

**STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2018**

	June 30, 2018	June 30, 2017
	USD	USD
<b>ASSETS</b>		
<b>Non-current asset</b>		
Investment in financial assets	24,405,966	9,764,997
<b>Current Asset</b>		
Other receivables	8,187	7,103
Cash and cash equivalents	8,196	25,508
<b>Total current assets</b>	<b>16,383</b>	<b>32,611</b>
<b>Total Assets</b>	<b>USD 24,422,349</b>	<b>9,797,608</b>
<b>REPRESENTED BY:</b>		
Net assets attributable to holders of redeemable participating shares	24,324,913	9,761,160
Management Share	10	10
	<b>24,324,923</b>	<b>9,761,170</b>
<b>Current liabilities</b>		
Other payables	72,064	16,053
Current tax liability	25,362	20,385
<b>Total Liabilities</b>	<b>97,426</b>	<b>36,438</b>
<b>Total net assets attributable to holders of redeemable participating shares</b>	<b>USD 24,422,349</b>	<b>9,797,608</b>
<b>Net asset value per share</b>	<b>USD 9.30</b>	<b>11.15</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018**

	Year ended June 30, 2018	Period from March 04, 2016 to June 30, 2017
	USD	USD
<b>Income</b>		
Income on fixed income securities	1,563,785	647,350
Interest income	401	108
Refund from Fund Manager (to cap total expense ratio)	-	11,151
	<b>1,564,186</b>	<b>658,609</b>
<b>Expenses</b>		
Manager's fees	173,185	68,723
Registrar's fees	17,924	6,475
Custodian's fees	9,221	9,888
Professional fees	12,550	3,451
Other direct fees	24,554	15,115
Advance to Manager (to cap total expense ratio)	2,003	-
	<b>239,437</b>	<b>103,652</b>
Fair value loss on financial assets	(1,713,319)	(169,977)
Foreign exchange gains	191,774	59,667
(Losses)/ gains on disposal of financial assets	(3,004,967)	842,178
	<b>(4,526,512)</b>	<b>731,868</b>
(Loss)/ Profit before taxation	<b>(3,201,763)</b>	<b>1,286,825</b>
Taxation	<b>(125,345)</b>	<b>(84,373)</b>
(Loss)/ Profit after taxation	<b>(3,327,108)</b>	<b>1,202,452</b>
<b>Equalisation</b>		
Income received on shares created	760,856	27,973
Income paid on shares liquidated	(36,599)	-
Net income on shares created	<b>724,257</b>	<b>27,973</b>
<b>(Decrease) / Increase in Net Assets Attributable</b>	<b>(2,602,851)</b>	<b>1,230,425</b>

**STATEMENT OF NET ASSETS FOR THE YEAR ENDED JUNE 30, 2018**

	USD	USD
<b>Net Assets Attributable to holders of redeemable participating shares:</b>		
<b>Balance at July 01, 2017/ March 04, 2016</b>	<b>9,761,160</b>	<b>-</b>
Issue during the year/ period	23,306,579	8,810,897
Redemption during the year/ period	(4,262,727)	-
(Decrease)/ Increase in Net Assets Attributable for the year/ period	<b>(2,602,851)</b>	<b>1,230,425</b>
Dividend declared and paid during the year/ period	<b>(1,877,248)</b>	<b>(280,162)</b>
<b>Balance at June 30, 2018/ 2017</b>	<b>24,324,913</b>	<b>9,761,160</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018**

	Year ended June 30, 2018	Period from March 04, 2016 to June 30, 2017
	USD	USD
<b>Cash flows from operations</b>		
Cash used in operations	(184,109)	(83,433)
Tax paid	(120,368)	(63,988)
Net cash used in operations	<b>(304,477)</b>	<b>(147,421)</b>
<b>Cash flows from investing activities</b>		
Interest received	727,840	639,994
Purchase of financial assets	(88,742,363)	(47,090,110)
Disposal of financial assets	70,219,053	38,004,670
<b>Net cash used in investing activities</b>	<b>(17,795,470)</b>	<b>(8,445,446)</b>
<b>Cash flows generated from financing activities</b>		
Issue of participating shares	23,306,579	8,810,897
Redemption of participating shares	(4,262,727)	-
Income received on participating shares created	760,856	27,973
Income paid on participating shares liquidated	(36,599)	-
Dividend paid	(1,877,248)	(280,162)
<b>Net cash generated from financing activities</b>	<b>17,890,861</b>	<b>8,558,708</b>
<b>Net change in cash and cash equivalents</b>	<b>(209,086)</b>	<b>(34,159)</b>
<b>Movement in Cash and Cash Equivalents</b>		
At July 01, 2017/ March 04, 2016	25,508	-
Net change in cash and cash equivalents	(209,086)	(34,159)
Foreign exchange gains	191,774	59,667
<b>At June 30, 2018/ 2017</b>	<b>8,196</b>	<b>25,508</b>

**Background**

MCB India Sovereign Bond ETF (the "Fund") was incorporated in Mauritius under the Companies Act 2001 on March 04, 2016 as a public company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission (the "FSC") to operate as a Collective Investment Scheme, categorised as a Global Scheme. The Fund was listed on the Stock Exchange of Mauritius on June 06, 2016.

The Fund's objective is to track the performance of Zyfin India Sovereign Bond Liquid Index in USD which constitutes the most liquid fixed rate, local currency sovereign bond issued by the Central Government of India.

The Fund is promoted by MCB Investment Management Co. Ltd (the "Fund Manager"), which is a company duly licensed by the FSC to promote funds and offer management, administration, distribution and other services to collective investment schemes and closed-end funds.

The financial statements are audited and have been prepared in compliance with the requirements of the Securities Act 2005, the Securities Regulations 2008 and International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that financial assets at fair value through profit or loss are stated at fair value.

Copies of the abridged audited financial statements can be viewed on our website: [www.mbcicapitalmarkets.mu](http://www.mbcicapitalmarkets.mu). Investors may also obtain a hard copy of the Annual Reports by request to the CIS Manager, either by emailing on [mcbim@mcbcm.mu](mailto:mcbim@mcbcm.mu) or writing to MCB Investment Management, Sir William Newton Street, Port Louis, Republic of Mauritius.

This communiqué is issued pursuant to Listing Rule 12.14 and Securities Act 2005.

The Board of Directors of MCB India Sovereign Bond ETF accepts full responsibility for the accuracy of the information contained in this communiqué.

**By order of the Board**

September 27, 2018