

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

NMF General Fund returned 1.9% over the month ended 4th August 2010, in line with that of the new composite benchmark. As from 01 July, the Fund has a new benchmark made up of the following:

SEMTRI: 50%, DEMTRI: 10%, MSCI World: 10%, local bank savings rate: 10% and USD 3-month LIBOR rate: 20%.

NMF General Fund will gradually become a balanced fund with around 30% of the fund being allocated to both local and foreign fixed income securities. We believe that this will bring down the volatility level and also allow unitholders to benefit from improved dividends over time.

Both the local and foreign markets rose significantly during the month under review, and the fund manager successfully engaged in profit taking of equity instruments. NMF General Fund furthermore declared a final dividend of Rs. 1.24 per unit in respect for the financial year ending 30 June 2010. The units traded ex-dividend as from 7 July 2010. Bearing into mind the interim dividend of Rs 0.52, overall dividend yield of the Fund stood at 3.59% on 4th August.

Going forward, the fund will continue to be actively managed, with focus on having a diversified portfolio (asset class, currency, country and sector). The manager will also ensure that the fund is not overexposed to a few large local companies. The idea is to provide consistent returns in both up and down markets. We remain of the view that equity markets could be volatile in the coming months. Focus will therefore be on adopting a prudent risk management approach.

Key Facts

Fund Type:
Balanced

Fund Launch Date:
30th June 1990

Fund Size:
Rs. 522.0 m

Prices:
Issue *: Rs 49.00
Repurchase: Rs. 48.51
NAV: Rs 49.00

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

Dividend Declaration:
Interim: December / Final: June

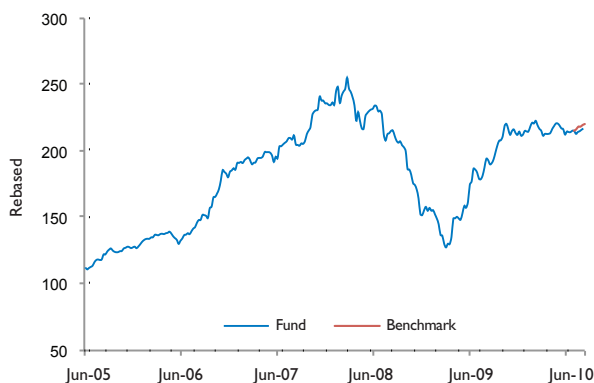
Pricing /Valuation Frequency:
Weekly (Wednesday)

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

Number of holdings: 71

*** Initial Service Charge is nil until 31 December 2010.**

Performance Since 30 June 2005



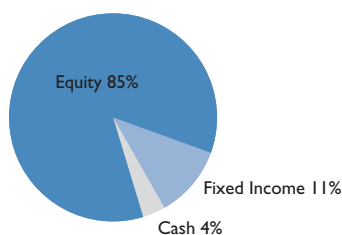
Fund Performance

	Fund Annualised Return	Fund Cumulative Return	*Benchmark Cumulative return
1 mth	n/a	1.87 %	1.93 %
6 mths	n/a	-2.60 %	n/a
YTD	n/a	1.00 %	n/a
1 year	11.67 %	11.67 %	n/a
3 years	1.30 %	3.94 %	n/a
5 years	13.15 %	85.49 %	n/a

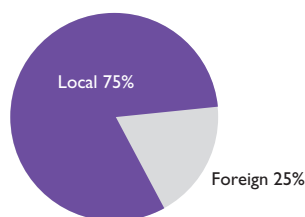
*Composite Benchmark as from 01.07.10: 50% SEMTRI, 10% DEMTRI, 10% MSCI World, 10% Local Bank Savings rate and 20% USD 3-months LIBOR.

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



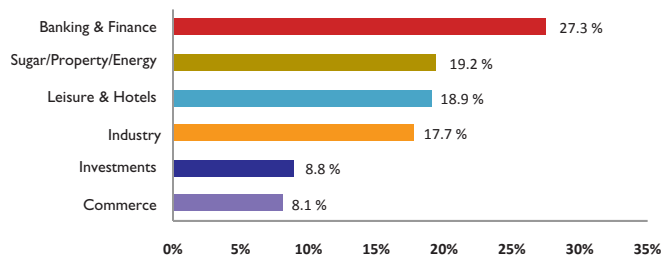
Geographical Allocation



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	8.5 %
2 State Bank of Mauritius	Banking	6.9 %
3 United Basalt Products	Industry	6.0 %
4 New Mauritius Hotels	Hotels	5.7 %
5 Sun Resorts Ltd	Hotels	5.6 %

Contact Details

The National Mutual Fund Ltd | MUA Building| 4, Leoville L'Homme Street, Port-Louis | Tel: + 230 212 2520 / 207 5500 - Fax: + 230 212 2519
Email: nmf@mauritiusunion.com - Web site: www.nmf.mu - Business Reg. No. C10006190