

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

The NMF General Fund registered a positive performance during the year ended 30 June 2010. Total return amounted to nearly 17%, in line with the SEMTRI and MSCI AC World indices. YTD (January to June 2010) return moreover amounted to 0.2%. We are therefore quite pleased to have succeeded in capital preservation, despite the volatility prevailing in local and foreign financial markets in recent months.

NMF General Fund has been significantly rebalanced since January 2010 (when it came under new management). Prior to this, it was highly biased towards certain local equity securities and this resulted in considerable price volatility at times. The Fund has also been actively managed.

At end-June 2010, the NMF GF portfolio had 72% invested in Mauritian listed equities, 12% invested in foreign mutual funds while the remainder was represented by local cash, foreign currency deposits and fixed income instruments. During June, the Fund purchased several foreign investment grade corporate bonds offering a very attractive yield.

We are confident that the NMF GF dividends that will be declared going forward will increase significantly over those of previous years.

Looking ahead, the fund management team will pursue the active investment strategy and consistently seek to invest in undervalued equities with good growth potential. The objective will ultimately be to "buy low and sell high". The proportion invested in fixed income securities is also expected to increase over time. The intention is to seek a reasonable risk-adjusted return under both positive and negative future market conditions for NMF GF.

It should be highlighted that the initial service charge of 1% has been waived until end-December 2010. We furthermore thank the new investors (both local and foreign) who have shown interest in the Fund this year.

Key Facts

Fund Type:
Balanced

Fund Launch Date:
30th June 1990

Fund Size:
Rs. 529.9 m

Prices:
Issue *: Rs 49.82
Repurchase: Rs. 49.32
NAV: Rs 49.82

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

Dividend Declaration:
Interim: December / Final: June

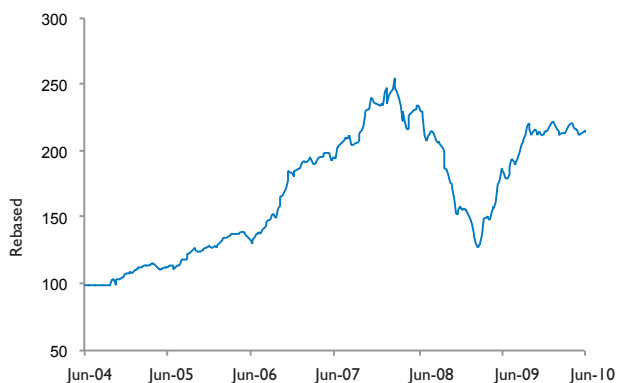
Pricing /Valuation Frequency:
Weekly (Wednesday)

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

Number of holdings: 73

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

Performance Since 30 June 2004

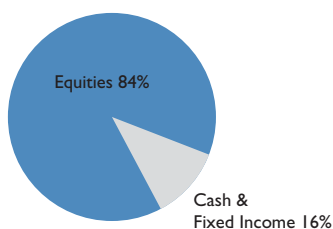


Fund Performance

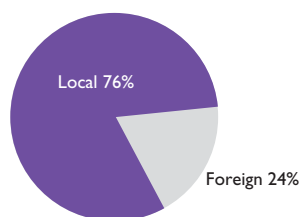
	Cumulative Return	Annualised Return
1 mth	1.3 %	n/a
6 mths	0.2 %	n/a
YTD	0.2 %	n/a
1 year	16.9 %	16.9 %
3 years	4.9 %	1.6 %
5 years	88.9 %	13.6 %

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

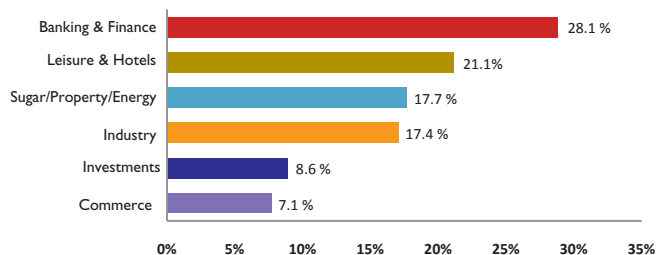


Last 5 Financial Years Annual Returns

	Returns (%)	Dividend/unit (Rs.)
30.06.09 to 30.06.10	17%	*
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

* Final dividend will be declared soon. Interim dividend for the year was Rs. 0.53.

Local Sector Equity Allocation



Top 5 Holdings

1 Mauritius Commercial Bank	Banking	8.4 %
2 State Bank of Mauritius	Banking	7.0 %
3 Sun Resorts Ltd	Hotels	6.8 %
4 United Basalt Products	Industry	5.9 %
5 New Mauritius Hotels	Hotels	5.7 %

Contact Details

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