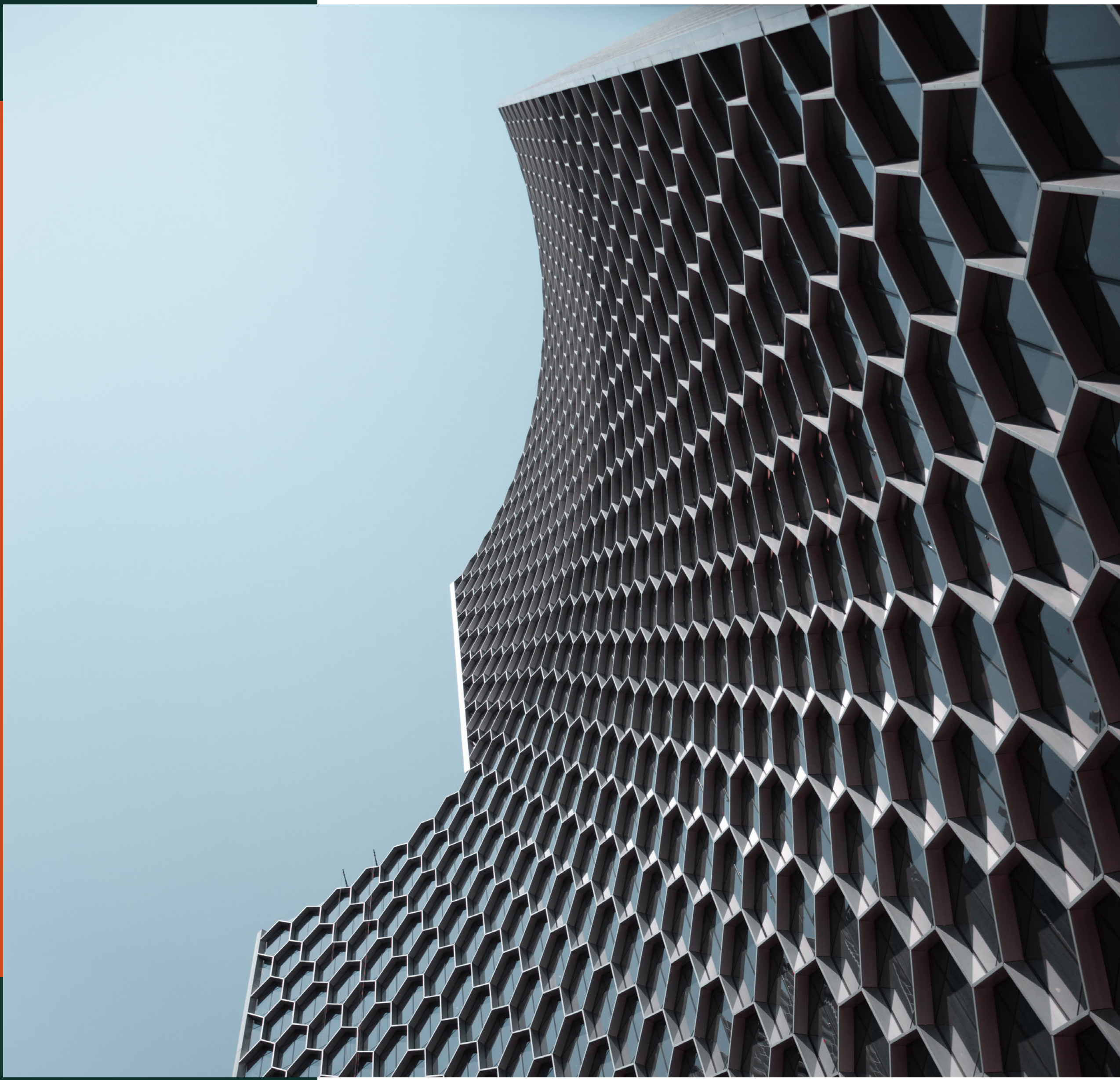
Growing Capital Sustainably



QI

Quarterly Insights

October 2023

Inside This Issue

Macroeconomic Outlook

Global

Macroeconomic Outlook

Global

Financial markets featured similar trends over Q3’23 as equity markets and fixed income markets moved in the same direction. Following a robust first half of 2023, World Equities returned -3.5% over Q3’23 taking its year-to-date returns down to a still solid 11.1%. A sell-off in the global bond markets (-3.6%) was partly to blame and added pressure on risk assets. Commodities outperformed with energy gaining amid oil production cuts from Saudi Arabia and Russia.

The sentiment was mixed across global equity markets with Europe (-4.8%) and China (-1.4%) moving in tandem with global equities while India (+2.7%), Japan (+2.4%) and the United Kingdom (+2.1%) gained over the quarter. Growth stocks driven by the Tech rally in H1 23 underperformed their value counterparts by 3.0% in Q3 23 as both factors fell simultaneously. Global Commodities were up (+3.3%) in Q3 23 as energy was the best performing sector benefiting from higher oil prices as Crude Oil WTI rose +28.5% while Gold fell (-3.7%) on the back of higher yields and a stronger US dollar.

The US Federal Reserve hiked interest rates by an additional 25bps over the quarter to 5.50%. Central banks across the Atlantic were more hawkish and were more cautious about inflation. The Bank of England increased the key rate by 25bps to 5.25% while in the Eurozone, the European Central Bank (ECB) increased the key rate by 50bps to 4.50%. The Fed policymakers hinted at a further rate hike before the end of the year while the ECB suggested that the recent hikes will be sufficient to guide inflation back to its target. However, China remains an outlier among global central banks. Economic data shows that the Chinese economic recovery post-Covid is slowing at a faster-than-expected pace from both the production and consumption side pushing the People’s Bank of China (PBOC) to cut its lending rate the second time this year by 15bps to 2.50%.

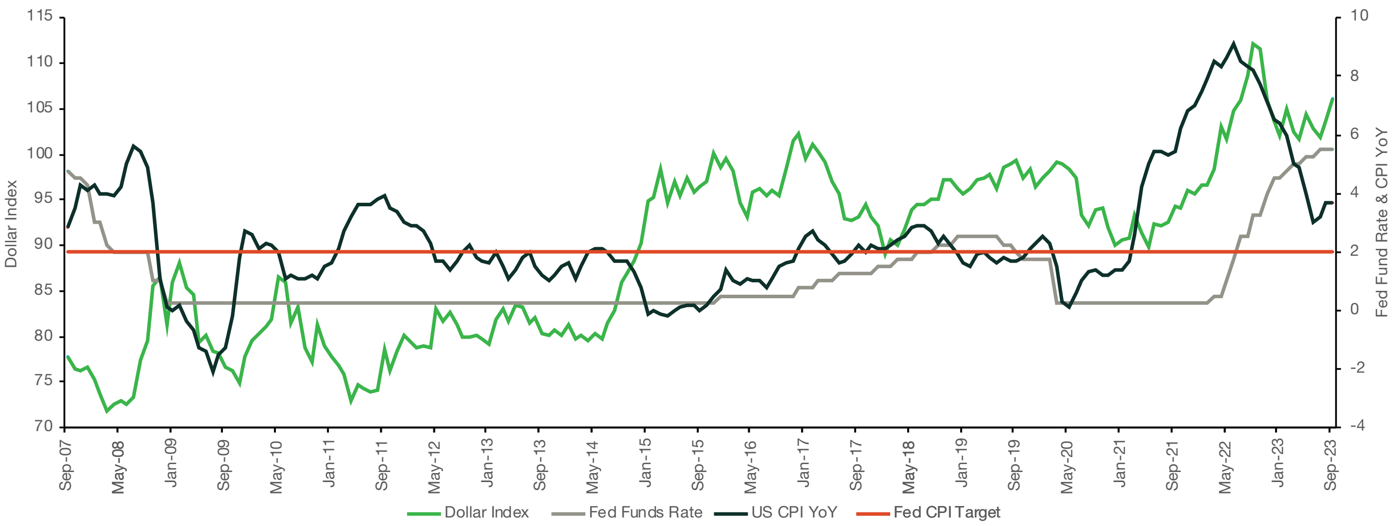
During Q3’23 the US economy remained surprising with the resilience of the labour market and improvement in the manufacturing sector which drove inflation expectations upwards. The market now anticipates a longer period of elevated rates which drove yields higher during the quarter. The US 2-year yield jumped above 5% while the key US 10-year yield hit a 16 year high at around 4.5%. The US 10-year yield climbed about twice as much as the 2-year yield in September reflecting ’higher for longer’ interest rates. The rise in bond yields in Q3’23 added pressure on growth stocks in particular the technology sector which gave up part of the gains generated in the first half of 2023.

The US Federal Reserve warned of further quantitative tightening and holding rates higher for longer until inflation moves back towards the 2.0% target. From a currency perspective, in Q3’23, the US dollar appreciated strongly against major currencies on the back of a resilient economy and the ‘higher rates for longer’ narrative. Core inflation in the US has been decreasing consecutively since March this year coupled with data showing higher consumer spending in August. As it is, the US economy is expected to remain more solid in the face of additional rate hikes and rising oil prices than other major economies.

After posting negative returns in Q2’23, commodities have rebounded. The energy sector was the best performing sector during the last quarter driven by significantly higher energy prices after Saudi Arabia and Russia cut oil production. The Bloomberg Commodity Index climbed by 3.3% over Q3’23 bringing its year-to-date returns to -7.1%. On the other hand, gold prices held above USD 1,900 per ounce for most of Q3’23 but ended lower at USD 1,848 per ounce as gold tends to underperform when interest rates are high. The US Federal Reserve hiked rates by 25bps in July, since then the price trend of gold was downwards until the end of the quarter. At the same time, gold price has been supported by the Russia-Ukraine war and massive buying of central banks with China leading the way year-to-date as it tries to minimize its US dollar exposure.

Macroeconomic Outlook

Global



Source: Bloomberg

Chart 1 – The Higher for Longer Narrative

Over the past 2 years, major central banks around the world have raised interest rates more sharply than they did in decades prior, in an effort to bring inflation under control. According to the IMF, in advanced economies central banks have raised interest rates by an average of 400bps since late 2021. This is a significant increase, especially considering that interest rates were at or near zero in many countries before the pandemic. In emerging market economies have raised interest rates even more aggressively, with an average increase of 650 basis points since late 2021. This is because emerging market economies are typically more vulnerable to inflation than advanced economies.

Even if inflation has decreased from its June 2022 peak of 9.1% YoY to 3.7% YoY in August, it is still above target. The US labour market remains strong, and it seems the economy has avoided a hard landing. Central banks may not be finished raising interest rates yet as inflation is still high in many countries. The US Federal Reserve has signaled at its September meeting that it plans to continue raising interest rates until inflation falls to its target of 2% making way for a stronger US dollar in the coming months.

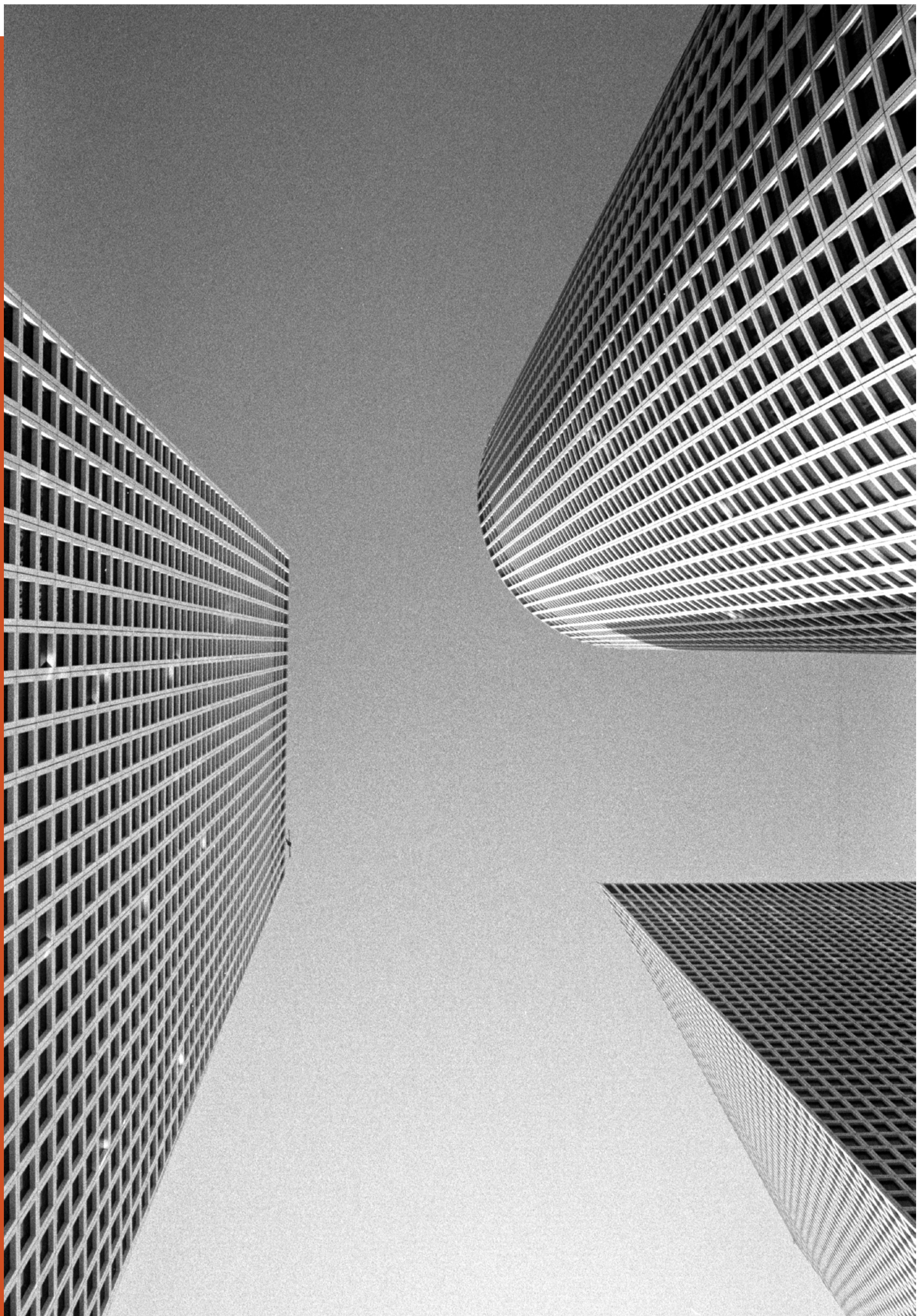
IMF raises growth estimates of US by 0.3% to 2.1% for 2023 and 0.5% to 1.5% in 2024 on stronger business investment and growing consumption. However global growth is expected to slow to 3% in 2023 and 2.9% in 2024 from 3.5% in 2022. The main risks pointed out going forward are the China property crisis; volatile commodity prices; geopolitical fragmentation which could all contribute to the resurgence of inflation.

The Russia-Ukraine war and the recent escalation fears in the Middle East are sending investors to seek out safe-haven assets such as the US dollar and Gold. Inflation will have to be monitored over the coming months as oil prices have shoot up during last quarter with Russia and Saudi Arabia cutting oil production and could rise even more on escalating war fears in the Middle East region.

We believe the US dollar still has upward potential in the current global macroeconomic context, on the back of US economic strength, and the fact that the Federal Reserve has not yet ruled out further rate hikes. However, we are more cautious about emerging markets currencies as disinflation and low economic growth might push emerging markets central banks to cut rates sooner.

Macroeconomic Outlook

Global



We remain constructive on fixed income opportunities to take advantage of higher yields in hard currencies. The investment team remains bullish on gold as market uncertainty and war fears escalation lie ahead. We see attractive entry points in Asian emerging markets equities but remain cautious about China as the country is experiencing slower growth and is dealing with the ongoing property crisis. The artificial intelligence hype this year has boosted growth stocks while value stocks have lagged. Looking back at the last 30 years, US Value stocks have reached their lowest P/E ratio spread vs US Growth stocks which we are monitoring to take advantage of longer-term trends.

We believe the global economy will become further fragmented with countries having dealt more efficiently with inflation, to be the gainers in the coming months. We maintain that it is preferable to hold diversified sources of returns given the current macroeconomic context and are confident that our current investment strategies will benefit the portfolios over the medium term.

Asset Class Performance

Equities (in local currency)	Value	Q3'23	6 Months	12 Months
MSCI ALL COUNTRY WORLD INDEX	350	-3.40%	2.56%	20.80%
S&P 500	9,247	-3.27%	8.74%	21.62%
NASDAQ	17,591	-2.86%	15.39%	35.31%
DOW JONES INDUSTRIAL AVERAGE	81,907	-2.10%	3.97%	19.18%
EUROSTOXX 50	1,075	-2.27%	0.25%	17.09%
FTSE 100	7,608	2.07%	-0.42%	14.38%
DAX	15,387	-4.71%	3.32%	27.01%
CAC 40	21,548	-3.40%	3.54%	27.67%
SHANGHAI COMP	3,357	-1.43%	-1.10%	5.68%
JSE AFRICA ALSI	12,675	-3.48%	0.66%	17.68%
SEMDEX	2,142	9.41%	2.79%	6.20%

Currencies*	Rate	Q3'23	6 Months	12 Months
EUR vs USD	1.06	-3.08%	-2.45%	7.87%
GBP vs USD	1.22	-3.97%	-1.12%	9.21%
JPY vs USD	149	3.51%	12.43%	3.20%
AUD vs USD	0.64	-3.44%	-3.74%	0.55%
BRL vs USD	5.03	5.20%	-0.57%	-7.04%
ZAR vs USD	18.9	0.39%	6.33%	4.63%
CNY vs USD	7.30	0.61%	6.17%	2.56%
MUR vs USD	45.2	-0.68%	-1.29%	-1.12%
MUR vs EUR	47.8	-3.35%	-4.07%	6.57%
MUR vs GBP	55.1	-4.43%	-2.71%	7.81%
MUR vs ZAR	2.40	0.49%	6.84%	5.27%

*A+1.00% change in A vs B means an appreciation of 1.00% of currency A versus currency B

Fixed Income	2Y (%)	Q3'23	10Y (%)	Q2'23
United States	5.04	0.15	4.57	0.73
Germany	3.20	0.01	2.84	0.45
United Kingdom	4.90	-0.37	4.44	0.05
Italy	4.02	0.12	4.78	0.71
France	3.51	0.12	3.40	0.47
Australia	4.08	-0.14	4.49	0.46
China	2.24	0.12	2.68	0.04
South Africa	8.84	-0.65	12.38	0.62
India	7.21	0.19	7.22	0.10
Mauritius	3.80	-1.05	4.60	-0.90

Commodities (in US Dollars)	Value	Q3'23	6 Months	12 Months
Commodity Index	104.8	3.31%	-0.63%	-5.96%
Crude Oil WTI	95.3	27.25%	19.48%	8.36%
Brent Oil	90.8	28.52%	19.98%	14.22%
Gold (ounce)	1849	-3.68%	-6.13%	11.32%
Silver	22.2	-2.61%	-7.97%	16.56%
Palladium	908	0.18%	-8.77%	5.08%
Copper	374	-0.09%	-8.72%	9.52%
Iron Ore	931	5.08%	-2.87%	22.11%
Wheat	542	-14.89%	-21.78%	-41.24%
Sugar	26.3	14.77%	18.07%	42.62%

Macroeconomic Outlook

Kenya

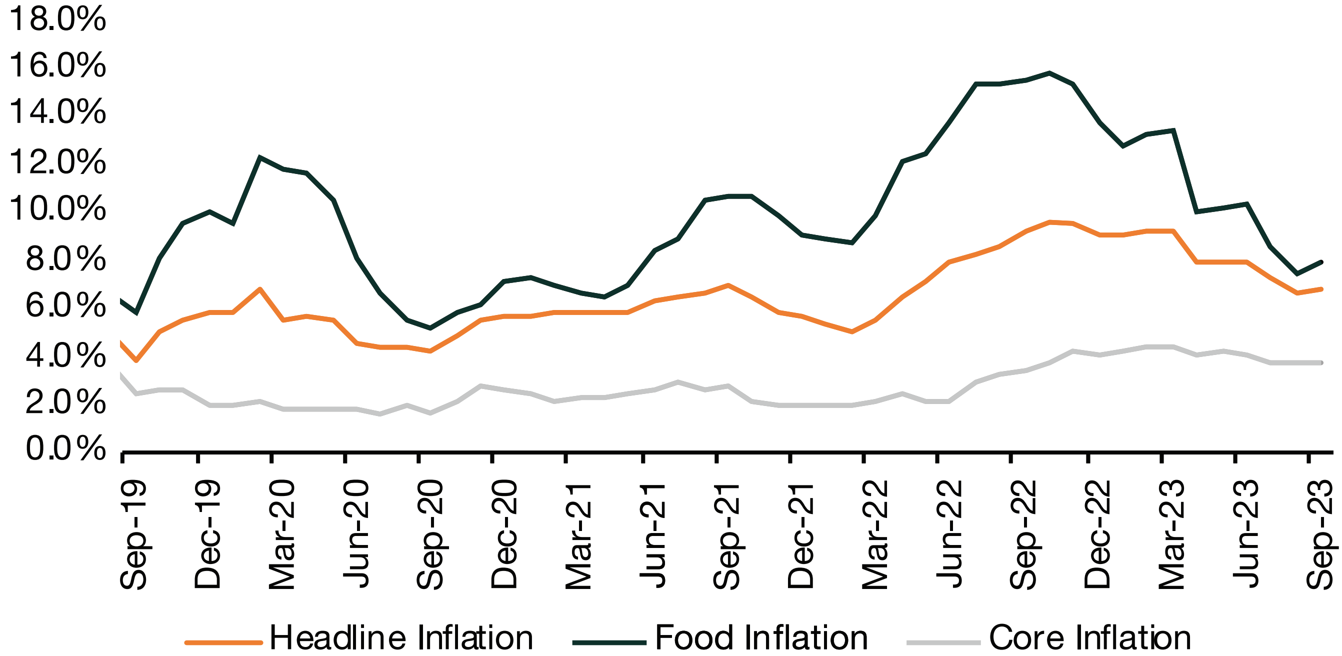
Macroeconomic Outlook

Kenya

Inflation Declines

Headline inflation in Q3'23 decreased to an average of 6.93% compared to 8.67% over a similar period in 2022 and 7.93% in Q2'23. The July inflation print decreased to 7.30%, decreased further to 6.70% in August and increased to 6.80% in September. Inflation during the quarter remained within the CBK's target range of 2.50% - 7.50%. The non-food-non-fuel inflation (core inflation) also decreased to 3.70% from 4.10% in June 2023. We expect increased food production to further drive the decrease in food inflation. We expect increased VAT on petroleum products to continue putting upward pressure on headline inflation through the significant increase in local pump prices. The Monetary Policy Committee retained the Central Bank Rate at 10.50% to allow the effects of the previous hike in June 2023 to be transmitted across the economy. We anticipate that headline will remain under pressure but within the CBK's upper target in Q4'23.

Kenya's 3-Year Historical Inflation Print



Macroeconomic Outlook

Kenya

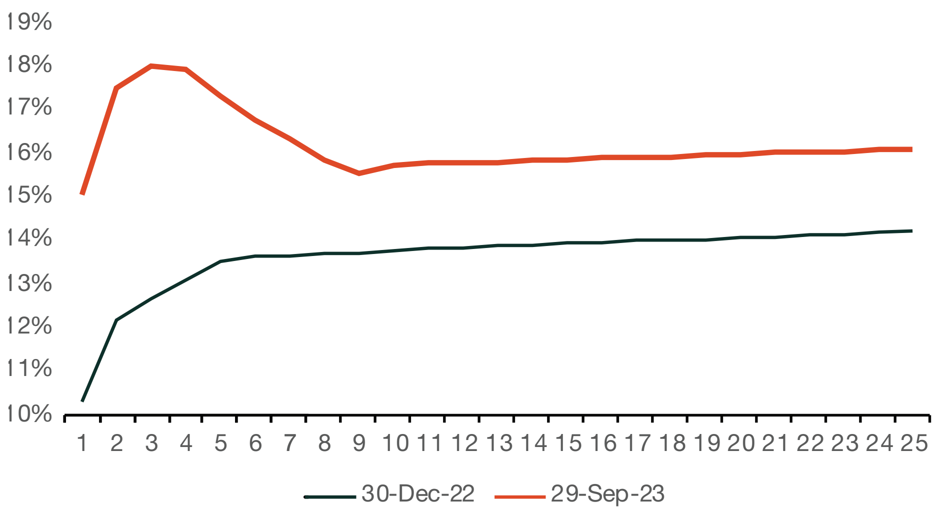
Business Environment Remains Challenged

Following a decline in business conditions in Q2'23, we observed a further decline in business activity as recorded by the Purchasing Managers Index that averaged 47.97 in Q3'23 from 48.10 in Q2'23. We expect the PMI to persistently remain below the 50-point threshold in the short term on the back of depreciation of the shilling, elevated input costs and ongoing inflationary pressures. However, we foresee a gradual improvement in the long term. Short-term concerns are driven by the increasing input costs, the continuous depreciation of the shilling and persistent inflationary pressure.

During Q3'23, the yield on government securities steepened driven by investors response to elevated economic uncertainties both at local and global levels. Notably, we observed a decline in Treasury bond subscriptions as investors reduced their appetite for higher risk adjusted returns on short-term papers. We observed an increase in Treasury bills subscription on the 91-day paper which aligns with investors seeking to hedge against duration and interest rate risks. Conversely, we noted a decrease in subscriptions for the 182-day and 264-day papers as investors favored the shorter dater bond papers offering higher yields. We anticipate that the yield curve will continue to steepen in the short term which may extend across the curve depending on the maturity profile of issuance in Q4'23. This trend is attributable to investors seeking higher premiums influenced by concerns related to high inflation and sustainability of government debt.

Local Currency to Continue Struggling

NSE IMPLIED YIELD CURVE

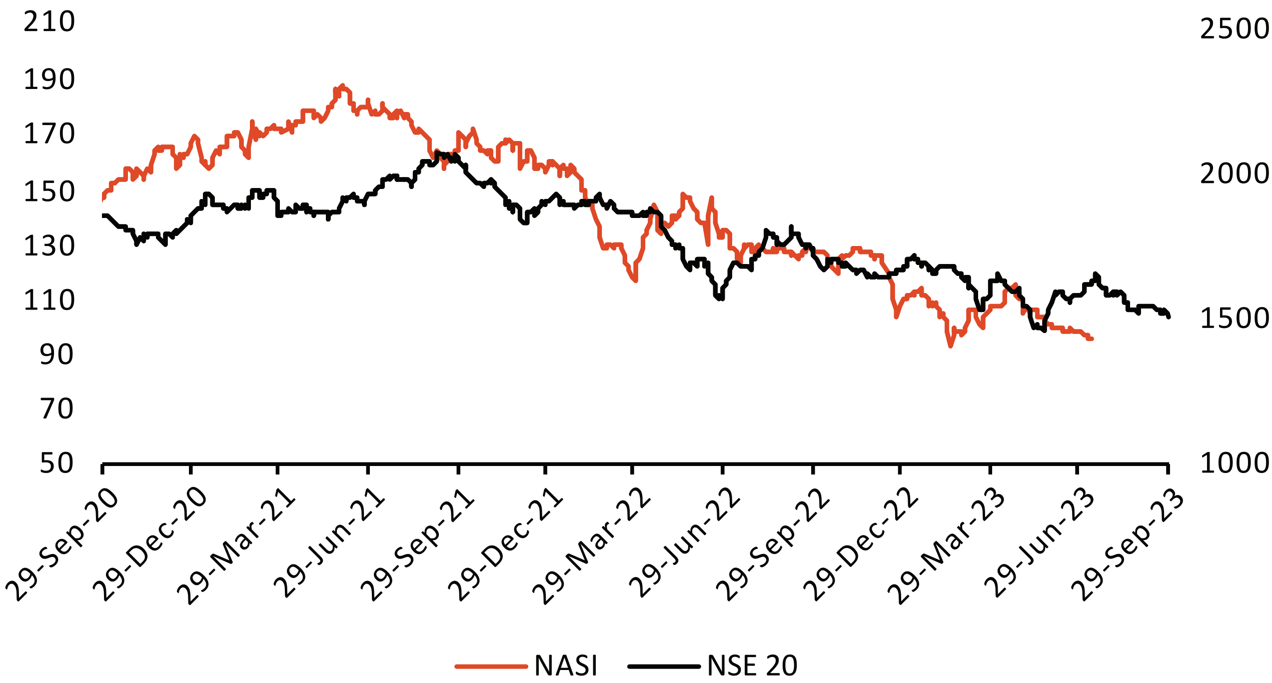


The shilling further depreciated by 5.39% against the US Dollar in Q3'23 to close at KES 148.10 from KES 140.52 at the end of Q2'23. The further depreciation is attributable to the strengthening of the dollar against emerging market currencies, the increase in global commodity prices driving up demand for the dollar and the decrease in dollar earnings from agricultural exports and diaspora remittances. Foreign exchange reserves increased in Q3'23 averaging USD 7,26 Billion equivalent to 3.96 months of import cover which is below CBK's statutory requirement of at least 4 months of import cover.

We anticipate that the shilling will continue to weaken against the dollar having lost 20.04% at the end of Q3'23, given its previous decline of 9.04% in 2022. The ongoing strengthening of the dollar against frontier currencies coupled with foreign denominated debt repayments is expected to exert additional pressure on the foreign exchange reserves. We anticipate that dollar inflows through foreign direct investments and other capital sources will serve as significant supplier of dollars which should support the KES resilience.

Macroeconomic Outlook

Kenya



Equities

Activity in the equities market in Q3'23 improved with equity turnover increasing by 19.60% to KES 17.21Bn from KES 14.39Bn in the preceding quarter. Benchmark indices recorded losses with the NASI and NSE-20 declining 11.01% and 4.20% respectively to close at KES 95.22 and KES 1,508.75. The bourses market capitalization declined by 11.01%.

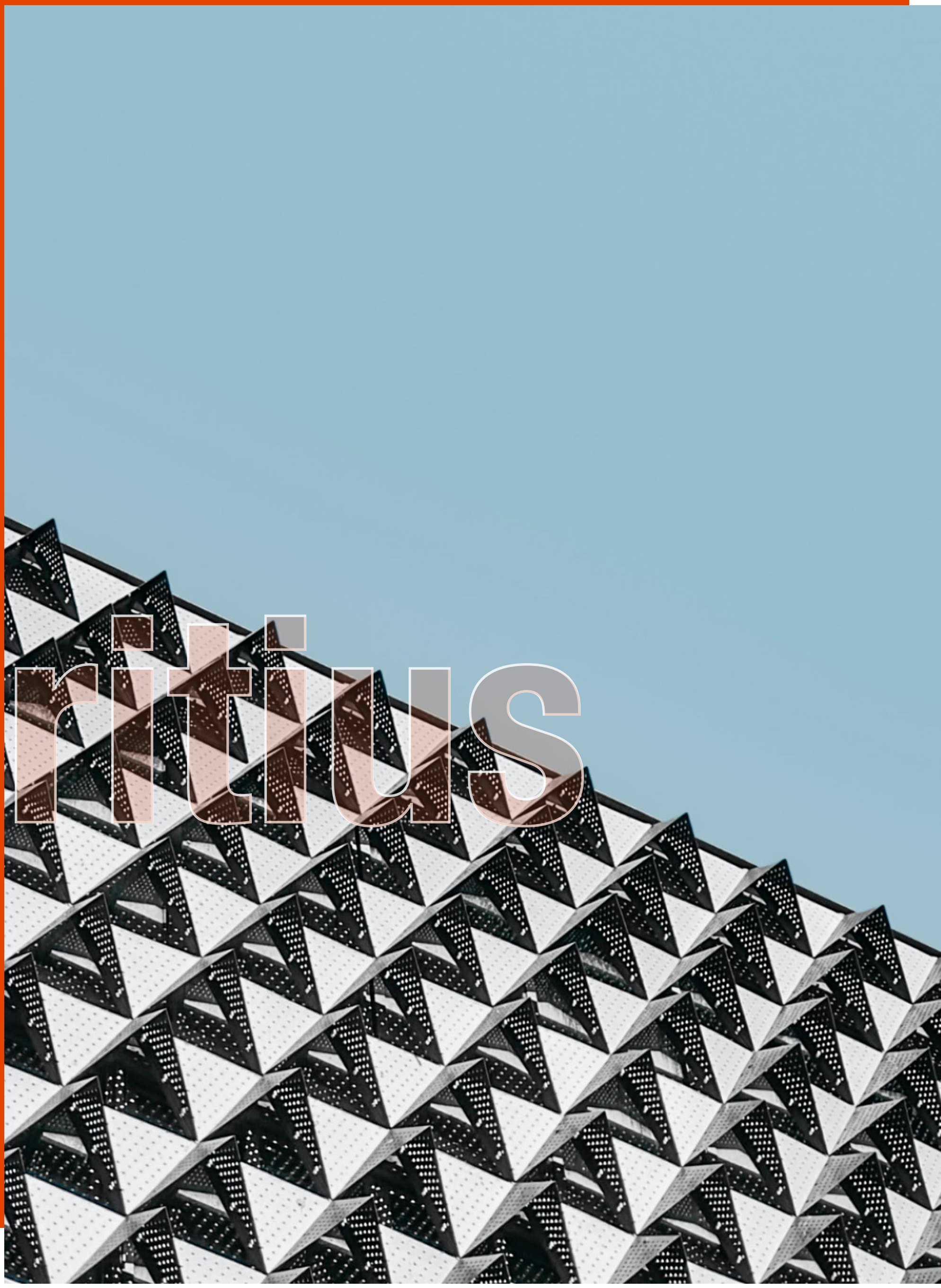
We anticipate further foreign investor selloffs in Q4'23, albeit at a slower rate, driven by the ongoing trend negative investor sentiment around emerging and frontier markets alongside negative local currency outlook. The prospect of continued benchmark rate hikes in developed markets will continue to enhance the appeal of foreign markets potentially serving as a catalyst for further foreign exits.

During the quarter, the bourse introduced two new indices, NSE 10 Share Index (N10) and NSE Bond Index (NSE-BI). The N10 is a weighted index benchmarked at 1000 points constituting top ten counters by market capitalization revised on a semi-annual basis. Notably, the NSE-20 was revised as well. The NSE-BI will be based on benchmark government bonds listed on the NSE.

During the quarter, listed commercial banks released their HY'23 financial results indicating a robust performance in the sector. The majority of lenders recorded substantial increases in Non-Funded income in comparison to Net Interest Income primarily attributable to increased income from forex trading and fees and commission lending. We anticipate the implementation of risk-based lending model by the lenders will be key in driving loan book growth going forward.

Quarterly Kenyan Equity Performance

Equities (in local currency)	Value	Market Cap.(Mn)	Q3'23	6 Months	12 Months
ABSA Group	11.95	64,092	1.3%	-6.6%	4.4%
Bamburi Cement	24.50	9,147	-2.8%	-12.7%	-28.2%
British American Tobacco	418.25	43,275	-3.4%	-9.8%	-4.9%
Bank of Kigali	36.00	33,090	-2.4%	13.2%	9.9%
Britam Holdings	4.99	12,668	-0.6%	7.3%	-16.3%
Carbacid Investments	16.00	3,530	15.5%	27.0%	39.1%
CIC Insurance Group	2.14	4,970	12.6%	9.2%	6.5%
Co-operative Bank	11.80	71,580	-3.3%	-10.3%	-0.4%
Crown Paints	35.65	6,243	-18.7%	-8.4%	-8.9%
Centum Investment	9.00	5,989	0.0%	0.4%	-4.9%
Diamond Trust Bank	48.10	13,938	-3.5%	-6.1%	-3.8%
East African Breweries	131.00	122,570	-15.5%	-22.9%	-7.7%
Equity Group	35.55	144,343	-7.1%	-21.9%	-23.5%
HF Group	4.36	1,931	-13.1%	14.4%	29.0%
I&M Holdings	17.05	28,277	-0.3%	-18.2%	0.3%
Jubilee Holdings	185.75	13,045	3.2%	4.9%	-24.2%
KCB Group	20.85	94,154	-28.8%	-41.3%	-49.7%
KenGen	2.30	15,233	-0.4%	4.5%	-34.3%
Kenya Re Insurance	1.77	5,040	-1.7%	-6.3%	-10.6%
Kenya Power	1.45	3,083	-8.2%	-5.8%	-22.9%
Kakuzi	385.00	7,497	0.7%	45.8%	-2.4%
Liberty Holdings	3.60	2,170	-11.1%	-25.2%	-37.9%
Longhorn Publishers	2.19	667	-10.6%	-16.1%	-45.3%
Nairobi Business Ventures	3.08	4,508	-7.5%	-16.3%	-4.6%
NCBA Group	37.85	64,006	-2.6%	3.1%	24.9%
Nation Media Group	20.00	3,625	5.0%	26.2%	18.0%
Nairobi Securities Exchange	6.02	1,552	0.7%	-3.5%	-18.4%
Sasini	24.10	6,842	-19.7%	-6.4%	1.5%
Stanbic Holdings	115.25	43,980	3.6%	4.8%	15.3%
WPP Scangroup	2.72	1,249	-5.9%	-5.6%	-21.4%
Standard Chartered Bank	165.00	60,647	2.8%	-2.9%	20.7%
Safaricom	14.60	701,145	-16.6%	-19.3%	-41.5%
Standard Group	7.16	749	-21.8%	-16.0%	-43.2%
Sanlam	6.54	1,051	-10.4%	-20.4%	-34.2%
Total Kenya	17.95	3,352	-6.3%	-16.5%	-23.8%
TPS Eastern Africa	12.75	2,122	9.4%	-8.6%	-1.9%
Umeme	13.05	21,435	-1.1%	12.0%	76.4%
Unga Group	17.50	1,158	14.4%	-5.9%	-41.7%



Macroeconomic Outlook

Mauritius

Macroeconomic Outlook

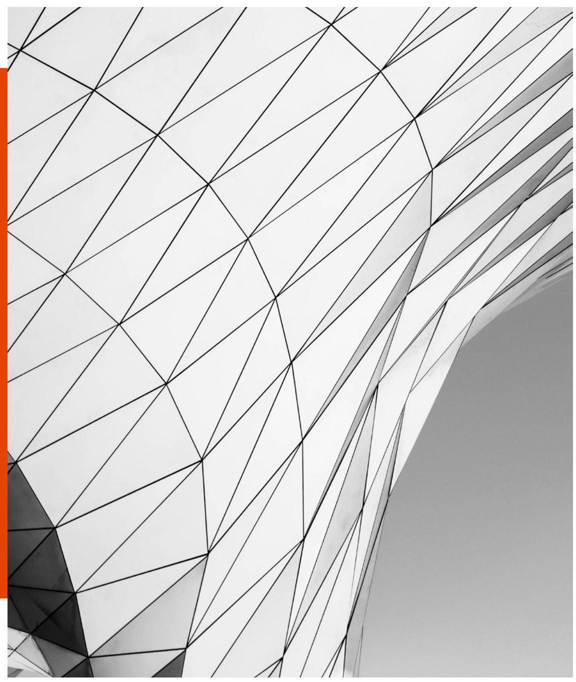
Mauritius

Gross Domestic Product

GDP at market prices grew by 6.0% YoY in Q2’23 with “Accommodation and Food Services” activities being the major contributor (+31.6% YoY).

Outlook

According to Statistics Mauritius, based on forecasted tourist arrivals and other measures announced in the budget speech, Mauritius GDP is now expected to grow by 6.8% in 2023, instead of 5.3% as previously forecasted in June 2023.
GVA would instead grow by 6.7% with “Accommodation and Food Services” being the major contributor (+1.6% contribution) followed by “Construction” (+1.5% contribution) and “Financial and Insurance Activities”, contributing around +0.7%. The forecast has been based on expected tourist arrivals of 1.3M and boosted by a series of public and private construction projects.



Macroeconomic Outlook

Mauritius

Inflation

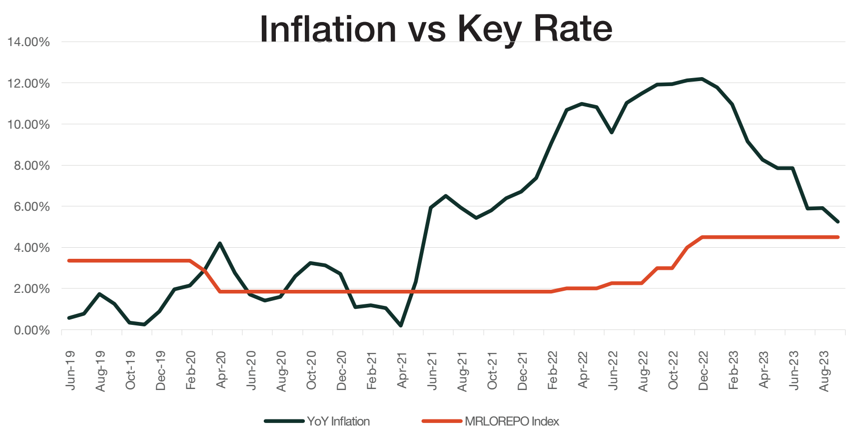
YoY Headline inflation stood at 5.2% in September 2023 compared to 11.9% in September 2022. On the other hand, CORE1 and CORE2 inflation subsided down to 3.3% and 4.5% respectively.

'Housing, water, electricity, gas and other fuels' was the main contributor (1.71%), after the hike interest rates induced higher debt servicing costs. 'Food and non-alcoholic beverages' and the 'Alcoholic beverages and tobacco' divisions were other major contributors with the latter being impacted by the 10% rise in excise taxes on Alcohol & Cigarettes imposed in the budgetary speech 2023/24.

Division	YoY September	Contribution
Housing, water, electricity, gas and other fuels	15.25%	1.71%
Food and non-alcoholic beverages	5.12%	1.27%
Alcoholic beverages and tobacco	9.61%	1.06%
Restaurants and hotels	6.94%	0.37%
Furnishings, household equipment and routine household maintenance	4.71%	0.28%
Health	6.51%	0.25%
Miscellaneous goods and services	4.68%	0.23%
Education	4.49%	0.22%
Clothing and footwear	4.31%	0.20%
Recreation and culture	2.83%	0.12%
Communication	-0.37%	-0.02%
Transport	-0.99%	-0.15%
YoY Headline Inflation	5.25%	5.25%

Monetary Policy

The Monetary Policy Committee (MPC) of the Bank of Mauritius met on 15th September 2023 to keep to key rate unchanged at 4.5% despite rampant inflation.



Macroeconomic Outlook

Mauritius

Exchange Rate

Since the start of September 2023, the Bank of Mauritius has been ongoing weekly interventions and has since intervened 6 times since, selling a total of USD 150M at an average rate of Rs 44.60/USD.
As a result of the interventions, the Rupee appreciated against the USD (+2.6%), EUR (+4.75%) and GBP (+5.18%). This should have an impact on the profitability of tourist sector companies and export-oriented companies.

Population & Labor Force

There were 553,200 Mauritian employed in Q2'23 as compared to 551,800 in Q1'23. The unemployment rate stood at 6.4%, down from 6.7% in Q1'23. Youth employment, on the other hand, continues to remain high at 18.1%, but improved from 20% in Q1'23.
Unemployment remains lower than pre-pandemic levels.

Market Update (July-September)

Indices were very strong during the Q3'23 with SEMTRI rising by 9.40%. The quarterly price increase culminated in bringing YTD performance back into positive territory. The rally was backed by strong financial results as many companies, especially within the Hospitality industry, posted record profits. However, foreigners were net sellers to the tune of Rs 25.5M, after being net buyers for the two previous quarters. 29 companies, out of 38, recorded a positive gain during the quarter.

Indices	Q1	Q2	Q3	YTD
SEMDEX	-4.67%	0.40%	8.92%	4.24%
SEM-10	-4.40%	1.41%	7.29%	4.02%
SEMTRI-MUR	-4.53%	2.47%	9.40%	7.03%
DEMEX	-3.55%	-1.74%	8.25%	2.59%

Macroeconomic Outlook

Mauritius

Top Gainers

- This quarter's gain was mostly driven by MCBG, which provided a total return[1] of 8.9% to shareholders. MCBG had a record profit of Rs 14Bn and announced a final DPS of Rs 11.75, bringing its total DPS to Rs 20.25, with the trailing dividend yield of 5.93%. However, foreigners remain net sellers on MCBG to the tune of Rs 165.75M.
- The hospitality industry also enjoyed phenomenal gains during the quarter, with NMH, LUX and SUN rising by 61.4%, 24.2% and 28.8% respectively. All three major hotel groups posted record profits and benefitted from the tailwind of rupee depreciation.

Name	% Contribution	Q3 Perf
MCB	2.77%	8.9%
NMHL	1.17%	61.4%
LUX	0.69%	24.2%
SUN	0.68%	28.8%
CIEL	0.61%	13.7%
ENL	0.53%	17.9%
VEM	0.45%	13.0%
ALTEO	0.37%	34.9%
SBM	0.37%	6.7%
MEDL	0.31%	15.1%

1 Share Appreciation + Dividend

Macroeconomic Outlook

Mauritius

Top Losers

- Gamma was the top contributor to total decline after the group's operating profit contracted by -24% with losses stemming from its 'Building Materials' segment after the government announced price control for Cement.
- ASL fell by 11.6% after a lackluster financial result induced by a worrying decline in Totalisator revenue. Revenue from betting of horse racing has historically remained very stable, but there seems to be a reversal of that trend possibly caused by the ongoing issues of the MTC.

Name	% Contribution	Q2 Perf
GAMMA	-0.033%	-1.7%
UTDL	-0.020%	-3.5%
BLFE	-0.019%	-6.7%
ASL	-0.013%	-11.6%
MCFI	-0.010%	-14.3%
POLI	-0.005%	-1.6%
PIM	-0.002%	-4.8%
NITL	-0.001%	-0.5%

AXYS Recommendations

STRONG BUY	ACCUMULATE	HOLD	REDUCE
MCB Group	ENL	MUA	NMH
PAD	CIEL GROUP	LUX	
Fincorp	Phoenix Beverages		
	SUN		
	AFREXIM		
	SBM		
	Lottotech		
	MIWA		

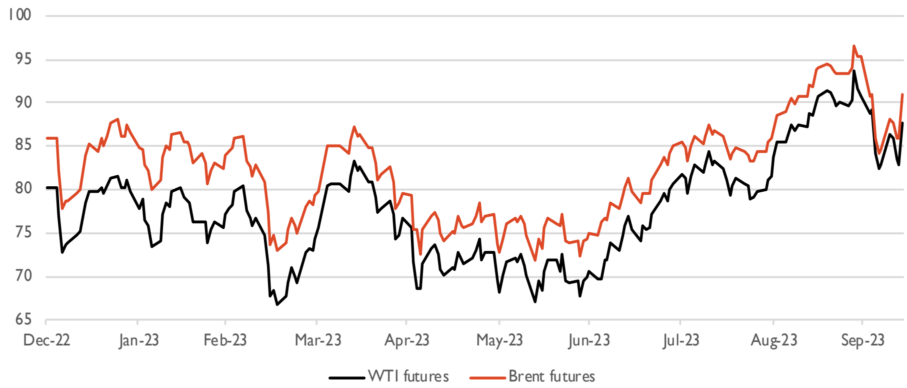
SEMDEX Performance

Equities (in local currency)	Value	Market Cap.	Q3'23	6 Months	12 Months
Beachcomber Res	13.85	7,603	61.4%	69.7%	46.4%
LUX* Res	61.00	8,364	24.2%	34.8%	20.1%
Sun Res	38.65	7,519	28.8%	49.8%	20.5%
Lottotech	7.80	2,652	21.3%	24.8%	15.8%
Auto Systems	70.25	248	-11.6%	-18.3%	-9.6%
CIEL	7.10	11,998	13.7%	20.0%	14.1%
Alteo	10.80	3,440	34.9%	30.7%	121.1%
Medine	56.50	5,933	15.1%	0.0%	6.4%
Innodis	34.60	1,271	-0.1%	9.8%	-2.6%
Mtius Oil Ref	17.50	582	2.9%	-5.4%	-13.4%
Phoenix Bevs	539.00	8,865	1.7%	5.8%	-5.3%
Vivo Energy Mtius	331.00	9,706	13.0%	21.7%	41.9%
MCB Group	341.00	85,129	8.9%	13.9%	12.9%
SBM Hldg	4.80	14,580	6.7%	7.0%	14.0%
CIM Fin Svcs	11.00	7,486	10.0%	9.8%	13.9%
Fincorp Inv	16.10	1,664	2.9%	0.3%	-20.8%
MUA	99.50	5,524	2.6%	0.3%	-15.0%
SWAN General	460.75	3,813	2.4%	3.5%	9.2%
Terra	24.50	5,575	10.9%	2.1%	-5.8%
IBL	45.00	30,610	2.3%	2.8%	-13.5%
Mtius Dev Inv Trust	2.02	855	4.6%	-0.4%	-27.6%
POLICY	3.05	692	-1.6%	9.3%	-16.2%
National Inv Trust	19.50	534	-0.5%	-14.1%	-7.2%
Promotion & Dev	98.00	3,819	0.8%	1.5%	3.0%
Belle Mare Hldg	23.00	1,807	0.0%	2.2%	-5.9%
Dale Capital	1.85	540	0.0%	0.0%	-3.1%
Rogers & Co	31.70	7,990	6.7%	18.5%	6.8%
Harel Mallac	26.20	295	4.8%	50.6%	52.5%
Gamma-Civic	35.00	4,664	-1.7%	2.6%	-9.3%
ENL	23.00	8,625	17.9%	17.9%	-3.6%
Utd Basalt Prod	100.25	2,658	0.3%	-5.2%	-23.0%
Mtius Chem & Fert Ind	6.60	145	-14.3%	-5.7%	-34.7%
Plastic Ind Mtius	40.00	80	-4.8%	-13.7%	-10.1%
Ascencia	20.55	10,014	4.1%	-2.7%	-17.5%
BlueLife	0.56	647	-6.7%	0.0%	-30.0%
Caudan Dev	0.54	1,080	0.0%	-8.5%	-29.9%
Utd Docks	55.00	1,334	-3.5%	1.9%	-9.6%
Omnicane	22.50	1,508	3.4%	7.1%	25.0%

Market
Insight

Market Insight

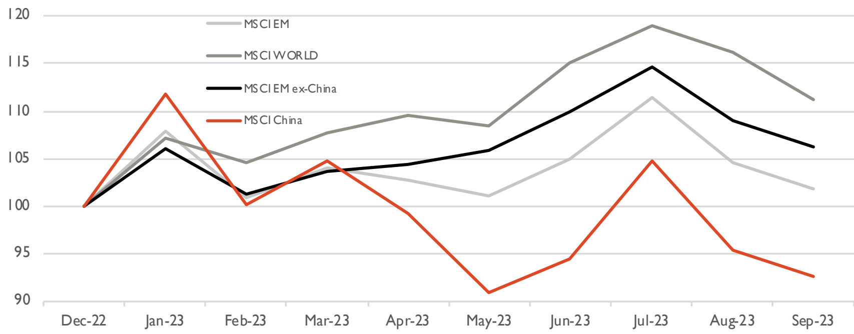
Geopolitical Tensions Drive Oil Prices Up



Oil soared with the Israel-Hamas conflict, with WTI futures jumping above US$88 over war escalation fears across the Middle East. Oil demand is expected to increase after data showing better-than-expected economic growth in China, the largest oil importer, as well as higher demand from the Northern Hemisphere as Winter approaches. Coupled with Russia's production cut, OPEC+ has cut oil production by 1M barrels per day and announced an extension until the end of the year. It remains to be seen whether the US will ramp up oil production as oil reserves hit its historic lows.

Emerging Markets Performance Skewed by China

Emerging market stocks has been slightly positive year to date at 1.8%. The latter has been dragged by China's poor performance (-7.29%) after a failed rebound on the back of slower economic growth and concerns over the ongoing property crisis. Emerging markets excluding China have relatively well performed returning +6.20% over the same period. However, emerging markets keep lagging developed markets as World Equities posted a gain of 11.10%.
Performance reported in USD Total Return Terms.



US Debt Skyrockets: A Looming Fiscal Challenge

Since the 2008 financial crisis, US debt has doubled from USD 16 trillion to USD 33 trillion, USD 10 trillion of which has been added over the last 4 years with debt to GDP surpassing 100%. Analysts forecast that government spending since the pandemic is projected to increase while revenue is expected to remain flat, widening the gap. With a partial government shutdown narrowly avoided by Congress, passing the stopgap-funding bill to fund the government until November 17th, avoiding the next one remains a difficult challenge with hardline Republicans.

Portfolio Performance

Portfolio Performance

- Market performance over Q3'23 was driven by similar themes that have been driving financial markets since Q4'21; that is global disinflation and a resilient labour market. However, commodities outperformed driven by higher energy prices amid oil production cuts from Saudi Arabia and Russia. This is expected to add pressure on the economy until the end of the year.

- Headline inflation has decelerated significantly to about 3% YoY in June 2023 since its peak of 9% YoY a year ago. However, it has ticked back up to 3.7% in August 2023 while core inflation is proving to be stickier than expected. Housing makes up for a third of the CPI weighting and increased 7.2% YoY and accounted for half of the CPI rise in September. While Central Banks seem to be less aggressive in tackling inflation, they remain committed to tighten monetary policy further over Q4'23 and holding rates higher for longer until inflation moves back towards their respective targets.

- World Equities decreased by 3.5% over Q3'23 taking its year to date returns down to a still strong 11.1%. A sell-off in the global bond markets (-3.6%) was partly to blame and added pressure on risk assets. Yields increased across the yield curve in the developed world as the US2YR sovereign yield jumped over 5.0% in Q3'23 while the US10YR sovereign yield hit a 16 year high at 4.5%. Major currencies lagged the US dollar as the latter appreciated strongly on the back of a resilient economy and the 'higher rates for longer' narrative. Gold gave up 3.7% on the back of higher yields.

- The portfolio management team maintained its defensive approach to investment. The exposure to value stocks was maintained (Consumer Staples, Healthcare) while we remain cautious about Chinese stocks over the ongoing property crisis. However, we expect a pickup in economic activity due to loosening monetary policy in China. We keep monitoring EM equities ex China to initiate an exposure due to attractive valuations levels reached.

- We maintained our exposure to Gold over the quarter. We expect the yellow metal to outperform over the medium term as investors increase their position to safe haven assets on war escalation fears in the Middle East, higher debt levels in developed economies and uncertainty in global markets.

The US economy has proved to be more resilient than expected as the IMF raised its growth estimates to 2.1% for 2023 from 1.8% previously. While the US showed signs of a soft landing during last quarter, factors such as a strong labour market and higher consumer spending, rising oil prices, pressure on the housing market and the resumption of student-loan payments are expected to weight on the economy in the coming months. Central banks have decreased the pace of rate hikes but warned about raising rates further if inflation remains above target levels. The 'higher for longer' rates narrative suggests that equities will remain impacted over the long term. In the current market environment, we maintain our views that the fixed income asset class offers the best opportunities.

Conservative	QTD	YTD	1 Year	3 Years (ann.)
EUR	0.02%	1.69%	-0.45%	N/A
USD	-1.03%	1.12%	4.15%	-1.83%
MUR	0.37%	0.12%	0.78%	N/A

Defensive	QTD	YTD	1 Year	3 Years (ann.)
USD	-0.96%	1.88%	6.22%	-2.74%
EUR	-2.18%	2.69%	4.52%	0.57%
MUR	3.95%	6.97%	5.41%	5.52%

Balanced	QTD	YTD	1 Year	3 Years (ann.)
USD	-0.52%	3.02%	6.27%	-1.79%
EUR	1.28%	2.27%	-0.77%	-0.10%
MUR	4.79%	4.48%	3.57%	7.17%

Trade Ideas

Trade Ideas

AXIOM Yield Fund

Our in-house fixed income fund was designed to outperform the average savings rate plus a premium, while providing investors with regular income. The Fund was suggested as a trade idea in two of our last three editions of the Quarterly Insights as we anticipated a repricing of the yield curve to influence our portfolio positively, and as of September 2023, the Fund was up 7.99%. Since the beginning of the year, the AXIOM Yield Fund has distributed two dividends of MUR 0.23 and MUR 0.22, which has brought its dividend yield to 4%. The Bank of Mauritius has maintained interest rates unchanged throughout 2023 and over the past quarter we have seen waning inflationary pressures. The economic environment remains beneficial for AXIOM Yield Fund which has a well-diversified portfolio which offers exposure to both local and global fixed income securities. With an annualised return of 5.65% since its inception in 2017, AXIOM Yield Fund remains a good alternative to regular savings accounts. [See Page 26]

Gold

Gold experienced a volatile quarter, ending the period down –3.68%. This drop was mainly attributed to to rising interest rates, following a Fed rate hike of 25bps at its July meeting to 5.50% followed by the announcement of a “Higher-for-Longer” stance in September. The surge in yields has made investments like Treasuries more attractive and have dulled gold’s lustre. Gold’s rally seems to have resumed since the outbreak of war between Hamas and Israel in October. Historically, gold has shown a counter-cyclical behaviour, whereby investors and central banks tend to flock to gold during periods of market volatility and uncertainty. Gold prices rose above USD 2,000 per ounce in 2022 in response to Russian invasion by Ukraine and the geopolitical tensions arising from the Israel and Hamas conflict has rekindled interest in gold. The yellow metal recorded a gain of more than 5% over the first week of the war and is expected to maintain an upward trajectory during the Q4’23 as the conflict intensifies. Developments in the U.S such as its national debt surpassing USD33 trillion, and a credit rating downgrade from Fitch have heightened concerns about the country’s debt situation, further boosting the appeal of gold. Additional factors supporting gold include speculation that China’s central bank may increase its gold holdings to minimize exposure to the dollar, and the forthcoming festive season in India is expected to drive increased demand.

Banking sector – MCB Group

Local banks have all posted record earnings for FY’23, with tailwinds from higher interest rates. MCB Group has posted record profits of Rs 14Bn (EPS: Rs 57.72; +44% YoY). The bank continues to expand its balance sheet (both within the local and international front) while benefitting from a continuous inflow of deposits (from both Segment A and Segment B). The growth has mostly emanated from its international portfolio, with a boost from higher yields on foreign investment securities. Despite the rate hikes, asset quality remains strong as NPL for MCB Group stood at 3.2%, even below its pre-pandemic levels. The stock remains cheap with a PE of 5.63x, representing an earnings yield of 17.8% and with its 33% dividend payout policy, the trailing dividend yield stands at an attractive 6.2%. As such, we have estimated the intrinsic value of the bank at Rs 471.75, representing a potential upside of 45.2%.

AXIOM

Funds

AXIOM Funds

AXIOM Patrimoine

Capital Growth through Diversification

In our Q2'23 edition of AXYS Quarter Insights, AXIOM Patrimoine was suggested as a trade idea for the quarter as the fund was expected to benefit from a strong earnings season from locally listed companies. In Q3'23, AXIOM Patrimoine was up 3.55%, pushing its YTD performance to 3.84%. Our performance was mainly driven by our local equity portfolio, while a slowdown of global equity and global bond market dragged portfolio performance. A depreciation of the USD vs MUR also weighed on our fund performance. AXIOM Patrimoine was created to provide investors the opportunity of long-term capital growth and we believe our risk-based model, and well-diversified portfolio is ideal to navigate markets over the long run.

AXIOM Yield Fund

Higher Return Potential on Your Savings

AXIOM Yield Fund aims to deliver returns above the savings rate plus a premium, through capital appreciation and regular income distribution. In Q3'23, AXIOM Yield Fund was up 3.06% and since the beginning 2023, AXIOM Yield Fund is up 7.99%, bringing its annualised return since inception to 5.65%. The Bank of Mauritius maintained interest rates unchanged throughout 2023, which has maintained a favourable environment for local fixed income securities. With a diversified portfolio of sovereign bonds and high yield bonds in both MUR and hard currencies, AXIOM Yield Fund remains well positioned and offers a good alternative for investors seeking higher return potential on their savings..

AXIOM Africa Equity Fund

African Potential

In Q3'23, the fund was down 2.11% amid an unfavourable economic environment, but nonetheless remained ahead of its benchmark by 1.60%. AXIOM Africa was designed to offer investors an opportunity to invest in best-in-class African stocks. Our pan-African exposure was beneficial in terms of diversification as South Africa, the benchmark's highest exposure, experienced a complicated quarter. The Fund aims to benefit from the various socio-economic and structural changes which are unfolding in the region, such as the demographic boom and the digitalisation revolution. To capitalize on these opportunities, we recommend a 'Quantamental' approach that combines quantitative stock filtering with fundamental research to select stocks across the region optimally.

Dynamic Global Equity

Quality Global Exposure in Multiple-Currencies

Global equities enjoyed a robust performance during the first half of 2023, with investors initially optimistic about a soft-landing scenario. However, this optimism waned as the realization of an extended period of elevated interest rates began to weigh on market sentiment. Dynamic Global Equity was down -5.69% in Q3'23. Nonetheless, the Fund has a track record of rebounding strongly following market downturns and has maintained a strong track record since its inception, with an annualised return of 11.28%. Dynamic Global Equity offers exposure to high-quality global stocks and remains well positioned to navigate the second half of 2023.

AXIOM Equity Fund

Opportunity to Participate in Mauritian Economy

AXIOM Equity Fund seeks to provide investors with access to the top-rated Mauritian stocks that exhibit robust fundamentals and are anticipated to perform well across various market cycles. In Q3'23, the Fund was up 6.10% driven by a strong earnings season as SEMDEX companies posted record profits. The ongoing recovery of the tourism sector, coupled with waning inflationary pressures should benefit the local stock market. The Fund remains well positioned to navigate Q4'23.

AXIOM Funds

AXIOM Patrimoine

(I MUR)

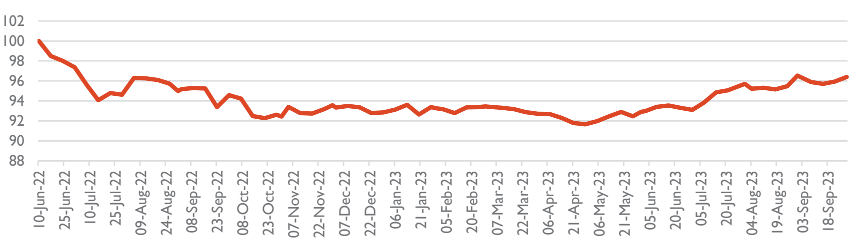
29 September 2023

Investment Focus

AXIOM Patrimoine is a multi-asset class fund designed to benefit from different asset types both domestically and internationally, with the goal of delivering and absolute and stable rate of return through both income and capital appreciation.

The investment strategy combines a liquidity driven stock selection model for local equities and a risk-parity model for international securities.

Fund Performance



Price Data

R Class - MUR	9.31
I Class - MUR	9.64

Performance as at 29 September 2023

	1 Month	3 Months	YTD	1 Year	Since Inception
Class I MUR	-0.15%	3.55%	3.84%	1.94%	-3.60%
Class R MUR	-0.23%	3.29%	3.06%	0.93%	-6.85%

Fund Facts

Investment Manager	AXYS Investment Partners
Inception Date	10 June 2022
Target	6% Annualised
Management Fee - R	2.0%
Management Fee - I	1.0%
Entry Fee	Up to a maximum of 2%
Exit Fee (< 1 Year HP*)	Up to a maximum of 2%
Exit Fee (1 to 3 Years HP*)	Up to a maximum of 1%
Exit Fee (> 3 Years HP*)	0.0%
Performance Fee (R and I)	20% of Positive Perf above the Hurdle Rate & HWM
Minimum Investment (Lump Sum)	R: MUR10,000 I: MUR50,000,000
Regular Savings Plan	R: MUR 1,000 / I MUR 5Million
Liquidity	Weekly
Sub/Red Cut-off	Thursday 04:00pm MRU Time

*HP: Holding Period

Key Figures - as of end of month

Asset Under Management (MUR)	100.5M
Number of Holdings (ex. Cash)	29
Beta	-
Volatility	-
Sharpe Ratio	-
Largest Upside (weekly)	1.78%
Largest Drawdown (weekly)	-1.97%
No of upside returns (weekly)	34
No of downside returns (weekly)	42

Market Review

Local Market

Over the month, the SEMTRI had a positive performance of 2.92% driven by Financials and Cons. Discretionary. Annual inflation remained unchanged at 5.9% YoY in August as compared to July. PPI fell to 1.8% YoY in August as compared to 5.1% YoY in July. The Monetary Policy Committee of the Bank of Mauritius unanimously voted to keep the key rate unchanged at 4.5%.Tourist arrivals was at 803,288 from Jan-Aug 23, representing 92.0% of 2019 levels during the same period.

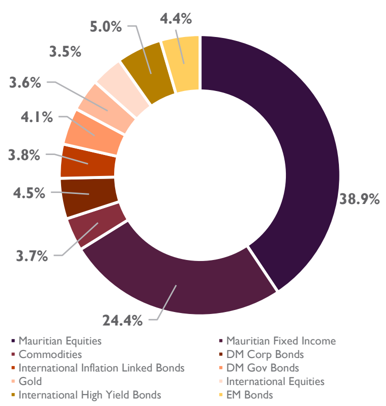
International Market

Global Markets were down over the month and the impact on our portfolio was accentuated by an appreciation of the MUR vs USD. Global Equities (-5.19%), Global Bonds (-4.26%) and Commodities (-2.21%) were all down.

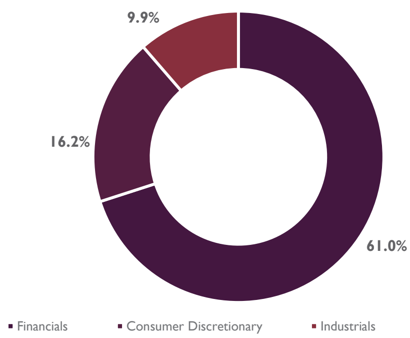
Portfolio Comments

Performance was mainly driven by our local portfolio following a strong performance of the SEMDEX. An apprciation of the MUR vs USD on top of a dip in international markets meant that our international portfolio contrubuted negatively to overall portfolio performance.

Asset Class Split



Local Equities Sector Split



Top 5 Positions

MCB Group Ltd	14.4%
MAURTN 2 1/4 10/05/24	10.8%
IBL Ltd	5.5%
iShares JP Morgan USD En	5.0%
iShares Global Corp Bond	4.5%

Top Contributors (bps)

MCB Group Ltd	0.72%
New Mauritius Hotels Ltd	0.23%
ENL Ltd	0.17%

Top Detractors (bps)

iShares JP Morgan USD En	-0.23%
SPDR MSCI World UCITS	-0.19%
iShares Global Govt Bond	-0.18%

AXIOM Funds

AXIOM Africa Equity Fund (I USD)

29 September 2023

Investment Focus

The objective of the Fund is to achieve long-term capital growth by investing in listed African equities which will benefit from various socio-economic structural changes unfolding in Africa. These include the demographic wave driven by a growing African middle class and the digital revolution unfolding throughout the continent.

The capital allocation of the Fund follows a robust 'Quantamental' approach combining crucial top down risk management, quantitative stock filtering process and solid bottom-up analysis. This disciplined framework guides the decision making process throughout the investment cycle, starting from mega trend identification till execution.

While it is not intended that the Fund will be dictated by a benchmark, performance achieved will be measured against the MSCI Emerging Frontier Markets Africa Index for comparison purposes. The composition of the Fund will therefore not match or reflect that of its benchmark.

Class	Currency	Inception	Price
I	USD	05 Aug 2020	9.4351
I	EUR	05 Aug 2020	8.9234
I	MUR	05 Aug 2020	426.7969
R	USD	11 Dec 2020	8.1369
R	EUR	19 Feb 2021	7.2135
R	MUR	16 Oct 2020	408.2209

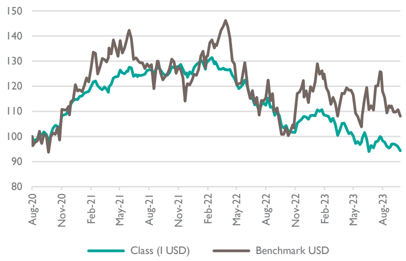
Fund Facts

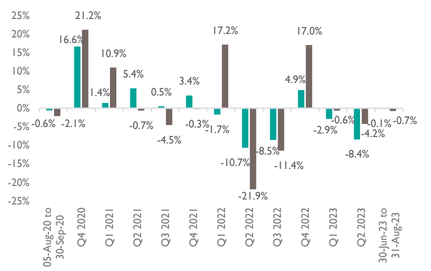
ISIN	MU0676S00009
Bloomberg Ticker	AXAFCIU
Investment Manager	AXYS Investment Partners
Benchmark	MSCI EFM Africa Index
Management Fee - R	2.0%
Management Fee - I	1.5%
Entry Fee	Up to a maximum of 2%
Exit Fee	Up to a maximum of 2%
Minimum Investment	R: USD1,000 or equiv. I: USD100,000 or equiv.
Liquidity	Weekly
Sub/Red Cut-off	Thursday 04:00pm MRU Time

Key Figures - as of end of month

Asset Under Management (USD)	730,350
Number of Holdings (ex. Cash)	23
Market Cap (M USD weighted)	5,480
Price/Book (trail. weighted)	2.5x
Price/Earnings (trail. weighted)	8.7x
Dividend Yield (trail. %)	4.85%
Active Share	>90%
Beta	0.3
Volatility	10.8%
Tracking Error	5.1%
Risk Adjusted Return	-0.2
Information Ratio	-0.9
Largest Upside (weekly)	5.45%
Largest Drawdown (weekly)	-4.97%
No of upside returns (weekly)	84
No of downside returns (weekly)	80

Fund Performance





Performance as at 29 September 2023

	1 Month	3 Months	YTD	1 Year	Since Inception
Class I USD	-1.97%	-2.11%	-12.95%	-8.70%	-5.65%
Benchmark	-2.98%	-3.71%	-8.38%	7.21%	8.11%
Class R USD	-2.01%	-2.23%	-13.28%	-9.16%	-18.63%
Benchmark	-2.98%	-3.71%	-8.38%	7.21%	-5.64%
Class I EUR	0.54%	1.00%	-11.86%	-15.36%	5.87%
Benchmark	-0.59%	-0.61%	-7.22%	-0.77%	21.35%
Class R EUR	0.50%	0.87%	-12.19%	-15.78%	-12.58%
Benchmark	-0.59%	-0.61%	-7.22%	-0.77%	-6.83%
Class I MUR	-3.03%	-2.77%	-11.14%	-9.73%	7.58%
Benchmark	-4.04%	-4.36%	-6.13%	4.47%	23.21%
Class R MUR	-3.07%	-2.89%	-11.47%	-10.18%	1.07%
Benchmark	-4.04%	-4.36%	-6.13%	4.47%	21.69%

Market Review

Northern Africa

Morocco – In September, the MASI Free Float Index TR (USD) was down -1.88%, dragged by Materials and Consumer Staples. In August, CPI was up 5% MoM, compared to 4.9% in August. Bank of Morocco maintained interest rates at 3.0% in their September meeting. M3 Money supply was up 6.47% MoM in August, compared to 7.1% the prior month. GDP grew 2.3% in Q2'23, compared to 3.5% in Q1'23. **Egypt** – The EGX 30 Index (TR USD) was up 6.91% over the month, driven by Materials and Financials. S&P Global Egypt PMI was at 49.2 in August, remaining unchanged from the prior month. Urban CPI was up 37.4% YoY in August compared to 36.5% in July. Core CPI was up 40.40% YoY in August, compared to 40.73% the previous month.**Tunisia** – Over the month the TUNINDEX Index TR (USD) was down -7.74% dragged by Financials and Consumer Staples. In August, CPI was up 9.3% YoY, compared with 9.1%. The Central Bank maintained interest rates unchanged at 8.0%.

Western Africa

Nigeria – Over the month the Nigerian Stock Exchange All Share Index TR (USD) was up 0.15% driven by Consumer Staples and Financials. In August S&P Global Nigeria PMI came in at 50.2, compared to 51.7, remaining in expansionary territory. YoY CPI was up 25.8% compared to 24.1% in August. The Central Bank increased interest rates to 19.50% from 18.75% as inflation remains elevated. **BRVM** – Over the month the BRVM Composite Index TR (USD) was down 0.63%, dragged by Communication Services and Consumer Discretionary. Senegal – August CPI was up 5.3% YoY, down from 5.7% in July. Q2'23 GDP grew by 0.1%, compared to a contraction of -0.8% in Q1'23. **Ghana** – Over the month, the GGSECI Index TR (USD) was up 1.48%, driven by Financials and Consumer Staples. S&P Global PMI came in at 51.9 in Ghana, compared to 50.5 in July. YoY CPI was up 40.1%, compared to 43.1% the prior month. Q2;23 GDP grew 3.2%, compared to 4.2% in Q1'23. In August, PPI was up 28.3%, down from 32.7% in August. The Bank of Ghana maintained interest rates at 30% in September's meeting.

Eastern Africa

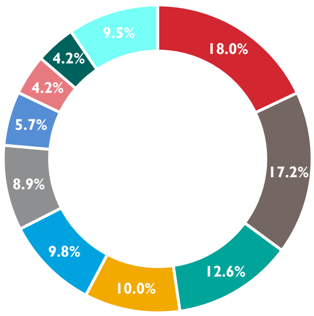
Kenya – Over the month, the NSE All-Share TR (USD) was down -5.48%, dragged by Communication Services and Financials. In August, S&P Global Stanbic Bank PMI was at 50.6 compared to 45.5 July. September CPI was up 6.5%, compared to 6.8% the prior month. Overseas Remittances were up 14% YoY in August, compared to 18% YoY in July. **Mauritius** – In September the SEMDEX (TR USD) was up 4.05%, driven by Financials and Consumer Discretionary. Annual inflation remained unchanged at 5.9% YoY in August as compared to July. PPI fell to 1.8% YoY in August as compared to 5.1% YoY in July. The Monetary Policy Committee of the Bank of Mauritius unanimously voted to keep the key rate unchanged at 4.5%. Tourist arrivals at 803,288 from Jan-Aug 23, representing 92.0% of 2019 levels during the same period.

AXIOM Funds

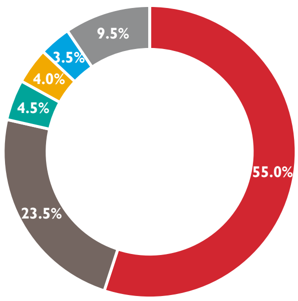
AXIOM Africa Equity Fund (I USD)

29 September 2023

Geographic Split



Sector Split



Top 5 Positions

SGBC	5.8%
Sonatel	5.8%
SIBC	5.6%
Commercial Intl Bank Egypt	5.0%
Hightech Payment Systems	5.0%

Top 3 Contributors (bps)

Telecom Egypt	57
MCB Group	30
SBM	28

Top 3 Detractors (bps)

FirstRand	-60
CAL Bank	-54
Prosus	-36

Market Cap Breakdown (USD)

Above 1B	51.3%
500M — 1B	12.1%
100M — 500M	24.7%
Below 100M	7.2%

Market Review Continued

Southern Africa

South Africa – In September, the FTSE JSE All-Share Index (TR USD) was down 2.51%, dragged by Financials and Consumer Discretionary. Headline Consumer inflation was up 4.8% in August from 4.7% in July, in line with market expectations. The MPC maintained the repo rate steady at 8.25% for a second consecutive time. Producer inflation accelerated to 4.3% in August from 2.7% in July, which was worse than market expectations.

Portfolio Positioning

Northern Africa

Morocco – Stock selection was mixed over the month: HPS +3.88% contributed positively by 19bps while Disway -1.63% and BCP -5.05% contributed -7bps and -19bps to the portfolio. **Egypt** – Stock selection was positive over the month: Telecom Egypt +13.67% and COMI +5.28% contributed positively by 57bps and 25bps to the performance. **Tunisia** – BIAT was down 7.49% over the month, contributing -34bps.

Western Africa

Nigeria – Stock selection was mixed over the month: Airtel Africa +6.20% contributed positively by 14bps while Zenith Bank -2.95% and MTN Nigeria -3.87% contributed -11bps and -17bps respectively. **BRVM and Gabon** – Stock selection was mixed over the month: SIBC +1.25% was the region's top performer contributing 7bps while SGBC -0.59% and Sonatel -2.11% contributed -3bps and -12bps. **Ghana** – Stock selection was down over the month: Perseus Mining -13.33% contributed -22bps while Calbank -16.04%, contributed -54bps to the overall portfolio performance.

Eastern Africa

Kenya – Stock selection was negative over the month: Safaricom -6.90% contributed -20bps and Equity Bank -10.14% contributed -33bps to the portfolio performance. **Mauritius** – Stock selection was positive over the month: MCB Group +6.41% and SBMH +7.84% contributed 30bps and 28bps respectively to the overall portfolio.

Southern Africa

South Africa – With the exception of our commodity exposure, our South African portfolio performed negatively. Glencore was up 7.60%, contributing 15bps. Nedbank -2.30%, MTN -6.21%, Prosus -7.34%, FirstRand -12.99% contributed -9bps, -25bps, -36bps and -60bps respectively.

Note: Performance is reported in USD Total Return terms.

AXIOM Funds

AXIOM Yield Fund

29 September 2023

Fund Objective

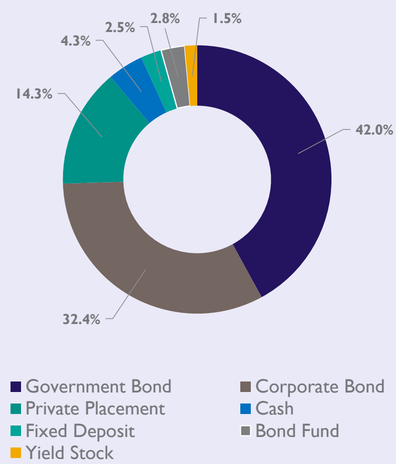
AXIOM Yield Fund was set up with the objective of providing investors with regular income and aims to outperform the average savings rate plus a premium by maximizing risk adjusted returns.

Fund Manager Comments

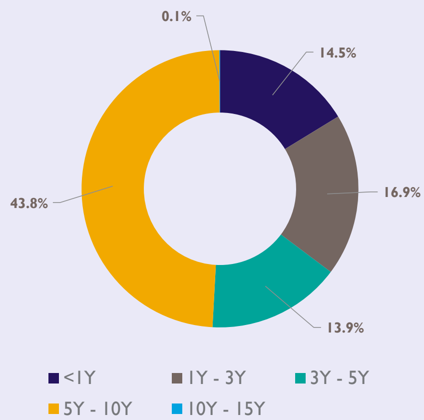
AXIOM Yield Fund was down 0.36% during the month while the benchmark returned 0.35%. The Fund's performance was dragged by its exposure to MUR and EUR denominated securities while slightly mitigated by its USD exposure. The MPC voted to keep the key rate unchanged at 4.5%. and the Bank of Mauritius sold a total amount of USD 100M at a weighted average rate of 44.7750 vs USD in September. In September, the weighted average yield on Treasury bills and Government of Mauritius Bonds was mixed. The weighted average yield on the 3-months, 6-months and the 1-year Treasury Bills had a weighted average yield standing at 3.26%, 3.43% and 3.59%, respectively up by 11bps, 25bps and 25bps compared last month. The last 3-year Government of Mauritius Bonds had a weighted average yield standing at 3.79% up by 16bps compared to the auction held in August while the last 10-year Government of Mauritius Bonds had a weighted average yield standing at 4.41% down 84bps compared to the auction held in May.

Total AUM	MUR 237.2M
NAV	11.40
Currency	MUR
Inception Date	23 November 2017
Min. Investment	MUR 50,000
Dividend Frequency	Semi Annually[1]
Dividend Yield	4.00%
Total Expense Ratio	1.30%
Benchmark	Average Savings Rate + 2.0%
Entry Fee/ Exit Fees	Up to 2%
Liquidity Period	Weekly

Asset Class



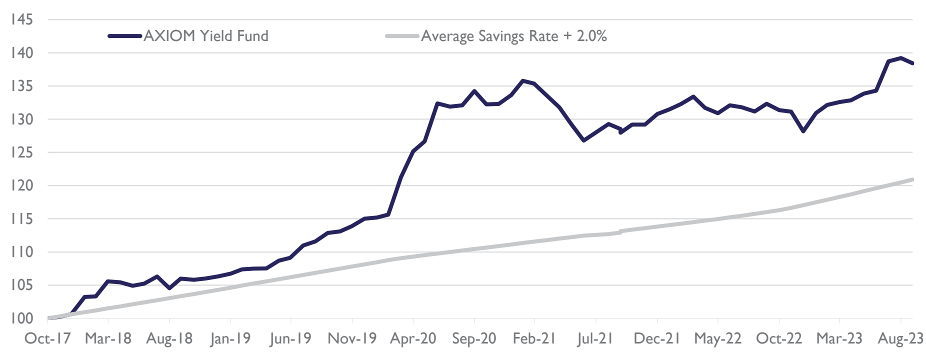
Duration Breakdown



Portfolio Metrics

Average Duration	3.87
Weighted YTM	5.70%

Fund Performance[2]



Performance as at 29 September 2023

	AXIOM Yield Fund	Avg. Savings Rate +2.0%
1 Month's Return	-0.57%	0.35%
3 Months' Return	3.06%	1.10%
YTD	7.99%	3.30%
12 Months' Return	4.62%	4.23%
Return Since Inception	38.42%	20.91%
Ann. Return Since Inception	5.65%	3.26%

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	Avg SR + 2.0%
2017	-	-	-	-	-	-	-	-	-	-	0.23%	0.41%	0.64%	0.61%
2018	2.56%	0.10%	2.19%	-0.14%	-0.48%	0.29%	1.03%	-1.68%	1.39%	-0.18%	0.21%	0.29%	5.66%	3.67%
2019	0.39%	0.59%	0.11%	0.02%	1.09%	0.41%	1.70%	0.54%	1.16%	0.20%	0.68%	1.01%	8.16%	3.68%
2020	0.15%	0.37%	4.88%	3.22%	1.20%	4.52%	-0.38%	0.16%	1.62%	-1.49%	0.04%	1.02%	16.19%	2.76%
2021	1.60%	-0.30%	-1.39%	-1.27%	-1.97%	-1.87%	1.96%	-0.58%	-0.43%	0.95%	0.00%	1.24%	-2.13%	2.43%
2022	0.55%	0.61%	0.83%	-1.27%	-0.61%	0.90%	-0.21%	-0.50%	0.89%	-0.71%	-0.18%	-2.26%	-1.99%	2.83%
2023	2.14%	0.94%	0.34%	0.19%	0.76%	0.34%	3.27%	0.37%	-0.57%				7.99%	3.30%

1: October 1st & April 1st

2: Line graph & Performance statistics assume reinvested dividends

AXIOM Funds

Dynamic Global Equity (I USD)

29 September 2023

Underlying Fund Investment Objective

Dynamic Global Equity Fund is a feeder fund which invests directly in Fundsmith Equity Fund. The aim of the underlying fund is to provide long-term growth by investing in equities on a global basis and adopting a specific investment philosophy. It is envisaged that the underlying fund will generally be comprised of 20 to 30 stocks. The underlying fund is not expected to invest in derivatives and is not expected to hedge any currency exposure.

Underlying Fund Manager Philosophy

The philosophy of the underlying fund manager is to invest in equities which are of high quality and difficult to replicate. The company selects equities with a perceived high degree of certainty of growth and businesses which are resilient to change. It also selects businesses whose valuation is considered to be attractive.

Underlying Portfolio Comments

The underlying fund no outright sales or purchases of holdings during the month. The top 5 contributors in the month were Meta Platforms, Novo Nordisk, Philip Morris, Alphabet and Marriott. The top 5 detractors were IDEXX, LVMH, Brown-Forman, McCormick and Amadeus.

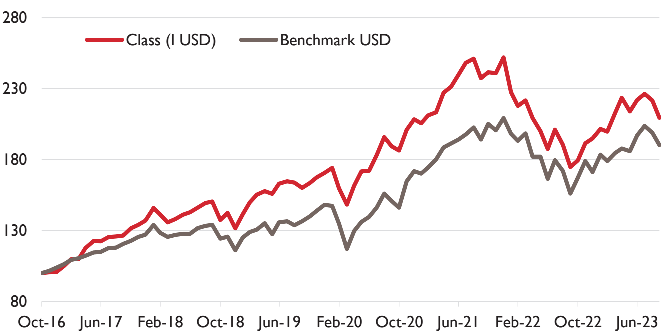
Key Facts

Fund Total AUM	USD 105.5mn
Currency	USD
Min. Investment (Lump Sum)	USD 1,000,000
Total Expense Ratio	1.15%
Underlying Fund Manager	Terry Smith
Morningstar Rating	Gold
Entry Fee	Up to a max of 2%
Exit Fee	Up to a max of 2%

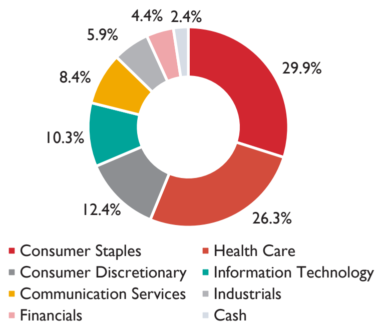
Class	CCY	Inception	Price
I	USD	Nov 4, 2016	45.72
I	GBP	Nov 4, 2016	37.48
I	EUR	Nov 4, 2016	43.24
I	MUR	Mar 19, 2020	2,065.71
R	USD	Oct 14, 2015	238.81
R	GBP	Nov 4, 2016	190.03
R	EUR	Nov 4, 2016	216.71
R	MUR	Aug 17, 2017	10,658.11

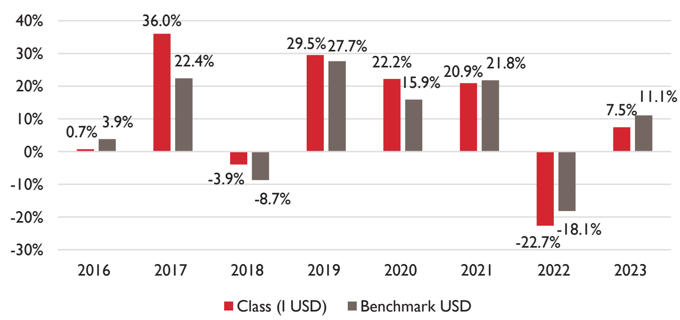
Performance as of 29 September 2023

	1 Month	3 Months	YTD	1 Year	Since Inception	Ann S.I.
Class I USD	-5.55%	-5.69%	7.47%	19.82%	109.34%	11.28%
Benchmark	-4.31%	-3.46%	11.10%	21.95%	90.26%	9.75%
Class R USD	-5.58%	-5.79%	7.10%	19.28%	123.24%	10.61%
Benchmark	-4.31%	-3.46%	11.10%	21.95%	98.75%	9.01%
Class I GBP	-1.88%	-1.79%	6.45%	9.72%	112.50%	11.52%
Benchmark	-0.59%	0.52%	10.04%	11.66%	90.91%	9.80%
Class R GBP	-1.91%	-1.90%	6.08%	9.21%	105.09%	10.95%
Benchmark	-0.59%	0.52%	10.04%	11.66%	90.91%	9.80%
Class I EUR	-3.14%	-2.62%	8.74%	11.14%	119.77%	12.06%
Benchmark	-1.87%	-0.40%	12.50%	13.06%	97.60%	10.35%
Class R EUR	-3.17%	-2.73%	8.36%	13.06%	111.83%	11.47%
Benchmark	-1.87%	-0.40%	12.50%	13.06%	97.60%	10.35%
Class I MUR	-6.64%	-6.14%	9.71%	18.29%	61.38%	14.28%
Benchmark	-5.36%	-4.11%	13.42%	20.58%	68.97%	15.75%
Class R MUR	-6.68%	-6.24%	9.33%	17.75%	109.23%	12.72%
Benchmark	-5.36%	-4.11%	13.42%	20.58%	119.45%	13.59%

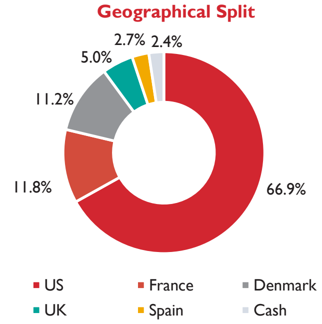


Sector Split





Geographical Split



AXIOM Funds

AXIOM Equity Fund
(I MUR)
29 September 2023

Fund Objective

The investment objective of the fund is to achieve long term growth through a blended investment strategy consisting of both growth and value stocks. All dividends are reinvested given their importance in driving long-term portfolio growth. The fund invests only in equities listed on the Stock Exchange of Mauritius.

Fund Manager Comments

The Fund was down 3.28% during the month while the SEMTRI had a positive performance of 2.92%. SEMTRI's performance was driven by Financials and Cons. Discretionary while AXIOM Equity Fund was dragged by Financials and Real Estate. The Fund's exposure to Industrials and Cons. Staples helped mitigate the negative performance.

Annual inflation remained unchanged at 5.9% YoY in August as compared to July.

PPI fell to 1.8% YoY in August as compared to 5.1% YoY in July.

The Monetary Policy Committee of the Bank of Mauritius met on 15th of September 2023 and unanimously voted to keep the key rate unchanged at 4.5%.

The Mauritian Rupee strengthened further against the US Dollar over Q3'23 (+0.6%) as the Bank of Mauritius sold a total amount of USD 100M at a weighted average rate of 44.7750 vs USD.

Tourist arrivals at 803,288 from Jan-Aug 23, representing 92.0% of 2019 levels during the same period.

While tourist arrivals still lag their pre-pandemic levels, the hospitality sector has posted profitability higher than in 2019.

The Fund's investments have strong fundamentals with the actual portfolio expected to benefit strongly from an improvement in market conditions as business activities pick up.

Total AUM	Rs. 27.4m
NAV (Class R)	10.53
NAV (Class I)	11.24
Initial NAV	11.07
Currency	MUR
Inception Date	03 February 2017
Total Annual Fund Operating Expense Ratio	1.25%
Min. Investment (Lump Sum)	MUR 10,000,000
Fund Manager	AXYS Investment Partners Ltd
Entry / Exit Fee	Up to 2%

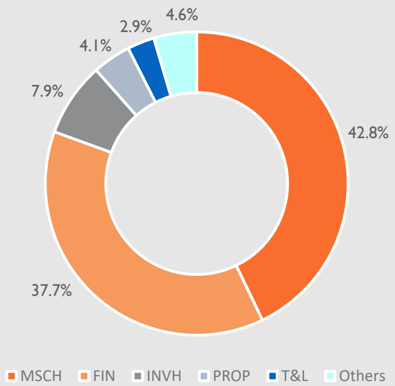
Gainers

▲	▲	▲
6.7%	5.2%	0.9%
SBM	MCB	IBL

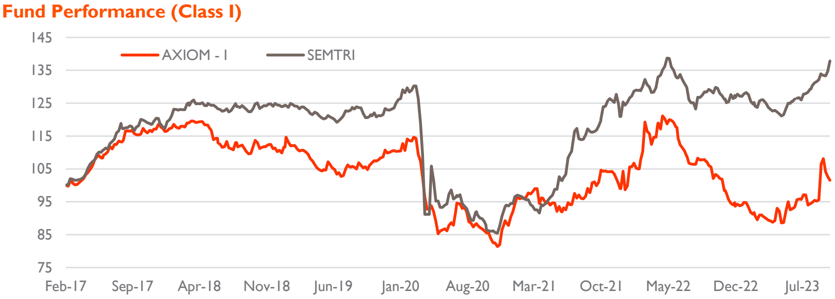
Laggers

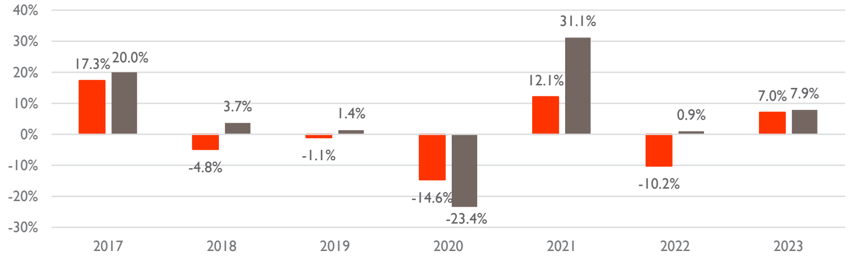
▼	▼
-16.7%	-1.2%
UTIN	ASCE

Sector Allocation



Fund Performance (Class I)





Performance (Class I) at 29 September 2023

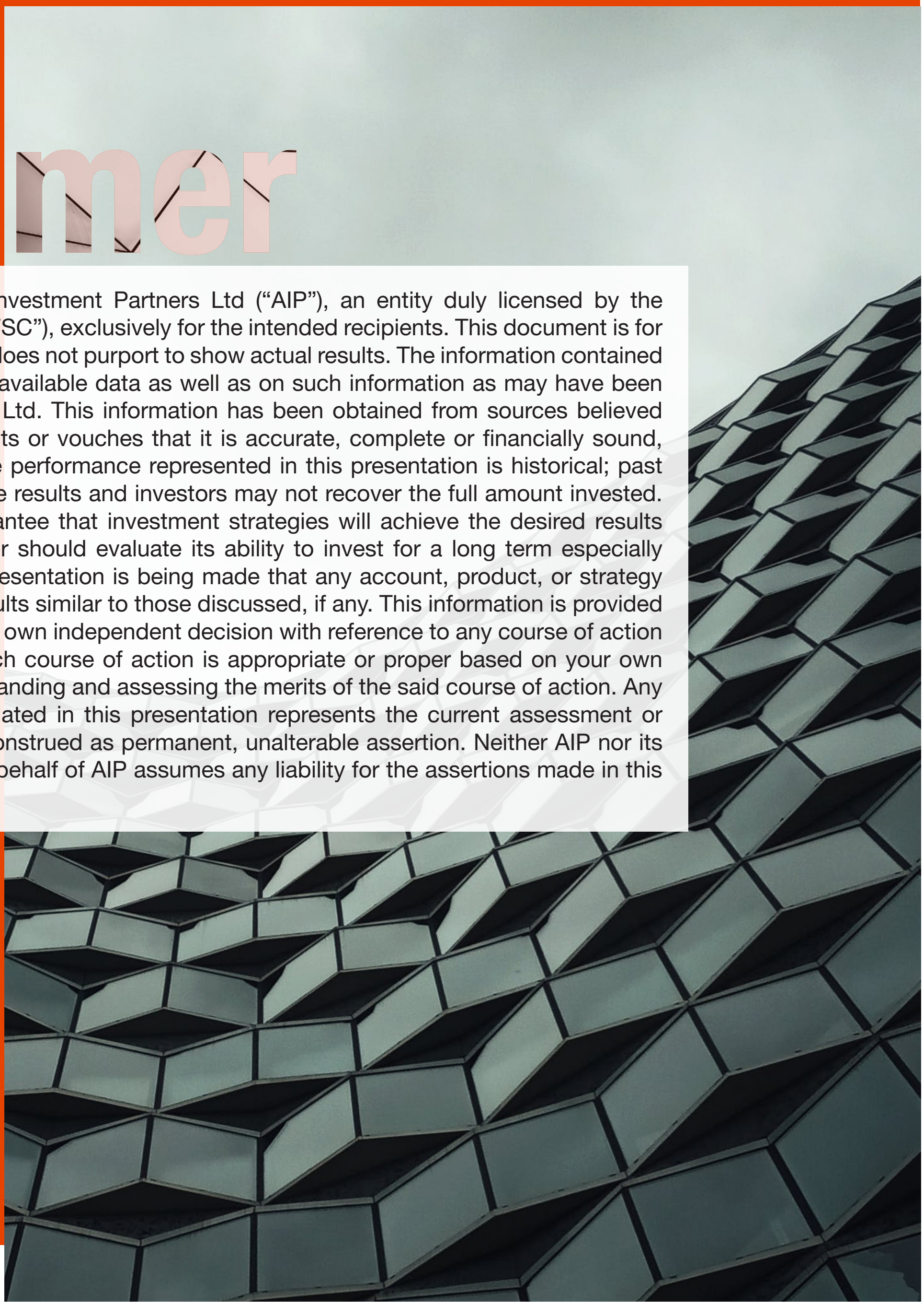
	AXIOM - I	SEMTRI
1 Month Return	-3.22%	2.92%
3 Months' Return	6.10%	9.41%
YTD	7.05%	7.86%
12 Months' Return	-1.76%	6.20%
Return since Inception	1.51%	37.86%
Annualised Return since Inception	0.23%	4.94%

Key Figures - as at end of month

Beta	0.59	Tracking Error	3.42%
Volatility	13.40%	Sharpe Ratio	0.02
Information Ratio	-1.38		

Disclaimer

This material has been prepared by AXYS Investment Partners Ltd ("AIP"), an entity duly licensed by the Financial Services Commission of Mauritius ("FSC"), exclusively for the intended recipients. This document is for information and illustrative purposes only and does not purport to show actual results. The information contained in this presentation is based both on publicly available data as well as on such information as may have been made available to AXYS Investment Partners Ltd. This information has been obtained from sources believed reliable, but neither AIP nor the FSC represents or vouches that it is accurate, complete or financially sound, and it should not be relied upon as such. The performance represented in this presentation is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. All investments entail risks. There is no guarantee that investment strategies will achieve the desired results under all market conditions and each investor should evaluate its ability to invest for a long term especially during periods of a market downturn. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those discussed, if any. This information is provided with the understanding that you will make your own independent decision with reference to any course of action in connection herewith and as to whether such course of action is appropriate or proper based on your own judgment, and that you are capable of understanding and assessing the merits of the said course of action. Any statement, observation and judgement articulated in this presentation represents the current assessment or opinion of AIP at the time, and must not be construed as permanent, unalterable assertion. Neither AIP nor its officers, employees or other agents acting on behalf of AIP assumes any liability for the assertions made in this presentation.



AXYS

WEALTH CREATOR

6th Floor, Dias Pier Building,Le Caudan Waterfront, Caudan, Port Louis, Mauritius
T: (230) 405 4000 E: info@axys.mu
axys.mu