MUA

MUTUAL FUND

ANNUAL REPORT 2020

MUA PROPERTY TRUST

CONTENTS

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2020

Key Financial Figures	31 March 2020	31 March 2019
	Rs.	Rs.
Revenue	5,428,930	5,412,164
Gains on property revaluation	-	-
Realised gain / (loss) for the year	(198,890)	(687,945)
Unrealised gain / (loss) for the year	(5,224,179)	7,044,219
Total expenses	1,862,831	1,770,910
Profit / (loss) before tax	(1,799,458)	10,015,368
Net profit / (loss) for the year	(2,196,365)	9,627,674
Net asset value attributable to unitholders	116,459,611	122,068,474
Net asset value per unit (Ex - dividend)	14.38	15.02
Annual distributions	0.40	0.40

Performance Figures	31 March 2020	31 March 2019
	%	%
Return on capital*	(1.6)	8.3
Dividend yield	2.8	2.7
Net rental yield	7.8	7.8

*Growth in net asset value plus dividends declared during the year

MANAGER'S **REPORT**

Investment Objective

MUA Property Trust is an open-ended mutual fund constituted under the MUA Unit Trust and authorized by the Securities Act 2005. The objectives are to achieve long-term capital growth and generate regular income with a focus on reasonable volatility. To achieve its objective, the Fund invests in a diversified portfolio of properties, shares of companies involved in property development, management and property holding, and in other mutual funds having exposure to the property market.

Performance Review

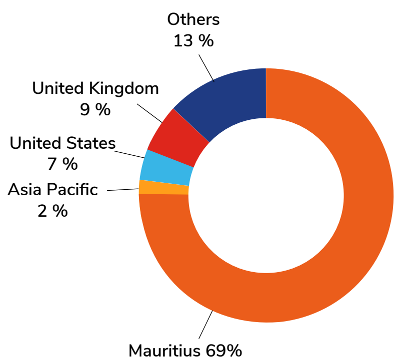
MUA Property Trust ("MUA PT") experienced strong performance during the 11 months to February 2020, prior to COVID-19. The adverse negative impact that COVID-19 had on markets impacted the fund performance with net assets declining by 10% during the month to 31 March 2020 and resulting in an annual performance for the 12 months to 31 March 2020 of -5%. Net loss after tax was driven by a fall in the fair value of local property investments and the fund did not benefit from any revaluation gains on its direct property holdings during the year.

MUA PT declared a total dividend of 40 cents per unit, offering a dividend yield of 2.8% on NAV prevailing as at the financial year end of 31 March 2020. For the same period, total return to unitholders for the financial year was at -1.6%.

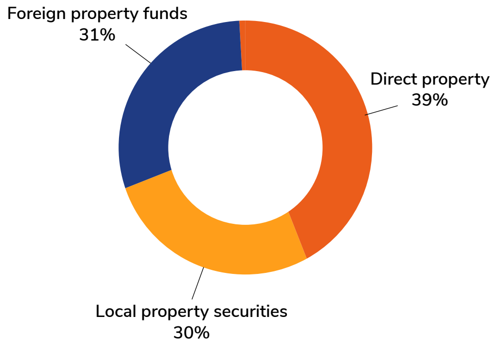
Portfolio Review

The net assets of MUA PT as at 31 March 2020 were Rs. 116m with an asset split of 39% in direct local property, 30% in listed property-related securities and 31% in foreign property-related securities.

Geographical breakdown



Portfolio asset mix



Local Portfolio

Representing 69% of MUA PT, the local portfolio comprised of real property, shares of locally listed property-related companies and cash.

The Fund owns the second and fifth floors at Moorgate House which are situated in a prime location in the capital city of Port Louis. Both floors provide office accommodation to the Mauritius Union Assurance Co. Ltd, the parent company of the MUA Mutual Fund ('MUA MF') Ltd, and offered a rental yield of 7.8% to the Fund as at 31 March 2020. The Fund did not incur any syndic fees as these are payable by the lessee and there were no major renovation costs during the year. The property values were maintained at a total of Rs. 46m for the two floors.

The local portfolio includes shares of companies deriving all or a significant portion of their revenue from real estate activities. These include companies such as Ascencia Ltd, Caudan Development Ltd and ENL Land Ltd among others. During the year, the major contributors to performance from locally held shares were from Ascencia Ltd and Compagnie Immobiliere with the largest detractor being Bluelife Ltd.

Top 5 Local Holdings

Security	Sector	Value	% of Net assets
Moorgate 5th Floor	Office	Rs. 23.5m	20.2%
Moorgate 2nd Floor	Office	Rs. 22.0m	18.9%
Ascencia Ltd	Commercial/Office/Industrial	Rs. 13.7m	11.7%
Compagnie Immobiliere	Commercial	Rs. 6.2m	5.3%
ENL Ltd Bonds	Commercial/Office/IRS*/Land	Rs. 5.0m	4.3%

**IRS - Integrated Resort Scheme*

Foreign Portfolio

The foreign portfolio accounted for 31% of the net assets as at 31 March 2020 and it was well diversified geographically, with exposure to Asia Pacific, US, UK real estate markets and global real estate markets.

The foreign real estate mutual funds held by MUA Property Trust delivered positive returns over the financial year driven by US stocks. Performance was boosted by a favourable USD-MUR exchange rate.

Top 5 Foreign Holdings

Security	Region	Value	% of Net assets
Robeco Property Equities (d) (USD) acc	Global	Rs. 10.2M	8.8%
Henderson Horizon Global Property Equities	Global	Rs. 8.8M	7.6%
Henderson UK Property Fund	United Kingdom	Rs. 5.1M	4.4%
AXA Wf Framlington Europe Real Estate	Global	Rs. 4.3M	3.7%
Henderson Horizon Pan European Property Equities	Global	Rs. 4.2M	3.6%

Local real estate market

On the local stock market, the SEMDEX lost 27.4% during twelve months ending 31 March 2020. The performance of property sector on the market remains subdued with a fall of 28.3% YTD as at 31 March 2020. The main contributors to the fund's local holdings' performance were Compagnie Immobiliere (+8.7%), Ascencia (+4.7%) and Caudan Development (+0.9%).

Locally, the economy is expected to contract by -6.8% in 2020, 10.5% lower than in 2019. This slowdown is mainly attributable to the spread of COVID-19 on the Mauritian economy and the poor performance of tourism and textile sectors on which the local economy relies heavily. The tourism sector has been heavily impacted as a result of the nationwide lockdown from 19 March 2020, as the borders were closed and a halt in tourism arrivals resulted into a temporary closure of hotels. The COVID-19 pandemic has resulted in lifestyles changing temporarily as a result of the lockdown and it is yet to be seen what the lasting impacts will be for the real estate industry.

Property values of hospitality companies may be impacted, there may be a reduced requirement for office space as employees adapt to work from home (WFH) and retail space will need to be rethought to incorporate changing consumer shopping patterns and the need for social distancing. As we continue to navigate through this challenging environment, we seek investment opportunities with long term growth potential, particularly in those real estate companies and industry participants who are well placed to adapt their operations and developments to accommodate changing lifestyles, shopping and work requirements. The recent Budget 2020 highlights significant investments in the construction sector and property development industry with new infrastructure projects such as completion of the Metro Express system, construction of new roads, pharmaceutical factories and food processing plants.

The Bank of Mauritius cut the key repo rate by 50bps to 2.85% on 10 March 2020, followed by another cut of 100bps to 1.85% on 16 April 2020 in an effort to ease monetary conditions amid COVID-19 induced uncertainty and negative market implications. The headline inflation stands as at 1.7% and is expected to rise to 4.0% in 2020. The construction business is expected to experience positive growth of 3% to 4% in 2020, with a rise of 0.6% in the Construction Price Index over the first quarter of 2020.

Despite the positive measures included in the Budget and the fact that the national lockdown has been lifted, we continue to monitor developments and the impact this will have on the wider real estate industry.

Foreign real estate market

The growth in the fund's foreign portfolio for the twelve months to 31 March 2020 was driven by investment in foreign property funds concentrated in developed markets. Whilst the performance of this asset class was negative during the period as a result of the negative impact of COVID-19, the fund benefited from a 12.3% appreciation of the USD versus the MUR which resulted in a positive performance of the fund's foreign portfolio. During the period, global markets faced volatility as COVID-19 spread worldwide and dictated the performance of global indices. The International Monetary Fund (IMF) has projected that the global economy will contract by -4.9% in 2020, down by 7.8% compared to 2019, with an imminent recession. Global inflation drops to 3.0% compared to 3.6% in 2019. The rapid spread of COVID-19 impacted global real estate investment in the short-term as travel and supply chains are disrupted.

The COVID-19 pandemic has had significant impact on the U.S. equity markets leading to a decline of 5% in economic growth in the first quarter. The US property market was not immune from the impact of the virus, as pending contracts for property sales dropped by 20.8% in March 2020 with buying and renting decisions put on hold as a result of heightened uncertainty. Market activity is expected to be lower in the next quarter, with sales expected to drop by 30% to 40%. Major central banks have injected liquidity to bail out economies with a major stimulus package of US$ 2Trn announced by US Federal Reserve on 25 March 2020 aimed at cushioning the severe impact of COVID-19 on U.S. economic activity. The US Federal Reserve Bank and the European Central Bank cut rates to near zero in an effort to ease monetary conditions and stimulate economies.

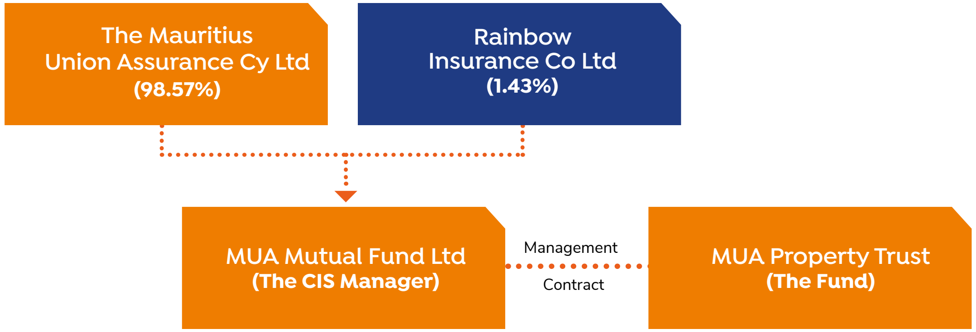
The UK economy is expected to contract by -10.2% in 2020, with a sharp setback in investment and consumer spending. Funding issues due to falling property values and the loss of income (covenant breaches) arise as leading UK property funds have halted trading. Due to the slowdown in economic activity, the level of loan defaults has risen in the majority of retail and property.

We expect the outlook to remain uncertain over the short term particularly given lockdown and restrictive measures in many countries still prevailing which will have an impact on subsectors of the real estate industry. Those companies with exposure to omni-channel retail, in particular online shopping, and the supporting industrial real estate asset class will be well placed to navigate and benefit from the current crisis.

MUA Mutual Fund Ltd
07 July, 2020

CORPORATE GOVERNANCE **REPORT**

HOLDING STRUCTURE



MUA Property Trust (the "Fund") is an open-ended mutual fund which was constituted under the NMF Unit Trust and authorised by the Securities Act 2005. It was incorporated under the Unit Trust Act 1989 (as repealed by the Trust Act 2001) and established by a Trust Deed dated 30 May 1990 and a Supplemental Deed dated 28 November 1990 made between The National Mutual Fund Ltd (now known as MUA Mutual Fund Ltd) (the "CIS Manager") and SBM Bank (Mauritius) Limited (The "Trustee").

The Fund's investment activities are managed by the CIS Manager and the major shareholder of the investment manager is The Mauritius Union Assurance Cy Ltd (MUA).

Organisation and Management of the CIS

The CIS Manager and Principal Distributor

MUA Mutual Fund Ltd (formerly The National Mutual Fund Ltd)
2nd Floor, Barkly Wharf
Le Caudan Waterfront
Port Louis, Mauritius

MUA Mutual Fund Ltd was incorporated on 09 July 1987 as a joint venture between local private insurance companies and some government controlled companies in an attempt to encourage savings among the Mauritian population. It later obtained a CIS Manager License on 09 July 2010, under the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008 Act.

Removal of Manager

As specified in the Trust Deed and the Supplemental Deed, the manager shall cease to hold office as Manager of the Trust if

I. The Manager is removed from office by the Supreme Court pursuant to section 19 of the Unit Trust act 1989, or

II. Approval of the Trust Scheme is revoked under section 14 of the Act;

III. Winding up proceedings are instituted against the Manager.

Replacement of Manager

As specified in the Trust Deed (clause 10.11.4), a new Manager shall be appointed by the Trustee. If the Trustee fails to do so within three months of the vacancy or retirement first occurring, a new Manager may be appointed by Extraordinary Resolution and following compliance with section 13 of the Act.

The Trustee

SBM Bank (Mauritius) Ltd
SBM Tower
1, Queen Elizabeth II Avenue
Port Louis, Mauritius

Established in 1973, SBM Bank (Mauritius) Ltd, previously known as State Bank of Mauritius Ltd, is one of the leading banks in Mauritius with a domestic market share of around 27 per cent for advances as at December 2019. SBM Bank (Mauritius) Ltd caters to the needs of different customer segments, both retail and corporate, through the provision of several products and services, which include deposits, lending, trade finance, cards, leasing, treasury, as well as a range of payment services. The Bank has developed multichannel capabilities including a wide distribution network of around 40 service units, as well as ATMs, POS, e-Commerce, mobile banking and internet banking platforms.

SBM Bank (Mauritius) Ltd is ultimately held by SBM Holdings Ltd, one of the largest listings on the Official Market of the Stock Exchange of Mauritius with a market capitalisation of MUR 19.6 billion as at December 2019.

Replacement of Trustee

The power of appointing a new Trustee of the Trust shall be vested in the Manager. No person shall be appointed as a new Trustee unless qualified to act as such pursuant to section 9 of the Act. If the Manager fails or refuses to appoint a new Trustee, such new Trustee may be appointed by an Extraordinary Resolution following compliance with section 13 of the Act.

The Custodian

SBM Bank (Mauritius) Ltd
SBM Tower
1, Queen Elizabeth II Avenue
Port Louis, Mauritius

Replacement of Custodian

The power of replacing the Custodian shall be vested in the Trustee, subject to approval by the Financial Services Commission.

The Auditor

Ernst & Young
Level 9, Tower 1,
NexTeracom, Cybercity,
Ebene, Mauritius

Organisation and Management of the CIS (continued)

Termination of the Trust

The Trustee may terminate the Trust upon the happening of the following events:-

I. If the Manager goes into liquidation (other than voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed for the undertaking of the Manager or any part thereof; or

II. If it becomes illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust;

III. If the Holders resolve that the trust be terminated.

Board of Directors

The Scheme does not have its own Board of Directors. However, all decisions relative to MUA Property Trust are taken by the CIS Manager's Board with the approval of the Trustee. The Manager's Board is composed of four Executive Directors and one Non-Executive Director. The Board is chaired by a Non-Executive Director.

Members of the Board of Directors of the CIS Manager

i. Bruno de Froberville

Chairman and Non-Executive Director

Citizen and Resident of Mauritius
Appointed: September 2015
Qualifications: MBA from the University of Birmingham (UK), a Bachelor in Science with a Major in Marketing from Louisiana State University (USA)

Skills & Experience:
• Experienced professional in the property and building sector.
• General Manager and owner of Square Lines Ltd, a property development company.

Board Committee memberships: Audit Committee; Assets and Liabilities Committee.
Directorship in other listed companies: Director of Mauritius Freeport Development Ltd, MUA Ltd

ii. Bertrand Casteres

Executive Director & Group CEO of MUA

Citizen and Resident of Mauritius
Appointed: April 2013
Qualifications: Master's degree in applied mathematics, actuarial science and finance, and Executive MBA from HEC Paris (France)

Skills & Experience:
• Worked in the internal audit department of Aviva Europe as audit senior manager in the financial management and actuarial audit department, conducting internal audit reviews in actuarial processes across Aviva's European subsidiaries.
• Involved in the implementation of Solvency II EU Directive within the Aviva Group.
• Joined MUA in January 2012 as head of internal audit and was appointed CEO in 2015.

Board Committee memberships: Assets and Liabilities Committee.
Directorship in other listed companies: MUA Ltd

iii. Naresh Gokulsing

Executive Director and Managing Director of MUA Life Ltd and MUA Pension Ltd

Citizen and Resident of Mauritius
Appointed: February 2012
Qualifications: BA in Accounting and Finance from the University of Leeds (UK); MBA from Warwick Business School (UK); Fellow Member of the Association of Chartered Certified Accountants (FCCA).

Skills & Experience:
• Started career with PwC in 1993.
• Worked for Cim Group as from 1997 as Head of Research and General Manager of Cim Stockbrockers then as Head of Finance of Cim Insurance, Chief Operating Officer and Executive Director of Cim Insurance and Cim Life and as Managing Director of Cim Property Fund where he launched Ascencia Ltd.
• Joined MUA in 2012 and was appointed Managing Director of the Life subsidiary in Mauritius in 2015.

Board Committee memberships: none.
Directorship in other listed companies: none

iv. Jerome Katz

Executive Director and Head of Group Strategy & Investment of MUA

Citizen and Resident of Mauritius
Appointed: March 2015
Qualifications: Master in Management ESCP Europe (Paris, France)

Skills & Experience:
• Started his career with the American bank JP Morgan in Paris in 2006.
• Joined Feber Associates (now part of MUA) in 2009 as the Manager. He now oversees group strategy, with extensive involvement in the African subsidiaries, strategic marketing, digitalisation and also supervises all the group's investment and asset management activities.

Board Committee memberships: none.
Directorship in other listed companies: none.

v. Sin Cham (Laval) Foo-Kune

Executive Director and Group CFO of MUA

Citizen and Resident of Mauritius
Appointed: November 2017
Qualifications: Bachelor of Commerce and Bachelor of Accountancy from the University of the Witwatersrand (Johannesburg, South Africa); Chartered Accountant South Africa; RIMAP Certified Risk Professional (Federation of European Risk Management Associations); Executive Development Programme at Stanford University Graduate School of Business (USA).

Skills & Experience:
• Started his professional career in South Africa with Levenstein & Partners, Symo Corporation Ltd, then IBM (South Africa).
• Joined La Prudence (Mauricienne) Assurances Ltée (now part of MUA) in 1998 as Finance Manager and became Senior Manager in charge of the Finance and Accounting department of MUA in 2010.
• Broad experience in finance, accounting, reserving, reinsurance and insurance.

Board Committee memberships: none.
Directorship in other listed companies: none.

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Directorships in other Listed Companies / Subsidiaries of other Listed Companies

- Bruno de Froberville is a director of Mauritius Freeport Development Co Ltd and MUA Ltd.
- Bertrand Casteres is a director of MUA Ltd.

Executive Directors' Service Contracts

- The Executive Directors have no fixed term contracts.

Committees of the Board of the CIS Manager

The Board of the CIS Manager has not set up any committee of its own since the parent company already has an Audit Committee, a Risk Committee, a Corporate Governance, Nomination & Remuneration Committee and an Asset and Liability Committee. These committees address all issues pertaining to subsidiaries. Also given the size of the Company and the Board no sub-committees have been established.

The compositions of these committees as at 31 March 2020 were as follows:

- Audit Committee – Mushtaq Oosman (Chairman), Catherine Mc Ilraith and Bruno de Froberville.
- Risk Committee – Alfred Bouckaert (Chairman), Dominique Galea , Mushtaq Oosman and Olivier de Grivel.
- Corporate Governance, Nomination & Remuneration Committee – Catherine McIlraith (Chairman), Melanie Faugier, Vincent Ah Chuen , Dominique Galea and Mushtaq Oosman (TBC)
- Assets & Liabilities Committee – Alfred Bouckaert (Chairman), Dominique Galea, Bruno de Froberville, Bertrand Casteres, Olivier de Grivel, Sin Cham Foo-Kune and Ashraf Musbally.

Company Secretary of the CIS Manager

The Company Secretariat function has been entrusted to Mr. Soundararajen (Yourven) Ramsamy. Mr. Ramsamy is a Fellow member of the Association of Chartered Certified Accountants (FCCA) and reckons more than 15 years' experience as Company Secretary. He plays a key role in the application of corporate governance in the Company and ensures that the Company complies with its constitution and all relevant statutory and regulatory requirements, codes of conduct and rules established by the Board. He provides guidance to the board as a whole and to directors individually as to how their responsibilities should be discharged in the best interests of the Company. He advises the board on matters of ethics and good governance and is the focal point of contact within the Company for shareholders.

Portfolio Manager

Candyce Ross

Candyce holds a Bachelor of Economics and Bachelor of Commerce from the University of Western Australia and has professional experience in Australia, Mauritius and the UK. During her time working for a FTSE 250 Real Estate Investment Trust in London she was involved in numerous corporate and investment activities including property acquisitions, private placement, rights issues, real estate asset management and strategy. Prior to starting at MUA, Candyce held the position of Investment and Corporate Advisory Manager at Grit Real Estate Income Group in Mauritius where she project managed the listing of the company on the London Stock Exchange and was involved in numerous corporate activities, real estate acquisitions and investor relations.

Principal Functions

In relation to the management of the Scheme, the CIS Manager carries out the following activities:

i. All administrative services required by the Scheme,
Responsible Persons: Soundararajen Ramsamy, Pradesh Kumar Baboolall, Toolcymanie Ramsamy and Farook Sahabooleea;

ii. Provision of registrar and transfer facilities,
Responsible Person: Farook Sahabooleea;

iii. Distribution of the securities of the Scheme,
Responsible Persons: Soundararajen Ramsamy and Shabeneez Nahaul;

iv. Maintaining accounting records of the Scheme,
Responsible Person: Pradesh Kumar Baboolall; under the supervision of Soundararajen Ramsamy

v. Giving investment advice in relation to the Scheme,
Responsible Persons: Soundararajen Ramsamy and Shabeneez Nahaul

Investment Objectives and Practices and Financial Characteristics

Investment Objective

The investment objective of NMF Property Trust is to achieve long term capital appreciation and generate consistent dividend income.

Investment Policy

The Strategy put in place to achieve the above objective is to invest in a diversified portfolio of properties and property-related securities. The fund manager will adopt a strict and disciplined approach to management of the investment portfolio, such as to outperform long-term investment trends.

Investment Risks

The unit holder should be aware that any investment carries a level of risk that generally reflects its potential for reward. Neither the Manager or the Trustee, nor any other functionary guarantees the performance of the Funds, the attainment of the stated objective, or the repayment of capital.

I. Market risk: The value of the Funds' assets will fluctuate as a result of changes in market prices of the underlying securities of the Funds, whether these changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded on the market.

II. Inflation risk: Inflation erodes the real value of all investments and changes in the anticipated rate of inflation could lead to capital losses in the Fund's investments.

III. Exchange rate risk: Fluctuations in exchange rates may affect the value of foreign currency denominated investments held by the Fund when translated into Mauritian Rupees.

IV. Country risk: Given that a significant portion of the fund's assets is invested locally, the performance of the Fund is also subject to specific risks pertaining to Mauritius, especially risks linked to the economic development of the country, prevailing political and social uncertainties and stock market conditions.

V. Foreign Investment risk: The Fund is invested in foreign markets and thus its performance also depends on the economic conditions and unpredictable developments in those markets. Any risk related to foreign investments is also reflected in the fluctuations of the exchange rates, termed as exchange rate risk which has been explained above.

VI. Liquidity risk: Cash flow requirements may force the Fund to realize assets on poor investment terms either because of assets are not marketable or because the asset values are temporarily depressed. Cash flow projections are of a great help in managing this risk.

VII. Interest rate risk: Fluctuations in interest rates may lead to lower interest income and capital value of an investment.

VIII. Concentration Risk: The Fund may hold relatively large positions in certain investments, and may be significantly exposed to a specific geographic region, economic sector, market and currency. Such investments may carry a higher risk to capital.

IX. Performance Risk: Past performance should not be viewed as a guide to or indicator of future performance. The value of investments and the income derived from them can go up or down.

X. Tax Risk: Any tax treatment detailed in this prospectus may change and any implied tax benefits may vary between investors and may change in the future.

Investment Restrictions and Practices

The Fund intends to invest strictly according to its Investment Mandate, which is in accordance with rules and regulations.

Investment restrictions

The Fund undertakes not to:

I. purchase a security, other than a debt security issued by the Government of Mauritius or the government of any other country, if, immediately after the purchase, more than 5% of its net assets, taken at market value at the time of purchase, would be invested in securities of that issuer, unless authorized by the Commission;

II. purchase a security of an issuer where, immediately after the purchase, the Fund would hold more than 10% of a class of securities of that issuer;

III. purchase a mortgage;

IV. purchase a security for the purpose of exercising control or management of the issuer of that security;

V. purchase or sell derivatives, except within the limits established by the Commission or, in the case of a specialized fund authorized by the Commission;

VI. purchase or sell a physical commodity, including precious metals, except in the case of a specialised CIS authorised by the Commission.

The complete set of Investment restrictions to which the Fund is subject is also available in the Investment Mandate.

Investment practices

The Fund undertakes not to:

I. borrow money or provide for the creation of any encumbrance on its assets except in the two following situations:
   i. the transaction is a temporary measure to accommodate requests for the redemption of securities of the collective investment scheme (CIS) while the CIS effects an orderly liquidation of its assets, and, after giving effect to the transaction, the outstanding amounts of all borrowings of the CIS does not exceed 5% of the net assets of the CIS taken at market value at the time of borrowing;
   ii. the encumbrance secures a claim for the fees and expenses of the custodian or a sub-custodian for services rendered in that capacity;

II. subscribe securities offered by a company under formation;

III. engage in the business of underwriting or marketing securities of any other issuer;

IV. lend money, securities or other assets;

V. guarantee securities or obligations of another person;

VI. purchase or sell securities other than through market facilities where these securities are normally bought and sold unless the transaction price approximates the prevailing market price or is negotiated on an arm's length basis;

VII. purchase a security from, or sell a security to, one of the following persons:
   i. the CIS manager or the custodian;
   ii. an officer of the CIS manager or the custodian;
   iii. an affiliate of a person referred to in the above two subparagraphs,
   unless the purchase or sale to the affiliate is carried out at arm's length.

VIII. invest in aggregate more than 5% of its net asset value in the shares of other collective investment schemes;

IX. acquire more than 10% of the shares of any single collective investment scheme.

Type of Investors

The profile of a unit trust investor is one who has both sufficient capital and an attitude to investment which enables one to accept short term fluctuations in the value of their capital.

Particularly suitable for:

I. Investors wanting capital growth or a combination of income and capital growth
II. Investors willing to tolerate a certain amount of capital risk.
III. Investors who can commit money for the medium to long-term.
IV. Investors seeking a cost effective access to local and overseas markets.

Valuation

As specified in the Trust Deed (1990), the Manager shall carry out the valuation of all or any of the Assets of each Fund on any Business Day at a time to be determined by the Manager and agreed by the Trustee'. As such, the valuation for the MUA Property Trust is carried out on a monthly basis, on every second Monday of the month. The Manager deems right to value the Fund on a monthly basis as prices of properties do not normally change significantly on a day-to-day basis.

Distributions

Distributions of income will be made twice yearly to holders of units registered on the following dates: 30 September and 31 March. The Scheme will distribute the whole of its available net income to unit holders after deducting fees, charges and other expenses and adjusting for any tax liabilities or refunds.

Units are quoted ex-distribution on the first day of a new half-year. The payment dates will take place within two months after the half year ends. Payment will be made to the order of the holder or in the case of joint holders, the first named on the Register. Distribution needs not be in cash only but may be made by issue of additional units that will rank pari passu with existing units.

The table below shows the amount of dividend paid by the MUA Property Trust for the last 3 years:

Last 3 Financial Years Annual Distributions	
Financial Year	Dividend/Unit (Rs)
01.04.18 to 31.03.19	0.40
01.04.17 to 31.03.18	0.40
01.04.16 to 31.03.17	0.37

Performance

Financial Year ending 31 March	Beginning NAV/Unit (Rs)	Distributions/Unit	Ending NAV/Unit (Rs)	Total Return (%)
2019	14.24	0.40	15.02	8.29
2018	13.04	0.40	14.24	12.27
2017	13.47	0.37	13.04	(0.44)

Financial Year Ending 31 March	Beginning Net Asset Value (Rs '000)	Value of Net Units created (Rs '000)	Results (Rs '000)	Distributions (Rs '000)	Ending Net Asset Value (Rs '000)
2019	114,217	1,495	9,627	3,271	122,068
2018	103,078	1,558	12,754	3,173	114,217
2017	124,053	(17,439)	(632)	2,904	103,078

Tax Status

I. Taxation of the Unit Trust
- The Unit Trust shall be liable to corporate tax at the rate of 15%; and

II. Taxation of the Unit holder
- Dividend income in any income year shall be exempt from income tax.
- Net gains on the redemption of units in any income year shall be exempt from income tax.

Unit Holder Analysis as at 31 March 2020

Range	No. Of Unit Holders	No. Of Units	% Of Funds	% Of Unit Holders
Up to 1,000	1,335	440,848.3944	5.44	64.49
More than 1,000 to 5,000	523	1,275,347.7163	15.75	25.27
More than 5,000 to 10,000	123	885,892.8689	10.94	5.94
More than 10,000 to 25,000	61	928,986.3748	11.47	2.95
More than 25,000 to 50,000	19	607,616.0409	7.50	0.92
More than 50,000 to 100,000	4	315,977.4728	3.90	0.19
More than 100,000 to 1,000,000	3	1,413,718.0843	17.45	0.14
Over 1,000,000	2	2,231,294.0595	27.55	0.10
Total	**2,070**	**8,099,681.0119**	**100.00**	**100.00**

Category of Unit Holders as at 31 March 2020

Unit Holders Type	No. Of Unit Holders	No. Of Units	% Of Unit Holders
Individuals	2,040	4,304,418.6827	53.14
Corporate Bodies and Others	30	3,795,262.3292	46.86
Total	**2,070**	**8,099,681.0119**	**100.00**

Unit price of the Fund for the past three years

Date	Issue Price (Rs.)	BID Price (Rs.)
31 March 2019	15.02	14.87
31 March 2018	14.24	14.09
31 March 2017	13.04	12.91

Net Asset Value as at 31 March 2020: Rs. 14.38.

Related party transactions

For related party transactions, please refer to Note 20 of the Financial Statements.

Auditors

The fees paid by the CIS to the auditor for audit and other services (tax computation) were:

	2020		2019	
	Audit Rs	**Other Rs**	Audit Rs	Other Rs
Ernst & Young	**110,500**	**20,000**	83,500	20,000
	110,500	**20,000**	83,500	20,000

In line with the requirements of the Financial Reporting Act 2004 regarding rotation of auditors, another audit firm will be appointed for the Group as from financial year ended 31 March 2021.

No non-audit services, excluding tax services, were provided to the Company during financial year ended 31 March 2020.

Sustainability Reporting

The Fund recognises that it operates within a social and economic community and as such is committed, when taking decisions and carrying out its activities, to take into account not only the economic viability but also the environmental consequences and social implications.

Ethics

The Fund has adhered to the Code of Ethics of its CIS Manager set out at Group Level. This Code goes beyond the legal minimum and outlines core principles that should guide business conducts. It is based on the Group's corporate values which are essential for us to maintain the reputation of trust and reliability that has been forged over the years. The Code of Ethics establishes standards for behaviour and provides guidance as to ethical dilemmas or conflicts of interest faced at work.

All employees have taken cognizance of the Code and have pledged to abide by its contents.

Employees also get regular training on the handling of fire extinguishers, on evacuation simulation exercises and first aid care.

Activities such as fire warden training, first aid training, tai chi and zumba classes were organized for the benefit of the staff.

Environment, Health & Safety

Environmental implications are taken into account before operational and strategic decisions are taken, even if it is an additional cost for the Company.

A Health and Safety procedure has been formulated and posted on the Group's intranet. It explains and demonstrates the Company's attitude towards health and safety as well as the steps, arrangements and systems the Company has put in place to ensure compliance with health and safety legislation.

As required by the health and safety legislation, a corporate Safety, Health and Welfare Committee has been constituted at Group level. It meets once every two months and one of its main objectives is to create greater awareness among staff of the need for a safe and healthy work environment.

Corporate Social Responsibility

CSR activities are organised at Group level and are guided for the most part by the Group's corporate mission statement and values.

Reporting with Integrity

The Board of the CIS Manager is responsible for the preparation of financial statements that fairly present the state of affairs of the Company in accordance with applicable laws and regulations. Company law further requires the Directors to prepare the financial statements in accordance with International Financial Reporting Standards for each financial year.

The Board of the CIS Manager is also responsible for keeping adequate accounting records, explaining the Company's transactions and disclosing, with reasonable accuracy, at any time, the financial position of the Company. The Directors have the duty to safeguard the Company's assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Time-table of important upcoming events

May 2020	Approval of audited accounts for MUA Property Trust Declaration of final dividend for MUA Property Trust
November 2020	Approval of unaudited accounts for MUA Property Trust Declaration of interim dividend for MUA Property Trust
	Approval of Budget 2021

Statement of Responsibilities

Financial Statements

The Manager and Trustee of MUA Property Trust are required by the Companies Act 2001 to prepare financial statements for each financial year, which present a true and fair view of the financial position of the Fund at the end of the financial year and of the results of its operations for the year then ended. They are responsible for the integrity of these financial statements and for the objectivity of any other information presented therein.

The Manager and Trustee confirm that in preparing these financial statements they have:
(i) selected suitable accounting policies that are compliant with International Financial Reporting Standards and applied them consistently
(ii) made judgments and estimates that are reasonable and prudent
(iii) prepared the financial statements on a going concern basis
(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund
(v) taken appropriate measures to safeguard the assets of the Fund through the application of appropriate internal control and risk management systems and procedures
(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Control

The Manager and Trustee are responsible for the Fund's systems of internal control. The systems have been designed to provide them with reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors and irregularities are either prevented or detected within a reasonable time. An internal audit and a risk and compliance function have been established at Group level to assist management in the effective discharge of its responsibilities. Internal audit reviews business controls on an on-going basis, is independent of management and reports directly to the Group's Audit & Risk Committee.

Risk Management

Through the Group's Audit and Risk Committees, the Manager and Trustee are made aware of the risk areas that affect the Fund and ensure that Management has taken appropriate measures to mitigate these risks.

Code of Corporate Governance

The Manager and Trustee ensure that the principles of good governance are applied and have strived to comply in all material respects with the principles of the Code.

Approved on 13 July 2020 and signed on its behalf by:

Manager

SBM Bank (Mauritius) Ltd P-Louis Mtius

Trustee

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act)

Name of Public Interest Entity: MUA Property Trust
Reporting Period: Year ended 31 March 2020

We, the Manager and Trustee of MUA Property Trust, confirm that, to the best of our knowledge, the Fund has not compiled with some of the principles of the Code of Corporate Governance, for the reasons stated below:

Areas of non-application of the Code		Explanation for non-application
Principle 1 Governance Structure	• Board Charter	• The CIS Manager will adopt a board charter during the next financial year. • Company's website: The CIS Manager does not have a dedicated website given the scope of its services.
Principle 2 Structure of Board and its Committees	• Reassessment of Charter • Status of Directors • Board Committees	• The CIS Manager intends to reassess its charter, once adopted, on a yearly basis. • Whilst the New Code recommends a board composition where a majority of directors shall be independent and non-executive to have a balance of power, the Board of the CIS Manager considers that given its size and the scope of activities of the company, the appointment of additional directors is not justified at this stage. • The CIS Manager does not have sub-committees to its Board as the Board is not of sufficient size.
Principle 3 Director Appointment Procedures	• Succession Planning • Biographies of the Directors and Company Secretary onwebsite	• The Board of the CIS Manager intends to develop a succession plan for the Company during the next financial year. • Company's website: The CIS Manager does not have a dedicated website given the scope of its services.
Principle 4 Duties, Senior Executive Remuneration and Performance	• Evaluation of Board Performance • Remuneration of Director	• An evaluation of the CIS Manager Board performance will be conducted during the next financial year. • For confidentiality purposes and commercial sensitivity, the remuneration on an individual basis has not been disclosed.

Manager
Date: 13 July 2020

SBM Bank (Mauritius) Ltd P-Louis Mtius

Trustee

AUDITORS'
REPORT

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MUA PROPERTY TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MUA Property Trust (the "Trust") set out on pages 3 to 37 which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of the Trust as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and 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.

Other Information

The Manager and Trustee are responsible for the other information. The other information comprises the Corporate Governance Report as required by the Companies Act 2001, 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 (except the Corporate Governance Report) 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 on the other information obtained prior to the date of this auditor's report, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Corporate Governance report

The Manager and Trustee are responsible for preparing the Corporate Governance Report. Our responsibility under the Financial Services Commission' Circular Letter CL280218 is to report on the compliance with the Code of Corporate Governance (the "Code") disclosed in the Corporate Governance 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 Corporate Governance Report, the Trust has complied with the requirements of the Code.

Responsibilities of the Manager and Trustee for the Financial Statements

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

In preparing the financial statements, the Manager and Trustee are responsible for assessing the Trust'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 intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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 judgement and maintain professional scepticism 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MUA PROPERTY TRUST

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

- 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 Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and Trustee.

- Conclude on the appropriateness of the Manager's and Trustee's 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 Manager's and Trustee'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 Trust 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.

We communicate with the directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF MUA PROPERTY TRUST

Use of our report

This report is made solely to the Trust's members, as a body. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them 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 Trust and the Trust's members, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG
Ebène, Mauritius

LI KUNE LAN POOKIM, F.C.A, F.C.C.A
Licensed by FRC

Date: 06 August 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020 Rs.	2019 Rs.
ASSETS			
Non-current assets			
Investment properties	5	45,500,000	45,500,000
Current assets			
Cash and cash equivalents	19(b)	5,782,684	5,873,026
Receivables	9	412,676	763,179
Debt instrument at amortised cost	8	5,000,000	5,000,000
Financial assets at fair value through profit or loss			
- Portfolio of local securities	6	29,217,625	36,276,111
- Portfolio of overseas securities	7	36,511,830	34,191,774
		76,924,815	82,104,090
Total assets		**122,424,815**	**127,604,090**
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	14(a)	2,620,537	2,620,537
Current liabilities			
Payables	10	1,222,731	928,546
Distribution to Unitholders	13	1,890,869	1,784,156
Current tax liabilities	14(b)(i)	231,067	202,377
		3,344,667	2,915,079
Total liabilities		**5,965,204**	**5,535,616**
EQUITY AND RESERVES			
Redeemable Units		81,280,980	81,466,773
Retained earnings		35,178,631	40,601,701
Total equity	17(a)	116,459,611	122,068,474
Total equity and liabilities		122,424,815	127,604,090
Net asset value per Unit (Ex-div)	17(b)	**14.38**	**15.02**

These financial statements have been approved for issue by the Manager and the Trustee on 13 July 2020

Manager

Trustee

SBM Bank (Mauritius) Ltd P-Louis Mtius

The notes on pages 7 to 37 form an integral part of these financial statements.
Auditors' report on pages 30 to 33.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 Rs.	2019 Rs.
REVENUE			
Gross revenue	11	5,428,930	5,412,164
Net gains on investments			
Net fair value (loss)/gain on financial assets at fair value through profit or loss	6&7	(5,224,179)	6,990,924
Realised losses on disposals of financial assets at fair value through profit or loss		(198,890)	(687,945)
Gains on foreign exchange		-	53,295
		5,861	11,768,438
EXPENSES			
Manager's fees	15	1,212,036	1,181,356
Trustee's fees	16	86,574	84,383
Other expenses	12	564,221	505,171
Total operating expenses		**1,862,831**	**1,770,910**
EQUALISATION			
Income received on Units created		82,491	30,733
Income paid on Units redeemed		(24,979)	(12,893)
		57,511	17,840
(Loss)/profit before tax		(1,799,458)	10,015,368
Income tax expense	14(b)(ii)	(396,907)	(387,694)
Net (loss)/profit/total comprehensive (loss)/ income for the year		**(2,196,365)**	**9,627,674**

The notes on pages 7 to 37 form an integral part of these financial statements.
Auditors' report on pages 30 to 33.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Redeemable Units	Retained earnings	Total
		Rs.	Rs.	Rs.
Balance at 1 April 2019		81,466,773	40,601,701	122,068,475
Units created	17(a)	9,432,101	-	9,432,101
Units redeemed	17(b)	(9,617,894)	-	(9,617,894)
Total comprehensive income for the year	13	-	(2,196,365)	(2,196,365)
Dividend		-	(3,226,705)	(3,226,705)
Balance at 31 March 2020		**81,280,980**	**35,178,631**	**116,459,611**
Balance at 1 April 2018		79,971,736	34,245,427	114,217,163
Units created	17(a)	4,104,878	-	4,104,878
Units redeemed	17(b)	(2,609,841)	-	(2,609,841)
Total comprehensive income for the year		-	9,627,674	9,627,674
Dividend	13	-	(3,271,400)	(3,271,400)
Balance at 31 March 2019		**81,466,773**	**40,601,701**	**122,068,474**

STATEMENT OF CASH FLOWS THE YEAR ENDED 31 MARCH 2020

	Notes	2020 Rs.	2019 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19(a)	2,530,842	3,290,215
Dividend paid		(3,217,315)	(3,146,358)
Tax paid		(368,217)	(397,654)
Purchase of investments	6, 7 & 8	(4,954,220)	(5,000,000)
Dividend received		1,633,440	1,644,241
Proceeds from sale of investment		4,470,921	4,243,267
Net cash (used in)/generated from activities operating		**95,452**	**633,711**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash movement from Units created		9,432,101	4,104,878
Net cash movement from Units redeemed		(9,617,894)	(2,609,841)
Net cash (used in)/generated from financing activities		**(185,793)**	**1,495,037**
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		**(90,341)**	**2,128,748**
CASH AND CASH EQUIVALENTS AT 1 APRIL		5,873,025	3,744,277
CASH AND CASH EQUIVALENTS AT 31 MARCH	19(b)	5,782,684	5,873,025
Non-cash items			
Dividends re-invested		**79,032**	**172,455**

The notes on pages 7 to 37 form an integral part of these financial statements.
Auditors' report on pages 30 to 33.

NOTES TO THE **FINANCIAL STATEMENT**

1. CORPORATE INFORMATION

MUA Property Trust is an open-ended collective Investment Scheme which is constituted under the NMF Unit Trust. It is incorporated under the Unit Trust Act 1989 as repealed by the Trust Act 2001 and established by a Trust Deed dated 30 May 1990 made between The National Mutual Fund Ltd (The "Manager") and The SBM Fund Services Ltd (the "Trustee"). The address of its registered office is 2nd Floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Mauritius.

The Trust's objective is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in property and property related securities in the domestic and in the major international stock markets.

The Trust's investment activities are managed by the Investment Manager.

The financial statements of the Company for the year ended 31 March 2020 were authorised for issue in a board meeting by the directors on the date stamped on page 3.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) Statement of compliance

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards (''IFRS'') as issued by the International Accounting Standards Board ("IASB").

b) Basis of preparation

The financial statements are prepared under the historical cost basis, except for held for trading financial assets and investment properties that have been measured at fair value.

The financial statements are presented in Mauritian Rupees (MUR) and all values are rounded to the nearest rupee, except when otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Foreign currency

Functional and presentation currency

The financial statements are presented in Mauritian Rupees ("MUR") which is also the currency of the primary economic environment in which the Company operates (functional currency). The Company determines its own functional currency and items included in the financial statements of the Company are measured using that functional currency.

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss respectively).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits that will flow to the Company and the revenue can be reliably measured, regardless of the payments being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised.

Dividend income

Dividend income and other distributions are recorded when the right to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Revenue recognition (continued)

Interest income

Interest income is recognised in the statement of comprehensive income for all interest-bearing financial instruments and for all financial instruments measured at amortised cost, using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue due to its operating nature.

e) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Taxes (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Withholding tax (Tax deductible at Source "TDS")

A withholding tax is withheld on behalf of the tax authority on all rental income received by the Company from its tenants.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments

Classification

In accordance with IFRS 9, the Trust classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below:

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term

Or

(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking

Or

(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Trust classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Classification

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Trust includes in this category short-term non-financing receivables including other receivables, investment in debt securities and cash and cash equivalents.

Financial assets measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

(i) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Or

(ii) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell

Or

(iii) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Trust includes in this category investment in equity securities and mutual funds.

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading.
The Trust has not classified any of its liabilities in this category.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Classification

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Trust includes in this category other short-term payables and distribution to unit holders.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- The Trust has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Trust's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Impairment of financial assets

The Trust holds debt instruments, amount due from other parties and interest receivables with no financing component. The debt instruments have been assessed as being investment grade assets and classified in stage 1. Other receivables have maturities of less than 12 months and, the Trust has chosen to apply a general approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Trust does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Trust uses the transition matrix as a practical expedient to measuring ECLs on amount receivables and debt instrument, based on credit ratings of the issuer/holder and Basel credit impairment guideline for Loss Given Default (LGD). Receivables are grouped based on their nature. The transition matrix is used to convert the ratings to a probability of default and management applies the Basel guided LGD to arrive at the ECL rate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Trust first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Trust. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Financial assets carried at amortised cost (Continued)

Offsetting of financial investments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Fair value of financial instruments (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for the valuation of investment properties. Involvement of external valuers is decided upon annually by the valuation committee after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Trust's external valuers, which valuation techniques and inputs to use for each case.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits as define above, net of outstanding bank overdraft.

h) Equalisation

Accrued income included in the issue and repurchase of prices of Units is dealt with in the statement of comprehensive income of comprehensive income.

i) Due from and due to brokers - Margin account

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered at the end of the reporting period respectively.

j) Transactions costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income.

k) Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Related parties

Related parties are individuals and companies where the individual or Trust has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

m) Share capital

Classification of redeemable units

Redeemable units are classified as equity instruments when:

- The redeemable units entitle the holder to a pro rata share of the Trust's net assets in the event of the Trust's liquidation.
- The redeemable units are in the class of instruments that is subordinate to all other classes of instruments.
- All redeemable units in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The redeemable units do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Trust's net assets.
- The total expected cash flows attributable to the redeemable units over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Trust over the life of the instrument.

In addition to the redeemable units having all the above features, the Trust must have no other financial instrument or contract that has:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Share capital (continued)

Classification of redeemable units (continued)

Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Trust.

The Trust continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out to be classified as equity, the Trust will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions to be classified as equity, the Trust will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and cancellation of redeemable units are accounted for as equity transactions.

Upon issuance of units, the consideration received is included in equity.

Transaction costs incurred by the Trust in issuing or acquiring its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issuance or cancellation of the Trust's own equity instruments.

o) Investment property

Property held for long term capital appreciation that is not occupied by the Trust is classified as investment property. Investment property comprises of offices and is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Trust uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are performed annually by independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Investment property (continued)

Changes in fair values are recorded in the statement of comprehensive income of comprehensive income. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. If an item of investment property becomes a property and equipment because its use has changed, any fair value of this item at the date of transfer is recognised in equity as a revaluation of property and equipment. However, if a fair value gain on the property and equipment at fair value reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. Upon the disposal of such property, any surplus previously recorded in equity is transferred to retained earnings and the transfer is not made through the statement of comprehensive income.

p) Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'at fair value through profit or loss' and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as 'at fair value through profit or loss' are calculated using the Average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

q) Comparatives

Where necessary, comparative figures have been refunded or restated to conform to the current year's presentation.

2.1 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year. There were new and amendments to IFRS that were effective from 1 January 2019 but none of these were relevant to the Trust's financial statement.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSED BUT NOT YET EFFECTIVE

There are new standards, amendments to existing standards and interpretations were in issue but not yet effective. The Trust would adopt these standards, if applicable, when they become effective. No early adoption of these standards and interpretations is intended by the Board of Trustees.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Trust's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Trust's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Judgments

Going concern

The Manager and the Trustee has made an assessment of the Trust's ability to continue as a going concern and is satisfied that the Trust has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Trust's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, 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:

Fair value of investment properties

The fair value investment properties has been determined on a market valuation basis which is defined as intended to mean the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had each acted knowledgeably, prudently and without computation.

5. INVESTMENTS PROPERTIES

(a) At Fair value	Freehold building 2020	Freehold building 2019
	Rs	Rs
At April 1,	**45,500,000**	45,500,000
Increase in fair value	-	-
At March 31	**45,500,000**	45,500,000

As at 31 March 2020 and 2019, the fair value of the properties are based on valuations performed by JPW International Ltd, Property Consultants, an accredited independent valuer.

Fair value hierarchy disclosures for investment properties have been provided in Note 7(a).

(b) Rental income earned and direct operating expenses incurred by the Company in respect of investment properties are as follows:

	2020	2019
	Rs	Rs
Rental income	**3,540,000**	3,540,000
Direct operating expenses	**117,204**	117,204
Profit arising from investment properties	**3,422,796**	3,422,796

5. INVESTMENTS PROPERTIES (CONTINUED)

Rental income receivable under non-cancellable lease agreements are as follows:

	2020	2019
	Rs	Rs
Not longer than one year	3,540,000	3,540,000

The lease agreements comprise a market review clause in case both parties wish to renew. However, the lessees do not have any option to purchase the property at the end of the lease term.

(c) The portfolio of properties as per the Statement of financial position is detailed as follows:-

Property	Type/Description	Tenant	Lease Term
5th Floor Morgate House Sir William Street Port Louis	Freehold - One floor of office accomo-dation comprising 476.36square/metre	The Mauritius Union Assurance Co. Ltd	3 consecutive years, starting as from 1st October 2012, the lease shall be tacitly renewed on an annual basis thereafter unless any one party gives notice of cancellation in writing
2nd Floor Morgate House Sir William Newton-Street Port Louis	Freehold - One floor of office accomo-dation comprising 444.39 square/ metre	The Mauritius Union Assurance Co. Ltd	2 consecutive years, starting as from 1st April 2011, the lease shall be tacitly renewed on an annual basis thereafter unless any one party gives notice of cancellation in writing

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

PORTFOLIO OF LOCAL SECURITIES

(i) Held-For-Trading	Official list	Development & Enterprises Market	Total
	Rs.	Rs.	Rs.
At 1 April 2019	12,365,722	23,910,389	36,276,111
Additions	-	-	-
Disposals	(4,590,780)	-	(4,590,780)
Decrease in fair value	(2,024,932)	(442,774)	(2,467,706)
At 31 March 2020	**5,750,010**	**23,467,615**	**29,217,625**
Proceeds on sale of investments			4,470,921
At 1 April 2018	14,692,964	21,651,442	36,344,406
Additions	-	-	-
Disposals	(3,618,751)	-	(3,618,751)
Increase in fair value of investments	1,291,509	2,258,947	3,550,456
At 31 March 2019	**12,365,722**	**23,910,389**	**36,276,111**
Proceeds on sale of investments			2,810,680

(ii) Details of securities:

PROPERTY	2020	2019
OFFICIAL LIST	Rs	Rs
Caudan Development Ltd (Ord)	4,012,384	3,975,908
ENL LTD	1,580,337	8,123,298
BLUELIFE LTD	157,288	266,516
	5,750,010	12,365,722

	2020	2019
DEVELOPMENT & ENTERPRISES MARKET	Rs	Rs
Compagnie Immobiliere Ltee (Ord)	6,171,200	5,677,504
Ascencia Ltd (Ord)	12,896,415	13,032,885
Attitude Property Ltd	4,400,000	5,200,000
	23,467,615	23,910,389

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

PORTFOLIO OF OVERSEAS SECURITIES

(i) Held for trading:

	2020	2019
	Rs.	Rs.
At 1 April	34,191,774	31,891,312
Additions	5,076,530	172,455
Disposals	-	(1,312,461)
(Decrease)/increase in fair value of investments	(2,756,472)	3,440,468
At March 31,	**36,511,831**	**34,191,774**
Proceeds on sale of investments	-	1,423,587

(ii) Details of securities:

	2020	2019
	Rs	Rs
Hendersen HOI	8,825,414	9,103,832
Morgan Stanley US Property	3,869,767	5,149,889
Henderson UK Property OEIC	5,096,390	4,898,378
Janus Henderson Horizon Pan European Pty Equity	4,193,824	4,226,016
Robeco Properties equity	10,193,507	10,813,659
Axa Wf Framlington Europe Real Estate	4,332,927	-
	36,511,829	34,191,774

7(A). FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Fair value as at					
	31 March 2020	31 March 2019	Fair Value Hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	Rs.	Rs.				
Investment properties	45,500,000	45,500,000	Level 3	Sales comparison approach	N/A	N/A
Financial assets at fair value through profit or loss						
Quoted securities:						
Local securities	29,217,625	36,276,111	Level 1	Quoted price	N/A	N/A
Quoted securities:						
Foreign securities	36,511,831	34,191,774	Level 1	Quoted price	N/A	N/A

Transfer between levels

During the reporting year ended 31 March 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Changes in valuation techniques

There were no changes in valuation techniques during the year.

8. FINANCIAL ASSETS AT AMORTISED COST

	2020	2019
	Rs	Rs
Bonds - unquoted	5,000,000	5,000,000

During the year the Trust has made investment in a 10 year unquoted Bond with coupon rate of 6.3% p.a. The Bond has been assessed to be of an investment grade and hence classified as a stage 1 asset in the expected credit loss assessment. The expected credit loss on this Bond has been assessed to be insignificant and hence no adjustment was made for this financial year.

9. RECEIVABLES

	2020	2019
	Rs	Rs
Prepayments	33,598	29,143
Other receivables	379,078	734,036
	412,676	763,179

Other receivables are non-interest bearing and have an average term of six months. Management has made an assessment whether there was significant increase in credit risk at the reporting date and given all outstanding amount are settled within the terms and conditions, the credit risk was deemed to be very low, hence an insignificant expected credit loss.

The carrying amounts of receivables approximate their fair value.

10. PAYABLES

	2020	2019
	Rs	Rs
Uncleared distribution	**333,411**	324,023
Other creditors and accruals	**889,320**	604,523
	1,222,731	928,546

Other creditors and uncleared distribution are non-interest bearing and have an average terms of six months.

11. GROSS REVENUE

	2020	2019
	Rs	Rs
Dividends on financial assets at fair value through profit or loss	**1,568,180**	1,798,858
Interest and other income	**320,750**	**73,306**
Rental income	**3,540,000**	3,540,000
	5,428,930	5,412,164

12. OTHER EXPENSES

	2020	2019
	Rs	Rs
Municipal tax	**117,204**	117,204
Bank charges	**11,508**	49,721
Professional fees	**41,500**	71,143
Printing	**139,140**	75,560
Custodian fees	**101,370**	98,043
Licence fees	**16,000**	10,000
Audit fees	**137,500**	83,500

13. DIVIDEND - DISTRIBUTION TO UNITHOLDERS

	2020	2019
	Rs	Rs
Interim distribution of Rs. 0.17 (2019: Rs. 0.18) per Unit	**1,335,834**	1,487,244
Final distribution of Rs. 0.23 (2019: Rs.0.22) per Unit	**1,890,869**	1,784,156
Total	**3,226,703**	3,271,400
Amount payable at end of reporting year	**1,890,869**	1,784,156

The final distribution is recognised as a liability and as an expense in the year to which it relates.

14. TAXATION

(a) Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method at 15% (31 March 2019: 15%). All deferred tax liabilities arise on the revaluation surplus arising on investment property.

(i) There is a legally enforceable right to offset current tax assets against current tax liabilities and deferred income tax assets and liabilities when the deferred income taxes relate to the same fiscal authority on the same entity. The following amounts are shown in the statement of financial position.

	2020	2019
	Rs	Rs
Deferred tax liabilities	**2,620,537**	2,620,537

(ii) The movement on the deferred income tax account is as follows:

	2020	2019
At 1 April	**2,620,537**	2,620,537
Statement of comprehensive income charge	-	-
At 31 March	**2,620,537**	**2,620,537**

14. TAXATION (CONTINUED)

(b) Income tax

Income tax has been charged on the net income of the Trust, as adjusted for tax purposes, at the rate of 15% (2019: 15%) as follows:

	2020	2019
(i) Amounts recognised in the statement of financial position:	Rs	Rs
Balance at beginning of the year	202,377	212,337
Paid during the year	(191,217)	(220,654)
Charge for the year	396,907	387,694
Tax deducted at source for the year	(177,000)	(177,000)
Balance at end of the year	231,067	202,377

(ii) Amounts recognised in the statement of comprehensive income:

	2020	2019
	Rs	Rs
Current tax on adjusted profit for the year at 15% (2019: 15%)	396,907	387,694
Deferred tax charge (note 14(a)(ii))	-	-
	396,907	387,694

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

	2020	2019
	Rs	Rs
Profit before tax	(1,799,458)	10,015,368
Tax calculated at 15% (2019: 15%)	(269,919)	1,502,305
Income not subject to tax	(248,589)	(1,310,293)
Expenses not deductible for tax purposes	903,650	187,364
Under provision in previous years	11,765	8,318
Tax charge	396,907	387,694

15. MANAGER'S FEES

	2020	2019
	Rs	Rs
These comprise fees payable to:		
- MUA Mutual Fund Ltd	1,212,036	1,181,356

Manager's fees payable to the Trust's Investment Manager, MUA Mutual Fund Ltd is based on 1% of the Net Asset Value of the Trust. The fees which are calculated on a monthly basis are payable monthly in arrears.

16. TRUSTEE'S FEES

Trustee's fees payable to SBM Fund Services Ltd based on 1/14 of manager's fees.

17. UNITS

(a) Movements in Units during the year:-

	2020		2019	
	Units	Rs.	Units	Rs.
Number of Units at 1 April	8,125,271	122,068,474	8,022,672	114,217,163
Units created	609,663	9,432,101	281,147	4,104,878
Units redeemed	(635,253)	(9,617,894)	(178,548)	(2,609,841)
Total comprehensive income	-	(2,196,365)	-	9,627,674
Dividend	-	(3,226,705)	-	(3,271,400)
Net assets attributable to unitholders at March 31,	8,099,681	116,459,610	8,125,271	122,068,474

(b) Net asset value per Unit:

	2020	2019
	Rs.	Rs.
Ex-div	14.38	15.02

(c) Prices per Unit at March 31 (valuation date):

	2020	2019
	Rs.	Rs.
Issue price	14.38	15.02
Repurchase price	14.23	14.87

(d) The Units are issued and redeemed at the Unitholder's option at prices based on the value of the Trust's net assets at the time of issue/redemption. The Unitholders are entitled to dividends.

18. ENTRY FEE AND EXIT FEE

On the issue of Units, there is no entry fee and on the repurchase of Units, an exit fee of 1% (2019: 1%) of the capital and income values of the Units is paid by the Unitholder to the Trust. The sums collected are then remitted to the Manager.

19. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2020	2019
		Rs	Rs
(a) Cash generated from operations			
Net (loss)/profit before taxation		**(1,799,458)**	10,015,368
Adjustments for:			
Dividend income	11	**(1,568,180)**	(1,798,858)
(Increase)/decrease in fair value of held for trading investments			-
- Local securities	6	**2,467,706**	(3,550,456)
- Overseas securities	7	**2,756,472**	(3,440,468)
Loss/ (gain) on disposal of held for trading investments		**161,773**	687,945
Income equalisation		**(57,511)**	(17,840)
Net gains on foreign exchange		**-**	-
		1,960,802	1,895,691
Changes in working capital			
Decrease in receivables		**285,243**	1,270,352
Increase in payables		**284,797**	124,172
Cash generated from operations		**2,530,842**	3,290,215

(b) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:

	2020	2019
	Rs	Rs
Cash at bank	**671,380**	498,964
Short term deposits	**5,111,305**	5,374,062
Total	**5,782,684**	5,873,026

20. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

	2020	2019
	Rs.	Rs.
(i) Outstanding balances		
Payable to related parties:		
MUA Mutual Fund Ltd	**270,198**	168,559
SBM Fund Services Ltd	**44,333**	37,600
	314,531	206,159
Bank balances and short term deposits with:		
SBM Bank (Mauritius) Ltd	**5,579,546**	5,783,015
Accounts (payable)/receivable:		
MUA General Fund	**244,350**	514,387
(ii) Management fees to:		
MUA Mutual Fund Ltd	**1,212,036**	1,181,356
(iii) Trustee's fees to:		
SBM Fund Services Ltd	**86,574**	84,383
(iv) Custodian fees to:		
SBM Bank (Mauritius) Ltd	**101,370**	98,043
(v) Bank charges to:		
SBM Bank (Mauritius) Ltd	**11,508**	49,721
(vi) Rental income from:		
The Mauritius Union Assurance Cy Ltd	**3,540,000**	3,540,000

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 Financial risk factors

The Trust's activities expose it to a variety of financial risks:

- market risk (including price risk, currency risk, cash flow interest rate risk and equity price risk);
- credit risk ; and
- liquidity risk.

The Trust's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Trust is exposed and seeks to minimise potential adverse effects on the Trust's financial performance. The Trust's policy allows it to use an appropriate investment strategy to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on equity securities is limited to the fair value of those positions.

The Trust's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Trust.

The Trust uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The maximum risk resulting from financial instruments equals their fair value.

(i) Equity price risk

Equity price risk is the risk of unfavourable changes in the fair values of equities as the result of changes in the levels of equity indices and the value of individual shares. The equity price risk exposure arises from the Trust's investments in equity securities.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

21.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

The Trust is exposed to equity securities price risk. This arises from investments held by the Trust for which prices in the future are uncertain.

Where non-monetary financial instruments - for example, equity securities - are denominated in currencies other than the Mauritian rupee, the price initially expressed in foreign currency and then converted into Mauritian rupees will also fluctuate because of changes in foreign exchange rates.

'Currency risk' below sets out how this component of price risk is managed and measured.
The Trust's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Management.
A summary analysis of investments by industry and geography is presented in Notes 6 and 7.

At 31 March, the fair value of equities exposed to price risk was as follows:

	Fair value	
	2020	2019
	Rs.	Rs.
Equity securities held for trading:		
- Mauritian securities (SEM & DEM)	**29,217,625**	36,276,111
- International securities	**36,511,830**	34,191,774
Total	**65,729,455**	70,467,885

The Trust also manages its exposure to price risk by analysing the investment portfolio by industrial sector. The Trust's policy is to concentrate the investment portfolio in sectors where management believe the Trust can maximise the returns derived for the level of risk to which the Trust is exposed.

At 31 March 2020 and 2019, all local securities held were in the property sector.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Equity price risk (continued)

Sensitivity analysis

Management's best estimate of the effect on profit or loss and other comprehensive income for a year due to a possible change in equity indices, with all other variables held constant is indicated in the table below. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

The analysis is based on the assumption that the fair value had increased/decreased by 5%. An equivalent decrease would have resulted in an equivalent, back opposite, impact.

Categories of investments:	**Change in equity price**	**Effect on profit and loss**	
		2020	2019
		Rs.	Rs.
Financial assets at fair value through profit or loss	+5%	**3,286,473**	3,523,394

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities and other investments that are denominated in currencies other than the Mauritian Rupee. Accordingly, the value of the Trust's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Company will necessarily be subject to foreign exchange risks.

The Trust is exposed to foreign exchange risks with respect to US Dollar, Pound Sterling and Euro. Appropriate diversification is ensured through the investment policy and guidelines approved by the Trust's Investment Committee. The Trust does not hedge its exposure to foreign exchange rate movements.

At 31 March 2020, if the Mauritian rupee had weakened/strengthened by 10% against the Euro/US Dollar/GB Pound with all other variables held constant, income would have been Rs. 3,651,183 (2019: Rs. 3,419,180) lower/higher, mainly as a result of retranslation of foreign currency denominated bank balances and financial assets held for trading.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The following table indicates the currencies to which the Trust had significant exposure at 31 March 2020 on both its monetary and non-monetary financial assets. The analysis calculates the total effect of a reasonably possible movement of the currency rate against the Mauritian rupee on equity and on profit or loss with all other variables held constant. There were no foreign accounts held as at 31 March 2020.

Currency	Change in currency rate	Effect on profit/ (loss) for the year	Effect on profit/ (loss) for the year
		2020	2019
		Rs.	Rs.
EUR	10%	**852,675**	422,602
GBP	10%	**509,639**	489,840
USD	10%	**2,288,869**	2,506,738

An equivalent decrease in each of the aforementioned currencies against the Mauritian Rupee would have resulted in an equivalent, but opposite, impact.

Currency profile

The currency profile of the Trust's financial assets and liabilities at 31 March is summarised below:

	Concentration of Foreign exchange exposure		Assets	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	**53.16%**	58.36%	**41,445,136**	47,912,716
Pound Sterling	**6.54%**	5.97%	**5,096,390**	4,898,398
Euro	**10.94%**	5.15%	**8,526,751**	4,226,016
United States Dollar	**29.36%**	30.53%	**22,888,689**	25,067,378
	100.00%	100.00%	**77,956,966**	82,104,508

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

Currency profile (continued)

All of the Trust's financial liabilities are denominated in Mauritian Rupees, the Trust's functional and presentation currency. Therefore, the Trust is not exposed to foreign currency fluctuations on its financial liabilities.

(iii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Trust holds fixed interest securities that expose the Trust to fair value interest rate risk. The Trust also holds cash and cash equivalents that expose the Trust to interest rate risk.

At 31 March 2020, if interest rates on USD-denominated assets had been lower/higher by 10 basis points with all other variables held constant, the increase in net assets attributable to Unitholders would have been lower/higher by an insignificant amount (2019: insignificant amount).

(b) Credit risk

The Trust is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust is exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivable balances.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.1 Financial risk factors (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk before any credit enhancements at 31 March is the carrying amount of the financial assets as set out below.

	2020	2019
	Rs	Rs
Cash and cash equivalents	**5,782,684**	5,873,026
Other receivables	**379,078**	734,036
Total	**6,161,762**	6,607,062

None of these assets are past due or impaired.

The clearing and depository operations for the Trust's transactions in local securities are concentrated with the Central Depository & Settlement Co Ltd.

(c) Liquidity risk

Liquidity risk is the risk that the Trust may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trust is exposed to daily cash redemptions of Units. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets in investments are not actively traded on a stock exchange.

The Trust's listed securities are considered readily realisable, as the majority are listed on the Stock Exchange of Mauritius.

The Trust may periodically invest an insignificant amount in unlisted equity investments and bonds that are not traded in an active market. As a result, the Trust may not be able to redeem quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The following table analyses the Trust's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Units are redeemed on demand at the holder's option (Note 17(d)). However, the Investment Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Trust manages its liquidity risk by investing predominantly in securities that it expects to be able to redeem within 7 days or less. The following table illustrates the expected liquidity of financial liabilities:

	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rs.	Rs.	Rs.	Rs.
As at 31 March 2020				
Financial liabilities				
Payables	1,222,731	-	-	1,222,731
Distribution to unit holders	1,890,869	-	-	1,890,869
Total undiscounted financial liabilities	3,113,600	-	-	3,113,600
Redeemable units	116,459,611	-	-	116,459,611
As at 31 March 2019				
Financial liabilities				
Payables	928,546	-	-	928,546
Distribution to unit holders	1,784,156	-	-	1,784,156
Total undiscounted financial liabilities	2,712,702	-	-	2,712,702
Redeemable units	122,068,474	-	-	122,068,474

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

21.2 Capital risk management

The capital of the Trust is represented by the net assets attributable to Unitholders. The amount of net asset attributable to Unitholders can change significantly on a daily basis as the Company is subject to daily subscriptions and redemptions at the discretion of Unitholders. The Trust's objective when managing capital is to safeguard the Trust's ability to continue as a going concern in order to provide returns for Unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Trust.

In order to maintain or adjust the capital structure, the Company's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to redeem within 7 days and adjust the amount of distributions the Trust pays to Unitholders.
- Redeem and issue new Units in accordance with the constitutional documents of the Trust, which require certain minimum subscriptions.

The Trustee and Investment Manager monitor capital on the basis of the value of net assets attributable to Unitholders.

22. EVENT AFTER THE REPORTING DATE

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2020.

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FOR MORE INFORMATION PLEASE VISIT

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