



DIRECTORS' COMMENTARY

COMPANY OVERVIEW

AGM was incorporated and began operating on 24 July 2017 in Mauritius and holds a Global Business License in accordance with the Companies Act 2001 and the Financial Services Act 2007 of Mauritius. The Company's registered office address is at c/o Intercontinental Trust Ltd, Level 3, Alexander House, 35 Cybercity, Ebène 72201, Mauritius. The Company is listed on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") since 9 April 2018 when its initial private placement was completed. AGM is an investment holding company focused on emerging markets private equity opportunities, primarily in Africa, Latin America, and emerging Asia. AGM makes investments with a view to achieving significant capital appreciation and returns.

COMPANY REVIEW FOR THE PERIOD ENDED 30 JUNE 2020

The Company is issuing its interim unaudited financial statements, which comprises activity from 1 April 2020 to 30 June 2020, as required under the SEM Listing Rules. The Company made its first investment in the Avanz EM Partnerships Fund II, SPC ("AEMPF II") on 20 April 2018 and its second and third investments, in the Avanz EM Partnerships Fund III, SPC ("AEMPF III") on 20 December 2018 and 20 December 2019. During the quarter ended 30 June 2020, the Company has made an additional investment amounting to USD 1,577,917 in AEMPF III. These investments are partially funded with a current value of US\$7,111,177, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II and AEMPF III. To meet the near-term funding of the growing investment portfolio, the Company currently maintains a high level of liquidity with 14% of assets in cash at bank and fixed deposits.

The fair market value of the Company's investments increased during the period from US\$5,533,260 to US\$7,111,177. The investments are well diversified across the three geographical region, with approximately 66% in emerging Asia, 22% in Latin America and 12% in Africa. Additional diversification is provided by the distribution across the industry sectors in which the 73 portfolio companies operate, namely, in agribusiness, consumer goods and services, financial services, communications and information technology, healthcare, education and environmental services. The Company has no borrowings.

The Company reported a loss for the period of US\$35,215 resulting primarily from administrative operating expenses of US\$43,841.

The Company's net asset value ("NAV") per share as of 30 June 2020 was US\$0.8620. Excluding the one-off set up costs of US\$305,856 (out of which US\$165,718 is classified under professional fees, US\$137,898 under advisory fees and US\$2,240 under licence fees), which benefit all future shareholders of the Company, the adjusted NAV per share as of 30 June 2020 would be US\$0.8939.

COMPANY OUTLOOK

During the first half of 2020, the world saw one of the greatest periods of market uncertainty and economic distress take hold of the global economy as a result of the on-set of the Covid-19 pandemic. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of the Covid-19 pandemic have and may continue to adversely affect the global economy, the economies of many countries and individual companies, all of which has impacted the performance of AGM to date.

By the end of Q2 2020, many of the public market indices recovered from their significant drop in Q1 2020, and most currencies have strengthened against the US Dollar. However, most emerging market countries had their most stringent lockdown periods during Q2, so the full impact of Covid-19 on the operational performance of companies will be evident in future valuations given that so many businesses are still operating at limited capacity or remain shut-down. Diversification of the portfolio has benefited AGM given that a large number of strong businesses cushion the part of the portfolio that is considered high-risk due to the global pandemic. The companies held by the funds in the investment portfolio are performing relatively well as company management and the fund managers overseeing the companies have been highly pro-active in taking the necessary measures to ensure the companies face the pandemic as best they can.

As of 30 June 2020, of the US\$9.0 million that AGM committed to investment funds US\$8.3 million has been invested either into the funds or directly into companies. A few new companies will still be added to the portfolio over the next year. The diversification, quality of the investments and portfolio construction are designed to generate high optimized risk-adjusted returns while considering possible adverse macro-economic or political events, as well as currency fluctuations over time. The Company is assessing the market continuously while seeking high quality investment opportunities and intends to raise additional capital to fund these future investments.

Any forecast statement above, and the forecasts underlying such statements, are the responsibility of the board of directors (the "Board") of the Company and have not been reviewed or reported on by the Company's external auditors. The forecast is based on assumptions, including assumptions about regional, political and economic environments, as well as that a stable global macro-economic environment will prevail.

STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2020	Audited as at 31 March 2020
	US\$	US\$
ASSETS		
Financial assets at fair value through profit or loss	7,111,177	5,533,260
Fixed deposits	1,000,000	1,400,000
Cash at bank	199,504	1,446,873
Current tax asset	711	711
Receivables and prepayments	19,126	8,740
Total assets	8,330,518	8,389,584
EQUITY CAPITAL AND RESERVES		
Stated capital	9,646,862	9,646,862
Accumulated losses	(1,381,710)	(1,346,495)
Total equity	8,265,152	8,300,367
CURRENT LIABILITIES		
Accruals and other payables	65,366	89,217
Total equity and liabilities	8,330,518	8,389,584

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the three months to 30 June 2020	Unaudited for the three months to 30 June 2019
	US\$	US\$
INCOME		
Net unrealised loss in fair value of financial assets through profit or loss	-	(179,600)
Dividend income	-	-
Other income	8,626	15,676
Total loss	8,626	(163,924)
EXPENSES		
Advisory fees	-	-
Professional fees	(5,364)	(22,051)
Audit fees	(8,625)	(10,345)
Accountancy fees	(1,600)	(1,600)
Other expenses	(14,939)	(6,675)
Director fees	(11,064)	(13,343)
Licence fees	(1,609)	(550)
Bank charges	(640)	(1,456)
Total expenses	(43,841)	(56,020)
Operating loss	(35,215)	(219,944)
Income tax expense	-	(237)
Net loss for the period	(35,215)	(220,181)
Other comprehensive income	-	-
Net loss and total comprehensive loss for the period	(35,215)	(220,181)

STATEMENT OF CASH FLOWS

	Unaudited for the three months to 30 June 2020	Unaudited for the three months to 30 June 2019
	US\$	US\$
Net cash utilised in operating activities	(80,932)	(93,063)
Net cash (utilised in) / generated from investing activities	(1,166,437)	9,841
Net cash flows generated from financing activities	-	-
Net decrease in cash and cash equivalents	(1,247,369)	(83,222)
Cash and cash equivalents at beginning of period	1,446,873	99,616
Cash and cash equivalents at end of period	199,504	16,394

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

2020	Net assets represented by		
	Share capital	Accumulated losses	Total equity
	US\$	US\$	US\$
At 1 April 2020	9,646,862	(1,346,495)	8,300,367
Transactions with owners:			
Issue of shares	-	-	-
	9,646,862	(1,346,495)	8,300,367
Comprehensive loss:			
Net loss and total comprehensive loss for the period	-	(35,215)	(35,215)
Unaudited as at 30 June 2020	9,646,862	(1,381,710)	8,265,152
<i>Number of ordinary shares in issue</i>			<i>9,588,172</i>
<i>Net asset value per share</i>			<i>0.8620</i>
<i>Loss per share</i>			<i>(0.0037)</i>
2019			
At 1 April 2019	8,120,921	(566,716)	7,554,205
Transactions with owners:			
Issue of shares	-	-	-
	8,120,921	(566,716)	7,554,205
Comprehensive income			
Net loss and total comprehensive loss for the period	-	(220,181)	(220,181)
Unaudited as at 30 June 2019	8,120,921	(786,897)	7,334,024
<i>Number of ordinary shares in issue</i>			<i>8,120,921</i>
<i>Net asset value per share</i>			<i>0.9031</i>
<i>Loss per share</i>			<i>(0.0271)</i>

NOTES

- The Company is required to publish interim financial results for the three months ended 30 June 2020 in terms of the SEM Listing Rule 12.19 and Section 88 (1) of the Mauritian Securities Act 2005. The abridged unaudited financial statements for the three months ended 30 June 2020 ("abridged unaudited financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting, the SEM Listing Rules and the Mauritian Securities Act 2005.
- The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board on 24 August 2020.
- Copies of the abridged unaudited financial statements and the Statement of direct and indirect interests of each officer of the Company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Registered Office of the Company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebène 72201, Mauritius. Contact person: Mrs. Smitha Algoo- Bissonauth.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20 and Section 88 of the Mauritian Securities Act 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué.

Intercontinental Trust Limited
Company Secretary
Perigeum Capital Ltd
SEM Authorised Representative and Sponsor
Date: 25 August 2020

