



# ANNUAL REPORT

2024

MUA PROPERTY TRUST





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## FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2024

Key Financial Figures (Unaudited)	31 March 2024	31 March 2023
	Rs.	Rs.
Revenue	5,570,352	5,455,349
Increase in fair value of investment properties	2,375,000	
Unrealised gain / (loss) for the year	4,470,178	(20,199,740)
Realised gain / (loss) for the year	-	(173,526)
Total expenses	(2,652,328)	(2,141,353)
Profit / (loss) before tax	9,770,683	(17,077,855)
Net profit / (loss) for the year	9,351,238	(17,149,749)
Net asset value attributable to unitholders	152,544,918	145,222,224
Net asset value per unit (Ex - dividend)	16.62	15.91
Annual distributions	0.30	0.35
<b>Performance Figures</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
	%	%
Return on capital*	6.4	-10.6
Annual dividend yield	1.8	2.2
Net rental yield	7.8	7.8

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





MANAGER'S  
**REPORT**

## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Investment Objective

MUA Property Trust ("MUA PT") is an open-ended mutual fund constituted under the MUA Unit Trust and authorised 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

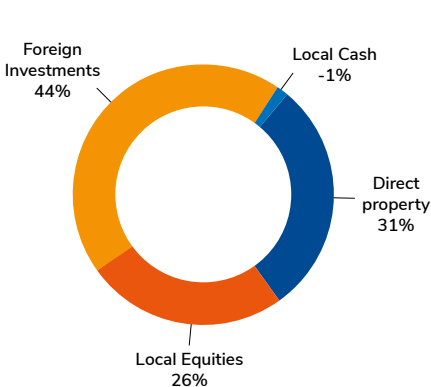
After a recoil noted over the year ended March 2023 with a performance of -10.6% owing to declines noted across local and foreign property holdings, the MUA PT bounced back with a performance of +6.4% over the year 2024. This positive performance was supported by the positive contributions of foreign investments +12.7%. The net asset attributable to unit holders boosted by 5.0% for the period under review. The portfolio realised a profit after tax of Rs 9.4M, driven by fair value gains on financial assets of Rs 4.5M compared to a loss of Rs 20.2M for the comparative period last year and increase in fair value of investment properties of Rs 2.4M.

For the financial year ended 31 March 2024, MUA PT declared a total dividend of 30 cents per unit with a dividend yield of 1.8% on net asset value compared to 2.2% for the comparative year ended 31 March 2023.

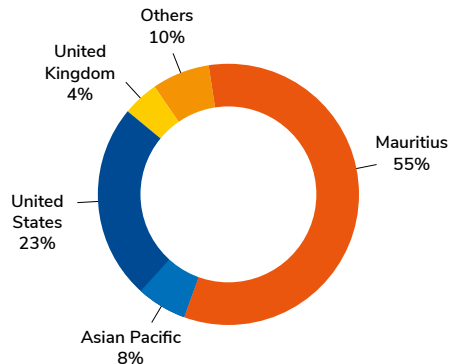
### Portfolio Review

The net assets of MUA PT as at 31 March 2024 were Rs 152.5M with an asset split of 31% in direct local property, 25% in locally listed property-related securities, 45% in foreign property-related securities and -1% in cash.

#### Portfolio Asset Mix



#### Geographical Breakdown





## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Local Portfolio

Representing 60% of MUA PT, the local portfolio is 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 space to the Mauritius Union Assurance Cy. Ltd, the parent company of MUA Mutual Fund ('MUA MF') Ltd, and offered a rental yield of 7.8% to the Fund as at 31 March 2024. The property values registered an increase in property revaluation of 5.2% and increase the total to Rs. 47.9 M for the two floors, with the last independent property valuation dated 31 March 2024. There is a revised lease agreement between MUA Property Trust and MUA Moorgate house effective 01 April 2023, where the payment of syndic fees will be borne by the landlord (MUR PT), thus impacting the yield on the direct properties. The rental income shall increase by 2% per annum effective 01 April 2024.

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 Ltd among others. During the year, some contributors to performance from locally held shares were from Compagnie Immobiliere (+10.0%), Moorgate House 5th Floor (+7.8%), Moorgate House 2nd Floor (+7.8%) while the detractors were Ascencia Ltd (-26.9%) and Caudan development (-36.6%).

### Top 5 Local Holdings

Security	Sector	Value	% of Net assets
Moorgate 5th Floor	Office	Rs. 23.5 M	16.2%
Moorgate 2nd Floor	Office	Rs. 22.0 M	15.1%
Ascencia Ltd	Property	Rs. 14.8 M	10.2%
Compagnie Immobiliere	Property	Rs. 9.3 M	6.4%
ENL Bond	Property	Rs. 5.0 M	3.4%

\*IRS - Integrated Resort Scheme

## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Foreign Portfolio

The foreign portfolio accounted for 45% of the net assets as at 31 March 2024 and were well diversified geographically, with exposure to Asia Pacific, US and UK real estate markets. The foreign property mutual funds held by MUA PT rebounded by +12.7% for year 2024 compared to a performance of -9.9% in the previous year 2023.

### Top 5 Foreign Holdings

Security	Sector	Value	% of Net assets
Robeco Property Equities	Global	Rs. 14.5 M	9.3%
Henderson Horizon Global Property Equities	Global	Rs. 13.0 M	8.4%
Nuveen Global Real Estate Fund	Global	Rs. 7.5 M	4.7%
Henderson Horizon Pan European Property Equities	Global	Rs. 6.8 M	4.1%
Morgan Stanley US Property	Global	Rs. 6.4 M	4.0%

## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Local real estate market

According to the IMF's 2024 Article IV Mission to Mauritius, the Mauritian economy is projected to grow by 6.9% in 2023, driven largely by dynamic tourism, extensive social housing construction, and strong performance in transportation and financial services. Despite a forecasted slowdown to 4.9% in 2024, the outlook remains optimistic with significant infrastructure projects and a recovering tourism sector expected to sustain growth. This economic backdrop supported a robust 9.3% increase in the SEMDEX over the year, led by exceptional performances in the hotels & leisure and banking & insurance sectors, which rose by 24.1% and 17.3%, respectively. However, the property development sector faced challenges, declining by 16.3%.

Tourist arrivals are approaching pre-pandemic levels, indicating a gradual yet steady recovery, which enhances the earnings outlook for the hospitality sector despite a depreciating rupee. Conversely, the local equity market showed mixed results; while key players like MCB Group Limited (+22.2%) and Vivo Energy Mauritius Ltd (+23.2%) bolstered the index with gains exceeding 22%, others such as Ascencia Ltd (-17.1%) and Medine Limited (-8.4%) pulled it down. On the monetary front, the Bank of Mauritius held the Key Rate steady at 4.50%. The inflation rate improved markedly, decreasing to 5.8% in March 2024 from 9.1% a year earlier, influenced by favorable global commodity prices. There was a downwards shift across yields on the short term bonds (-78bps) while the medium to longer term bonds yield decreased by -19bps resulting in an average decrease of 45bps across the yield curve.

The Mauritian residential market is set for a transformative year in 2024, driven by the strategic home ownership scheme launched in the 2023/2024 budget. This initiative is designed to support homeowners and promote sustainable development and efficient property transactions. A major trend for the upcoming year is the emphasis on sustainability, with increased efforts to obtain LEED (Leadership in Energy and Environmental Design) certifications that will enhance green building practices, cost efficiencies, and environmentally friendly initiatives.

Transaction values in the residential real estate sector are expected to rise, reaching USD 130.3M, up from USD 114.4M in 2023, spurred by heightened interest from international investors, appealing tax incentives for property ownership, and Mauritius's burgeoning reputation as a top-tier tourist destination. The tourism sector is anticipated to benefit significantly from initiatives by leading companies such as Rogers Hospitality, which is positioning Heritage Resorts as a premier luxury destination and a leader in sustainable tourism. Furthermore, the upcoming opening of La Reserve Golf is poised to set a new standard as the most exclusive golf course in the Indian Ocean.

Investor's Magazine reports that over MUR 4 billion will be invested in the Côte d'Or Technopole development projects by June 2024, expected to boost further investment in real estate and create new job opportunities. This technopole will feature a variety of projects, all built to high environmental standards to optimize energy efficiency, water usage, and water recycling.

However, the sector faces potential challenges from increasingly severe weather conditions, such as floods and cyclones. In response, the government has increased funding to the National Environment and Climate Change Fund, which will support beach rehabilitation, drainage systems, and beautification projects. Additionally, rising construction costs, as indicated by a

## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

0.3% increase in the Construction Price Index in the third quarter of 2023, driven by higher costs for plant hire (+1.2%) and materials (+0.4%), could impact the local real estate market.

### Foreign real estate market

In 2023, most global equity markets ended on a positive note despite China's decline. The Chinese economy faced uncertainty due to a government crackdown on excess borrowing by property developers, leading to a housing slump. The year was marked by significant growth in artificial intelligence and the dominance of mega-cap stocks. Over the fiscal year ending March 2024, the MSCI ACWI soared by +21.2% (in USD terms) and +23.5% (in MUR terms), primarily driven by strong performances in the US markets, fueled by tech stocks and renewed interest in artificial intelligence, particularly highlighted by Nvidia's earnings data. Over the last quarter of the financial year 2024, the Treasury yield curves in major markets rose driven by stronger than expected global economic activity, with US 10Yr Bond yield increasing by +6bps (4.20%), UK 10 Yr Gilt yield by +11bps (3.94%) and European 10 Yr Bond yield by +11bps (2.36%).

The MSCI World Real Estate registered a positive performance of +9.6% (in USD terms) for the year under review. Developed Real Estate S&P Global REIT posted a positive +4.0% (in USD terms) and +8.4% (in MUR terms) while the Stoxx Europe 600 REIT returned +12.0% (in EUR terms) and +13.1% (in MUR terms). The emerging market FTSE EPRA Nareit Index, with a high allocation to China posted a negative performance of -32.1% (in USD terms) and -32.7% (in MUR terms) over the 12 month ending 31 March 2024.

In the commercial real estate sector, the Federal Reserve's efforts to lower inflation through interest rate hikes impacted borrowing costs, new developments, and overall investment volume. This led to an increase in vacancy and decline in rental growth. The Office sector remained another affected sub-segment of the commercial real estate sector with opportunities of remote working being inculcated in the work culture and the lack of enthusiasm of employees to return to physical office spaces despite that the pandemic coming to an end. Office vacancies nationwide increased throughout 2023, ending the fourth quarter at a record-breaking of 19.6% according to a recent report posted by Moody's Analytics. These dynamics coupled with the progression in remote technology have led to a massive surplus of 59.4M square feet of unoccupied office space to occupied space in the 12 months ending August 2023. The long-term impact of the work from home phenomenon remains uncertain and it may continue to impact demand for office spaces in the upcoming years. While the office sector has suffered post covid, on the bright side, rising interest rates and high construction costs dampened new office construction in 2023, restricting the supply of new office space.

In addition, the real estate sector has been experiencing a shift towards changing lifestyle preferences as housing needs of people who prefer to work from home have been evolving. There has been a growing desire towards larger living spaces with dedicated home offices and properties offering outdoor amenities to create a more pleasant working environment. According to 2024 Renter Preferences Survey Report conducted by the National Multifamily Housing Council, there has been a declining preference for fitness centres towards communal and open workspaces. Demand for Class A office buildings has also been on the rise given their new amenities and modern construction what is conducive to hybrid working environments.

## MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The global housing market continued to face challenges, including falling purchasing power, tighter lending conditions, and record-high borrowing costs, resulting in a downturn amidst heightened economic uncertainties. According to a survey conducted by the Global Residential Real Estate in quarter 3 of 2023, the strongest house price increases were seen in: North Macedonia (+21.63%), Turkey (+17.15%), Montenegro (+15.46%), Dubai, UAE (+15.20%), and Georgia (+14.88%), using inflation-adjusted figures. On the hospitality side, 2023 represented a year of recovery. According to the JLL Global Hotel Investment Outlook 2024, global hotel performance soared last year. RevPAR recovered completely from the pandemic, with 2023 levels being 19% higher than those registered in 2019, just before the pandemic.

According to the latest report released by IMF, global growth is projected to continue growing at 3.2% during 2024, same level as 2023 (IMF, Apr 2024). Global headline inflation is expected to fall to 5.9% in 2024 from 6.8% in 2023. Growth in developed economies is expected to rise to 1.7% in 2024 from 1.6% in 2023 while emerging economies are expected to slow to 4.2%. The main challenges to future growth would be price hikes from geopolitical tensions, persistent inflation, high government debt and higher geoeconomic fragmentations. Nonetheless, with expectation of a cut in interest rates by the FED even though with an uncertain timing, this might represent a huge deal for homeowners and real estate investors. Owing to the dependence of REITs on debt for businesses, the rate cut make investors more optimistic in the real estate market. However, other factors like environmental, social and governance factors are increasingly being taken into consideration by real estate investors, particularly in the commercial real estate industry. Implementation of green leases and LEED certifications as well as technology advances such as geofencing, virtual touring and fiberbots are examples of developments in this space.

In addition, the real estate market is facing a rapidly changing landscape globally, influenced heavily by severe weather events. While the Gulf Coast and Eastern Seaboard prepare for the hurricanes, the Western region faces escalating wildfire risks, and the Midwest deals with tornadoes and severe thunderstorms. The Asia Pacific region is not to be spared with China being severely impacted by heavy rainfall and floods. This had major repercussions on infrastructure and housing prices (-2.7% in March 2024 compared to March 2023- Business Insider). Per the Perception Survey by the World Economic Forum Global Risks, extreme weather represented 66% of the top risks faced by the economy in 2024. The EL-Nino weather condition is, thus, expected to persist until May 2024, setting new records in heat conditions, extreme heatwaves, drought, and floods. As investors, we continue to pursue diversified and sustainable investment opportunities with the aim of securing stable yield.

MUA Mutual Fund Ltd  
Fund Manager  
30 April 2024





CORPORATE GOVERNANCE  
**REPORT**

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### GROUP PROFILE

MUA Property Trust ('MUA PT' or 'the Fund') is a Public Interest Entity as defined by the Financial Reporting Act 2004.

MUA PT 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 MUA Mutual Fund Ltd (the 'Company' or the 'Manager') and the major shareholder of the investment manager is The Mauritius Union Assurance Cy. Ltd (MUA), ultimately wholly owned by MUA Ltd ('MUA' or 'the ultimate holding company'), and as such forms part of the MUA Group of Companies (the 'Group' or 'MUA Group').

The Board of Directors ('Board') of the CIS Manager is committed to uphold the highest standards of integrity, accountability and transparency in the governance of the Fund and acknowledges its responsibility for applying and implementing the eight principles set out in the National Code of Corporate Governance 2016 ('the Code') as explained in the Annual Report.

### PRINCIPLE 1: GOVERNANCE STRUCTURE

#### 1.1. The Role of the Board

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

The Board is responsible for leading effectively the Company and the funds under its management by establishing strategies and policies to enhance the long-term value for its shareholders and other stakeholders.

The Board validates and monitors strategies, policies and business plans as well as considers all statutory matters, including the approval of financial statements, the declaration of dividends, the review of the Fund's performance through budgets and forecasts and the Managing Director's report. It also ensures that all legal and regulatory requirements are met.

#### 1.2. Charters and Code of Ethics

The CIS Manager's Board is committed in doing business within high standards of conduct and ethical behaviour which are fundamental to the preservation of the MUA group reputation and to the success of its operations. The Board has approved its charter, as well as a Code of Ethics for directors. Moreover, MUA Group Code of Ethics is also applied at the Company's level and the funds it manages.



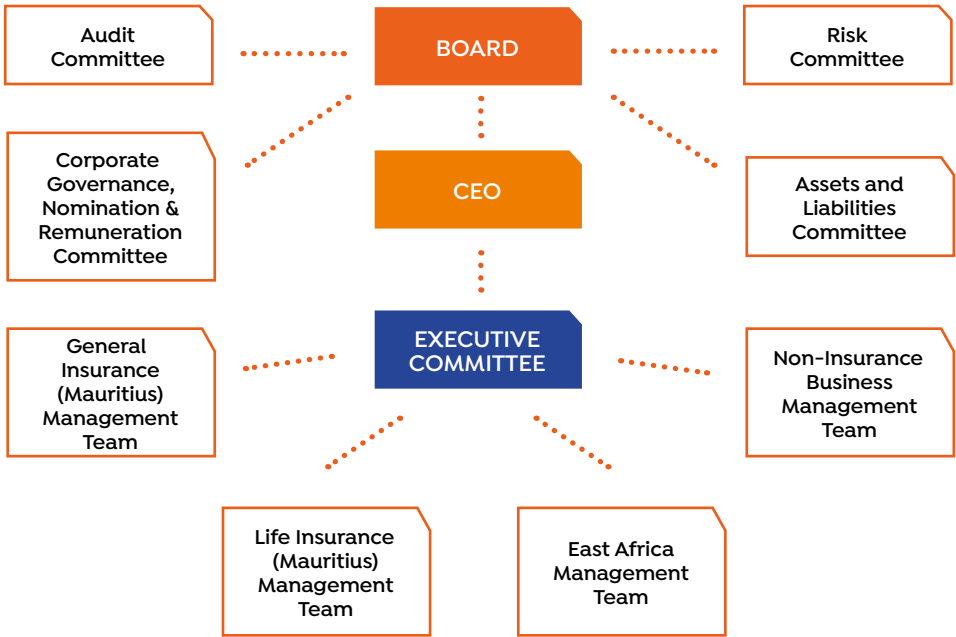
# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

## 1.3. Organisational Chart and Statement of Accountabilities

The CIS Manager operates within the Group with a defined governance framework, clear lines of authority, accountability and responsibility as illustrated in the chart below.

The Board of the Manager has approved the positions statements of Key Governance positions such as: the Chairman, the Chief Executive Officer and the Company Secretary as well as the Organisational Chart and statement of accountabilities.



The Organisational Chart of the CIS Manager replicates the Group Organisational Chart and accountabilities. The various committees, at group level, which are relevant to the company, are responsible for the governance of the CIS manager.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Organisation and Management of the CIS

#### The CIS Manager and Principal Distributor

MUA Mutual Fund Ltd (formerly The National Mutual Fund Ltd)  
2<sup>nd</sup> 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

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### The Trustee

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 total advances (excluding GBL) as at December 2021. 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 15.8 billion as at March 2024.

### 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

Kemp Chatteris  
3rd floor, Cerné House  
La Chaussée  
Port Louis  
Republic of Mauritius

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 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 Non-Executive Directors and one Executive Director. The Board is chaired by a Non-Executive Director.

#### 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 Ingrid Louis-Cazal;
- 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 Ingrid Louis-Cazal

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Investment Objectives and Practices and Financial Characteristics

#### Investment Objective

The investment objective of MUA 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.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

**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.

# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

## 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.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 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 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.

### Statement of Accountabilities

MUA Property Trust is led by the effective and highly committed Board of Directors of its CIS Manager who possesses the appropriate skills, knowledge, experience and independence to enable them to discharge their duties and responsibilities in the most effective way. The Board is well aware of its responsibility to maintain a high standard of corporate governance. As outlined in the above visual, the Company operates within a well-structured and defined governance framework, with clearly articulated lines of responsibility. Where appropriate, the Board of the CIS Manager can delegate that authority whilst retaining effective control. However, the Board remains fully accountable and responsible for the performance of MUA Property Trust, at every level of the business.



## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

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 (ALCO). All these committees operate within approved terms of reference and are mandated to provide guidance to the Board. The Group CEO leads the work of a number of the committees, and there are appropriate reporting mechanisms in place to escalate their recommendations to the Board.

### PRINCIPLE 2: STRUCTURE OF BOARD AND COMMITTEES

#### 2.1 Board size and structure

The constitution of the CIS Manager stipulates that the Board shall consist of a minimum of five directors. As at 31 March 2024, the Company was headed by a unitary Board consisting of five directors, four of whom are non-executives and one executive. Four out of five directors do not have relationship with the organisation and the majority shareholders.

The directors come from different professional backgrounds with varied skills, expertise and strong business experience. Considering the Company's operations, the Board is satisfied that its actual size and composition is well balanced for it to assume fully its responsibilities while discharging its duties effectively.

Directors	Category	Gender	Date of initial Appointment	Board Attendance
Bruno de Froberville (Chairman)	NED	M	September 2015	4 / 4
Naresh Gokulsing	NED	M	February 2012	4 / 4
Jérôme Katz	ED	M	March 2015	3 / 4
Joerg Weber	NED	M	December 2022	4 / 4
Dean Ah Low	NED	M	June 2021	4 / 4

Definitions: NED: Non-Executive Director – IND: Independent Non-Executive Director – ED: Executive Director. The profiles of the Directors are disclosed on pages 1 (i) to 1 (k) of the Annual Report.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 2.2 The 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 18 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.

### 2.3 Board and Committees Processes

Annual calendar of board and committee meetings of the Group and its subsidiaries are set well in advance. Board and Committees meetings are held at least four times a year. Additional meetings may be convened to deliberate urgent matters. Certain decisions are taken by way of written resolutions.

The Board will review Board and Committees' charter on an annual basis upon recommendation of MUA Corporate Governance, Nomination and Remuneration Committee.

### 2.4 Board Committees

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 (CGNRC) and an Asset and Liability Committee (ALCO). These committees address within its terms of reference all corporate governance issues of its subsidiary, MUA Mutual Fund Ltd, the CIS Manager. These committees assist the directors in the discharge of their duties through a comprehensive evaluation of specific issues.

The compositions of these committees as at 31 March 2024 were as follows:

- Audit Committee: Mushtaq Oosman (Chairman), Sheila Ujoodha and Olivier de Grivel.
- Risk Committee: Alfred Bouckaert (Chairman), Dominique Galea, Mushtaq Oosman and Olivier de Grivel.
- Corporate Governance, Nomination & Remuneration Committee (CGNRC) – Sheila Ujoodha (Chairman), Melanie Faugier, Dominique Galea, Brian Ah Chuen and Mushtaq Oosman.
- Asset and Liability Committee (ALCO): Alfred Bouckaert (Chairman), Dominique Galea, Bruno de Froberville, Joerg Weber, Mehtab Aly and Olivier de Grivel.

During the year under review, Audit Committee met 6 times, ALCO met 2 times, and CGNRC and Risk Committee met 3 times.

# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

## PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

### 3.1 Appointment and re-election of directors

According to the Constitution of the CIS Manager, directors are appointed by Shareholders' ordinary resolution. Moreover, to be in line with the National Code of Corporate Governance, the Board has adopted the Group Nomination Policy which defines the election and re-election processes:

- Directors are appointed on a yearly basis at the annual meeting of shareholders. Each director is elected by a separate resolution.

The process of selection and nomination of candidates as directors and the process for re-election of directors is entrusted to MUA Corporate Governance, Nomination and Remuneration Committee.

### 3.2 Directors' Profiles

#### **Bruno DE FROBERVILLE**

#### **Non-Executive Director & Chairman**

Citizen and Resident of Mauritius

#### **Qualifications:**

MBA from the University of Birmingham (UK), a Bachelor's 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 and ALCO

Directorship in other listed companies: Director of MFD Group Limited, MUA Ltd

## **CORPORATE GOVERNANCE REPORT**

FOR THE YEAR ENDED 31 MARCH 2024

### **Naresh GOKULSING**

**Non-Executive Director, Managing Director of MUA Life Ltd and MUA Pension Ltd and Country CEO, Mauritius**

Citizen and Resident of Mauritius

#### **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 Stockbrokers 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 MUA Life Ltd in 2015 and MUA Pension Ltd in 2017. He was appointed Country CEO – Mauritius in March 2022.

Board Committee memberships: none.

Directorship in other listed companies: none.

### **Jérôme KATZ**

**Executive Director and Country CEO of MUA Insurance (Tanzania) Ltd**

Citizen and Resident of Mauritius

#### **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. He was appointed CEO of MUA Insurance (Tanzania) Ltd in August 2023

Board Committee memberships: none.

Directorship in other listed companies: none.

## **CORPORATE GOVERNANCE REPORT**

FOR THE YEAR ENDED 31 MARCH 2024

**Dean AH LOW**

**Non-Executive Director and Treasury & Accounts Manager of MUA Ltd**

Citizen and Resident of Mauritius

### **Qualifications:**

Bachelor of Economic Science from the University of Witwatersrand, Johannesburg.

### **Skills & Experience:**

- Joined MUA as Accounts Supervisor - Finance Department in 1991.
- Was promoted as Treasury & Accounts Manager in 2003.

Board Committee memberships: none.

Directorship in other listed companies: none.

**Joerg WEBER**

**Non-Executive Director and Group CEO of MUA**

Citizen of Germany and Resident of Mauritius

### **Qualifications:**

Doctor of Business Administration from Henley Management College / Brunel University, and Diplom-Kaufmann, Diplôme de Grande Ecole (ranked No 1) ESCP Europe.

### **Skills & Experience:**

- Began his career in banking before joining McKinsey and Company as Engagement Manager.
- Over 26 years' experience in the insurance and investment sectors, 20 of which with the Allianz Group.
- Whilst at Allianz, he occupied several executive roles in different European countries (Germany, Belgium, Netherlands). More recently, he was CEO of Allianz Direct Benelux, before joining Allianz Maroc as CEO and the Allianz Africa board in 2018.
- Joined MUA in September 2022 as Group CEO.

Board Committee membership (Group): ALCO.

Directorship in other listed companies: MUA Ltd.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Senior Management

The Executive Committee of MUA Group has been constituted to manage business issues, opportunities and threats that have cross-divisional implications or are considered as material and/or sensitive for MUA Group. The Committee is the executive decision-making body of the MUA Group and it acts as the primary forum through which decisions of a transverse nature are taken. To effectively address matters of relevance to its duties and responsibilities, the Committee has set up appropriate management sub-committees which provide comprehensive evaluation on key issues for members of the Executive Committee to reach informed decisions.

All the directors of the CIS Manager, except its chairman, form part of the Executive Committee.

### Portfolio Manager

#### Candyce TAYLOR

Candyce Taylor 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.

Mrs Taylor was appointed Group Chief Investment Officer in January 2024 and forms part of the Executive Committee.

### 3.3 Induction of directors

An Induction program is available for Non-Executive Directors on their first appointment with the aim of getting promptly acquainted with the CIS Manager and the schemes it manages, and obtaining insights of the business, environment and market in which the Company evolves.

### 3.4 Professional Development and Training

The MUA CGNRC identifies specific training needs of the directors. In 2020, Directors were invited to attend a training session on accounting standard IFRS 17 and a session on digitalization in insurance business, as well as a training session on “Une gouvernance efficace” in 2021. The Group Chairman, Dominique Galea, also attended a training session on International Executive Coaching.

### 3.5 Succession Planning

The Board assumes responsibility for succession planning of Board members and key management personnel to maintain an appropriate balance of knowledge, skills and experience required to ensure stability and sustainability of the Group. A succession plan and internal restructuring have been approved by the CGNRC and the Board of directors in 2021.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### PRINCIPLE 4: DIRECTORS DUTIES, REMUNERATION AND PERFORMANCE

#### 4.1 Legal Duties

Directors are made aware of their legal duties in the induction program they benefit on first appointment. The Board Charter includes a summary of legal duties under various relevant enactments.

#### 4.2 Conflicts of Interests, Related Party Transactions and Share dealing

Group Conflicts of Interests and Related Party Transactions Policy, as approved by the Board, provide clear guidance on procedures to follow when any occurrence that may lead to a conflict of interest arise.

Being a subsidiary of a company listed on the SEM, directors adhere to the Share Dealing Policy in respect of shares of the holding company as provided in the Group Share Dealing Policy. Declarations made by directors, if any, are entered in the Register of Interests which is maintained by the Company Secretary of MUA Ltd and is available to the shareholder upon written request.

At the beginning of each meeting of the Board of the CIS Manager, the Chairman invites the directors to declare any potential source of conflicts of interests, or any share dealings to be thereafter recorded in the Register of Interests. Apart share dealing in the shares of the ultimate holding company, no entries had been made in the Register of Interests for the year under review.

Moreover, the Board will regularly monitor and evaluate compliance with the Code of Ethics.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 4.3 Directors' Interest in the shares of the Company as at 31 March 2024

At 31 March 2024, the directors held the following interests in shares of MUA Ltd, the CIS Manager's parent. Since most of the shares of the CIS Manager are ultimately held by MUA Ltd, all the holdings below represent an indirect shareholding of the directors in the CIS Manager.

Name of Directors	Indirect Interest Percentage
DEAN AH LOW	0.018
BRUNO DE FROBERVILLE	1.142
NARESH GOKULSING	0.020
JEROME KATZ	-
JOERG WEBER	-

### 4.4 Board Evaluation

In accordance with the Board Charter, a Board and Committee Evaluation process had been conducted end 2019 at the level of the holding Company MUA Ltd by its Company Secretary, by way of questionnaires and encompassed the Board and Committees of all subsidiaries. Findings have been addressed in 2020 by MUA CGNRC, and subsequently submitted to the respective Boards for action if any.

### 4.5 Remuneration

MUA Corporate Governance, Nomination and Remuneration Committee reviews on an annual basis the adequacy of MUA Mutual Fund's directors' and senior executives' remuneration. A benchmarking exercise was conducted by Korn Ferry in 2018 to review adequacy of Top Management's remuneration resulting in certain realignment.

No director's fees were paid to any board member of the CIS Manager during the year under review.

### 4.6 Information, Information Technology and Information Security Governance

#### 4.6.1 Information Technology

With the protection of the confidentiality and availability of information being critical to the smooth running of our activities, MUA continuously seeks to foster a robust IT platform that upholds the security and performance of its IT systems in adherence with regulatory and industry norms. In this respect, the Group has implemented an Information Security management system, including information security policies, based on internationally accepted standards and best practices to regulate the use, security standards, control and access rights within its IT infrastructure and systems. An Information Security Policy is in place and forms part of the Information Security framework that has been implemented. Matters relating to Information Security are overseen by the board through the Risk Committee.



## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Information Security management system is being implemented, monitored and updated as needed by the Group's information Security department. The information security policies are available on the Group's intranet with staff being made aware of relevant requirements through regular awareness sessions. MUA continues to invest in information technology to enhance its operational resilience.

The Audit Committee of the holding company reviews on an annual basis the budget of expenditure on information technology for recommendation to the Board. Investment in information technology and IT security is ongoing and the Group has a well-established and effective process in place for approval of all major investments.

### 4.6.2 Data Protection

In compliance with the EU General Data Protection Regulations ("GDPR") and the Data Protection Act 2017 ("DPA"), MUA has approved a Data Protection Policy ("Policy") with a view to promoting a privacy culture within the Group and ensuring that all clusters, business units and employees protect the privacy of personal information of individuals in their daily operations including procedures for personal data breach; the escalation process when discovering a breach and the procedures to notify the relevant authorities.

The Policy defines the MUA's requirements regarding the collection, storage, use, transmission, disclosure to third parties and retention of personal information. The Policy is used as a general guideline to the clusters and business units, which remain responsible for ensuring strict compliance while collecting personal information without derogating from the core principles of the DPA.

## PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

### 5.1 Risk Management

The Board of directors of the CIS Manager is responsible for the governance of risk and ultimately responsible for the setting up and monitoring of the risk management process.

All significant areas are covered by appropriate and adequate internal controls and the internal controls are reviewed as and when required to cater for changes in the level of risks.

The terms of reference of MUA Risk Committee which covers its subsidiary, MUA Mutual Fund Ltd, comprise of:

- reviewing the Group's risk appetite and future risk strategy for economic capital, liquidity and reputation and also for operational risks
- reviewing the Group's risk profile against risk appetite, effectiveness of risk management framework
- reviewing scenarios and stress tests which the Group uses to assess the adequacy of its economic and regulatory capital and liquidity
- managing MUA risk policies

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

During the year under review this committee's main areas of focus were:

- Quarterly Risk reports
- Risk Management Framework (RMF) in line with the Insurance Risk Management Rules (2016) Implementation
- Reinsurance Risk
- Incident Reporting
- Medical Claims

### 5.2 Whistleblowing Policy

MUA Group is committed to the highest possible standards of openness, integrity and accountability. In line with that commitment, MUA has implemented a Whistleblowing Policy, whereby an alternative reporting process is established for use by all employees in strict confidence, without the risk of subsequent retaliation, victimisation, discrimination or disadvantage.

The Whistleblowing Policy is available on the MUA Group's intranet and it has been designed in such a way to assist employees who have concerns about any aspect which involves malpractices or unethical issues, to come forward and voice out those concerns anonymously in writing or electronically via MUA Group's Whistleblowing Portal or verbally with their immediate supervisor/manager or their superior officer.

If for any reason, they feel that their immediate management is involved, employees are encouraged to approach a more senior level of management, e.g.: the designated person within the Internal Audit department, the Money Laundering Reporting Officer (depending on the nature of the complaint) or they may address their report to the Group CEO.

## PRINCIPLE 6: REPORTING WITH INTEGRITY

The directors reaffirm their responsibility for preparing the annual report including the annual financial statements in compliance with International Financial Reporting Standards and the Companies Act 2001, and considers the annual report, taken as a whole, fair balanced and understandable. The Board confirms its commitment in providing therein necessary information for shareholders and stakeholders to assess the Company's position, performance and outlook.

### 6.1 Sustainability

Sustainability of MUA Group (including the CIS Manager) relies on three primary pillars: Business Resilience, Shared Value and Environmental Impact.

MUA Group recognises that it operates across a broad cross-section of communities, and it is committed to considering not only economic viability but also environmental consequences and social implications of its activities. Reviewing and reporting on the sustainability of the Group ensures that we find the right balance between economic, environmental and social factors. It also reiterates MUA's Group commitment and engagement to go beyond mere compliance, recognising its key role in job and value creation in Mauritius and ultimately in all the markets in which we operate. The Board has also inserted in the Board Charter a clause on Non-Discrimination committing to be an equal opportunity employer.

## **CORPORATE GOVERNANCE REPORT**

FOR THE YEAR ENDED 31 MARCH 2024

### **Ethics**

The Company has adhered to the Code of Ethics of its holding company. 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.

### **Environment, Health & Safety**

MUA continues to focus on enhancing the positive safety culture already in place. Key safety objectives are a mandatory component of its business plan, forming an integral part of the daily routine across all business locations. The group's health and safety framework incorporates industry best practices to effectively control risks and prevent accidents in the work place.

In 2023, MUA focused on a number of health and safety initiatives:

- The obtention of the Fire certificate for the building. To that effect the team worked closely with Mauritius Fire Services.
- Several First Aid training sessions were also scheduled to ensure that staff are aware of first aid measures at work and anywhere needed. This is an ongoing process.
- Health and Wellness awareness sessions were also organised throughout the year, in collaboration with the Employee Welfare Committee, namely on allergies, genetics of illness, ergonomics as well as yoga sessions.
- Ongoing improvement and risk assessment done for prevention on accidents, injuries and near misses with Logistics Team.

Health and Safety remain an integral and daily part of the business, with each employee taking personal responsibility. The Executive Team pursues a sensible and balanced approach to health and safety of all the business units and its employees.

### **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 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 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.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 6.2 Financial Outlook

Tourism is steadily approaching pre-pandemic levels, with 212,574 arrivals in the first two months of 2024, compared to 199,534 in 2023 and 237,886 in 2019. Despite this, the tourism industry's first quarter performance remained fragile, with the sector posting a decline of -3.1%. The banking and insurance sector benefited greatly from the performance of MCB Group and SBM Holdings. MCB's share price reached MUR 375.00 on March 29, 2024, and peaked at MUR 378.75 on 1st April 2024. SBM Holdings announced a significant increase in its dividend payout, which boosted its share price from MUR 4.46 to MUR 5.20. The sector's robust performance is expected to continue given its sound financial ratios and promising prospects. The sugar sector remained a vulnerable one with the prevalence of extreme weather conditions, including cyclones and floods, affecting the island during the first quarter of 2024. Therefore, young sugarcane plants have been severely affected which may potentially delay harvest as a consequence affecting sugar sector.

### 6.3 Charitable and Political Contributions

#### Charitable Contributions

It is essential to highlight that our commitment to CSR extends far beyond tangible effects; it encompasses a vision of creating enduring change and leaving a positive footprint in the lives of those who need it most. While the year did not see any charitable donations made directly by the Company, our contributions are channelled through the MUA Foundation, that have continued to fuel impactful CSR projects that are detailed in the Sustainability section of the group's report.

Undoubtedly, MUA Foundation continues to provide everlasting support to vulnerable children, communities and environment in order to maintain community development, reduce poverty alleviation and foster sustainable development. As we look ahead, we remain steadfast in our commitment to fostering sustainable and meaningful transformation in the communities we serve. The resounding success of our CSR initiatives further underscores our collective mission to be a force for good, leaving an indelible legacy of empathy and empowerment. In addition to that, our employees are committed and have demonstrated compassion and solidarity by actively engaging in various community initiatives throughout the year 2023. Their commitment not only reinforced the ethos of our team but also underscored the invaluable role they play in driving our CSR agenda forward. Crucial to our success has been the cultivation of enduring partnerships with non-governmental organizations and local communities. These collaborations have been pivotal in ensuring the effective implementation of MUA Foundation's CSR strategy, which has consistently yielded positive and tangible impacts in the communities we have had the privilege of supporting.

#### Political Contributions

In line with the Company's policy, no political donations were made during the year under review.

## PRINCIPLE 7: AUDIT

### 7.1 Internal Audit

The MUA Group Internal Audit's is also responsible for the Group's subsidiaries and its mission is to provide reliable independent assurance to the Board and the Audit Committee on the adequacy and effectiveness of the risk management, governance and internal controls for the Group as a whole and individually for each company.

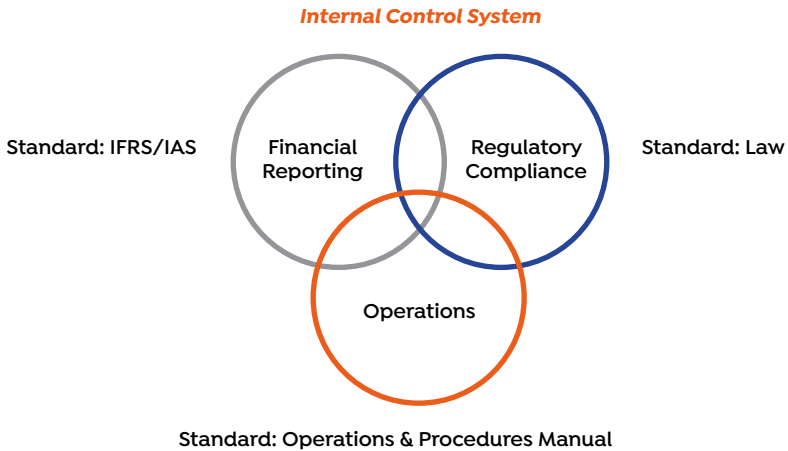
# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The members of the audit committee and the internal audit function have the necessary qualifications and experience to carry out their responsibilities. The internal audit team are composed of auditors with auditing and insurance experience, and the management team consists of fully qualified accountants.

The MUA Group Internal Audit methodology is risk based and sets out the mandatory standards to be followed by all our Internal Auditors which should allow our Internal Audit function to achieve its mission.

As the third line of defence of the “three lines of defence model”, the MUA Internal Audit function provides an independent assurance over the first and second lines of defence, which are the business operations and risk function respectively. An overview of the company’s internal control system is illustrated hereunder:



The in-house Internal Audit team carries out the internal audits at MUA. The scope of their work encompasses:

- Identification of risk areas and the evaluation of the level of risk for each area.
- Review of internal controls and agreed actions which are communicated to the Audit Committee and to the Management.
- Monitoring of the implementation of the agreed actions and reporting these to the Audit Committee.

The team carried out several internal audit reviews during 2023:

- WeCover Ltd Underwriting review
- ISMS review – ISO27001 internal audit
- GI Customer Service review

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

- AML/CFT Independent audit Mutual Fund and Unit Trust
- Life Premium Allocation and Prepayments review
- Medical Claims review
- GI Reinsurance review, Portfolio review, Medical Claims and Debtors Management for MUA Kenya
- Motor Claims follow up and Debtors Management for MUA Rwanda
- GI Reinsurance review for MUA Uganda
- GI Reinsurance review for MUA Tanzania

### Reporting Lines

The Internal Audit function derives its authority from the Board through MUA Audit Committee. The Internal Auditors have a direct reporting line to the Audit Committee and maintain an open and constructive communication with the Management. They also have direct access to the Chairman of MUA Audit Committee. This structure allows the Internal Auditors to remain independent. Every quarter, MUA Audit Committee meets with the internal and external auditors to review and discuss any findings. There are regular follow-ups to ensure that these are addressed promptly.

### Coverage

The Internal Audit plan, which is approved by MUA Audit Committee, is based on the principles of risk management designed to ensure that their scope of work is congruent with the degree of risk attributable to the area being audited.

### Restrictions

The Internal Auditors have unrestricted access to the Company's records, management and employees.

## 7.2 External Audit

MUA Audit Committee invites the External Auditors at their quarterly meetings to discuss the accounts presented, management letters, key audit issues, critical policies and to keep apprised of new accounting standards, methods and terminology. Consultation between the latter and the internal audit team are regularly encouraged. MUA Audit Committee meets the External Auditors without management presence on an ad hoc basis.

No significant issues were raised on the Financial Statements and Internal Audit for the year ended 31 March 2024.

The effectiveness of the external auditor is reviewed by MUA Audit Committee through feedbacks received from its members and from the management team.

The External Auditors also provided the additional services as detailed on pages 1(u) of the Statutory Disclosures section of the Annual Report.

The provision of non-audit services is subject to a tender process with as objective to ensure that the nature of the non-audit services, if provided by the External Auditors, could not be perceived as impairing their independence on the external audit exercise.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### PRINCIPLE 8: RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

#### 8.1 Key Stakeholders

Key stakeholders of the Group and methods by which relations are maintained with them are explained below:

Shareholders & Institutional Investors of the holding Company MUA Ltd	The importance of transparency in our shareholder communication is vital and is reflected in various initiatives: the company website; MUA Group Annual Report; media communiqués; investor meeting (presentation available online); Annual General Meeting of MUA.
Employees	Employee engagement is a pillar of the organisation, and this is articulated in weekly communication via various channels (email, staff portal & social media); training & development sessions; monthly management and quarterly staff meetings; internal publications.
Government and Regulatory authorities	Regular meetings and interactions with various departments of the Financial Services Commission and ongoing interaction on new products, marketing materials, compliance issues and the financial services sector.
Suppliers & Partners	We prioritise communications with our business partners and service providers, including brokers, agents and our investors. The aim is to build solid and enduring partnerships by exchanging insights, best-practices and experience to empower the respective teams.

# CORPORATE GOVERNANCE REPORT

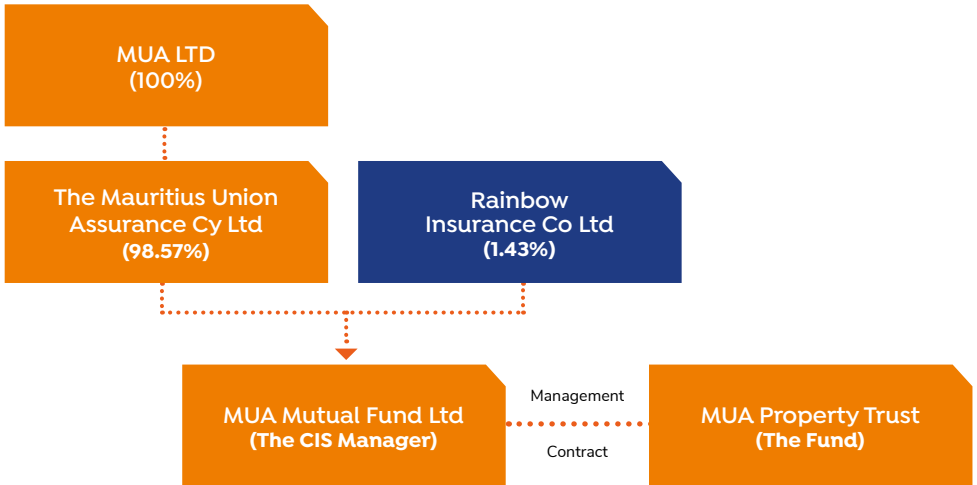
FOR THE YEAR ENDED 31 MARCH 2024

## 8.2 Shareholding Structure

Shareholder of the CIS Manager holding more than 5% of the Ordinary Shares:

Name of shareholder	% HOLDING
THE MAURITIUS UNION ASSURANCE CY. LTD	98.57%

The shareholding structure as at 31 March 2024 was as follows:



## 8.3 Dividend Policy

In compliance with the Trust Deed, all net income must be distributed as dividend to unit holders.

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

Last 3 Financial Years Annual Distributions	
Financial Year	Dividend/Unit (Rs)
01.04.22 to 31.03.23	0.36
01.04.21 to 31.03.22	0.34
01.04.20 to 31.03.21	0.27



## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Performance

Financial Year ending 31 March	Beginning NAV/Unit (Rs)	Distributions/Unit	Ending NAV/Unit (Rs)	Total Return (%)
2023	18.19	0.36	15.91	(10.55)
2022	15.74	0.34	18.19	17.73
2021	14.38	0.27	15.74	11.34

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)
2023	160,519	5,107	(17,150)	3,254	145,222
2022	134,923	4,490	24,116	3,010	160,519
2021	116,459	7,031	13,671	2,238	134,923

### 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.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### Unit Holder Analysis as at 31 March 2024

Range	No. Of Unit Holders	No. Of Units	% Of Funds	% Of Unit Holders
Up to 1,000	1,364	440,634.6202	4.80	61.97
More than 1,000 to 5,000	583	1,325,340.2976	14.43	26.49
More than 5,000 to 10,000	153	1,075,511.8504	11.71	6.95
More than 10,000 to 25,000	66	986,434.7355	10.75	3.00
More than 25,000 to 50,000	23	756,468.8156	8.24	1.04
More than 50,000 to 100,000	4	300,951.1521	3.28	0.18
More than 100,000 to 1,000,000	5	848,058.0031	9.24	0.23
Over 1,000,000	3	3,446,681.3557	37.55	0.14
<b>Total</b>	<b>2,201</b>	<b>9,180,080.8302</b>	<b>100.00</b>	<b>100.00</b>

### Category of Unit Holders as at 31 March 2024

Unit Holders Type	No. Of Unit Holders	No. Of Units	% Of Unit Holders
Individuals	2,171	4,966,607.5330	54.10
Corporate Bodies and Others	30	4,213,473.2972	45.90
<b>Total</b>	<b>2,201</b>	<b>9,180,080.8302</b>	<b>100.00</b>

### Unit price of the Fund for the past three years

Date	Issue Price (Rs.)	BID Price (Rs.)
31 March 2023	15.91	15.75
31 March 2022	18.19	18.00
31 March 2021	15.74	15.58

Net Asset Value as at 31 March 2024: Rs. 16.62

### 8.4 Related party transactions

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

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 8.5 Auditors

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

	2024		2023	
	Audit Rs	Other Rs	Audit Rs	Other Rs
PricewaterhouseCoopers Ltd	83,000	37,500	75,000	34,000
	<b>83,000</b>	<b>37,500</b>	<b>75,000</b>	<b>34,000</b>

In line with the requirements of the Financial Reporting Act 2004 regarding rotation of auditors, Kemp Chatteris have been appointed auditors of the Company as from financial year ended 31 March 2023.

No non-audit services, excluding tax services, were provided to the Company during financial year ended 31 March 2024.

### 8.6 Shareholders' Agreement

As the CIS Manager is owned at 98% by its main shareholder, The Mauritius Union Assurance Cy Ltd, there is no shareholders' agreement.

### 8.7 Shareholder Information

As the CIS Manager is owned at 98% by its main shareholder, The Mauritius Union Assurance Cy Ltd, there is no trading of shares and, consequently, share price information is not available.

### 8.8 Contracts of Significance

There was no contract of significance subsisting during the year to which the CIS Manager, or one of the Schemes it manages, was a party and in which a director was materially interested, either directly or indirectly.

## CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

### 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.

# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

## Statement of Responsibilities (Continued)

### 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 the Management of the CIS Manager has taken appropriate measures to mitigate these risks.

### Code of Corporate Governance

The Board of the CIS Manager ensures that the principles of good governance are applied and has strived to comply in all material respects with the principles of the Code and has provided the necessary explanations where appropriate.

Approved on 10 MAY 2024 and signed on its behalf by:

Manager


Trustee


## **CORPORATE GOVERNANCE REPORT**

FOR THE YEAR ENDED 31 MARCH 2024

### **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 2024

We, the Manager and Trustee of MUA Property Trust, confirm that throughout the year ended 31 March 2024, to the best of our knowledge, the Fund has complied partially with the Corporate Governance Code for Mauritius (2016).

# CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The areas of non-compliance are:

Principle	Area of non-compliance	Explanation
Principle 2 Structure of Board and its Committees	<ul style="list-style-type: none"> <li>Status of Directors</li> </ul>	<ul style="list-style-type: none"> <li>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 and there should be gender balance, the Board considers that given its size and the scope of activities of the company, the appointment of additional directors is not justified at this stage.</li> </ul>
Principle 4 Directors' duties, remuneration and performance	<ul style="list-style-type: none"> <li>Disclosure of remuneration policy</li> </ul>	<ul style="list-style-type: none"> <li>Due to the sensitive nature of director's remuneration, the Company has opted not to disclose its remuneration policy. There is however a remuneration policy which has been devised by MUA CGNRC.</li> </ul>
Principle 1,3,4,6	<ul style="list-style-type: none"> <li>Website Disclosures</li> </ul>	<ul style="list-style-type: none"> <li>The CIS Manager does not have a dedicated website given the scope of its services.</li> </ul>

Manager



Trustee


Date: 10 MAY 2024







**AUDITORS'**  
**REPORT**

## INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF MUA PROPERTY TRUST

### Opinion

In our opinion, the financial statements on pages 50 to 96 give a true and fair view of the financial position of MUA Property Trust (the "Trust") as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting standards.

### What we have audited

The financial statements of MUA Property Trust set out on pages 50 to 96 comprise:

- the statement of financial position as at 31 March 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes comprising significant accounting policies and other explanatory information.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities are further described in the Auditors' 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). 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 trustees are responsible for the other information. The other information comprises of the corporate governance report which we obtained prior to the date of the auditors' report. Other information does not include the financial statements and our auditors' report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF MUA PROPERTY TRUST**

### **Trustees' Responsibilities for the Financial Statements**

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards. They are also responsible for such internal control as they 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, they 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 trustees either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The trustees are responsible for overseeing the Trust's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE BENEFICIARIES OF MUA PROPERTY TRUST**

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.
- 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 trustees.
- Conclude on the appropriateness of the trustees' 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 trustees 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 BENEFICIARIES OF MUA PROPERTY TRUST

## Report on Other Legal and Regulatory Requirements

### Financial Reporting Act 2004

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance as disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosure made on corporate governance in the annual report, the Trust has pursuant to Section 75 of the Financial Reporting Act, complied with the requirements of the Code.

### Use of this Report

This report is made solely to the Trust's beneficiaries, as a body, in accordance with International Financial Reporting Standards. Our audit work has been undertaken so that we might state to the Trust's beneficiaries those matters we are required to state to them in an auditors' 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 beneficiaries, as a body, for our audit work, for this report, or for the opinions we have formed.



Kemp Chatteris  
Chartered Accountants

Port Louis, Mauritius



Martine Ip Min Wan, FAC  
Licensed by FRC



Date: 10 MAY 2024

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 Rs.	2023 Rs.
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties			
Financial assets at amortised cost	5(a) 8	47,875,000 8,000,000	45,500,000 5,000,000
		<b>55,875,000</b>	<b>50,500,000</b>
<b>Current assets</b>			
Cash and cash equivalents	19(b)	3,539,803	6,195,302
Receivables	9	128,854	178,841
Financial assets amortised cost	8	135,424	48,329
Financial assets at fair value through profit or loss			
- Portfolio of local securities	6	29,394,864	32,642,680
- Portfolio of overseas securities	7	69,187,879	61,469,885
Current tax receivables	14(b)(i)	193,908	112,481
		<b>102,580,732</b>	<b>100,647,518</b>
<b>Total assets</b>		<b>158,455,732</b>	<b>151,147,518</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	14(a)	2,976,788	2,620,537
<b>Current liabilities</b>			
Payables	10	1,296,668	1,228,104
Distribution to Unitholders	13	1,637,360	2,076,653
		<b>2,934,028</b>	<b>3,304,757</b>
<b>Total liabilities</b>		<b>5,910,816</b>	<b>5,925,294</b>
<b>EQUITY AND RESERVES</b>			
Redeemable Units		98,737,280	97,908,657
Retained earnings		53,807,636	47,313,567
<b>Total equity</b>	17(a)	<b>152,544,916</b>	<b>145,222,224</b>
<b>Total equity and liabilities</b>		<b>158,455,732</b>	<b>151,147,518</b>
<b>Net asset value per Unit (Ex-div)</b>	17(b)	<b>16.62</b>	<b>15.91</b>

These financial statements have been approved for issue by the Manager and the Trustee on: **10 MAY 2024**.

  
Manager

  
  
Trustee



The notes on pages 56 to 91 form an integral part of these financial statements.  
Auditors' report on pages 2(a) to 2(d).

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 Rs.	2023 Rs.
<b>REVENUE</b>			
Gross revenue	11	5,570,352	5,455,349
<b>Net (losses)/gains on investments</b>			
Increase in fair value of investment properties		2,375,000	-
Net fair value (losses)/gain on financial assets at fair value through profit or loss	6&7	4,470,178	(20,199,740)
Realised gain on disposals of financial assets at fair value through profit or loss		-	(173,526)
Net losses on foreign exchange		5,143	(30,519)
		<b>12,420,673</b>	<b>(14,948,436)</b>
<b>EXPENSES</b>			
Manager's fees	15	(1,521,229)	(1,477,084)
Trustee's fees	16	(105,111)	(105,506)
Other expenses	12	(1,025,989)	(558,764)
<b>Total operating expenses</b>		<b>(2,652,329)</b>	<b>(2,141,354)</b>
<b>EQUALISATION</b>			
Income received on Units created		40,216	37,587
Income paid on Units redeemed		(37,877)	(25,652)
		<b>2,339</b>	<b>11,935</b>
<b>Profit/(loss) before income tax</b>		<b>9,770,683</b>	<b>(17,077,855)</b>
Income tax expense	14	(419,446)	(71,894)
<b>Total comprehensive income/(loss) for the year</b>		<b>9,351,237</b>	<b>(17,149,749)</b>

The notes on pages 56 to 91 form an integral part of these financial statements.  
Auditors' report on pages 2(a) to 2(b).

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Redeemable Units	Retained earnings	Total
		Rs.	Rs.	Rs.
Balance at 1 April 2023		97,908,657	47,313,567	145,222,224
Units created		8,464,796	-	8,464,796
Units redeemed		(7,636,173)	-	(7,636,173)
Total comprehensive income for the year		-	9,351,237	9,351,237
Dividend	13	-	(2,857,168)	(2,857,168)
<b>Balance at 31 March 2024</b>		<b>98,737,280</b>	<b>53,807,636</b>	<b>152,544,916</b>
Balance at 1 April 2022		92,801,581	67,717,353	160,518,934
Units created		9,311,123	-	9,311,123
Units redeemed		(4,204,047)	-	(4,204,047)
Total comprehensive income for the year		-	(17,149,749)	(17,149,749)
Dividend	13	-	(3,254,037)	(3,254,037)
<b>Balance at 31 March 2023</b>		<b>97,908,657</b>	<b>47,313,567</b>	<b>145,222,224</b>

The notes on pages 56 to 91 form an integral part of these financial statements.  
Auditors' report on pages 2(a) to 2(b).



## STATEMENT OF CASH FLOWS THE YEAR ENDED 31 MARCH 2024

	Notes	2024 Rs.	2023 Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19(a)	1,013,704	1,490,327
Dividend paid		(3,296,461)	(3,006,270)
Tax paid	14(b)	(265,500)	(184,375)
Tax refund	14(b)	120,878	118,632
Purchase of investments	7	-	(14,133,316)
Purchase of corporate bond		(3,000,000)	
Proceeds from sale of investment	7	-	6,423,017
Dividend received		1,618,246	1,600,349
Interest received		325,011	315,000
<b>Net cash used in operating activities</b>		<b>(3,484,122)</b>	<b>(7,376,636)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash movement from Units created	17	8,464,796	9,311,123
Net cash movement from Units redeemed	17	(7,636,173)	(4,204,047)
<b>Net cash generated from financing activities</b>		<b>828,623</b>	<b>5,107,076</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,655,499)</b>	<b>(2,269,560)</b>
<b>CASH AND CASH EQUIVALENTS AT 01 APRIL</b>	19(b)	<b>6,195,302</b>	<b>8,464,862</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	19(b)	<b>3,539,803</b>	<b>6,195,302</b>

The notes on pages 56 to 91 form an integral part of these financial statements.  
Auditors' report on pages 2(a) to 2(b).





NOTES TO THE  
**FINANCIAL STATEMENT**

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 investment activities are managed by the Investment Manager.

The financial statements of the Trust for the year ended 31 March 2024 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 financial assets at fair value through profit or loss and investment properties that have been measured at fair value.

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

#### c) Foreign currency

*Functional and presentation currency*

The financial statements are presented in Mauritian rupees (“Rs”) which is also the currency of the primary economic environment in which the Trust operates (functional currency). The Trust determines its own functional currency and items included in the financial statements of the Trust are measured using that functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### c) Foreign currency (continued)

##### *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 statement of comprehensive income).

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 Trust 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.

##### *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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e) Taxes (continued)

*Deferred tax (continued)*

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 Trust from its tenants.

#### f) Financial instruments

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)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Financial instruments (continued)

##### 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.

##### 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Financial instruments (continued)

##### 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.

##### *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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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.

##### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Financial instruments (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.

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Financial instruments (continued)

##### Fair value of financial instruments (continued)

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 Trust'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.

#### 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.

#### h) Equalisation

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### l) 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### m) Share capital (continued)

*Classification of redeemable units (continued)*

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

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.

#### n) 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### n) Investment property (continued)

Changes in fair values are recorded in the statement of comprehensive income. If an investment property becomes owneroccupied, 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.

Properties that are held for long term rental yields or for capital appreciation or both, and that are not occupied by the company, are classified as investment properties. Investment properties comprise freehold land and commercial building.

Investment properties are measured initially at cost, including transaction and project costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost has been incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is calculated on the basis of recent transactions in similar properties adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### n) Investment property (continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment; and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as the revaluation of property, plant and equipment under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

#### o) 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).

#### p) 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 01 April 2023 but none of these were relevant to the Trust's financial statement.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 3. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED 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.

#### (a) New and revised IFRSs applied with no material effect on financial statements

The following standards and amendments are applicable for the first time for the financial year end beginning 01 April 2023:

- IAS 1 Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies.
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates
- IAS 12 Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations and amendments related to pillar two income taxes.

#### (b) New and revised IFRSs in issue but not yet effective

- IAS 1 Presentation of Financial Statements – Amendments regarding Classification of Liabilities as Current or Non-current and amendment to defer the effective date of the January 2020 amendments (effective 1 January 2024).
- IAS 7 Statement of Cash Flows – Amendments regarding supplier finance arrangements (effective 1 January 2024)
- IFRS 7 Financial Instruments: Disclosures – Amendments regarding supplier finance arrangements (effective 1 January 2024).

The directors anticipate that these IFRSs will be applied on their effective dates in future years. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 recognised 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.

### 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*

During the year, the Trust's made estimates and judgements regarding the fair value of the investment properties. The investment properties were valued by an independent valuer, Vyas S Ramphul of Professional Valuers Co Ltd. The fair value at 31 March 2024 comprises the best estimate of market value.

The best evidence of fair value is the current price in an active market for similar properties. In making its judgement, the valuer considers information from a variety of sources including direct market evidence for land.

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties the directors reviewed the Company's investment property portfolio and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Company's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Company has not recognised any deferred taxes on changes in fair value of investment properties as the Company is not subject to any capital gain taxes on disposal of its investment properties.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 5. INVESTMENTS PROPERTIES

(a) At Fair value	Freehold building	
	2024	2023
	Rs	Rs
At 01 April,	45,500,000	45,500,000
Increase in fair value	2,375,000	-
At 31 March	47,875,000	45,500,000

The fair value of the properties are based on valuations performed by Professional Valuers co.Ltd, an accredited independent valuer, as per its report dated 25 March 2024.

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:

	2024	2023
	Rs	Rs
Rental income (Notes 11)	3,540,000	3,540,000
Direct operating expenses	(683,717)	(126,971)
Profit arising from investment properties	2,856,283	3,413,029

Minimum lease receivable on leases of investment properties are as follows:

	2024	2023
	Rs	Rs
Within 1 year	3,540,000	3,540,000

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 5. INVESTMENTS PROPERTIES (CONTINUED)

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) PORTFOLIO OF LOCAL SECURITIES	Official list	Development & Enterprises Market	Total
	Rs.	Rs.	Rs.
At 01 April 2023	18,879,480	13,763,200	32,642,680
Decrease in fair value	(3,247,816)	-	(3,247,816)
<b>At 31 March 2024</b>	<b>15,631,664</b>	<b>13,763,200</b>	<b>29,394,864</b>
At 01 April 2022	26,817,197	8,736,000	35,553,197
(Decrease)/increase in fair value	(7,937,717)	5,027,200	(2,910,517)
<b>At 31 March 2023</b>	<b>18,879,480</b>	<b>13,763,200</b>	<b>32,642,680</b>

#### (ii) Details of securities:

	2024 Rs	2023 Rs
<u>OFFICIAL LIST</u>		
Caudan Development Ltd	1,459,049	2,152,097
ENL LTD	1,831,332	1,859,220
BLUELIFE LTD	58,983	61,168
ASCENCIA LTD	12,282,300	14,806,995
	<b>15,631,664</b>	<b>18,879,480</b>
<u>DEVELOPMENT &amp; ENTERPRISES MARKET</u>		
Compagnie Immobiliere Ltee	9,363,200	9,363,200
Attitude Property Ltd	4,400,000	4,400,000
	<b>13,763,200</b>	<b>13,763,200</b>
<b>Total portfolio of local securities</b>	<b>29,394,864</b>	<b>32,642,680</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	Rs.	Rs.
<b>(i) PORTFOLIO OF OVERSEAS SECURITIES</b>		
At 1 April	61,469,885	71,222,335
Additions	-	14,133,316
Increase/(decrease) in fair value	7,717,994	(17,289,223)
Disposal proceeds	-	(6,423,017)
Loss on disposal	-	(173,526)
<b>At March 31</b>	<b>69,187,879</b>	<b>61,469,885</b>
	2024	2023
	Rs	Rs
<b>(ii) Details of securities:</b>		
Hendersen HOI	13,013,570	12,093,675
Morgan Stanley US Property	6,361,706	5,689,679
Janus Henderson Horizon Pan European Pty Equity	6,801,098	5,428,339
Robeco Properties equity	14,505,597	13,323,760
Axa Wf Framlington Europe Real Estate - 'A'	6,059,319	5,180,108
BGF World Real Estate Securities	1,959,882	1,747,353
Schroders Isf Global Cities Real estate	1,146,430	1,011,263
Robeco Sustainable property Equities	603,618	550,211
Nedgroup Investment Global Pty	883,535	798,337
Cohen & Steer European Real Estate	1,456,246	1,226,793
Robecco Sustainable property equities	879,993	813,088
Axa Wf Framlington Europe Real Estate - 'F'	1,391,475	1,180,724
Neuberger Berman US Real Estate Securities	1,403,108	1,291,519
Nuveen Global Real Estate Sec 'P'	7,502,173	6,545,454
Vanguard Real estate Etf Inc	1,613,238	1,512,602
Invesco Real Estate S&P Us Select Sector	1,666,548	1,472,250
Global Xdata Center Reits & Digital INF	1,940,343	1,604,730
	<b>69,187,879</b>	<b>61,469,885</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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		Fair Value Hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2024	31 March 2023				
	Rs.	Rs.				
Investment properties	<u>47,875,000</u>	<u>45,500,000</u>	Level 3	Sales comparison approach	N/A	N/A
Financial assets at fair value through profit or loss						
Quoted securities:						
Local securities	<u>29,394,864</u>	<u>32,642,680</u>	Level 1	Quoted price	N/A	N/A
Quoted securities:						
Foreign securities	<u>69,187,879</u>	<u>61,469,885</u>	Level 1	Quoted price	N/A	N/A

#### Transfer between levels

During the reporting year ended 31 March 2024, 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 8. FINANCIAL ASSETS AT AMORTISED COST

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Bonds - unquoted	<u>8,135,424</u>	<u>5,048,329</u>
Broken as follows:		
Current asset	135,424	48,329
Non-current asset	<u>8,000,000</u>	<u>5,000,000</u>

In 2019 the Trust has made an investment in a 10 year unquoted Bond with coupon rate of 6.3% p.a. During the financial year 2024, the Trust invested in additional bonds with coupon rate ranging from 6.00 - 6.09% 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 these bonds have been assessed to be insignificant and hence no adjustment was made for this financial year.

### 9. RECEIVABLES

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Other receivables	93,658	154,868
Prepayments	<u>35,196</u>	<u>23,973</u>
	<u>128,854</u>	<u>178,841</u>

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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 10. PAYABLES

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Uncleared distribution	372,473	374,362
Amount due to related parties (Notes 20(i))	267,979,	250,989
Other creditors and accruals	656,216	602,753
	<u>1,296,668</u>	<u>1,228,104</u>

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

### 11. GROSS REVENUE

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Dividends on financial assets at fair value through profit or loss	1,618,246	1,600,349
Interest and other income	412,106	315,000
Rental income-overtime	3,540,000	3,540,000
	<u>5,570,352</u>	<u>5,455,349</u>

### 12. OTHER EXPENSES

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Municipal tax	107,438	126,971
Bank charges	15,646	46,813
Professional fees	115,059	129,180
Maintenance of building	576,279	-
Printing	-	40,000
Custodian fees	118,567	114,050
Licence fees	18,000	19,500
Audit fees	75,000	82,250
	<u>1,025,989</u>	<u>558,764</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 13. DIVIDEND - DISTRIBUTION TO UNITHOLDERS

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Interim distribution of Rs. 0.13 (2023: Rs. 0.13) per Unit	1,219,808	1,177,384
Final distribution of Rs. 0.17 (2023: Rs.0.23) per Unit	1,637,360	2,076,653
<b>Total</b>	<u>2,857,168</u>	<u>3,254,037</u>
<b>Amount payable at end of reporting year</b>	<u>1,637,360</u>	<u>2,076,653</u>

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 13.87% (31 March 2023: 13.87%). 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.

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Deferred tax liabilities	<u>2,976,788</u>	<u>2,620,537</u>

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

At 01 April	2,620,537	2,620,537
Statement of comprehensive income charge	<u>356,251</u>	-
<b>At 31 March</b>	<u>2,976,788</u>	<u>2,620,537</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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% (2023: 15%) as follows:

(i) Amounts recognised in the statement of financial position:

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Balance at beginning of the year	(112,481)	(118,632)
Tax refund	<b>120,878</b>	118,632
Charge for the year	63,195	71,894
Tax deducted at source for the year	<u>(265,500)</u>	<u>(184,375)</u>
<b>Income Tax receivables</b>	<u><b>(193,908)</b></u>	<u>(112,481)</u>

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

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Current tax on adjusted profit for the year at <b>15%</b> (2023: 15%)	<u><b>63,195</b></u>	<u>71,894</u>

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

	<u>2024</u>	<u>2023</u>
	Rs	Rs
Profit before tax	<u><b>9,770,683</b></u>	<u>(17,077,855)</u>
Tax calculated at <b>15%</b> (2022: 15%)	<b>1,465,602</b>	(2,561,678)
Income not subject to tax	<b>(1,548,894)</b>	(250,409)
Expenses not deductible for tax purposes	<b>146,487</b>	2,883,981
<b>Tax charge</b>	<u><b>63,195</b></u>	<u>71,894</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 15. MANAGER'S FEES

	<u>2024</u>	<u>2023</u>
	Rs	Rs
These comprise fees payable to:		
- MUA Mutual Fund Ltd	<u>(1,521,229)</u>	<u>(1,477,084)</u>

Manager's fees payable to the Trust's Investment Manager, MUA Mutual Fund Ltd is based on 1% (2023: 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 17. UNITS

#### (a) Movements in Units during the year:-

	2024		2023	
	Units	Rs.	Units	Rs.
Number of Units at 01 April	9,128,808	145,222,224	8,826,931	160,518,934
Units created	528,672	8,464,796	559,708	9,311,123
Units redeemed	(477,400)	(7,636,173)	(257,831)	(4,204,047)
Total comprehensive income	-	9,351,237	-	(17,149,749)
Dividend	-	(2,857,168)	-	(3,254,037)
Net assets attributable to unitholders at 31 March,	9,180,080	152,544,916	9,128,808	145,222,224

#### (b) Net asset value per Unit:

	2024	2023
	Rs.	Rs.
Ex-div	16.62	15.91

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

	2024	2023
	Rs.	Rs.
Issue price	16.62	15.91
Repurchase price	16.45	15.75

(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% (2023: 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 19. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2024	2023
		Rs	Rs
<b>(a) Cash generated from operations</b>			
Net profit/(loss) before taxation		9,770,683	(17,077,855)
Adjustments for:			
Interest income		(412,106)	(315,000)
Dividend income	11	(1,618,246)	(1,600,349)
Increase in fair value of Investment properties		(2,375,000)	-
Decrease/(increase) in fair value of held for trading investments			
- Local securities	6	3,247,816	2,910,517
- Overseas securities	7	(7,717,994)	17,289,223
Loss on disposal of held for trading investments		-	173,526
		<b>895,153</b>	<b>1,380,062</b>
<b>Changes in working capital</b>			
Decrease/(increase) in receivables		49,987	(137,672)
Increase in payables		68,564	247,937
<b>Cash generated from operations</b>		<b>1,013,704</b>	<b>1,490,327</b>

#### (b) Cash and cash equivalents

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

	2024	2023
	Rs	Rs
Cash at bank	1,191,027	1,271,006
Short term deposits	2,348,776	4,924,296
<b>Total</b>	<b>3,539,803</b>	<b>6,195,302</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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.

	<u>2024</u>	<u>2023</u>
	Rs.	Rs.
<u>Outstanding balances</u>		
(i) Payable to related parties:		
MUA Mutual Fund Ltd	215,198	190,594
SBM Fund Services Ltd	<u>52,781</u>	<u>52,208</u>
	<u>267,979</u>	<u>242,802</u>
Bank balances and short term deposits with:		
SBM Bank (Mauritius) Ltd	<u>3,398,453</u>	<u>5,943,844</u>
(ii) Management fees to:		
MUA Mutual Fund Ltd	<u>1,521,229</u>	<u>1,477,084</u>
(iii) Trustee's fees to:		
SBM Fund Services Ltd	<u>105,111</u>	<u>105,506</u>
(iv) Custodian fees to:		
SBM Bank (Mauritius) Ltd	<u>118,567</u>	<u>114,050</u>
(v) Bank charges to:		
SBM Bank (Mauritius) Ltd	<u>13,558</u>	<u>44,229</u>
(vi) Rental income from:		
The Mauritius Union Assurance Cy Ltd	<u>3,540,000</u>	<u>3,540,000</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2024

### **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 equity price risk, currency risk and cash flow interest rate 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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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	
	2024	2023
	Rs.	Rs.
<b>Equity securities:</b>		
- Mauritian securities (SEM & DEM)	29,394,864	32,642,680
- International securities	69,187,879	61,469,885
<b>Total</b>	<b>98,582,743</b>	<b>94,112,565</b>

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 2024 and 2023 all local securities held were in the property sector.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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	
		2024	2023
		Rs.	Rs.
Financial assets at fair value through profit or loss	+5%	<u>4,929,137</u>	<u>4,705,628</u>

##### (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 United State dollar, Great Britain 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 2024, if the Mauritian rupee had weakened/strengthened by 10% against the Euro/US Dollar/GBP with all other variables held constant, income would have been Rs. 6,939,002 (2023: Rs. 6,161,765) lower/higher, mainly as a result of retranslation of foreign currency denominated bank balances and financial assets held for trading.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 2024 and 2023 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.

Currency	Change in currency rate	Effect on profit for the year	
		2024	2023
		Rs.	Rs.
EUR	10%	1,631,176	1,356,618
GBP	10%	750,217	654,545
USD	10%	4,557,609	4,150,602
		<u>6,939,002</u>	<u>6,161,765</u>

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		Financial assets	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Mauritian Rupee	37.12%	41.60%	40,961,606	43,893,416
Great Britain Pound Sterling	6.80%	6.20%	7,502,173	6,545,454
Euro	14.78%	12.86%	16,311,756	13,566,175
United States Dollar	41.30%	39.34%	45,576,094	41,506,019
	<u>100.00%</u>	<u>100.00%</u>	<u>110,351,629</u>	<u>105,511,064</u>

Prepayments of Rs 35,196 (2023: Rs 23,973 ) and current tax receivables of Rs 193,908 (2023: Rs 112,481) have been excluded from financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 2024, if interest rates on EUR and 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 (2023: NIL).

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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.

	2024	2023
	Rs	Rs
Cash and cash equivalents	3,539,803	6,195,302
<b>Total</b>	<b>3,539,803</b>	<b>6,195,302</b>

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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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:

As at 31 March 2024	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rs.	Rs.	Rs.	Rs.
<b>Financial liabilities</b>				
Payables	1,296,668	-	-	1,296,668
Distribution to unit holders	1,637,360	-	-	1,637,360
Total undiscounted financial liabilities	2,934,028	-	-	2,934,028
Redeemable units	98,737,280	-	-	98,737,280

As at 31 March 2023	1 to 3 months	3 to 12 months	1 to 5 years	Total
	Rs.	Rs.	Rs.	Rs.
<b>Financial liabilities</b>				
Payables	1,228,104	-	-	1,228,104
Distribution to unit holders	2,076,653	-	-	2,076,653
Total undiscounted financial liabilities	3,304,757	-	-	3,304,757
Redeemable units	97,908,657	-	-	97,908,657

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

### 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 2024.

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**FOR MORE INFORMATION PLEASE VISIT**



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