



**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 Limited, 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 YEAR ENDED 31 MARCH 2021**

The Company is issuing its audited financial statements, which comprises activity from 1 April 2020 to 31 March 2021, 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, respectively. These investments are partially funded with a current value of US\$11,124,474, and the Company anticipates investing additional capital as more portfolio companies are acquired by AEMPF II and AEMPF III. During the year ended 31 March 2021, the Company made additional investments amounting to a total of US\$2,437,380 in AEMPF II and AEMPF III. To meet the near-term funding of the growing investment portfolio, the Company currently maintains liquidity of 3% of assets in cash at bank.

The fair market value of the Company's investments increased during the year from US\$5,533,260 to US\$11,124,474. The investments are well diversified by number of companies across the three geographical regions with approximately 59% in Emerging Asia, 17% in Latin America, 23% in Africa. Additional diversification is provided by the distribution across the industry sectors in which the 72 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 profit for the year of US\$3,101,480 (period ended 31 March 2020: a loss of US\$785,008 was reported), resulting primarily from a net gain in fair value of financial assets through profit or loss of US\$3,153,834. The Company's net asset value ("NAV") per share as of 31 March 2021 was US\$1.1892 (31 March 2020: US\$0.8657). 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 31 March 2021 would be US\$1.2211 (31 March 2020: US\$0.8976).

**COMPANY OUTLOOK**

The outbreak of COVID-19 resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy, the economies of certain nations and individual companies, all of which may negatively impact the performance of the Company. At the time of writing this report, the global economic recovery has begun given many countries have started their vaccination programs. However, despite this progress, continued disruptions from new waves of the virus are affecting many countries. Emerging market economies have been particularly adversely affected because of lack of vaccines and populations reluctant to continue with lockdown measures.

For the fiscal year ended 31 March 2021, we saw increased stability in emerging markets with the MSCI EM Index increasing 58.8% (compared to the S&P 59.6% increase) – company operations began to normalize considering the ongoing impacts of the COVID-19 health crisis on most businesses across our markets. Overall, portfolio valuations continued to increase, specially given the Company's higher exposure to China and to companies whose operations have not been badly impacted by the pandemic. Despite this, with the additional waves of the virus appearing we are vigilant in assessing the operational performance of companies and remain cautious on their future valuations. Diversification of the portfolio has benefited AGM given that a high number of strong businesses cushion the part of the portfolio that is considered high-risk due to the 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 succeed through the pandemic.

As of 31 March 2021, of the US\$9.0 million that AGM committed to investment funds, US\$9.0 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 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**

	Audited as at 31 March 2021	Audited as at 31 March 2020
	US\$	US\$
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	11,124,474	5,533,260
Fixed deposits	-	1,400,000
Cash at bank	341,250	1,446,873
Current tax asset	711	711
Receivables and prepayments	5,546	8,740
<b>Total assets</b>	<b>11,471,981</b>	<b>8,389,584</b>
<b>EQUITY CAPITAL AND RESERVES</b>		
Stated capital	9,646,862	9,646,862
Accumulated profit/ (losses)	1,754,985	(1,346,495)
<b>Total equity</b>	<b>11,401,847</b>	<b>8,300,367</b>
<b>CURRENT LIABILITIES</b>		
Accruals and other payables	70,134	89,217
<b>Total equity and liabilities</b>	<b>11,471,981</b>	<b>8,389,584</b>

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Audited for the year ended 31 March 2021	Audited for the period ended 31 March 2020
	US\$	US\$
<b>INCOME</b>		
Net unrealised gain/ (loss) in fair value of financial assets through profit or loss	3,153,834	(629,775)
Other income	101,220	98,447
<b>Total income/ (loss)</b>	<b>3,255,054</b>	<b>(531,328)</b>
<b>EXPENSES</b>		
Advisory fees	-	(12,400)
Professional fees	(32,233)	(86,139)
Audit fees	(34,845)	(38,595)
Accountancy fees	(6,400)	(12,540)
Other expenses	(19,502)	(21,491)
Director fees	(51,489)	(70,014)
Licence fees	(6,563)	(7,133)
Foreign exchange loss	-	(34)
Bank charges	(2,542)	(5,334)
<b>Total expenses</b>	<b>(153,574)</b>	<b>(253,680)</b>
<b>Operating profit/ (loss)</b>	<b>3,101,480</b>	<b>(785,008)</b>
Income tax expense	-	-
<b>Net profit/ (loss) for the year</b>	<b>3,101,480</b>	<b>(785,008)</b>
Other comprehensive income	-	-
<b>Net profit/ (loss) and total comprehensive income for the year</b>	<b>3,101,480</b>	<b>(785,008)</b>

**STATEMENT OF CASH FLOWS**

	Audited for the year ended 31 March 2021	Audited for the period ended 31 March 2020
	US\$	US\$
Net cash utilised in operating activities	(93,453)	(199,096)
Net cash utilised in investing activities	(1,012,170)	(245,211)
Net cash flows generated from financing activities	-	1,525,941
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,105,623)</b>	<b>1,081,634</b>
Foreign exchange movement	-	(34)
<b>Cash and cash equivalents at beginning of period</b>	<b>1,446,873</b>	<b>365,273</b>
<b>Cash and cash equivalents at end of period</b>	<b>341,250</b>	<b>1,446,873</b>

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

2021	Net assets represented by		
	Share capital	Accumulated profit/(losses)	Total equity
	US\$	US\$	US\$
At 1 April 2021	9,646,862	(1,346,495)	8,300,367
Transactions with owners:			
Issue of shares	-	-	-
Comprehensive income:			
Net income and total comprehensive income for the year	-	3,101,480	3,101,480
<b>Audited as at 31 March 2021</b>	<b>9,646,862</b>	<b>1,754,985</b>	<b>11,401,847</b>
<i>Number of ordinary shares in issue</i>			<i>9,588,172</i>
<i>Net asset value per share</i>			<i>1.1892</i>
<i>Earnings per share</i>			<i>0.3235</i>
2020			
At 1 January 2019	8,120,921	(561,487)	7,559,434
Transactions with owners:			
Issue of shares	1,525,941	-	1,525,941
Comprehensive income:			
Net loss and total comprehensive income for the period	-	(785,008)	(785,008)
<b>Audited as at 31 March 2020</b>	<b>9,646,862</b>	<b>(1,346,495)</b>	<b>8,300,367</b>
<i>Number of ordinary shares in issue</i>			<i>9,588,172</i>
<i>Weighted average number of ordinary shares in issue</i>			<i>8,564,869</i>
<i>Net asset value per share</i>			<i>0.8657</i>
<i>Loss per share</i>			<i>(0.0917)</i>

**NOTES**

- The Company is required to publish its audited financial results for the year ended 31 March 2021 in terms of the SEM Listing Rule 12.14 and Section 88 (1) of the Mauritian Securities Act 2005. The abridged audited financial statements for the year ended 31 March 2021 ("abridged audited financial statements") have been prepared on the basis of accounting policies of the Company, which are in compliance with the International Financial Reporting Standards, the SEM Listing Rules and the Securities Act of Mauritius 2005. The auditors' report to the financial statements is unqualified.
- The abridged audited financial statements have been reviewed by the Company's external auditors, PricewaterhouseCoopers, Mauritius. These abridged audited financial statements were approved by the Board of Directors (the "Board") on 30 July 2021.
- Copies of the abridged audited 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.
- This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.14 and section 88 of the Securities Act of Mauritius 2005. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mrs. Smitha Algoo- Bissonauth.

Intercontinental Trust Limited  
Company Secretary  
Perigeum Capital Ltd  
SEM Authorised Representative and Sponsor  
Date: 30 July 2021

