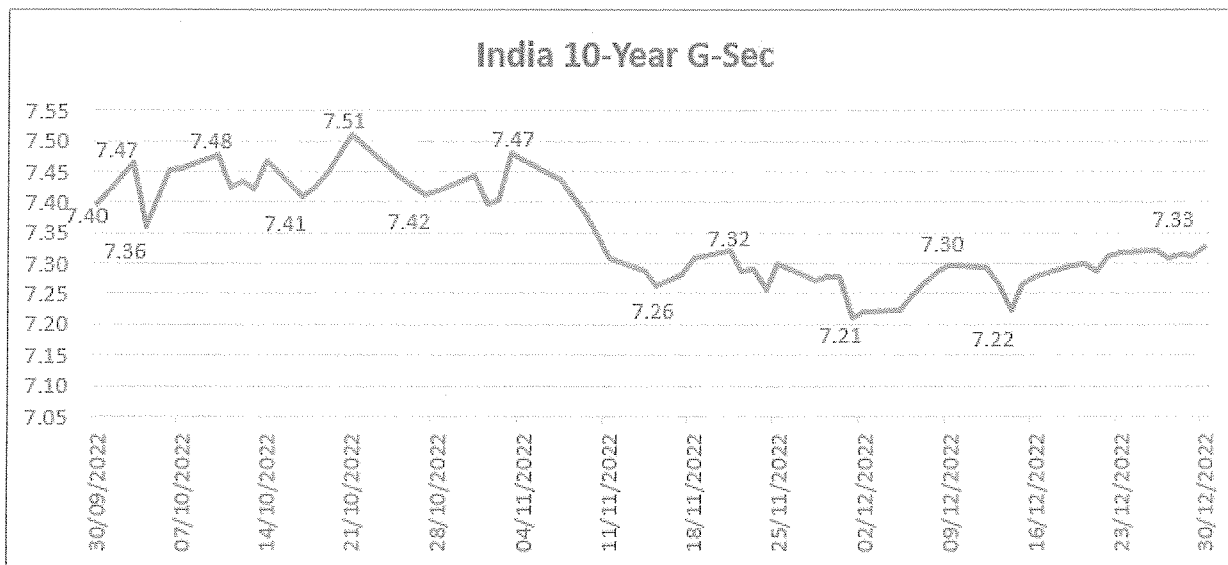
The better-than-anticipated GDP growth numbers (6.30%) led prominent international agencies to alter their growth forecasts for the Indian economy and acknowledge its policy efforts to navigate “very difficult” external environment. IMF considers India the bright spot in a gloomy global economic scenario, while the World Bank recognized the country’s progress as “more resilient” to global shocks. The upcoming Budget is expected to give further impetus to domestic manufacturing and capacity utilization.



The trajectory of G-Sec yields during the quarter tracked that of international macro parameters like US treasury yields and crude oil prices. Moderation of inflation in India and the US leading to expectations of a slower pace of rate hikes resulted in a softening in bond yields. Bond market participants also drew comfort from the debate within the MPC on the future course of rate hikes and liquidity tightening. Extension of the HTM dispensation, reassurances on fiscal consolidation and absence of any additional borrowing announcements amid robust tax flows were other positives for the market. While G-sec yields generally softened across the curve, money market rates and short-term bond yields hardened in tandem with the policy LAF Repo rate leading to a flattened yield curve.

**MCB INDIA SOVEREIGN BOND ETF
MANAGER'S REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022**

December 2022 Review (Cont'd)



The G-sec yield curve continued flattening over the quarter as the rise in short-term rates in response to monetary policy actions was much higher than the rise in the long term rates. The longer end yields also drew comfort from positive developments on the inflation, growth and fiscal fronts. The suppression of spreads across the yield curve indicates continuance of uncertainty in the bond market. The India-US interest rate differential narrowed significantly during the quarter as the pace of the Federal Reserve’s rate hikes outstripped that of RBI’s. The sharp fall in inflation numbers led to the entire yield curve moving higher than the LAF Repo rate in December, with the spreads widening to the highest levels in a year.

Spread Behaviour - Basis Points

Spread/Quarter	Q3-FY23	Q2-FY23	Q1-FY23	Q4-FY22	Q3-FY22
10Y-LAF Repo	137	210	294	279	244
10Y-1Y	51	104	176	229	239
10Y-3Y	23	42	75	127	128
10Y-5Y	10	19	30	58	59
15Y-10Y	6	13	16	32	37
40Y-10Y	10	25	26	44	58
10Y-CPI	129	23	6	43	141
LAF Repo-CPI	-8	-187	-290	-236	-103
10Y-US10Y	357	420	441	483	490

The manager believes that in the February 2023 MPC meet RBI would hike rate by 25 bps and see no rate hike till September 2023 if the inflation stays within RBI’s tolerable level. So the yield of the 10-year g-sec will be range bound and so will hover between 7.10% - 7.35%

A. Ibrahim

MANAGER

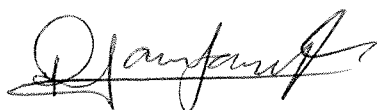
For and on behalf of

MCB INVESTMENT MANAGEMENT CO. LTD

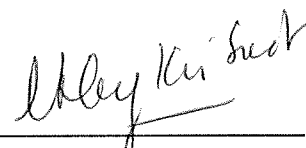
MCB INDIA SOVEREIGN BOND ETF
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	Notes	December 31, 2022 USD	June 30, 2022 USD
ASSETS			
Other receivables	4	12,450	17,936
Financial assets at fair value through profit or loss	3	6,869,147	7,274,410
Cash and cash equivalents		21,443	683
Total assets		<u><u>6,903,040</u></u>	<u><u>7,293,029</u></u>
EQUITY			
Management Share	7	<u>10</u>	<u>10</u>
LIABILITIES			
Other payables	8	19,051	16,862
Current tax liabilities	10(a)	<u>25,206</u>	<u>24,346</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		44,257	41,208
Net assets attributable to holders of redeemable participating shares	6(iv)	<u><u>6,858,773</u></u>	<u><u>7,251,811</u></u>
Total liabilities		<u><u>6,903,030</u></u>	<u><u>7,293,019</u></u>
Total equity and liabilities		<u><u>6,903,040</u></u>	<u><u>7,293,029</u></u>
Net asset value per share		<u><u>7.55</u></u>	<u><u>7.92</u></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 Kai Suet
 Director

The notes on pages 9 to 16 form an integral part of these interim financial statements.

MCB INDIA SOVEREIGN BOND ETF

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED DECEMBER 31, 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
Income					
Interest Income on bank balances		-	791	-	791
Interest on fixed income securities		111,875	126,358	233,527	248,131
Refund from Manager (to cap total expense ratio)		6,291	8,382	9,968	12,758
		<u>118,166</u>	<u>135,531</u>	<u>243,495</u>	<u>261,680</u>
Expenses					
Manager's fees		12,772	15,190	26,181	30,765
Registrar's fees		1,213	1,716	2,480	3,250
Custodian's fees		2,520	2,414	4,789	4,683
Professional fees		1,428	2,252	2,741	3,559
Licence fees		4,387	5,269	8,404	9,480
Other direct fees		1,013	3,352	1,398	3,990
		<u>23,333</u>	<u>30,193</u>	<u>45,993</u>	<u>55,727</u>
		<u>94,833</u>	<u>105,338</u>	<u>197,502</u>	<u>205,953</u>
Operating profit					
Fair value gains/(losses) on financial assets		216,676	(136,481)	(2,206)	(137,830)
Foreign exchange gains/(losses)		59,302	579	58,252	(3,904)
Losses on disposal of financial assets		(361,353)	(4,837)	(361,353)	(91,257)
		<u>(85,375)</u>	<u>(140,739)</u>	<u>(305,307)</u>	<u>(232,991)</u>
		<u>9,458</u>	<u>(35,401)</u>	<u>(107,805)</u>	<u>(27,038)</u>
Profit/(loss) before distribution					
Distribution to holders of redeemable participating shares	5	(200,762)	(164,854)	(200,762)	(164,854)
		<u>(191,304)</u>	<u>(200,255)</u>	<u>(308,567)</u>	<u>(191,892)</u>
Loss before taxation					
Taxation	10(b)	(18,645)	(9,848)	(24,961)	(18,880)
Loss for the period		<u>(209,949)</u>	<u>(210,103)</u>	<u>(333,528)</u>	<u>(210,772)</u>
Income paid on units liquidated		(176)	-	(671)	-
		<u>(176)</u>	<u>-</u>	<u>(671)</u>	<u>-</u>
Decrease in net assets attributable to holders of redeemable participating shares					
		<u>(210,125)</u>	<u>(210,103)</u>	<u>(334,199)</u>	<u>(210,772)</u>

The notes on pages 9 to 16 form an integral part of these interim financial statements.

MCB INDIA SOVEREIGN BOND ETF

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

	Notes	6 months to Dec 31, 2022 USD	6 months to Dec 31, 2021 USD
At July 01		7,251,811	8,469,553
Redemption of redeemable participating shares	6(ii)	(58,839)	-
Decrease in net assets attributable to holders of redeemable participating shares		<u>(334,199)</u>	<u>(210,772)</u>
At December 31		<u>6,858,773</u>	<u>8,258,781</u>

The notes on pages 9 to 16 form an integral part of these interim financial statements.

MCB INDIA SOVEREIGN BOND ETF
CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

	Notes	6 months to Dec 31, 2022	6 months to Dec 31, 2021
		USD	USD
Cash flows from operating activities			
Cash used in operations	9(a)	(28,350)	(38,711)
Tax paid		(24,101)	(2,525)
Net cash used in operating activities		(52,451)	(41,236)
Cash flows from investing activities			
Interest received		278,386	53,647
Purchase of financial assets		(7,657,661)	(8,370,764)
Proceeds from disposal of financial assets		7,654,506	8,516,044
Net cash generated from investing activities		275,231	198,927
Cash flows from financing activities			
Redemption of redeemable participating shares	6(ii)	(58,839)	-
Income paid on redeemable participating shares liquidated		(671)	-
Distribution paid to holders of redeemable participating shares		(200,762)	(164,854)
Net cash used in financing activities		(260,272)	(164,854)
Decrease in cash and cash equivalents		(37,492)	(7,163)
Movement in cash and cash equivalents			
At July 01,		683	15,309
Decrease in cash and cash equivalents		(37,492)	(7,163)
Foreign exchange difference		58,252	(3,904)
At December 31,	9(c)	21,443	4,242

The notes on pages 9 to 16 form an integral part of these interim financial statements.

MCB INDIA SOVEREIGN BOND ETF

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

1 OBJECTIVE

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

2 BASIS OF PREPARATION

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

The financial statements of MCB India Sovereign Bond ETF comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in US Dollars (USD) and all values are rounded to the nearest dollar, except when otherwise indicated. The financial statements are prepared under the historical cost convention, except for financial instruments at fair value through profit or loss which are stated at fair value.

3 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:

	6 months to Dec 31, 2022	Year to Jun 30, 2022
	USD	USD
Opening balance	7,050,607	8,413,749
Additions during the period/ year	7,657,661	16,207,706
Disposal during the period/ year	(8,585,559)	(17,014,119)
Fair value losses on financial assets	(2,206)	(569,700)
Fair value release on disposal	569,700	12,971
	<u>6,690,203</u>	<u>7,050,607</u>
Interest receivable	178,944	223,803
Closing balance	<u><u>6,869,147</u></u>	<u><u>7,274,410</u></u>

4 OTHER RECEIVABLES

	Dec 31, 2022	Jun 30, 2022
	USD	USD
Expenses prepaid	6,169	10,854
Receivable from Manager	6,271	7,072
Share capital receivable	10	10
	<u><u>12,450</u></u>	<u><u>17,936</u></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.

MCB INDIA SOVEREIGN BOND ETF
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 paid during the period/ year	200,762	357,183
	200,762	357,183
Interim per unit	0.22	0.18
Final per unit	-	0.21
	0.22	0.39

6 MOVEMENT IN PARTICIPATING SHARES

	6 months to Dec 31, 2022	6 months to Dec 31, 2021
	No. of Shares	No. of Shares
Issued and fully paid		
(i) Opening balance	915,853	915,853
Redemption of shares during the period	(7,700)	-
Closing balance	908,153	915,853
	USD	USD
(ii) Opening balance	12,447,341	12,447,341
Redemption of shares during the period	(58,839)	-
Closing balance	12,388,502	12,447,341

(iii) Class Rights

Rights of Redeemable Participating Shares

1 Voting rights

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

2 Dividends

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

3 Distribution of surplus assets

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

MCB INDIA SOVEREIGN BOND ETF
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

6 MOVEMENT IN PARTICIPATING SHARES (CONT'D)

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

	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	USD	USD
Net Assets calculated as per Prospectus	6,846,543	7,256,825
Adjustments:		
Income tax adjustment	7,365	(2,472)
Other payables	(194)	683
Other receivables	5,058	(3,225)
Net Assets as per Financial Reporting	<u>6,858,773</u>	<u>7,251,811</u>
	<u>Per Share</u>	<u>Per Share</u>
	USD	USD
Net Assets per share calculated as per Prospectus	7.54	7.92
Adjustments:		
Income tax adjustment	0.01	(0.00)
Other payables	(0.00)	0.00
Other receivables	(0.00)	(0.00)
Net Assets per share as per Financial Reporting	<u>7.55</u>	<u>7.92</u>

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

1 Voting rights

The holder of the Management Share shall have the right to receive notice of meeting of any meeting of the shareholders of the Fund and shall have all the voting rights of the Fund requiring shareholder's approval under the Act.

2 Dividends

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

3 Distribution of surplus assets

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

MCB INDIA SOVEREIGN BOND ETF
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

8 OTHER PAYABLES

	<u>Dec 31, 2022</u>	<u>Jun 30, 2022</u>
	USD	USD
Manager's fees payable	12,772	8,980
Registrar's fees payable	1,157	414
Custodian's fees payable	1,504	2,157
Professional fees payable	3,270	4,554
Index Provider fees	348	757
	<u>19,051</u>	<u>16,862</u>

The carrying amounts of other payables approximate their fair values.

9 NOTES TO THE STATEMENT OF CASH FLOWS

	<u>6 months to</u> <u>Dec 31, 2022</u>	<u>6 months to</u> <u>Dec 31, 2021</u>
	USD	USD
(a) Cash used in operations		
Loss before taxation	(308,567)	(27,038)
Adjustments for:		
Interest income on fixed income securities	(233,527)	(248,131)
Fair value losses on financial assets	2,206	137,830
Foreign exchange (gains)/losses	(58,252)	3,904
Losses on disposal of financial assets	361,353	91,257
	<u>(36,025)</u>	<u>(42,178)</u>
Changes in working capital:		
Other receivables	5,486	155
Other payables	2,189	3,312
Cash used in operations	<u>(28,350)</u>	<u>(38,711)</u>

(b) Reconciliation of liabilities arising from financing activities

	<u>6 months to</u> <u>Dec 31, 2022</u>	<u>6 months to</u> <u>Dec 31, 2021</u>
	USD	USD
Opening balance	12,447,341	12,447,341
Net Cash flows	<u>(58,839)</u>	<u>-</u>
Closing balance	<u>12,388,502</u>	<u>12,447,341</u>
At July 01,	-	-
Distribution declared during the period	200,762	164,854
Distribution paid during the period	<u>(200,762)</u>	<u>(164,854)</u>
Net movement	<u>-</u>	<u>-</u>

MCB INDIA SOVEREIGN BOND ETF
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>21,443</u>	<u>4,242</u>

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

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
Opening balance	24,346	635
Charge for the period/year	24,961	42,918
Paid for the period/year	<u>(24,101)</u>	<u>(19,207)</u>
Closing balance	<u>25,206</u>	<u>24,346</u>
Payable to:		
The Mauritius Revenue Authority	5,282	4,688
The Indian Tax Authority	<u>19,924</u>	<u>19,658</u>
	<u>25,206</u>	<u>24,346</u>

(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	(308,567)	(27,038)
Tax effect on:		
Expenses not deductible for tax purposes	599,900	229,086
Income not subject to tax	<u>(233,423)</u>	<u>-</u>
Chargeable income	57,910	202,048
Tax calculated at 15%	8,687	30,307
Relief on foreign tax suffered	-	(24,246)
Withholding Tax suffered	<u>16,274</u>	<u>12,819</u>
Taxation charge	<u>24,961</u>	<u>18,880</u>

MCB INDIA SOVEREIGN BOND ETF
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

10 INCOME TAX (CONT'D)

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

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

Income not subject to tax comprises of exempt income.

Withholding tax has been suffered on income on fixed income securities

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>26,181</u>	<u>30,765</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>2,480</u>	<u>3,250</u>

(c) Outstanding balances as at

	<u>Dec 31, 2022</u>	<u>June 30, 2022</u>
	USD	USD
<i>Payables to related parties</i>		
MCB Investment Management Co. Ltd	<u>12,772</u>	8,980
MCB Registry & Securities Ltd	<u>1,157</u>	414
	<u>13,929</u>	<u>9,394</u>

(d) Bank balances

	<u>Dec 31, 2022</u>	<u>June 30, 2022</u>
	USD	USD
The Mauritius Commercial Bank Ltd	<u>7,793</u>	<u>346</u>

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

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

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

MCB INDIA SOVEREIGN BOND ETF
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

13 (a) Schedule of investments as at

June 30, 2022 Market Value (USD)	Security Description	<u>December 31,</u> <u>2022</u> Market Value (USD)	% of Net Assets
7,050,607	Quoted Foreign Fixed Income Securities 6.54% GOI 2032	6,690,203	97.54%
<u>7,050,607</u>	TOTAL QUOTED FOREIGN FIXED INCOME SECURITIES	<u>6,690,203</u>	<u>97.54%</u>
223,803	TOTAL INTEREST RECEIVABLES	178,944	2.61%
7,274,410	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,869,147	100.15%
(22,589)	OTHER ASSETS AND LIABILITIES	(10,364)	(0.15%)
<u>7,251,821</u>	NET ASSETS	<u>6,858,783</u>	<u>100.0%</u>
<u>Currency Profile</u>			
7,254,752	INR	6,849,223	99.86%
(2,931)	USD	9,560	0.14%
<u>7,251,821</u>	NET ASSETS	<u>6,858,783</u>	<u>100.0%</u>
<u>Fair Value Hierarchy</u>			
7,274,410	Level 1	6,869,147	100.15%
<u>7,274,410</u>	TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	<u>6,869,147</u>	<u>100.15%</u>

MCB INDIA SOVEREIGN BOND ETF
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

13 (b) Currency profile sensitivity analysis

A reasonably possible strengthening/ weakening of the USD against INR 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 INR by 5% (2022: 5%) based on historical observation and its corresponding impact on loss/profit.

	<u>Dec 31, 2022</u>	<u>June 30, 2022</u>
	Impact on Loss before taxation	Impact on Loss before taxation
USD Weakened by 5%	higher by USD343k	higher by USD363k
USD Strengthened by 5%	lower by USD343k	lower by USD363k

The above reflects the impact on changes in USD against other currencies, with all other variables held constant,

13 (c) Market risk sensitivity analysis

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

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

	<u>Dec 31, 2022</u>	<u>June 30, 2022</u>
	Impact on Loss before taxation	Impact on Loss before taxation
Increase in fair value by 10%	lower by USD669k	lower by USD705k
Decrease in fair value by 10%	higher by USD669k	higher by USD705k

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

MCB INDIA SOVEREIGN BOND ETF
APPENDIX: STATEMENT OF FINANCIAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022

Closing exchange rate:

INRUSD 0.0121

Calculation notes:

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

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

	6 months to Dec 31, 2022 USD	Year ended June 30, 2022 USD	Year ended June 30, 2021 USD	Year ended June 30, 2020 USD
Opening net asset value	7,251,821	8,469,563	8,631,076	9,193,209
Total revenue	243,495	521,695	538,388	608,120
Total expenses	(70,954)	(151,649)	(155,121)	(152,791)
Realised losses for the period/ year	(361,353)	(628,483)	(17,369)	(306,286)
Unrealised losses for the period/ year	56,046	(602,122)	(89,238)	(120,252)
Distribution declared from net income	(200,762)	(357,183)	(448,526)	(421,146)
Income paid on redeemable participating shares liquidated	(671)	-	(1,664)	(6,772)
Income received on participating shares created	-	-	1,590	8,983
Total decrease from operations	(334,199)	(1,217,742)	(171,940)	(390,144)
Issue of redeemable participating shares	-	-	68,411	371,017
Redemption of redeemable participating shares	(58,839)	-	(57,984)	(543,006)
Closing net asset value	6,858,783	7,251,821	8,469,563	8,631,076
Portfolio turnover rate	206.21%	405.25%	600.77%	194.54%
Redeemable Participating Shares				
Number of shares outstanding	908,153	915,853	915,853	914,924
Management expense ratio (Total Expense Ratio)	0.99%	0.99%	0.99%	0.99%
Closing market price per share	7.55	7.92	9.25	9.43

