

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 major stock markets all experienced a rather turbulent month given unrest in the Middle East, a higher oil price, the Japanese earthquake and nuclear crisis, and the resurgence of Euro zone fiscal problems.

The local indices SEMTRI, SEM-7 and DEMTRI decreased by 0.9%, 1.9% and 1.8% respectively. The MSCI All Country World Index (Net) in contrast managed to close the month rather unchanged (in USD terms) although volatility remained high intra-month.

On 28th March, the Monetary Policy Committee (MPC) of the Bank of Mauritius decided by a majority vote to raise the Key Repo Rate by 50 basis points to 5.25% per annum.

On the international front, there are hopes that the global economic recovery will continue although rising food prices and inflation remain cause for concern.

The US Dollar and GB Pound depreciated sharply by more than 2.5% against the Mauritian Rupee during March. The Euro however was range bound.

At end-March, weighted yields on 182-day and 364-day Government of Mauritius Treasury Bills amounted to 1.8% and 3.53% respectively. It should be highlighted that these yields were recorded prior to the increase in the repo rate by the Bank of Mauritius.

For the month of March, the NMF General Fund outperformed its benchmark by 0.3%, thanks to its diversified portfolio. The fund manager will continue to take advantage of both buy and sell opportunities created by market volatility. Focus ultimately remains on bottom-up stock picking. A number of fixed income securities (both foreign and local) offering very attractive yields have already been selected for investment and they should positively benefit performance of the Fund in the coming months.

Key Facts

Fund Type:
Balanced

Fund Launch Date:
30th June 1990

Fund Size:
Rs. 585.5 m

Prices:
Issue *: Rs 53.56
Repurchase: Rs. 53.02
NAV: Rs 53.56

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

Dividend Declaration:
Interim: December / Final: June

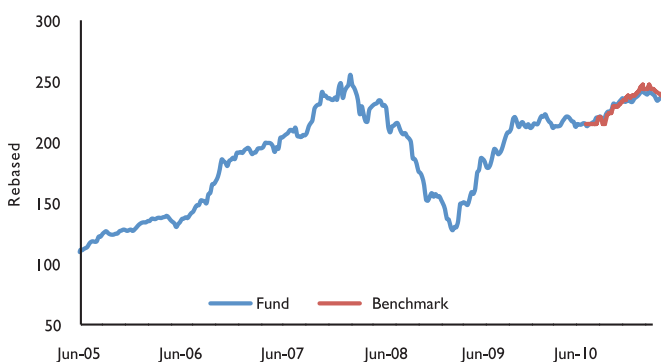
Pricing /Valuation Frequency:
Weekly (Wednesday)

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

Number of holdings: 90

**2011 Interim Dividend/Unit
Rs 0.567**

Performance Since 30 June 2005



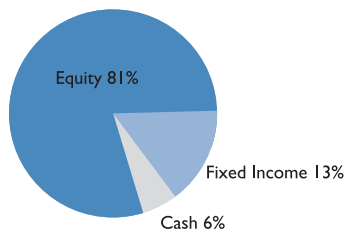
Fund Performance

	Fund Annualised Return	Fund Cumulative Return	*Benchmark Cumulative return
1 mth	n/a	-1.0 %	-1.3 %
6 mths	n/a	5.1 %	6.9 %
YTD	n/a	0.0 %	-0.3 %
1 year	10.7 %	10.7 %	n/a
3 years	2.0 %	6.2 %	n/a
5 years	11.5 %	72.5 %	n/a

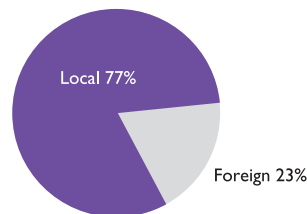
*Composite Benchmark: 50% SEMTRI, 10% DEMTRI, 10% MSCI World, 10% Local Bank Savings rate and 20% USD 3-months LIBOR.

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



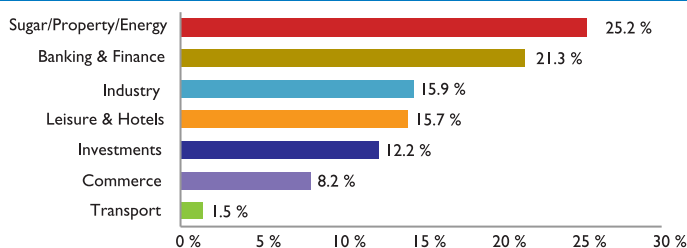
Geographical Allocation



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	7.7 %
2 Harel Frères	Sugar/Property/Energy	5.2 %
3 Sun Resorts	Hotels	5.0 %
4 LIM Asia Arbitrage Fund	Foreign Equity	5.0 %
5 ENL Land	Sugar/Property/Energy	4.9 %

Contact Details

The National Mutual Fund Ltd | 2nd Floor, Barkly Wharf | Le Caudan Waterfront, Port-Louis | Tel: (230) 212 2520 / 207 2500 - Fax: (230) 212 2519
Email: nmf@mauritiusunion.com. - Web site: www.nmf.mu | Business Reg. No: C10006190