

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 and commendable performance during the year ended 30th June 2011. Total return for the year amounted to nearly 13% and the Fund moreover registered a return of 2.5% on a Year-To-Date (January to June 2011) basis. As highlighted previously, the Fund manager chose to adopt a cautious approach and avoided concentration in a few securities only. Total dividend per unit for the year amounted to Rs.2.20, thereby generating an attractive yield of 4%, based on the unit price of 30 June 2011.

During the year ended 30 June 2011, the local indices SEMTRI, SEM-7 and DEMTRI rallied by nearly 30%, 18% and 13% respectively. The MSCI AC World Index (Net) maintained a similar trend and gained 30%, in USD terms. The local Treasury bill yields which were on the decline for most of the year subsequently picked up following the recent increases in the repo rate by the Bank of Mauritius. At end-June 2011, the weighted yield on the 364-day Treasury Bill stood at 4.72%, similar to that at end-June 2010.

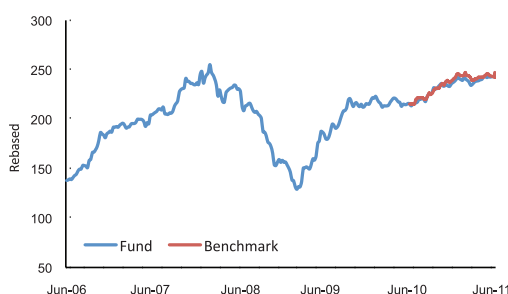
In contrast, the Mauritian Rupee appreciated against most of the major currencies and this to some extent negatively impacted on return of foreign investments. USD and GBP fell by 12% and 6% against our local currency. The Euro however went up by 4% against the Rupee during the year under review.

At end-June 2011, the NMF GF portfolio had 70.4% invested in Mauritian listed equities, 11.2% invested in foreign mutual funds while the remainder was represented by local cash, foreign currency deposits and fixed income instruments.

Looking ahead, the fund management team will continue with the active investment strategy and seek to invest in undervalued equities with good growth potential. The objective "buy low and sell high" remains unchanged. There will also be focus on risk management. The proportion invested in fixed income securities is also expected to increase over time. Unquoted local equities will be avoided given that they cannot be disposed of easily. The intention is to ultimately seek a reasonable risk-adjusted return under both positive and negative future market conditions for NMF General Fund.

We also draw the attention of unitholders and the public in general that the Fund will continue with its policy of paying dividends. We furthermore thank the new investors (both local and foreign) who have shown interest in NMF GF during the financial year under review.

Performance Since 30 June 2006



Fund Performance

	Fund Annualised Return	Fund Cumulative Return	*Benchmark Cumulative return
1 mth	n/a	-0.1 %	0.9 %
6 mths	n/a	2.5 %	2.4 %
YTD	n/a	2.5 %	2.4 %
1 year	12.8 %	12.8 %	14.5 %
3 years	2.2 %	6.7 %	n/a
5 years	12.1 %	76.8 %	n/a

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

Risk Statistics - Annualized

Annual Standard Deviation**	3.62 %
1 Year Sharpe Ratio***	2.30

* Composite Benchmark as from 1 July 2010 : 50% SEMTRI, 10% DEMTRI, 10% MSCI World, 10% Local Bank Savings rate and 20% USD 3-months LIBOR.
** Standard Deviation measures the variation in a fund's return from its average return over a particular time period. The greater the standard deviation, the greater the fund's volatility (risk).
*** Sharpe Ratio measures the excess return over the risk free rate per unit of the fund's risk. The higher the Sharpe Ratio, the better the fund's risk-adjusted performance.

Key Facts

Fund Type:
Balanced

Fund Launch Date:
30th June 1990

Fund Size:
Rs. 606.2 m

Prices:
Issue: Rs 54.96
(Cum-Dividend)

Repurchase: Rs. 54.41

NAV: Rs 54.96

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

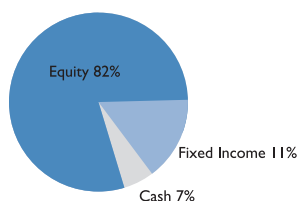
Dividend Declaration:
Interim: December / Final: June
Pricing /Valuation Frequency:
Weekly (Wednesday)

Fee Structure:
Entry Fee: Nil
Exit Fee: 1%
Annual Management Fee: 1.25%

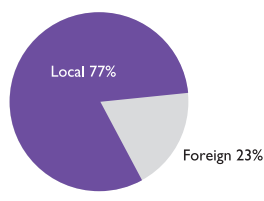
Number of holdings: 92

2011 Interim Dividend/Unit
Rs 1.63

Asset Allocation



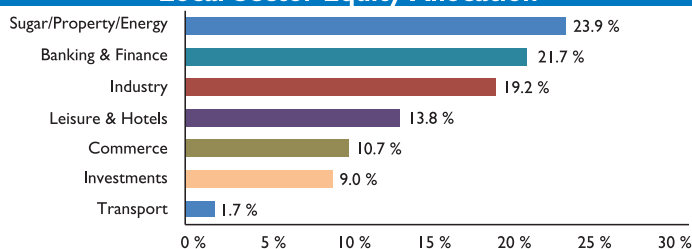
Geographical Allocation



Last 5 Financial Years Annual Returns

	Returns (%)	Dividend/unit (Rs.)
30.06.10 to 30.06.11	13%	2.20
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

Local Sector Equity Allocation



Top 5 Holdings

1 Mauritius Commercial Bank	Banking	8.1 %
2 Harel Frères	Sugar/Property/Energy	5.0 %
3 ENL Land (Ordinary)	Sugar/Property/Energy	4.9 %
4 State Bank Of Mauritius	Banking	4.8 %
5 LIM Asia Arbitrage Fund	Foreign Equity	4.7 %

Contact Details

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