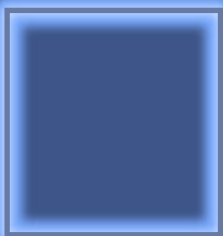




PORT-LOUIS FUND LTD

ANNUAL REPORT



2024



Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Port-Louis Fund Ltd for the Financial Year ended 30 June 2024.

The Directors' Report was approved by the Board on 4 November 2024 and the Audited Financial Statements were approved on 16 October 2024.



Mr. G. Goburdhun, G.O.S.K.
Chairman



Dr. R. Auckloo
Director

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CORPORATE DATA

	Date appointed
DIRECTORS	
: Mr. G. Goburdhun, G.O.S.K., Chairman	19 June 2019
Mr. Y.H. Aboobaker, S.C., C.S.K.	09 June 1997
Mr. V. Bhuguth	17 April 2000
Mr. V. Rambarassah	17 December 2008
Mrs. A.D.I. Ramphul-Punchoo	13 May 2015
Dr. R. Auckloo	23 August 2022

**COMPANY SECRETARY/
REGISTRAR &
TRANSFER OFFICE** : Prime Partners Ltd
15th Floor, Air Mauritius Centre
6, President John Kennedy Street
Port Louis
Republic of Mauritius

REGISTERED OFFICE : 15th Floor, Air Mauritius Centre
6, President John Kennedy Street
Port Louis
Republic of Mauritius

AUDITORS : Nexia Baker & Arenson (External Auditors)
Chartered Accountants
5th Floor, C&R Court
49, Labourdonnais Street
Port Louis
Republic of Mauritius

NJC Associates (Internal Auditors)
5th Floor, Orbis Court
St Jean Road
Quatre Bornes
Republic of Mauritius



CORPORATE DATA (CONT'D)

BANKERS

: Absa Bank (Mauritius) Limited
AfrAsia Bank Limited
Bank of Baroda
HSBC Bank (Mauritius) Limited
ICICI Bank Ltd (India)
MauBank Ltd
SBM Bank (Mauritius) Ltd
The Mauritius Commercial Bank Ltd

CUSTODIANS

: ICICI Bank Ltd (India)
SBM Bank (Mauritius) Ltd

FUND MANAGER

: Capital Asset Management Ltd
2nd Floor, Celicourt Building
6, Sir Celicourt Antelme Street
Port Louis
Republic of Mauritius

FOREIGN FUND MANAGERS

: BlackRock
Fidelity Investments International
Franklin Templeton Investments Ltd
Imara Asset Management Ltd
T. Rowe Price Group



STATUTORY DISCLOSURES

The Board of Directors (the “Board”) of Port-Louis Fund Ltd (the “Fund”, “PLF”) is pleased to present the Annual Report together with the audited financial statements of the Fund for the year ended 30 June 2024.

Incorporation

The Fund is a Collective Investment Scheme as per Securities Act 2005. The Fund was incorporated on 09 June 1997 as a Public Company with limited liability. It initially obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Mauritius Companies Act 1984, then replaced by the Mauritius Companies Act 2001.

Principal activities

The principal activities of the Fund are:

- (a) to carry on business as an investment holding company;
- (b) to deal in securities and properties of all kinds; and
- (c) to manage and advise on investment funds.

Results and dividends

The results for the year are as shown on page 61.

For the year under review, the Directors have declared a dividend of **Rs 37,515,884** representing **Rs 0.75** per share on 24 June 2024 to all shareholders registered on close of business on 24 June 2024 (2023: Rs 25,081,420 representing Rs 0.50 per share).

Directors

The present membership of the Board is set out on page 2.

Directors’ responsibilities in respect of the financial statements

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Fund. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

STATUTORY DISCLOSURES (CONT'D)

Directors' responsibilities in respect of the financial statements (cont'd)

The Directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements are in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' service contracts

The Fund has no service contracts with its Directors.

Directors' remuneration and fees

During the year ended 30 June 2024, the Directors received an aggregate amount of Rs 1,170,000 (2023: Rs 869,044) as fees from the Fund.

	2024 Rs'000	2023 Rs'000
Mr. G. Goburdhun, G.O.S.K.	192*	158*
Mr. Y. H. Aboobaker, S.C., C.S.K.	210	158
Mr. V. Bhuguth	212	160
Mr. V. Rambarassah	192	143
Mrs. A. D. I. Ramphul-Punchoo	160*	134*
Dr. R. Auckloo	204	116
Total	1,170	869

**The Directors' remuneration for Mr. G. Goburdhun, G.O.S.K. and Mrs. A. D. I. Ramphul-Punchoo were paid to The State Investment Corporation Limited.*

Directors' share interests

No shares are held by the Directors in the Fund.

Donations

No donation was made during the financial year ended 30 June 2024 (2023: Rs Nil).



STATUTORY DISCLOSURES (CONT'D)

Auditors

Nexia Baker & Arenson were the External Auditors during the financial year ended 30 June 2024 (2023: Grant Thornton Mauritius). The re-appointment of External Auditors for the next financial year will be considered at the Annual Meeting of Shareholders. The fees to the Auditors were as follows:

	2024	2023
	Rs'000	Rs'000
Audit services (VAT exclusive)	300	315
Tax services (VAT exclusive)	25	27

Mr. G. Goburdhun, G.O.S.K
Chairman

Dr. R. Auckloo
Director

Date: 16 October 2024

STATUTORY DISCLOSURES (CONT'D)

Disclosure as per Sixth Schedule of the Securities (Collective Investment Scheme and Close-End Funds) Regulations 2008, Securities Act 2005.

Financial Highlights	2022 (Rs'000)	2023 (Rs'000)	2024 (Rs'000)
Net asset value at beginning of year	1,834,188	1,823,421	1,850,706
Total revenue	42,821	50,020	60,110
Total expenses	22,814	22,167	23,417
Realised gains (losses) for the period	-3,977	-1,385	356
Unrealised gains (losses) for the period	-1,088	20,940	344,393
Total increase (decrease) from operations	17,864	49,168	385,723
Total Annual Distributions	25,068	25,081	37,516
Net asset value at end of year prior to share capital adjustment	1,826,984	1,847,508	2,198,913
Net asset value at end of year post share capital adjustment	1,823,421	1,850,706	2,193,438
Key indicators	2022	2023	2024
Number of shares outstanding	50,062,483	50,158,955	50,019,668
Management expense ratio	1.25%	1.20%	1.07%
Portfolio turnover ratio	1.44%	0.68%	1.11%



CORPORATE GOVERNANCE REPORT

PORT-LOUIS FUND LTD (the “Fund”, “PLF”) is committed to promote high standards of Corporate Governance. The Governance Framework has been established to ensure that Directors of the Fund and employees of service providers fulfil their functions responsibly whilst protecting and furthering the interest of stakeholders. The Company is a Public Interest Entity, as defined by law and the Board strives to promote transparency within the Company.

This Governance Report sets out how the Fund has applied the principles contained in the National Code of Corporate Governance (2016) (“the Code”) and provides explanations for any deviation /non-compliance.

PRINCIPLE 1 – Governance Structure

“All organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified.”

Governance Framework

The Board is ultimately responsible for providing effective leadership and is responsible and accountable for the affairs of the Fund. The Board assumes responsibility for, inter alia, setting the strategic direction, overseeing the financial and investment affairs, corporate governance, risk management, internal control and compliance issues.

The Board fulfils its duties and responsibilities as defined in the Fund’s Constitution and the Mauritius Companies Act 2001 (the Act), amongst others.

The Directors of the Company are skilled, knowledgeable and experienced professionals. The Board takes its fiduciary responsibilities very carefully. Each director is appointed with the understanding of the amount of time and care that he/she will need to devote to the Board and to the organisation for it to prosper. The Board has approved all the guiding documents and policies, including Board/Committee Charters and job description of key governance positions. The following governance documents are available on the Company’s website:

- Constitution;
- Code of Ethics;
- Board and Committee Charters;
- Organisation Chart; and
- Job Description of key Governance Position.

The key guiding documents are reviewed regularly to keep abreast of the development in law, regulations and governance best practice. Any changes are approved by the Board.

Key Governance Responsibilities

The Board ensures that the key governance positions within the organisation are matched with the corresponding accountabilities.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 – Governance Structure (Cont'd)

Chairperson of the Board

The Chairperson of the Board is responsible for the activities of the Board and its Sub-Committees. He acts as spokesman for the Board and is the principal Board contact for the Management team. The Chairperson and the Management team meet regularly. The Chairperson of the Board presides over the meetings of shareholders.

The key responsibilities of the Chairperson of the Board are to ensure that:

- (i) the Board fulfils its duties;
- (ii) Board Members, when appointed, participate in an induction program and, if needed, in supplementary training programs;
- (iii) Board Members receive all the information necessary for them to perform their duties;
- (iv) the agenda of Board meetings are determined;
- (v) the Board meetings are chaired in an effective manner;
- (vi) the Board has sufficient time for deliberation and decision-making;
- (vii) minutes of Board and Committee meetings are properly recorded and stored;
- (viii) the Committees function properly;
- (ix) consultations are held with external advisors appointed by the Board;
- (x) the performance of Board Members is evaluated regularly;
- (xi) problems related to the performance of individual Board Members are addressed;
- (xii) internal disputes and conflicts of interest concerning individual Board Members, including the possible resignation of such Members as a result, are addressed; and
- (xiii) the Board has proper contact with the Management team.

Mr. G. Goburdhun, G.O.S.K. is the Chairperson of the Board.

Chairperson of the Audit and Risk Committee

The Chairperson of the Audit and Risk Committee works in close cooperation with and provides support and advice to the Chairperson of the Board. He has the following responsibilities, amongst others:

- to provide risk expertise to the Committee;
- to ensure that the financial statements comply with the appropriate accounting standards;
- to guide and advise the Board on an appropriate risk management framework; and
- to report the deliberations of the Audit and Risk Committee to the Board.

Mr. V. Bhuguth was the Chairperson of the Audit and Risk Committee during the financial year under consideration and up to 26 September 2024.

Dr. R. Auckloo has been appointed Chairperson of the Committee as from 26 September 2024.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 – Governance Structure (Cont'd)

Chairperson of the Corporate Governance Committee

The Chairperson of the Corporate Governance Committee works in close collaboration with, and provides support and advice to the Chairperson of the Board. He has the following responsibilities, amongst others:

- to provide expertise in the areas of corporate governance;
- to ensure that the Board is up to the standard with the Code;
- to report the deliberations of the Corporate Governance Committee to the Board; and
- to ensure that an evaluation is carried out each year of the Board performance.

Mr. Y. Aboobaker, S.C., C.S.K. is the Chairperson of the Corporate Governance Committee.

Chairperson of the Investment Committee

The Chairperson of the Investment Committee provides support and advice on the following:

- Investment strategies, policies and guidelines;
- New investment proposals; and
- Disposal of unquoted and/or strategic investments.

Mr. V. Rambarassah is the Chairperson of the Investment Committee.

Company Secretary

The Company Secretary is appointed by the Board. The role of the Company Secretary is to ensure that Board Members have the proper advice and resources for performing their duties under the relevant legal frameworks. The Company Secretary is also responsible for organisation and coordination of the Board and Committee meetings, and ensuring that the records, or minutes of those meetings, reflect the proper exercise of those duties.

Prime Partners Ltd, a wholly owned subsidiary of The State Investment Corporation Limited, is the Company Secretary of PLF. Prime Partners Ltd is a Corporate Service Provider and licenced by FSC for the Registry and Transfer Office Services.

Other Key Governance Positions

Management of Port-Louis Fund Ltd

The management of the Fund has been outsourced to a CIS Manager, namely, Capital Asset Management Ltd, (“CAM”). CAM is licensed by the Financial Services Commission as a CIS Manager and Investment Advisor (Unrestricted) under the Securities Act 2005. The Board has not deemed it necessary to appoint a Chief Executive Officer and Executive Directors. Representatives of CAM attend the Fund’s Board/Committee meetings and assist Directors in the decision-making process.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 1 – Governance Structure (Cont'd)

Management Team CAM

Mr. Vedprakash Auckaloo, Executive Director, holds an M.Sc. in Financial Management, a B.Sc. (Hons) in Economics, an LLB (Hons) and a Postgraduate Diploma in Digital Business. He has more than 25 years of experience in the financial services sector and had previously worked in the Government service and in the banking sector. He joined CAM in 2001.

Ms. Shweta Beeharee, Portfolio Manager, joined CAM in 2007. She holds an MBA from Ducere Global Business School (Australia) and a B.A (Hons.) in Law and Management. She is a Fellow of the Association of Chartered Certified Accountants (FCCA). She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 22 years of experience in the financial services and regulatory sectors.

Mrs. Rachna Nunkoo, Senior Accountant, joined CAM in October 2017. She is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Financial Management awarded by Heriot-Watt University, UK. She is also a member of the Mauritius Institute of Professional Accountants (MIPA). She has more than 13 years of experience in the financial services sector ranging from Auditing, Private Equity and Real Estate Investment Fund Services, Accounting, Finance and Administration.

Other Team Members at CAM

Mr. Rishi Jomadar, Investment Analyst, joined the investment team in September 2019. He holds an M.Sc. in International Management and is an ACCA Affiliate. He has over 15 years of experience in the financial sector. He also holds an investment foundation programme certificate.

Mr. Vashil Seebaluck, Investment Analyst, joined the investment team in January 2024. He holds a B.Sc. (Hons) in Business Economics & Investment Analysis and an M.Sc. in Financial Economics. He is also pursuing Level 1 CFA. He has over 6 years of experience in the financial sector.

Mr. Amit Kumar Maheeput, Accountant, joined CAM in January 2024. He is a member of the Association of Chartered Certified Accountants (ACCA) and a member of the Mauritius Institute of Professional Accountants (MIPA). He also holds an MBA and an M.Sc. in Professional Accountancy awarded by the University of London, and a Post Graduate Diploma in Law awarded by Leeds Beckett University (UK). He has over 11 years of experience in the accounting, finance and regulatory services.

Ms. Umme Salma Nauyock, Assistant Investment Analyst, joined the investment team in October 2019. She holds a B.Sc. (Hons) in Business Statistics with Finance and has over 9 years of experience in the financial services sector.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees

“The Board should contain independently minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the Board’s decision taking. The Board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate Board committees may be set up to assist the Board in the effective performance of its duties.”

Board Structure

Governance of the Fund is vested in a unitary Board with:

- 3 Non-Executive Directors;
- 3 Independent Non-Executive Directors.

The Board is responsible for the stewardship of PLF, overseeing its strategy, conduct and affairs to create sustainable value growth for the shareholders. The Directors are: -

Director Name	Role	Category
Mr. Goolabchand Goburdhun, G.O.S.K.	Chairperson	Non-Executive
Mr. Yusuf Hassam Aboobaker, S.C., C.S.K.	Member	Independent
Mr. Vijay Bhuguth	Member	Independent
Mr. Veenay Rambarassah	Member	Non- Executive
Mrs. Anista Devi Indira Ramphul-Punchoo	Member	Non- Executive
Dr. Rajcoomar Auckloo	Member	Independent

Board Diversity

The Board is well balanced and is of the appropriate size to discharge its duties, having regard to the activities and size of the Fund. The Board comprises Directors who are sufficiently experienced and independent of character and judgement. The Board consists of an appropriate mix of diverse skills and experience.

The Board complies with the requirements for gender representation in its membership.

Only Directors attend Board Meetings. Management and other subject matter experts attend the meeting or part thereof on invitation of the Board. The use of Alternate Director is discouraged. A clear division of responsibilities at Board level ensures that no Director has unfettered powers in decision making.

All Directors are resident in Mauritius.

The Chairperson of the Board and the Chairpersons of the Board Committees are all appointed based on their relevant knowledge and experience in these key governance roles.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Executive Directors

Since management of the Fund has been outsourced to CAM, it has not been deemed necessary to appoint a Chief Executive Officer and/or Executive Directors. Representatives of CAM attend Board/Committee meetings and assist the Directors in the decision-making process.

The Board is of the view that the appointment of two executive directors on the Board, as required by the Code, is not necessary taking into consideration the present level of operations of the Fund and given the current working arrangement with CAM.

Director's Independence Review

The Board is determined to ensure on an annual basis and as and when the circumstances require, whether a Director is independent. Additionally, rigorous review is conducted and particular consideration is given to Directors who have served on the Board for more than nine consecutive years, from the date of their first election. The Board has considered the following Directors as Independent Directors of the Fund:

- Mr. Yusuf Hassam Aboobaker S.C., C.S.K.
- Mr. Vijay Bhuguth
- Dr. Rajcoomar Auckloo

The Board recognises that over time Independent Directors develop significant insights in the Fund's business and operations and can contribute objectively to the Board as a whole. In circumstances where a Director has served as an Independent Director for over nine years, the Board does a rigorous review of their continuing contribution and independence.

Messrs. Yusuf Hassam Aboobaker S.C., C.S.K. and Vijay Bhuguth have served on the Board as Independent Directors for more than nine years.

The Board has noted that although Mr. Yusuf Hassam Aboobaker S.C., C.S.K. and Mr. Vijay Bhuguth have served the Board for more than nine years, their independence have not been affected, as they continued to exercise independent judgement and demonstrate objectivity in their conduct and deliberations at Board and Board Committees.

Role of Non- Executive Directors

The Non-Executive Directors constructively challenge and help develop proposals on strategy, review the performance of management in attaining goals and objectives and monitor the reporting of performance. The Non-Executive Directors meet and hold discussion regularly without the presence of Management.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Powers of the Board

The Board is responsible for establishing the Fund’s purpose, values and strategy, promoting its culture and overseeing its conduct and affairs to create sustainable value for the benefit of the Shareholders over the short, medium and long-term. The objectives of the Board are to work in unity with the Management Team to achieve not only profitability, but also long-term sustainability of the Fund.

The Board serves as the focal point and custodian of the Fund’s corporate governance. It is responsible for providing ethical and effective leadership to the Fund.

The key roles and responsibilities of the Board of Directors are set in the Board Charter. The Board is aware of its responsibility to ensure that the Fund adheres to all relevant legislations.

Board Meetings

The Board met thirteen (13) times during the financial year ended 30 June 2024 and deliberated on a range of issues including:

- examination and endorsement of the recommendations of various Board Committees;
- review of asset allocation, investment strategy of the Fund and its performance;
- governance and internal audit issues;
- approval of audited accounts;
- valuation of unquoted shares in the portfolio;
- declaration and payment of dividends; and
- review of request for proposals for allocation of contracts to External Auditors and Internal Auditors.

Board Attendance

The following table depicts the attendance of Directors at Board meetings during the year under review:-

Directors	Category	Board
Mr. G. Goburdhun, G.O.S.K.	Non- Executive	13/13
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	13/13
Mr. V. Bhuguth	Independent	13/13
Mr. V. Rambarassah	Non-Executive	12/13
Mrs. A. D. I. Ramphul Punchoo	Non-Executive	11/13
Dr. R. Auckloo	Independent	12/13

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Board Committees

The Board has established Committees to assist in fulfilling its responsibilities. The Board acknowledges that delegating authorities to these Committees does not detract it from its responsibility to discharge its fiduciary duties to the Fund.

As focal point of the Corporate Governance system, the Board is ultimately responsible and accountable for the performance and affairs of the Fund. The following Committees have been established to assist the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board:

- Audit & Risk Committee;
- Corporate Governance Committee; and
- Investment Committee.

The objectives of these Committees are (i) to bring focus and appropriate expertise and specialisation to the consideration of specific Board issues; (ii) to enhance Board efficiency and effectiveness; (iii) to enable key issues to be studied in depth; and (iv) to make recommendations to the Board.

The Board reviews each Committee's Charter which sets out the roles, responsibilities, scope of authority and composition of the Committee. The Board ensures that the Fund is being managed in line with the Fund's objectives through deliberations and reporting of its various Committees.

Audit & Risk Committee

The Audit & Risk Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Committee was approved by the Board and is available on the website of the Fund.

The Board considers that the members of the Audit & Risk Committee are appropriately qualified to discharge their responsibilities of the Audit & Risk Committee.

The Audit & Risk Committee has the explicit authority to investigate any matter within its terms of reference. In addition, the Audit & Risk Committee has full access to and co-operation of Management as well as full discretion to invite any Director to attend its meetings.

The duties of the Audit & Risk Committee include amongst others:

- Examining and reviewing the quality and integrity of the financial statements of the Fund including its annual report;
- Ensuring compliance with International Financial Reporting Standards and legal requirements;
- Reviewing the adequacy and effectiveness of the Fund's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems;
- Reviewing the annual compliance work plan and other reports from the Compliance function;



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Audit & Risk Committee (cont'd)

- Ensuring the Internal Auditor has direct access to the Chairperson of the Board and to the Chairperson of Committee and is accountable to the Committee;
- Considering and making recommendations to the Board, to be put to shareholders for approval at the Annual Meeting of Shareholders, in relation to the appointment, re-appointment and removal of the Fund's External Auditors;
- Making recommendations to the Board as it deems appropriate, on any area within its remit where action or improvement is needed.

In performing its function, the Audit & Risk Committee meets with the internal and external auditors. Where necessary, the Audit & Risk Committee also meets separately with the internal and external auditors whereby any issue may be raised directly to the Audit & Risk Committee, without the presence of Management. The internal and external auditors have unrestricted access to the Audit & Risk Committee.

The Committee met seven (7) times during the year. It examined the Audited Financial Statements, discussed issues raised by the External and Internal Auditors and deliberated on their recommendations and considered the annual compliance plan and the statutory compliance report of the Fund.

Members and Attendance

Directors	Role	Audit & Risk Committee
Mr. V. Bhuguth (Chairperson)(Up to 26 September 2024)	Chairperson	7/7
Mr. Y. Aboobaker, S.C., C.S.K.	Member	7/7
Dr. R. Auckloo	Member	7/7

As from 26 September 2024, the Audit & Risk Committee has been re-constituted as follows:

Dr. R. Auckloo	-Chairperson
Mr. V. Bhuguth	-Member
Mr. Y. Aboobaker	-Member
Mrs. A. D. I. Ramphul Punchoo	-Member

Corporate Governance Committee

The Corporate Governance Committee is governed by a Charter in line with the provisions of the Code. The Charter of the Corporate Governance Committee was approved by the Board and is available on the website of the Fund.

The Corporate Governance Committee is a useful mechanism for making recommendations to the Board on various corporate governance issues so that the Board remains effective and complies with good governance principles.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Corporate Governance Committee (cont'd)

The duties of the Corporate Governance Committee include the following:

- Oversee the implementation of the corporate governance framework;
- Periodically review and evaluate the effectiveness of the Fund's Code of Conduct and Ethics;
- Review the position descriptions of the Chairperson, and Board Committee Chairs and recommend any amendment to the Board; and
- Review annually the size and composition of the Board as a whole.

The Committee met twice during the year. It examined the Corporate Governance Report for the financial year ended 30 June 2023 and the composition of the Board.

Members and Attendance

Directors	Role	Corporate Governance Committee
Mr. Y. Aboobaker, S.C., C.S.K.	Chairperson	2/2
Mr. V. Rambarassah	Member	2/2
Mrs. A. D. I. Ramphul-Punchoo	Member	2/2

Investment Committee

The Investment Committee is governed by a Charter which was approved by the Board and is available on the website of the Fund.

The main function of the Investment Committee is to advise the Board on asset allocation, investment policies, processes, strategies and on optimal risk/return level. During the year, the Committee reviewed the evolving financial market conditions and deliberated on investment opportunities available on both the local and international fronts and reviewed the asset allocation of the Fund. In addition, the Committee reviewed the exposure of the Fund in terms of investment in unquoted shares and discussed about options available to dispose of part of the shares held in unquoted shares to reduce concentration risk.

The Investment Committee met twice during the year.

Members and Attendance

Directors	Role	Investment Committee
Mr. V. Rambarassah	Chairperson	2/2
Mr. Y. Aboobaker, S.C., C.S.K.	Member	2/2
Mr. V. Bhuguth	Member	2/2
Dr. R. Auckloo	Member	2/2



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Directors' Profile

Mr. G. Goburdhun, G.O.S.K. is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Finance from the University of Mauritius. He has been appointed as Managing Director of The State Investment Corporation Limited ('SIC') since April 2019. He holds directorship on various SIC Investee Companies, including Lottotech Ltd, Casino Companies, SIC Development Co. Ltd, SBM (Mauritius) Infrastructure Development Company Ltd, Mauritius Shipping Corporation Limited and Ebene Car Park Ltd. He is also the Director of Air Mauritius Limited, Airports of Mauritius Co. Ltd, Pointe Coton Resort Hotel Co. Ltd and Cote d'Or International Racecourse and Entertainment Complex Ltd, which are not investee companies of SIC.

Mr. Goburdhun has extensive experience in the field of auditing, accounting and finance. He is registered with the Mauritius Institute of Professional Accountants as 'Professional Accountant'.

In the past, Mr. Goburdhun was in public practice as Chartered Certified Accountant providing services relating to Accounting, Auditing, Management, Tax Consultancy and Corporate Secretarial Services. Previously, he held Chairmanship on various Government-related companies/institutions such as MauBank Holdings Ltd, MauBank Ltd, National Pensions Board and Responsible Gambling and Capacity Building Fund of the Gambling Regulatory Authority.

Mr. Y. H. Aboobaker, S.C., C.S.K., holds a B.A (Hons) in Economics. He is a Senior Counsel practicing at the Bar of Mauritius since March 1972 and sits on the board of some of the leading companies in Mauritius. Mr. Y. H. Aboobaker, S.C., C.S.K. was a Director of Compagnie Immobiliere Limitee and FUEL. He has been the Chairperson of the Bar Association and of the Electoral Supervisory & Boundaries Commission.

Mr. V. Bhuguth is a Fellow of the Association of Chartered Certified Accountants (FCCA). He reckons 31 years of experience in accounting firms and holds a post-graduate diploma in International Tax Planning from the University of Miami. Mr. Bhuguth is presently leading a licensed audit firm. He is also Director of National Investment Trust since May 2024.

Mr. V. Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an M.Sc. in Finance and Investment. He is currently Director Investment of National Pensions Fund. He has a wide experience in investment, accounting and finance fields. He was also Chairperson of The Eastern and Southern African Trade Development Bank.

Mrs. A. D. I. Ramphul Punchoo is Senior Investment Executive at The State Investment Corporation Limited (SIC). She holds a B.Sc. Econ Banking and Finance from University of Cardiff Wales, UK. She is also member on several Boards of SIC Investee Companies such as Casino de Maurice Ltd and Rodrigues Educational Development Co Ltd.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Directors' Profile (cont'd)

Dr. R. Auckloo is a Fellow of the Association of Chartered Certified Accountants (UK 2000) and Fellow of the Mauritius Institute of Directors (FMID). He is also a Board Director of the University of Mauritius, since May 2022. Dr. Auckloo holds a PhD in Human Resource Development; an MBA with specialisation in Finance; M.Sc. Information Technology; B.Sc. (Hons) Accounting; a Diploma in Accountancy and a Certificate in Business Studies from the University of Mauritius. He joined the HRDC in 2005 as Manager – Corporate. He was appointed Director of the Human Resource Development Council (HRDC) in June 2009. He started his rich career as Officer / Executive Officer at the National Transport Authority in 1981 before he was promoted to Road Transport Inspector. He worked as Accounting Technician/Senior Accounting Technician and was subsequently appointed Financial & Management Analyst/Senior Financial & Management Analyst at the Management Audit Bureau - Ministry of Finance, where he worked for 10 years.

Directorship in other companies

Company	Mr. G. Goburdhun, G.O.S.K.	Mr. V. Rambarassah	Mr. Y. H. Aboobaker, S.C., C.S.K.	Mrs. A. D. I. Ramphul Punchoo	Mr. V. Bhuguth	Dr. R. Auckloo
National Investment Trust Limited		√			√	
The State Investment Corporation Limited	√					
Capital Asset Management Ltd	√					
Prime Partners Ltd	√					
SIC Development Co. Ltd	√					
Casino de Maurice Limited	√					
Le Caudan Waterfront Casino Limited	√					
Grand Baie Casino Ltd	√					
Le Grand Casino du Domaine Limitee	√			√		
SIC Management Services Co. Ltd	√					
Guibies Holdings Ltd	√					
Guibies Properties Ltd	√					
Prime Real Estate Limited	√			√		
Compagnie Mauricienne D'Hippodromes Limitee	√					
EREIT Management Ltd	√					
MJTI Properties Co. Ltd	√					
Lakepoint Ltd	√					
State Investment Finance Corporation Ltd	√					
Le Val Development Co. Ltd	√					
SBM (Mauritius) Infrastructure Development Company Ltd	√					



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 2 – The Structure of The Board And Its Board Committees (Cont'd)

Directorship in other companies (cont'd)

Company	Mr. G. Goburdhun, G.O.S.K.	Mr. V. Rambarassah	Mr. Y. H. Aboobaker, S.C., C.S.K.	Mrs. A. D. I. Ramphul Puchoo	Mr. V. Bhuguth	Dr. R. Auckloo
Mauritius Technologies Holdings Ltd				√		
Industrial Finance Corporation of Mauritius (Equity) Ltd	√					
National Real Estate Ltd	√					
Mauritius Cargo Community Services Ltd	√					
Air Mauritius Limited	√					
Air Mauritius Holdings Ltd	√					
Airports of Mauritius Ltd	√					
Pointe Coton Resort Hotel Co Ltd	√					
Ebene CarPark Ltd	√					
Lottotech Ltd	√					
Mauritius Estate Development Corporation Ltd	√					
Mauritius Shipping Co. Ltd	√					
Côte d'Or International Racecourse and Entertainment Complex Ltd	√					
Beach Casino Ltd				√		
Sun Casino Ltd				√		
Rodrigues Educational Development Co. Ltd				√		
Island Resorts Ltd				√		
Eastern and Southern African Trade Fund		√				
The Eastern and Southern African Trade Development Bank		√				

Directorship on listed companies

Mr. G. Goburdhun, G.O.S.K. is a Non-Executive Director of Lottotech Ltd.

Mr. V. Rambarassah and Mr. V. Bhuguth are members of the Board of National Investment Trust Limited.

The other Board Members of the Fund do not hold directorship on Listed Companies.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 3 – Directors Appointment Procedures

“There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of Directors. The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard to the benefits of diversity on the Board, including gender). The Board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.”

The Constitution of the Fund provides that the minimum number of directors shall be five (5) and the maximum shall be nine (9).

Appointment of Directors

The Board carefully considers the needs of the Fund in appointing Board Members. The following factors are considered:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Specific roles required on the Board such as Chairperson of a Committee;
- Balance required on the Board such as gender and age;
- Independence where required;
- Amount of time the proposed Director is able to devote to the business of the Board; and
- Conflicts of interests.

As per the Charter of Corporate Governance Committee, the role of the said Committee in respect of nomination of Directors includes the following:

- (i) To keep under review the leadership needs of the Fund, both executive and non-executive, with a view to ensuring the continued ability of the Fund to compete effectively in the marketplace; and
- (ii) To identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise.

Any proposed appointee on the Board is required to disclose business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

The Board considers its succession very carefully and assumes responsibility for succession planning. The Corporate Governance Committee is responsible to give consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Fund, the skills and expertise needed on the Board in the future.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 3 – Directors Appointment Procedures (Cont'd)

Professional Development

The Board regularly reviews the professional development and training of Directors. During the Board evaluation exercise, the Board Members are invited to indicate any training development programme they require.

Induction

On appointment to the Board, all Directors receive a formal induction program designed to provide them with sufficient knowledge and understanding of the nature of business, opportunities and challenges, to enable them to effectively contribute to strategic discussions and oversight of the Fund. The topics covered by the induction include the Board Charter, which clearly outlines their duties and obligations, the Code for Corporate Governance in Mauritius, the Risk Management Framework and introduction to key stakeholders. They are also provided with the Fund's relevant constitutive documents.

Election and Re-election of Directors

Each Director is elected by a separate resolution at the Annual Meeting of Shareholders until the next Annual Meeting.

Article 34.4 of the Constitution provides that the Board may appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance to the Constitution. The Director appointed to fill up a casual vacancy or as an addition to the existing Directors holds office only until the next Annual Meeting.

PRINCIPLE 4 - Director Duties, Remuneration And Performance

“Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The Board is responsible for the governance of the organisation’s information, information technology and information security. The Board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality to perform to required standards. The Board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The Board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.”

Legal Duties

All Directors are fully aware of their legal duties as laid out in the Mauritius Companies Act 2001, the Constitution and other applicable laws.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 4 - Director Duties, Remuneration And Performance (Cont'd)

Code of Ethics

The Fund has outsourced its management to CAM which is an established fund management company licensed by the Financial Services Commission as a CIS Manager. CAM has adopted an appropriate Code of Ethics and Business conduct. The Code of Ethics is accessible on the website of CAM. The Board regularly monitors and evaluates compliance with the Code of Ethics.

Conflict of Interest

Board Members have a fiduciary duty to declare any conflict of interest that they may have in relation to business matters. In their capacity as Board Members, they must subordinate personal individual business, third-party and other interests to the welfare and best interests of the Fund.

A conflict of interest occurs when a present transaction or relationship might conflict with a Board Member's obligations owed to the Fund and the Board Member's personal, business or other interests.

The Fund ensures that Directors declare any interest and report to the Chairperson and Company Secretary any related party transactions. A register of conflicts of interests is kept by the Company Secretary.

All conflicts of interest and related-party transactions have been conducted in accordance with the Code of Ethics adopted by the Fund.

Information, IT and Information Security Governance

The Board of Directors ensures that appropriate resources are allocated for the implementation of an information and IT security framework. CAM has in place an Information Security policy which is regularly reviewed. It has implemented security policies to ensure that data is safeguarded both within its premises as well as those hosted on the server including access rights granted only to authorised personnel, password expiry and complexity policy implemented and backup of digital information. Testing of daily backup of the server are also conducted on a regular basis by the IT department. CAM also has in place a Disaster Recovery Plan which ensures that in the event of a major disaster that causes the site to be unavailable, systems and business operations will be restored at a backup site within two working days.

Board Information

The Chairperson is responsible for ensuring that the directors receive accurate, timely and clear information. The Company Secretary's responsibilities include ensuring good information flows within the Board and its Committees and between senior management and non-executive directors. Management has an obligation to provide accurate, timely and clear information. Directors seek clarification or amplification where necessary.

The Board ensures that Directors have access to independent professional advice at the Fund's expense in cases where the Directors judge it necessary for discharging their responsibilities as directors.

All Directors keep information relating to the Fund, gathered in their capacity as directors, strictly confidential and private and do not divulge them to anyone without the authority of the Board.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 4 - Director Duties, Remuneration And Performance (Cont'd)

Directors & Officers Liability Insurance

The Fund has contracted with the National Insurance Co. Ltd a Directors & Officers Liability Insurance cover in respect of legal action or liability that can arise against its Directors and Officers. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

Board Evaluation

In view to enhance the Board's effectiveness, the Fund has established a system of appraisal to assess the performance of the Board and sub-committees periodically. The appraisal focuses on the major governance issues relevant to the Board.

No independent Board Evaluator was appointed. The Board Evaluation was conducted during the year. Directors were invited to fill in a survey form prepared by the Company Secretary in consultation with the Chairperson of the Board and Chairperson of Corporate Governance Committee, to seek the views, opinion and recommendations of Directors. The Company Secretary compiled the feedback and ratings received which were considered by the Corporate Governance Committee and Board. The Board is well run and Directors continue to demonstrate a collaborative and constructive mindset creating a conducive environment at Board level.

Statement of Remuneration Philosophy

The Directors are remunerated for their knowledge, experience and insight. The remuneration policy is to reward the collective contribution of Directors towards achievement of the Fund's objectives. The Directors' remuneration in similar companies is also used as a guide. The remuneration of Directors is reviewed at the Annual Meeting of Shareholders.

The table below depicts the total fees earned by Directors during the year under review in their capacity as Board and Committee Members of PLF:

Directors	Category	Directors' Remuneration
Mr. G. Goburdhun, G.O.S.K.	Non-Executive	192,000*
Mr. Y. Aboobaker, S.C., C.S.K.	Independent	210,000
Mr. V. Bhuguth	Independent	212,000
Mr. V. Rambarassah	Non-Executive	192,000
Mrs. A. D. I. Ramphul Punchoo	Non-Executive	160,000*
Dr. R. Auckloo	Independent	204,000

**The Directors' remuneration for Mr. G. Goburdhun, G.O.S.K. and Mrs. A. D. I. Ramphul-Punchoo were paid to The State Investment Corporation Limited.*

The Directors have not received remuneration in the form of share options or bonuses associated with the Fund's performance. All Directors' remuneration is fixed and they do not benefit from any long-term incentive plan.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 5 – Risk Governance And Internal Control

“The Board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The Board should ensure the maintenance of a sound internal control system.”

The Board of directors is responsible for determining the overall strategic direction and the proper risk management strategy and policies of the Fund. It sets the appropriate risk level and tolerance of the Fund. A risk register has been developed and this covers all the major risk areas in which the Fund has significant exposure. The risk management strategy is based on diversification and acceptable levels of exposure/limits to different asset classes, currencies, issuers, regions and risk levels.

The risk register is periodically assessed relative to changes in market conditions and tactical re-allocations. The CIS Manager, CAM, is responsible for implementing the risk strategy and policies approved by the Board of Directors. It oversees the day-to-day risk management issues in line with the approved strategy, policies and procedures. The Audit & Risk Committee regularly reviews the organisation’s strategic, financial, operational and compliance risk.

In addition, the internal auditors ensure that appropriate controls are in place to mitigate all potential risk areas of the Fund and their recommendation is considered by the Audit & Risk Committee and the Board on a regular basis.

Assurance on risk management processes

The Board relies on the internal and external audit functions to report on any weaknesses and to make recommendations via the Audit & Risk Committee, the objective being to ensure the effective and efficient use of available resources and ascertaining the accuracy of information used in the preparation of financial statements.

The internal and external auditors report directly to the Audit & Risk Committee on a regular basis for identification of any deficiency noted in internal processes and controls, compliance issues and any material misstatements noted in the financial reports.

The principal risks faced by the Fund and the way in which each is managed is as follows:

Operational Risk

Operational risk is defined as “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.” The main areas of risk of loss are risks relating to internal fraud due to unauthorised activity, theft or fraud due to theft, systems’ security failure or tampering, employment practices and workplace safety due to unhealthy employee relations, improper environment, improper business or market practices, disputes over performance and management of monies, damage to physical assets due to disaster and other events, business disruptions, system’s failures and inaccurate reporting.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 5 – Risk Governance And Internal Control (Cont'd)

Operational Risk (cont'd)

The Fund does not have any employee: its day-to-day management is carried out by CAM which has adequate logistics, experience and technical capabilities to carry out its contractual obligations vis-à-vis the Fund. In this respect, CAM absorbs most of the operational risks of the Fund. CAM has established control procedures to mitigate any operational risks related to the management of the Fund. The major risk areas addressed are investment and currency risks and supervisory control. The CAM's IT support team ensures that technological risks are minimised through frequent system maintenance and updates, restricted access to external parties and data backup system. An Employee Information & Communication Technology Usage Agreement has been signed by CAM staff members to ensure their adherence to terms, policies and procedures to minimise risks.

Financial risk factors

Please refer to note 4 of the Notes to the Financial Statements.

Solvency risk

Solvency risk is minimal since the Fund has no debt.

Frameworks and processes for the sound management of risk and Internal Controls

The internal audit function was outsourced to Messrs. NJC Associates, Chartered Accountants for reviewing the effectiveness of the Fund's systems of internal control, including internal financial control and business risk management and maintaining effective internal control systems. This ensures that appropriate frameworks and effective processes are in place for a sound management of risk.

Management is responsible for the implementation of internal control and risk management systems under the supervision of the Audit & Risk Committee which ensures that proper accounting records are maintained and that the strategies and policies adopted by the Board are being implemented.

The Internal Auditor covers all key areas of activities, including IT. Any deviation in policies and non-performance of internal control are duly reported and discussed at large at Management and Audit & Risk Committee levels.

Based on the issues or risks identified by the internal and external auditors, their recommendations and management actions adopted to mitigate the risks, the Board receives assurance that the internal control systems are adequate and effective. Subsequently, the Board ensures that controls in place result in an acceptable level of risk with the Audit and Risk Committee overseeing the effectiveness of the Fund's internal control systems.

Corrective actions are promptly taken, and regular follow-ups are done. This enables the Board to derive assurance that the internal control systems are effective.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 5 – Risk Governance And Internal Control (Cont'd)

Frameworks and processes for the sound management of risk and Internal Controls (cont'd)

There has been no identification of any significant areas which was not covered by the internal auditors during the year. Based on the internal audit report and review of the Board on the internal control systems, no major risk or deficiency has been found in the Fund's system of internal controls. The Board is ultimately responsible for the Fund's system of internal control and for reviewing its effectiveness.

The Board has ensured that risk management policies are communicated to management and all other employees as appropriate to their roles within the Fund and has ensured that the communication has been effective and understood.

Whistle-blowing rules and procedures

For any suspicious or illegal transactions or behaviour, officers and directors are encouraged to report promptly to the Money Laundering Reporting Officer as per the Financial Intelligence and Anti-Money Laundering Act 2002 and Prevention of Corruption Act 2002. The Fund Manager has also adopted a Whistle-blowing Policy which has been shared with all employees.

PRINCIPLE 6- Reporting With Integrity

“The Board should present a fair, lanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report”

The Annual Report is published in full on the Fund's website.

The Annual Report comprises several key elements:

- Performance review
- Economic and market review
- Principle risks faced by the Fund
- Corporate social responsibility and donations
- Environmental policy

In addition, the following is included on the website of the Fund:

- Annual report and accounts
- Board and committee charters
- Code of ethics
- Details on board and governance structure
- Dividend policy and declaration
- Financial Highlights
- Share price is updated daily



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 6- Reporting With Integrity (Cont'd)

Corporate social responsibility and donations

For its CSR, the Fund had paid directly its contribution to the Mauritius Revenue Authority. No donation was made during the year.

Environmental Policy

Due to the nature of its activities, the Fund's operation has no direct impact on environment.

Safety and Health Issues

Management of the Fund is outsourced to CAM and the latter complies with the Occupational Safety and Health Act 2005 and other legislative and regulatory frameworks.

Directors acknowledge their responsibilities for:

- adequate accounting records and for maintenance of effective internal control systems;
- preparation of financial statements which fairly present the state of affairs of the Fund at end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS);
- using appropriate accounting policies supported by reasonable and prudent judgments and estimates;
- ensuring that adequate accounting records and an effective system of internal controls and risk management have been maintained;
- ensuring that appropriate accounting policies supported by prudent reasoning and estimates have been used consistently;
- ensuring that the IFRS have been adhered to. Any departure has been disclosed, explained and quantified in the financial statements; and
- ensuring that the Code of Corporate Governance has been adhered to in all material aspects. Reasons for non-compliance have been provided, where appropriate.

The External Auditors are responsible for reporting on whether the financial statements are fairly presented.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 7 – Audit

“Organisations should consider having an effective and independent internal audit function that has the respect, confidence and co-operation of both the Board and the management. The Board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation’s auditors”

Internal Audit

The role of Internal Audit is to provide independent and objective assurance to management and the Board of Directors through the Audit & Risk Committee. By following a systematic and disciplined approach, Internal Audit helps to accomplish the Fund’s objectives by evaluating and recommending improvements to operations, internal controls, risk management systems, and governance process.

The internal audit function was outsourced to Messrs. NJC Associates, Chartered Accountants. The latter is a professional firm and its internal audit department is adequately staffed with qualified auditors. The internal auditor reports to the Audit & Risk Committee at least once per year.

The main areas, systems and processes covered by internal audit during the year were as follows:

- Share Registry – review the onboarding of individual investors and corporate investors
- Review purchases and redemptions of shares
- Review the design and operating effectiveness of the Share Registry System
- Review the operating effectiveness of dividend payments to shareholders
- Review and assess the process related to valuation, approval and reporting of Net Asset Value
- Review the design and operating effectiveness of the Accounting System, IT System including safeguards in place for IT Risks
- Review the design and operating effectiveness of the operational systems and procedures to safeguard the security, integrity and confidentiality of information, taking into account the nature of the information concerned.
- Review of agreement between the Fund and its service providers.

The Internal Auditors report directly to the Audit & Risk Committee, have unrestricted access to review all activities and transactions undertaken within the Fund and to appraise and report thereon. There was no restriction placed over the right of access by internal audit to the records, management or employees of the organisation.

The Internal Auditors have no operational responsibility or authority over any of the activities audited. Accordingly, they are not involved in internal controls, developing procedures, installing systems, preparing records, or engaging in any other activity that may impair the Internal Auditor’s judgment.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 7 – Audit (Cont'd)

External Audit

Nexia Baker & Arenson were appointed as the External Auditors for the financial year ended 30 June 2024 at the Annual Meeting of Shareholders held in December 2023. Their re-appointment would be considered on a yearly basis.

The Audit & Risk Committee ensures that the External Auditors are rotated at least every 7 years. The approach to appointing External Auditors are done through a tendering process. The last tender exercise was conducted in November 2023.

Meeting with Audit & Risk Committee

The External Auditors meet with the Chairperson of the Audit & Risk Committee as and when they find it necessary, without the presence of Management. During such meetings, they discuss on matters such as the financial statements of the Fund, timeline of the audit, the audit approach, the accounting principles and critical policies adopted.

Evaluation of the Auditors

The Audit & Risk Committee evaluates the performance of External Auditors annually, to make an informed recommendation to the Board for their reappointment. The Audit & Risk Committee assesses the qualifications and performance of the auditors, the quality of the Auditor's communications with the Audit & Risk Committee and the Auditor's independence, objectivity and professional scepticism.

The key issues raised by the External Auditors are discussed at the Audit & Risk Committee and Management is invited to explain and take remedial measures.

Information on non-audit services

The Fund has appointed Nexia Baker & Arenson for tax compliance services. The fees charged for this service is Rs 25,000 excluding VAT for the year ended 30 June 2024.

The audit and tax department of Nexia Baker & Arenson are separate departments. The manager and signing partner for the provision of each service are different persons.

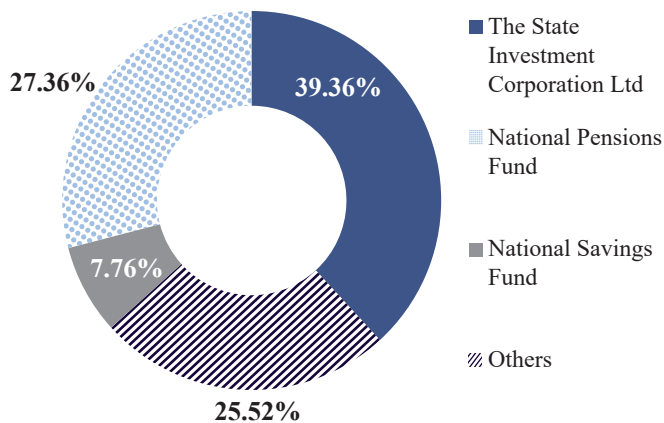
CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8- Relations With Shareholders and Other Key Stakeholders

“The Board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The Board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose”

Share Capital Structure

The holding structure of Port-Louis Fund Ltd as at 30 June 2024 was as follows:



Shareholder	% of share capital
The State Investment Corporation Limited	39.36
National Pensions Fund	25.52
National Savings Fund	7.76
Others	27.36
TOTAL	100.00

Shareholders holding more than 5% share capital of the Fund as at 30 June 2024:

Shareholder	No. of Shares	% of share capital
The State Investment Corporation Limited	19,688,443	39.36%
National Pensions Fund	12,766,470	25.52%
National Savings Fund	3,882,297	7.76%

Shareholding analysis as at June 30, 2024

Range (No. of shares)	No. of Shareholders	No. of shares	% of share capital	% of all shareholders
1 – 1,000	2,822	1,112,960	2.23	66.40
1,001 – 5,000	869	2,386,513	4.77	20.45
5,001 – 10,000	313	2,464,857	4.93	7.36
10,001 – 25,000	172	2,837,374	5.67	4.05
25,001 – 50,000	47	1,587,782	3.17	1.11
50,001 – 100,000	17	1,295,082	2.59	0.40
100,001 – 1,000,000	7	1,997,890	3.99	0.16
Over 1,000,000	3	36,337,210	72.65	0.07
Total	4,250	50,019,668	100.00	100.00



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8- Relations With Shareholders and Other Key Stakeholders (Cont'd)

Category of Shareholders as at 30 June 2024

Shareholders Type	No. of shareholders	No. of shares	% shareholding
Individuals	4,196	12,003,637	24.00
Corporate Bodies and others	54	38,016,031	76.00
Total	4,250	50,019,668	100.00

Company Key Stakeholders

The Fund continuously engages with its stakeholders to understand the concern and priorities. The Board ensures that the Fund maintains constructive relationships and dialogue with its stakeholders. The Fund's key stakeholders and its interactions are as follows: -

Shareholders

All Shareholders are entitled to voting rights in proportion of their shareholding. Each share carries one vote.

CIS Manager (“Fund Manager”)

The Fund has an Investment Management Agreement with CAM.

CAM supplies the necessary skills and expertise to deliver as mandated. Representatives of the Fund Manager attend all Board/Committee Meetings of the Fund. There are fair payment practices between the Fund and the Fund Manager.

Registrar and Transfer Office

The Fund has an agreement with Prime Partners Ltd (PPL) to provide Registrar and Transfer Office Services (Registry). The Registry participates in events organised by the Fund and they work in a spirit of partnership with the Fund Manager. Daily communication take place between Registry and the Fund Manager. There is a good working relationship between the Fund Manager and the Registry.

Custodian Services - Local

The Fund has an agreement with SBM Bank (Mauritius) Ltd to provide custodian services for its local and foreign investments. The Fund ensures fair and reasonable contract terms, timely payment of custodian fees and timely and effective decisions between the two parties.

Custodian Services - Foreign

The Fund has an agreement with ICICI Bank Ltd of India to provide custodian services for its investments in the Indian stock market. The Fund ensures fair and reasonable contract terms, timely payment of custodian fees and timely and effective decisions between the two parties.

CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8- Relations With Shareholders and Other Key Stakeholders (Cont'd)

Regulators

Relationships with the regulators, mainly the Financial Services Commission, the Registrar of Companies and the Mauritius Revenue Authority are considered as critical for good running of the Fund.

The Fund maintains relationship with its regulators through written communications, filing of returns and financial reports, participation in forums, conferences and workshops as well as compliance with relevant legislations.

These relationships are viewed as strategic partnerships to ensure that the Fund upholds and maintains best practices with full transparency.

Contract with Shareholders

The Fund does not have any contract with Shareholders, except a Liquidity Contract with The State Investment Corporation Limited, to ensure that there is sufficient liquidity to complete transactions on demand for, and supply of, the Fund's shares.

Conduct of Shareholders' Meetings

All Directors and External Auditors are invited to attend Shareholders' meetings.

The Constitution allows a shareholder of the Fund to appoint a proxy whether a Shareholder or not, to attend and vote on his/her behalf.

At the Shareholders' meeting, each issue is proposed in a separate resolution:

- The approval of the Annual Report and Audited Financial Statements;
- The ratification of dividend (if applicable);
- The election or re-election of Board Directors on an Annual basis;
- The appointment or re-appointment of Auditors under section 200 of the Mauritius Companies Act 2001; and
- Any other matter which may require the Shareholders' approval.

Communication with the shareholders

Communication regarding the Fund with its Shareholders takes place by way of the daily publication of the Net Asset Value per share of the Fund and monthly factsheet detailing the performance, on its website, www.portlouisfund.com.

The Shareholders are also invited to the Annual Meeting where they are encouraged to interact with directors and ask questions or seek clarifications from the Board and Management regarding the Fund. Furthermore, any queries addressed to the Registry and/or the Fund Manager, are promptly attended to.

A statement of holdings, including the value of investments, is sent to every Shareholder annually.



CORPORATE GOVERNANCE REPORT (CONT'D)

PRINCIPLE 8- Relations With Shareholders and Other Key Stakeholders (Cont'd)

Annual Meeting of Shareholders

The Annual Meeting of Shareholders is usually held in November / December. Appropriate notice of meeting is given to the Shareholders.

Calendar of Important Events

The following is a schedule of annual events:

Date	Event
June	Declaration of Dividend
June	End of Financial Year
July	Payment of Dividend
December	Annual Meeting of Shareholders

STATEMENT OF COMPLIANCE

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

Name of PIE : Port-Louis Fund Ltd

Reporting period : Financial year ended 30 June 2024

We, the Directors of Port-Louis Fund Ltd (the “Fund”), confirm to the best of our knowledge that the Fund has complied with all of its obligations and requirements under the Code of Corporate Governance except for the following section:

Principle 2: The Structure of the Board and its Board Committees

Executive Directors

The recommendation of the Code is to have at least two Executive Directors on the Board.

The management of the Fund has been outsourced to Capital Asset Management Ltd (CAM) as CIS Manager. Given the circumstances, it has not been deemed necessary to appoint an executive director. Representatives of CAM attend Board/Committee meetings and assist the Directors in the decision-making process.

Independent Directors

The recommendation of the Code is to have at least two Independent Directors on the Board.

The Board currently has three Independent Directors amongst whom two Directors have served the Board for more than nine years. The Board is of the opinion that these Directors continue to exercise independent judgement and have demonstrated objectivity in their conduct and deliberations at both Boards’ and Committees’ level.

The Board is, however, actively engaged in looking for suitable additional Independent Directors.

Signed on behalf of the Board of Directors:



Mr. G. Goburdhun, G.O.S.K
Chairman



Dr. R. Auckloo
Director

Date: 16 October 2024



PORT-LOUIS FUND LTD
FOR THE YEAR ENDED 30 JUNE 2024

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of PORT-LOUIS FUND LTD, under the Mauritius Companies Act 2001, in terms of Section 166 (d), during the financial year ended 30 June 2024.

**Prime Partners Ltd
Company Secretary
Per Rajeev Bullyraz**

Registered office:

15th Floor, Air Mauritius Centre,
6, President John Kennedy Street
Port Louis
Republic of Mauritius

Date: 16 October 2024

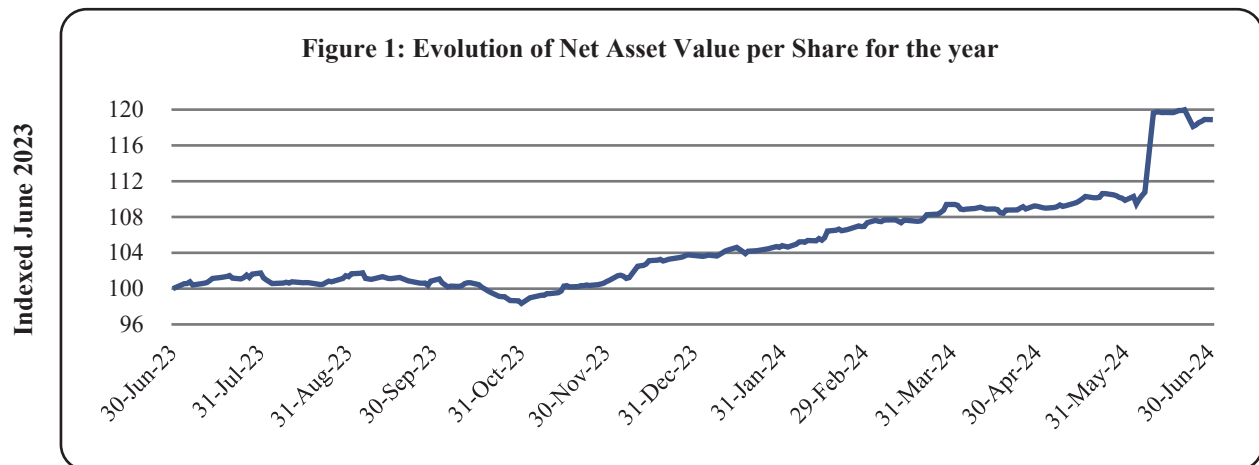
DIRECTORS' REPORT

FUND PERFORMANCE

The Fund achieved a total return of 20.87% for the financial year ended 30 June 2024. The cumulative 5-year return of the Fund, assuming that dividends were reinvested, was 50.2%. The cumulative return of the Fund since its launch in 1997, also assuming that dividends were reinvested totalled 1,124%.

The Fund paid a dividend of Mauritian Rupee (MUR) 0.75 per share to all shareholders registered on 24 June 2024. After adjusting for the payment of dividends, the Fund's Net Asset Value (NAV) per share increased from MUR 36.90 to MUR 43.85 as of 30 June 2024.

The evolution of the NAV per share over the year is illustrated below:



The NAV of the Fund as of 30 June 2024 stood at MUR 2,193.4 million, compared to MUR 1,850.7 million as of 30 June 2023, after paying dividends amounting to MUR 37.5 million. This increase was mainly driven by strong performance in the foreign segment and the upward revaluation of the unquoted shares.

Global equities saw a considerable upward trend during the financial year, with both the MSCI World Index (a proxy for foreign stock market performance) and the MSCI Emerging Market Index, growing by 26.1% and 16.9% in MUR terms, respectively. Additionally, the SENSEX (benchmark for the Indian Stock market) achieved a return of 25% in MUR terms.

The local stock market also performed well, with the local benchmark, SEMDEX, registering a growth of 7.2%.

In the unquoted segment, a positive return was registered mainly due to the revaluation of shares held in SICOM.



DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE

During 2024, the Fund continued to pursue a long-term investment strategy with asset classes being broadly classified into three segments: locally listed equity, unquoted shares and foreign investments. A minimum amount of cash is kept for liquidity purposes.

Throughout the financial year, tactical adjustments were made to capitalize on market opportunities and mitigate potential risks. The weightage of the different asset classes and respective returns are illustrated in Table 1.

Table 1: Portfolio Weight and Return

Asset Class	Weightage	Return
Locally Listed Equity	21.8%	11.3%
Unquoted Shares	42.0%	26.1%
Foreign Investments	31.9%	26.6%
Short Term Deposits and Cash	4.3%	5.0%
Total	100%	

Locally Listed Equity

The locally listed equity segment, representing 21.8% of the total portfolio, delivered a notable return of 11.3%, rising from MUR 438.9 million in 2023 to MUR 477.2 million in 2024. Dividends declared/received from this asset class for this financial year totalled MUR 26.1 million. New investments were made for an amount of MUR 14.3 million, while disposal of shares amounted to MUR 5.7 million.

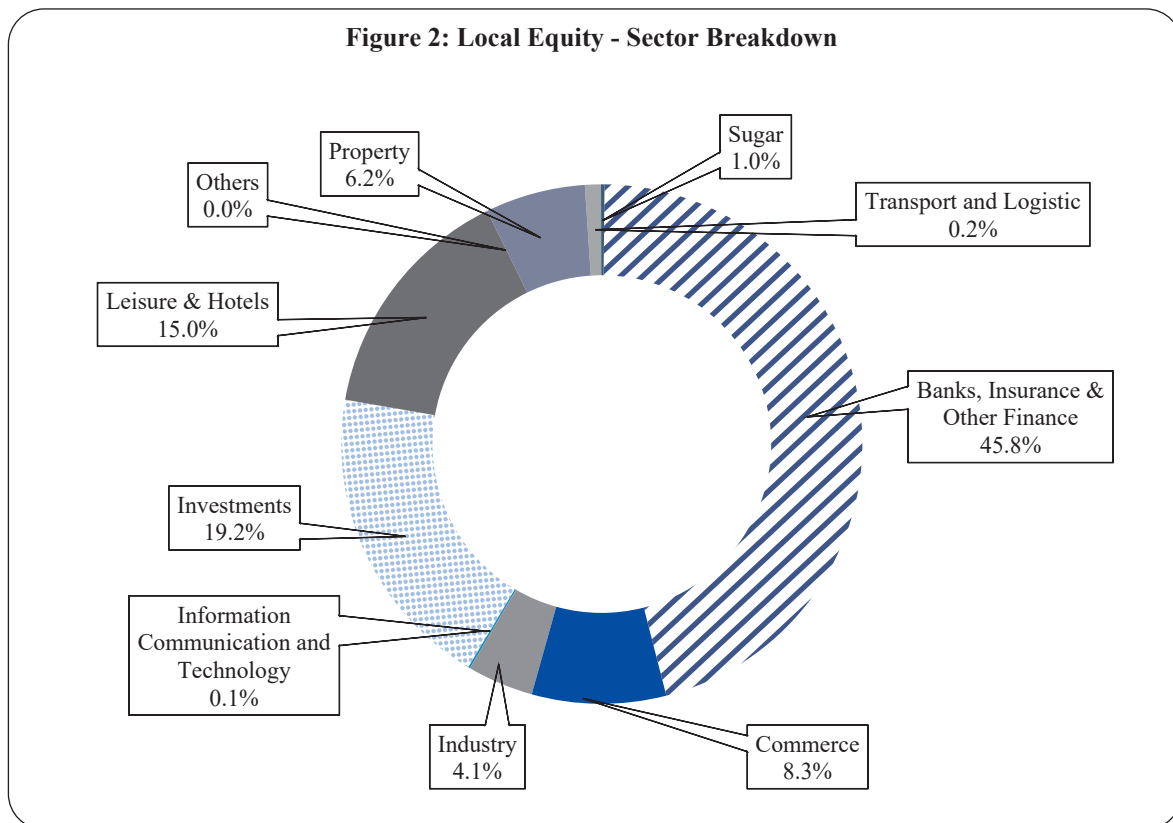
As an indication, the SEMDEX and SEMTRI (benchmarks for locally listed equity in Mauritius) reported a positive return of 7.2% and 12.7% as of 30 June 2024 respectively, whereas the DEMEX experienced a decline of 4.2%.

DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

Locally Listed Equity (cont'd)

The figure below demonstrates the sectoral breakdown of the locally listed equity portfolio.



For the financial year ended 30 June 2024, the Financial and Tourism sectors were the main drivers for the local market.

Unquoted Shares

The value of the unquoted shares within the portfolio achieved a significant return of 26.1%, rising from MUR 752.2 million to MUR 921.7 million in 2024. The primary driver of performance in this segment was the significant increase of 27.1% in the value of SICOM during FY 2024.



DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

Unquoted Shares (cont'd)

During the period, there were no acquisition or disposal of shares in this asset class. However, dividends to the tune of MUR 24.4 million were received.

Table 2: Unquoted Securities Weightage and breakdown

Sector	Value (MUR M)	% of Unquoted Securities	% of total portfolio
Insurance	875.0	94.9%	39.9%
Technology	45.5	4.9%	2.1%
Others	1.2	0.2%	0.2%
Total	921.7	100.0%	42.0%

Regarding the valuation of the unquoted shares, the Board carried out an assessment, with the assistance of the independent valuer, to determine the value of the main unquoted shares. Relevant market information is also taken into account to determine the fair value of the unquoted shares.

The unquoted segment consistently represented an average of 42.0% of the total portfolio, marking its strategic importance.

Top 5 Local Equity Holdings

The combined market value of the top five local holdings of the Fund amounted to MUR 1,152 M as depicted below in Table 3, representing 82.7% of the local segment and 51.6% of the total portfolio.

Table 3 : Top 5 Holdings Local Securities

Security	Market Value (MUR M)	% of Local Equity	% of Portfolio
SICOM	875.00	62.8%	39.17%
MCB	153.28	11.0%	6.86%
Maurinet	48.43	3.5%	2.17%
SBM	42.74	3.1%	1.91%
IBL	33.14	2.4%	1.48%
Total	1,152.60	82.7%	51.6%

DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

Top 5 Local Portfolio Holdings (cont'd)

The State Insurance Company of Mauritius Ltd (SICOM)

SICOM is a leading financial services provider in Mauritius for a portfolio of activities consisting of Life Assurance, General Insurance, Group Life and Pensions, Actuarial Services, Group Medical, Loans, Financial Services, and Investment Management. Over the years, SICOM has acquired properties, undergone digital transformations and has expanded its distribution network across Mauritius. For the period under review, based on its latest financial statement as at 30 June 2023, SICOM Group's total assets stood at MUR 27.2 Bn (2022: MUR 25.8 Bn). The Group profit from operations before tax (excluding Fair Value Through Profit and Loss) stood at MUR 768.4 M as at 30 June 2023 compared to MUR 632.0 million in 2022. The Fund received a total dividend of MUR 22 million from SICOM for the financial year ended 30 June 2024. Investment held by the Fund in SICOM generated a return of 27.1% for the year ended 30 June 2024.

The Mauritius Commercial Bank Ltd (MCB Group)

MCB Group is a leading financial services provider in the country and has maintained its position as the largest company by market capitalization on the Stock Exchange of Mauritius (SEM) since 1989. The Mauritius Commercial Bank Limited, its primary subsidiary and the largest bank in the country, holds around 39% of the domestic credit market and 49% of local currency deposits. For the year ended 30 June 2024, MCB Group reported a net profit after tax rising by 19.2% to MUR 15,446 million. This growth was driven by a 17.9% increase in operating income, reflecting substantial growth in net interest income due to improved foreign currency margins and asset expansion, along with an increase in non-interest income supported by trade finance, payment services, and strong results in global markets and foreign exchange activities. Based on market value, the investment in MCB generated a total return of 26.1% for the Fund.

Maurinet Investment Ltd (Maurinet)

Maurinet is the holding company of Mauritius Network Services Ltd (MNS). MNS's activities are to develop, maintain, operate, and manage electronic information and communication systems. It has developed e-government solutions focusing on trade facilitation. For the year ended 31 December 2023, Maurinet reported a decrease of 4.7% in turnover from MUR 171 million to MUR 162 million. On the other hand, total assets rose by 4.9% to MUR 536 million in 2023. In terms of dividend distribution, PLF received MUR 2.15 million from Maurinet during the financial year and generated a total return of 4.7% for the Fund.

SBM Holdings Ltd (SBM)

SBM is a prominent financial services group in Mauritius, with a growing international footprint. Established in 1973, SBM was listed on the Stock Exchange of Mauritius in 1995. The Group has demonstrated resilience amid challenging conditions across its markets, driven by strategic initiatives to enhance operational efficiency and competitiveness. For the quarter ended 31 March 2024, SBM reported a profit after tax of MUR 773.4 million, reflecting a 2.8% increase compared to the same period in the previous year. Earnings per share rose from 29.1 cents to 30.0 cents. The Group's capital base remained solid at MUR 37.5 billion as of 31 March 2024, translating to a capital adequacy ratio of 20.0%, comfortably above regulatory requirements. Investment in SBM generated a return of 13.3% for the Fund for this financial year, PLF received around MUR 3.4 Million as dividend from SBM.



DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONTD)

Top 5 Local Portfolio Holdings (cont'd)

IBL Ltd

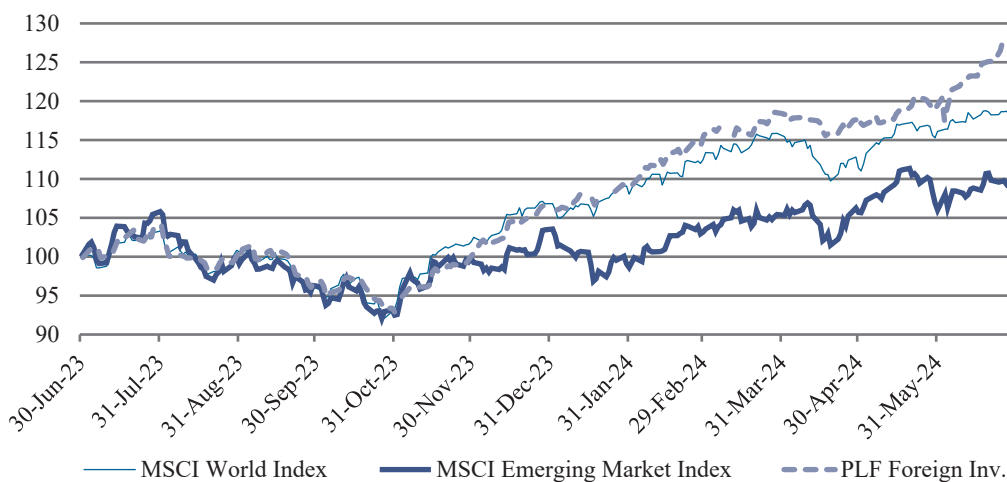
IBL Ltd is an investment holding company, which engages in the trade of consumables and healthcare products. IBL has demonstrated significant growth across its clusters, driven by organic expansion and strategic acquisitions. Group revenue surged by 92% to reach MUR 52.0 billion, with operating profits increasing by 43% to MUR 2.8 billion compared to the corresponding period last year. Notably, profit before tax (PBT) for the Group reached MUR 2.86 billion. Overall, despite sector-specific challenges, IBL's businesses have performed well. The outlook remains positive, and the company expects to sustain its growth trajectory in the medium term despite the challenging global environment. As of 30 December 2023, its market capitalisation stood at MUR 24.95 billion representing 9.6% of the SEMDEX, PE Ratio of 9.27, and dividend yield of 1.55%. Investment in IBL recorded a negative return of 3.5% for the financial year ended 30 June 2024.

Foreign Investments

The foreign investment segment (including Indian Portfolio) amounted to MUR 700.6 million in 2024, compared to MUR 545.7 million in 2023. This segment accounted for 31.9% of the overall portfolio and accounted for a return of 26.6%. New investments through corporate actions achieved amounted to MUR 26 million and disposals amounted to MUR 16.7 million

As an indication, both the MSCI World Index and the MSCI Emerging Markets Index recorded returns of 26.1% and 16.9% respectively, in MUR terms for the period under review. Technology stocks were a key driver of the MSCI World Index's performance, supported by the rise of stock in artificial intelligence and strong market activity in some other segments as well.

Figure 3: MSCI World Index, MSCI Emerging & Foreign Portfolio Investment



DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

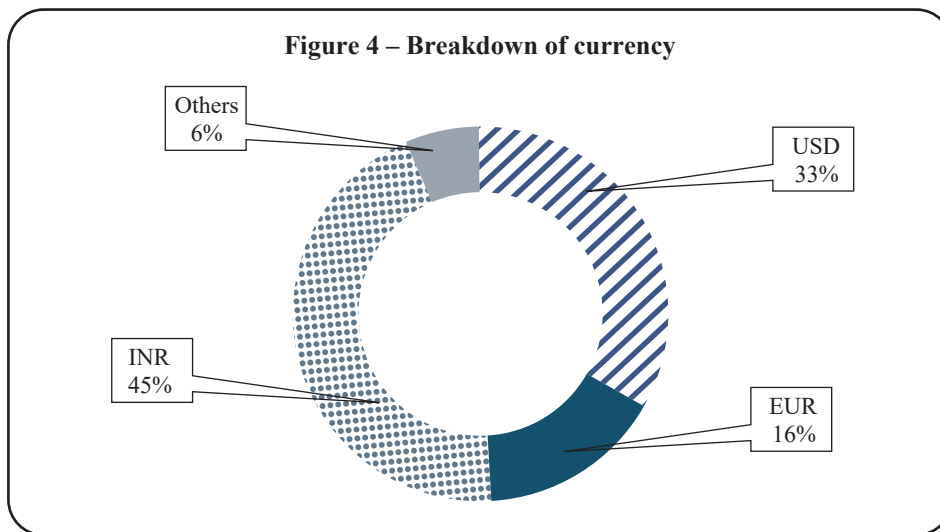
Foreign Investments (cont'd)

The Fund's investments in foreign markets, excluding India, are routed through world renowned global asset managers, including Franklin Templeton, Fidelity Investments, BlackRock, among others.

These funds maintain broad diversification across a range of sectors, geographies and currencies, and is strategically diversified across key global markets, with significant exposure to the Americas, Asia-Pacific, and Europe. This geographical diversification ensures a balanced risk profile while providing opportunities for growth across various economic zones.

Currency Distribution

The Fund's foreign portfolio is managed by adopting a conservative strategy, prioritizing exposure to stable, major hard currencies.



Key currency allocations include the USD, EUR, and INR, ensuring the portfolio remains resilient to currency fluctuations while benefiting from diversified international investments.

Top 5 Foreign Fund Holdings

The Fund's top five foreign holdings, valued at MUR 200.8 million as at 30 June 24, constituted 51.8% of the foreign portfolio (excluding Indian investments) and represented 9.2% of the total portfolio.



DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

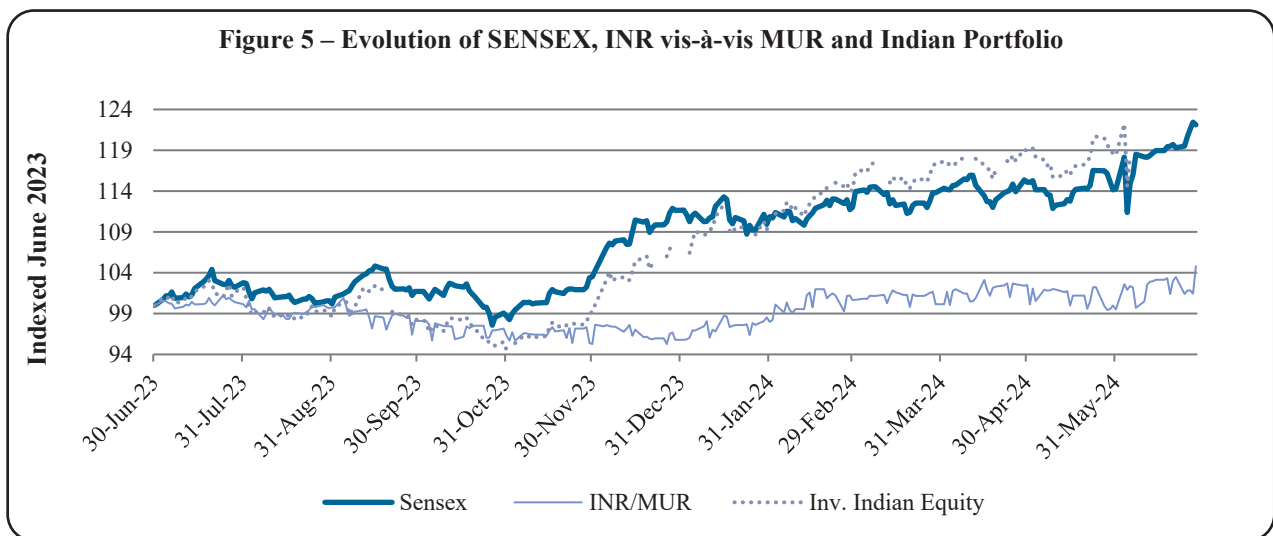
Top 5 Foreign Fund Holdings (cont'd)

Table 4: Top 5 Holdings in Foreign Investments

Fund Manager	Securities	Market Value (MUR M)	% of Foreign Portfolio excluding India	% of Portfolio
Franklin Templeton	US Opportunity Fund	57.20	14.8%	2.6%
T. Rowe	TRP US Blue Chip	48.43	12.5%	2.2%
Fidelity	FID World Fund	40.34	10.4%	1.8%
Fidelity	Fid Global Technology Funds	36.82	9.5%	1.7%
T. Rowe	TRP Global Growth	18.04	4.7%	0.8%
	Total	200.8	51.8%	9.2%

Investment In India

The Indian equity portfolio delivered a strong return of 28.6% for the financial year ended June 2024, with its market value increasing from MUR 243.9 million in June 2023 to MUR 313.5 million in June 2024. This segment constitutes 14.3% of the total portfolio and 44.7% of the foreign portfolio, underscoring its strategic role. As a benchmark, the SENSEX generated a return of 25% in MUR terms.



The Indian equity market experienced significant volatility during the year, mainly due to the general elections in India which led to notable price fluctuations, followed by market stabilization post-election. Additionally, the Indian rupee appreciated by 4.79% against the MUR, contributing positively to the Indian portfolio returns.

DIRECTORS' REPORT (CONT'D)

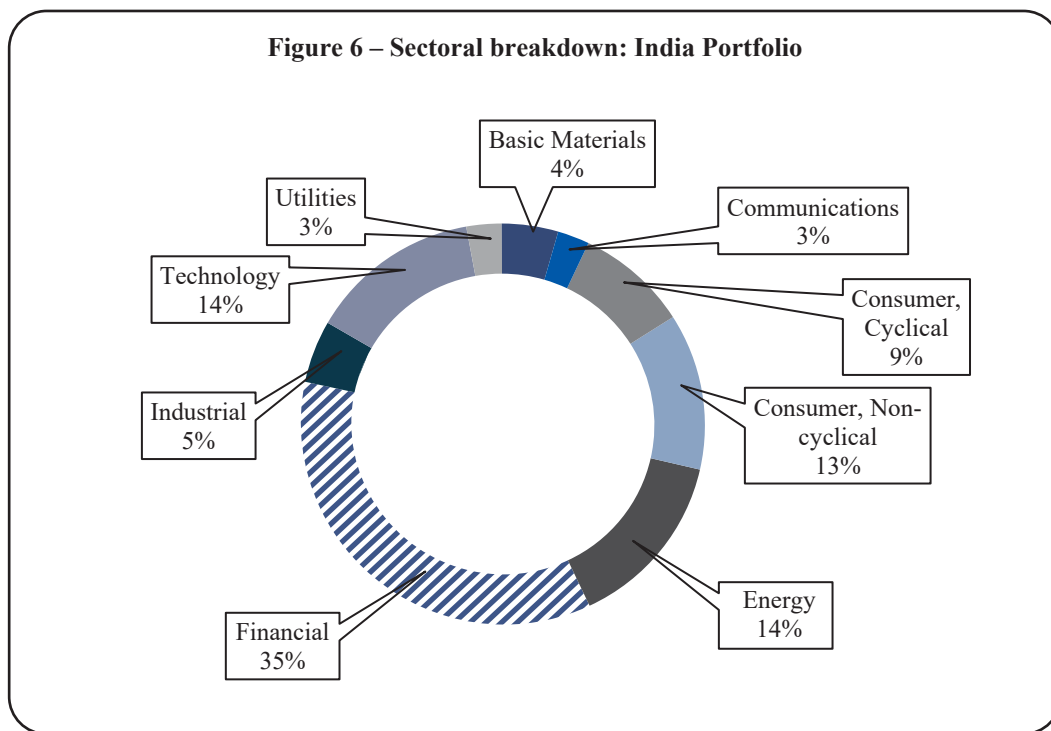
ASSET CLASS PERFORMANCE (CONT'D)

Investment In India (cont'd)

India's economic landscape, according to the World Bank, was bolstered by industrial growth, particularly in manufacturing and construction, and resilient services activity, offsetting lower agricultural output affected by monsoons. Domestic demand remained steady, with a surge in infrastructure investment compensating for a leveling in consumption post-pandemic.

Monetary policy remained steady as the Reserve Bank of India maintained the repo rate as at 6.50% in June 2024, reflecting a cautious approach amid evolving economic conditions.

The figure below illustrates the sectoral breakdown of the Indian Equity portfolio.





DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

Top 5 Holdings – Indian Portfolio

The Top 5 holdings amounted to MUR 154.0 million which accounted for around 48.1% of the Indian portfolio.

HDFC Bank Ltd	Financial Sector	HDFC Bank, India's largest private bank, serves 68 million customers through 6,340 branches and 18,130 ATMs. Founded in 1994 by HDFC, it offers deposits, loans, credit cards, insurance, and investments. Its 2023 merger with HDFC Limited added mortgage services. As of March 2024, net income rose 37.9% to INR 608 billion, profit after tax (PAT) increased by 37.9%, and the price-to-earnings (P/E) ratio stood at 20.2, with dividends at INR 19.5 per share. Investment in HDFC Bank Ltd registered a positive return of 2.94% for the Fund.
Reliance Industries Ltd	Energy Sector	Reliance Industries reported a 7.3% increase in profit after tax (PAT) to USD 9.5 billion, driven by a 17.8% growth in retail and 11.0% in digital services. Revenue rose by 2.6% to USD 119.9 billion. The company's net worth reached USD 89.1 billion, with a debt-to-equity ratio of 0.41x. EPS grew by 5.0% to INR 102.9, while return on investment (ROI) improved from 6.7% to 8.5%. Investment in Reliance Industries recorded a return of 23.04% for the financial year ended 30 June 2024.
ICICI Bank Limited	Financial Sector	ICICI Bank recorded PAT of INR 5,723.2 million, with a final dividend of INR 0.50 per share, doubling from INR 0.25 the previous year. Loan disbursements rose 46% year-over-year to INR 130.26 billion. Net interest income increased due to loan expansion and higher lending rates. The bank's revenue growth reflects strategic investments across insurance, asset management, and private equity services, strengthening both interest and fee-based income streams. During the period, investment in ICICI Bank achieved a positive return of 29.1%.
Infosys Limited	Technology Sector	Infosys reported a 4.7% revenue increase to INR 1,536.7 billion, with PAT growth reflected through a 10% rise in EPS to INR 63.39. Return on equity (ROE) improved by 0.9% to 32.1%. The company declared a total dividend of INR 46.00 per share. With a market capitalization of USD 74.43 billion, Infosys continues focusing on sustainable growth through AI, cloud services, and digital transformation for clients in over 56 countries. Investment in Infosys recorded a return of 18.4% for the financial year ended 30 June 2024.

DIRECTORS' REPORT (CONT'D)

ASSET CLASS PERFORMANCE (CONT'D)

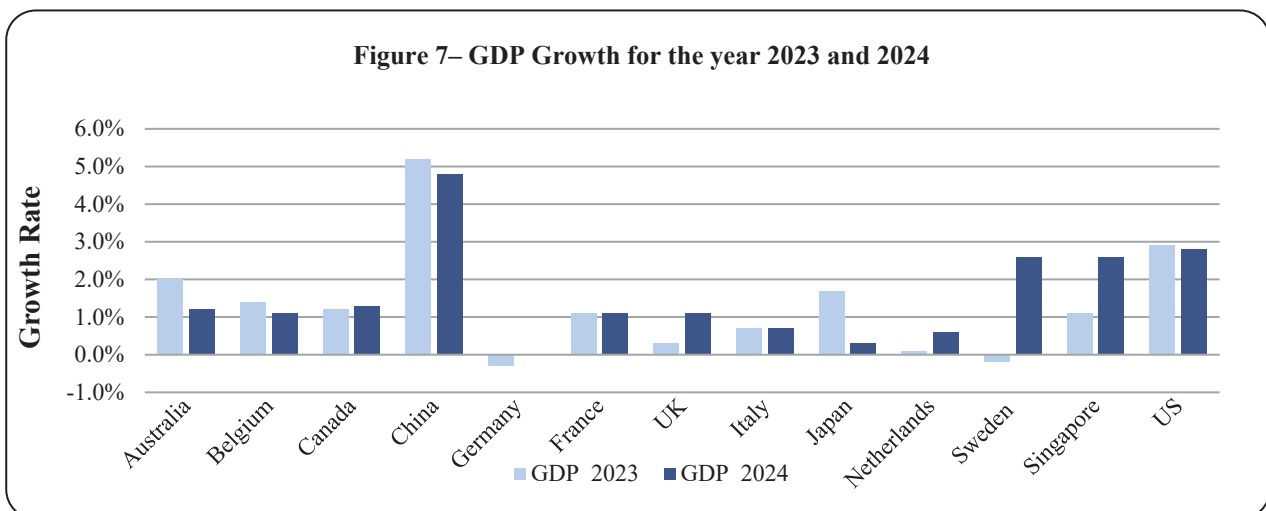
Top 5 Holdings – Indian Portfolio (cont'd)

<p>Tata Consultancy Ltd</p>	<p>Technology Sector</p>	<p>TCS achieved 10.9% EPS growth to INR 127.74, supported by strong revenue performance in Latin America (21.1%), India (20.3%), and the Middle East & Africa (14.8%). Consolidated revenue for the fiscal year reached USD 29.1 billion. The Board recommended a final dividend of INR 28 per share, totalling INR 73 for the year. TCS continues its focus on global expansion and innovation through its proprietary Agile™ delivery model. Investment in TCS generated a return of 18.4% for the year ended 30 June 2024.</p>
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GLOBAL ECONOMIC AND MARKET REVIEW

The global economy is stabilizing following several years of overlapping negative shocks. The year 2024 has been categorized as a super election year, with general elections scheduled in more than 50 countries, including India, the USA, the UK, Russia, the EU, and South Korea, among others. Ongoing uncertainties are fuelled by persistent high inflation, slower-than-anticipated interest rate cuts, geopolitical tensions and political risks.

According to the IMF's World Economic Outlook for July 2024, the global growth rate is projected to slightly decline to 3.2% in 2024, down from 3.3% in 2023. Most economies are prioritizing efforts to reduce inflationary pressures, which may overshadow pressing issues such as trade disruptions, climate change, and increasing inequalities.



Source: International Monetary Fund

The above figure illustrates the GDP growth for various countries for the year 2023 and 2024.



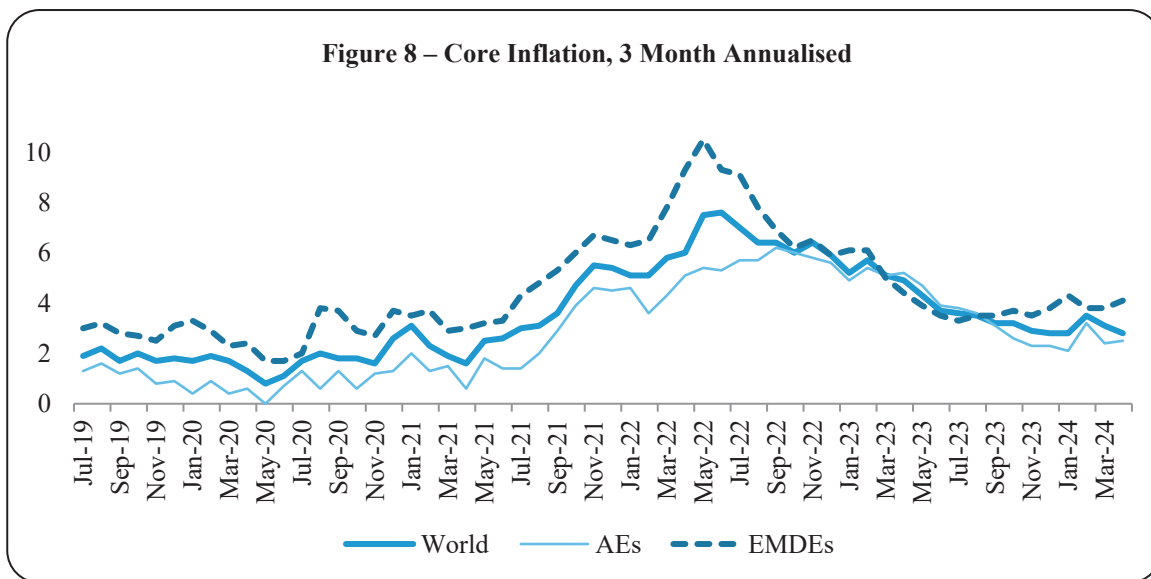
DIRECTORS' REPORT (CONT'D)

GLOBAL ECONOMIC AND MARKET REVIEW (CONT'D)

Aggregate commodity prices have risen since late 2023. Although oil prices are expected to increase slightly in 2024 due to a tight demand-supply balance and ongoing geopolitical tensions, average energy prices are likely to decline marginally compared to last year, driven by lower natural gas and coal prices.

Based on the World Bank Report of June 2024, the global inflation is expected to decrease to 3.5% in 2024 and improve further to 2.9% in 2025. This decline is attributed to softening labour market conditions, easing core inflation, and the continuation of tight monetary policies.

In 2024, the pace of decline in core inflation has slowed. In advanced economies (AEs), disinflation in consumer goods prices appears stable, while inflation in consumer services remains high. Similarly, in emerging markets and developing economies (EMDEs), services inflation continues to drive high core inflation. Figure 9 demonstrates the evolution of inflation rate from 2019 to 2024.

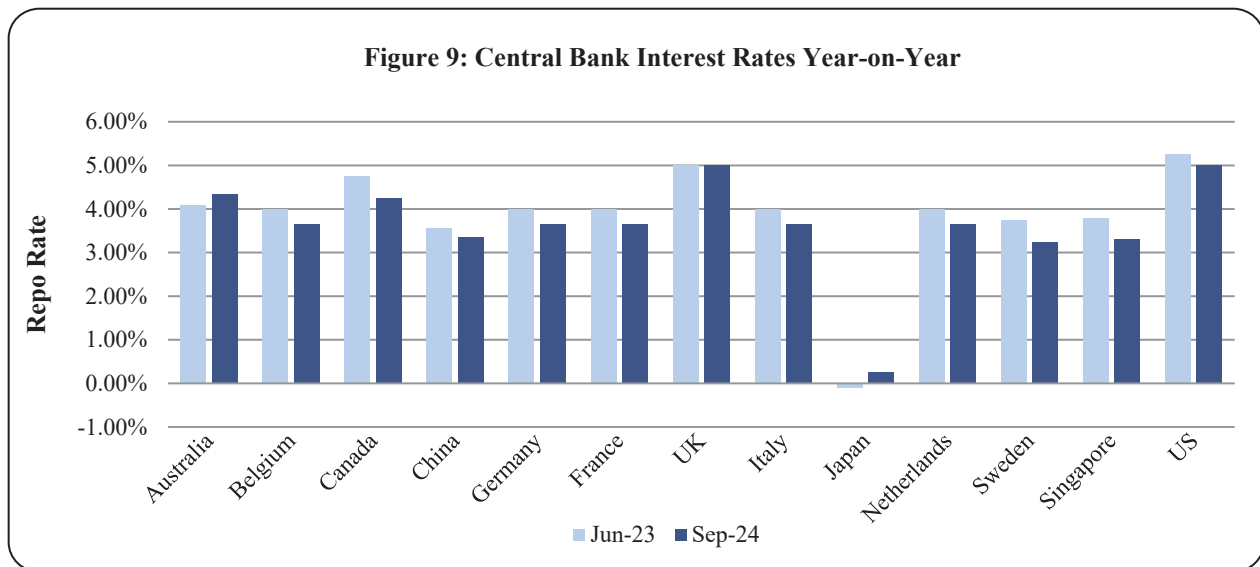


Source: Haver Analytics and World Bank

Central banks face a delicate balancing act between controlling inflation and avoiding a recession. So far, 2024 has been marked by expectations of a shift towards looser monetary policy among several major central banks, coinciding with a projected decline in global inflation. The following figure highlights changes in repo rates worldwide from June 2023 to September 2024, where most central banks opted to reduce rates in 2024.

DIRECTORS' REPORT (CONT'D)

GLOBAL ECONOMIC AND MARKET REVIEW (CONT'D)



Source: Bloomberg

Since September 2024, the US Federal Reserve accounted for a fall in the repo rate by 50 basis points to a range of 4.75%-5.00% in response to the improvement regarding the inflation rate and balance of risks. In contrast, the European Central Bank (ECB) announced a 25-basis point rate cut in its October 2024 Monetary Policy Committee meeting. The interest rates on the deposit facility, the main refinancing operations and the marginal lending facility decreased to 3.25%, 3.40% and 3.65% respectively, with effect from 23 October 2024. Meanwhile, the Bank of England (BoE) declined its rate from 5.25% to 5.0% in August 2024.

Global Equity Market

The U.S. market delivered impressive results, with the S&P 500 achieving a gain of 22.7% in USD and 27.0% in MUR, driven by the stocks in the technology sector and overall strong corporate performance. Meanwhile, the European market also experienced positive momentum, as the Euro Stoxx 600 Index rose by 10.7% in EUR and 13.0% in MUR, on back of solid earnings reports.

Emerging markets experienced solid gains, with the MSCI Emerging index rising by 9.8% in USD and 16.9% in MUR, despite tensions in the Middle East, largely driven by technology markets in Taiwan and South Korea. The following table illustrates the performance of the main international indices as at 30 June 2024.



DIRECTORS' REPORT (CONT'D)

GLOBAL ECONOMIC AND MARKET REVIEW (CONT'D)

Table 5: Performance of main international indices over the financial year

Index	Return (Domestic)	Return (MUR)
S&P 500	22.70%	30.70%
FTSE 100	8.40%	15.28%
Nikkei 225	19.27%	14.57%
MSCI World	18.37%	26.10%
MSCI Euro(Excl UK)	10.88%	16.29%
MSCI Emerging	9.78%	16.94%
BSE SENSEX	22.12%	27.97%

Source: Bloomberg

LOCAL ECONOMIC REVIEW AND OUTLOOK

The Mauritian economy experienced a notable growth at 6.4% with a projection of 6.5% for the year 2024, reflecting the rebound of economy from pandemic-induced disruptions. Supportive government policies and fiscal measures provided additional momentum, narrowing the current account deficit to 4.5% of GDP in 2023 and is expected to improve to 4.3% in 2024.

Two key sectors—construction and tourism—are anticipated to continue driving growth momentum, generating significant positive spillover effects across the economy.

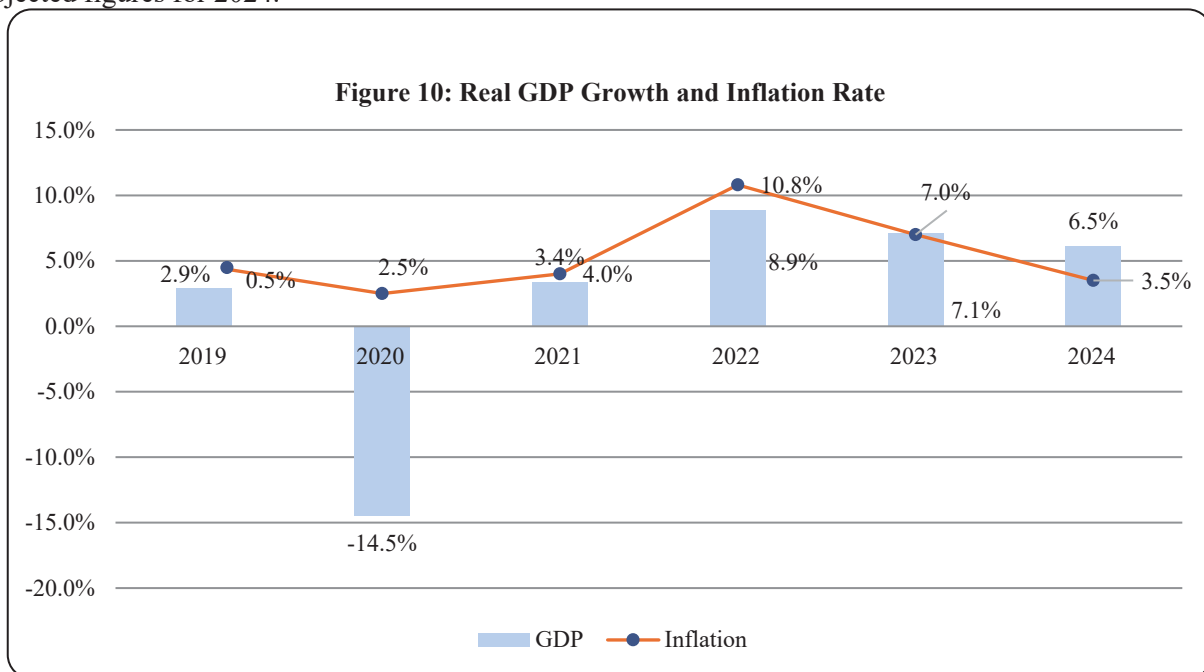
The construction sector is forecasted to expand by 38.8% in 2024, driven primarily by large-scale projects such as social housing developments and the enhancement of road infrastructure networks.

DIRECTORS' REPORT (CONT'D)

LOCAL ECONOMIC REVIEW AND OUTLOOK (CONT'D)

The tourism sector is anticipated to remain robust, with a target of 1.4 million arrivals set for 2024. This sustained momentum is expected to have a positive effect on allied sectors, including retail trade, transportation, and agriculture, thereby supporting broader economic growth

Headline inflation continued its downward trend for the twelve months ending September 2024, falling from 9.0% in 2023 to 3.8% in 2024. The Consumer Price Index (CPI) accounted for a net increase of 0.8% to 103.4 in September 2024 compared from 102.6 in June 2024. Figure 10 below illustrates the evolution of Real GDP Growth and Inflation Rate for Mauritius from 2019 to the projected figures for 2024.



Source: Statistics of Mauritius

Foreign direct investment (FDI) inflows are estimated to be around MUR 15.9 billion for the first half of 2024, representing an increase of 17.8% compared to last year. The primary source of these investments were from France and South Africa

The banking sector remained resilient with a strong Capital Adequacy Ratio (CAR) of 20.9% as of June 2024, well above the regulatory minimum, highlighting the sector's ability to withstand potential shocks.



DIRECTORS' REPORT (CONT'D)

LOCAL ECONOMIC REVIEW AND OUTLOOK (CONT'D)

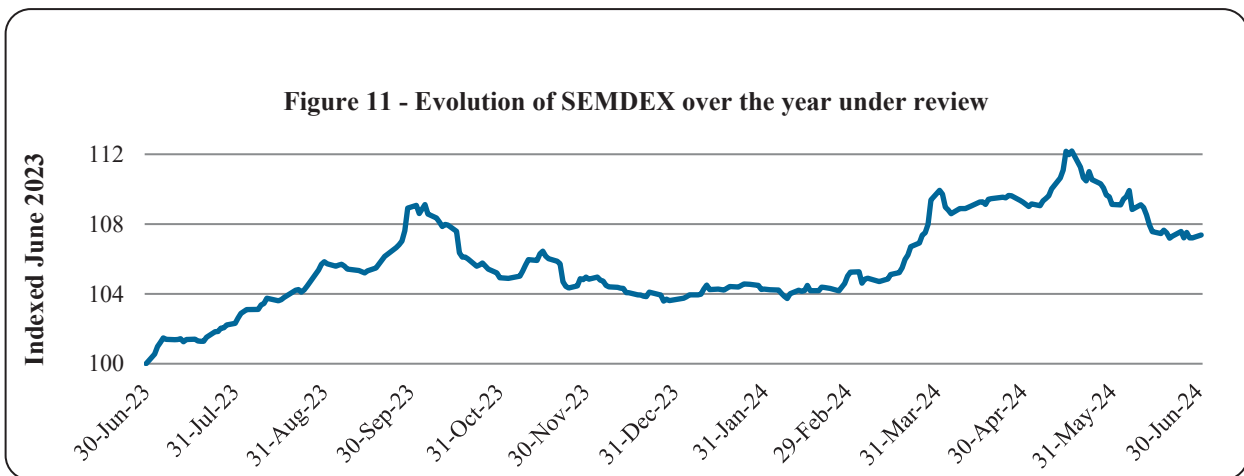
Based on the Monetary Policy Committee Report of Mauritius of September 2024, it was noted that inflationary pressures has smoothen and is expected to decline further by the end of 2024. Moreover, most of the major sectors of Mauritius are improving in terms of growth. Based on these macroeconomic conditions, the central bank has reduced the Key Repo Rate to 4%. This is in line with easing global monetary conditions, where the U.S. Federal Reserve and the European Central Bank have adopted a measured approach towards rate cut.

Mauritius maintained its rating of Baa3 as per Moody's (a global rating agency) in July 2024 regarding its long-term foreign and local currency issuers rating. The global rating agency further explained that this reflects the country's level of debt burden, economy's small size and the stable growth rates.

Local Stock Market Review

The local equity market began the year strongly, with both the SEMDEX and SEMTRI ended the period under review with fair gains of 7.2% and 12.7% respectively. This marked a recovery from the previous year, when the indices posted negative returns of 7.5% and 3.8% respectively.

The performance of the SEMDEX was primarily driven by gains in banking, insurance, and other financial stocks, followed by notable contributions from the leisure and hotels segment.



Source: Bloomberg

DIRECTORS' REPORT (CONT'D)

LOCAL ECONOMIC REVIEW AND OUTLOOK (CONT'D)

Table 6 : Valuation Ratios

Ratio	2024	2023
Dividend Yield (percent)	5.09	4.34
Price to earnings ratio (times)	6.49	7.49
Price to book ratio (times)	0.65	0.62

Source: Bloomberg

The above table demonstrates the valuation ratios of the local stock market.

It was further noted that the property sector faced challenges, following increased competition faced by Ascencia Ltd by the opening of Tribeca Mall. Similarly, the sugar sector was significantly affected by unpredictable weather conditions that hit the island in the first quarter of the year. The industry sector was weakened by poor performances from Gamma Civic Ltd (-16.9%) and Phoenix Beverages (-7.5%).

Additionally, Emtel Ltd announced its public offering on May 15, 2024, and was officially listed on the SEMDEX on July 5, 2024, in a new sector called "Information Communication & Technology". On 20 June 2024, Sun Limited announced a corporate restructuring, separating its owner-managed resort operations from its resort ownership and asset management activities. This move aims to provide shareholders with a clearer and more valuable proposition.

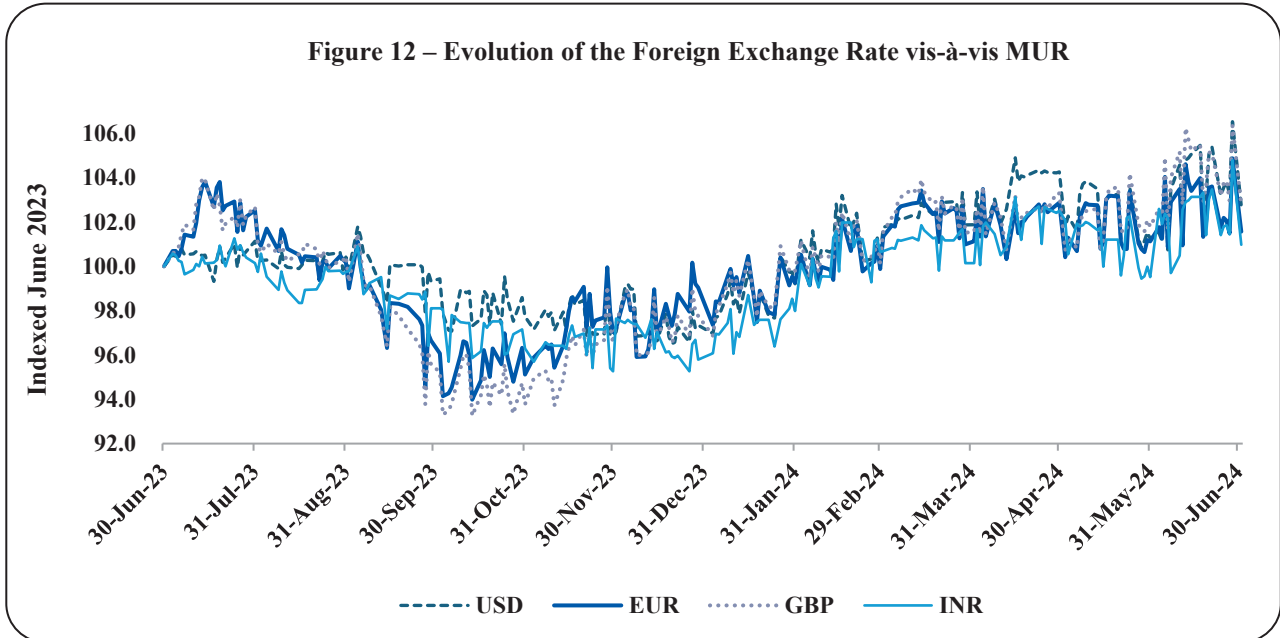
THE FOREIGN EXCHANGE MARKET

During the financial year ended 30 June 2024, all the major hard currencies appreciated. USD, EUR and GBP appreciated by 6.5%, 4.9% and 6.3% respectively vis a vis Mauritian Rupee. The same situation occurred on the Asian market side where the INR gained 4.8% vis a vis the MUR during the year. In order to stabilize the foreign exchange market, the Bank of Mauritius intervened several times in 2024, injecting USD 315 million at an average exchange rate of MUR 44.58.

The trend of the currencies is depicted in Figure 12 on the next page.

DIRECTORS' REPORT (CONT'D)

THE FOREIGN EXCHANGE MARKET (CONT'D)



Source: Bloomberg

PROSPECTS

Global growth is projected to slow down to around 3.2% for 2024. The global economy in 2024 continues to face uncertainties due to the ongoing geopolitical tensions, including the war in Ukraine and escalating tensions in the Middle East with the ongoing conflict in Gaza. These tensions may disrupt supply chains, leading to higher prices and shortages of commodities and goods, compounding inflationary pressures.

The energy sector remains volatile, with high costs expected to persist into 2024. Furthermore, sluggish recovery in China and the strength of the U.S. dollar continue to challenge trade-dependent economies. Emerging and developing markets are likely to see growth slow to 4%, reflecting reduced fiscal space and lingering inflation effects.

Commodity markets and inflation could remain volatile, driven by the unpredictability of global geopolitical conflicts and climate disruptions. While inflation is moderating, central banks remain cautious, ensuring that the inflation trajectory aligns with long-term targets, especially in advanced economies.

DIRECTORS' REPORT (CONT'D)

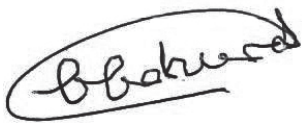
PROSPECTS (CONT'D)

Mauritius is positioned for steady growth, with GDP expected to increase by about 6.5% in 2024, primarily fuelled by tourism, construction and financial services sector. The tourism sector is benefiting from robust travel demand, though potential risks from global economic slowdowns remain.

Based on the report of the Monetary Policy Committee of Mauritius, it was noted that headline inflation is forecasted to be around 4% by the end of 2024.

Private consumption continues to recover, driven by falling unemployment, now hovering around 6.5%. Construction activities and manufacturing output have also strengthened, aligning with public infrastructure investments aimed at stimulating long-term growth.

In the face of global headwinds, a prudent investment approach would be adopted. Focus would be on selection of high-quality investments both in the local and global space. Exposure to high growth sectors would be enhanced through investments in foreign funds amongst others.



Mr. G. Goburdhun, G.O.S.K
Chairman

4 November 2024



INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF PORT LOUIS FUND LTD

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PORT-LOUIS FUND LTD (the “Fund”) set out on pages 60 to 94 which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with 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 the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA” Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statement of Compliance and the Certificate from the Secretary. The other information 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.

INDEPENDENT AUDITOR'S REPORT (CONT'D) TO THE MEMBERS OF PORT LOUIS FUND LTD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

Corporate Governance Report

Our responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirements of the Code. From our assessment of the disclosures made on Corporate Governance in the annual report, the Fund has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

Directors' responsibilities for the Financial Statements

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

In preparing the financial statements, the directors 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 directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.



INDEPENDENT AUDITOR'S REPORT (CONT'D) TO THE MEMBERS OF PORT LOUIS FUND LTD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 matter that 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.

The financial statements of the Fund for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 September 2023.

INDEPENDENT AUDITOR'S REPORT (CONT'D)
TO THE MEMBERS OF PORT LOUIS FUND LTD

REPORT ON THE FINANCIAL STATEMENTS (CONT'D)

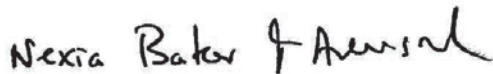
Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Fund other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Fund as far as it appears from our examination of those records.



Nexia Baker & Arenson
Chartered Accountants



Ouma Shankar Ochit FCCA
Licensed by FRC

Date: 16 October 2024



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Notes	2024 Rs'000	2023 Rs'000
ASSETS			
Non-current assets			
Portfolio of domestic securities	7	928,265	760,255
Portfolio of foreign securities	8	687,771	542,090
Non-current assets		1,616,036	1,302,345
Current assets			
Portfolio of domestic securities	7	477,869	438,951
Portfolio of foreign securities	8	12,844	3,621
Other receivables	9	7,809	11,617
Current tax asset	12	541	54
Cash and cash equivalents	19(b)	128,124	129,220
Current assets		627,187	583,463
Total assets		2,243,223	1,885,808
LIABILITIES			
Other payables	11	6,550	5,049
Bank overdrafts	19(b)	192	25
Dividend payable	18	43,043	30,028
Total liabilities excluding net assets attributable to holders of redeemable shares		49,785	35,102
Net assets attributable to holders of redeemable shares		2,193,438	1,850,706
Net asset value per share	20	43.85	36.90

These financial statements have been approved by the Board of Directors on 16 October 2024 and signed on its behalf by:

Mr. G. Goburdhun, G.O.S.K
Chairman

Dr. R. Auckloo
Director

The notes on pages 64 to 94 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2024	2023
		Rs'000	Rs'000
Income			
Net increase in fair value of financial assets through profit or loss	7, 8 & 14	344,777	21,808
Investment income	13	60,110	50,020
Foreign exchange gain		3,631	1,581
Other income		650	179
Total income		409,168	73,588
Expenditure			
Management fees	15	(17,440)	(16,431)
Registry costs	16	(1,208)	(1,208)
Other operating expenses		(4,020)	(4,447)
Net gain/(loss) on disposal of securities		356	(1,385)
Total expenditure		(22,312)	(23,471)
Profit before tax	17	386,856	50,117
Tax expense	12	(749)	(81)
Profit for the year		386,107	50,036
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Decrease in fair value of financial assets at FVOCI	7	(384)	(868)
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive loss for the year, net of tax		(384)	(868)
Total comprehensive income for the year		385,723	49,168

Note: EPS information is not disclosed as the class of shares that are publicly traded are redeemable shares.

The notes on pages 64 to 94 form an integral part of these financial statements.



STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2024	2023
		Rs'000	Rs'000
Net assets attributable to holders of redeemable shares at 01 July		1,850,706	1,823,421
Proceeds from issue of redeemable shares		5,127	8,438
Payments on redemption of redeemable shares		(10,602)	(8,978)
Adjustment on redemption of redeemable shares	9(a)	-	3,738
Dividends distribution to holders of redeemable shares	18	(37,516)	(25,081)
Transactions with the shareholders		(42,991)	(21,883)
Profit for the year		386,107	50,036
Other comprehensive loss for the year		(384)	(868)
Total comprehensive income for the year		385,723	49,168
Net assets attributable to holders of redeemable shares at 30 June		2,193,438	1,850,706

The notes on pages 64 to 94 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	2024	2023
		Rs'000	Rs'000
Net cash used in operating activities	19 (a)	(6,684)	(3,074)
Investing activities			
Purchase of investments		(17,984)	(12,538)
Proceeds from disposal of investments		5,486	16,044
Investment in fixed deposit		(68,859)	-
Proceeds from maturity of fixed deposit		63,770	-
Dividends received		49,529	40,871
Interest received		4,209	1,407
Net cash flow generated from investing activities		36,151	45,784
Financing activities			
Net redemption of shares		(11,355)	(5,240)
Issue of shares		5,127	8,438
Dividend paid to holders of redeemable shares		(24,502)	(24,581)
Net cash used in financing activities		(30,730)	(21,383)
Net change in cash and cash equivalents		(1,263)	21,327
Cash and cash equivalents at beginning of the year		129,195	107,868
Cash and cash equivalents at the end of the year		127,932	129,195
Cash and cash equivalents made up of:			
Bank overdrafts		(192)	(25)
Cash at bank		128,124	129,220
Total	19 (b)	127,932	129,195

The notes on pages 64 to 94 form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. General information and statement of compliance with IFRS

PORT-LOUIS FUND LTD, (the “Fund”), is a Collective Investment Scheme as per Securities Act 2005. The Fund was incorporated on 09 June 1997 as a public company with limited liability. It initially obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Mauritius Companies Act 1984, then replaced by the Mauritius Companies Act 2001. The Fund’s registered address is at 15th Floor, Air Mauritius Centre, 6, President John Kennedy Street, Port Louis, Republic of Mauritius.

The principal activities of the Fund are:

- (a) to carry on business as an investment holding company;
- (b) to deal in securities and properties of all kinds and;
- (c) to manage and advise on investment funds.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

2. Application of new and revised IFRS

(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 01 January 2023.

IFRS 17 Insurance Contracts was issued in May 2017 as replacement for IFRS 4 Insurance Contracts and it requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows,
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard has no impact on the Fund’s financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments have no impact on the Fund’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. Application of new and revised IFRS (cont'd)

(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period (Cont'd)

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments have no impact on the Fund's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12. The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The amendments have no impact on the Fund's financial statements.

OECD Pillar Two Rules - In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The amendments have no impact on the Fund's financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. Application of new and revised IFRS (cont'd)

(b) Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 July 2024 or later periods, but which the Fund have not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16.
- Supplier finance arrangements - Amendments to IAS 7 and IFRS 7.
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28.
- Classification of liabilities as current or non-current liabilities with covenants – Amendments to IAS 1.

Where relevant, the Fund is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

3. Summary of material accounting policies

(a) Overall considerations

The financial statements have been prepared using the material accounting policies and measurement bases summarised below.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term bank deposit. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts are shown in liabilities.

(c) Share capital

The Fund's share capital consists of redeemable shares.

They are redeemable at the shareholder's option and at prices based on the value of the Fund's net assets at the time of issue or redemption and are classified as financial liabilities.

The shares are redeemed for cash and have a par value.

Dividend distributions payable to redeemable shareholders are included in current liabilities when the dividends have been approved by the Board prior to the reporting date but paid after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(d) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the financial instrument. Subsequent measurement of financial assets and liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI).

In the current year, the Fund has financial assets categorised as FVOCI, FVTPL and amortised cost.

The classification is determined by both:

- the Fund's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs or other financial items, except for impairment of financial asset which is presented within other expenses.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets where contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification and subsequent measurement of financial assets (cont'd)

Financial assets at fair value through profit or loss (cont'd)

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Fund's financial assets at fair value through profit or loss consist of investments in both quoted and unquoted companies domestically as well as in foreign countries.

Financial assets at fair value through other comprehensive income ('FVOCI')

Financial assets are accounted for at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is 'hold to collect' the associated cash flow and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on principal amount outstanding.

The option to designate an equity instrument at FVOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in other comprehensive income (OCI) except for dividend income which is recognised in profit or loss. All other gains and losses are recognised in OCI without reclassification on derecognition.

The Fund's investments in bonds are classified at FVOCI.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Fund's cash and cash equivalents and most of other receivables fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirement include other debt-type financial assets measured at FVOCI and other receivables.

Recognition of credit losses is no longer dependent on the Fund first identifying a credit loss event. Instead, the Fund considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Fund's financial liabilities include other payables, dividend payable, bank overdrafts and net assets attributable to holders of redeemable shares.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Fund designated a financial liability at fair value through profit or loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(d) Financial instruments (cont'd)

Subsequent measurement of financial liabilities

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(e) Foreign currency

Functional and presentation currency

The financial statements are presented in currency Mauritian Rupee ("Rs"), which is also the functional currency of the Fund.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Fund, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

(f) Revenue recognition

To determine whether to recognise revenue, the Fund ensures that the following 5 conditions are satisfied:

- Identifying the contract with a customer.
- Identifying the performance obligations.
- Determining the transaction price.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(f) Revenue recognition (cont'd)

- Allocating the transaction price to the performance obligations.
- Recognising revenue when/as performance obligation(s) are satisfied.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis unless collectability is in doubt.

(g) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, current tax and CSR (Corporate Social Responsibility Fund) not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

The Fund is subject to CSR and the contribution is at the rate of 2% on the chargeable income of the preceding financial year. However, effective as from 01 January 2017, further to changes in the income tax legislation, the Fund is required to contribute at least 50% of its CSR money to the National CSR Foundation through the Mauritius Revenue Authority. The remaining 50% of the CSR can be used by the Fund in accordance with its own CSR Fund. Effective 01 January 2019, the contribution to the Mauritius Revenue Authority must be at least 75% or reduced up to 50% if prior written approval of the National CSR Foundation is obtained.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Fund's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Fund has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss and other comprehensive income, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(h) Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at reporting date are reviewed in detail and provision is made where necessary.

(i) Expense recognition

All expenses are accounted for on the accrual basis.

(j) Management fees and Registry costs

Management fees and registry cost are accounted on an accrual basis as per the terms and conditions of the agreement with the fund manager and the Company Secretary respectively.

(k) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting Fund; has significant influence over the reporting Fund; or is a member of the key management personnel of the reporting Fund or of a parent of the reporting Fund.

(l) Impairment of assets

At each reporting date, the Fund reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

(m) Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(n) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(o) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(p) Significant management judgement in applying accounting policies and estimation uncertainties

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Fund that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Fund is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. Management has considered those factors and has determined that the functional currency of the Fund is the Mauritian rupee (Rs).

Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Fund's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Fund's view of possible near-term market changes that cannot be predicted with any certainty.

Going concern

The directors have made an assessment on the Fund's ability to continue as a going concern and are satisfied that it will be able to meet its obligations as they fall due and to continue in business for the foreseeable future.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. Summary of material accounting policies (cont'd)

(p) Significant management judgement in applying accounting policies and estimation uncertainties (cont'd)

Estimation uncertainties (cont'd)

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Recoverability of other receivables

The Fund reviews its significant other receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, management judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk

Risk management objectives and policies

The Fund is exposed to various risks in relation to financial instruments. The Fund's financial assets and liabilities by category are summarised below.

Financial assets and financial liabilities

	FVTPL	FVOCI	Amortised cost	Total
	Rs '000	Rs '000	Rs '000	Rs '000
2024				
Financial assets				
<u>Non-current</u>				
Portfolio of domestic securities	921,669	6,596	-	928,265
Portfolio of foreign securities	687,771	-	-	687,771
<u>Current</u>				
Portfolio of domestic securities	477,269	600	-	477,869
Portfolio of foreign securities	12,844	-	-	12,844
Other receivables*	-	-	7,771	7,771
Cash and cash equivalents	-	-	128,124	128,124
Total financial assets	2,099,553	7,196	135,895	2,242,644
Financial liabilities				
<u>Current</u>				
Net assets attributable to holders of redeemable shares	2,193,438	-	-	2,193,438
Bank overdrafts	-	-	192	192
Other payables**	-	-	6,526	6,526
Dividend payable	-	-	43,043	43,043
Total financial liabilities	2,193,438	-	49,761	2,243,199

* Other receivables exclude prepayments amounting to Rs 38,000 (2023: Rs 38,000).

** Other payables exclude PAYE and TDS amounting to Rs 24,000 (2023: Rs 11,000).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

Risk management objectives and policies (cont'd)

Financial assets and financial liabilities

	FVTPL	FVOCI	Amortised cost	Total
	Rs'000	Rs'000	Rs'000	Rs'000
<u>2023</u>				
Financial assets				
<u>Non-current</u>				
Portfolio of domestic securities	752,190	8,065	-	760,255
Portfolio of foreign securities	542,090	-	-	542,090
<u>Current</u>				
Portfolio of domestic securities	438,951	-	-	438,951
Portfolio of foreign securities	3,621	-	-	3,621
Other receivables*	-	-	11,579	11,579
Cash and cash equivalents	-	-	129,220	129,220
Total financial assets	1,736,852	8,065	140,799	1,885,716
Financial liabilities				
<u>Current</u>				
Net assets attributable to holders of redeemable shares	1,850,706	-	-	1,850,706
Bank overdrafts	-	-	25	25
Other payables**	-	-	5,039	5,039
Dividend payable	-	-	30,028	30,028
Total financial liabilities	1,850,706	-	35,092	1,885,798

The Fund's activity exposes it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk, concentration risk, compliance risk and political, economic and social 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.

The most significant financial risks to which the Fund is exposed are described below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(a) Market risk analysis

The Fund is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

(i) Foreign currency risk

The Fund's transactions are carried out in the Mauritian Rupee (MUR). Exposure to currency exchange rates arise from the Fund's overseas purchases, which are primarily denominated in USD, EURO and INR. The Fund does not use any financial instruments to hedge its foreign exchange risk.

Currency exposure arising from the Fund's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. Foreign currency denominated financial assets which expose the Fund to currency risk are disclosed below. The Fund did not have any financial liabilities in foreign currencies during the year ended 30 June 2024 and 30 June 2023.

	Financial assets	
	2024	2023
	Rs'000	Rs'000
United States Dollar (USD)	63,495	71,177
Euro (EUR)	26,657	25,234
Indian Rupee (INR)	7,643	4,423
Others	162	155
Financial assets denominated in foreign currencies	97,957	100,989
Financial assets denominated in Mauritian currency	2,144,687	1,784,727
	2,242,644	1,885,716

Foreign currency sensitivity

The following table illustrates principally the sensitivity of profit and net assets attributable to holders of redeemable shares with regards to the Fund's financial assets and the Mauritian rupee against foreign exchange rate, "all other things being equal". It assumes the following changes in exchanges rates for the year ended 30 June 2024, based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Fund's foreign currency financial instruments held at each reporting date.

It assumes a change of 2% in the exchange rate for the year ended 30 June 2024 (2023: 2%). The sensitivity analysis is based on the Fund's foreign currency financial instruments held at each reporting date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(a) Market risk analysis (cont'd)

(i) Foreign currency risk (cont'd)

Foreign currency sensitivity (cont'd)

If the MUR had weakened by 2% (2023: 2%), then this would have the following impact:

	2024		2023	
	Profit	Net assets attributable to holders of redeemable shares	Profit	Net assets attributable to holders of redeemable shares
	Rs'000	Rs'000	Rs'000	Rs'000
USD	1,270	1,270	1,424	1,424
EURO	533	533	505	505
INR	153	153	88	88
Others	3	3	3	3

If the MUR had strengthened by 2% (2023: 2%), then this would have the following impact:

	2024		2023	
	Profit	Net assets attributable to holders of redeemable shares	Profit	Net assets attributable to holders of redeemable shares
	Rs'000	Rs'000	Rs'000	Rs'000
USD	(1,270)	(1,270)	(1,424)	(1,424)
EURO	(533)	(533)	(505)	(505)
INR	(153)	(153)	(88)	(88)
Others	(3)	(3)	(3)	(3)

(ii) Interest rate risk

The Fund's exposure to interest rate risk is limited to its bank overdraft and the interest thereon is based on market rates. If interest rate had been 25 basis point higher/lower, the effect on profit would have been Rs 48,000 (2023: Rs 63,000) lower/higher.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(a) Market risk analysis (cont'd)

(iii) Price risk

The Fund's securities are susceptible to market price risk arising from uncertainties about future prices of the investments. The Fund's market price risk is managed through diversification of its investment portfolio.

An estimate of the effect on the increase or decrease in net assets attributable to redeemable preference shareholders for the period due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

Sensitivity analysis

The table below summarises the impact of increase/decrease in the fair value of the investments on the Fund's net asset value. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	Impact on profit or loss		Impact on other comprehensive income	
	2024	2023	2024	2023
	Rs'000	Rs'000	Rs'000	Rs'000
Designated at fair value through other comprehensive income	-	-	360	403
Designated at fair value through profit or loss	104,978	86,843	-	-

(b) Credit risk analysis

The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2024	2023
	Rs'000	Rs'000
Financial assets		
<u>Non-current</u>		
Portfolio of domestic securities	928,265	760,255
Portfolio of foreign securities	687,771	542,090
	1,616,036	1,302,345



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(b) Credit risk analysis (cont'd)

	2024	2023
	Rs'000	Rs'000
Financial assets		
<u>Current</u>		
Portfolio of domestic securities	477,869	438,951
Portfolio of foreign securities	12,844	3,621
Other receivables	7,771	11,579
Cash and cash equivalents	128,124	129,220
	626,608	583,371
Total	2,242,644	1,885,716

The Fund's exposure to credit risk is limited to the carrying amount of its portfolio of domestic and foreign securities, other receivables and cash and cash equivalents and it excludes prepayments.

The Fund's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

The extent of the Fund's exposure to credit risk in respect of the financial assets at FVTPL and FVOCI approximates the carrying values as at the reporting date.

The credit risk for the cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

None of the financial assets are secured by collateral or other credit enhancements.

(c) Liquidity risk analysis

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as and when they fall due. The Fund's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(c) Liquidity risk analysis (cont'd)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of cash balance. The Fund has entered into a liquidity contract with The State Investment Corporation Ltd to ensure that the Fund has enough cash to maintain flexibility in funding.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flows	On demand	Less than 1 year
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
Net assets attributable to holders of redeemable shares	2,193,438	2,193,438	2,193,438	-
Bank overdrafts	192	192	-	192
Other payables*	6,526	6,526	-	6,526
Dividend payable	43,043	43,043	-	43,043
Total	2,243,199	2,243,199	2,193,438	49,761
2023				
Net assets attributable to holders of redeemable shares	1,850,706	1,850,706	1,850,706	-
Bank overdrafts	25	25	-	25
Other payables*	5,039	5,039	-	5,039
Dividend payable	30,028	30,028	-	30,028
Total	1,885,798	1,885,798	1,850,706	35,092

* Other payables exclude PAYE and TDS Rs24,000 (2023: Rs11,000).

(d) Concentration risk

The Fund has invested in unquoted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Fund to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such Fund is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investment existed. However, the directors consider the investment to be a strategic one and the concentration risk is manageable.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. Financial instrument risk (cont'd)

(e) 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 en-forced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

(f) 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 value of the Fund's assets.

5. Capital management policies and procedures

The Fund's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to the shareholders and other stakeholders.

The Fund monitors capital in proportion to risk. The Fund manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The Fund was not geared for the years ended 30 June 2023 and 30 June 2024.

6. Fair value measurement

6.1 Fair value measurement of financial instruments

The following table presents financial assets measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

6. Fair value measurement (cont'd)

6.1 Fair value measurement of financial instruments (cont'd)

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 Rs'000	Level 2 Rs'000	Level 3 Rs'000	Total Rs'000
Financial assets				
<u>2024</u>				
Designated at fair value through profit or loss	1,177,884	920,500	1,169	2,099,553
Designated at fair value through other comprehensive income	-	7,196	-	7,196
Total	1,177,884	927,696	1,169	2,106,749
<u>2023</u>				
Designated at fair value through profit or loss	984,662	751,187	1,003	1,736,852
Designated at fair value through other comprehensive income	-	8,065	-	8,065
Total	984,662	759,252	1,003	1,744,917
Financial liabilities				
<u>2024</u>				
Net assets attributable to holders of redeemable shares	-	-	2,193,438	2,193,438
<u>2023</u>				
Net assets attributable to holders of redeemable shares	-	-	1,850,706	1,850,706

6.2 Measurement of fair value

The methods used for the purpose of measuring fair values are detailed below:

Listed securities

The fair values of listed equity securities have been determined by reference to the quoted bid price at the reporting date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

6. Fair value measurement (cont'd)

6.2 Measurement of fair value (cont'd)

Unquoted securities

The fair values of the unquoted investments are usually estimated by an experienced and qualified team of valuers for financial reporting purposes by using generally accepted valuation models like dividend discount model, price-to-book approach, price earnings ratio of peer companies and dividend yield where appropriate, and also making use of assumptions that are based on market conditions existing at the reporting date.

The Board carries out an assessment with the assistance of the independent valuer and Management to determine the value of the main unquoted shares.

The reconciliation of the carrying amounts of financial instruments within Level 3 is detailed in Note 7 (b).

6.3 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

6.4 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of prepayments and current tax assets and its non-financial liabilities consist of PAYE and TDS.

For both non-financial assets and non-financial liabilities, the fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

7. Portfolio of domestic securities

Domestic securities consist mainly of investments made on the Stock Exchange of Mauritius (SEM), Development & Enterprise Market (DEM) and unquoted companies classified as fair value through profit or loss financial assets and debt instrument classified as fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

7. Portfolio of domestic securities (cont'd)

Financial assets consist of investments made in quoted, unquoted companies and government bonds.

	2024	2023
	Rs'000	Rs'000
Financial assets at fair value through profit or loss	1,398,938	1,191,141
Financial assets at fair value through other comprehensive income	7,196	8,065
	1,406,134	1,199,206
Analysed as:		
<u>Non-current assets</u>		
Financial assets at fair value through profit or loss	921,669	752,190
Financial assets at fair value through other comprehensive income	6,596	8,065
	928,265	760,255
<u>Current assets</u>		
Financial assets at fair value through profit or loss	477,269	438,951
Financial assets at fair value through other comprehensive income	600	-
	477,869	438,951
 Total	 1,406,134	 1,199,206

(a) Financial assets at fair value through profit or loss

	Listed on SEM	Listed on DEM	Unquoted	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
At 01 July 2023	410,247	28,704	752,190	1,191,141
Additions	14,304	-	-	14,304
Disposals	(5,704)	-	-	(5,704)
Movement in fair value	30,670	(952)	169,479	199,197
At 30 June 2024	449,517	27,752	921,669	1,398,938
 <u>2023</u>				
At 01 July 2022	461,781	28,318	754,743	1,244,842
Additions	6,884	-	-	6,884
Disposals	(8,232)	-	-	(8,232)
Movement in fair value	(50,186)	386	(2,553)	(52,353)
At 30 June 2023	410,247	28,704	752,190	1,191,141



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

7. Portfolio of domestic securities (cont'd)

(b) Financial assets at fair value through other comprehensive income

	Total	
	2024	2023
	Rs'000	Rs'000
At 01 July	8,065	9,321
Disposals during the year	(485)	(388)
Movement in fair value	(384)	(868)
At 30 June	7,196	8,065

	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
2024				
Financial assets at fair value through profit or loss	477,269	920,500	1,169	1,398,938
Financial assets at fair value through OCI	-	7,196	-	7,196
At 30 June 2024	477,269	927,696	1,169	1,406,134

2023

Financial assets at fair value through profit or loss	438,951	751,187	1,003	1,191,141
Financial assets at fair value through OCI	-	8,065	-	8,065
At 30 June 2023	438,951	759,252	1,003	1,199,206

The table below shows the changes in level 3 instruments

	2024	2023
	Rs'000	Rs'000
At 01 July	1,003	1,343
Increase/(decrease) in fair value	166	(340)
At 30 June	1,169	1,003

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

8. Portfolio of foreign securities

Foreign securities consist mainly of investment made in quoted companies/ funds which are classified as fair value through profit or loss under IFRS 9 standards.

	2024	2023
	Rs'000	Rs'000
Financial assets at fair value through profit or loss	700,615	545,711
Analysed as:		
<u>Non-current assets</u>		
Financial assets at fair value through profit or loss	687,771	542,090
<u>Current assets</u>		
Financial assets at fair value through profit or loss	12,844	3,621
Total	700,615	545,711

Financial assets at fair value through profit or loss

	2024	2023
	Rs'000	Rs'000
At 01 July	545,711	474,709
Additions	26,012	5,654
Disposals	(16,688)	(8,813)
Increase in fair value	145,580	74,161
At 30 June	700,615	545,711

(a) Financial assets at fair value through profit or loss

	2024	2023
	Rs'000	Rs'000
Level 1	700,615	545,711

(b) Financial assets at fair value through profit or loss are denominated in the following currencies:

	2024	2023
	Rs'000	Rs'000
US Dollar	249,186	182,091
Euro	98,331	82,567
GBP	8,752	7,381
INR	313,475	243,923
Other currencies	30,871	29,749
Total	700,615	545,711



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

9. Other receivables

	2024	2023
	Rs'000	Rs'000
Dividend receivable	6,821	7,396
Interest receivable on fixed deposit	400	57
Funds receivable from disposal of securities/bonds	550	388
Prepayment	38	38
Amount receivable from related party (note 9 (a) & 21)	-	3,738
	7,809	11,617

The carrying amount of other receivables is considered to be a reasonable approximation of the fair value.

(a) As at 30 June 2023, some discrepancies to the extent of Rs 3,737,500 were noted with regards to redemption transactions at the level of the Registry of the Fund, which is outsourced to Prime Partners Ltd ('PPL'), following an internal enquiry conducted by the latter. During the year ended 30 June 2024, the amount of Rs 3,737,500 has been re-imbursed by PPL. An independent consultant was appointed to review the Registry system and there were recommendations which are being implemented.

10. Stated capital

Shares are issued at the holders' option at prices based on the value of the Fund's net assets at the time of issue/redemption.

	2024	2023
	Rs'000	Rs'000
<u>Authorised</u>		
120,000,000 redeemable shares of Rs 10 par value	1,200,000	1,200,000
<i>Issued and fully paid (Number of shares in thousands)</i>		
At 01 July	50,159	50,068
Issue of shares	136	244
Redemption of shares	(275)	(142)
Adjustment on shares balance	-	(11)
At 30 June	50,020	50,159

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. Other payables

	2024	2023
	Rs'000	Rs'000
Amount due to related party	4,618	4,128
Other payables	1,932	921
	6,550	5,049

- (i) The amount due to the related party is interest free, unsecured and repayable within one year.
(ii) The carrying amount of other payables is considered to be a reasonable approximation of the fair value.

12. Taxation

The Fund is liable to income tax at the rate of 15% (2023: 15%) and at 30 June 2024 it had income tax asset of Rs 540,965 (2023: Rs 54,059). The income tax asset/liability is calculated according to the tax rate and tax laws applicable to the fiscal period to which it relates, based on the taxable profit for the year.

Income tax expense

The Fund is also subject to the Advanced Payment Scheme (APS) whereby it is required to submit an APS Statement and pay tax quarterly on the basis of either last year's income or the income for the current quarter.

Contribution to the CSR Fund is at a rate of 2% on the 'chargeable income' of the preceding financial year.

Effective from the year of assessment commencing on 1 July 2024, a Corporate Climate Responsibility Levy (CCR Levy) of 2% of chargeable income has been introduced.

(a) Statement of financial position

	2024	2023
	Rs'000	Rs'000
At 01 July	(54)	(85)
Tax refunded	54	85
Tax liability for the year	-	180
CSR	125	45
CCR Levy	105	-
Tax paid under APS	(771)	(279)
Current tax asset	(541)	(54)

Deferred taxes

No deferred tax liability was recognised as at 30 June 2024 as the directors consider its impact to be immaterial.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

12. Taxation (cont'd)

(b) Statement of profit or loss and other comprehensive income

	2024	2023
	Rs'000	Rs'000
Income tax on adjusted profit	-	180
CSR	125	45
CCR Levy	105	-
Withholding tax on foreign dividend income	731	-
Foreign tax charge	(212)	(144)
Tax expense	749	81

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

	2024	2023
	Rs'000	Rs'000
Profit before tax	386,856	50,117
Tax at 15%	58,028	7,518
Exempt income	(7,582)	(6,739)
Income not subject to income tax	(53,046)	(4,166)
Non-allowable expenses	3,106	4,489
CSR	125	45
CCR Levy	106	-
Withholding tax on dividend income	731	113
Actual tax suffered	(507)	(1,035)
Foreign tax charge	(212)	(144)
Tax expense	749	81

13. Investment income

	2024	2023
	Rs'000	Rs'000
Dividend income	54,800	48,613
Interest income	5,310	1,407
Total	60,110	50,020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

14. Net increase in fair value of financial assets through profit or loss

	2024	2023
	Rs'000	Rs'000
Domestic and foreign securities (Notes 7 and 8)	344,777	21,808

Domestic securities include investments in quoted and unquoted companies in the Republic of Mauritius which have been revalued at year end using prices from active markets and valuation reports. Foreign securities relate to investments in quoted companies/funds in foreign countries which have been revalued at year end using prices from active markets.

15. Management fees

A Management fee of 1.25% of the Company's net asset value is payable on a yearly basis to Capital Asset Management Ltd as per the investment management agreement dated 09 June 1997. The management fees are at present based on a graduated fee structure based on the performance of the Company presently at 0.9% with maximum of 1.25% of the net asset value of the Company.

	2024	2023
	Rs'000	Rs'000
Annual Fund Return		
Up to 27%	0.90%	0.90%
27% - 35%	1.00%	1.00%
Above 35%	1.25%	1.25%

16. Registry costs

Registry costs are payable to Prime Partners Ltd on a quarterly basis. For the year ended 30 June 2024, total Registry costs amounted to **Rs 1,207,500** (2023: Rs 1,207,500).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

17. Profit before tax

	2024	2023
	Rs'000	Rs'000
<i>The above is stated after (charging)/crediting:</i>		
Net increase in fair value through profit or loss financial assets	344,777	21,808
<i>Dividend income</i>		
- Listed (local)	26,131	22,139
- Foreign	4,256	3,686
- Unquoted	24,413	22,788
Other income	650	179
Interest income	5,310	1,407
Foreign exchange gain	3,631	1,581
<i>Major components of expenditure:</i>		
Management fees	(17,440)	(16,431)
Registry cost	(1,208)	(1,208)
Directors' fees	(1,170)	(869)
Professional fees	(980)	(1,205)
Custodian and brokerage fees	(878)	(850)
Administrative expenses	(387)	(320)
AGM Expenses	(317)	(887)
General expenses	(288)	(316)
	(4,020)	(4,447)

18. Dividends

The Board of Directors has declared a dividend of **Rs 37,515,884** representing Rs 0.75 per share on 24 June 2024 (2023: Rs 25,081,420 representing Rs 0.50 per share).

Dividend of **Rs 5,526,628** (2023: Rs 4,946,832) declared in prior years has not been claimed by shareholders. These dividends have been classified under current liabilities.

Total dividends payable as at 30 June 2024 amounted to **Rs 43,042,512** (2023: Rs 30,028,252).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

19. Notes to the Statement of Cash Flows

(a) Cash used in operations

	2024	2023
	Rs'000	Rs'000
Profit before tax	386,856	50,117
<i>Adjustments for:</i>		
Dividend income	(54,800)	(48,613)
Interest income	(5,310)	(1,407)
Net increase in fair value of financial assets at FVTPL	(344,777)	(21,808)
Dividend reinvested	409	292
Net (gain)/loss on disposal of securities	(356)	1,385
Adjusted loss before tax	(17,978)	(20,034)
<i>Net changes in working capital:</i>		
Change in other receivables	11,029	16,985
Change in other payables	1,501	25
Total changes in working capital	12,530	17,010
Tax refund	266	229
Tax paid	(1,502)	(279)
Net cash used in operating activities	(6,684)	(3,074)

(b) Cash and cash equivalents

	2024	2023
	Rs'000	Rs'000
Cash at bank	34,141	40,326
Fixed deposits	93,983	88,894
Bank overdraft*	(192)	(25)
	127,932	129,195

*The bank overdraft is a book overdraft.

20. Net asset value per share

	2024	2023
	Rs'000	Rs'000
Net asset value	2,193,438	1,850,706
Number of redeemable shares in issue (Note 10)	50,020	50,159
Net asset value per share	43.85	36.90



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

21. Related party transactions

For the year ended 30 June 2024, the Company entered into the following transactions with related parties:

	2024	2023
	Rs'000	Rs'000
Transactions with Companies having common share holders		
Management fee expenses – Capital Asset Management Ltd	17,440	16,431
Transactions with Company Secretary		
Registry costs – Prime Partners Ltd	1,208	1,208
Compensation – Prime Partners Ltd (Note 9 (a))	-	3,738
Brokerage fees – Prime Partners Ltd	77	57
Secretarial fees – Prime Partners Ltd	110	110
Key management personnel		
Short term benefits - Director fees (note 17)	1,170	869
Balances		
Amount payable to Capital Asset Management Ltd (note 11)	4,618	4,128

22. Events after the reporting date

There has been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 30 June 2024.



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