

### Investment Objective and Strategy

The fund's objective is to achieve long-term capital appreciation and generate regular income by investing in a diversified portfolio of local and foreign equities, highly rated debt and other fixed income securities. Debt and fixed income securities selection will be based on low risk of interest and capital defaults, and equities will include both high yield and growth stocks. The fund suits investors willing to accept some degree of short-term volatility in the value of their investment. Such risk will however be lower than in pure equity funds, due to the fixed income component. In order to meet investors' expectations, the fund manager will carefully select and actively manage the portfolio such as to outperform long-term investment trends.

### Fund Manager's Comment

Although marked by volatility throughout the year, financial markets ended 2010 on a high. The MSCI All Country World Index (Net) registered an annual gain of 12.7% in USD terms. The Mauritian indices were no exception with the SEMTRI, SEM-7 and DEMTRI closing the year up by 22%, 3.5% and 11.2% respectively.

At end-December, weighted yields on 91-day, 182-day and 364-day Government of Mauritius Treasury Bills amounted to 2.02%, 3.04% and 3.49% respectively. These yields have all decreased sharply during the year.

The past twelve months saw the Mauritian Rupee appreciating by 6% and 3% against the Euro and GB Pound respectively. In contrast, the US Dollar went up slightly (1%). It should be noted that other currencies such as the Japanese Yen, South African Rand, Singapore Dollar and Australian Dollar all gained significant ground (more than 10%) against our local currency.

The NMF General Fund generated a commendable return of **+10.2%** during the year under review. December return amounted to **+1.4%**, in line with the composite benchmark. NMF GF furthermore declared an interim dividend of Rs.0.569 per unit for the year ending 30 June 2011, giving a **dividend yield of 3.4%**.

We should emphasize that the fund portfolio has been significantly rebalanced when compared to where it began the year. There has been major focus on diversification and risk management. As can be seen above, the local large capitalization companies as well as the major currencies all underperformed this year, hence highlighting the importance of diversification. Our good cash position (9% of portfolio) moreover allows us to take advantage of attractive buying opportunities as and when they arise. We also consider the recent weakness experienced in the foreign corporate bond markets as a good opportunity to add to our fixed income holdings. Looking ahead, barring any 'black swans' (unforeseen negative events), we remain optimistic that the Fund is well positioned to register another year of good performance.

### Key Facts

**Fund Type:**  
Balanced

**Fund Launch Date:**  
30<sup>th</sup> June 1990

**Fund Size:**  
Rs. 584.9 m

**Prices:**  
Issue \*: Rs 53.96  
Repurchase: Rs. 53.42  
NAV: Rs 53.96

**Minimum Investment:**  
Lump Sum: Rs 5,000  
Regular Savings: Rs 500

**Dividend Declaration:**  
Interim: December / Final: June

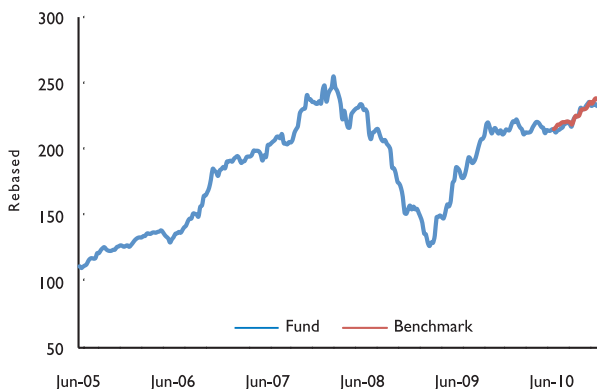
**Pricing /Valuation Frequency:**  
Weekly (Wednesday)

**Fee Structure:**  
Initial Service Charge\*: Nil  
Exit Fee: 1%  
Annual Management Fee: 1.25%

**Number of holdings: 79**

**\* Initial Service Charge has been waived as from 25th November 2010**

### Performance Since 30 June 2005



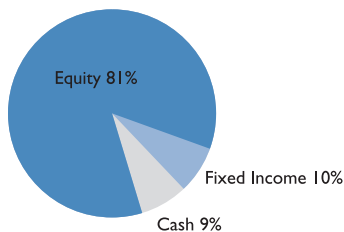
### Fund Performance

	Fund Annualised Return	Fund Cumulative Return	*Benchmark Cumulative return
1 mth	n/a	1.4 %	1.7 %
6 mths	n/a	10.0 %	11.8 %
YTD	n/a	10.2 %	n/a
1 year	10.2 %	10.2 %	n/a
3 years	0.0 %	0.1 %	n/a
5 years	13.0 %	84.0 %	n/a

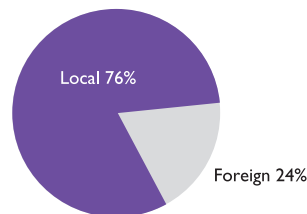
\*Composite Benchmark: 50% SEMTRI, 10% DEMTRI, 10% MSCI World, 10% Local Bank Savings rate and 20% USD 3-months LIBOR.

All performance information is stated on a NAV-to-NAV basis. As from 01 January 2010, performances also include dividends declared by the fund.

### Asset Allocation



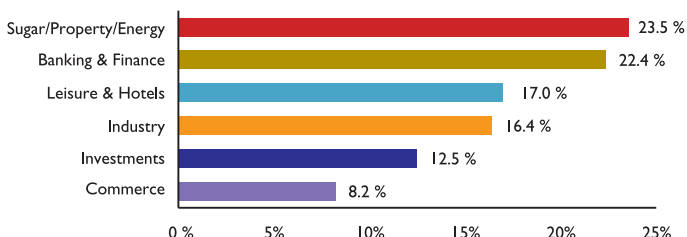
### Geographical Allocation



### Last 5 Financial Years Annual Returns

	Returns (%)	Dividend/unit (Rs.)
30.06.09 to 30.06.10	17%	1.76
30.06.08 to 30.06.09	-19%	0.77
30.06.07 to 30.06.08	11%	0.65
30.06.06 to 30.06.07	51%	0.76
30.06.05 to 30.06.06	21%	0.61

### Local Sector Equity Allocation



### Top 5 Holdings

1 Mauritius Commercial Bank	Banking	7.8 %
2 Sun Resorts	Hotels	5.6 %
3 State Bank of Mauritius	Banking	5.3 %
4 ENL Land (Ordinary Shares)	Sugar & Property	5.2 %
5 LIM Asia Arbitrage Fund	Foreign Equity	5.2 %

### Contact Details

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