



Haussmann Rech Unit Trust Scheme

Audited financial statements
for the year ended 31 December 2019



Haussmann Rech Unit Trust Scheme

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Haussmann Rech Unit Trust Scheme

Approval of financial statements

The directors of the management company are responsible for the preparation, integrity and fair presentation of the financial statements of Haussmann Rech Unit Trust Scheme. The financial statements, presented on pages 25 to 101 have been prepared in accordance with International Financial Reporting Standards and the Trust Deeds and include amounts based on judgments and estimates made by management.

The directors of the management company consider that, in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all International Financial Reporting Standards, which they consider to be applicable, have been followed. The directors of the management company are satisfied that the information contained in the financial statements fairly presents the results of operations for the period and the financial position of Haussmann Rech Unit Trust Scheme at the year end.

The directors of the management company are responsible for ensuring that accounting records are kept. The accounting records should disclose, with reasonable accuracy, the financial position of the Unit Trust Scheme to enable the directors of the management company to ensure that the financial statements comply with the relevant legislation. The trustee shall satisfy itself that every income statement, statement of financial position or other prescribed return, prepared by the management company in terms of the Laws, fairly presents the assets and liabilities as well as the income and distribution of income of every unit portfolio of the Trust, administered by the management company.

The Unit Trust Scheme operates in a well-established control environment, which is regularly reviewed. This incorporates risk management and control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks, facing the business, are controlled.

The financial statements of Haussmann Rech Unit Trust Scheme, set out on pages 25 to 101, were approved and authorised for issue by the management company on 19 March 2020 and were signed on its behalf by:

For African Alliance Mauritius Management Company Limited

(Management company)

A handwritten signature in blue ink, appearing to read 'Alphonse Marand', is placed above a solid horizontal line.

A handwritten signature in blue ink, appearing to read 'P. Schutte', is enclosed within a blue oval shape and placed above a solid horizontal line.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

General Information

The Haussmann Rech Unit Trust Scheme consists of five unit portfolios, of which the Haussmann Rech Euro Fund is currently dormant.

The active funds became operational on 01 June 2015 except for Haussmann Rech Global Equity Multi Strategy Fund which became operational on 30 August 2018.

Haussmann Rech Global Equity Opportunities Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to seek to secure, for investors, an overall growth of capital, as its primary objective, and income, as a secondary objective.'

Investment policy: The Fund's policy is to acquire investments comprising of a mix of securities, as well as liquid assets, all to be acquired at a fair market value. Such securities will be held indirectly by means of other similar investment vehicles that, in turn, invest in a mix of securities and liquid assets.

The unit portfolio may invest all of its assets in another unit portfolio of the Trust or in a single collective investment scheme where it is authorised as a feeder unit portfolio / collective investment scheme, provided that the Commission is satisfied that the feeder unit portfolio / collective investment scheme shall meet such terms and conditions as the Commission may deem fit.

Haussmann Rech Global Equity Multi Strategy Fund

Date of establishment: 24 June 2014.

Fund objective: 'Is to seek to secure, for investors, an overall growth of capital, as its primary objective, and income, as a secondary objective.'

Investment policy: The Fund's policy is to acquire investments comprising of a mix of securities, as well as liquid assets, all to be acquired at a fair market value. Such securities will be held indirectly by means of other similar investment vehicles that, in turn, invest in a mix of securities and liquid assets.

The unit portfolio may invest all of its assets in another unit portfolio of the Trust or in a single collective investment scheme where it is authorised as a feeder unit portfolio / collective investment scheme, provided that the Commission is satisfied that the feeder unit portfolio / collective investment scheme shall meet such terms and conditions as the Commission may deem fit.

Haussmann Rech Global Fixed Income Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to provide a total return to investors, through a combination of capital growth and income earned that is commensurate with risks.'

Investment policy: The Fund's policy is to invest in a globally diversified portfolio of fixed income securities. This may be achieved through investing directly or indirectly in other funds.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Haussmann Rech Global Managed Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to seek long-term growth of capital consistent with moderate investment risk and a reasonable level of current income.'

Investment policy: The Fund's policy is to invest in a diversified range of international securities, directly held by the unit portfolio, or indirectly by means of one or more collective investment vehicles.

The Scheme's registered office is situated at 1st Floor, 32 Ebene Heights, Cybercity, Ebene, Mauritius.

Principle 1 – Governance Structure

Haussmann Rech Unit Trust Scheme (the "Scheme") holds a Category 1 Global Business Licence issued by the Financial Services Commission Mauritius ("FSC") under the Financial Services Act 2007 and is authorised to operate as a Collective Investment Scheme, structured as a trust under the Securities Act 2005 and the Financial Services (Consolidated Licensing & Fees) Rules 2008. As per the Circular Letter- CL280218 issued by the Financial Services Commission on 28 February 2018, the Code applies to Scheme.

African Alliance Mauritius Management Company Limited (the "CIS Manager") has been appointed as management company for the Scheme.

Ocorian Corporate Services (Mauritius) Limited has been appointed by the Board as Trustee since incorporation of the Scheme.

The Board of the CIS Manager (the "Board") and trustee are responsible for directing the affairs of the Scheme in the best interest of its unitholders, in conformity with legal and regulatory frameworks, and consistent with its constitution and the best governance practices.

It is to be noted that, as per the Code, all organisations should be headed by an effective board. For purposes of this corporate governance report, the CIS Manager board responsibilities and accountabilities to the Scheme are presented. The Board takes its fiduciary responsibilities seriously. Each Director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the organisation in order for it to prosper. The Board has approved all the key guiding documents and policies and affirms each key governance role.

Role of the Board

The Board also plays a leadership role by overseeing its delegated functions to ensure that objectives of the Scheme are being met through the implementation of adequate policies and processes that lead to value-creation.

Key Governance Responsibilities

The Board acknowledges that it should lead and control the organisation and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements as follows:

- Determine, agree and develop the Scheme's general policy on corporate governance in accordance with the Code;
- Advise and make recommendations to the Board on all aspects of corporate governance and new Board appointment;
- Prepare the Corporate Governance Report; and
- Review the terms and conditions of all service agreement between the Scheme and service providers.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 1 – Governance Structure (continued)

Chairman of the Board

Mr Nigel England as Chairman of the Board, provides leadership and guidance to his fellow directors while ensuring that the Board is, in collective terms, effective in its role as the Scheme's main decision-making organ. He promotes a culture of engagement with each director by encouraging a proactive participation in Board meeting discussions and decision-making process. The Chairman also monitors the discussion time which is allocated to each agenda item at Board meetings, depending on their relative complexity, and engages into a constructive dialogue with the investors and other stakeholders on behalf of the Board where necessary.

The key responsibilities of the Chairman of the Board can be summarised as follows:

- To provide leadership to the Board to ensure it functions effectively;
- In concert with the Directors and assistance of the Scheme Secretary, to develop and set the agendas for meetings of the Board;
- To coordinate with the Trustee to ensure that the Board receives the appropriate quantity and quality of information in a timely manner to enable it to make informed decisions;
- To chair all meetings of the Board and ensure that meetings are conducted efficiently and effectively;
- To ensure that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;
- To ensure that all Directors exercise their skills, knowledge and expertise on key Board matters and assist the Board in achieving a consensus;
- To develop teamwork and a cohesive Board culture and facilitate formal and informal communication with and among Directors;
- To help ensure that action items established by the Board are worked on with the assistance of the Scheme Secretary and appropriate follow-up actions are taken as necessary; and
- To chair annual and special meetings of shareholders.

The Board has adopted the board charter in line with the recommendation of the Board.

Principle 2 - The Structure of the Board and Its Committees

The Board has an established Audit and Risk Committee and a Corporate Governance Committee at group level and same has been adopted as from 07 May 2015.

The Board draws on the African Alliance Group Audit and Risk Committee and Remunerations Committee and due to the size of the Board, no separate Audit and Risk Committee and Remuneration Committee has been set up.

The Board of Directors collectively considers the measures in respect of the Code of Corporate Governance issues and this is further strengthened by the presence of independent intermediaries including, the African Alliance Group Audit and Risk Committee, a Capital Allocation Committee comprising of independent members, Investment Advisors and, Auditors as additional safeguards in meeting this principle as they submit periodic reports to the board, where required.

The Board is a unitary Board 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 considers that its current size and composition are appropriate for the type of activity in which the Scheme is engaged and for the effective discharge of the Board's responsibilities.

Due to its size and nature of business as well as being a private Scheme, there are no independent directors. The profiles of the Board of Directors are set out as follows:



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 2 – The Structure of the Board and Its Committees (continued)

- **Mr A.M.B de Castro – Non-Executive Director (appointed on 15 April 2014 and resigned on 21 March 2019)**

Mr de Castro holds a Bachelor of Arts and an Honours Degree in Economics from the University of the Witwatersrand. Mr de Castro started his career at Standard Bank Investment Corporation as an economist in 1984. As group economist with Sechold Group, he was the driver behind the expansion of the Sechold Group's emerging interests in Africa. He was also a director of Capital Alliance Asset Management before establishing the African Alliance Group in partnership with Brait (a company listed on the Luxembourg and Johannesburg stock exchanges. He founded the African Alliance Group in 1992, which presently has interests throughout Africa in investment banking, retail financial services, insurance and property. Mr de Castro is the Senior Partner and Chief Executive Officer of the African Alliance Group.

- **Mrs M .J Comarmond– Executive Director (appointed on 15 September 2009)**

Mrs Comarmond joined the African Alliance Group in 2008. She is currently the General Manager for PIVOT Limited (subsidiary of African Alliance Group) in Mauritius where she oversees the Group centralised business process operations and serve on several African Alliance (AA) Boards as Director. She has over 30 years combined experience in Finance, Administration and Management having held those positions mainly in Insurance, Investment and Accountancy firms. She finished a diploma in Computer System Analysis and Design, completed partly the ICSA studies and followed General Management and Strategy Execution senior executive's programmes. Prior to that, she was the Office and Finance Manager at Microsoft – Indian Ocean Islands regional office for 10 years.

- **Mr N. England – Chairman and Group CFO (appointed on 01 February 2011)**

Mr England is a qualified chartered accountant and is a Fellow of the Institute of Chartered Accountants in England & Wales. He has held various executive finance positions including Group Financial Manager of the Murray & Roberts Group from 1990 to 1998; the Group Financial Director of the Telesure Investment Holdings Group from 2000 to 2008, which is an insurance group, where he served as a director of Auto & General Insurance and Dial Direct Insurance; General Manager Finance for Absa Life in 2009, and General Manager Finance for Absa Financial Services in 2010. Mr England joined the African Alliance Group in October 2010 as Group CFO and serves as chairman of the Group Capital Allocation Committee, the Group Audit and Risk Committee, and chairs numerous subsidiary company boards.

- **Mr K.W Van Staden – Executive Director (appointed on 19 July 2017 and resigned on 03 December 2019)**

Mr Van Staden holds a B Juris and LLB from the University of South Africa, an MBA from the University of Wales and an Executive MBA from the University of Cape Town's Graduate School of Business. He has over 20 years' experience in the financial services industry having gained exposure within the legal, compliance and administration areas of both the banking and asset management sectors. He is the General Manager for African Alliance's Asset Management Division. Prior to joining African Alliance he was the head of Maitland's Corporate Services Division responsible for rendering fiduciary and corporate administration services to structured finance and securitization programmes.

- **Mr M.D Chuttur– Executive Director (appointed on 08 January 2018)**

Mr Chuttur is a Fellow member of ACCA, Member of ICSA, Member of CISI and also holds an MBA along with a BA (Hons) in Accounting and Financial Management from the University of Sunderland. He is a versatile and accomplished senior finance and operations management professional with over 20 years' experience across different sectors, namely, asset management, banking, project management, strategy, finance & investments and corporate secretary & compliance. Along with his Mauritius experience, he also acquired his experience in the Channel Islands and Cayman Islands. He was also the Director of Century Banking Corporation Limited, an Islamic Investment Bank, located in Mauritius. He currently holds the position of Operation Manager of the Investment Administration Services at Pivot Limited, a member of the African Alliance Group.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 2 – The Structure of the Board and Its Committees (continued)

During the year ended 2019, 4 Board meetings were held and the directors attended same.

Attendance at board meetings held in last 12 months:

Director Name	23.03.2019	13.05.2019	08.08.2019	24.10.2019
MCJ Comarmond	Attended	Attended	Attended	Apologies
MD Chuttur	Attended	Attended	Attended	Attended
N England	Attended	Attended	Attended	Attended
KW van Staden	Attended	Attended	Attended	Attended

Principle 3 - Directors Appointment Procedures

As per the Code, there should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors.

Board appointment nominations are proposed to the board members together with their curriculum vitae for considerations. The re-election of directors is done every year with a resolution passed in lieu of AGM that provides that "the existing directors be and are hereby re-confirmed in office until the next annual meeting".

- **Induction**

The Company Secretary of the CIS Manager has a formal induction programme and will be imparted to those new Directors who will be appointed as Board members. All new Board Members should be inducted by way of a formal induction programme which is overseen by the Board and the Company Secretary of the CIS Manager.

On completion of the induction programme, the newly appointed Director should have sufficient knowledge and understanding of the nature of the business, and the opportunities and challenges facing the Scheme, to enable them to effectively contribute to strategic discussions and oversight of the Scheme.

- **Professional Development**

The Chairperson regularly reviews and agrees with each director on his or her training and development needs and ensures that directors continually update their skills and knowledge. The CIS Manager provides the necessary resources for developing and updating its directors' knowledge and capabilities.

- **Trustee**

The Trustee has an advisory role in all governance-related matters concerning the Scheme.

The principal functions of the Trustee include executing and administering the Scheme and exercising its functions in accordance with the terms of the Scheme Trust Deed, reporting on the administration of the Scheme by the CIS Manager, and ensuring that there is a legal separation of assets held under custody and the legal entitlement of investors to such assets is assured, and appropriate internal control systems are maintained and that records clearly identify the nature and value of all assets under management, the ownership of each asset and the place where documents of title pertaining to each assets are kept.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 4 - Directors' Duties, Remuneration and Performance

- **Legal Duties**

All of the Directors on the Board including any alternate directors are fully apprised of their fiduciary duties as laid out in the Mauritius Companies Act, 2001.

- **Code of Ethics**

The ethical standards of the Scheme are defined in a Code of Ethics and Conduct which the Scheme adopted. These policies and procedures enable the Scheme to meet its regulatory obligations and also meet its objective of creating and operating with the highest levels of business integrity and ethical best practice. The Code of Ethics for the year 2019 will be reviewed in the next board meeting of the CIS Manager.

- **Board Evaluation**

The Code encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and individual directors, and produce a development plan on an annual basis.

The evaluation of the Board, its committees and individual directors, including the chairman, is performed every year at African Alliance Group level.

- **Conflict of Interest**

The Directors must declare the nature of their interest(s), depending on the following circumstances:

- at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration;
- if the Director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or
- in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Directors held after he becomes so interested.

A register of interests is kept by the Company Secretary of the CIS Manager and is updated on a regular basis.

- **IT Governance Policy**

The Code provides that the Board is responsible for the governance of the organisations information strategy, information technology and information security. Ocorian Corporate Services (Mauritius) Limited being Trustee of the Scheme is responsible for keeping all statutory records and accounting records of the Scheme.

No Board member shall disclose any information of a confidential nature regarding the business of the Scheme. A Board member shall not use such confidential information for his or her personal benefit.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 4 - Directors' Duties, Remuneration and Performance (continued)

- **Directors' Remuneration**

Given the size and nature of the business activities of the Scheme, there is no remuneration committee for the Scheme. There is no remuneration policy in place as the Board is of opinion that such policy is not required for the Scheme for now. Moreover, the executive and non-executive directors of the Scheme do not receive any form of remuneration from the Scheme.

- **Directors' Liability Insurance**

The CIS Manager of the Scheme has in place a proper liability Directors & Officers and Professional Indemnity Insurance cover for its directors and officers, renewable on a yearly basis, for any legal action entered against them.

- **Related Party Transactions**

Parties are considered to be related to the Scheme if they have the ability, directly or indirectly, to control the Scheme or exercise significant influence over the Scheme in making financial and operating decisions, or vice versa, or where the Scheme is subject to common control or common significant influence. Related parties may be individuals or other entities. The CIS manager and the Trustee oversees the related parties transactions.

Please refer to note 8 of the individual financial statements of the Scheme.

Principle 5 - Risk Governance and Internal Control

The oversight of risk management and internal control activities, either at the level of the Scheme or its service providers, is currently delegated to the Board of directors which regularly reviews the effectiveness of the internal control and risk management systems of the Scheme. The Board also reviews the performance of the external auditors and approves any proposed discharge of the external auditors when circumstances warrant. Additionally, with the direction of the Board, management has developed and implemented appropriate frameworks and effective processes for sound management of risk.

The Scheme has adopted an Internal Control Procedure Manual and Code of Ethics (the "Manual") as required under Sections 40 and 41 of The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008. The Board is ultimately responsible for the Scheme's system of internal control as well as implementation, maintenance and monitoring of the internal control in place. The Board confirms that it will continue to identify, evaluate and manage the various risks faced by the Scheme.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Scheme. Further, risks and uncertainties are managed at the level of the board of directors of the Scheme. Moreover, considering the size and nature of its business activities, the Scheme does not have a whistle blowing policy in place. Instead, all affairs are addressed to the Board of directors of the Scheme. Moreover, the trustee of the Scheme has a whistle blowing policy in place.

Moreover, the Board of directors is responsible for the day-to-day management as well as the Scheme's strategic, financial, operational and compliance risk matters. Further, the Board has also developed and implemented appropriate framework and effective process for the sound management of risk.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 6 - Reporting with Integrity

Directors acknowledge their responsibilities for:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of financial statements which fairly present the state of affairs of the Scheme as at the end of the financial year and the cash flows for the year and which comply with International Financial Reporting Standards (IFRS); and
- the use of appropriate accounting policies supported by reasonable and prudent judgements and estimates.

The financial statements are tabled for review and approval by the Board of Directors before filing with the Financial Services Commission Mauritius ('FSC') on an annual basis. Quarterly management accounts are filed with the FSC within 45 days of quarter end.

The directors make an assessment of the Scheme's ability to continue as a going concern and same is disclosed in the financial statements every year.

Principle 7 – Audit

- **Directors' responsibilities**

The Directors are responsible for the preparation and fair preparation of the financial statements in accordance with all the requirements of the Companies Act 2001 and IFRS and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Any deviations on the above will be reported in the independent auditors' report attached to the financial statements.

- **Environment Issues**

Due to the nature of its activities, the Scheme has no adverse impact on environment.

- **Health and safety Issues**

Due to the nature of its activities, the Scheme has no impact on health and safety issues.

- **Social Issues**

Due to the nature of its activities, the Scheme has no adverse impact on social issues.

- **Corporate Social Responsibility**

Due to the nature of its activities, the Scheme has no corporate social responsibility in place.

- **Charitable and Political Contribution**

The Scheme has not made any donations during the current or in previous year.

- **External Audit**

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

KPMG was re-appointed as the statutory auditors for the financial year ended 31 December 2019 at the shareholders' meeting during the year.

An audit plan is prepared annually by Group internal audit and agreed with the auditors.



Haussmann Rech Unit Trust Scheme

Corporate Governance report

Principle 7 – Audit (continued)

Fees payable to the external auditors for audit services for the year are as follows:

	2019 USD
Audit Fees (exclusive of VAT)	19 439

The External auditors provide only audit services to the Scheme.

- **Internal Audit**

The responsibility of monitoring the internal control systems in place has been kept at the Board level. However, given the size and complexity of the Scheme no such internal audit function has been established. The Board of the CIS Manager adheres to the principles of the Internal Control Procedure Manual adopted by the Scheme.

Principle 8 - Relations with Shareholders and Other Key Stakeholders

- **Stakeholders**

The Board is responsible for directing the affairs of the Scheme in the best interests of its shareholders, in conformity with the legal and regulatory frameworks and consistent with the Scheme's Constitution, best governance practices and in line with Mauritius Companies Act. Any queries raised by the shareholder/ stakeholder are attended to by the Secretary or the Directors, as applicable.

- **Dividend Payment**

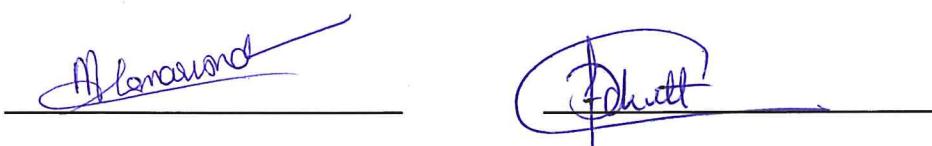
During the financial year ended 31 December 2019, the Board did not recommend the payment of Dividend.

Conclusion

The Board confirms that all measures in respect of the Code of Corporate Governance are satisfied by the presence of intermediaries including the African Alliance Group Audit and Risk Committee, the African Alliance Remuneration Committee and the African Alliance Capital Allocation Committee, and in progress with the establishment of the African Alliance Corporate Governance Committee and other forums supporting corporate governance policy in the business.

Appreciation

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



Two handwritten signatures are shown side-by-side. The signature on the left appears to be 'Alfonso' and the signature on the right appears to be 'Drue'. Both signatures are in blue ink and are placed over two horizontal lines.

19 March 2020



Haussmann Rech Unit Trust Scheme

Corporate Governance report

STATEMENT OF COMPLIANCE

Name of Scheme: **Haussmann Rech Unit Trust Scheme (the "Scheme")**

Reporting Period: January 1, 2019 to December 31, 2019.

We, the Directors of the CIS Manager (the "board"), confirm to the best of our knowledge that the Scheme has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016) ("code").

Handwritten signature of Alphonse Monarval in blue ink, placed over a solid horizontal line.

Handwritten signature of Dr. J. Chettu in blue ink, enclosed within a blue oval shape, placed over a solid horizontal line.

19 March 2020



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**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HAUSSMANN RECH UNIT TRUST SCHEME**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the following unit portfolios of Haussmann Rech Unit Trust Scheme (the Scheme) for the year ended 31 December 2019:

1. Haussmann Rech Global Equity Opportunities Fund;
2. Haussmann Rech Global Equity Multi Strategy Fund;
3. Haussmann Rech Global Fixed Income Fund;
4. Haussmann Rech Global Managed Fund.

These financial statements comprise the respective statements of financial position as at 31 December 2019 and the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to unit holders and statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 101.

In our opinion, these financial statements give a true and fair view of the financial position of Haussmann Rech Unit Trust Scheme as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HAUSSMANN RECH UNIT TRUST SCHEME**

Report on the Audit of the Financial Statements (continued)

Other Information

The directors of the Scheme's manager are responsible for the other information. The other information comprises the Approval of the Financial Statements, Corporate Governance Report, Statement of Compliance, Trustee's Report and Unit Trust Funds Report, but does not include the financial statements and our auditors' 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.

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. We have nothing to report in this regard.

Responsibilities of Directors of the Scheme Manager for the Financial Statements

The directors of the Scheme's manager are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors of the Scheme's manager 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 of the Scheme's manager are responsible for assessing the Scheme'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 of the Scheme's manager either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HAUSSMANN RECH UNIT TRUST SCHEME**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Scheme's manager.
- Conclude on the appropriateness of the use of the Scheme managers' directors 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 Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- 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 of the Scheme's manager 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.



**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HAUSSMANN RECH UNIT TRUST SCHEME**

Report on the Audit of the Financial Statements (continued)

Other Matter

This report is made solely to the unit holders of the Scheme, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the unit holders of the Scheme, as a body, those matters that we are required to state to them in an auditors' 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 Scheme and the unit holders of the Scheme, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Scheme other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Scheme as far as it appears from our examination of those records.

KPMG

KPMG
Ebène, Mauritius

WG Pretorius

Wayne Pretorius
Licensed by FRC

Date: 17 April 2020

O C O R I A N

TRUSTEE REPORT

UNDER SECTION 11.4.6 OF THE TRUST DEED

We, as trustee of Haussmann Rech Unit Trust Scheme, certify that based on records and information made available to us by the Manager, for the year ended 31 December 2019:

- a) the Trust has been administered in accordance with the limitations imposed by the Laws on the Manager's investment and borrowing powers.
- b) the Trust has been administered in accordance with the provisions of the Laws and the Trust Deed, with the exception that the Trustee does not control the bank account.
- c) there has been legal separation of assets held under custody and legal entitlement of investors to the assets has been assured.
- d) appropriate internal control systems have been maintained and records clearly identify the nature, value and ownership of all assets under management

NOVAN MAHARAHAJE, FCA
FOR
OCORIAN CORPORATE
SERVICES (MAURITIUS) LIMITED

**Ocorian Corporate Services (Mauritius) Limited
As Trustee of Haussmann Rech Unit Trust Scheme
Represented by**

Date: 19 MAR 2020

6th Floor, Tower A,
1 CyberCity, Ebene, 72201 Mauritius

T +230 403 6000
F +230 403 6060

ocorian.com

Ocorian Corporate Services (Mauritius) Limited
Regulated by the Financial Services Commission
of Mauritius
Business Registration Number: C06025366

The contents of this document are classified as DC2 – confidential information



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

The management company is pleased to present their report for Haussmann Rech Unit Trust Scheme ("the Scheme") for the year ended 31 December 2019.

The Scheme is licensed as a Collective Investment Scheme, structured as a Trust which constitutes of several portfolios.

The Scheme was granted a GBL Category 1 License on 26 December 2016.

Haussmann Rech Unit Trust Scheme

Registered office

1st Floor, 32 Ebene Heights

Cybercity, Ebene

Mauritius

Trustee

Ocorian Corporate Services (Mauritius) Limited

6th Floor, Tower A

1 Cybercity, Ebene

Mauritius

Custodian

Standard Chartered Bank (Mauritius) Limited

Units 6A and 6B

6th Floor, Raffles Tower

Lot 19, Cybercity, Ebene

Mauritius

CIS Manager

African Alliance Mauritius Management Company Limited

1st Floor, 32 Ebene Heights

Cybercity, Ebene

Mauritius



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

Haussmann Rech Unit Trust Scheme (continued)

CIS Administrator

Pivot Limited

1st Floor, 32 Ebene Heights

Cybercity, Ebene

Mauritius

Auditors

KPMG

KPMG Centre

31, Cybercity

Ebene

Mauritius

Directors of CIS Manager

M.J Comarmond

N. England

M.D Chuttur

The unit portfolios

The Haussmann Rech Unit Trust Scheme consists of the following five unit portfolios, of which one (the Haussmann Rech Euro Fund) is currently dormant.

The four unit portfolios became operational on 01 June 2015 and Haussman Rech Global Equity Multi Strategy Fund became operational on 30 August 2018.

The Scheme has applied for a conversion in its license to become an Expert Fund under the Collective Investment Scheme and is subject to approval from the FSC.

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the Fund's operations. The Board of Directors will continue to support the business and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting. Business will continue as it is an essential service and in the medium term, we anticipate business returning to normal.

The impact of stock market has been detailed under subsequent events note for each Fund.



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

The unit portfolios (continued)

Haussmann Rech Global Equity Opportunities Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to seek to secure, for investors, an overall growth of capital, as its primary objective, and income, as a secondary objective.'

Investment policy: The Fund's policy is to acquire investments comprising of a mix of securities, as well as liquid assets, all to be acquired at a fair market value. Such securities will be held both directly and indirectly by means of other similar investment vehicles that, in turn, invest in a mix of securities and liquid assets.

The unit portfolio may invest all of its assets in another unit portfolio of the Trust or in a single collective investment scheme where it is authorised as a feeder unit portfolio / collective investment scheme, provided that the Commission is satisfied that the feeder unit portfolio / collective investment scheme shall meet such terms and conditions as the Commission may deem fit.

Fees: A maximum fee of 2% p.a. is permissible in terms of Clause 8.2 of the supplemental Trust Deed. Initial fees, not exceeding 5 %, are permissible in terms of Clause 8.1 of the supplemental Trust Deed.

As from 21 May 2018, the Fund changed its name to Haussmann Rech Global Equity Opportunities Fund.

Haussmann Rech Global Equity Multi Strategy Fund

Date of establishment: 04 December 2012

Fund objective:'Is to seek to secure, for investors, an overall growth of capital, as its primary objective, and income, as a secondary objective.'

Investment policy: The Fund's policy is to acquire investments comprising of a mix of securities, as well as liquid assets, all to be acquired at a fair market value. Such securities will be held both directly and indirectly by means of other similar investment vehicles that, in turn, invest in a mix of securities and liquid assets.

The unit portfolio may invest all of its assets in another unit portfolio of the Trust or in a single collective investment scheme where it is authorised as a feeder unit portfolio / collective investment scheme, provided that the Commission is satisfied that the feeder unit portfolio / collective investment scheme shall meet such terms and conditions as the Commission may deem fit.

Fees: A maximum fee of 2% p.a. is permissible in terms of Clause 8.2 of the supplemental Trust Deed. Initial fees, not exceeding 5 %, are permissible in terms of Clause 8.1 of the supplemental Trust Deed.

As from 21 May 2018, the Fund changed its name from Haussmann Rech Global Equity Direct Investment Fund to Haussmann Rech Global Equity Multi Strategy Fund.



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

The unit portfolios (continued)

Haussmann Rech Global Fixed Income Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to provide a total return to investors, through a combination of capital growth and income earned that is commensurate with risks.'

Investment policy: The Fund's policy is to invest in a globally diversified portfolio of fixed income securities. This may be achieved by investing directly in the securities or indirectly in other funds.

Fees: A maximum fee of 2% p.a. is permissible in terms of Clause 8.2 of the supplemental Trust Deed. Initial fees, not exceeding 5 %, are permissible in terms of Clause 8.1 of the supplemental Trust Deed.

Haussmann Rech Global Managed Fund

Date of establishment: 04 December 2012

Fund objective: 'Is to seek long-term growth of capital consistent with moderate investment risk and a reasonable level of current income.'

Investment policy: The Fund's policy is to invest in a diversified range of international securities, directly held by the unit portfolio, or indirectly by means of one or more collective investment vehicles.

Fees: A maximum fee of 2% p.a. is permissible in terms of Clause 8.2 of the supplemental Trust Deed. Initial fees, not exceeding 5 %, are permissible in terms of Clause 8.1 of the supplemental Trust Deed.

Haussmann Rech Euro Fund

The Haussmann Rech Euro Fund is currently dormant.

1. Trustee

The trustee has verified that, for the year ended 31 December 2019, the issue, sale, redemption and cancellation of units, the calculation of the price of the Scheme's units and the application of the Scheme's income have been carried out in accordance with the Trust Deed.

The trustee is further of the opinion that, for the year ended 31 December 2019, the Unit Trust Scheme has been managed in accordance with the limitations imposed on the investment and borrowing powers of the manager and the trustee by the Trust Deed.

The trustee is entitled to a fixed annual trustee fee of USD 5 000, and variable annual fees of USD 5 000 for each active portfolio as from 01 June 2015.



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

2. Management company

The management company of the Trust is African Alliance Mauritius Management Company Limited (the "CIS Manager") a company incorporated in Mauritius (registration number C080778 C1 / GBL).

The CIS Manager is entitled to an initial charge of up to 5%, included in the sale price of a Unit, as set out in the Unit Portfolio Supplemental Deed.

The CIS Manager is entitled to a Manager's charge at a rate not exceeding 2% per annum, or such higher maximum percentage as the Commission may on the application of the CIS Manager allow, of the daily market value of the total assets of that Unit Portfolio, including income accrued to date.

The amount accrued on account of the CIS Manager's charge shall be paid to the CIS Manager from the income account as soon as practicable after the end of each calendar month.

3. Custodian

As from 01 June 2015, the Standard Chartered Bank (Mauritius) Limited agreed a flat fee of USD 3,000 per month for the Scheme.

As per Board's direction at the meeting held on 10 May 2018, no custodian fees (which are charged for the overall Scheme) should be allocated to Haussmann Rech Managed Fund to avoid duplication of fees, as this Fund is entirely investing in underlying funds within the Scheme.

4. Portfolio Managers and Advisors

African Alliance Mauritius Management Company Limited, the management company, acted as portfolio manager and advisor to the Unit Trust Scheme during the entire period under review.

5. Review of activities

Main business and operations

The Unit Trust Scheme generated income (excluding net gain from financial assets at fair value through profit or loss and income equalisation) and incurred expenses during the year, as set out in the table below:

	Year ended		Year ended	
	<u>31 December 2019</u>	<u>Income</u>	<u>31 December 2018</u>	<u>Expense</u>
Haussmann Rech Dollar Fund	-	-	14 703	(7 980)
Haussmann Rech Global Equity Opportunities Fund	24 408	(64 407)	44 153	(256 112)
Haussmann Rech Global Equity Multi Strategy Fund	225 768	(248 970)	53 958	(102 644)
Haussmann Rech Global Fixed Income Fund	50 679	(151 232)	128 356	(181 038)
Haussmann Rech Global Managed Fund	37 918	(14 568)	-	(16 219)



Haussmann Rech Unit Trust Scheme

Unit Trust Funds report

5. Review of activities (continued)

Net asset values

	<u>31 December 2019</u>	<u>31 December 2018</u>
Haussmann Rech Dollar Fund		
Net asset value for fund pricing	-	667 069
Units in issue	-	663 903
Net asset value per unit	-	1.00
Haussmann Rech Global Equity Opportunities Fund		
Net asset value for fund pricing	3 544 111	8 933 151
Units in issue	4 430 320	11 477 754
Net asset value per unit	0.80	0.78
Haussmann Rech Global Equity Multi Strategy Fund		
Net asset value for fund pricing	23 934 777	13 348 369
Units in issue	22 150 691	15 323 092
Net asset value per unit	1.08	0.87
Haussmann Rech Global Fixed Income Fund		
Net asset value for fund pricing	11 649 670	14 142 033
Units in issue	10 547 153	13 558 591
Net asset value per unit	1.10	1.04
Haussmann Rech Global Managed Fund		
Net asset value for fund pricing	18 548 155	14 070 600
Units in issue	17 872 465	15 618 961
Net asset value per unit	1.04	0.90

Unit prices

The highest and lowest unit prices during the reporting periods are set out below:

	<u>31 December 2019</u>	<u>31 December 2018</u>
Haussmann Rech Global Equity Opportunities Fund		
Highest unit price	0.87	1.13
Lowest unit price	0.72	0.75
Haussmann Rech Global Equity Multi Strategy Fund		
Highest unit price	1.08	1.02
Lowest unit price	0.86	0.83
Haussmann Rech Global Fixed Income Fund		
Highest unit price	1.11	1.08
Lowest unit price	1.04	1.04
Haussmann Rech Global Managed Fund		
Highest unit price	1.04	1.10
Lowest unit price	0.89	0.88



Haussmann Rech Unit Trust Scheme

Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standard Board (IASB), and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss.

The financial statements are presented in US Dollar which is the Scheme's functional currency. All values are rounded to the nearest US Dollar, except where otherwise indicated.

Summary of significant accounting policies

Except for the changes explained in Note 1.13, the Scheme has consistently applied the following accounting policies to all periods presented in these financials.

1.1 Significant accounting judgments, estimates and assumptions

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of the 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.

Judgments

In the process of applying the Scheme's accounting policies, the following judgments, having the most significant effect on the amounts recognised in the financial statements, have been made.

Going concern

The Scheme's management has made an assessment of the Scheme's ability to continue as a going concern and is satisfied that the Scheme has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Scheme's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

The Scheme did not apply any estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Scheme. Such changes will be reflected in those assumptions when they occur.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair values are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs, such as credit risks (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.



Haussmann Rech Unit Trust Scheme

Accounting policies

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the Scheme becomes a party to the contractual provisions of the instruments.

The Scheme classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value. On initial recognition, financial asset is classified as amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Impairment of financial assets

The Scheme recognises a loss allowance for expected credit losses on all financial assets. The amount of expected credit losses is updated at each reporting date.

Loss allowance for all receivables is determined as lifetime expected credit losses (simplified approach). Loss allowance for receivables is determined in the same manner as prescribed for all financial assets at amortised cost.

The Scheme measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Scheme makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The Scheme writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Scheme recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Haussmann Rech Unit Trust Scheme

Accounting policies

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. They are measured at amortised cost.

Bank overdraft and other financial liabilities

Bank overdrafts, borrowings and trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Scheme's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest method.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when :

- . the rights to receive cash flows from the asset have expired; and
- . the Scheme 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 either (a) the Scheme has transferred substantially all the risks and rewards of the asset, or (b) the Scheme had neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Scheme has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it 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 Scheme's continuing involvement in the asset. In that case, the Scheme 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 Scheme has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Scheme could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When the 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 and loss.

Haussmann Rech Unit Trust Scheme

Accounting policies

1.2 Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if :

- . there is a currently enforceable legal right to offset the recognised amounts; and
- . there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.3 Functional and presentation currency

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

1.4 Foreign currency

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as net foreign exchange gain/(loss), except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain from financial instruments at fair value through profit or loss.

1.5 Net gain/(loss) from the financial assets at fair value through profit or loss

Net gain/(loss) from financial asset at fair value through profit or loss includes all realised and unrealised fair value changes but excludes interest and dividend income.

1.6 Redeemable participating units

Redeemable participating units are redeemable at the unit holders' option and are classified as financial liabilities. The liabilities arising from the redeemable units are carried at the redemption amount, being the net asset value calculated in accordance with the Trust Deed.

The Scheme issues units at the net asset value of the existing units. The holder of participating units can redeem at any time during the year for cash equal to a proportionate unit of the Scheme's net asset value (calculated in accordance with redemption requirements). The Scheme's net asset value per unit is calculated by dividing the net assets attributable to unit holders (calculated in accordance with redemption requirements) by the number of units in issue.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Scheme in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.



Haussmann Rech Unit Trust Scheme

Accounting policies

1.8 Distributions to unit holders

In accordance with the Funds' constitution, each unit portfolio fully distributes its distributable income to unit holders.

Proposed distributions to unit holders are recognised in profit or loss on the Fund's ex-date. The distribution expense is recognised in profit or loss as a finance cost.

Distributable income excludes capital gains arising from the disposal of investments and unrealised gains or losses on revaluation of investments.

1.9 Interest income

Interest income is recognised in the profit or loss for all interest-earning financial instruments using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Scheme estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable are recognised in profit or loss as interest income.

1.10 Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established. For quoted equity securities this is usually the ex-dividend date. For unquoted securities, this is usually the date when the shareholders have approved the payment of a dividend.

Dividend income from equity securities designated as at fair value through profit or loss is recognised in the profit or loss as a separate line item.

1.11 Fees

Unless included in the effective interest calculation, fees are recognised on an accrual basis.

1.12 Income taxes

For the purpose of the Statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

The Scheme is not taxable in Mauritius.



Haussmann Rech Unit Trust Scheme

Accounting policies

1.13 Changes in accounting policies and disclosures

The Scheme has consistently applied the accounting policies as set out in Note 1.1 to 1.12 to all periods presented in these financial statements.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), on a basis consistent with the prior year except for the adoption of the following new or revised standards.

1.14 New and amended standards and interpretations

Amendments mandatory effective for the year ending 31 December 2019.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme.

Not yet mandatorily effective but early application allowed for the year ending 31 December 2019

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 31 December 2019, and have not been applied in preparing the financial statements. Those which may be relevant to the Scheme are set out below. The Scheme does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

- Amendments to IAS 1 and IAS 8 - Definition of material

Definition of Material - Amendments to IAS 1 and IAS 8

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments are not expected to impact significantly the Company's financial statements.

The amendments are effective for annual periods beginning on or after 1 January 2020.



Haussmann Rech Global Equity Opportunities Fund

Audited financial statements
for the year ended 31 December 2019



Haussmann Rech Global Equity Opportunities Fund

Statement of financial position as at 31 December 2019

Figures in US Dollar	Note	2019	2018
Assets			
Financial assets at fair value through profit or loss	1	3 486 592	7 692 496
Dividend receivable		3 700	-
Prepayments and other receivables		1 143	1 934
Cash and cash equivalents	2	59 523	1 252 679
Total assets		3 550 958	8 947 109
Liabilities			
Management fees	8	2 889	7 168
Custodian fees		1 000	1 000
Trustee fees	8	1 633	904
Audit fees		1 325	4 886
Total liabilities excluding net assets attributable to unit holders		6 847	13 958
Net assets attributable to unit holders		3 544 111	8 933 151
Represented by :			
Net assets attributable to unit holders		3 544 111	8 933 151

The accounting policies on pages 25 to 30 and notes on pages 36 to 47 are an integral part of these financial statements.



Haussmann Rech Global Equity Opportunities Fund

Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Income			
Net gain from financial assets at fair value through profit or loss	1	380 308	-
Dividend income		24 408	44 153
Income equalisation	4	191 214	389 371
Total income		595 930	433 524
Expenses			
Net loss from financial assets at fair value through profit or loss	1	-	(5 340 500)
Management fees	8	(32 170)	(205 690)
Custodian fees		(12 000)	(15 891)
Trustee fees	8	(8 454)	(5 826)
Audit fees		567	(8 527)
Bank charges		(277)	-
Other operating expenses		(12 073)	(20 178)
Total expenses		(64 407)	(5 596 612)
Increase / (Decrease) in net assets attributable to unit holders		531 523	(5 163 088)

The accounting policies on pages 25 to 30 and notes on pages 36 to 47 are an integral part of these financial statements.



Haussmann Rech Global Equity Opportunities Fund

Statement of changes in net assets attributable to unit holders for the year ended 31 December 2019

Figures in US Dollar	Note	Net assets attributable to unit holders	Number of units	Net asset value per unit
Balance at 01 January 2018		29 214 846	27 755 382	1.05
Contributions and redemptions by unit holders				
Issue of units during the year		2 868 168	2 627 736	
Redemption of units during the year		(17 986 776)	(18 905 364)	
Decrease in net assets attributable to unit holders		(5 163 087)	-	
Balance at 31 December 2018	6	8 933 151	11 477 754	0.78
Balance at 01 January 2019		8 933 151	11 477 754	0.78
Contributions and redemptions by unit holders				
Issue of units during the year		754 768	893 540	
Redemption of units during the year		(6 675 331)	(7 940 974)	
Increase in net assets attributable to unit holders		531 523	-	
Balance at 31 December 2019	6	3 544 111	4 430 320	0.80

The accounting policies on pages 25 to 30 and notes on pages 36 to 47 are an integral part of these financial statements.



Haussmann Rech Global Equity Opportunities Fund

Statement of cash flows for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Cash flows from operating activities			
Proceeds from sale of financial assets at fair value through profit or loss		9 446 510	18 596 944
Payments for acquisition of financial assets at fair value through profit or loss	1	(4 860 298)	(2 472 971)
Dividend received		20 708	58 319
Trustee fees paid		(7 725)	(7 336)
Management fees paid		(36 449)	(213 845)
Custodian fees paid		(12 000)	(15 891)
Audit fees paid		(2 994)	(14 055)
Bank charges paid		(277)	-
Other operating expenses paid		(11 282)	(21 180)
Net cash generated from operating activities		4 536 193	15 909 985
Cash flows from financing activities			
Proceeds from issue of units	5	727 498	2 824 951
Payment on redemption of units	5	(6 456 847)	(17 554 188)
Net cash used in financing activities		(5 729 349)	(14 729 237)
Net (decrease) / increase in cash and cash equivalents		(1 193 156)	1 180 748
Cash and cash equivalents at the beginning of the year		1 252 679	71 931
Cash and cash equivalents at the end of the year	2	59 523	1 252 679

The accounting policies on pages 25 to 30 and notes on pages 36 to 47 are an integral part of these financial statements.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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1. Financial assets at fair value through profit or loss

Financial assets held for trading

Unlisted securities

Opening balance	7 692 496	29 156 969
Additions	4 860 298	2 472 971
Disposals	(12 033 350)	(18 817 057)
Unrealised gain / (losses) from financial assets at fair value through profit or loss	2 967 148	(5 120 387)
Closing balance	<u>3 486 592</u>	<u>7 692 496</u>

Net gain / (loss) from financial assets at fair value through profit or loss is analysed as follows:

Realised	(2 586 840)	(220 113)
Unrealised	2 967 148	(5 120 387)
	<u>380 308</u>	<u>(5 340 500)</u>

Refer to Note 3, Fair value of financial instruments, for details of the financial assets and Note 11 , Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of :

Bank balances and liquid investments

Analysed as:

Cash at bank

59 523	1 252 679
<u>59 523</u>	<u>1 252 679</u>

3. Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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3. Fair value of financial instruments (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2019</u>				
African Alliance SICAV Fund - Class I	-	100 972	-	100 972
Alphabet Inc Cl A	200 909	-	-	200 909
Bank of America Corporation	281 760	-	-	281 760
Canada Goose Holding Inc	99 660	-	-	99 660
Fireeye Inc	264 480	-	-	264 480
Home Depot Inc/The	218 380	-	-	218 380
Horizon Discovery Group Plc	198 933	-	-	198 933
KEFI Minerals PLC	159 146	-	-	159 146
Motif Bio Plc Spon Adr	88	-	-	88
Points International Ltd	381 375	-	-	381 375
RAYTHEON COMPANY	239 517	-	-	239 517
San Leon Energy PLC	185 671	-	-	185 671
SDX Energy Inc	85 274	-	-	85 274
Taste Holdings Ltd	18 564	-	-	18 564
Tetragon Financial Group Ltd	212 238	-	-	212 238
Victoria Oil & Gas Plc	79 516	-	-	79 516
VISA INC CLASS A EQUITY	187 900	-	-	187 900
Walmart Inc	237 680	-	-	237 680
Walt Disney Company	334 529	-	-	334 529
	3 385 620	100 972	-	3 486 592
<u>2018</u>				
African Alliance SICAV Fund - Class I	-	7 692 496	-	7 692 496
	-	7 692 496	-	7 692 496

When the fair values of listed equities and debt securities are based on quoted market prices or binding dealer prices (bid prices for long positions and ask prices for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

When financial instruments are not measured at quoted prices in an active market, they are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instruments' terms. To the extent that these inputs are observable, the Fund classifies the fair value of those investments as Level 2.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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3. Fair value of financial instruments (continued)

Financial instruments not measured at fair value

The carrying amount of the following financial instruments not measured at fair value approximate their fair value due to their short term nature.

- Cash and cash equivalents.
- Net assets attributable to unit holders.

4. Income equalisation

Income equalisation on issue of units	(27 270)	(43 217)
Income equalisation on redemption of units	218 484	432 588
Net income for the year	191 214	389 371

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.

5. Issue and redemption of units during the year

Units created during the year	754 768	2 868 168
Income equalisation adjustment (Note 4)	(27 270)	(43 217)
Proceeds from issue of units	727 498	2 824 951
Units redeemed during the year	(6 675 331)	(17 986 776)
Income equalisation adjustment (Note 4)	218 484	432 588
Payment on redemption of units	(6 456 847)	(17 554 188)

6. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their unit redeemed at a proportionate unit price based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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6. Redeemable participating units (continued)

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

7. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest the capital investments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies, and
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.

Refer to Note 9 , Financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

8. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Relationship - Trustee

Ocorian Corporate Services (Mauritius) Limited, a company incorporated in Mauritius, provides trustee services to the Fund.

Trustee fees payable	1 633	904
Trustee fees charged for the year	8 454	5 826



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

8. Related parties (continued)

Relationship - Investment Manager

The Fund is managed by African Alliance Mauritius Management Company Limited, an investment management and administration company incorporated in Mauritius. African Alliance Mauritius Management Company Limited provides management services to the Fund and receives, in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	2 889	7 168
Management fees charged for the year	<u>32 170</u>	<u>205 690</u>

Investments in the Fund made by other Haussmann Rech Unit Trusts:

	Number of Units held	Value of units held	% of units held	Distributions to unit holders	Distributions payable
<u>Haussmann Rech Global Managed Fund</u>					
Opening balance - 01 January 2018	6 134 624	6 457 231	6.75	-	-
Units acquired	2 269 931	2 450 000			
Units disposed	(7 630 120)	(7 600 000)			
Closing balance - 31 December 2018	<u>774 435</u>	<u>602 810</u>	6.75	-	-
Opening balance - 01 January 2019	774 435	602 810	6.75	-	-
Units acquired	477 817	400 000			
Units disposed	(490 667)	(375 000)			
Closing balance - 31 December 2019	<u>761 585</u>	<u>608 778</u>	16.86	-	-



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

8. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trusts:

	Number of Units held	Value of units held	% of units held	Distributions to unit holders	Distributions payable
<u>African Alliance Swaziland Offshore Fund</u>					
Opening balance - 01 January 2018	7 859 083	8 272 376	28.32		
Units acquired	(3 950 000)	(3 434 264)			
	-	-			
Closing balance - 31 December 2018	3 909 083	3 042 779	34.06		
Opening balance - 01 January 2019	3 909 083	3 042 779	34.06		
Units disposed	(3 076 126)	(2 524 420)			
	-	-			
Closing balance - 31 December 2019	832 957	665 829	18.80		

African Alliance Kenya Managed Fund

Opening balance - 01 January 2018	127 102	112 918	0.65
Units disposed	(127 102)	(107 316)	
	-	-	
Closing balance - 31 December 2018			

Investments held in related parties:

African Alliance SICAV Fund - Class I

The Fund holds investments in African Alliance SICAV Fund, a fund managed by African Alliance Advisory (Pty) Limited.

Investments held in African Alliance SICAV Fund - Class I	100 972	7 692 496



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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9. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which include interest rate risk, currency risk and price risk), liquidity risk and credit risk arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are estimates of the ultimate actual loss, based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks are primarily set up based on limits established by the Board of the management company. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

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

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures put in place. Details of the Fund's investment portfolio



AFRICAN ALLIANCE

Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

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9. Financial risk management objectives and policies (continued)

at the reporting date are disclosed in Note 11.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The Fund is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Consequently, the Fund is exposed to risks that the exchange rate of its currency, relative to other currencies, may change in a manner that has an adverse effect on the fair value or future cash flows of the portion of the Fund's assets and liabilities denominated in currencies other than the US Dollar.

Accordingly, the value of the Fund's assets will not be affected favourably or unfavourably by fluctuations in currency rates and therefore the Fund will necessarily not be subject to foreign exchange risks.

	Change in currency rate %	effect of the change in net assets attributable to unit holders	
Assets			
British Pound (GBP)	10	92 078	-
South African Rands (ZAR)	10	1 856	-
		<hr/>	<hr/>
		93 934	-
		<hr/>	<hr/>

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in security indices and individual security and fund prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of 10% change in equity price	348 659	769 249
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A weakening of equity prices would result in an equal but opposite effect to the amounts shown above.

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

9. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 7 days of the redemption instructions being received,
- searching for new investors,
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
<u>2019</u>			
Financial liabilities			
Management fees	-	2 889	2 889
Custodian fees	-	1 000	1 000
Trustee fees	-	1 633	1 633
Audit fees	-	1 325	1 325
Net assets attributable to unit holders	3 544 111	-	3 544 111
	3 544 111	6 847	3 550 958
<u>2018</u>			
Management fees	-	7 168	7 168
Custodian fees	-	1 000	1 000
Trustee fees	-	904	904
Audit fees	-	4 886	4 886
Net assets attributable to unit holders	8 933 151	-	8 933 151
	8 933 151	13 958	8 947 109

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.



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

9. Financial risk management objectives and policies (continued)

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 financing relationships and other transactions.

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

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Dividend receivable	3 700	-
Cash and cash equivalents	<u>59 523</u>	1 252 679
Total credit risk exposure	<u>63 223</u>	1 252 679

The above financial assets are subject to the expected credit loss model and no impairment has been identified for the year under review. Cash and cash equivalents are held with reputable financial institutions.

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts.

10. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	3 486 592	7 692 496
Amortised cost		
Dividend receivable	3 700	-

Cash and cash equivalents

Cash and cash equivalents	<u>59 523</u>	1 252 679
Total financial assets	<u>3 549 815</u>	8 945 175

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	3 544 111	8 933 151
Management fees	2 889	7 168
Custodian fees	1 000	1 000
Trustee fees	1 633	904
Audit fees	1 325	4 886
Total financial liabilities	<u>3 550 958</u>	8 947 109



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

11. Analysis of total assets

		Currency	Country	Price per unit / interest rate per annum	Holdings	Fair value	% of Gross assets
2019							
<u>Financial assets at fair value through profit or loss</u>							
<u>Current:</u>							
African Alliance SICAV Fund - Class I	USD	Luxembourg	71.82	1 406	100 972	2.84	
Alphabet Inc Cl A	USD	USA	1 339.39	150	200 909	5.66	
Bank of America Corporation	USD	USA	35.22	8 000	281 760	7.93	
Canada Goose Holding Inc	USD	USA	36.24	2 750	99 660	2.81	
Fireeye Inc	USD	USA	16.53	16 000	264 480	7.45	
Home Depot Inc/The	USD	USA	218.38	1 000	218 380	6.15	
Horizon Discovery Group Plc	GBP	UK	1.99	100 000	198 933	5.60	
KEFI Minerals PLC	GBP	UK	0.02	10 000 000	159 146	4.48	
Motif Bio Plc Spon Adr	USD	USA	-	25 000	88	-	
Points International Ltd	USD	USA	15.26	25 000	381 375	10.74	
RAYTHEON COMPANY	USD	USA	219.74	1 090	239 517	6.75	
San Leon Energy PLC	GBP	UK	0.37	500 000	185 671	5.23	
SDX Energy Inc	GBP	UK	0.29	292 268	85 274	2.40	
Taste Holdings Ltd	ZAR	South Africa	-	5 189 241	18 564	0.52	
Tetragon Financial Group Ltd	GBP	UK	12.22	17 361	212 238	5.98	
Victoria Oil & Gas Plc	GBP	UK	0.09	922 414	79 516	2.24	
VISA INC CLASS A EQUITY	USD	USA	187.90	1 000	187 900	5.29	
Walmart Inc	USD	USA	118.84	2 000	237 680	6.69	
Walt Disney Company	USD	USA	144.63	2 313	334 529	9.42	
					3 486 592	98.19	

Financial assets at amortised Cost

Cash and cash equivalents

Current

Bank

Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	59 523	59 523	1.68
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Dividend receivable

3 700 0.10

Non-financial assets

Prepayments

1 143 0.03

Total

3 550 958 100.00



Haussmann Rech Global Equity Opportunities Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

11. Analysis of total assets (continued)

	Currency	Country	Price per unit / interest rate per annum	Holdings	Fair value	% of Gross assets
2018						
Financial assets at fair value through profit or loss						
Current:						
African Alliance SICAV Fund - Class I	USD	Luxembourg	67.06	114 711	7 692 496	85.98
					7 692 496	85.98
Financial assets at amortised Cost						
Cash and cash equivalents						
Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	1 252 679	1 252 679	14.00
Non-financial assets						
Prepayments					1 934	0.02
Total					8 947 109	100.00

12. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	0.80	0.78
Net asset value as per IFRS	0.80	0.78

13. Events after the reporting period

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the Fund's operations. The Board of Directors will continue to support the business and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting. Business will continue as it is an essential service and in the medium term, we anticipate business returning to normal.

As at 31 March 2020, the total portfolio has incurred an overall decrease of 40.16% compared to the value as at 31 December 2019. The main investments that have been impacted significantly are Canada Goose Holdings Inc, KEFI Minerals PLC, Points International Ltd, RAYTHEON Company Ltd, San Leon Energy PLC and SDX Energy Inc

There are no other significant events that have occurred in respect of the Fund and the management company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.



Haussmann Rech Global Equity Multi Strategy Fund

Audited financial statements
for the year ended 31 December 2019



Haussmann Rech Global Equity Multi Strategy Fund

Statement of financial position as at 31 December 2019

Figures in US Dollar	Note	2019	2018
Assets			
Financial assets at fair value through profit or loss	1	23 816 366	12 624 848
Prepayments		994	-
Dividend receivable		5 405	2 260
Cash and cash equivalents	2	143 961	744 286
Total assets		23 966 726	13 371 394
Liabilities			
Management fees	8	18 773	10 351
Custodian fees		2 812	4 126
Trustee fees	8	1 609	619
Audit fees		8 130	7 304
Other expenses		625	625
Total liabilities excluding net assets attributable to unit holders		31 949	23 025
Net assets attributable to unit holders		23 934 777	13 348 369
Represented by :			
Net assets attributable to unit holders		23 934 777	13 348 369

The accounting policies on pages 25 to 30 and notes on pages 53 to 67 are an integral part of these financial statements.



Haussmann Rech Global Equity Multi Strategy Fund

Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Income			
Net gain from financial assets at fair value through profit or loss	1	4 334 370	-
Dividend income		225 768	53 958
Total income		4 560 138	53 958
Expenses			
Net loss on financial assets at fair value through profit or loss	1	-	(1 481 994)
Management fees	8	(202 774)	(24 790)
Custodian fees		(17 967)	(22 041)
Trustee fees	8	(8 714)	(1 090)
Audit fees		(5 303)	(7 304)
Bank charges		(75)	-
Income Equalisation	4	(8 946)	(14 149)
Other operating expenses		(14 137)	(47 419)
Total expenses		(257 916)	(1 598 787)
Increase / (decrease) in net assets attributable to unit holders		4 302 222	(1 544 829)

The accounting policies on pages 25 to 30 and notes on pages 53 to 67 are an integral part of these financial statements.



Haussmann Rech Global Equity Multi Strategy Fund

Statement of changes in net assets attributable to unit holders for the year ended 31 December 2019

Figures in US Dollar	Note	Net assets attributable to unit holders	Number of units	Net asset value per unit
Balance at 01 January 2018		-	-	-
Contributions and redemptions by unit holders				
Issue of units during the year		14 893 198	15 323 092	
Decrease in net assets attributable to unit holders		(1 544 829)	-	
Balance at 31 December 2018	6	13 348 369	15 323 092	0.87
Balance at 01 January 2019		13 348 369	15 323 092	-
Contributions and redemptions by unit holders				
Issue of units during the year		10 206 176	10 535 578	
Redemption of units during the year		(3 921 990)	(3 707 979)	
Increase in net assets attributable to unit holders		4 302 222	-	
Balance at 31 December 2019	6	23 934 777	22 150 691	1.08

The accounting policies on pages 25 to 30 and notes on pages 53 to 67 are an integral part of these financial statements.



Haussmann Rech Global Equity Multi Strategy Fund

Statement of cash flows for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Cash flows from operating activities			
Proceeds from sale of financial assets at fair value through profit or loss		4 197 591	-
Payments for acquisition of financial assets at fair value through profit or loss	1	(11 054 739)	(14 106 842)
Dividend received		222 623	51 698
Custody fees paid		(20 292)	(17 915)
Trustee fees paid		(7 725)	(471)
Management fees paid		(194 352)	(14 439)
Audit fees paid		(4 476)	-
Bank charges paid		(75)	-
Other operating expenses paid		(14 120)	(46 794)
Net cash used in operating activities		(6 875 565)	(14 134 763)
Cash flows from financing activities			
Proceeds from issue of units	5	10 174 706	14 879 049
Payment on redemption of units	5	(3 899 466)	-
Net cash generated from financing activities		6 275 240	14 879 049
Net (decrease) / increase in cash and cash equivalents		(600 325)	744 286
Cash and cash equivalents at the beginning of the year		744 286	-
Cash and cash equivalents at the end of the year	2	143 961	744 286

The accounting policies on pages 25 to 30 and notes on pages 53 to 67 are an integral part of these financial statements.



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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1. Financial assets at fair value through profit or loss

Financial assets held for trading

Listed securities

Opening balance

Additions

Disposals

Unrealised gain / (loss) from financial assets at fair value through profit or loss

Closing balance

23 816 366	12 624 848	-
<u>23 816 366</u>	<u>12 624 848</u>	
12 624 848		
11 054 739	14 106 842	
<u>(3 930 141)</u>		
4 066 920	(1 481 994)	
<u>23 816 366</u>	<u>12 624 848</u>	

Net gain/ (loss) from financial assets at fair value through profit or loss is analysed as follows:

Realised

Unrealised

267 450	-	-
<u>4 066 920</u>	<u>(1 481 994)</u>	
4 334 370	(1 481 994)	

Refer to Note 3, Fair value of financial instruments, for details of the financial assets and Note 11 , Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of :

Bank balances and liquid investments

Analysed as:

Cash at bank

143 961	744 286	-
<u>143 961</u>	<u>744 286</u>	

Refer to Note 11, Analysis of total assets, for further details.

3. Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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3. Fair value of financial instruments (continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

2019	Level 1	Level 2	Level 3	Total
ALPS ETF Trust Disruptive Technologies	495 313	-	-	495 313
ETF Managers Trust-Prime Mobile Payments	412 042	-	-	412 042
ISHares Trust Cohen and Steers Realty Majors Index Fund	341 377	-	-	341 377
ISHares MSCI China ETF	512 592	-	-	512 592
ISHares MSCI Japan USD Hedged UCITS ETF	1 131 551	-	-	1 131 551
ISHares MSCI World ETF	6 200 914	-	-	6 200 914
ISHares MSCI All Country Asia Ex Japan ETF	406 382	-	-	406 382
ISHares Trust- US Aerospace and Defense ETF	423 729	-	-	423 729
ISHares IEMO IV Plc	2 144 473	-	-	2 144 473
ISHares IV Plc ISHS MSCI Eur	1 382 756	-	-	1 382 756
SPDR S&P Oil & Gas Exploration	330 046	-	-	330 046
SPDR Select Sector Amex Financial Select Index	973 294	-	-	973 294
SPDR Select Sector Amex Industrial	273 576	-	-	273 576
SPDR Select Sector Amex Utilities Index	392 890	-	-	392 890
SPDR Select Sector Communication Services	1 070 830	-	-	1 070 830
SPDR Select Sector SBI Consumer Discretionary	845 582	-	-	845 582
SPDR Select Sector Consumer Staples	1 010 829	-	-	1 010 829
SPDR Select Sector Innovator ETFs Loup Frontier tech	378 333	-	-	378 333
SPDR Select Sector Technology	1 357 174	-	-	1 357 174
BBJP US JPMorgan Betabuil	147 240	-	-	147 240
SPDR Series Trust Factset Innovative Technology	606 204	-	-	606 204
S&P US Health Care UCITS	546 917	-	-	546 917
BIOTECH SPDR S+P Biotech	312 056	-	-	312 056
ISHS-COR ISH-CORE S&P 500	1 525 370	-	-	1 525 370
VanEck Vectors Go	283 606	-	-	283 606
VWO US Vanguard FTSE Eme	311 290	-	-	311 290
	23 816 366	-	-	23 816 366



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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3. Fair value of financial instruments (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2018				
ALPS ETF Trust Disruptive Technologies	300 291	-	-	300 291
ETF Managers Trust-Prime Mobile Payments	174 261	-	-	174 261
ISHares Trust Cohen and Steers Realty Majors Index Fund	168 528	-	-	168 528
ISHares MSCI China ETF	325 981	-	-	325 981
ISHares MSCI All Country Asia Ex Japan ETF	776 196	-	-	776 196
ISHares MSCI World ETF	2 946 583	-	-	2 946 583
ISHares MSCI All Country Asia Ex Japan ETF	366 123	-	-	366 123
ISHares Trust- US Aerospace and Defense ETF	245 980	-	-	245 980
ISHares IEMO IV Plc	1 172 961	-	-	1 172 961
ISHares IV Plc ISHS MSCI Eur	959 611	-	-	959 611
SPDR S&P Oil & Gas Exploration	271 296	-	-	271 296
SPDR Select Sector Amex Financial Select Index	819 813	-	-	819 813
SPDR Select Sector Amex Industrial	139 319	-	-	139 319
SPDR Select Sector Amex Utilities Index	227 556	-	-	227 556
SPDR Select Sector Communication Services	562 853	-	-	562 853
SPDR Select Sector SBI Consumer Discretionary	448 614	-	-	448 614
SPDR Select Sector Consumer Staples	484 492	-	-	484 492
SPDR Select Sector Innovator ETFs Loup Frontier tech	244 289	-	-	244 289
SPDR Select Sector Technology	618 870	-	-	618 870
SPDR Series Trust	410 410	-	-	410 410
SPDR Series Trust Factset Innovative Technology	307 102	-	-	307 102
S&P US Health Care UCITS	653 719	-	-	653 719
	12 624 848	-	-	12 624 848

When the fair values of listed equities and debt securities are based on quoted market prices or binding dealer prices (bid prices for long positions and ask prices for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

When financial instruments are not measured at quoted prices in an active market, they are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instruments' terms. To the extent that these inputs are observable, the Fund classifies the fair value of those investments as Level 2.

Financial instruments not measured at fair value

The carrying amount of the following financial instruments not measured at fair value approximate their fair value due to their short term nature.



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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3. Fair value of financial instruments (continued)

- Cash and cash equivalents.
- Net assets attributable to unit holders.

4. Income equalisation

Income equalisation on issue of units	(31 470)	(14 149)
Income equalisation on redemption of units	22 524	-
Net expense for the year	<u>(8 946)</u>	<u>(14 149)</u>

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units and the first distribution in respect of any unit will include a payment of capital usually equal to the amount of such income. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.

5. Issue and redemption of units during the year

Units created during the year	10 206 176	14 893 198
Income equalisation adjustment (Note 4)	(31 470)	(14 149)
Proceeds from issue of units	<u>10 174 706</u>	<u>14 879 049</u>
Units redeemed during the year	(3 921 990)	-
Income equalisation adjustment (Note 4)	22 524	-
Payment on redemption of units	<u>(3 899 466)</u>	<u>-</u>

6. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their unit redeemed at a proportionate unit price based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.



Haussmann Rech Global Equity Multi Strategy Fund

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6. Redeemable participating units (continued)

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.

7. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest the capital investments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies, and
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.

Refer to Note 9 , Financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

8. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Relationship - Trustee

Ocorian Corporate Services (Mauritius) Limited , a company incorporated in Mauritius, provides trustee services to the Fund.

Trustee fees payable	1 609	619
Trustee fees charged for the year	8 714	1 090

Relationship - Investment Manager

The Fund is managed by African Alliance Mauritius Management Company Limited, an investment management and administration company incorporated in Mauritius. African Alliance Mauritius Management Company Limited provides management services to the Fund and receives, in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	18 773	10 351
Management fees charged for the year	202 774	24 790



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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8. Related parties (continued)

Investments in the Fund made by other Haussmann Rech Unit Trusts:

	Number of Units held	Value of units held	% of units held	Distributions to unit holders	Distributions payable
Haussmann Rech Global Managed Fund					
Opening balance - 01 January 2018	-	-	-	-	-
Units acquired	9 261 000	9 150 000			
Units disposed	-	-			
Closing balance - 31 December 2018	<u>9 261 000</u>	<u>8 073 879</u>	<u>60.44</u>	-	-
Opening balance - 01 January 2019	9 261 000	8 073 879	60.44	-	-
Units acquired	3 645 597	3 550 000			
Units disposed	(2 380 121)	(2 500 000)			
Closing balance - 31 December 2019	10 526 476	11 369 943	46.67	-	-

Investments made in the Fund by other African Alliance Unit Trusts:

African Alliance Kenya Managed Fund

	Number of Units held	Value of units held	% of units held	Distributions to unit holders	Distributions payable
African Alliance Kenya Managed Fund					
Opening balance - 01 January 2018	-	-	-	-	-
Units acquired	108 024	100 000			
Units disposed	-	-			
Closing balance - 31 December 2018	108 024	94 177	0.70	-	-
Opening balance - 01 January 2019	108 024	94 177	0.70	-	-
Units disposed	(98 604)	(97 000)			
Closing balance - 31 December 2019	9 420	10 175	0.04	-	-



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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9. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which include interest rate risk, currency risk and price risk), liquidity risk and credit risk arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are estimates of the ultimate actual loss, based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks are primarily set up based on limits established by the Board of the management company. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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9. Financial risk management objectives and policies (continued)

Market risk

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

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 11.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The Fund is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund is not exposed to currency risk since its assets and liabilities are denominated in US Dollars.

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in security indices and individual security and fund prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of 10% change in equity price	2 381 637	1 262 485
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A weakening of equity prices would result in an equal but opposite effect to the amounts shown above.

Concentration of equity price risk

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution, based on counterparties' place of primary listing or place of domicile, if not listed.

	% of equity securities	
USA	100.00	100.00
	<hr/> 100.00	<hr/> 100.00



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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9. Financial risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 7 days of the redemption instructions being received,
- searching for new investors,
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
<u>2019</u>			
Financial liabilities			
Management fees	-	18 773	18 773
Custodian fees	-	2 812	2 812
Trustee fees	-	1 609	1 609
Audit fees	-	8 130	8 130
Other expenses	-	625	625
Net assets attributable to unit holders	23 934 777	-	23 934 777
	23 934 777	31 949	23 966 726



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

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9. Financial risk management objectives and policies (continued)

Liquidity risk (cont'd)

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
2018			
Financial liabilities			
Management fees	-	10 351	10 351
Custodian fees	-	4 126	4 126
Trustee fees	-	619	619
Audit fees	-	7 304	7 304
Other expenses	-	625	625
Net assets attributable to unit holders	13 348 369	-	13 348 369
	13 348 369	23 025	13 371 394

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 financing relationships and other transactions.

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

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Dividend receivable	5 405	2 260
Cash and cash equivalents	143 961	744 286
Total credit risk exposure	149 366	746 546

The above financial assets are subject to the expected credit loss model and impairment has been identified for the year under review. Cash and cash equivalents are held with reputable financial institutions.

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts.



Haussmann Rech Global Equity Multi Strategy Fund

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10. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	23 816 366	12 624 848
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Financial assets at amortised costs

Dividend receivable	5 405	2 260
Cash and cash equivalents	143 961	744 286

Total financial assets

23 965 732	13 371 394
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Financial liabilities measured at amortised cost

Net assets attributable to unit holders	23 934 777	13 348 369
---	------------	------------

Management fees	18 773	10 351
-----------------	--------	--------

Custodian fees	2 812	4 126
----------------	-------	-------

Trustee fees	1 609	619
--------------	-------	-----

Audit fees	8 130	7 304
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Other expenses	625	625
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Total financial liabilities

23 966 726	13 371 394
-------------------	------------



Haussmann Rech Global Equity Multi Strategy Fund

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11. Analysis of total assets

		Currency	Country	Price per unit / interest rate per annum	Holdings	Fair value	% of Gross assets
2019							
Financial assets at fair value through profit or loss							
Current:							
ALPS ETF Trust Disruptive Technologies	USD	USA	32.21	15 380	495 313	2.07	
ETF Managers Trust-Prime Mobile Payments	USD	USA	49.56	8 314	412 042	1.72	
ISHares Trust Cohen and Steers Realty Majors Index Fund	USD	USA	116.99	2 918	341 377	1.42	
ISHares MSCI China ETF	USD	USA	64.09	7 998	512 592	2.14	
ISHares MSCI World ETF	USD	USA	98.78	62 775	6 200 914	25.87	
ISHares MSCI All Country Asia Ex Japan ETF	USD	USA	222.08	5 529	406 382	1.70	
ISHares Trust -US Aerospace and Defense ETF	USD	USA	222.08	1 908	423 729	1.77	
ISHares MSCI Japan USD Hedged UCITS ETF	USD	USA	37.77	29 959	1 131 551	4.72	
ISHares IEMO IV Plc	USD	USA	8.24	260 387	2 144 473	8.95	
ISHares IV Plc ISHS MSCI Eur	USD	USA	7.07	195 576	1 382 756	5.77	
SPDR S&P Oil & Gas Exploration	USD	USA	23.70	13 926	330 046	1.38	
SPDR Select Sector Amex Financial Select Index	USD	USA	30.78	31 621	973 294	4.06	
SPDR Select Sector Amex Industrial	USD	USA	81.47	3 358	273 576	1.14	
SPDR Select Sector Amex Utilities Index	USD	USA	64.62	6 080	392 890	1.64	
SPDR Select Sector Communication Services	USD	USA	53.63	19 967	1 070 830	4.47	
SPDR Select Sector SBI Consumer Discretionary	USD	USA	125.42	6 742	845 582	3.53	
SPDR Select Sector Consumer Staples	USD	USA	62.98	16 050	1 010 829	4.22	
SPDR Select Sector Innovator ETFs Loup Frontier tech	USD	USA	26.76	14 138	378 333	1.58	
SPDR Select Sector Technology	USD	USA	91.67	14 805	1 357 174	5.66	
BBJP US JPMorgan Betabuil	USD	USA	24.54	6 000	147 240	0.61	
SPDR Series Trust Factset Innovative Technology	USD	USA	113.14	5 358	606 204	2.53	
S&P US Health Care UCITS	USD	USA	29.04	18 834	546 917	2.28	
BIOTECH SPDR S+P Biotech	USD	USA	95.11	3 281	312 056	1.30	
ISHS-COR ISH-CORE S&P 500	USD	USA	323.24	4 719	1 525 370	6.36	
VanEck Vectors Go	USD	USA	29.28	9 686	283 606	1.18	
VWO US Vanguard FTSE Eme	USD	USA	44.47	7 000	311 290	1.30	
					23 816 366	99.37	



Haussmann Rech Global Equity Multi Strategy Fund

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11. Analysis of total assets (continued)

	Currency	Country	Interest rate / price per unit	Holdings	Fair value	% of Gross assets
<u>2019 (continued)</u>						
<u>Financial assets at amortised costs</u>						
<u>Cash and cash equivalents</u>						
Current						
Bank						
Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	143 961	143 961	0.60
Dividend receivable					5 405	0.02
Non-financial assets						
Prepayments					994	0.01
Total					23 966 726	100.00
<u>2018</u>						
<u>Financial assets at fair value through profit or loss</u>						
Current:						
ALPS ETF Trust Disruptive Technologies	USD	USA	23.88	12 575	300 291	2.25
ETF Managers Trust-Prime Mobile Payments	USD	USA	34.95	4 986	174 261	1.30
ISHares Trust Cohen and Steers Realty Majors Index Fund	USD	USA	95.70	1 761	168 528	1.26
ISHares MSCI China ETF	USD	USA	52.62	6 195	325 981	2.44
ISHares Trust -US Aerospace and Defense ETF	USD	USA	78.87	37 360	2 946 583	22.04
ISHares MSCI All Country Asia Ex Japan ETF	USD	USA	63.53	5 763	366 123	2.74
ISHares Trust -US Aerospace and Defense ETF	USD	USA	172.86	1 423	245 980	1.84
ISHares MSCI Japan USD Hedged UCITS ETF	USD	USA	31.81	24 401	776 196	5.81
ISHares IEMO IV Plc	USD	USA	6.46	181 447	1 172 961	8.77
ISHares IV Plc ISHS MSCI Eur SPDR S&P Oil & Gas Exploration	USD	USA	5.92	162 078	959 611	7.18
SPDR Select Sector Amex Financial Select Index	USD	USA	26.53	10 226	271 296	2.03
			23.82	34 417	819 813	6.13



Haussmann Rech Global Equity Multi Strategy Fund

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11. Analysis of total assets (continued)

<u>2018 (Continued)</u>	Currency	Country	Price per unit / interest rate per annum	Holdings	Fair value	% of Gross assets
<u>Financial assets at fair value through profit or loss (continued)</u>						
SPDR Select Sector Amex Industrial	USD	USA	64.41	2 163	139 319	1.04
SPDR Select Sector Amex Utilities Index	USD	USA	52.92	4 300	227 556	1.70
SPDR Select Sector Communication Services	USD	USA	41.28	13 635	562 853	4.21
SPDR Select Sector SBI Consumer Discretionary	USD	USA	99.01	4 531	448 614	3.36
SPDR Select Sector Consumer Staples	USD	USA	50.78	9 541	484 492	3.62
SPDR Select Sector Innovator ETFs Loup	USD	USA	20.31	12 028	244 289	1.83
Frontier tech	USD	USA	61.98	9 985	618 870	4.63
SPDR Select Sector Technology	USD	USA	71.75	5 720	410 410	3.07
SPDR Series Trust	USD	USA				
SPDR Series Trust Factset Innovative	USD	USA	82.71	3 713	307 102	2.30
Technology	USD	USA	24.08	27 145	653 719	4.87
S&P US Health Care UCITS	USD	USA				
					12 624 848	94.42

Financial assets at amortised costs

Cash and cash equivalents

Current:

Bank

Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	744 286	744 286	5.57
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Non-financial assets

Prepayments and other receivables				2 260	0.01
Total				13 371 394	100.00



Haussmann Rech Global Equity Multi Strategy Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
Published price (calculated in accordance with redemption requirements)	1.08	0.87
Net asset value as per IFRS	1.08	0.87

12. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	1.08	0.87
Net asset value as per IFRS	1.08	0.87

13. Events after the reporting period

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the Fund's operations. The Board of Directors will continue to support the business and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting. Business will continue as it is an essential service and in the medium term, we anticipate business returning to normal.

As at 31 March 2020, the total portfolio has incurred an overall decrease of 27.53% compared to the value as at 31 December 2019. The main investments that have been impacted significantly are iShares Trust-US Aerospace and Defense ETF, ETF Managers Trust Prime Mobile Payments, SPDR Select Sector Amex financial Index, SPDR Select Sector Amex Industrial Index, iShares IV Plc ISHS MSCI Eur, iShares MSCI World ETF and VWO US Vanguard FTSE Eme.

There are no other significant events that have occurred in respect of the Fund and the management company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.



Haussmann Rech Global Fixed Income Fund

Audited financial statements
for the year ended 31 December 2019



Haussmann Rech Global Fixed Income Fund

Statement of financial position as at 31 December 2019

Figures in US Dollar	Note	2019	2018
Assets			
Financial assets at fair value through profit or loss	1	11 602 398	14 075 969
Prepayments and other receivables		1 144	1 038
Cash and cash equivalents	2	61 980	85 893
Total assets		11 665 522	14 162 900
Liabilities			
Management fees	8	9 109	11 227
Custodian fees		1 000	1 000
Trustee fees	8	1 609	904
Audit fees		4 134	7 736
Total liabilities excluding net assets attributable to unit holders		15 852	20 867
Net assets attributable to unit holders		11 649 670	14 142 033
Represented by :			
Net assets attributable to unit holders		11 649 670	14 142 033

The accounting policies on pages 25 to 30 and notes on pages 73 to 84 are an integral part of these financial statements.



Haussmann Rech Global Fixed Income Fund

Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Income			
Net gain from financial assets at fair value through profit or loss	1	847 491	-
Dividend income		50 679	128 356
Income equalisation	4	103 661	2 851
Total income		1 001 831	131 207
Expenses			
Net loss from financial assets at fair value through profit or loss	1	-	(158 824)
Management fees	8	(118 572)	(137 725)
Custodian fees		(12 000)	(10 724)
Trustee fees	8	(8 430)	(5 826)
Audit fees		(1 138)	(9 521)
Bank charges		(165)	-
Other operating expenses		(10 927)	(17 242)
Total expenses		(151 232)	(339 862)
Increase / (decrease) in net assets attributable to unit holders		850 599	(208 655)

The accounting policies on pages 25 to 30 and notes on pages 73 to 84 are an integral part of these financial statements.



Haussmann Rech Global Fixed Income Fund

Statement of changes in net assets attributable to unit holders for the year ended 31 December 2019

Figures in US Dollar	Note	Share capital	Retained income	Total equity
Balance at 01 January 2018		14 323 305	13 550 560	1.06
Contributions and redemptions by unit holders				
Issue of units during the year		1 828 480	1 687 275	
Redemption of units during the year		(1 801 097)	(1 679 244)	
Decrease in net assets attributable to unit holders		(208 655)	-	
Balance at 31 December 2018	6	14 142 033	13 558 591	1.04
Balance at 01 January 2019		14 142 033	13 558 591	1.04
Contributions and redemptions by unit holders				
Issue of units during the year		3 193 374	2 923 903	
Redemption of units during the year		(6 536 336)	(5 935 341)	
Increase in net assets attributable to unit holders		850 599	-	
Balance at 31 December 2019	6	11 649 670	10 547 153	1.10

The accounting policies on pages 25 to 30 and notes on pages 73 to 84 are an integral part of these financial statements.



Haussmann Rech Global Fixed Income Fund

Statement of cash flows for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Cash flows from operating activities			
Proceeds from sale of financial assets at fair value through profit or loss		4 295 443	2 385 373
Payments for acquisition of financial assets at fair value through profit or loss	1	(974 381)	(3 254 078)
Other receivable		(106)	567 083
Dividend received		50 679	143 142
Custody fees paid		(12 000)	(10 724)
Trustee fees paid		(7 725)	(7 336)
Management fees paid		(120 690)	(135 506)
Audit fees paid		(4 740)	(6 892)
Bank charges paid		(165)	-
Other operating expenses paid		(10 927)	(17 242)
Net cash generated from / (used in) operating activities		3 215 388	(336 180)
Cash flows from financing activities			
Proceeds from issue of units	5	3 102 921	1 783 230
Payment on redemption of units	5	(6 342 222)	(1 752 996)
Net cash (used in) / generated from financing activities		(3 239 301)	30 234
Net decrease in cash and cash equivalents		(23 913)	(305 946)
Cash and cash equivalents at the beginning of the year		85 893	391 839
Cash and cash equivalents at the end of the year	2	61 980	85 893

The accounting policies on pages 25 to 30 and notes on pages 73 to 84 are an integral part of these financial statements.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

1. Financial assets at fair value through profit or loss

Financial assets held for trading

Listed securities	2 213 162	5 818 429
Unlisted securities	9 389 236	8 257 540
	11 602 398	14 075 969

Opening balance	14 075 969	13 366 088
Additions	974 381	3 254 078
Disposals	(4 388 588)	(2 339 033)
Unrealised gain from financial assets at fair value through profit or loss	940 636	(205 164)
Closing balance	11 602 398	14 075 969

Net (loss) /gain from financial assets at fair value through profit or loss is analysed as follows:

Realised	(93 145)	46 340
Unrealised	940 636	(205 164)
	847 491	(158 824)

Refer to Note 3, Fair value of financial instruments, for details of the financial assets and Note 11 , Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of :

Bank balances and liquid investments	61 980	85 893
Analysed as:		

Cash at bank

	61 980	85 893
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Refer to Note 11, Analysis of total assets, for further details.

3. Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

3. Fair value of financial instruments (continued)

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2019				
Colchester Global Fund	-	3 778 864	-	3 778 864
Mellon Global Bond	-	2 539 781	-	2 539 781
I Shares Core International Aggregate Bond Fund	523 244	-	-	523 244
Prism Income Fund	-	3 070 591	-	3 070 591
SPDR Barclays Treasury Bond 7-10 years	159 819	-	-	159 819
SPDR Barclays International Treasury Bond	1 530 099	-	-	1 530 099
	2 213 162	9 389 236	-	11 602 398
2018				
Colchester Global Fund	-	3 041 729	-	3 041 729
Mellon Global Bond	-	2 369 698	-	2 369 698
I Shares Core International Aggregate Bond Fund	498 606	-	-	498 606
Prism Income Fund	-	2 846 113	-	2 846 113
Riverfront Strategic Income	710 207	-	-	710 207
SPDR Barclays Treasury Bond 7-10 years	761 181	-	-	761 181
SPDR Barclays International Treasury Bond	2 269 542	-	-	2 269 542
SPDR Citi International Government Inflation Protected Bond	894 916	-	-	894 916
Virtus Newfleet Multisector Bond ETF	683 977	-	-	683 977
	5 818 429	8 257 540	-	14 075 969

When the fair values of listed equities and debt securities are based on quoted market prices or binding dealer prices (bid prices for long positions and ask prices for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

When financial instruments are not measured at quoted prices in an active market, they are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instruments' terms. To the extent that these inputs are observable, the Fund classifies the fair value of those investments as Level 2.

Financial instruments not measured at fair value

The carrying amount of the following financial instruments not measured at fair value approximate their fair value due to their short term nature.

- Cash and cash equivalents.
- Net assets attributable to unit holders.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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4. Income equalisation

Income equalisation on issue of units	(90 453)	(45 250)
Income equalisation on redemption of units	194 114	48 101
Net income / (expense) for the year	103 661	2 851

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units and the first distribution in respect of any unit will include a payment of capital usually equal to the amount of such income. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.

5. Issue and redemption of units during the year

Units created during the year	3 193 374	1 828 480
Income equalisation adjustment (Note 4)	(90 453)	(45 250)
Proceeds from issue of units	3 102 921	1 783 230
Units redeemed during the year	(6 536 336)	(1 801 097)
Income equalisation adjustment (Note 4)	194 114	48 101
Payment on redemption of units	(6 342 222)	(1 752 996)

6. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their unit redeemed at a proportionate unit price based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar	2019	2018
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7. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest the capital investments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies, and
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.

Refer to Note 9 , Financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

8. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Relationship - Trustee and custodian fees

Ocorian Corporate Services (Mauritius) Limited, a company incorporated in Mauritius, provides trustee services to the Fund.

Trustee fees payable	1 609	904
Trustee fees charged for the year	8 430	5 826



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

8. Related parties (continued)

Relationship - Investment Manager

The Fund is managed by African Alliance Mauritius Management Company Limited, an investment management and administration company incorporated in Mauritius. African Alliance Mauritius Management Company Limited provides management services to the Fund and receives, in return, an annual fee, collected monthly, based on the total asset value of the Fund at a rate not exceeding 2%.

Management fees payable	9 109	11 227
Management fees charged for the year	<u>118 572</u>	<u>137 725</u>

Investments in the Fund made by other Haussmann Rech Unit Trusts:

	Number of Units held	Value of Units held	% of units held	Distribution to unit holders	Distributions payable
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Haussmann Rech Global Managed Fund

Opening balance - 01 January 2018	2 832 034	2 993 528	20.90	-	-
Units acquired	1 655 655	1 750 000			
Units disposed	(334 993)	(350 000)			
Closing balance - 31 December 2018	<u>4 152 696</u>	<u>4 332 183</u>	<u>30.63</u>	<u>-</u>	<u>-</u>

Opening balance - 01 January 2019	4 152 696	4 332 183	30.63	-	-
Units acquired	1 792 952	1 900 000			
Units disposed	(1 914 965)	(2 075 000)			
Closing balance - 31 December 2019	<u>4 030 683</u>	<u>4 452 050</u>	<u>37.76</u>	<u>-</u>	<u>-</u>

Investments made in the Fund by other African Alliance Unit Trusts:

African Alliance Botswana Global Income Fund

	Number of Units held	Value of Units held	% of units held	Distribution to unit holders	Distributions payable
Opening balance - 01 January 2018	3 049 378	3 223 265	22.50	-	-
Closing balance - 31 December 2018	<u>3 049 378</u>	<u>3 181 177</u>	<u>22.49</u>	<u>-</u>	<u>-</u>
Opening balance - 01 January 2019	3 049 378	3 181 177	22.49	-	-
Units disposed	(1 519 048)	(1 600 000)			
Closing balance - 31 December 2019	<u>1 530 330</u>	<u>1 690 309</u>	<u>14.34</u>	<u>-</u>	<u>-</u>



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

8. Related parties (continued)

Investments made in the Fund by other African Alliance Unit Trusts (continued):

African Alliance Swaziland Offshore Fund

	Number of Units held	Value of Units held	% of units held	Distribution to unit holders	Distributions payable
Opening balance - 01 January 2018	3 362 967	3 554 737	24.82	-	-
Units disposed	(700 000)	(722 996)			
Closing balance - 31 December 2018	2 662 967	2 778 066	19.64	-	-
Opening balance - 01 January 2019	2 662 967	2 778 066	19.64	-	-
Units acquired	50 000	52 675			
Units disposed	(1 615 324)	(1 708 744)			
Closing balance - 31 December 2019	1 097 643	1 212 391	10.28	-	-

9. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which include interest rate risk, currency risk and price risk), liquidity risk and credit risk arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are estimates of the ultimate actual loss, based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks are primarily set up based on limits established by the Board of the management company. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

9. Financial risk management objectives and policies (continued)

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

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

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 11.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments. The Fund is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund is not exposed to currency risk since its assets and liabilities are denominated in US Dollars.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

9. Financial risk management objectives and policies (continued)

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in security indices and individual security and fund prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of 10% change in equity price	1 160 240	1 407 597
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A weakening of equity prices would result in an equal but opposite effect to the amounts shown above.

Concentration of equity price risk

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution, based on counterparties' place of primary listing or place of domicile, if not listed.

	% of equity securities	
Republic of Ireland	58.96	41.99
Mauritius	26.47	20.22
USA	14.57	37.79
	100.00	100.00

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 7 days of the redemption instructions being received,
- searching for new investors,
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

9. Financial risk management objectives and policies (continued)

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
<u>2019</u>			
Financial liabilities			
Management fees	-	9 109	9 109
Custodian fees	-	1 000	1 000
Trustee fees	-	1 609	1 609
Audit fees	-	4 134	4 134
Net assets attributable to unit holders	11 649 670	-	11 649 670
	11 649 670	15 852	11 665 522
<u>2018</u>			
Management fees	-	11 227	11 227
Custodian fees	-	1 000	1 000
Trustee fees	-	904	904
Audit fees	-	7 736	7 736
Net assets attributable to unit holders	14 142 033	-	14 142 033
	14 142 033	20 867	14 162 900

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 financing relationships and other transactions.

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

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

9. Financial risk management objectives and policies (continued)

Credit risk (continued)

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Other receivable	149	149
Cash and cash equivalents	<u>61 980</u>	85 893
Total credit risk exposure	<u>62 129</u>	86 042

The above financial assets are subject to the expected credit loss model and no impairment has been identified for the year under review. Cash and cash equivalents are held with reputable financial institutions.

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts.

10. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	11 602 398	14 075 969
------------------	------------	------------

Financial assets at amortised costs

Other receivables	149	149
Cash and cash equivalents	<u>61 980</u>	85 893

Total financial assets

11 664 527 14 162 011

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	11 649 670	14 142 033
Management fees	9 109	11 227
Custodian fees	1 000	1 000
Trustee fees	1 609	904
Audit fees	4 134	7 736

Total financial liabilities

11 665 522 14 162 900



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

11. Analysis of total assets

		Currency	Country	Price per unit	Holdings	Fair value	% of Gross assets
2019							
Financial assets at fair value through profit or loss							
Current:							
Colchester Global Fund	USD	Ireland	10.77	350 955	3 778 864	32.39	
Mellon Global Bond	USD	Ireland	2.53	1 005 814	2 539 781	21.77	
I Shares Core International Aggregate Bond Fund	USD	Ireland	54.79	9 550	523 244	4.49	
Prism Income Fund	USD	Mauritius	221.24	13 879	3 070 591	26.32	
SPDR Barclays IShares 7-10Y Treasury bond	USD	USA	110.22	1 450	159 819	1.37	
SPDR Barclays International Treasury Bond	USD	USA	28.81	53 110	1 530 099	13.12	
					11 602 398	99.46	

Financial assets at amortised costs

Cash and cash equivalents

Current

Bank

Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	61 980	61 980	0.53
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Non-financial assets

Prepayments and other receivables

Total				1 144	0.01
				11 665 522	100.00

2018

Financial assets at fair value through profit or loss

Current:

Colchester Global Fund	USD	Ireland	10.01	303 869	3 041 729	21.48
Mellon Global Bond	USD	Ireland	2.36	1 005 814	2 369 698	16.73
I Shares Core International Aggregate Bond Fund	USD	Ireland	52.21	9 550	498 606	3.52
Prism Income Fund	USD	Mauritius	205.07	13 879	2 846 113	20.10
Riverfront Strategic Income	USD	USA	24.03	29 555	710 207	5.01
SPDR Barclays IShares 7-10Y Treasury bond	USD	USA	104.20	7 305	761 181	5.38
SPDR Barclays International Treasury Bond	USD	USA	27.61	82 200	2 269 542	16.03
SPDR Citi International Government Inflation Protected Bond	USD	USA	52.03	17 200	894 916	6.33
Virtus Newfleet Multi Sector	USD	USA	23.44	29 180	683 977	4.81
					14 075 969	99.39



Haussmann Rech Global Fixed Income Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

11. Analysis of total assets (continued)

	Currency	Country	Maturity date	Price per unit	Holdings	Fair value	% of Gross assets
<u>2018 (continued)</u>							
<u>Financial assets at amortised costs</u>							
<u>Current:</u>							
Bank							
Standard Chartered Bank (Mauritius) Limited	USD	Mauritius		- %	85 893	<u>85 893</u>	0.61
<u>Non-financial assets</u>							
Prepayment and other receivables							
Total						1 038	0.01
						<u>14 162 900</u>	<u>100.00</u>

12. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	1.10	1.04
Net asset value as per IFRS	1.10	1.04

13. Events after the reporting period

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the Fund's operations. The Board of Directors will continue to support the business and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting. Business will continue as it is an essential service and in the medium term, we anticipate business returning to normal.

As at 31 March 2020, the total portfolio has incurred an overall decrease of 24.90% compared to the value as at 31 December 2019 arising from a major disposal of investment in Mellon Global Bond. There has been no major impact on other investments.

There are no other significant events that have occurred in respect of the Fund and the management company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.



Audited financial statements
for the year ended 31 December 2019



Haussmann Rech Global Managed Fund

Statement of financial position as at 31 December 2019

Figures in US Dollar	Note	2019	2018
Assets			
Financial assets at fair value through profit or loss		16 430 770	13 008 881
Prepayments and other receivables		5 506	4 839
Interest receivable		4 710	-
Cash and cash equivalents	2	2 116 465	1 065 472
Total assets		18 557 451	14 079 192
Liabilities			
Trustee fees	8	1 609	904
Audit fees		7 687	7 688
Total liabilities excluding net assets attributable to unit holders		9 296	8 592
Net assets attributable to unit holders		18 548 155	14 070 600
Represented by :			
Net assets attributable to unit holders		18 548 155	14 070 600

The accounting policies on pages 25 to 30 and notes on pages 90 to 101 are an integral part of these financial statements.



Haussmann Rech Global Managed Fund

Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Income			
Net gain from financial assets at fair value through profit or loss	1	2 521 889	-
Interest income		37 918	-
Total income		2 559 807	-
Expenses			
Net loss on financial assets at fair value through profit or loss	1	-	(1 841 354)
Income equalisation	4	(26 545)	(61 597)
Trustee fees	8	(8 072)	(5 826)
Audit fees		(4 711)	(8 899)
Bank charges		(75)	-
Other operating expenses		(1 710)	(1 494)
Total expenses		(41 113)	(1 919 170)
Increase / (decrease) in net assets attributable to unit holders		2 518 694	(1 919 170)

The accounting policies on pages 25 to 30 and notes on pages 90 to 101 are an integral part of these financial statements.



Haussmann Rech Global Managed Fund

Statement of changes in net assets attributable to unit holders for the year ended 31 December 2019

Figures in US Dollar	Note	Net assets attributable to unit holders	Number of units	Net asset value per unit
Balance at 01 January 2018		9 490 035	9 124 387	1.04
Contributions and redemptions by unit holders				
Issue of units during the year		7 897 152	7 924 235	
Redemption of units during the year		(1 397 417)	(1 429 661)	
Decrease in net assets attributable to unit holders		(1 919 170)	-	
Balance at 31 December 2018	6	14 070 600	15 618 961	0.90
Balance at 01 January 2019		14 070 600	15 618 961	0.90
Contributions and redemptions by unit holders				
Issue of units during the year		7 065 716	7 231 950	
Redemption of units during the year		(5 106 855)	(4 978 446)	
Increase in net assets attributable to unit holders		2 518 694	-	
Balance at 31 December 2019	6	18 548 155	17 872 465	1.04

The accounting policies on pages 25 to 30 and notes on pages 90 to 101 are an integral part of these financial statements.



Haussmann Rech Global Managed Fund

Statement of cash flows for the year ended 31 December 2019

Figures in US Dollar	Note	2019	2018
Cash flows from operating activities			
Proceeds from sale of financial assets at fair value through profit or loss	1	4 950 000	7 950 000
Payments for acquisition of financial assets at fair value through profit or loss		(5 850 000)	(13 350 000)
Interest received		33 208	-
Custody fees paid		-	(1 000)
Trustee fees paid		(7 366)	(7 337)
Audit fees paid		(4 711)	(4 562)
Bank charges paid		(75)	-
Other operating expenses paid		(2 379)	(5 434)
Net cash used in operating activities		(881 323)	(5 418 333)
Cash flow from financing activities			
Proceeds from issue of units	5	6 990 039	7 821 380
Payment on redemption of units	5	(5 057 723)	(1 383 242)
Net cash generated from financing activities		1 932 316	6 438 138
Net increase in cash and cash equivalents		1 050 993	1 019 805
Cash and cash equivalents at the beginning of the year		1 065 472	45 667
Cash and cash equivalents at the end of the year	2	2 116 465	1 065 472

The accounting policies on pages 25 to 30 and notes on pages 90 to 101 are an integral part of these financial statements.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

2018

1. Financial assets at fair value through profit or loss

Financial assets held for trading

Unlisted securities

Opening balance

Additions

Disposals

Unrealised losses from financial assets at fair value through profit or loss

Closing balance

	16 430 770	13 008 881
Unlisted securities		
Opening balance	13 008 881	9 450 235
Additions	5 850 000	13 350 000
Disposals	(4 796 138)	(8 056 322)
Unrealised losses from financial assets at fair value through profit or loss	2 368 027	(1 735 032)
Closing balance	16 430 770	13 008 881

Net gain /(loss) from financial assets at fair value through profit or loss is analysed as follows:

Realised

Unrealised

153 862	(106 322)
2 368 027	(1 735 032)
2 521 889	(1 841 354)

Refer to Note 3, Fair value of financial instruments, for details of the financial assets and Note 11 , Analysis of total assets, for terms and conditions of the above securities.

2. Cash and cash equivalents

Cash and cash equivalents consist of :

Bank balances and liquid investments

2 116 465

1 065 472

Analysed as:

Money market investments

2 033 208

-

Cash at bank

83 257

1 065 472

Refer to Note 11, Analysis of total assets, for further details.

3. Fair value of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments using: quoted market prices in active market for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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2018

3. Fair value of financial instruments (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2019</u>				
Haussmann Rech Global Equity Opportunities Fund	-	608 777	-	608 777
Haussmann Rech Global Fixed Income Fund	-	4 452 050	-	4 452 050
Haussmann Rech Global Equity Multi Strategy Fund	-	11 369 943	-	11 369 943
	-	16 430 770	-	16 430 770
<u>2018</u>				
Haussmann Rech Global Equity Opportunities Fund	-	602 810	-	602 810
Haussmann Rech Global Fixed Income Fund	-	4 332 183	-	4 332 183
Haussmann Rech Global Equity Multi Strategy Fund	-	8 073 888	-	8 073 888
	-	13 008 881	-	13 008 881

When the fair values of listed equities and debt securities are based on quoted market prices or binding dealer prices (bid prices for long positions and ask prices for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy.

When financial instruments are not measured at quoted prices in an active market, they are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instruments' terms. To the extent that these inputs are observable, the Fund classifies the fair value of those investments as Level 2.

The carrying amount of the following financial instruments not measured at fair value approximate their fair value due to their short term nature.

- Cash and cash equivalents.
- Net assets attributable to unit holders.

4. Income equalisation

Income equalisation on issue of units	(75 677)	(75 772)
Income equalisation on redemption of units	49 132	14 175
Net expense for the year	(26 545)	(61 597)

Income equalisation is accrued income / (expense) included in the price of units created and redeemed by the Fund during the accounting period. The subscription price of the units is deemed to include a deemed income payment calculated by reference to the accrued income of the units and the first distribution in respect of any unit will include a payment of capital usually equal to the amount of such income. The redemption price of each unit will also include a payment in respect of the accrued income of the unit up to the date of the redemption.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019 2018

5. Issue and redemption of units during the year

Units created during the year	7 065 716	7 897 152
Income equalisation adjustment (Note 4)	(75 677)	(75 772)
Proceeds from issue of units	<u>6 990 039</u>	<u>7 821 380</u>
Units redeemed during the year	(5 106 855)	(1 397 417)
Income equalisation adjustment (Note 4)	49 132	14 175
Payment on redemption of units	<u>(5 057 723)</u>	<u>(1 383 242)</u>

6. Redeemable participating units

The Fund's capital is represented by these redeemable participating units. Quantitative information about the Fund's capital is provided in the Statement of changes in net assets attributable to unit holders.

Each unit issued confers upon the unit holder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unit holders have various rights under the Fund's Trust Deed, including the right to:

- have their unit redeemed at a proportionate unit price based on the Fund's net asset value per unit on the redemption date,
- receive income distributions, and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

For the purpose of issue and redemption of units, the net assets attributable to unit holders are calculated in accordance with the Fund's Trust Deed.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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7. Capital management

As a result of the ability to issue and redeem units, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable units beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- to invest the capital investments meeting the description, risk exposure and expected return indicated in its Trust Deed,
- to achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in other capital markets and by using various investment strategies, and
- to maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.

Refer to Note 9 , Financial risk management objectives and policies, for the policies and processes applied by the Fund in managing its capital.

8. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Relationship - Trustee

Ocorian Corporate Services (Mauritius) Limited , a company incorporated in Mauritius, provides trustee services to the Fund.

Trustee fees payable	1 609	904
Trustee fees charged for the year	<u>8 072</u>	<u>5 826</u>



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

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8. Related parties (continued)

Investments in the Fund made by other Haussmann Rech Unit Trusts:

	Number of Units held	Value of units held	% of units held	Distributions received	Distributions receivable
Haussmann Rech Global Equity Opportunities Fund					
Opening balance - 01 January 2018	6 134 624	6 457 231	22.10	-	-
Units acquired	2 269 931	2 450 000			
Units disposed	(7 630 120)	(7 600 000)			
Closing balance - 31 December 2018	774 435	602 810	6.75	-	-
Opening balance - 01 January 2019	774 435	602 810	6.75	-	-
Units acquired	477 816	400 000			
Units disposed	(490 667)	(375 000)			
Closing balance - 31 December 2019	761 584	608 778	16.86	-	-
Haussmann Rech Global Equity Multi Strategy Fund					
Opening balance - 01 January 2018	-	-	-	-	-
Units acquired	9 261 000	9 150 000			
Closing balance - 31 December 2018	9 261 000	8 073 819	60.44		
Opening balance - 01 January 2019	9 261 000	8 073 819	60.44	-	-
Units acquired	3 645 597	3 550 000			
Units disposed	(2 380 121)	(2 500 000)			
Closing balance - 31 December 2019	10 526 476	11 369 943	46.66		
Haussmann Rech Global Fixed Income Fund					
Opening balance - 01 January 2018	2 832 034	2 993 528	20.90	-	-
Units acquired	1 655 655	1 750 000			
Units disposed	(334 993)	(350 000)			
Closing balance - 31 December 2018	4 152 696	4 332 183	30.63	-	-
Opening balance - 01 January 2019	4 152 696	4 332 183	30.63	-	-
Units acquired	1 792 952	1 900 000			
Units disposed	(1 914 965)	(2 075 000)			
Closing balance - 31 December 2019	4 030 683	4 452 050	37.76	-	-



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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8. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trusts:

	Number of Units held	Value of units held	% of units held	Distributions received	Distributions receivable
--	-------------------------	------------------------	--------------------	---------------------------	-----------------------------

African Alliance Swaziland Offshore Fund

Opening balance - 01 January 2018	998 180	1 038 486	-	-	-
Units acquired	4 408 913	4 157 260			
Units disposed	-	-			
Closing balance - 31 December 2018	<u>5 407 093</u>	<u>4 872 656</u>	<u>34.62</u>	-	-
Opening balance - 01 January 2019	5 407 093	4 872 656	34.62	-	-
Units acquired	4 254 883	4 087 243			
Units disposed	(57 058)	(52 675)			
Closing balance - 31 December 2019	<u>9 604 918</u>	<u>9 967 157</u>	<u>53.74</u>	-	-

African Alliance Kenya Managed Fund

Opening balance - 01 January 2018	1 073 225	1 116 560	11.76	-	-
Units disposed	(737 323)	(744 428)			
Closing balance - 31 December 2018	<u>335 902</u>	<u>302 701</u>	<u>2.15</u>	-	-
Opening balance - 01 January 2019	335 902	302 701	2.15	-	-
Units acquired	-	-			
Closing balance - 31 December 2019	<u>335 902</u>	<u>348 569</u>	<u>1.88</u>	-	-



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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8. Related parties (continued)

Investments in the Fund made by other African Alliance Unit Trusts (continued):

	Number of Units held	Value of units held	% of units held	Distributions received	Distributions receivable
<u>African Alliance Botswana Global Allocation Fund</u>					
Opening balance - 01 January 2018	6 108 830	6 355 499	66.95		
Units acquired	3 515 322	2 456 002			
Closing balance - 31 December 2018	<u>9 624 152</u>	<u>8 672 901</u>	<u>61.62</u>	-	-
Opening balance - 01 January 2019	9 624 152	8 672 901	61.62		
Units acquired	2 977 067	2 902 795			
Units disposed	(4 916 082)	(5 000 000)			
Closing balance - 31 December 2019	<u>7 685 137</u>	<u>7 974 974</u>	<u>43.00</u>	-	-

9. Financial risk management objectives and policies

Introduction

The Fund's objective in managing risk is the creation and protection of unit holder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which include interest rate risk, currency risk and price risk), liquidity risk and credit risk arising from the financial instruments it holds.

Risk management structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The directors of the management company supervise the Investment Manager and are ultimately responsible for the overall risk management of the Fund.

Risk measurement and reporting system

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are estimates of the ultimate actual loss, based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks are primarily set up based on limits established by the Board of the management company. These limits reflect the business strategy, including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

Risk mitigation

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

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9. Financial risk management objectives and policies (continued)

Excessive risk concentration

Concentration of risk indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or that have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities or reliance on a particular market to realise liquid assets.

In order to avoid excessive concentrations of risk, the Fund's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure to manage excessive risk concentrations when they arise.

Market risk

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

The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The investment objective of the Fund is to enhance returns and control risks. The Fund's market risk is managed on a daily basis by the investment manager in accordance with policies and procedures put in place. Details of the Fund's investment portfolio at the reporting date are disclosed in Note 11.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rate will affect future cash flows or the fair values of financial instruments.

The Fund is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund is not exposed to currency risk since its assets and liabilities are denominated in US Dollars.

Price risk

Price risk is the risk of unfavourable changes in the fair values of equities and Fund value as a result of changes in the levels of equity indices and the value of individual securities and fund prices.

Price risk is managed by the Investment Manager by diversifying the portfolio as set out by the Trust Deed.

Considering the reasonably possible increase of 10% in security indices and individual security and fund prices, the effect on the Fund's net assets attributable to unit holders is as follows:

Effect of 10% change in equity price

1 643 077

1 300 888

A weakening of equity prices would result in an equal but opposite effect to the amounts shown above.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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9. Financial risk management objectives and policies (continued)

Price risk (continued)

Concentration of equity price risk

The following table contains an analysis of the Fund's concentration of equity price risk by geographical distribution, based on counterparties' place of primary listing or place of domicile, if not listed.

	% of equity securities	
Mauritius	100.00	100.00

Liquidity risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its units earlier than expected. The Fund is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holders' option, based on the Fund's Net Asset Value (NAV) per unit at the time of the redemption, calculated in accordance with the Fund's Trust Deed.

The Fund manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- allowing for the redemptions, payments to be made within 7 days of the redemption instructions being received,
- searching for new investors,
- withdrawal of cash deposits,
- disposal of highly liquid assets, and
- disposal of other assets.

It is the Fund's policy that the Investment Manager monitors the Fund's liquidity position on a daily basis and that the directors of the management company review it on a quarterly basis.

The following table summarises the maturity profile of the Fund's financial liabilities based on the contractual undiscounted cash flows.

For financial liabilities, the maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Fund is required to pay.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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9. Financial risk management objectives and policies (continued)

Liquidity risk (continued)

	<u>On demand</u>	<u>Less than 1 year</u>	<u>Total</u>
<u>2019</u>			
Financial liabilities			
Trustee fees	-	1 609	1 609
Audit fees	-	7 687	7 687
Net assets attributable to unit holders	18 548 155	-	18 548 155
	18 548 155	9 296	18 557 451
<u>2018</u>			
Trustee fees	-	904	904
Audit fees	-	7 688	7 688
Net assets attributable to unit holders	14 070 600	-	14 070 600
	14 070 600	8 592	14 079 192

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 financing relationships and other transactions.

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

The Investment Manager closely monitors the creditworthiness of the Fund's counterparties (for example, brokers, custodians, managers and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The following table contains an analysis of the Fund's maximum exposure to credit risks, which are the instruments' carrying amounts in the financial statements.

Financial instruments

Other receivables	4 016	4 123
Interest receivable	4 710	-
Cash and cash equivalents	2 116 465	1 065 472
Total credit risk exposure	2 125 191	1 069 595

The above financial assets are subject to the expected credit loss model and no impairment has been identified for the year under review. Cash and cash equivalents are held with reputable financial institutions.

Fair value

The fair values of the Fund's financial assets and liabilities approximate their carrying amounts.



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

2019

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10. Financial assets and liabilities by category

The following table analyses the carrying amounts of the financial assets and financial liabilities by category as defined in IFRS 9.

Financial assets at fair value through profit or loss

Held for trading	16 430 770	13 008 881
------------------	-------------------	------------

Financial assets at amortised cost

Interest receivable	4 710	-
Other receivables	4 016	4 123
Cash and cash equivalents	2 116 465	1 065 472

Total financial assets

18 555 961	14 078 476
-------------------	------------

Financial liabilities measured at amortised cost

Net assets attributable to unit holders	18 548 155	14 070 600
Trustee fees	1 609	904
Audit fees	7 687	7 688

Total financial liabilities

18 557 451	14 079 192
-------------------	------------

11. Analysis of total assets

2019	Currency	Country	Price per unit / interest rate per annum	Holdings	Fair value	% of Gross assets					
Financial assets at fair value through profit or loss											
Current:											
Haussmann Rech Global Equity Opportunities Fund	USD	Mauritius	0.80	761 584	608 777	3.28					
Haussmann Rech Global Fixed Income Fund	USD	Mauritius	1.10	4 030 682	4 452 050	23.99					
Haussmann Rech Global Equity Multi Strategy Fund	USD	Mauritius	1.08	10 526 477	11 369 943	61.27					
					16 430 770	88.54					
Financial assets at amortised cost											
Current:											
Cash and cash equivalents											
Manhattan Dollar Yield Fund	USD	Mauritius	- %	2 033 208	2 033 208	10.95					
Bank											
Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	-	83 257	83 257	0.45					
					2 116 465	11.40					
Interest receivable											
					4 710	0.03					
Non-financial assets											
Prepayments and other receivables											
					5 506	0.03					
Total											
					18 557 451	100.00					



Haussmann Rech Global Managed Fund

Notes to the financial statements for the year ended 31 December 2019

Figures in US Dollar

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11. Analysis of total assets (continued)

	Currency	Country	Price per unit	Holdings	Fair value	% of Gross assets
2018						
<u>Financial assets at fair value through profit or loss</u>						
<u>Current:</u>						
Haussmann Rech Global Equity Opportunities Fund	USD	Mauritius	0.78	774 434	602 810	4.28
Haussmann Rech Global Fixed Income Fund	USD	Mauritius	1.04	4 152 695	4 332 183	30.77
Haussmann Rech Global Equity Multi Strategy Fund	USD	Mauritius	0.87	9 261 000	8 073 888	57.35
					<u>13 008 881</u>	<u>92.40</u>
<u>Financial assets at amortised cost</u>						
<u>Current:</u>						
Bank						
Standard Chartered Bank (Mauritius) Limited	USD	Mauritius	- %	1 065 472	<u>1 065 472</u>	<u>7.57</u>
<u>Non-financial assets</u>						
Prepayment and other receivables					4 839	0.03
Total					<u>14 079 192</u>	<u>100.00</u>

12. Reconciliation of Net Asset Value per unit

Published price (calculated in accordance with redemption requirements)	1.04	0.90
Net asset value as per IFRS	1.04	0.90

13. Events after the reporting period

As at 31 December 2019, a limited number of cases of an unknown virus had been reported to the World Health Organisation. Following the subsequent spread of the virus, on 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The identification of the virus post 31 December 2019 as a new coronavirus, and its subsequent spread, is considered as a non-adjusting subsequent event. There are meaningful direct and indirect effects developing with companies across multiple industries and the world. As at the date of this report, it is not possible to reliably estimate the financial effect (if any) of the virus on the Fund's operations. The Board of Directors will continue to support the business and monitor the impact COVID-19 has on them and reflect the consequences as appropriate in the accounting and reporting. Business will continue as it is an essential service and in the medium term, we anticipate business returning to normal.

As at 31 March 2020, the total portfolio has incurred an overall decrease of 15.40% compared to the value as at 31 December 2019 arising from disposal of investment in Haussmann Rech Global Equity Opportunities Fund and Haussmann Rech Global Fixed Income Fund. Being the feeder Fund, there has been no major impact on the investments.

There are no other significant events that have occurred in respect of the Fund and the management company, subsequent to the year end, that may be relevant to the accuracy of these financial statements.