

STRATEGIA YIELD FUND LTD
(formerly known as EKADA YIELD FUND LTD)

ANNUAL REPORT

For the year ended

30 June 2024

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

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STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
CORPORATE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024

		Appointed on	Resigned on
DIRECTORS:	Lina How Ah Chong	12 April 2017	-
	Niralah Beeharry	15 May 2018	-
	Murvyn Kumar Mungur	16 May 2019	-
	Robert Chowvee Ip Min Wan	27 June 2019	-
	Cédric Béguier	29 April 2022	26 July 2023
	Vimla Ramsamy	28 June 2023	31 October 2023
	Shahannah Bibi Abdoolakhan	04 July 2024	-
	Doushyant Ramdhean Neeraj Singh Jaypal	15 July 2024 15 July 2024	- -
CUSTODIANS:	AfrAsia Bank Limited 4 th Floor, NeXTeracom Tower III, Cybercity, Ebène Mauritius	The Mauritius Commercial Bank Ltd Custody Business Unit 5 th Floor, Harbour Front Building President John Kennedy Street Port Louis Mauritius	
COMPANY SECRETARY:	DTOS Ltd 10 th Floor, Standard Chartered Tower 19, Cybercity, Ebène Mauritius		
REGISTERED OFFICE:	C/o DTOS Ltd 10 th Floor Standard Chartered Tower 19, Cybercity, Ebène Mauritius		
AUDITOR:	RSM Mauritius 7 th Floor, Carleton Tower Wall Street, Ebene Mauritius		
FUND MANAGER:	Strategia Wealth Managers Ltd Rue De l'Institut Ebene 72201 Level 2, Office 2 Iconebene Mauritius		
BANKERS:	AfrAsia Bank Limited Bowen Square Dr Ferrière Street Port Louis Mauritius	The Mauritius Commercial Bank Ltd Custody Business Unit 5 th Floor, Harbour Front Building President John Kennedy Street Port Louis Mauritius	

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CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principle 1: Governance Structure

Nature of business

Strategia Yield Fund Ltd (the "Fund") operates as an Open-ended fund and a retail Collective Investment Scheme (CIS) under Section 97 of the Securities Act 2005.

The Fund is a low-risk open-ended fund which invests in MUR-denominated debt and equity securities and other cash equivalents instruments. The investment objective of the Fund is to generate regular income to investors and seek growth, by investing in a diversified portfolio of yielding securities comprised of fixed income instruments mainly along with local equities. The Fund is ideal for investors seeking short, medium or long-term return and flexibility. The Fund aims to outperform its benchmark (Commercial Bank Savings Rate + 1.5%) annually. The Fund qualifies as a Public Interest Entity as defined under the Financial Reporting Act 2004.

Compliance Statement

The Fund is committed to the highest standard in terms of integrity, transparency and professionalism in all its activities. This ensures that the Fund is managed ethically and responsibly to enhance business value for all its stakeholders. As an essential part of this commitment, the Board subscribes to and is fully committed to complying with the Code of Corporate Governance for Mauritius 2016 (the "Code of Corporate Governance"). The Board also assumes the responsibility for leading and controlling the organisation and meeting all legal and regulatory requirements.

Adherence to the Code of Corporate Governance is based on the 'apply and explain' principle. The Board of Directors has to the best of its knowledge complied with most of the main provisions of the Code throughout the reporting period. Areas of non-compliance have been highlighted in this report and reasons for non-compliance have been explained.

Holding Structure

The holding structure of the Fund is as follows:

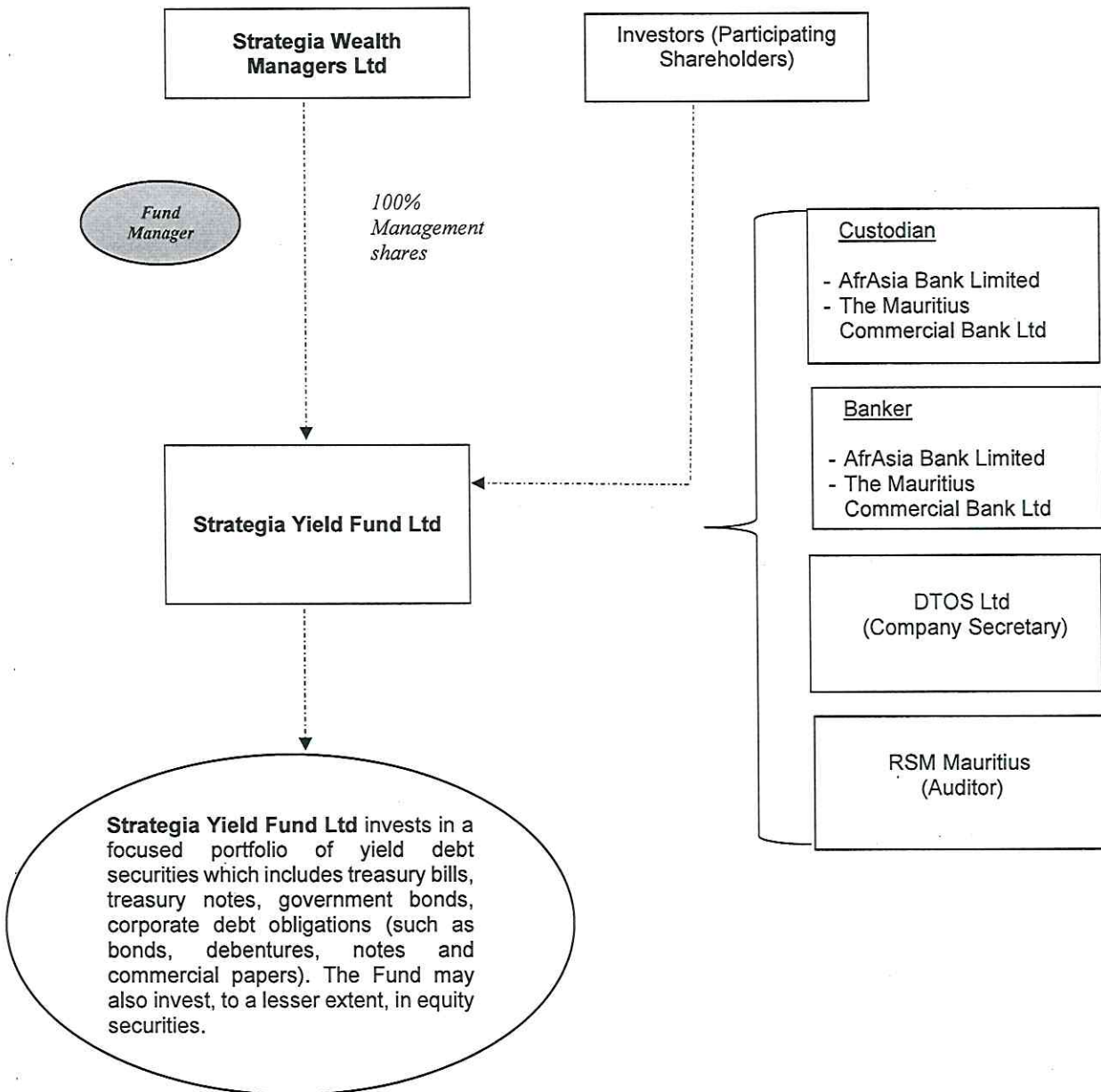
Name	Resident of	Types of shares	Percentage holding	Number of Shares
Strategia Wealth Managers Ltd	Mauritius	Management Share	100%	1,000

The Board is responsible for directing the affairs of the Fund in the best interests of its shareholders, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices.

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Principle 1: Governance Structure (continued)

Organisational and Structure chart as at 30 June 2024



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Principle 1: Governance Structure chart (continued)

Key Stakeholders

The key stakeholders of the Fund are its shareholders, employees, the ultimate shareholder's employees, clients and foreign investment advisors.

The key stakeholders are as follows:

- Strategia Wealth Managers Ltd – Management Shareholder and Fund Manager
- Redeemable Participating Shareholders
- The Mauritius Commercial Bank Ltd and Afrasia Bank Limited – Custodian / Banker
- Financial Services Commission – Regulatory Body
- Employees of DTOS Ltd and Strategia Wealth Managers Ltd

Responsiveness to shareholder and stakeholder concerns

The Board of Directors places great importance on open and transparent communication with its shareholders. The Fund communicates to its shareholders through its annual report and regular correspondence as well as updates between the Fund and the shareholders, the Fund Manager and/or its representatives. Any material event affecting the Fund is conveyed to the shareholders. The Fund holds shareholders' meeting annually, where attendance of shareholders can be physically as well as through alternative means, i.e videoconferencing.

The Fund engages with its stakeholders (other than the shareholder) through meetings, seminars and regular exchange of correspondence between the stakeholders and the Fund Manager.

The Board is apprised of the shareholders' and other stakeholders' opinions as and when required. The views of the shareholder are also taken into consideration for the Fund's strategy and governance discussions.

The Fund does not have a dedicated website, given the scope of its services. An overview of the Fund is however available on the website of Strategia Wealth Managers Ltd ([https://www.strategiawealth.com/Strategia Yield Fund Ltd](https://www.strategiawealth.com/Strategia%20Yield%20Fund%20Ltd)). Further, regular updates on the Fund are also published on the said website.

Principle 2: The Structure of the Board and its Committee

Role and function of the Chairperson and Chief Executive Officer

The Board of Directors does not deem it necessary to permanently appoint a chairperson given that one of the independent directors of the Fund is elected to chair the Board meetings. The Board Charter of the Fund does not provide for the appointment of a Chief Executive Officer.

The Board of Directors

Role and Function of the Board

The Board is the link between shareholders and the Fund. As such, the Fund is headed by an effective Board which can both lead and control the Fund. The Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of the Fund.

The Board has approved the following key governance documents.

- Board Charter
- Code of Ethics
- Statement of Accountabilities

The Board regularly monitors and evaluates compliance with its Code of Ethics. The Board has adopted a Board Charter and same was last reviewed on 26 September 2022.

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Principle 2: The Structure of the Board and its Committee (continued)

Composition of the Board (continued)

The Board has a unitary structure and is composed of Directors coming from different sectors. Every Director has drawn from his professional background and expertise in positively contributing to the Board's activities.

The Board comprised of 7 Directors (three females and four males) as at 30 June 2024 consisting of two independent Directors as follows:

Director Name	Resident or non-resident	Appointment date
Mrs. Lina How Ah Chong (Non-Executive Director)	Resident	12 April 2017
Mr. Murvyn Kumar Mungur (Executive Director)	Resident	16 May 2019
Mrs. Niralah Beeharry (Non-Executive Director)	Resident	15 May 2018
Mr. Robert Chowvee Ip Min Wan (Non-Executive, Independent Director)	Resident	27 June 2019
Mrs. Vimla Ramsamy (Non-Executive, Independent Director)	Resident	28 June 2023
Mr. Cédric Béguier (Executive Director)	Resident	29 April 2022
Ms. Shahannah Bibi Abdoolakhan (Non-Executive, Independent Director)	Resident	04 July 2024
Mr. Doushyant Ramdhean (Executive Director)	Resident	15 July 2024
Mr. Neeraj Singh Jaypal (Executive Director)	Resident	15 July 2024

Changes during the year under review

- Mrs. Vimla Ramsamy has resigned as non-executive independent director on 31 October 2023
- Mr. Cédric Béguier has resigned as executive director on 26 July 2023.

The Directors' Profile

Lina How Ah Chong

Non-Executive Director

Lina holds a Bachelor of Commerce and an MBA from Australian universities and was admitted member of Golden Key Honour Society. Lina is also a member of the Society of Trust and Estate Practitioners and has more than 20 years of experience in structuring, managing and administering global business companies in Mauritius. Lina currently heads the Fund Services division of DTOS Ltd and serves on the board of several companies.

Directorship in listed companies

Strategia India Focus Fund (Non-Executive Director)

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Principle 2: The Structure of the Board and its Committee (continued)

Niralah Beeharry

Non-Executive Director

Niralah has more than 15 years experience in advising, structuring and establishing Global Business Funds, Companies and Trusts. She is currently manager at DTOS Ltd and is responsible for the work of large private equity funds, asset management companies and other prestigious institutions. Niralah holds a degree in Accounting and Finance and is a member of the Institute of Chartered Secretaries and Administrators, UK.

Directorship in listed companies

None

Murvyn Kumar Mungur

Executive Director

Murvyn has more than 15 years of experience in the local financial services industry. He started his career at SBMMAM, the asset management arm of SBM Group where he was part of the portfolio management team for clients which included high net worth individuals, corporates, pension funds, and collective investment schemes. After almost 5 years, he took the challenge of setting up the investment desk in the Private Banking & Wealth Management team at Bank One Ltd as Portfolio Manager. He was later promoted to Relationship Manager in the same team to make the most of his knowledge of Bank of Mauritius credit requirements/guidelines whilst running the bank's global custody business. Since 2017, Murvyn has joined the team of EKADA Capital, formerly AfrAsia Capital Management Ltd, where he has been looking after the company's clients under its CIS Manager license. Murvyn holds an undergraduate from the University of Cape Town. Further to the change in CIS Manager of the Fund to Strategia Wealth Managers Ltd, Murvyn was promoted as Wealth Management Advisor in May 2024.

Directorship in listed companies:

Strategia India Focus Fund (Executive Director)

Robert Chowvee Ip Min Wan

Non-Executive, Independent Director

Robert was appointed as Independent Non-Executive Director on 27 Jun 2019. Robert is a Fellow of the Institute of Chartered Accountants in England & Wales. He graduated with a B.Com Hons from the University of Edinburgh in 1999. For the next eight years, he trained and worked with Deloitte (London) where he acquired, as senior manager, an extensive knowledge of financial services with a focus on banking. Since 2008, he has been managing his distribution business in Mauritius.

Directorship in listed companies:

Strategia India Focus Fund (Independent Director)

Vimla Ramsamy

Non-Executive, Independent Director

Vimla has more than 19 years' experience in Mauritius financial services sector regulatory affairs. In 2018, Vimla started-up her compliance consultancy business and has since provided bespoke compliance, risk management, AML/CFT services and training to law firms, management companies, funds, financial services institutions, listed entities and other industries. Before founding her compliance consultancy business, Vimla was the Senior Manager of the Risk Management and Compliance department at Ocorian Corporate Services (Mauritius) Limited (previously Abax Corporate Services Ltd), one of the largest corporate services in Mauritius, and in such capacity acted as Compliance Officer, Money Laundering Reporting Officer and Data Protection Compliance Person.

Directorship in listed companies

None

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Principle 2: The Structure of the Board and its Committee (continued)

Cédric Béguier (Resigned on 26 July 2023)

Executive Director (profile extracted from the audited financial statements of the Fund for the year ended 30 June 2022)

Cédric holds a license degree in business and customer relationship. He has more than 10 years of experience in the financial sector specifically in the sales and marketing of a wide range of financial solutions. Over the last 7 years, he has been active in an international financial environment covering different markets. Currently, he is the Head of Research and Portfolio Management International at EKADA Capital Ltd. Previously, Cédric was the Head of Sales & Marketing – Africa at LS Advisors Ltd and was in charge of the business development on the Sub-Saharan African market and in the Indian Ocean where he led a team of 9 persons, based in Paris, Geneva and Mauritius.

Directorship in listed companies

None

Shahannah Bibi Abdoolakhan

Non-Executive, Independent Director

Shahannah Abdoolakhan, a distinguished business leader and Non-Executive Director, is the driving force behind Abler Group. She founded Abler with a mission to assist the business community in navigating the intricate and ever-evolving landscape of local and international AML laws and standards. Recognizing the growing importance of Environmental, Social, and Governance (ESG) factors, she has expanded Abler's services to include ESG compliance, further strengthening Abler's commitment to comprehensive regulatory compliance.

Shahannah is a highly respected professional in the compliance field, holding an MBA from Oxford Brookes, UK, and is a Fellow of both the Association of Chartered Certified Accountants (FCCA) and the International Compliance Association (FICA). Her extensive expertise and proactive leadership make Abler Group a trusted partner in global compliance.

She views compliance not as a hurdle, but as an opportunity for businesses to grow and thrive. She is committed to working collaboratively with clients and partners, using the regulatory environment as a platform for innovation and excellence. Her vision is to enable businesses to stay ahead of the curve in the ever-changing regulatory landscapes.

Under Shahannah's leadership, Abler Group has become a reliable partner in global compliance. Her dedication to her vision and her passion for innovation position her as a leader in the field. She is not just a leader, but a champion for businesses, guiding them through the complexities of regulatory compliance towards a future where compliance is a pathway to growth and innovation.

Directorship in other listed companies:

Phoenix Investment Company Limited (Independent Director)
 Strategia India Focus Fund (Independent Director)

Doushyant Ramdhean (Varun)

Executive Director

Varun is an investment manager with more than 8 years of experience in asset management. He holds a Bsc (Hons) Mathematics and an MBA in Financial Management from the University of Mauritius. He is currently a CFA Level 3 candidate.

Directorship in listed companies

Strategia India Focus Fund (Executive Director)

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Principle 2: The Structure of the Board and its Committee (continued)

Neeraj Singh Jaypal
Executive Director

Neeraj is a seasoned portfolio manager with more than 10 years of experience in asset management. He holds a BSc (Hons) in Actuarial Science from the University of East-Anglia (UK) and an MSc in Finance from the University of Mauritius. He is currently a CFA Level 2 Candidate.

Directorship in listed companies

Strategia India Focus Fund (Executive Director)

Attendance records of the Directors at Board meeting

For each Board meeting, the Company secretary takes attendance of the Board members and verify that a quorum is present being three directors present as per section 36(d) of its constitution. During the financial year ended 30 June 2024, five Board meetings were held and the attendance records were as follows:

Board Members	Board meetings attended
Lina How Ah Chong	7/7
Niralah Beeharry	6/7
Murvyn Kumar Mungur	7/7
Robert Chowvee Ip Min Wan	7/7
Cédric Béguier	1/1
Vimla Ramsamy	2/2

Decisions of the Board were also taken by way of resolution in writing, assented and signed by all Directors. Further, the Fund ensures sufficient notice period is given to the Board members prior to a meeting.

Principle 3: Director Appointment Procedures

Role and Function of the Company Secretary

The Company Secretary for the Fund is DTOS Ltd. The Fund has appointed DTOS Ltd as Company Secretary to carry out the general secretarial services of the Fund in Mauritius under the terms and conditions of an agreement between the Company Secretary and the Fund. Under the said agreement, the Company Secretary will monitor the anti-money laundering and regulatory compliance programs of the Fund; monitor the Fund's compliance with international standards of good corporate governance; carry out the general administration of the Fund.

Constitution

The Constitution of the Fund was adopted on 18 January 2012. It is in line with the Companies Act 2001.

Board Committees

The current activities of the Fund are managed by the main Board. The Board has considered the creation of further Board Committees but does not find it necessary at this time given the size and nature of business of the Fund. It uses some of Strategia Wealth Managers Ltd's committees for its purpose e.g. the Investment Committee. The need for Board sub-Committees including audit committee will be assessed on a continuous basis by the Board and will be implemented if needed.

During the financial year ended 30 June 2024, 10 Investment Committee meetings were held at the level of EKADA Capital Ltd out of which 3 meetings were specifically held for the collective investment scheme (CIS) and the attendance record of the CIS representative were as follows:

Committee Members	Attendance
Senior representative of the CIS Manager License	7/10

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Appointment of Directors, Training and Development

The Board has the power, at any time and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. The Board has not developed a succession plan for Board members. The appointment of directors of the Fund are made in line with its Constitution and the Companies Act 2001. Upon appointment, the Fund sends an induction pack to new directors. The Fund has not appointed any senior executive/senior managers.

The Board assumes the responsibilities for induction of new Directors to the Board. Though the Board does not organise or enroll its members on specific training sessions, it encourages all its existing and new members to keep on enhancing their knowledge and competencies.

Principle 4: Director Duties, Remuneration and Performance

Directors' Duties

The Directors are aware of their legal duties. All of the Directors on the Board are fully apprised of their fiduciary duties at the time of their appointment.

Board Evaluation and Director Appraisal

Even though it is a requirement of the Code that the performance of a Board and its Directors be monitored and evaluated annually, such an exercise has not been conducted as of date. However, a Board and Director Appraisal exercise could be conducted in the future and if required, an independent board evaluator may be appointed.

Principle 4: Director Duties, Remuneration and Performance (continued)

Conflicts of interest

In accordance with the Companies Act 2001, written records of any interests in the shares of the Fund which would be held by the Officers, Directors and their related parties are kept in a register of interests. As soon as a director becomes aware that they are interested in a transaction or that their holdings or their associates' holdings have changed, the interest must be reported to the Fund in writing. The register of interests is updated on a continuous basis with any subsequent transactions entered into by the Directors and persons closely associated with them.

The members of the Board do not hold any personal interest as regard to the shareholding and/or business transactions of the Fund.

The Directors always manage the conflict between their management responsibilities and fiduciary duties as a director in the best interest of the Fund.

The register of interests is maintained by the Company Secretary and available to the shareholder upon written request being made to the Company Secretary.

Risk

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

The Fund has outsourced its administration, secretarial, registrar and compliance functions to DTOS Ltd and its investment management function to Strategia Wealth Managers Ltd. Hence, the Fund is governed by the Information, Information Technology and Information security policy of DTOS Ltd and Strategia Wealth Managers Ltd. DTOS Ltd and Strategia Wealth Managers Ltd have developed a comprehensive Information, Information Technology and Information security policy which contains appropriate clauses on restrictions placed over rights to information.

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Principle 4: Director Duties, Remuneration and Performance (continued)

Further, the Fund adheres to DTOS Ltd's data protection clause in its internal procedures manual which is in accordance with applicable data protection laws. With its secured office premises, restricted access and security protocols being applied in relation to the safeguarding of its own and client records, DTOS Ltd is well equipped and has consequently been authorised to operate as a Data Controller and Processor by the Data Protection Office of Mauritius.

The policies of DTOS Ltd are documented in the Administration, Registrar, Compliance and Secretary Agreement entered between the Fund and DTOS Ltd on 7 February 2023 and the AML/CFT Policies and Procedures Manual of the Fund.

The Investment Committee

An Investment Committee has been set up at the level of Strategia Wealth Managers Ltd (the Fund Manager) to review and consider investment ideas, investment strategies, investment proposals, investment guidelines, monitor investment performance and any investment related matters, for and on behalf of the Board of Directors of the Fund.

The Fund Manager prepares report on a quarterly basis for the Board in relation to the performance of the Fund and the market outlook. A quarterly update is also provided on the marketing aspect for the promotion of the Fund among investors. These reports are presented and discussed during quarterly board meeting. The Investment Committee of Strategia Wealth Managers Ltd as at 30 June 2024 was composed of key personnel of the Fund Manager including the following:

Title	Count	Function
CEO	1	Chairman
Head of Wealth Management and Business Development	1	Member
Head of Research & Portfolio Management	1	Member
Investment Manager	3	Members
External Members (optional)		

Transparency and disclosures from Board Committees to Board

As representatives of the Board, at least one Director of the Fund is present on the Investment Committee, where all important investment management are disclosed.

Principle 5: Risk Governance and Internal Control

Risk management, internal controls and internal audit

The Board is ultimately responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Fund Manager and the Administrator are responsible for the Fund's system of internal controls, which is designed to identify and manage risks and provide reasonable assurance against material misstatement and loss. The Fund maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication.

The Fund being administered by DTOS Ltd, benefits from the internal control procedures defined and implemented at DTOS Ltd's level in accordance with the prevailing Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) norms.

The Fund has also appointed a Money Laundering Reporting Officer ("MLRO") and Deputy MLRO to whom all internal reports of suspicious transactions should be made. The MLRO will then have the responsibility of reporting such transactions on behalf of the Fund to the relevant authorities within a prescribed time frame. The Fund has not developed a whistle blowing procedure but abides to the Financial Services Commission's Code of Business Conduct.

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Principle 5: Risk Governance and Internal Control (continued)

Internal audit

Internal Audit is an element of the internal control framework established by management to examine, evaluate and report on accounting and other controls over operations. Internal Audit assists management in the effective discharge of its responsibilities and functions by examining and evaluating controls.

At the level of the Fund, no internal audit function has been set up given its status as a collective investment scheme and since sufficient degree of assurance is obtained on the effectiveness of internal controls, processes, and systems through the following sources:

- quarterly reports submitted by the Compliance and Money Laundering Reporting Officer to the Board;
- internal audits performed at the level of the service providers, namely DTOS and Strategia Wealth Managers Ltd;
- ECOVIS (MAURITIUS) has been appointed as Independent auditor to conduct the AML/CFT audit of the Fund for the period 1 January 2023 to 31 December 2023; and
- annual assessment by the external Auditor on the efficiency of internal financial controls and subsequent management letter to address any identified deficiencies.

Taking the above into consideration, the Board has not deemed the need to establish an internal audit function for the Fund as crucial. The requirement of an internal audit function will be continuously assessed and implemented by the Board if deemed necessary.

Financial risk factors

The financial risk factors have been set out in note 20 of these financial statements. There is no risk that threatens the solvency and liquidity of the Fund.

Non-Financial risk factors

Political, Economic and Social Risks

Political, Economic and Social risks, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the business of the Fund.

Compliance Risk

Compliance risk arises from failure or inability to comply with laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands and enforced suspension of operations or, in extreme cases suspension of license to operate.

In line with the changes made to Financial Intelligence and Anti-Money Laundering Regulations 2018 ("FIAMLR"), the Fund has appointed a Compliance Officer who is responsible for the implementation and ongoing compliance of the financial institution with internal programmes, controls and procedures with the requirements of the Financial Intelligence and Anti-Money Laundering Act 2002 and FIAMLR.

The strength of the Fund is the adoption of an AML/CFT Policies & Procedures Manual on 29 March 2024, which is subject to regular review, thereby allowing the Fund to remain up-to-date with industry standards. The Fund's AML/CFT Policies & Procedures Manual is being updated pursuant to the recommendations received from the Fund's independent AML/CFT auditor.

Pursuant to Section 17 of the Financial Intelligence and Anti-Money Laundering Act 2002, the Fund is required to assess the risks associated to its activity and subsequently, put control measures for each risk factors (Product risk, Client profile risk, Transaction risk, Delivery channel, Geographical risk, Third Party Reliance, Technological development). Accordingly, the Board of the Fund has prepared a Business Risk Assessment ("BRA") is reviewed on a six months basis and covers product risk, client profile risk, transaction risk, delivery channel, geographical risk, third party reliance and technological development.

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Principle 5: Risk Governance and Internal Control (continued)

Non-Financial risk factors (continued)

Compliance Risk (continued)

In the National Money Laundering and Terrorist Financing Risk Assessment Report issued in August 2019, the money laundering threat in the securities sector has been classified as medium-high primarily because of the size of their international client base, the use of complex legal structures, their high value of assets and the use of sophisticated products.

The Business Risk Assessment requires the Fund to assess the risks of how it might be involved in Money Laundering and Terrorist Financing, taking into account its customers (and the beneficial owners of customers), countries and geographic areas, the products, services and transactions it offers or undertakes, and the delivery channels by which it provides those products, services and/or transactions.

The process is as below:

- To identify the inherent risks
- To assess the likelihood and the impact
- To put control measures to mitigate the risk.
- To assess the likelihood and impact of residual risk
- To monitor the risk

The latest Business Risk Assessment is at 29 February 2024.

Technological Risk

Technology has become an even bigger risk to companies, with client signature forgery being a real menace these days. The Fund has been able to manage this risk, to a large extent, by communicating with the client or client representatives. Further, the administrator of the Fund has adopted a call-back verification procedure to verify the identity of the sender prior to effect a payment instruction received through electronic means. Also, other technology risks are assessed in the Business Risk Assessment of the Fund.

Legal Risk

Given the Fund's nature of business, the Fund interacts with investors and service providers which are governed under an agreement. These interactions may give rise to disputes/litigations. This risk is managed through regular communications with investor or investor representatives. Further, the Fund has appointed legal firms to provide advice to the Fund whenever the Fund requires same.

Principle 6: Reporting with Integrity

Accounting and Auditing

Directors' responsibilities

The Directors are responsible for ensuring that:

- Adequate accounting records are kept, and effective internal control systems are maintained.
- Accounts are prepared in order to fairly present the state of affairs of the Fund and the results of its operations and that those accounts comply with International Financial Reporting Standards (IFRS).
- Appropriate accounting policies are applied and that they are supported by reasonable and prudent judgements.

The financial year-end of the Fund is 30 June. The annual report, annual accounts, and auditor's report on the annual accounts will be prepared and sent to the Investors within 90 days of the financial year-end (or such other period as may be permitted by the Financial Services Commission).

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Principle 6: Reporting with Integrity (continued)

Reports

The annual report, annual accounts, and auditor's report on the annual accounts will be published on the Manager's website – www.strategiawealth.com.

The interim (quarterly) reports are prepared and published on a quarterly basis on the Manager's website – www.strategiawealth.com.

Principle 7 - Audit

Appointment of auditor

The Management Shareholder appoints an auditor at each annual meeting, in accordance with the law to hold office until the next annual meeting. Auditors should observe the highest standards of business and professional ethics and in particular their independence should not be impaired in any manner.

The external auditor is responsible for reporting on whether the financial statements are fairly presented. The external auditor is invited by the Board of the Fund to discuss its findings and subsequently, an action plan for remedial actions is agreed by the Board.

Audit fees are set in a manner that enables an effective external audit on behalf of shareholders.

The Board may fill any casual vacancy in the office of auditor, and in such case fix the remuneration of the auditor. The Fund does not conduct a tender exercise for the selection of external auditors.

RSM (MAURITIUS) LLP has been appointed as external auditor in replacement of Ernst & Young on 14 May 2024 approved by the Board of the Fund. RSM (MAURITIUS) LLP is situated at 7th Floor Carleton Tower, Wall Street, Ebene Mauritius. RSM (MAURITIUS) LLP was appointed as auditor of the Fund starting with the financial year ended 30 June 2024. As per the Code of Corporate Governance, the Board should consider the rotation of the external auditors at least every 7 years.

Audit fees payable to RSM (MAURITIUS) LLP for the year amounted to **MUR 275,000** (excluding VAT and disbursements) (2023: MUR 285,000 was the audit fee of Ernst & Young).

Non-audit services

Non-audit services were not provided during the year under review.

Principle 8 – Relations with Shareholders and other key stakeholders

Code of Ethics, Health and Safety and Social issues

The Board is ultimately responsible for the Fund's code of ethics, health and safety and social issues. In this respect, the Board has developed a Code of Ethics for the Fund. The sustainability commitments of the Fund are in line with that of its parent company.

Environment

Due to the nature of its activities, the Fund does not have any social nor any environmental impact but the Fund remains committed to limiting its footprint in terms of environmental impact over the long term through a digitalization process which involves shift to electronic communications with stakeholders. Also, at the Board level, climate change has not been a topic of discussion, so far. Potentially, the Fund is exposed to risks as well as opportunities with climate change. Risk-wise, investee companies impacted by climate change will have a drag on the overall performance of the Fund, and vice-versa. Opportunities will surface when new companies make the most of the shift towards green energy and become a candidate to be included in the portfolio of holdings.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principle 8 – Relations with Shareholders and other key stakeholders (continued)

Corporate social responsibility and donations

During the year, the Fund has not made any donations (2023: nil).

Share Price

The price for each share as at 28 June 2024 is **MUR 10.9903** (2023: MUR 10.8200). The share of the Fund is not listed on the Stock Exchange of Mauritius, but the share price is published on the Manager's website weekly – www.strategiawealth.com.

Agreements

There is no shareholders' agreement which affects the governance of the Fund by the Board.

Agreements

There is no shareholders' agreement which affects the governance of the Fund by the Board.

Senior management

The Fund does not have any employees or Senior Management team but has appointed Strategia Wealth Managers Ltd as Fund Manager

Related party transactions

During the year, the Fund transacted with Strategia Wealth Managers Ltd, DTOS Ltd and participating shareholders. The nature, volume of transactions and balances with related parties has been disclosed in note 19 of the notes to the financial statements.

Notification on interest in the Fund's Securities

No dealings have been made with regard to the Securities of the Fund by any of the Directors.

Dividend policy

Dividends will be paid twice a year to the holders of Participating Shares. Dividends of MUR 8,678,478 have been paid during the year under review (2023: MUR 5,205,138).

The Fund has adopted a Dividend Policy which was approved by the Board on 11 February 2020 and was amended on 10 June 2020 whereby the Fund shall endeavour to maintain a dividend payout ratio of not less than 65% of net earnings amongst other criteria specified in the Dividend Policy.

Particulars of entry in the interest register

Particulars	Details
Record Date:	26 August 2024
Insurance:	Directors & Officers (D&O) Liability Insurance for the period from 1 July 2024 to 30 June 2025
Monetary Value:	USD 1,000,000 any one claim and in the aggregate

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principle 8 – Relations with Shareholders and other key stakeholders (continued)

Material Clauses of the Fund's Constitution

Strategia Yield Fund Ltd is a collective investment scheme authorised under the Securities Act 2005.

The material clauses of the Fund's Constitution are as follows:

"OBJECT"

- (a) *The objects for which the Company is established are:*
- (i) *to place the funds available to it in securities of all types with the purpose of spreading investment risks and affording its shareholders the results of the management of its portfolio;*
 - (ii) *To carry out all or any of the objects aforesaid in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, attorneys or otherwise, and either alone or in conjunction with others; and to procure the Company to be registered or recognised in any country or place outside Mauritius;*
 - (iii) *To do all such other things as the Company may deem incidental or conducive to the attainment of any of the aforesaid objects of the Company.*
- (b) *The objects of the Company specified in each of the paragraphs of this Constitution shall be regarded as independent objects, and accordingly shall not be limited or restricted (except where otherwise expressed in such paragraph) by the objects indicated in any other paragraph or by reference to the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company and wherever the word "and" or the word "or" is used the words "and/or" shall be implied, if not already expressed, unless the context otherwise requires and wherever the word "other" or "otherwise" is used, the same shall not be construed ejusdem generis where a wider construction is possible.*
- (c) *The word "company" (except where used in reference to this Company) in this Clause shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated."*

Type of Fund

The Fund is a public company.

Liability

The liability of the shareholders is limited to any amount unpaid on their shares and to such obligations as may be attached to their shares under the Fund's Constitution or any other agreement.

Important aspects of the Shareholder's and Management agreement

The Fund being an open-ended fund, does not have a shareholder's agreement in place.

Under the Investment Management Agreement between the Fund and Strategia Wealth Managers Ltd the Manager is entitled to a fee of 0.90% (2023: 0.90 %) per annum of the Net Asset Value of the Fund. The management fee shall be payable in cash in arrears in monthly instalments due within 15 days of the end of each calendar month. The management fee instalments for each month shall equal the product of the net asset value of the Fund as determined on the last Valuation Day of such month and one twelfth of 0.90% (2023: 0.90%).

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principle 8 – Relations with Shareholders and other key stakeholders (continued)

Statement of Remuneration Philosophy

The remuneration of the Directors shall be determined by the holder of Management Shares. A Director and any alternate Director may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of Board or Shareholders Meetings or in connection with the business of the Fund.

The Board may in addition to such remuneration as is referred to in Article 33(f) of the Fund's Constitution, grant special remuneration to any Director who, being called upon, performs any special or extra services to or at the request of the Fund. Director's remuneration amounting to MUR 35,000 per Director is paid to DTOS Ltd per annum. The Independent Director's remuneration is USD 2,500 per director (equivalent to MUR 118,250 at an average rate of MUR 47.30 as at 30 June 2024) per annum.

The Executive Directors have not received remuneration in the form of share options or bonuses associated with the Fund's performance. The Fund also does not have any long-term incentive plans in place.

The Non-Executive Directors have not received remuneration in the form of share options or bonuses associated with the Fund's performance. The Fund also does not have any long-term incentive plans in place.

Share Option Plans

The Fund does not have any share option plan.

Important events

Event	Date	
Interim Financial Statements Publishing	31 March, 30 September and 31 December of each year	
Annual Meeting	Has to be held within six months after the reporting date of the Fund	
Annual tax returns	Not later than six months from the end of the month in which its accounting year ends and 2 days, excluding weekends and public holidays before the end of December	
Advance Payment System returns	First	Advance Payment System returns
	Second	3 months immediately following the end of the first quarter
	Third	3 months immediately following the end of the second quarter
Payment of annual licence renewal fee	1 July each year	
Payment of registration fee	As from the first working day of the year to 20 January	

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principle 8 – Relations with Shareholders and other key stakeholders (continued)

Performance (Annual Report)

The increase in net assets attributable to holders of redeemable participating shares for the year ended 30 June 2024 is **MUR 5,800,432** (2023: MUR 5,878,474).

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

Communication and disclosure

There are no matters of material interest to be disclosed at year end. The Board of Directors ensures that its sole shareholder is always kept informed of any material events which may affect the Fund.

The Fund will hold its Annual Meeting by the due date of 31 December 2024. Notice of the Annual Meeting will be sent to Shareholders in accordance with its Companies Act and the Fund's Constitution regarding the adoption of the audited financial statements, re-appointment of Directors and auditors. The Shareholders are provided with the appropriate papers for the annual meeting and other shareholders meetings.

The Shareholders present during the Annual Meeting are given the opportunity to ask questions from the Chairperson of the meeting or other Directors present on the operations and performance of the Fund.

Appreciation

The Board expresses its appreciation and gratitude to all those involved for their contribution during the year.

Approved by the Board of Directors on **24 SEP 2024** and signed on behalf by:



Lina How Ah Chong
Director



Niralah Beeharry
Director

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF COMPLIANCE

Name: Strategia Yield Fund Ltd

Reporting Period: 30 June 2024

We, the Directors of Strategia Yield Fund Ltd (formerly known as EKADA Yield Fund Ltd) (the "Fund"), confirm that to the best of our knowledge, the Fund has not complied with some of the principles of the Code of Corporate Governance, for the reasons stated below:

Areas of non-application of the Code	Explanation for non-application
Principle 2 Structure of Board and its committees <ul style="list-style-type: none"> • Board Committees 	<ul style="list-style-type: none"> • The Fund does not have sub-committees to its board as the Board is not of sufficient size. It uses some of the Strategia's committees for its purpose. The need for Board Sub-Committees will be assessed on a continual basis by the Board and will be implemented if needed.
Principle 3 Director Appointment Procedures <ul style="list-style-type: none"> • Succession Planning 	<ul style="list-style-type: none"> • The Board has the power at any time and from time to time appoint any person to the Director, either to fill a casual vacancy or as an addition to the existing directors. As such, the Board has not developed a succession plan for Board members.
Principle 4 Director Duties, Remuneration and Performance <ul style="list-style-type: none"> • Board Evaluation and Development 	<ul style="list-style-type: none"> • Even though it is a requirement of the Code that the performance of a Board and its Directors be monitored and evaluated annually, such an exercise has not been conducted as of date. However, a Board and Director Appraisal exercise could be conducted in the future and if required, an independent board evaluator may be appointed.
Principle 5 Risk Governance and Internal Control <ul style="list-style-type: none"> • Whistleblowing Procedures • Internal Environment • Internal Audit 	<ul style="list-style-type: none"> • The Fund has not developed a Whistle blowing procedure but abides to the Financial Services Commission's Code of Business Conduct. • Given that the Fund deals with investors and service providers, litigation might arise from either party. Technology has become an even bigger risk to companies, with client signature forgery being a real menace these days. This can be negated, to a large extent, by communicating with the client or client representative. Other technology risk is assessed in the Business Risk Assessment of the Fund. • The Fund has not set up an internal audit function given its status as a collective investment scheme and since sufficient degree of assurance is obtained on the effectiveness of internal controls, processes, and systems. The requirement of an internal audit function will be continuously assessed and implemented by the Board if deemed necessary. All audit related matters are taken at Board level. As the Fund has not set up an internal audit function, there are no terms of reference detailing the independence, objectivity and professional rigour of the internal audit function.

**STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
FOR THE YEAR ENDED 30 JUNE 2024**

STATEMENT OF COMPLIANCE (CONTINUED)

Areas of non-application of the Code	Explanation for non-application	
Principle 8 Relations with Shareholders and other Key Stakeholders	<ul style="list-style-type: none"> • Publication of votes at Annual Meeting 	<ul style="list-style-type: none"> • Given the size of the Fund, it does not have a dedicated website. An overview of the Fund is however available on the website of its Fund Manager, Strategia Wealth Managers Ltd.

On behalf of the Board



Director



Director

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

The Directors present herewith their commentary and the audited financial statements for the year ended 30 June 2024.

Incorporation

Strategia Yield Fund Ltd (formerly known as EKADA Yield Fund Ltd) (the "Fund") was incorporated in the Republic of Mauritius on 8 February 2012.

Principal activity

The Fund is an open-ended fund and a retail collective investment scheme (CIS), denominated in Mauritian Rupees ("MUR").

Results and dividend

The increase in net assets attributable to holders of redeemable participating shares for the year ended 30 June 2024 is **MUR 5,800,432** (2023: MUR 5,878,474).

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

Dividend declared and paid for the year ended 30 June 2024 is **MUR 8,678,478** (2023: MUR 5,205,138).

On 09 July 2024, the Board resolved to declare a final dividend of MUR 0.15 per share, amounting to MUR 4,187,127 to the Participating shareholders of the Fund as at 30 June 2024.

Statement of Directors' responsibilities in respect of 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 flow of the Fund. In preparing those financial statements, the directors have:


- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed and complied with, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business and;
- Ensured the application of the Code of Corporate Governance and provided reasons in case of non-application with the Code

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with IFRS and the Financial Reporting Act. 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. The Directors confirm that they have complied with the above requirements in preparing the financial statements.


Auditor

The auditor, RSM Mauritius, has indicated its willingness to continue in office.

On behalf of the board



 Lina How Ah Chong
 Director



 Niralah Beeharry
 Director

Date: **24 SEP 2024**

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Dear Shareholders,

The Board of Directors is pleased to present you with the annual report of Strategia Yield Fund (the "Fund") together with the audited financial statements for the year ended 30 June 2024.

Over the period the SEMDEX and the SEMTRI posted returns of 7.2% and 12.7% respectively on the back improved earnings in the financials and hospitality industries. Strong GDP growth, increased in tourists' arrivals and higher consumption in the economy contributed to increased profitability in major sectors hence boosted the domestic stock market.

During the year the BOM maintained the key rate at 4.5%, given the resilience of Mauritian economy. The domestic economy is expected to remain resilient in 2024, with strong broad-based expansion in key sectors of the economy and positive fiscal impulse. Two sectors with positive spillover economy-wide effects, namely construction and tourism, are expected to provide impetus to the growth momentum. Overall, real GDP growth is projected at 6.5% for the year.

The Fund posted a return of +4.2% over the 12 months while its benchmark (savings rate + 1.5%) gained 5.0%. The outperformance of the benchmark over the Fund is directly attributable to the repricing of the existing portfolio holdings following hikes in interest rates during the previous year. With a view to capture further upside, as far as possible, the portfolio will be geared more towards long term bonds over short term instruments as those become available on the market.

Finally, we thank you for being a valued client and we look forward to continuing our successful partnership under the Strategia brand.

Strategia Yield Fund Ltd (formerly known as EKADA Yield Fund Ltd)

24 September 2024

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Performance review

The investment objective of Strategia Yield Fund is to provide investors with a low-risk open-ended fund aiming to outperform the local commercial bank savings rate annually by investing in a portfolio consisting mainly of local fixed-income instruments, and dividend-yielding equities listed on the Stock Exchange of Mauritius.

For the financial year ended June 2024, the Fund has generated a return of 4.2%, while the benchmark gained 5.0% over the same period.

The evolution of the Fund, since inception, vis-à-vis its benchmark is depicted in Figure 1 below:

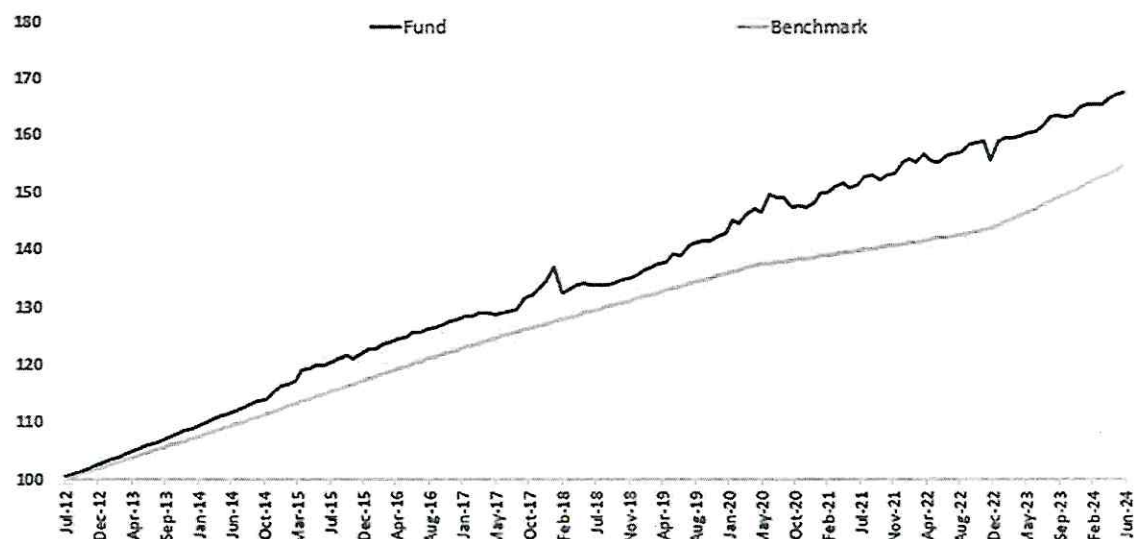


Figure 1: Performance since inception

Table 1: Cumulative Performance

	1-Mth	3-Mths	6-Mths	1-Yr	3-Yrs	5-Yrs	10-Yrs
Strategia Yield Fund	0.3%	1.2%	1.5%	4.2%	9.9%	20.9%	49.6%
Benchmark	0.4%	1.2%	2.5%	5.0%	10.6%	15.7%	40.9%

The net assets in the fund's portfolio as at 30 June 2024 was MUR 324M (2023: MUR 349M)

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

At close of the financial year, there was a good mix of instruments with a balanced maturity profile as depicted in Figure 2 and Figure 3 respectively.

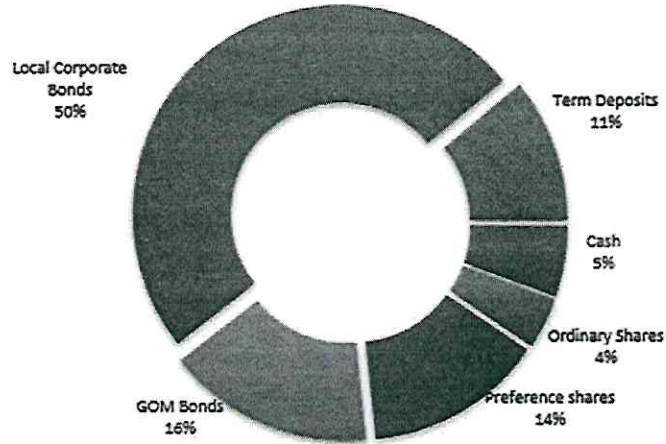


Figure 2: Portfolio Allocation

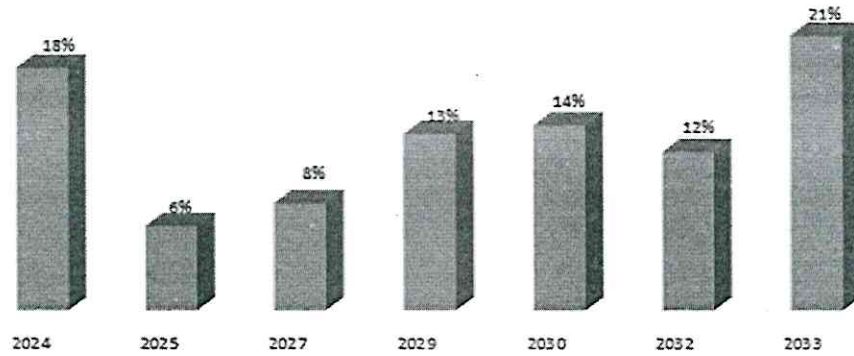


Figure 3: Maturity Profile of Fixed Income Portfolio

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Financial Highlight

STRATEGIA YIELD FUND LTD - NET ASSET VALUE			
	30-Jun-24	30-Jun-23	30-Jun-22
	MUR	MUR	MUR
Net Asset Value at beginning of period	348,498,348	412,082,837	372,837,572
Total revenue	20,891,041	23,507,187	19,667,916
Total expenses	(5,677,836)	(7,231,012)	(5,720,898)
Net loss of financial assets for the period	(1,217,311)	(5,295,899)	(2,553,107)
Expected credit losses reversed for the period	483,016	103,336	1,386,401
Dividend paid	(8,678,478)	(5,205,138)	(11,817,684)
Total increase from operations	5,800,432	5,878,474	962,628
Net movement in shares	(30,038,463)	(69,462,963)	38,282,637
Net Asset Value at end of period	324,260,317	348,498,348	412,082,837

STRATEGIA YIELD FUND LTD - RATIOS & SUPPLEMENT DATA			
	30-Jun-24	30-Jun-23	30-Jun-22
	MUR	MUR	MUR
Net Assets	324,260,317	348,498,348	412,082,837
Number of shares outstanding	29,447,608	32,208,667	38,657,772
Management expense ratio	1.65%	1.59%	1.36%
Portfolio turnover rate	7.43%	65.83%	17.11%
Closing market price	11.0114	10.8200	10.6598

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Market review

At the start of the financial year, Moody's has affirmed the local government's long term foreign and local currency issuer ratings at Baa3 and has also maintained a stable outlook. The rating note balanced the country's stable growth rate and political stability along with the country's current level of debt.

On the start of June 2024, the Honourable Dr Renganaden Padayachy, Minister of Finance, Economic Planning & Development, presented his budget 2023/2024 of the current Government mandate entitled "Tomorrow is Ours". The budget was mainly conducive for the Government to extend its caring role towards the population at large with an array of social measures (Rs 77 billion(bn) – 37% of recurrent expenditure) to improve their standard of living.

As disclosed in the budget, GDP has grown by 7% in 2023 ahead of expectations, reaching Rs 651.7 bn, matching the headline inflation rate which regressed from the peak of 11% of 2022. Foreign direct inflows reached Rs 37 bn, while the export of goods and services summited to Rs 347 bn (up by Rs 30.8 bn). The unemployment rate slid to one of the lowest levels in over 25 years to 6.1%. BOM published the provisional figures for the Gross tourism earnings, which increased from Rs 6.90 Bn in May 2023 to Rs 7.06 Bn in May 2024, representing a rise of 2.4%.

Based on the CPI report published by Statistics Mauritius, Headline Inflation reached 4.5% for the 12 months ended June 2024, down from 5.0% in the previous month. YoY growth in CPI basket reached 2.2%, lower than the 2.9% registered last month. Core 1 (YoY) stood at 2.0% in June 2024, while Core 2 (YoY) worked out to 3.3%. Index decreased by 0.3% (0.3 Points) between May and June 2024, major contributor to the change in index points were "Food and non-alcoholic beverages" beverages" (-0.8%) and "Housing, water, electricity.

Market

Over the period the SEMDEX and the SEMTRI posted returns of 7.2% and 12.7% respectively on the back improved earnings in the financials and hospitality industries. Strong GDP growth, increased in tourists' arrivals and higher consumption in the economy contributed to increased profitability in major sectors hence boosted the stock market.

During the year the BOM has kept the key rate steady at 4.5%, given the resilience of Mauritian economy. The domestic economy is expected to remain resilient in 2024, with strong broad-based expansion in key sectors of the economy and positive fiscal impulse. Two sectors with positive spillover economy-wide effects, namely construction and tourism, are expected to provide impetus to the growth momentum. Overall, real GDP growth is projected at 6.5% for the year.

Domestically, the main corporate issuances were:

- ABC Banking Ltd, through a public offer of 10YR bonds, to be utilised for general banking purposes.
- ENL Ltd, through a public offer of 3 YR and 5 YR bonds; to refinance existing indebtedness of the issuer.
- CIM Financial services Ltd, through a private placement of 1 YR bond.
- MCBG, through a private placement of 3YR and 5YR bond.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
MANAGER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2024

Outlook

The fiscal year 2024/2025, according to the Minister's forecast, would be as promising as 2023 with GDP growth oscillating around 7%. For FY 2024-2025, total revenue is projected at Rs. 210.5 billion (26.4% of GDP) and total expenditure at Rs. 237.3 billion, resulting in a budget deficit of Rs. 26.8 billion (3.4% of GDP).

The inflation rate has been revised to 4.9% in 2024, with the real GDP growth rates by 6.5%. The institution explained that the upward revision stemmed from the measures announced in the budget 2024/2025, which are expected to boost private sector investments, leading to a higher contribution of "Construction" to GVA. The sector's contribution to total growth in GVA has been revised upward from 1.3% to 3.4% in 2024.

Authorities project tourist arrivals in 2024 to reach 1.4 million, generating Rs 100 billion in tourism earnings. Hence, we expect the hotel industries to continue benefit from such tailwind and the growth remains promising in the future.

We expect the inflation level to remain in its deflationary trend but could be sticky at some point, given the latest measure on social reforms in the budget for FY 2024/25 - where increasing consumption and expenditure could lead to prices of food and basic items remain elevated. Also, external factors such as high commodity prices could be a headwind for the economy as well.

The continued devaluation of rupee could impact several sectors in the economy such as manufacturing and imports. The strength in USD could be inflationary for the economy. We expect to see an increase in exports following our weak currency in the future.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
COMPANY'S SECRETARY CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2024

We certify that, based on the records and information made available to us by the directors and shareholders of the Fund, the Fund has filed with the Registrar of Companies, for the financial year ended 30 June 2024, all such returns as are required of the Fund under the Companies Act 2001.



.....
DTOS Ltd
Company Secretary
10th Floor, Standard Chartered Tower
19 Cybercity
Ebène

Date: 24 SEP 2024

CONFIDENTIAL

**Independent Auditor's Report
To the shareholders of Strategia Yield Fund Ltd**

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Strategia Yield Fund Ltd set out on pages 31 to 63, which comprise the statement of financial position as at 30 June 2024, statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable ordinary shares and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund 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 the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with these requirements and to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Governance Report, Statement of Directors' Responsibilities and Secretary's Certificate as required by the Mauritius Companies Act 2001. 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 an audit opinion or any form of assurance conclusion thereon.

Report on the Audit of the Financial Statements (Continued)

Other Information (Continued)

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. Else, we have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and 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 Fund or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on the Audit of the Financial Statements (Continued)

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

- 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.

Report on Other Legal and Regulatory Requirements

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

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 requirement 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 2004, complied with the requirements of the Code.

Use of Our Report

This report is made solely to the shareholders of Strategia Yield Fund Ltd (the "Fund"), 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Other Matter

The financial statement of Strategia Yield Fund Ltd for the year ended 30 June 2023, were audited by another auditor, Ernst & Young, who expressed an unmodified opinion on those financial statements on 19 October 2023.

A handwritten signature in blue ink, appearing to be 'RSM'.

**RSM (Mauritius) LLP
Chartered Accountants
Ebene, Mauritius**

A handwritten signature in blue ink, appearing to be 'Dharmanand Cushmajee'.


**Dharmanand Cushmajee, FCCA
Licensed by FRC**

Date: 27 September 2024


STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	<u>2024</u> MUR	<u>2023</u> MUR
ASSETS			
Financial assets at fair value through profit or loss	5	68,071,359	69,822,574
Financial assets at fair value through other comprehensive income	6	65,927,170	40,500,659
Financial assets at amortised cost	7	172,341,365	231,055,415
Other receivables	8	231,220	819,874
Prepayments		419,316	410,828
Cash and cash equivalents	10	20,341,592	8,368,843
Income tax asset	11	190,406	-
TOTAL ASSETS		<u>327,522,428</u>	<u>350,978,193</u>
LIABILITIES			
Other payables	10	3,252,111	2,300,051
Income tax liability	11	-	169,794
Total liabilities excluding net assets attributable to holders of redeemable participating shares		<u>3,252,111</u>	<u>2,469,845</u>
Net assets attributable to holders of redeemable participating shares		<u>324,270,317</u>	<u>348,508,348</u>
REPRESENTED BY:			
Management shares	12	10,000	10,000
Net assets attributable to holders of redeemable participating shares at year end	13	<u>324,260,317</u>	<u>348,498,348</u>
		<u>324,270,317</u>	<u>348,508,348</u>
Net asset value per redeemable participating share	13	<u>11.0114</u>	<u>10.8200</u>

The financial statements have been approved and authorised by the Board of Directors on 24 SEP 2024 and signed of its behalf by:



Lina How Ah Chong
 Director



Niralah Beeharry
 Director

The notes on pages 35 to 63 form an integral part of these accounts.
 The auditor's report is on pages 28 to 30.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	<u>2024</u> MUR	<u>2023</u> MUR
Income			
Interest income from an effective interest rate	22	13,722,507	18,820,849
Interest income on bank accounts	22	291,383	177,429
Dividend income		6,832,177	4,508,903
Net reversal on expected credit loss	20	483,016	103,336
Net gain on foreign exchange		44,974	-
Other income		-	6
		<u>21,374,057</u>	<u>23,610,523</u>
Expenses			
Management fees	14	2,981,519	3,701,943
Custodian fees	15	237,523	282,039
Professional fees	16	1,983,057	2,414,502
Other expenses	17	303,458	354,709
Net loss on foreign exchange		-	4,545
Net loss on financial assets at fair value through profit or loss	5	1,215,440	4,809,114
Net loss on financial assets at amortised cost	7	191,451	305,183
		<u>6,912,448</u>	<u>11,872,035</u>
Operating profit		14,461,609	11,738,488
Distribution to shareholders	18	<u>(8,678,478)</u>	<u>(5,205,138)</u>
Profit before tax		5,783,131	6,533,350
Income tax expense	11	<u>(172,279)</u>	<u>(473,276)</u>
Profit after tax		5,610,852	6,060,074
Other comprehensive income			
Net gain/(loss) on financial assets at fair value through other comprehensive income	6	189,580	(181,600)
		<u>189,580</u>	<u>(181,600)</u>
Increase in net assets attributable to holders of redeemable participating shares from operations		<u>5,800,432</u>	<u>5,878,474</u>

The notes on pages 35 to 63 form an integral part of these accounts.
The auditor's report is on pages 28 to 30.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE
PARTICIPATING SHARES
FOR THE YEAR ENDED 30 JUNE 2024

	Number of shares	Net assets attributable to holders of redeemable participating shares MUR
At 01 July 2022	38,657,772	412,082,837
Issue of redeemable participating shares	3,892,135	41,444,989
Redemption of redeemable participating shares	(10,341,240)	(110,907,952)
Increase in net assets attributable to holders of redeemable	-	5,878,474
At 30 June 2023	<u>32,208,667</u>	<u>348,498,348</u>
At 01 July 2023	32,208,667	348,498,348
Issue of redeemable participating shares	772,610	8,355,982
Redemption of redeemable participating shares	(3,533,669)	(38,394,445)
Increase in net assets attributable to holders of redeemable	-	5,800,432
At 30 June 2024	<u>29,447,608</u>	<u>324,260,317</u>

The notes on pages 35 to 63 form an integral part of these accounts.
The auditor's report is on pages 28 to 30.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	<u>Notes</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
OPERATING ACTIVITIES			
Profit before taxation		5,783,131	6,533,350
<i>Adjustments for:</i>			
Dividend income		(6,832,177)	(4,508,903)
Net (gain)/loss on foreign exchange		(44,974)	4,545
Interest income		(14,013,890)	(18,998,278)
Net loss on financial assets at fair value through profit or loss	5	1,215,440	4,809,114
Reversal on expected credit loss	7	(483,016)	(103,336)
Net loss on financial assets at amortised cost	7	191,451	305,183
Distribution to shareholders	18	8,678,478	5,205,138
Operating loss before working capital changes		(5,505,557)	(6,753,187)
Decrease/(increase) in other receivables		580,166	(125,702)
Increase/(decrease) in other payables		952,060	(4,816,671)
Proceeds from disposal of financial assets at fair value through profit or loss	5	537,200	17,662,981
Acquisition of financial assets at fair value through profit or loss	5	-	(7,962,336)
Acquisition of financial assets at amortised cost	7	-	(202,087,973)
Proceeds from disposal of financial assets at amortised cost	7	57,690,300	257,272,225
Acquisition of financial assets at fair value through other comprehensive income	6	(25,000,000)	(40,304,820)
Interest received		15,090,849	17,402,316
Dividend received		6,832,177	4,508,903
Tax refunded	11	-	-
Tax paid	11	(532,479)	(420,475)
Net cash generated from operating activities		55,150,526	34,375,261
FINANCING ACTIVITIES			
Proceeds from issue of redeemable participating shares		8,355,982	41,444,989
Payment on redemption of redeemable participating shares		(38,394,445)	(110,907,952)
Dividends paid	18	(8,678,478)	(5,205,138)
Net cash used in financing activities		(38,716,941)	(74,668,101)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		11,927,775	(40,292,840)
Cash and cash equivalents at 01 July		8,368,843	48,666,228
Effect of exchange rate changes on cash and cash equivalents		44,974	(4,545)
CASH AND CASH EQUIVALENT AT 30 JUNE	9	20,341,592	8,368,843

The notes on pages 35 to 63 form an integral part of these accounts.
The auditor's report is on pages 28 to 30.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

Strategia Yield Fund Ltd (the "Fund") (Formerly known as EKADA Yield Fund Ltd) is an open-ended fund and a retail collective investment scheme (CIS), incorporated on 8 February 2012 as a limited liability Company in Mauritius under the Companies Act 2001. It is also registered with the Financial Services Commission (FSC) of Mauritius.

The Fund is a low-risk open-ended fund which invests in debt and equity securities and other cash equivalents instruments. The Fund invests only in highly rated debt instruments after a thorough screening process. The investment objective of the Fund is to generate regular income to investors and seek growth, by investing in a diversified portfolio of high yield securities taking into consideration duration analysis.

2.1 BASIS OF PREPARATION

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and Companies Act 2001. The financial statements have been prepared under the historical-cost basis, except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) that are measured at fair value.

The financial statements are presented in Mauritian Rupees ("MUR"), which is the functional currency of the Fund.

All figures presented in the financial statements have been rounded to the nearest whole numbers, except for net assets value per share which has been presented to four decimal places.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out before and have been consistently applied, unless otherwise stated.

Foreign currency transactions

a) Functional and Presentation Currency

The Fund's functional currency is MUR, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in MUR. Therefore, the MUR is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also the MUR.

b) Transactions and balances

Transactions during the period are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

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

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency transactions (continued)

b) Transactions and balances (continued)

Exchange differences are recognised in profit or loss in the period in which they arise, except for those arising on financial instruments at FVTPL, which are recognised as a component of net income from financial instruments at FVTPL.

Financial instruments

A financial instrument is any contract that gives rise a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition, classification and measurement

Classification

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

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

- (a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
Or
- (b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking
Or
- (c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Financial assets

The Fund classifies its financial assets as subsequently measured at fair value through other comprehensive income, amortised cost or measured at fair value through profit or loss on the basis of both:

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

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

A financial asset is measured at fair value through other comprehensive income if:

They are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

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

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Initial recognition, classification and measurement (continued)

Financial assets (continued)

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

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

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Fund includes in this category investment at amortised cost, short-term non-financing receivables including cash collateral posted on derivative contracts, accrued interest and other receivables.

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

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

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

Or

- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category instruments that are held for trading which includes equity instruments.

Subsequent measurement

Financial assets designated at fair value through other comprehensive income

Upon initial recognition, the Fund can elect to classify irrevocably its investments as equity or debt instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value at amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

These financial assets are held to collect cash flows which represent solely payment of principal and interest.

Financial assets designated at fair value through profit or loss

After initial measurement, the Fund measures financial instruments which are classified as at FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at FVTPL in profit or loss. Interest and dividends earned on these instruments are recorded separately in interest income and dividend income in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Fund recognises loss allowances for ECL on financial assets measured at amortised cost.

The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12 month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of "investment grade". The Fund considers this to be Baa3 or higher per Moody's or BB- or higher per S & P.

Lifetime ECL are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfall (that is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficult of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial position.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Fund has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Fund has:

- (a) Transferred substantially all of the risks and rewards of the asset

Or

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Financial instruments (continued)

Financial assets (continued)

Derecognition (continued)

- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Fund's continuing involvement in the asset. In that case, the fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

Financial liabilities

Initial recognition, classification and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

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

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Fund's financial liabilities at FVTPL include net assets attributable to holders of redeemable ordinary shares which has been designated at FVTPL.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes in this category other payables.

Subsequent measurement

After initial measurement, the Fund measures financial liabilities which are classified as at FVTPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial liabilities at FVTPL in profit or loss. Interest and dividends earned on these instruments are recorded separately in interest income and dividend income in the statement of profit or loss and other comprehensive income.

Financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position if, and only if, the Fund has an enforceable legal right to offset the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

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

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

Net gain or loss on financial assets and liabilities at fair value through other comprehensive income

During the year, there were some debts instruments that were fair valued at FVOCI based on the following:

- (a) the entity's business model for managing financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Upon initial recognition, the Fund can elect to classify irrevocably its investments as equity or debt instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32.

Financial Instruments are held for trading. The classification is determined on an instrument-by-instrument basis.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

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

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

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise bank balances.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

Related party transactions

Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party and/or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or other entities.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Fund operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. The directors periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes at the reporting date. Currently enacted tax rates are used to determine deferred tax.

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

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

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

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

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax (continued)

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax recognised in the statement of profit or loss and other comprehensive income and the income tax liability on the statement of financial position.

The CSR charge for the current year is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted by the reporting date.

Dividend income

Dividend income is recognised on the date when the Fund's right to receive the payment is established.

Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in profit or loss as dividend income.

Interest income and interest expense

Interest income and expense are recognised in profit or loss for all interest bearing financial instruments using the effective interest method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in profit or loss.

Expenses

All expenses are recognised in profit or loss on an accrual basis as they are incurred.

Stated capital

1. *Management shares*

The management shares are held by the Fund manager. No management shareholder has the right to receive any dividend and distributions or to participate in the profits or assets of the Fund. The management shares carry the right to vote on any resolution on matters to be considered by the shareholders generally and also on matters affecting their rights and as expressly set out in the constitution. On winding up, each shareholder is entitled to payment in accordance with the Fund's constitution.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Stated capital (continued)

2. *Redeemable Participating shares*

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities (at fair value).

The liabilities arising from the redeemable shares are carried at the redemption amount being the net asset value calculated in accordance with IFRS.

For the purpose of calculating the net assets attributable to shareholders in accordance with the Fund's redemption requirements, the Fund's assets and liabilities are valued on the basis of market prices.

The Fund issues shares at the net asset value of the existing shares. The holder of participating shares can redeem them on any business day for cash equal to a proportionate share of the Fund's net asset value (calculated in accordance with redemption requirements).

3. *Net Asset Value*

The Fund's net asset value per share is calculated by dividing the net assets attributable to shareholders (calculated in accordance with redemption requirements) by the number of redeemable participating shares in issue.

Distribution to shareholders

Distributions payable to holders of participating shares are recognised in profit or loss as in accordance with the terms of issue of, and rights attached to, shares of the Fund in issue to Investors, otherwise than by way of redemption of shares. Distributions shall also not be made to the holders of the management shares.

Fair value measurement

The Fund measures its investments in financial instruments, such as equities and debts (quoted), at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

Where the Fund has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception provided in IFRS 13 to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

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

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

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

Due to and due from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to the accounting policy for financial liabilities, other than those classified as at fair value through profit or loss for recognition and measurement.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date.

Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Standards Interpretations Committee ("IFRS IC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2023. The adoption of these new and revised Standards and Interpretations has not resulted in major changes to the Fund's accounting policies.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3.1 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

The Fund has adopted the following amended Standards, which are effective for annual periods beginning on or after 1 July 2023:

(i) IAS 1 – Presentation of Financial Statements

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information, that relates to immaterial transactions, other events or conditions, is immaterial and needs not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information, relating to material transactions, other events or conditions, is itself material.

(ii) IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

(iii) IAS 12 – Income Taxes

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

As at 30 June 2024, the following Standard was effective. However, it did not have any impact on the Fund's financial statements.

IFRS 17 Insurance Contracts

These amendments had no impact on the financial statements of the Fund, and it intends to use the practical expedients in future periods if they become applicable.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

3.2 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

	Effective for accounting period beginning on or after
IAS 1 Presentation of Financial Statements – Amendments regarding the classification of liabilities.	01 January 2024
IAS 1 Presentation of Financial Statements – Amendment to defer the effective date of the January 2020 amendments	01 January 2024
IAS 1 Presentation of Financial Statements – Amendments regarding the classification of debt with covenants	01 January 2024
IAS 7 Statement of Cash Flows - Amendments regarding supplier finance arrangements	01 January 2024
IAS 28 Investments in Associates and Joint Ventures – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	01 January 2024
IFRS 7 Financial Instruments: Disclosures - Amendments regarding supplier finance arrangements	01 January 2024
IFRS 7 Financial Instruments: Disclosures - Amendments regarding the classification and measurement of financial instruments	01 January 2024
IFRS 9 Financial Instruments – Amendments regarding the classification and measurement of financial instruments	01 January 2024
IFRS 10 Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (Deferred indefinitely)	01 January 2024
IFRS 16 Leases - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	01 January 2024
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 Climate-related Disclosures	01 January 2024

Note 1: The amendments are effective immediately upon issuance. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 01 January 2023, but are not required for any interim period ending on or before 31 December 2023.

Note 2: In December 2015, the IASB postponed the effective date of this amendment in definitely pending the outcome of its research project on the equity method of accounting.

The Fund has assessed the potential impact of those standards and amendments to existing standards on its financial statements. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Fund's accounting policies, the directors have made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Going concern

During the year ended 30 June 2024, there was dividend received amounting to MUR 6,832,177 (2023: MUR 4,508,903) and interest received amounting to MUR 15,090,847 (2023: MUR 17,402,316). These are the returns on investment during the year.

After year end, there was total subscriptions amounting to MUR 1,066,000 and total redemptions amounting to MUR 1,388,990 as at 31 July 2024.

The Directors have made an assessment of the Fund's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts on the Fund, which is at least, but is not limited to, twelve months from the end of the reporting period. The Directors will continue to closely monitor the situation and implement appropriate actions deemed necessary to maximise liquidity and ensure sustainability of the Fund. The Directors are of opinion that there is no material uncertainty which may cast significant doubt on the Fund's ability to continue as a going concern.

Estimates and assumptions

In preparing these financial statements, the Directors have made estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Expected credit losses

To calculate the ECL, the Fund has applied estimates and assumptions that have a significant effect on the amounts recognised in the financial statements and include the classification of financial instruments into financial assets measured at amortised cost category. Estimated ratings have been used for the calculation (see "credit risk" in note 20). At 30 June 2024, a loss allowance of MUR 190,482 has been provided (2023: MUR 764,754).

Fair Value Measurement of Unquoted Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using the last traded price.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer to note 20).

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Held for trading	<u>2024</u> MUR	<u>2023</u> MUR
At 01 July	69,822,574	84,214,087
Additions	-	7,962,336
Proceeds from disposal	(537,200)	(17,662,981)
Net fair value loss	(1,215,440)	(4,809,114)
Interest income for the year (Note 22)	521,425	519,999
Interest received during the year	(520,000)	(401,753)
At 30 June	<u>68,071,359</u>	<u>69,822,574</u>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>2024</u> MUR	<u>2023</u> MUR
At 01 July	40,500,659	-
Additions	25,000,000	40,304,820
Net fair value gain/(loss)	189,580	(181,600)
Interest income for the year (Note 22)	2,610,379	1,606,955
Interest received during the year	(2,373,448)	(1,229,516)
At 30 June	<u>65,927,170</u>	<u>40,500,659</u>

7. FINANCIAL ASSETS AT AMORTISED COST

	<u>2024</u> MUR	<u>2023</u> MUR
At 01 July	231,055,415	285,341,237
Additions	-	202,087,973
Proceeds of disposal	(57,690,300)	(257,272,225)
Net fair value loss	(191,451)	(305,183)
Interest income for the year (Note 22)	10,590,708	16,693,895
Interest received during the year	(11,906,023)	(15,593,618)
Expected credit losses reversed	483,016	103,336
At 30 June	<u>172,341,365</u>	<u>231,055,415</u>

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
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8. OTHER RECEIVABLES

	<u>2024</u> MUR	<u>2023</u> MUR
Dividend receivables (note (a))	221,220	809,874
Receivables from Dolberg Asset Finance Limited (Dolberg)	2,800,000	2,800,000
Management shares receivables	10,000	10,000
	<u>3,031,220</u>	<u>3,619,874</u>
Less: Provision for expected credit losses on Dolberg	<u>(2,800,000)</u>	<u>(2,800,000)</u>
	<u>231,220</u>	<u>819,874</u>

(a) Dividend receivable from New Mauritius Hotel Limited amounting to MUR 221,220 (2023: MUR 809,874) interest of 6% per annum and is bears a fixed cumulative payable out of the profits of the Fund.

9. CASH AND CASH EQUIVALENTS

	<u>2024</u> MUR	<u>2023</u> MUR
Cash at banks	<u>20,341,592</u>	<u>8,368,843</u>

The Fund has an uncommitted money market line of MUR 20 million with AfrAsia Bank Limited, which may be used in case the Fund faces a big redemption and the clients can be repaid in a timely manner.

A lien amounting to MUR 35 million on 11th April 2017 has been created in favour of AfrAsia Bank Limited on two fixed deposits owned by the Fund and held with The Mauritius Civil Service Mutual Aid Association Ltd.

Interest on the Overdraft Facility will be charged at 0.45% per annum below the bank Prime Lending Rate ("PLR") subject to fluctuation at the Bank's sole and absolute discretion.

The overdraft was repaid on 05 July 2021 from proceeds received at maturity of investments. The overdraft facility has been extended up to 31 March 2024.

10. OTHER PAYABLES

	<u>2024</u> MUR	<u>2023</u> MUR
Custodian fees (Note 15)	27,440	26,964
Professional fees	596,145	409,750
Management fees (Note 14)	734,112	794,713
Administration fees	63,663	31,250
Amount due to participating shareholders	1,398,404	734,257
Distribution payable	173,907	76,188
Accounting fees payable	258,204	208,809
Brokerage fees	-	4,879
Dealing fees	236	13,241
	<u>3,252,111</u>	<u>2,300,051</u>

The Directors consider that the carrying amount of other payables approximates their fair value since they are of short term nature. Other payables are non-interests bearing and have an average term of three months.

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
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11. TAXATION

(i) Major components of tax expense

The Fund, being a domestic resident company, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. Capital gains are outside the scope of the Mauritius tax while trading profits made by the Fund from sale of shares are exempt from tax.

	<u>2024</u> MUR	<u>2023</u> MUR
<i>Current tax expense</i>		
Income tax expense recognised in statement of profit or loss and other comprehensive income	<u>172,279</u>	<u>473,276</u>

(ii) Numerical reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate

	<u>2024</u> MUR	<u>2023</u> MUR
Profit/(loss) before tax	<u>5,783,131</u>	<u>6,533,350</u>
Tax calculated at the rate of 15%	867,470	980,002
Expenses attributable to exempt income	762,971	821,861
<i>Expenses not deductible for tax purposes:</i>		
Distribution to shareholder	1,301,771	780,771
Brokerage fees	4,044	26,232
Expenses not deductible for tax purposes	20,438	-
Unrealised loss on financial assets at amortised cost	-	45,777
Unrealised loss on financial assets at fair value through profit or loss	304,522	934,958
<i>Exempt income:</i>		
Dividend income	(1,024,826)	(676,336)
Interest income	(1,955,457)	(2,258,502)
Unrealised gain on financial assets at fair value through profit or loss	(24,838)	(203,578)
Realised gain on financial assets at fair value through profit or loss	(68,650)	-
<i>Other deductible items:</i>		
Net reversal on expected credit losses	(72,452)	(15,500)
Other income	-	(1)
Net gain on financial assets at amortised cost	-	(10,014)
	<u>114,993</u>	<u>425,670</u>
Under provision in prior year	468	-
CSR Contribution at 2%	<u>56,818</u>	<u>47,606</u>
Income tax expense	<u>172,279</u>	<u>473,276</u>

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
NOTES TO THE FINANCIAL STATEMENTS
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11. TAXATION (CONTINUED)

<u>(iii) Income tax liability</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
At 01 July	169,794	116,993
Income tax expense	115,461	425,670
CSR	56,818	47,606
Income tax refunded	-	-
Income tax paid during the year	<u>(532,479)</u>	<u>(420,475)</u>
 (Income tax asset)/income tax liability at 30 June	 <u><u>(190,406)</u></u>	 <u><u>169,794</u></u>

Corporate social responsibility

The Fund is required to pay CSR equivalent to 2% of its chargeable income and remit same to the Mauritius Revenue Authority.

12. MANAGEMENT SHARES

<u>Issued</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
1,000 Management shares of no par value	<u><u>10,000</u></u>	<u><u>10,000</u></u>

The management shares are held by Strategia Wealth Managers Ltd.

Management Shares shall be issued as determined by the Board, and shall confer on the holders thereof in a winding up the rights set out in Article 47 in relation to Management Shares and the rights of Management Shares shall otherwise be in accordance with the provisions of the Constitution of the Fund.

No Management Shares shall at any time be held otherwise than by the Manager or such other person nominated by the Manager and approved by the Board.

13. REDEEMABLE PARTICIPATING SHARES

All redeemable participating shares are fully paid. They have no right to vote in shareholders' meetings, except on a proposal to wind up the Fund. They are entitled to payment of net asset value on redemption.

Participating shares are issued and redeemed at the holder's option at prices based on the value of the Fund's net assets on the valuation day.

(a) Issued and fully paid

	<u>2024</u> <u>Number of shares</u>	<u>2023</u> <u>Number of shares</u>
At 01 July	32,208,667	38,657,772
Issue of shares	772,610	3,892,135
Redemptions of shares	<u>(3,533,669)</u>	<u>(10,341,240)</u>
 Balance at 30 June	 <u><u>29,447,608</u></u>	 <u><u>32,208,667</u></u>
 Net assets attributable to holder of participating shares	 MUR <u><u>324,260,317</u></u>	 <u><u>348,498,348</u></u>
 Net Asset Value per Share at 30 June	 MUR <u><u>11.0114</u></u>	 <u><u>10.8200</u></u>

13. REDEEMABLE PARTICIPATING SHARES (CONTINUED)

STRATEGIA YIELD FUND LTD (FORMERLY KNOWN AS EKADA YIELD FUND LTD)
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Any issue of a Participating Share shall be made at the Issue Price per relevant Share determined by:

- (i) ascertaining the Net Asset Value per relevant Participating Share to be issued, at the latest Valuation Day preceding or on the Dealing Day in question;
- (ii) adding to the Net Asset Value per relevant Participating Share determined in accordance with any initial charge, a charge upon the issue of shares of such amount as the Fund Manager may from time to time determine generally, but not exceeding the maximum stipulated in the Prospectus of the Fund.

The carrying amount of the net assets attributable to holder of participating shares approximates their fair value.

(b) Net asset value per participating share

Net asset per participating share is calculated by dividing the Participating Net Asset Value by the number of issued and outstanding shares in that Participating class as at the valuation day concerned.

(c) Issue and redemption of participating shares

In accordance of section 17 of the prospectus, participating shares in the Fund may be purchased or redeemed on every dealing day. The issue price and redemption price are as defined in the prospectus of the Fund.

In accordance with section 18 of the constitution:

- No Participating Shares shall be issued or redeemed during any period when the calculation of the Net Asset Value is suspended pursuant to the Constitution;
- Payment for Participating Shares shall be made at such time and place and to such person on behalf of the Fund as the Board may from time to time determine;
- The Board shall have power (but shall not be under any duty) to impose such restriction as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or requirements of any country or governmental authority which shall include the right to reject any application for Participating Shares whether in whole or in part.

14. MANAGEMENT FEES

Under the Investment Management Agreement between the Fund and Strategia Wealth Managers Ltd, the manager is entitled to a fee of 0.90% per annum of the Fund. The management fee shall be payable in cash in arrears in monthly installments due within 15 days of the end of each calendar month.

The management fee installments for each month shall equal the product of the Net Asset Value of the Shares of the Fund as determined on the last Valuation Day of such month and one twelfth of 0.90%.

15. CUSTODIAN FEES

AfrAsia Bank Limited is entitled to a fee of 0.10% per annum on the Net Asset Value under the Custodian Agreement with the Fund, which is calculated on a monthly basis.

The Mauritius Commercial Bank Limited is entitled to a fee expressed in basis point (b.p.) per annum where 1 b.p. equals one hundredth of one percent (i.e. 0.01%) as per custodian agreement and its asset type based on the portfolio value under the Custodian Agreement with the Fund, which is calculated on a quarterly basis.

16. PROFESSIONAL FEES

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	<u>2024</u> MUR	<u>2023</u> MUR
Auditor's remuneration	270,250	373,750
NAV calculation fees and accounting fees	427,330	549,766
Director's fees	222,112	195,967
MLRO fees	68,076	46,609
Legal fees	138,000	319,988
AML/CFT fees	274,758	145,530
Independent AML/ CFT fees	237,894	-
Administration fees	261,721	236,873
Secretarial fees	44,848	67,118
Brokerage fees	26,960	174,878
E-Learning	4,000	-
Regulatory fees	-	289,023
Filling of annual return of dividend	7,108	15,000
	<u>1,983,057</u>	<u>2,414,502</u>
17. OTHER EXPENSES		
	<u>2024</u> MUR	<u>2023</u> MUR
Insurance premium	137,934	157,564
License fees	109,556	109,408
Interest on bank overdraft	2,725	-
Bank charges	25,862	64,604
Sundry expenses	27,381	23,133
	<u>303,458</u>	<u>354,709</u>
18. DISTRIBUTION TO SHAREHOLDERS		
2024		
	<u>Dividend</u> MUR	<u>Dividend</u> per share MUR
Dividend declared for the six months ended 31 December 2023	4,491,351	0.15
Dividend declared for the six months ended 30 June 2023	4,187,127	0.13
	<u>8,678,478</u>	
2023		
	<u>Dividend</u> MUR	<u>Dividend</u> per share MUR
Dividend declared for the six months ended 31 December 2022	3,272,249	0.08
Dividend declared for the six months ended 30 June 2022	1,932,889	0.05
	<u>5,205,138</u>	

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19. RELATED PARTY DISCLOSURE

During the year, the Fund transacted with related parties. The nature, volume of transactions and balances with related parties are as follows:

<u>Name of entity</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Volume of transactions</u>		<u>Balances receivable from/(due to)</u>	
			<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
DTOS Ltd	Management Company	Management and Administrative, Director, Secretarial and professional fees	<u>1,153,841</u>	<u>1,118,799</u>	<u>(327,867)</u>	<u>(46,927)</u>
Strategia Wealth Managers Ltd	Investment manager	Management shares receivable	-	-	10,000	10,000
		Management fees	<u>2,981,519</u>	<u>3,701,943</u>	<u>(734,112)</u>	<u>(794,713)</u>
		Entry and exit fees	-	-	<u>(236)</u>	<u>(13,241)</u>
Participating shareholders	Participating shareholders	Redemption of shares	-	-	<u>(670,147)</u>	<u>(723,257)</u>
		Share application money	-	-	<u>(5000)</u>	<u>(11,000)</u>
		Dividend paid	<u>8,678,478</u>	<u>5,205,138</u>	<u>(173,907)</u>	<u>(76,188)</u>

20. FINANCIAL INSTRUMENTS

Categories of financial instruments

<u>Financial assets</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
Financial assets at fair value through profit or loss	<u>68,071,359</u>	69,822,574
Financial assets at amortised cost	<u>172,341,365</u>	231,055,415
Financial assets at fair value through other comprehensive income	<u>65,927,170</u>	40,500,659
Amortised costs: Other receivables	<u>231,220</u>	819,874
Amortised costs: Cash and cash equivalents	<u>20,341,592</u>	8,368,843
	<u><u>326,912,706</u></u>	<u><u>350,567,365</u></u>

Prepayments of MUR 609,722 (2023: MUR 410,828) have not been included in the financial assets due to their nature.

<u>Financial liabilities</u>	<u>2024</u> <u>MUR</u>	<u>2023</u> <u>MUR</u>
Other payables	<u>3,252,111</u>	2,300,051
Net assets attributable to holders of redeemable participating shares	<u><u>324,260,317</u></u>	<u><u>348,498,348</u></u>
	<u><u>327,512,428</u></u>	<u><u>350,798,399</u></u>

The carrying amount of the other receivables and other payables approximate their fair value.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (Continued)

Capital risk management

The Fund manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Fund consists of management shares and net assets attributable to holder of participating shares.

Strategy in using financial instruments

The Fund's investing activities expose it to various types of financial risks that are associated with the financial instruments and markets in which it invests. These financial risks include market risk, price risk, foreign currency risk, interest rate risk, credit and counterparty risk and liquidity risk. The Fund's overall risk management programme focuses on minimising potential adverse effects on the Fund's performance resulting from these financial risks.

International Financial Reporting Standard 7, Financial Instruments: Disclosures ("IFRS 7") requires the Fund to disclose a sensitivity analysis for each type of market risk to which the Fund is exposed at the reporting date, showing how profit or loss and net assets would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, debt and equity investments prices will affect the Fund's income or the value of its holdings in financial instruments.

The Fund trades in financial instruments (securities). The securities portfolio consists of equity and debt investments.

At 30 June 2024, the market exposures for the investments held by the Fund had a fair value of MUR 133,998,529 (2023: MUR 110,323,233) and were 41% (2023: 32%) of net assets value.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The price of the financial instrument is determined by reference to the market value of the financial instrument and that of its quoted price on reporting date (for listed instruments).

The sensitivity analysis below has been determined based on the exposure to price risks with respect to market value at the reporting date.

The Fund manages this risk by holding an investment horizon of 3 to 5 years and is targeted towards investors with low risk profile as defined in clause 11 of its prospectus.

If market value had been 1.49% (2023: 2.5%) higher:

Gain for the year ended 30 June 2024 would have increase by MUR 1,997,247 as the investments are measured at fair value (2023: MUR 1,761,571); the investment valuation would decrease by same amount; and there would be an equal and opposite impact on profit and investment valuation should the market value be lower by 1.49%.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign currency risk

The Fund is exposed to the risk of fluctuation in the exchange rate of the United State Dollars (USD) in relation to the Mauritian Rupees (MUR) as some of the Fund's assets and liabilities are denominated in such currencies. Consequently, the Fund is exposed to the risk that the exchange rate may change in a manner which has a material effect on the reported values of the Fund's assets which are denominated in these currencies. Management has set up a policy to require the Fund to manage its foreign exchange risk exposure with treasury.

The currency profile of the Fund's financial instruments is summarised as follows:

	Financial Assets 2024	Financial Liabilities 2024	Financial Assets 2023	Financial Liabilities 2023
	MUR	MUR	MUR	MUR
USD	1,385,322	328,983	2,084,363	2,314,587
MUR	<u>325,527,384</u>	<u>327,183,445</u>	<u>348,483,002</u>	<u>348,483,812</u>
	<u>326,912,706</u>	<u>327,512,428</u>	<u>350,567,365</u>	<u>350,798,399</u>

Sensitivity analysis

A 4% (2023: 2%) appreciation of the USD against the MUR at the reporting date would decrease the profit or loss by the amount shown below. The analysis assumes other variables remain constant.

	Profit or (loss)	
	2024	2023
	MUR	MUR
USD	<u>42,254</u>	<u>(4,604)</u>

A 4% (2023: 2%) appreciation of the USD against the MUR would have had an equal and opposite effect, on the basis that all other variables remain constant. The percentage has been derived based on the movement between the exchange at 01 July 2023 and 30 June 2024.

Interest rate risk

The Fund has invested in interest-bearing instruments, it is exposed to interest rate risk, which arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The following table analyses the Fund's interest rate risk exposure. The Fund's assets and liabilities are included at fair value and categorised by the earlier of contractual re-pricing or maturity dates.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

As at 30 June 2024	< than 6 months MUR	1 – 5 years MUR	> than 5 years MUR	Total MUR
Variable rate assets				
Financial assets at amortised cost	35,820,336	-	51,799,623	87,619,959
Financial assets at fair value through other comprehensive income	10,031,342	-	-	10,031,342
Fixed rate assets				
Financial assets at amortised cost	-	10,078,350	28,323,547	38,401,897
Financial assets at fair value through other comprehensive income	-	36,470,584	75,982,657	112,453,241
Total interest bearing assets	45,851,678	46,548,934	156,105,827	248,506,439
<hr/>				
As at 30 June 2023	< than 6 months MUR	1 – 5 years MUR	> than 5 years MUR	Total MUR
Variable rate assets				
Financial assets at amortised cost	-	35,649,842	52,425,607	88,075,449
Fixed rate assets				
Financial assets at amortised cost	35,031,130	16,261,412	91,687,424	142,979,966
Total interest bearing assets	35,031,130	51,911,254	144,113,031	231,055,415

Interest rate sensitivity analysis

If interest rates had been 0.5% (2023: 2.25%) higher/lower:

The net assets attributable to redeemable participating shareholders would have increased/decreased by MUR 438,100 (2023: MUR 1,981,698).

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within debt instruments and similar securities, receivables and cash and cash equivalents.

It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Investment Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties (e.g. brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Cash and cash equivalents and other receivables

Impairment on cash and cash equivalents and other has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Fund considers that these exposures have low credit risk based on the external credit ratings of the counterparties. An amount is considered to be in default if it has not been received 30 days after it is due.

Investment in debt - securities

At 30 June 2024, the Fund invested in corporate debt securities with the following credit quality.

	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Rating	MUR	MUR	%	%
Baa3	51,799,623	67,182,509	30	29
Not available	<u>120,541,742</u>	<u>163,872,906</u>	<u>70</u>	<u>71</u>
Total	<u>172,341,365</u>	<u>231,055,415</u>	<u>100</u>	<u>100</u>

Concentration of credit risk

The investment manager reviews the credit concentration of debt securities held based on counterparties and industries. As at the reporting date, the Fund's debt securities exposure were concentrated in the following industries:

	<u>2024</u>	<u>2023</u>
	%	%
Financial services	48	31
Government	30	29
Wealth and asset management	7	19
Real Estate	9	6
Banking	<u>6</u>	<u>15</u>
Total	<u>100</u>	<u>100</u>

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Financial assets subject to IFRS 9's impairment requirements

ECLs are an estimate of future credit losses measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive). The Fund estimates the cash shortfall using a credit spread approach which is a function of loss severity and probability of default.

2024

Financial assets	<u>Type</u>	<u>PD</u>	<u>LGD</u>	<u>MUR</u>
Financial assets at amortised cost	Deposit	0.95%	22%	74,625
Financial assets at amortised cost	Notes	0.95%	24%	22,910
Financial assets at amortised cost	Notes	0.95%	18%	73,703
Financial assets at amortised cost	Notes	0.95%	26%	40,048
Financial assets at amortised cost	Notes	2.10%	18%	57,242
Financial assets at amortised cost	Bonds	0.15%	17%	<u>13,212</u>
				<u>281,740</u>

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Financial assets subject to IFRS 9's impairment requirements (continued)

2023

Financial assets	Type	PD	LGD	MUR
Financial assets at amortised cost	Deposit / Notes	0.97%	69%	498,898
Financial assets at amortised cost	Notes	2.11%	69%	220,477
Financial assets at amortised cost	Bonds / Bills	0.15%	45%	45,379
				<u>764,754</u>

Amounts arising from ECL

The Fund's financial assets subject to the expected credit loss model within IFRS 9 are financial assets at amortised cost. At 30 June 2024, the total financial assets carried at amortised cost was MUR 172,341,365 on which a loss allowance of MUR 190,482 had been provided (2023: total of MUR 231,055,415 on which loss allowance of MUR 764,754 had been incurred). The movement for the year is a net reversal of provision of MUR 483,016 (2023: provision of MUR 103,336).

The Fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements this by reviewing changes in bond yield, where available, credit default swap (CDS) prices together with available press and regulatory information about counterparties.

Financial assets not subject to IFRS 9's impairment requirements

The Fund is not exposed to credit risk on its equity and debt instruments classified as fair value through profit or loss. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at fair value through profit or loss.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. At 30 June 2024, the Fund's financial liabilities include net assets attributable to participating shareholders and other financial liabilities.

Redemptions of participating shares are permitted weekly. The Fund's other financial liabilities have contractual repayment or maturity dates ranging from on-demand to 12 months.

The Fund's approach to managing liquidity 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.

The Fund has an overdraft facility of MUR 20 million with AfrAsia Bank Limited to cater for any liquidity issue.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

30 June 2024

	<u>On-demand</u> MUR	<u>Less than</u> <u>3 months</u> MUR	<u>Total</u> MUR
Liabilities			
Net assets attributable to holders of redeemable participating shares	324,260,317	-	324,260,317
Other payables	-	3,252,111	3,252,111
Total	<u>324,260,317</u>	<u>3,252,111</u>	<u>327,512,428</u>

30 June 2023

	<u>On-demand</u> MUR	<u>Less than</u> <u>3 months</u> MUR	<u>Total</u> MUR
Liabilities			
Net assets attributable to holders of redeemable participating shares	348,498,348	-	348,498,348
Other payables	-	2,300,051	2,300,051
Total	<u>348,498,348</u>	<u>2,300,051</u>	<u>350,798,399</u>

A holder of redeemable participating shares may request all or part of his holding to be redeemed upon written request on a dealing day and payment is to be effected within ten business days of the receiving such request.

Fair value of financial instruments

The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

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

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

The following table presents the classification of the Fund's financial assets within level 1 and level 3 of the fair value hierarchy as at 30 June 2024:

	2024		
	Level 1 MUR	Level 3 MUR	Total MUR
Financial assets designated at fair value through profit or loss	28,071,359	40,000,000	68,071,359
Financial assets designated at fair value through other comprehensive Income	65,927,170	-	65,927,170
	<u>93,998,529</u>	<u>40,000,000</u>	<u>133,998,529</u>
	2023		
	Level 1 MUR	Level 3 MUR	Total MUR
Financial assets designated at fair value through profit or loss	29,822,574	40,000,000	69,822,574
Financial assets designated at fair value through other comprehensive Income	40,500,659	-	40,500,659
	<u>70,323,233</u>	<u>40,000,000</u>	<u>110,323,233</u>

Transfers between levels

There has been no transfers between the level during the year.

	Fair Value/ Carrying value MUR	Fair Value MUR	Fair Value Level
Financial assets at fair value through profit or loss	68,071,359	68,071,359	Level 1 and level 3
Financial assets at amortised cost	172,341,365	172,341,365	Level 3
Financial assets at FVTOCI	65,927,170	65,927,170	Level 1
Other receivables	231,220	231,220	Level 3
Cash and cash equivalents	20,341,592	20,341,592	Level 3
Other payables	3,252,111	3,252,111	Level 3
Net assets attributable to holders of redeemable participating shares at year end	<u>330,164,817</u>	<u>330,164,817</u>	Level 3

The carrying value of the level 3 financial instruments approximate their fair value. The investment in Afrasia Bank Ltd is classified within level 3 of the fair value hierarchy as the instruments of this financial institution is not quoted in an active market.

Valuation techniques

Quoted instruments

The Fund invests in equity and debt securities whose prices are quoted in an active market. Transactions in such investments occur on a regular basis. The Fund uses a market based valuation technique, namely published prices, for these positions. These instruments are included with the Level 1 of the hierarchy.

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Valuation techniques (continued)

Unlisted equity instruments

For the year under review, investment in Afrasia Bank Ltd is classified within level 3 of the fair value hierarchy due to the fact that its fair value is based on its closing price. The investment in Afrasia Bank Ltd is classified within level 3 of the fair value hierarchy as the instruments of this financial institution is not quoted in an active market. Transactions in such investments do not occur on a regular basis and the Fund derives the fair value of this instruments based on its effective dividend yield.

Valuation process

The Board of Directors of the Fund is responsible for the valuation of investments including the policies and procedures. The valuation of the portfolio of investments is carried out on a weekly basis.

21. COMMITMENTS AND CONTINGENCIES

There are no commitments or contingencies at the reporting date (2023: nil).

22. INTEREST INCOME

	<u>2024</u> MUR	<u>2023</u> MUR
Interest income on financial assets at fair value through profit and loss (Note 5)	-	519,999
Interest income on financial assets at fair value through other comprehensive income (Note 6)	5,501,275	1,606,955
Interest income on financial assets at amortised cost (Note 7)	8,221,232	16,693,895
Interest income on bank accounts	291,383	177,429
	<u>14,013,890</u>	<u>18,998,278</u>

23. GOING CONCERN

The Fund invests in a portfolio of yield debt securities which includes treasury bills, treasury notes, government bonds, corporate debt obligations (such as bonds, debentures, notes and commercial papers). The investment manager closely reviews the holdings of the portfolio and is in regular discussion with the investment advisor to review the portfolio holdings. Post year end, the investment manager has further reviewed the holdings in the Fund's portfolio and as of date, there is no signal of deterioration of credit risk and payment behaviour of the Fund. The Investment Manager monitors closely the liquidity position of the Fund. Also, the latter has sufficient cash balances to make payment of its fees for next twelve months.

Also, the Directors do not foresee any interruptions in the management services provided to the Fund with the incoming of the potential Investment Manager.

Accordingly, the Directors have concluded that the going concern assumption is appropriate in the preparation of the financial statements for the year ended 30 June 2024 and that the realisation of assets and settlement of liabilities and commitments will occur in the ordinary course of business.

24. EVENTS AFTER REPORTING DATE

On 09 July 2024, the Board resolved to declare a final dividend of MUR 0.15 per share, amounting to MUR 4,417,141 to the Participating shareholders of the Fund as at 30 June 2024 and was paid on 31 July 2024.

On 30 August 2024, the Financial Services Commission (FSC) approved the initiation of a change in the shareholding structure related to the parent company of the Fund's manager, which holds the management shares. The holders of the redeemable participating shares are not impacted by this change. In accordance with IAS 10 – Events after the reporting period, this event is considered non-adjusting, and therefore no adjustments has been made to the financial statements as of 30 June 2024.