



ANNUAL  
REPORT | 2021

SICOM Overseas Diversified Fund

**SICOM UNIT TRUST - SICOM OVERSEAS DIVERSIFIED FUND**

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**MANAGER AND REGISTRAR**

SICOM Financial Services Ltd

**Registered Office**

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Sir Celicourt Antelme Street, Port Louis  
Telephone : (230) 203 8420  
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Email Address: [sfsl@sicom.mu](mailto:sfsl@sicom.mu)  
Website : [www.sfsl.mu](http://www.sfsl.mu)

**TRUSTEE**

The Mauritius Commercial Bank Limited  
9-15 Sir William Newton Street  
Port Louis

**AUDITOR**

Deloitte  
7th-8th Floor  
Standard Chartered Tower  
19-21 Bank Street  
Cybercity  
Ebène

**BANKER**

The Mauritius Commercial Bank Limited

We are pleased to present our report of the SICOM Overseas Diversified Fund (the "Fund") for the financial year ended 30 June 2021.

### Investor Profile

The Fund is designed to give investors a broad exposure to global financial markets. Given that the Fund is diversified across a number of markets and a range of asset classes, it is more suited for investors who are looking for long-term capital appreciation with a moderate income flow.

The Fund is exposed to a certain number of risks such as economic and currency risks as well as to the high volatility of financial markets. The Fund is best suited for investors with at least a 3 to 5 year investment horizon.

### Investment Objectives & Approach

The overall objectives of the SICOM Overseas Diversified Fund are as follows:

- To maximise returns over the long term
- To keep risks at an acceptable level through a diversified portfolio of assets invested globally
- To provide a yearly income flow

The Fund has a globally diversified portfolio and can invest up to 100% of its assets overseas. The financial instruments in which the Fund may invest might include, inter alia, mutual funds and other collective investment schemes, equity and equity linked securities, debt securities, convertible debt securities, bonds, fixed income securities and cash/short term/money market instruments.

SICOM Financial Services Ltd, the Manager of the Fund, has set up an Investment Committee, a sub-Committee of its Board of Directors, to define investment objectives and strategies of the Fund. The investment strategies are based on an in-depth analysis of the current financial market and economic perspectives. Moreover, investment strategy and key investment decisions are made with reference to the overall objectives of the portfolio of the Fund as a whole, available investment opportunities and instruments on financial markets, cash flow availability and the need for diversification of a well-balanced portfolio.

### Risk Management

The risk management framework of the Fund aims at reducing the absolute risk of the Fund. This objective is achieved mainly through set investment restrictions as well as specific allowable allocations in respect of asset classes, currencies and geographical location of investments being made so that the portfolio is well diversified. There is a comprehensive analysis of investments made so as to assemble an optimal mix of securities that would yield our targeted risk level.

### Governance

SICOM Overseas Diversified Fund is a Collective Investment Scheme with SICOM Financial Services Ltd (The Manager) carrying out the investment function as per the terms and conditions of the Trust Deed. The assets of the Fund are registered in the name of and held by the Trustee whose responsibility is to safeguard unitholders and ensure that the Manager carries out its duties. Therefore, through this governance structure, the best interests of unitholders are maintained.

### Economic and Market Review

According to the International Monetary Fund (IMF), the global economy is estimated to have contracted by 3.2% in 2020. With the outbreak of the COVID-19 pandemic at the start of 2020, economic activity was severely impacted in the first half of 2020, following stringent lockdowns which caused significant disruptions to activity. As the rate of new daily cases started to slow and the development of vaccines accelerated, economies started to reopen late in the first half of 2020. The contraction for 2020 was smaller than projected, reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were gradually eased and as economies adapted to new ways of working. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses due to the demographical challenges and slow vaccine rollouts.

**Economic and Market Review (Cont'd)**

After posting their worst crash over a couple of weeks in 2020 amidst the spread of the virus, stocks were sent roaring back to record highs after unprecedented stimulus measures and vaccine breakthroughs. During the financial year ended 30 June 2021, the MSCI World and the MSCI Emerging Markets recorded gains of 37.0% and 38.1% respectively. Within the Developed Markets, the S&P500 surged by 38.6%, followed by the CAC40 with a growth rate of 31.8%, the Nikkei 225 and the FTSE 100 posted a growth rate of 29.2% and 14.1% respectively. Within the Emerging Markets, the MSCI India and the MSCI China registered a gain of 54.7% and 25.5% respectively.

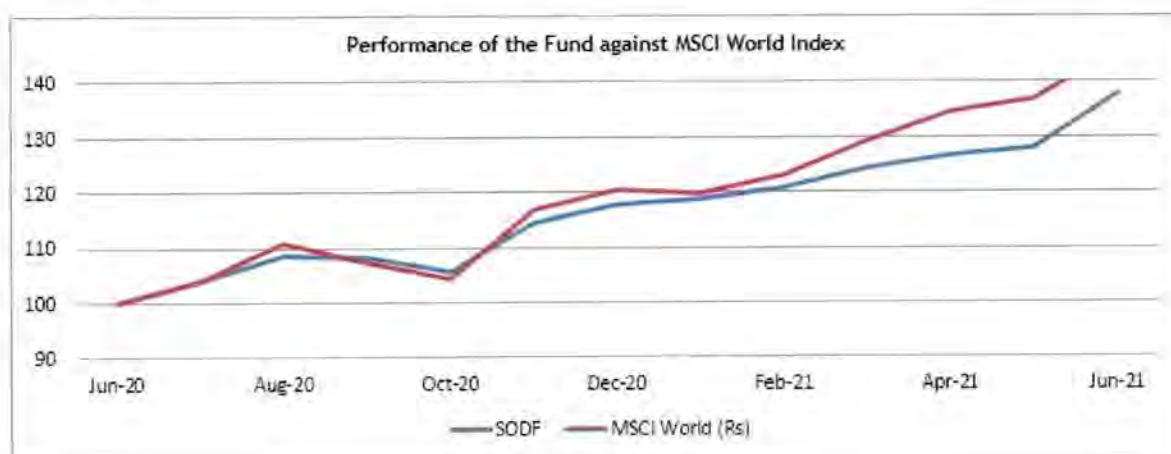
**Fund Review**

**Total Value & Total Assets**

The total value of the SICOM Overseas Diversified Fund was Rs 127.5 million at 30 June 2021 compared to Rs 93.2 million as at 30 June 2020. The total assets of the Fund stood at Rs 131.8 million as at 30 June 2021 as compared to Rs 97.4 million last year. The Net Asset Value per Unit of the Fund was Rs 18.91 as at 30 June 2021 as compared to Rs 14.07 as at 30 June 2020.

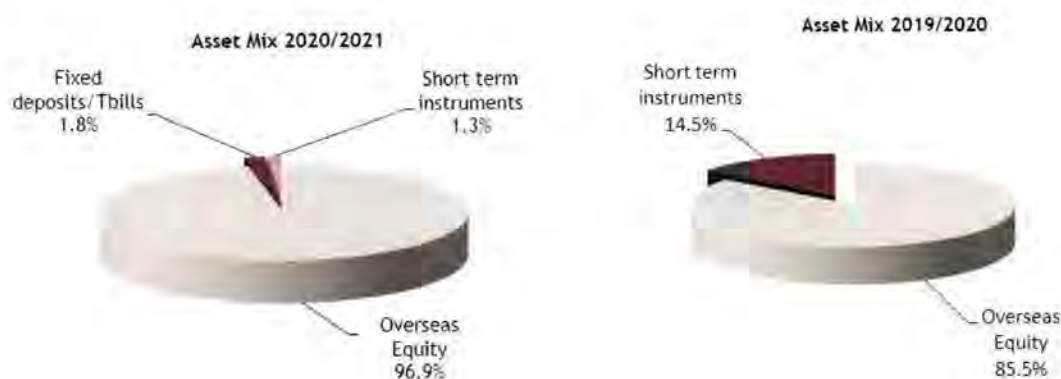
**Performance**

The return of the SICOM Overseas Diversified Fund stood at 37.83% for the year under review as compared to the MSCI World Index which increased by 37.04% in USD terms.



### Asset Mix

The asset mix of the investment portfolio of the Fund as at 30 June 2021 as compared to 30 June 2020 is represented below:



### Investment Income

Gross investment income for the financial year ended 30 June 2021 was Rs 38.7 million as compared to Rs 15.1 million last year due to the increase in gains from disposal of investments and of financial assets at Fair Value Through Profit or Loss (FVTPL).

### Dividend

The income available for distribution for the financial year ended 30 June 2021 stood at Rs 3.3 million compared to Rs 2.3 million as at 30 June 2020. The dividend per unit is Rs 0.4807 for the year under review as compared to Rs 0.3439 per unit last year.

### Prospect


In 2021, the IMF is projecting the global economy to grow by 6.0% in 2021, mainly attributable to an unprecedented policy response and speedy vaccine rollout. Advanced economies are expected to grow by 5.6% in 2021 based on an accelerated vaccination rollout and the resumption of contact-intensive activities. The emerging market and developing economies are projected to grow by 6.3% but substantial disparities across individual economies are expected due to different paces of the vaccine rollout and policy support. In 2022, the global economy is forecast to grow by 4.9% based on an anticipated additional fiscal support in the United States, with positive spillovers to trading partners. The advanced and emerging and developing economies' growth rate are projected at 4.4% and 5.2% respectively in 2022.

Although growth could turn out to be stronger than projected, key downside risks dominate in the near term in the form of slower-than-anticipated vaccine rollout, rapidly tightening financial conditions amid persisting inflationary pressure and worsening pandemic dynamics. Emerging markets and developing economies could also see their recovery falter as external financial conditions tighten. If vaccine rollout is delayed, the risk that new variants spread amidst the vaccinated population will heighten, leading to possibly a more gradual release in households' excess savings, especially if concerns about employment prospects and income security persist. Finally, social unrest, geopolitical tensions, cyberattacks on critical infrastructure and weather-related natural disasters could further weigh on the recovery.

Depending on market conditions, the core portfolio of the SICOM Overseas Diversified Fund will be consolidated by adding to existing investment holdings boasting a sound performance track record and representing attractive underlying market fundamentals, using a cost-averaging strategy amidst a potentially volatile investment environment. We shall maintain our search for investment themes for the medium to long-term, which could further diversify and add value to the investment portfolio.

#### Acknowledgements

The Directors would like to place on record their appreciation of the support given to the SICOM Overseas Diversified Fund by the Financial Services Commission, its valued Unitholders, its Trustee, Registrar, Stockbrokers, duly authorised Agents and the dedication of staff and Management.



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SICOM Financial Services Ltd  
Manager

Date: 29 OCT 2021

## INTRODUCTION

SICOM Overseas Diversified Fund (the “Fund”) is an open ended collective investment Scheme established as a unit trust with its registered office situated at SICOM Building, Sir Celicourt Antelme Street, Port Louis.

The overall objective of the Fund is to maximise returns whilst acting prudently at all times and diversifying its portfolio with a long term view.

### 1. GOVERNANCE STRUCTURE

#### 1.1. Adoption of the National Code of Corporate Governance

The Fund does not qualify as a public interest entity as defined under the Financial Reporting Act 2004 but in pursuance to the circular letter CL280218 issued by the Financial Services Commission (the “FSC”) on 28 February 2018, the Fund adopted the National Code of Corporate Governance for Mauritius, 2016 (the “Code”).

The Board of the Manager (the “Board”) is responsible for leading and controlling the Fund and is committed to high standards of corporate governance.

The Board recognises that it has applied some of the principles of the Code and has explained the application of such principles throughout the reporting period, 1 July 2020 to 30 June 2021. Reasons for the non-application of the other principles have been provided in the Statement of Compliance section.

#### 1.2. Legal and regulatory requirements

The Board is aware of its responsibilities to ensure that the Fund adheres to all relevant legislations and it assumes the responsibility for meeting all legal and regulatory requirements of the Fund.

#### 1.3. Fund’s Trust Deed

The Fund is governed by a Trust Deed. There is no material clause in the Trust Deed which requires disclosure.

A copy of the Trust Deed is available at the registered office of the Fund.

#### 1.4. Code of Ethics

The Manager’s Codes of Ethics for Directors and Employees were approved by the Board and published on its website. Both Directors and Employees are made aware of the requirements of the respective Code.

The Board shall monitor compliance with the Code of Ethics on an ongoing basis.



## 1. GOVERNANCE STRUCTURE (CONTINUED)

### 1.5. Organisational Chart

SICOM Financial Services Ltd is the Manager (the “Manager”) of the Unit Trust and Mauritius Commercial Bank is the Trustee and the activities of both parties are guided by the principles laid out in the Trust Deed.



### 1.6. Fund's Website

The annual report of the Fund is published on the Manager's website: [www.sfsl.mu](http://www.sfsl.mu)

## 2. THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

### 2.1. Board Structure

The Manager is led by a committed and unitary Board, which is collectively and ultimately responsible for the oversight, long-term success, reputation and governance of the organisation. The Company operates within a clearly defined governance framework, which provides for delegation of authority and clear lines of responsibility while enabling the Board to retain effective control.

The Board provides effective leadership and strategic guidance towards the achievement of the Company's strategy within a framework of robust risk management and sound internal controls, alongside ensuring adherence of the Company to relevant legal and regulatory requirements. The Chairperson of the Board is an Independent Non-Executive Director and is seconded in this pivotal role by Executive, Non-Executive and Independent Non-Executive Directors.

Board Committees facilitate the discharge of the Board's responsibilities and provides in-depth focus on specific areas. In fulfilling his role of providing oversight and guidance, the Chairpersons of Board Committees escalate all significant matters affecting the affairs and reputation of the Company to the Board. Board Committees established under the Board of the Holding Company, the State Insurance Company of Mauritius Ltd, also look at matters pertaining to the Company.

The day-to-day operations are entrusted to management under the responsibility of the Group CEO.

To apply the above principle, the Company has in the place the following documents:

- Constitution;
- Board's Charter;
- Board Committees' Charters;
- Code of Ethics for Directors;
- Code of Ethics for Employees;
- Position Statements of the Chairperson of the Board and Board Committees, Group CEO and Company Secretary;
- Corporate Governance Policy for the Group;
- Director's Orientation and Induction Process;
- Remuneration Policy for Directors and Senior Executives;
- Conflict of Interest and Related Party Transactions Policy;
- Anti-Harassment and Non-Discriminatory Policy; and
- Whistleblowing Policy.

The Board of the Holding Company of the Manager has added the Group Corporate Governance to the list of governance documents in place.

The Board oversees the general business of the Fund. The Board exercises leadership, enterprise, integrity and judgment in directing the Fund. The delegation of authority to any Committee does not relieve the Board of its responsibilities in respect of the actions and decisions of that Committee.

The Board composition of the Manager as of 30 June 2021 was as follows:

<b>Chairperson</b>	Mahadu O S (Director as from 23 December 2020 and Chairman as from 04 February 2021)
	Sakurdeep S (Chairman up to 16 November 2020)
<b>Directors</b>	Bhoojedhur-Obeegadoo K G (Mrs)
	Bonomaully I
	Gopy D K
	Ramdewar N (Mrs)
	Salemohamed M Y (up to 17 November 2020)
	Seewoochurn N (up to 1 August 2021)
	Reedoy S ( as from 23 Dec 2020)
	Seeteejory S (as from 24 December 2020)
	Ubhee S (from 23 December 2020 to 25 March 2021)
	Chengabroyan C (as from 29 September 2021)
	Maharahaje P D ( Mrs) (as from 27 August 2021)
<b>Manager</b>	SICOM Financial Services Ltd
	Célicourt Antelme Street
	Port Louis
<b>Trustee</b>	The Mauritius Commercial Bank Ltd
	Sir William Newton Street
	Port Louis

### 3. MANAGER APPOINTMENT PROCEDURES

#### 3.1. Board Responsibilities in Manager Appointment and Succession Planning

The Manager is headed by a unitary Board with nine (9) Directors - six (6) male gender and three (3) female gender. The Board consists of two (2) Executive Directors, three (3) Non-Executive Directors and four (4) Independent Directors, who are all residents of Mauritius. The Board has the right balance of skills, experience and diversity. The Manager has a Board Charter which is reviewed by the Board as and when required. Collectively, the Board of the Manager is well structured and of sufficient size to discharge its duties, having regard to the activities and size of the Fund.

The Independent and the Non-Executive Directors from the Manager's Board have diverse business backgrounds and bring a wide range of experience and skills to the Board. They do not have any involvement in the operations of the Fund, which could materially affect their ability to exercise independent judgement. Moreover, none of the appointed Independent Directors were employed by the Manager during the past three (3) years.

After taking into consideration the varied director profiles that the Manager needs, as per the Board Charter, coupled with the number of sub-committees, as detailed out below, that are presently assisting the Board in the discharge of its responsibilities and the current number of directors with their mix of knowledge, skills and experience, the Board of the Manager is of opinion that these are sufficient to effectively meet the requirements of the Fund.

Currently, the Board of the Manager has three (3) committees, namely:

- (i) Risk Management/ Conduct Review Committee
- (ii) Audit Committee
- (iii) Investment Committee

Each committee comprises of members with a diversity of knowledge and experience in fields relevant to the operations of the Fund such as finance, legal and business administration. Each Board Committee has its own charter, approved by the Board and which may be reviewed as and when required.

The Chairperson of the Board and the Chairperson of each of the Sub-Committees are selected for their relevant knowledge and experience in these key governance roles. Their responsibilities have been clearly defined in their respective position statements.

In order to strike gender balance, the Code provides that all organisations should have directors from both genders as members of the Board - i.e. at least one (1) male and one (1) female director. As at 30 June 2021, the Board comprised of six (6) male and three (3) female directors.

#### Remuneration

During the year, the Directors' fees paid by the Manager were as follows : Mr O S Mahadu - Rs 201,929, Mrs K G Bhoojedhur Obeegadoo - Rs 205,600, Mr I Bonomaully - Rs 310,200, Mr S Reedoy - 145,661, Mr S Sakurdeep - Rs164,950, Mr M S Salemohamed- Rs 72,860, Mr S Seetejory - Rs 144,932, Mr N Seewoochurn- Rs 310,200 and Mr S Ubhee - Rs 77,861 respectively.

The two Executive Directors did not receive any emoluments from the Manager.

### Succession Planning and Induction

Non-Executive Directors on the Manager's Board are given a letter of appointment, and all Directors receive appropriate induction and orientation programme. New Directors are given a copy of the Manager's Constitution, the Banking Act 2004, relevant Bank of Mauritius Guidelines, copy of the National Code of Corporate Governance, copy of the Board Charter and charter of the Sub Committees, the Financial Services Act 2007 and relevant extracts of the Companies Act 2001 as regards their statutory duties and responsibilities.

Directors are encouraged to keep themselves updated with industry practices, trends and standards, and to request for any specific training of interest to them in fulfilment of their duties as directors. During the financial year 2020/2021, the Directors received training on Anti-Money Laundering and Combating the Financing of Terrorism ('AML/CFT') and on global economic and investment outlook.

The Board of the Manager ensures the orderly succession of appointment to the Board and to Senior Executive positions so as to maintain an appropriate balance of knowledge, skills and experience on the Board. The Corporate Governance, Sustainability and Nomination Committee, established under the Board of the Holding Company, has been delegated the task by the Board of the Manager to consider succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed in the future.

As part of the Manager's succession plan, the situation at Board and senior management levels is regularly assessed and appropriate action is taken to fill gaps where needed. As such, directors have recently been appointed to replace outgoing ones and Officers at senior management level have been appointed/recruited. There has also been a recent promotion exercise with a view to consolidate its structure and functioning, and it is expected that the consolidation exercise will continue.

### 3.2. Director's Profile for the Manager's Board

Mr Oomesh Sharma MAHADU (Appointed as Director and Chairman on 23 December 2020 and 04 February 2021, respectively)

*Fellow of the Association of Chartered Certified Accountants  
Member of the Mauritius Institute of Professional Accountants (MIPA)*

Oomesh is the Finance Manager of Polytechnics Mauritius Ltd, a skills-based tertiary education institution under the aegis of the Ministry of Education, Tertiary Education, Science and Technology. Along with being the Finance Manager, Oomesh plays a pivotal role in formulating and deployment of many strategic initiatives of his organization and contributes extensively towards the growth of Polytechnics Mauritius Ltd. His professional experience spans over 15 years with diversified experience in accounting, auditing, and financial analysis. After working more than 8 years in Big 4 Accounting Firms (Deloitte Middle East and EY) both international and local, he joined the industry. He cumulates financial expertise in various fields such as Real Estate, Construction, Aviation, Education, Manufacturing & Textiles, Financial Services, Heavy Industries, Oil & Gas, Energy, Mining, Not-for-Profit organizations, Sports, IT Companies, Marketing & Multimedia and Trading in Mauritius and abroad.

**Mrs Karuna G. BHOOJEDHUR-OBEEGADOO (Reappointed on 30 November 2020)**

*Fellow of the Institute of Actuaries, UK*

*BSc (Hons) in Actuarial Science, London School of Economics and Political Science*

*Fellow of the Mauritius Institute of Directors*

Karuna Bhoojedhur-Obeegadoo was the Group Chief Executive Officer heading the SICOM Group of Companies until her retirement in September 2017. She has also worked with M&G Reinsurance Company in London (now Swiss Re) prior to joining SICOM and was appointed Actuarial Adviser to the National Pensions Fund and member of its Investment Committee.

In the past, she has served as Director on the board of several companies, including State Bank of Mauritius Ltd, National Mutual Fund Ltd, First Republic Fund Ltd, Cyber Properties Investment Ltd, Mauritius Housing Company Ltd, National Housing Development Company Ltd, China Index Fund Ltd and China Actis Ltd. She was also a Founding Member of the National Committee on Corporate Governance and the Board of Investment. She is currently a Director on the Board of companies within the SICOM Group and is also a member of the Board of the MCB Group Ltd and of its Audit Committee, Remuneration, Corporate Governance, Ethics and Sustainability Committee and a member of the Board of MCB Equity Fund Ltd.

**Mr Ishwarlall BONOMAULLY (Reappointed on 30 November 2020)**

*Fellow of the Association of Chartered Certified Accountants  
MSc in Finance (UOM)*

Ishwarlall Bonomaully joined the former Income Tax Department (now Mauritius Revenue Authority) where he was Inspector of Taxes for 4 years. He was also an Accountant at the Management Audit Bureau for 15 years. During his career he has served on different boards of state-owned companies including the Development Bank of Mauritius Ltd, State Trading Corporation and Investment Support Programme (ISP) Ltd.

Ishwarlall Bonomaully is currently Director at the Ministry of Finance, Economic Planning and Development. He is mainly responsible for the formulation and finalisation of budgets and strategies for different sectors, the compilation of the five-year public sector investment programme and monitoring of capital projects, project appraisal and selection, and procurement policies.

**Mr Chelven CHENGABROYAN (Appointed on 29 September 2021)**

*MSc (Hons) in Finance from Cass Business School (UK) with specialisation in the valuation of derivatives and financial instruments*

*BSc (Hons) Accounting with Finance from the University of Mauritius*

*Member of the Institute of Chartered Accountants in England and Wales (ICAEW)*

*Fellow member of the Association of the Chartered Certified Accountants (ACCA)*

*Member of the Chartered Institute of Securities and Investment (CISI)*

Chelven Chengabroyan is a partner at NJC ASSOCIATES and a member firm of IECnet Global. Chelven has over 17 years of experience in audit and advisory services gathered both locally and internationally. Prior to this role, he was part of the management team of Kross Border Corporate Services (rebranded as Rogers Capital) for over 1 year and a Senior Manager at Deloitte & Touche (M.E.) in United Arab Emirates (UAE) for over 6 years specialised in the financial services industry.

He is a licensed Insolvency Practitioner.

Mr Dev K GOPY (Reappointed on 30 November 2020)

*Diplôme d'Etude Approfondies (DEA) in Finance*

*Maîtrise in Financial Management from Institut d'Administration des Entreprises (IAE), University of Montpellier II, France*  
*Qualified Stockbroker*

Dev Gopy joined SICOM in 2001 after working for a leading local banking institution. He is responsible for managing the investments of the SICOM Group locally and overseas. He is also responsible for the loans, leasing and collective investment schemes businesses of the Group as well as the operations of SICOM Global Fund Limited and SICOM Management Limited.

He currently serves as Executive Director on the Boards of State Insurance Company of Mauritius Ltd and SICOM Management Limited. He is also a Director of Cyber Properties Investments Ltd and has in the past been a Director of the Stock Exchange of Mauritius Ltd and the Central Depository and Settlement Co. Ltd.

Mrs Nandita RAMDEWAR (Reappointed on 30 November 2020)

*Fellow of the Association of Chartered Certified Accountants*

*Masters in Business Administration - specialisation in Finance, Manchester Business School*

*Fellow of the Mauritius Institute of Directors*

*Member of the International Fiscal Association (Mauritius)*

Nandita Ramdewar is the Group Chief Executive Officer as from 1 May 2021. She joined SICOM as Manager (Finance) in 1992 after working for a leading audit firm. Since then, she has been heading several business units of the Group at senior management level and has also acted as the Company Secretary. She has acquired along the years a broad experience in insurance, strategy, finance, investments, financial services, corporate matters and other fields. In February 2018, she was appointed Deputy Group Chief Executive Officer, besides acting as Chief Finance Officer. She was acting as Officer-in-Charge from August 2019 to April 2021.

She currently serves as Director on the Boards of State Insurance Company of Mauritius Ltd, SICOM General Insurance Ltd, SICOM Global Fund Limited, SICOM Management Limited and National Housing Development Co Ltd. She has in the past acted as the Chairperson of the Private Secondary Schools Authority and has been a Director of the Stock Exchange of Mauritius Ltd and Central Depository and Settlement Co. Ltd.

Mr Subiraj REEDOY (Appointed on 23 December 2020)

*BSc Social Work (UOM)*

*Masters in Business Administration (MBA), University of Mauritius*  
*LLB, University of London*

Subiraj (Ravi) Reedoy is a Consultant, having extensive experience in the Government services and the NGO sector. He has spent nearly 28 years in various positions in several Ministries, Government Institutions and Departments.

He has joined the Sugar Industry Labour Welfare Fund as Clerical Officer in 1991 to 1994 and subsequently was appointed as Community Development Officer up to September 2007.

He was then appointed as Project Manager at the Decentralised Cooperation Programme, Ministry of Finance and Economic Development, which was funded by the European Union to combat poverty alleviation, from 2007 to 2010.

He was appointed as Programme Coordinator at the Women and Children's Solidarity Programme operating under the Prime Minister's Office from 2010 to 2011. As programme coordinator he was then entrusted the responsibility to merge two programmes namely the Special Collaborative Programme for Support to Women and Children in distress operating under the Ministry of Gender Equality, Child Development and Family Welfare where he has been working until June 2019.

He is currently a Consultant working for many SMEs and NGOs for the development and sustainability of respective organisations in terms of training, mentoring and coaching.

Mrs Parvashi Devi MAHARAJE (Appointed on 27 August 2021)

*Associate Member of the Chartered Governance Institute UK & Ireland since 2014*  
*Fully qualified ICSA Professional*  
*Bachelor of Business Administration*

Parvashi Devi Maharajaje is a Chartered Corporate Governance Professional and is currently holding the post of Assistant Permanent Secretary at the Ministry of Financial Services and Good Governance. She reckons over 10 years of working experience, mostly acquired from the Financial Services Sector and Public Administration.

In 2017 she joined the Public Service as an Assistant Permanent Secretary under the Administrative Cadre of the Prime Minister's Office. During these 5 years in the Public Service, she has been posted at the Office of the President, the Ministry of Education and Tertiary Education, Science and Technology and the Ministry of Financial Services and Good Governance. She has assisted in the implementation of Government's policies and preparation of legislations. During her posting at the Office of the President she has been given the opportunity to organize high State Level functions and support the President of the Republic of Mauritius to uphold and defend the Constitution.

Before joining the Public Service, she has been working in Management Companies where she managed and administered portfolios of Global Business Companies, Funds and Trusts. She has also been a Board Member of the Financial Services Fund.

Mr Sarvesh SEETEEJORY (Appointed on 24 December 2020)

*Master's in Business Administration (MBA) specialization Marketing*  
*Post Graduate Certificate in Education (PGCE Business)*  
*BSc (Hons) Marketing Management*

Sarvesh Seetejory started his career as Assistance floor Manager at Discount Hyper Limited to eventually becoming Marketing Executive at the Kids Skills Ltd. Since 2012 till present, he has been imparting knowledge to students and guiding them in becoming better Mauritian Citizen as an Educator at the Bhujoharry Secondary College.

Lately, he has been employed as a part time Lecturer at the Open University in the field of Marketing

## Other directorships held by Members of the Board

### K G Bhoojedhur-Obeegadoo

- MCB Group Limited
- MCB Equity Fund Ltd
- State Insurance Company of Mauritius Ltd
- SICOM General Insurance Ltd
- SICOM Global Fund Limited
- SICOM Management Limited

### I Bonomaully

- Investment Support Programme (ISP) Ltd
- Development Bank of Mauritius (DBM) Ltd
- DBM Energy Ltd

### D K Gopy

- State Insurance Company of Mauritius Ltd
- SICOM Management Limited
- Cyber Properties Investments Ltd

### N Ramdewar

- State Insurance Company of Mauritius Ltd
- SICOM General Insurance Ltd
- SICOM Global Fund Limited
- SICOM Management Limited
- National Housing Development Co. Ltd

### S Reedoye

- Hope Foundation Ltd
- RavTech Co Ltd

## Company Secretary

DTOS Ltd

## Management's Profile

### Senior Executive Officer

Ruben Chadien joined SICOM in 1994 and has gathered knowledge and experience working in different departments of the company. He moved to SICOM Financial Services Ltd upon its setting up in 2000 and has, through time, gained a rich experience in Deposit Taking, Leasing, Loans and Unit Trusts administration.

He is today responsible for the day-to-day operations of SICOM Financial Services Ltd and manages the Loan portfolio of the Group.

Ruben holds an MBA from the University of Surrey (UK) and is a Fellow member of the Association of Chartered Certified Accountants (ACCA).

### Deputy Manager

Ameerah Kasenally-Boodoo joined the State Insurance Company of Mauritius Ltd in 2003 where she worked in the Investment Department before moving to SICOM Financial Services Ltd in 2008. She is currently the Deputy Manager and is assisting in the running of the Company's operations. Ameerah holds a BSc (Honours) in Economics from the London School of Economics and Political Science and an MBA from University of Birmingham (UK).



#### 4. MANAGER AND TRUSTEE DUTIES, REMUNERATION AND PERFORMANCE

##### 4.1 Manager's and Trustee's Duties

###### Manager

The Manager has the following main duties:

- Management and administration of all Funds for the benefit of Unit Holders
- Carry out and conduct business in an efficient manner
- Sale and Issue of Units
- Calculation of pricing for the Funds on a weekly basis
- Preparation of Annual Reports for both Funds

###### Trustee

The Trustee has the following main duties:

- Shall keep safe custody of Unit Holders accounts
- Ensure that all investments of the Unit Trusts are properly executed
- Manage the bank accounts of the Unit Trusts

The Manager and the Trustee are aware of their legal duties.

##### 4.2 Conflict of Interest

The Fund makes every effort to ensure that the Manager and the Trustee declare any interest and report to the Board regarding any related party transactions. An Interest Register is maintained by the Company Secretary and is updated as and when required. The register may be made available to the Shareholders of the Fund upon request to the Company Secretary. It is also to be noted that, at the end of each financial year, directors are requested to fill in a disclosure of interest form.

##### 4.3 Remuneration Policy

The remuneration of the Manager is 1% of the Net Asset Value of the Fund while that of the Trustee is 0.15% of the Net Asset Value of the Fund. The fees are in accordance with the Trust Deed.

##### 4.4 Information, Information Technology and Information Security Governance

Information security is a key component of the Manager's overall information security management framework and reflects management intents on information security commitments. The Manager gives high importance in safeguarding data and preserving confidentiality, integrity and availability.

## 5. RISK GOVERNANCE AND INTERNAL CONTROL

### 5.1. Risk Governance

The Board is ultimately responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take to achieve the Fund's strategic objectives. It is also responsible for the Fund's system of internal control and for reviewing its effectiveness.

#### 5.1.1. Financial Risks

The financial risks of the Fund have been set out in note xvii of these financial statements.

#### 5.1.2. Non-Financial Risks

- *Political, economic and social risk*

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the business of the Fund.

- *Compliance risk*

Compliance risk arises from failure or inability to comply with laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands and enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate. This risk is managed by the Compliance Department of SICOM.

### 5.2. Internal Controls

The Board is ultimately responsible for implementing, maintaining, monitoring and evaluating the internal control systems.

## 6. REPORTING WITH INTEGRITY

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

The Manager and Trustee are also responsible for keeping adequate accounting records, explaining the Fund transactions and disclosing, with reasonable accuracy, at any time, the financial position of the Fund.

## 7. AUDIT

### 7.1. External Audit

The Fund has appointed Ernst & Young to perform its external audit for the period 01 July 2020 to 30 June 2021. Audit fees of Rs 200,000 (excluding VAT) are payable to Deloitte for the audit of the financial year ended 30 June 2021.

Deloitte is subject to re-appointment at the next annual general meeting of shareholders of the Fund.

No non-audit services, excluding tax services, were provided to the Fund during financial year ended 30 June 2021.

### 7.2. Internal Audit and Compliance

The Manager has a service level agreement with SICOM whereby the latter provides the services of internal audit and compliance, among others. The following are examples of risk areas for the Fund:

Type	Risks
Financial	<ul style="list-style-type: none"><li>Liquidity and cash flow management.</li></ul>
Operational	<ul style="list-style-type: none"><li>The risk of over-reliance on key staff and service providers.</li><li>The risk that security of IT systems is breached leading to disruptions in operations and reputational damage.</li></ul>
Compliance	<ul style="list-style-type: none"><li>The risk of non-compliance with the regulatory framework resulting in reputational damage and fines.</li><li>The risk that data privacy related regulation is not complied with resulting in dissatisfaction of the owners of the data and reputational damage.</li></ul>

The Manager is assisted in its function of implementing, monitoring and evaluating the compliance controls by the Compliance Department of SICOM.

The role of the Compliance Department of SICOM is as follows:

- (i) Promoting compliance with the Anti-Money Laundering/Combating Financing Terrorism laws and regulations;
- (ii) Ensuring a speedy and appropriate reaction to any matter in which Money Laundering/Terrorism Financing is suspected;
- (iii) Providing information on regulatory changes

The Compliance Department of SICOM reports directly to the Board to maintain their independence and objectivity. There are no restrictions placed over the right of access by the Compliance Department to the records of the Fund and to the management of the Fund.

## 8. RELATIONS WITH UNITHOLDERS AND OTHER KEY STAKEHOLDERS

### 8.1. Fund's Unitholders

1. Number of units in issue as at 30 June 2021: 6,921,037 (2020: 6,789,471)
2. Number of units held by the Manager as at 30 June 2021: 1,300,262 (2020: 1,270,218)
3. Number of units held by the Directors as at 30 June 2021: 50,757 (2020: 49,931)

## 8. RELATIONS WITH UNITHOLDERS AND OTHER KEY STAKEHOLDERS (CONTINUED)

### 8.2. Fund's Key Stakeholders

The table below sets out the Fund's main stakeholders and how the Fund responds to their reasonable expectation and interests:

<b>Unitholders:</b>	<p>For the unitholders, the Fund will:</p> <ul style="list-style-type: none"> <li>• Ensure that no contributions will be made to political parties;</li> <li>• Conduct business honestly, fairly and responsibly;</li> <li>• Comply with legislation, industry regulations and prescribed practices;</li> <li>• Generate an attractive and sustainable return;</li> <li>• Not engage in restrictive trade practices and comply with competition laws;</li> <li>• Maintain executive responsibility for decision making on material matters;</li> <li>• Produce accurate and timely accounting statements and unitholder information;</li> <li>• Report developments that may have a material impact on the value of the unitholders' assets;</li> <li>• Strive to expand and maintain the business and profitability of the Fund; and</li> <li>• Take reasonable steps to protect and enhance the Fund's assets.</li> </ul>
<b>Potential Clients:</b>	<p>For the potential clients, the Fund will:</p> <ul style="list-style-type: none"> <li>• Act justly, fairly and in the best interests of each individual;</li> <li>• Communicate in an open, timely, honest and transparent manner;</li> <li>• Constantly strive to improve its products and services;</li> <li>• Deal with complaints and enquiries in a prompt and efficient manner;</li> <li>• Protect the confidentiality of information in accordance with the law and prescribed practices;</li> <li>• Render a responsible and effective service;</li> <li>• Report accurately on its performance and prospects; and</li> <li>• Uphold the letter and spirit of agreements it is party to.</li> </ul>
<b>Government and Regulatory Authorities</b>	<p>For the Government and Regulatory Authorities, the Fund will directly or through its Company Secretary:</p> <ul style="list-style-type: none"> <li>• Attend regular meetings with the regulators;</li> <li>• Attend to all written communication with the relevant authorities in a timely manner;</li> <li>• Effect regulatory returns as and when required;</li> <li>• Liaise with the regulators in connection with onsite and offsite supervision;</li> <li>• Seek regulatory approvals as and when necessary;</li> <li>• Comply with acts, regulations and guidelines; and</li> <li>• Ensure there is proper risk management and internal control.</li> </ul>

The Board confirms that the relevant stakeholders have been or will be involved in a dialogue on the Fund's position and its performance and outlook.

The Fund shall arrange for adoption of these financial statements by the shareholders through an annual general meeting.



For and on behalf of the Manager

Date :

29 OCT 2021

Name: SICOM Overseas Diversified Fund

Reporting Period: 30 June 2021

Throughout the year ended 30 June 2021, to the best of the Board's knowledge, the Fund has complied with all the obligations and requirements of the National Code of Corporate Governance for Mauritius (2016) (the 'Code') in all material aspects except for the assessment of individual Directors and their interest in the Fund on an individual basis, for reasons explained under Principle 3.1 and 8 of the Report.



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For and on behalf of the Manager

Date:

29 OCT 2021

**Independent auditor's report to the Members of  
SICOM Unit Trust - SICOM Overseas Diversified Fund**

20(a)

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of **SICOM Unit Trust - SICOM Overseas Diversified Fund** (the "Fund") set out on pages 21 to 41, which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standard Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other matter**

The financial statements for the year ended 30 June 2020 were audited by another auditor who, on 21 September 2020, expressed an unmodified opinion thereon.

**Other information**

The trustee and the manager are responsible for the other information. The other information comprises Management and Administration, the Manager's Investment Report and the Corporate governance report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

*Corporate Governance Report*

Our responsibility under the Financial Services Commission Circular Letter CL280218 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Fund has complied with the requirements of the Code.

**Responsibilities of trustee and manager for the Financial Statements**

The trustee and the manager are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and they are also responsible for such internal control as the trustee and the manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee and the manager are responsible for assessing the Fund'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 trustee and the manager either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The trustee and the manager are responsible for overseeing the Fund's financial reporting process.

**Independent auditor's report to the Members of  
SICOM Unit Trust - SICOM Overseas Diversified Fund (cont'd)**

20(b)

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the trustee and the manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund 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 those charged with governance 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.

**Report on other legal and regulatory requirements**

*Mauritius Companies Act 2001*

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Fund other than in our capacity as auditor and tax advisor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from our examination of those records.

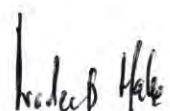
**Use of this report**

This report is made solely to the Fund's members, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Fund's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Deloitte**  
**Chartered Accountants**

29 October 2021



**Pradeep Malik, FCA**  
**Licensed by FRC**

**SICOM UNIT TRUST- SICOM OVERSEAS DIVERSIFIED FUND**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2021**

21.

	Notes	2021		2020	
		Rs.	% of Fund	Rs.	% of Fund
<b>ASSETS</b>					
Bank balances		1,650,989	1.29	14,139,893	15.18
Overseas quoted securities	5	127,567,953	100.04	83,214,292	89.31
Treasury Bills at amortised cost	6(a)	2,396,348	1.88	-	-
Income tax recoverable	9	198,228	0.16	67,386	0.07
<b>TOTAL ASSETS</b>		<b>131,813,518</b>	<b>103.37</b>	<b>97,421,571</b>	<b>104.56</b>
<b>LIABILITIES</b>					
Other payables	7	963,895	0.76	1,910,815	2.05
Dividend payable	8	3,325,855	2.61	2,334,899	2.51
<b>TOTAL LIABILITIES</b>		<b>4,289,750</b>	<b>3.37</b>	<b>4,245,714</b>	<b>4.56</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>127,523,768</b>	<b>100.00</b>	<b>93,175,857</b>	<b>100.00</b>
<b>NET ASSET VALUE PER UNIT</b>					
- Before distribution		<b>18.91</b>		<b>14.07</b>	
- After distribution		<b>18.43</b>		<b>13.72</b>	

29 OCT 2021

These financial statements have been approved for issue by the Manager on .....

Signed on behalf of the Manager by:



Signature

Mr. Q. S. Mahadeu



Signature

Mr. D. K. Gopy

The notes on pages 25 to 41 form an integral part of these financial statements.



**SICOM UNIT TRUST - SICOM OVERSEAS DIVERSIFIED FUND**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**22.**

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		Rs.	Rs.
Gain on disposal of assets		4,110,216	2,201,947
Net gain on Financial Assets at FVTPL		34,001,308	11,497,105
Other Income		622,720	1,409,673
	11	<b>38,734,244</b>	15,108,725
<b>FUND EXPENSES</b>			
Manager's fees	12	1,116,490	858,995
Trustee's fees	13	167,527	128,804
Auditor's remuneration		250,019	262,450
Other operating expenses		3,650	3,350
		<b>1,537,686</b>	1,253,599
<b>PROFIT FROM OPERATING ACTIVITIES</b>		<b>37,196,558</b>	13,855,126
<b>EQUALISATION</b>	3(d)		
<u>Add:</u> Income received on units created		-	49
<u>Less:</u> Income paid on units liquidated		-	(99)
		-	(50)
<b>Profit before taxation</b>		<b>37,196,558</b>	13,855,076
Income tax credit/(charge)	10(i)	130,842	(23,410)
<b>Profit for the year before distribution</b>		<b>37,327,400</b>	13,831,666
Other comprehensive income		-	-
Dividend distribution to unitholders		<b>(3,325,855)</b>	(2,334,899)
<b>Net Profit after distribution</b>		<b>34,001,545</b>	<b>11,496,767</b>
<b>APPROPRIATION OF PROFIT FOR DISTRIBUTION</b>			
<b>PROFIT FOR DISTRIBUTION</b>		<b>37,327,400</b>	13,831,666
Unrealised gain on fair value of investments		<b>(34,001,308)</b>	(11,497,105)
		3,326,092	2,334,561
Income brought forward		321	659
<b>Profit available for distribution</b>		<b>3,326,413</b>	2,335,220
Distribution to unitholders	8	<b>(3,325,855)</b>	(2,334,899)
<b>Profit for distribution carried forward</b>		<b>558</b>	321

The notes on pages 25 to 41 form an integral part of these financial statements.

**SICOM UNIT TRUST - SICOM OVERSEAS DIVERSIFIED FUND  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2021**

**23.**

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>Rs.</b>	<b>Rs.</b>
Net assets of the Fund at 01 July	93,175,857	80,937,959
Units created	2,005,359	2,055,294
Units liquidated	(95,425)	(257,720)
Profit not distributed for the year	34,001,864	11,497,424
Realised loss on disposal of securities	(1,563,566)	(1,056,441)
Income and distribution account	(321)	(659)
<b>Net assets of the Fund at 30 June</b>	<b><u>127,523,768</u></b>	<b><u>93,175,857</u></b>

The notes on pages 25 to 41 form an integral part of these financial statements.

**SICOM UNIT TRUST - SICOM OVERSEAS DIVERSIFIED FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**24.**

	Notes	2021	2020
		Rs.	Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation (after dividend and net gains on investments)		33,870,703	11,520,177
Adjustments for:			
Interest receivable		(980)	-
Gain on disposal of investment securities		(4,110,216)	(2,201,947)
Net gain on Financial Assets at FVTPL	5	(34,001,308)	(11,497,105)
Distribution to unitholders	8	3,325,855	2,334,899
<b>Operating (loss)/profit before working capital changes</b>		<b>(915,946)</b>	<b>156,024</b>
Decrease in other receivables		-	2,958
(Decrease)/increase in other payables		(946,922)	1,176,745
<b>Cash (used in)/generated from operations</b>		<b>(1,862,868)</b>	<b>1,335,727</b>
Dividend paid		(2,334,899)	(2,408,875)
Cost of investments purchased		(22,898,053)	(14,529,298)
Proceeds from investments sold/matured		12,696,982	22,127,940
<b>Net cash (used in)/generated from operating activities</b>		<b>(14,398,838)</b>	<b>6,525,494</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash received for units created	14(a)	2,005,359	2,055,294
Cash paid for units liquidated	14(a)	(95,425)	(257,720)
<b>Net cash generated from financing activities</b>		<b>1,909,934</b>	<b>1,797,574</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(12,488,904)</b>	<b>8,323,068</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JULY</b>		<b>14,139,893</b>	<b>5,816,825</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		<b>1,650,989</b>	<b>14,139,893</b>

The notes on pages 25 to 41 form an integral part of these financial statements.

## 1. GENERAL INFORMATION

SICOM Overseas Diversified Fund is an open ended Collective Investment Scheme established as a Unit Trust with its registered office situated at SICOM Building, Sir Celicourt Antelme Street, Port Louis. It was authorised under Section 3(1)(a) of the Unit Trust Act 1989 which was repealed and replaced by the Securities (Amendment) Act 2007 and established by a Supplemental Trust Deed dated 31 May 2006 between SICOM Financial Services Ltd (The Manager) and The Mauritius Commercial Bank Ltd (The Trustee).

A Unit Trust is a Collective Investment Fund requiring two parties, a Manager to carry out the investment function, and a Trustee which performs a fiduciary role on behalf of the investors.

The overall objective of the SICOM Overseas Diversified Fund is to maximise returns whilst acting prudently at all times and diversifying its portfolio with a long term view.

### 2.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

In the current year, the Fund has applied all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2020.

### 2.1 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED

#### (a) Standards and amendments to existing standards effective 1 July 2020

IAS 1	Presentation of Financial Statements - Amendments regarding the definition of material
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material
IAS 39	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of IBOR reform
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of IBOR reform
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of IBOR reform
Conceptual Framework	Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regards to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework

### 2.2 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

#### (b) New standards, amendments and interpretations effective after 1 July 2020 and have not been early adopted

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 1 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Error - Amendments regarding the definition of accounting estimates (effective 1 January 2023)

## 2.2 NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

### (b) New standards, amendments and interpretations effective after 1 July 2020 and have not been early adopted (Continued)

IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 7	Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments resulting from replacement issues in the context of the IBOR reform (effective 1 January 2021)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018-2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

There are standards, amendments to existing standards and interpretations in issue but not yet effective. They are mandatory for accounting periods beginning on or after the specified dates, but the Fund has not early adopted them and these are not expected to have a material impact on the financial statements of the Fund.

## 3. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of preparation

The financial statements of SICOM Overseas Diversified Fund comply with the Trust Deed and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss are stated at their fair value.

### (b) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Fund has become party to the contractual provisions of the financial instruments.

#### Financial assets

##### *Initial recognition, classification and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. The Fund initially measures a financial asset at its fair value plus, except in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income on debt instrument at amortised cost are recognised using the Effective Interest Rate method.

*Effective interest rate*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The Company's financial assets at amortised cost includes investment in treasury bills and cash at bank.

(ii) Financial assets at fair value through profit or loss (FVTPL)

This category has two sub-categories: 'financial assets held for trading and those designated at fair value through profit or loss at inception'. A financial asset is classified into the 'financial assets at fair value through profit or loss category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. The Company has classified its investment in equity securities as financial assets at fair value through profit or loss and these are managed on a fair value basis.

These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value. Changes in fair value are recorded in net gain/ (loss) on financial assets at fair value through profit or loss.

- *Impairment of financial assets*

Overview of the ECL principles

The Fund has been recording the allowance for expected credit losses on other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The Fund has invested in investment grade term deposits and hold these with reputable financial institutions. The credit risk have been assessed as low and ECL assessed to be insignificant.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (Continued)

- *Derecognition of financial assets*

The Fund derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Fund neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Fund recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Fund retains substantially all the risks and rewards of ownership of a transferred financial asset, the Fund continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities**

Financial liabilities are classified as other financial liabilities.

**Other financial liabilities**

Other financial liabilities, including net assets attributable to unitholders and other payables, are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(i) *Derecognition of financial liabilities*

The Fund derecognises financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(ii) *Units*

Units issued by the Fund are recorded at the proceeds received net of direct issue costs. They are redeemable at any time at the option of the unitholder for cash and do not have a par value and an unlimited number of units may be issued. The units are financial liabilities and therefore the net assets attributable to unitholders are classified within liabilities in the statement of financial position and distributions to unitholders are included as dividend in profit or loss.

(c) **Dividend and interest income**

Interest receivable from bank and treasury bills are credited to profit or loss on an accrual basis using effective interest method. Dividends receivable from securities are accounted for in profit or loss when the right for payment is established.

(d) **Equalisation**

Accrued income included in the issue and repurchase prices of units are dealt with in profit or loss.

(e) **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Taxation (Continued)

(i) *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

(ii) *Deferred tax*

Deferred taxation is provided on the comprehensive basis using the liability method. Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply on the period when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

(f) Foreign currency translation

Monetary assets and monetary liabilities denominated in foreign currencies at the end of the reporting period are translated into Mauritian rupees at the rate of exchange ruling at that date. Any exchange gains or losses arising are recognised in profit or loss. Foreign currency transactions are converted into Mauritian rupees at the exchange rate ruling at the dates of the transactions.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date fair value is determined.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(g) Fair value

Except where stated elsewhere, the carrying amounts of the Fund's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

The fair value of the financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets and financial liabilities is the current market price.

(h) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and 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. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.



**(i) Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They are measured at fair value, based on the relevant exchange rates at the reporting date.

**(j) Related parties**

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

**(k) Transactions costs**

Transactions costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents and brokers. Transactions costs, when incurred, are immediately recognised in profit or loss as an expense.

**(l) Distributions payable to unitholders**

Proposed distributions to unitholders are recognised in profit or loss when they are appropriately authorised and the decision is deemed irrevocable. The distribution on the units is recognised as dividend in profit or loss.

**(m) Change in net assets attributable to unitholders**

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of movements in net assets.

**4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in accordance with IFRS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

**4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

Areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Units in issue

The Fund has classified the units in issue as financial liabilities on the basis that apart from the contractual obligation to redeem the units, the Fund has a contractual obligation to distribute income to the unitholders either by way of dividend, bonus issue or in whatever form the Manager may think fit.

**5. OVERSEAS QUOTED SECURITIES**

**Financial Assets at Fair Value through Profit or Loss (FVTPL)**

(a) The movement in investments is as follows:

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
At 1 July	<b>83,214,292</b>	68,919,383
Additions	<b>20,502,685</b>	9,659,844
Disposals	<b>(10,150,332)</b>	(6,862,040)
Fair value gains/(losses)	<b>34,001,308</b>	11,497,105
<b>At 30 June</b>	<b><u>127,567,953</u></b>	<u>83,214,292</u>

(b) FVTPL investments are denominated in the following currency:

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
United States Dollar (USD)	<b><u>127,567,953</u></b>	<u>83,214,292</u>

(c) The Fund investments are summarised as follows:

	<u>2021</u>	2020	<u>% of Fund</u>	
	Rs.	Rs.	<u>2021</u>	<u>2020</u>
Mature Market	<b>32,273,630</b>	16,069,606	<b>25.31</b>	17.25
Mutual Funds:				
Equity Funds	<b>74,101,368</b>	51,215,518	<b>58.10</b>	54.96
Mixed Allocation Funds	<b>21,192,955</b>	15,929,168	<b>16.62</b>	17.10
	<b><u>127,567,953</u></b>	<u>83,214,292</u>	<b><u>100.04</u></b>	<u>89.31</u>

The overseas securities are stated at fair values, based on traded prices of the units of the funds published at 30 June 2021 and 2020.

6 (a). DEBT INSTRUMENT AT AMORTISED COST

LOCAL CURRENCY DENOMINATED DEPOSITS/TREASURY BILLS

TREASURY BILLS

	2021	2020
	Rs.	Rs.
Financial assets at amortised cost		
At 1 July	-	4,450,871
Additions	2,395,368	-
Interest receivable	980	-
Maturity	-	(4,450,871)
<b>At 30 June</b>	<b>2,396,348</b>	<b>-</b>

6 (b). FOREIGN CURRENCY DENOMINATED DEPOSITS

These comprise of the following:

	2021	2020
	Rs.	Rs.
<u>Cash and cash equivalents</u>		
Call deposits denominated in USD		
At 1 July	-	4,801,950
Additions	-	4,869,450
Maturity	-	(9,671,400)
<b>At 30 June</b>	<b>-</b>	<b>-</b>

7. OTHER PAYABLES

			% of Fund	
	2021	2020	2021	2020
	Rs.	Rs.		
Manager's fees	584,422	420,109	0.46	0.45
Trustee's fees	87,663	10,242	0.07	0.01
Auditor's remuneration	284,251	262,450	0.22	0.28
Payables for investment in shares	-	1,210,847	-	1.30
Other fees	7,559	7,167	0.01	0.01
	<b>963,895</b>	<b>1,910,815</b>	<b>0.76</b>	<b>2.05</b>

The carrying amount of other payables approximates their fair value due to their short term nature.

8. DIVIDEND PAYABLE - DISTRIBUTION TO UNITHOLDERS

	2021	2020
	Rs.	Rs.
Distribution of Rs 0.4807 (2020: Rs 0.3439) per unit	<b>3,325,855</b>	<b>2,334,899</b>

Distribution is recognised as a liability because in accordance with its Trust Deed, the Fund has to distribute its net income.

9. INCOME TAX RECOVERABLE

	2021	2020
	Rs.	Rs.
At 1 July	67,386	90,796
Credited/(Charged) to profit or loss (note 10(i))	<b>130,842</b>	(23,410)
<b>At 30 June</b>	<b>198,228</b>	<b>67,386</b>

10. TAXATION

Income tax is calculated at the rate of 15% on the net income of the Fund as adjusted for income tax purposes.

	2021	2020
(i) Income tax component	Rs.	Rs.
Credit/(Charge) for the year	<b>130,842</b>	(23,410)

10. TAXATION (CONTINUED)

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

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
Profit for the year	<u>37,196,558</u>	<u>13,855,076</u>
Tax calculated at 15% (2020: 15%)	5,579,484	2,078,261
Tax effects of:		
- Non deductible expenses	100,689	(330,293)
- Foreign Tax	(16,010)	-
- Income not subject to tax	<u>(5,795,005)</u>	<u>(1,724,558)</u>
<b>Tax (credit)/charge</b>	<u><b>(130,842)</b></u>	<u><b>23,410</b></u>

11. INVESTMENT INCOME

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
<i>Financial assets at amortised cost</i>		
Interest on deposits/tbills	980	112,563
Interest and net exchange gains on bank balances	521,845	1,186,675
<i>Financial assets at FVTPL</i>		
Dividend on overseas securities	99,895	110,435
Profit on disposal of overseas securities	4,110,216	2,201,947
Fair value gain	<u>34,001,308</u>	<u>11,497,105</u>
	<u><b>38,734,244</b></u>	<u><b>15,108,725</b></u>

12. MANAGER'S FEES

Manager's fees are paid to SICOM Financial Services Ltd based on 1% p.a of the Net Asset Value of the Fund. The fees which are calculated on a daily basis and are payable monthly in arrears.

13. TRUSTEE'S FEES

Trustee's fees are paid to the Mauritius Commercial Bank Limited based on 0.15% p.a of the Net Asset Value of the Fund. The fees are calculated on a daily basis and are payable monthly in arrears.

**14. UNITS**

(a) Movements in units during the year:

	2021		2020	
	No. of Units	Rs.	No. of Units	Rs.
Net assets of the Fund at 01 July	6,789,470.97	93,175,857	6,645,173.19	80,937,959
Units created	137,582.30	2,005,359	164,188.98	2,055,294
Units liquidated	(6,016.74)	(95,425)	(19,891.20)	(257,720)
Profit not distributed for the year	-	34,001,864	-	11,497,424
Realised loss on disposal of securities	-	(1,563,566)	-	(1,056,441)
Income and distribution account	-	(321)	-	(659)
<b>Net assets of the Fund at 30 June</b>	<b>6,921,036.53</b>	<b>127,523,768</b>	<b>6,789,471</b>	<b>93,175,858</b>

(b) Net asset value per unit:

	2021	2020
	Rs.	Rs.
NAV per unit (cum-div)	18.91	14.07
NAV per unit (ex-div)	18.43	13.72

(c) Prices per unit at 2021 and 2020 (valuation dates)

	2021	2020
	Rs.	Rs.
Issue price (cum-div)	18.61	14.20
Re-purchase price (cum-div)	17.73	13.51

**15. RELATED PARTY DISCLOSURES**

(a) The Fund is making the following disclosures in accordance with IAS 24 (Related Party Disclosures):

(i) Investment manager's holding company

	2021	2020
	Rs.	Rs.
Units in Fund held at fair value		
At 1 July (ex-div)	50,823,145	43,683,540
Additions	1,310,484	1,342,462
Change in fair value	19,977,779	7,107,627
At end (cum-div)	72,111,408	52,133,629
Dividend payable	(1,875,107)	(1,310,484)
<b>At 30 June (ex-div)</b>	<b>70,236,301</b>	<b>50,823,145</b>
Dividend payable to investment manager's holding company	1,875,107	1,310,484

15. RELATED PARTY DISCLOSURES (CONTINUED)

	2021	2020
	Rs.	Rs.
(b) <u>Investment manager</u>		
(i) Units in Fund held at end of year (fair value)	<u>23,965,842</u>	<u>17,431,946</u>
(ii) Investment Manager's fees	<u>1,116,490</u>	<u>858,995</u>
(iii) Dividend payable to Manager	<u>625,036</u>	<u>436,828</u>
(iv) Outstanding balances payable:		
- Manager's fees	<u>584,422</u>	<u>420,109</u>
(c) <u>Trustee</u>		
(i) Trustee's fees	<u>167,527</u>	<u>128,804</u>
(ii) Bank charges	<u>1,850</u>	<u>1,950</u>
(iii) Balances and deposits with local bank (Trustee)	<u>1,650,989</u>	<u>14,139,893</u>
(iv) Outstanding balances payable:		
- Trustee's fees	<u>87,663</u>	<u>10,242</u>

16. FINANCIAL RISK MANAGEMENT

16.1 Financial risk factors

The Fund's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and market price risk), credit and counterparty risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

A description of the significant risk factors is given below:

(i) Market price risk

The Fund trades in overseas quoted securities.

All securities investment present a risk of loss of capital. The Fund's investment securities are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund Manager moderates this risk through a careful selection of securities, investment diversification and by having investment limits. The maximum risk resulting from investment securities is determined by the fair value of the financial instruments. The Fund's overall market positions are monitored on a regular basis by the Fund Manager.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

16.1 Financial risk factors (continued)

(i) Market price risk (continued)

The following table details the Fund's sensitivity to a 5% increase/decrease in the prices of securities.

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
<i>Increase/decrease of 5% in the prices of securities</i>		
Increase/decrease in net assets attributable to Unitholders	<u>6,378,398</u>	<u>4,160,715</u>

(ii) Foreign currency risk

The Fund has overseas investments and cash at bank denominated in USD. The Manager monitors the Fund's currency position on a regular basis. The carrying amount of the Fund's foreign currency denominated assets and liabilities at the reporting date are as follows:-

<b>Assets</b>	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
Concentration of assets under: USD	<u>127,605,334</u>	<u>92,535,586</u>

**Liabilities**

The Fund has no foreign currency denominated liabilities.

Consequently the fund is exposed to risks that the exchange rate of the Rupee relative to those other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets which is denominated in currencies other than the Rupee.

The following table details the Fund's sensitivity to a 5% increase/decrease of the Rupee against the USD and GBP.

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
<i>Increase/decrease of 5% in rate of exchange</i>		
Increase/decrease in net assets attributable to Unitholders	<u>6,380,267</u>	<u>4,626,779</u>



**16. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**16.1 Financial risk factors (Continued)**

(iii) Interest rate risk

The Fund is not exposed to interest rate fluctuations on the international and domestic markets.

(iv) Credit and counterparty risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial instruments which potentially expose the Fund to credit and counterparty risk consist principally of cash and cash equivalents and investments in securities and treasury bills. The Fund seeks to mitigate its exposure to credit and counterparty risk by placing its cash and transacting its securities with reputable financial institutions.

(v) Liquidity risk

The Fund is exposed to daily cash redemptions of units and to repayment of other financial liabilities. Redemptions of units are permitted weekly. The Fund's other financial liabilities have contractual repayment ranging from on demand to six months. It therefore invests mostly in assets that are easily convertible into cash.

The Manager monitors the Fund's liquidity position on a regular basis. The Fund does not anticipate any significant liquidity concerns in funding redemption requests and other liabilities.

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial assets.

The Fund manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

The liquidity position of the Fund has remained strong as at 30 June 2021. Based on the projected business operations, interest income, and dividend income, Management does not expect any liquidity concerns in the foreseeable future.

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

16.1 Financial risk factors (Continued)

(v) Liquidity risk (Continued)

The maturity profile of the financial instruments is summarised as follows:

At 30 June 2021	On Demand	1 to 3 Months	3 months to 1 year	No Stated Maturities	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial assets</b>					
Overseas quoted securities at FVTPL	-	-	-	127,567,953	127,567,953
Treasury bills at amortised cost	-	2,396,348	-	-	2,396,348
Cash and cash equivalent at amortised cost	1,650,989	-	-	-	1,650,989
<b>Total financial assets</b>	<b>1,650,989</b>	<b>2,396,348</b>	<b>-</b>	<b>127,567,953</b>	<b>131,615,290</b>
<b>Financial Liabilities</b>					
Other payables	963,895	-	-	-	963,895
Dividend payable	-	3,325,855	-	-	3,325,855
Net assets attributable to unitholders	-	-	-	127,523,768	127,523,768
<b>Total financial liabilities</b>	<b>963,895</b>	<b>3,325,855</b>	<b>-</b>	<b>127,523,768</b>	<b>131,813,518</b>
<b>Total liquidity gap</b>	<b>687,094</b>	<b>(929,507)</b>	<b>-</b>	<b>44,185</b>	<b>(198,228)</b>
At 30 June 2020	On Demand	1 to 3 Months	3 months to 1 year	No Stated Maturities	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial assets</b>					
<i>Investment at FVTPL</i>					
Overseas quoted securities at FVTPL	-	-	-	83,214,292	83,214,292
Cash and cash equivalent at amortised cost	14,139,893	-	-	-	14,139,893
<b>Total financial assets</b>	<b>14,139,893</b>	<b>-</b>	<b>-</b>	<b>83,214,292</b>	<b>97,354,185</b>

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

16.1 Financial risk factors (Continued)

(v) Liquidity risk (Continued)

At 30 June 2020	On Demand	1 to 3 Months	3 months to 1 year	No Stated Maturities	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Financial Liabilities</b>					
Other payables	1,910,815	-	-	-	1,910,815
Dividend payable	-	2,334,899	-	-	2,334,899
Net assets attributable to unitholders	-	-	-	93,175,857	93,175,857
<b>Total financial liabilities</b>	<u>1,910,815</u>	<u>2,334,899</u>	<u>-</u>	<u>93,175,857</u>	<u>97,421,571</u>
<b>Total liquidity gap</b>	<u>12,229,078</u>	<u>(2,334,899)</u>	<u>-</u>	<u>(9,961,565)</u>	<u>(67,386)</u>

16.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market price at the end of the reporting period. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions. The quoted market price used for financial assets held by the Fund is the last traded price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as held-for-trading and measured at fair value through profit or loss.

The fair value hierarchy of the Fund's financial assets (by class) measured at fair value is analysed as follows:

At 30 June 2021

Assets	Level 1
	Rs.
Financial assets at FVTPL	
- Overseas quoted equities	<u>127,567,953</u>

At 30 June 2020

Assets	Level 1
	Rs.
Financial assets at FVTPL	
- Overseas quoted equities	<u>83,214,292</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include overseas quoted equities. The Fund does not adjust the quoted price for these instruments.

The nominal value less estimated credit adjustments of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

**17. IMPACT OF COVID-19**

The COVID-19 pandemic remains the most unprecedented recent global challenge, having significant detrimental effects on markets worldwide and that triggered a global equity market collapse in March 2020. Policymakers took drastic measures to support the economies by committing to keep rates low and enabling an increasingly accommodative monetary as well as fiscal policies. Despite the global economic activity rebounding strongly due to massive vaccination roll-outs and easing of restrictions, the environment remains challenging amid the mutations of the virus and inflation concerns amongst others.

No significant impact has been noted on the Fund's activities as explained below:

Investment securities

The Fund has invested quoted foreign equities. These investments are fair valued using available market prices which already reflect the COVID-19 impact. As at reporting date, the market value of these investments has increased due to improving market sentiment. The prices of these securities are being closely monitored and should increasing market volatility be observed, the investment strategies might be reviewed.

**18. EVENTS AFTER REPORTING DATE**

Subsequent to 30 June 2021 and through the date on which the financial statements were authorised for issue, management evaluated that there were no events that require disclosure or adjustments in these financial statements.



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