

TRUST CONSTITUTION

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The NMF GENERAL FUND is constituted under the NMF UNIT TRUST which is authorized under the Unit Trust Act 1989 and established by a Trust Deed dated 30th May 1990 between the National Mutual Fund Ltd ("The Manager") and the State Bank of Mauritius Ltd ("The Trustee").

TRUST OBJECTIVE

The investment objective of the NMF GENERAL FUND is to produce both income and capital growth from a diversified portfolio of assets. Investments are predominantly made in equities and fixed income securities in the domestic Stock Exchange and in major international stock markets.

MANAGERS' REPORT

For the year ended 30 June 2007

We are pleased to present a report of the NMF GENERAL FUND for the year ended 30 June 2007.

ECONOMIC REVIEW

Preliminary estimates indicate that in 2006, the Mauritian economy grew by 5% in real terms. As for the main sectors of economic activity, the agricultural sector contracted by 2.9% amid a relatively poor sugar crop, while the EPZ sector grew by 4.6% after four consecutive years of decline. Similarly, construction rebounded to grow by 5.1% following construction of new hotels and implementation of projects under IRS. Finally, the financial intermediation sector grew by 7% due to robust performances from the banking and offshore activities while, tourism, posted a growth rate of 3.5% following a significant increase in tourist arrivals.

Turning to the country's main economic fundamentals, during the year under review, the investment rate fell to reach 21.2% of GDP. Furthermore, a look at consumer price inflation shows that for the calendar year 2006, it stood at 8.9% while, the unemployment rate marginally fell to 9.1%. As for the budget deficit, for the financial

year 2005/06, it expanded to reach 5.3% of GDP.

On the external front, the balance of payments has posted a deficit of Rs 3bn, while at the end of 2006, net international reserves were sufficiently strong to cover about 36 weeks of imports. Finally, on the monetary scene, the Lombard rate rose to 13%.

The economic prospects for 2007 seem to remain bright with the economy expected to grow by 5.8%. On a sectoral basis, the agricultural sector is still expected to post a negative growth figure following heavy rainfalls and the passage of Gamede at the start of the year while, the EPZ sector is expected to keep recovering amid at a slower pace. Similarly, both the financial intermediation and construction sectors are expected to remain robust on the back of continued buoyant activities and the implementation of new building projects respectively. As for tourism, with 850,000 tourists expected during the year, the sector is expected to undergo a marked improvement compared to previous years where growth was more subdued.

PERFORMANCE REVIEW

- Asset Allocation as at 30 June 2007

	%
Local Quoted	65
Overseas Investments	29
T-Bills	5
Cash	1
Total	100

- Capital

For the financial year under review, the Fund's Capital Value per unit increased by about 49.4% as it rose from Rs 31.60 on 1 July 2006 to reach Rs 47.22 on 30 June 2007. As regard performance, we have had a good year with both our domestic and international portfolios, posting positive results. An overview of the performance of the different asset classes making up the portfolio is set out below:

	Capital Gains / (Losses)	Capital Appreciation / (Depreciation)	Currency Appreciation / (Depreciation)	Total
Local Portfolio (Rs 000)	4,412	142,645	-	147,057
Overseas Portfolio (Rs 000)	25,169	9,762	769	35,700
Total (Rs 000)	29,581	155,407	769	182,757

On the domestic scene, with the Semdex up 70.3% for the year under review, the Fund's local portfolio of quoted shares has appreciated by Rs 147m which, represents an appreciation of 70.1% based on the portfolio valuation of 1 July 2006. Here, the main drivers of growth have been the stellar performances recorded on some of our main holdings namely, MCB, SBM, NMH, NIT, Sun, IBL, Naiade and Deep River Beau Champ. On the trading side, we have increased our holdings in Sun, Naiade, NMH, SBM and IBL and disposed of part of our holding in Air Mauritius.

As far as our overseas portfolio is concerned, a positive result of Rs 35.7m has been registered which, based on the portfolio valuation of 1 July 2006, represents an appreciation of about 28.9%. In USD terms, with the MSCI World Index up 21.4% during the period under review, the Fund's overseas portfolio has increased by 25.7% thereby vindicating, our strategy to tilt our portfolio in favour of the emerging markets of China, India, Brazil and Eastern Europe. As for the discrepancy between our Rs denominated performance and the USD equivalent one, it can be explained by the fact that during the year under review, the USD has appreciated by 3.2% against the rupee.

- Income

For the period under review, the Fund has paid a dividend of 76 cents per unit (2006: 61 cents per unit). Such a performance was

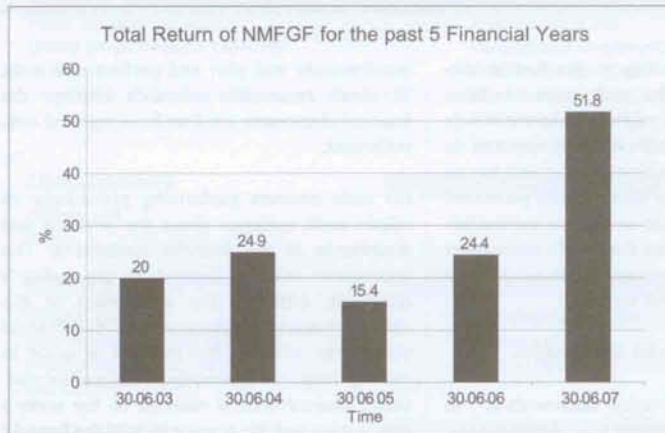
mainly due to the fact that the dividend received on our local portfolio, which makes up the bulk of the Fund's revenue, has increased by 15.3% as it rose from Rs 9.2m at 30 June 2006 to reach Rs 10.6m at 30 June 2007.

- Net Asset Value

With a dividend of 76 cents per unit together with a registered capital appreciation of Rs 15.62, the Fund's Net Asset Value per unit has increased by about 51.8% as it rose from

Rs 31.60 on 30 June 2006 to reach Rs 47.98 on 30 June 2007. The graph below illustrates

correction in overseas equities markets triggered by a sell-off in China A shares earlier



this year, concerns about a credit crunch have been resurfacing lately following a mass exodus in the US sub-prime market. As such, global financial markets have been experiencing a high degree of volatility accompanied by an abrupt decline in investor risk appetite.

the total return achieved by the Fund during the last five financial years.

PROSPECTS

The performance of our highly diversified portfolio is closely linked to the evolution of stockmarkets both locally and worldwide.

On the local front, since the balance sheet date, the positive run existing previously has gathered further momentum on the back of strong local and foreign interests on some blue chip holdings such that the Semdex has been reaching record highs in the 1525-1560 level. Based on prevailing fundamentals, the local equity market still offers some interesting trading opportunities and the prospect to add value to our portfolio remains good. In fact, a combination of factors namely, the positive expectations in the banking and tourism sectors, the high asset backing of sugar counters (which continues to attract interest given the ongoing implementation of IRS projects), and the healthy state of companies in terms of debt and profitability tends to favour equity investment in the short to medium term.

On the international scene, after the severe

Against such a backdrop, policymakers especially in the US, have been forced to cut rates to ease the liquidity crunch, shore up confidence in the banking sector and prevent a sharp economic slowdown. With the Fed rate cut bringing down volatility sharply, equities have remained on a rising path as the focus remained on expected strong corporate earnings growth, healthy balance sheets and attractive valuations relative to other asset classes.

However, being given that the financial stresses and re-pricing of risk resulting from such a crisis are likely to remain for some time, as anxieties continue to weigh on markets, volatility is expected to remain a worry at least in the short term with sharp falls and large gains likely to be concentrated into short periods of time. Furthermore, as the credit crisis looks to spread to other parts of the US economy, tough times may be expected ahead.

With such confusing signals emanating from the markets, our current stance is one of caution until a clearer picture emerges.

The National Mutual Fund Ltd

AUDITORS' REPORT
TO THE UNITHOLDERS OF THE NMF GENERAL FUND
CONSTITUTED UNDER THE NMF UNIT TRUST

This report is made solely to the Fund's unitholders, as a body. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of The NMF General Fund on pages 5 to 16 which comprise the statement of assets and liabilities as at 30 June 2007 and the statement of movements in net assets, income and distribution statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibilities of manager and trustee

The manager and trustee are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Trust Deed and the Financial Reporting Act 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 5 to 16 give a true and fair view of the financial position of the Fund as at 30 June 2007, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Trust Deed and the Financial Reporting Act 2004.

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Chartered Accountants,
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Mauritius*

NMF GENERAL FUND
STATEMENT OF ASSETS AND LIABILITIES AT 30 JUNE 2007

	Note	2007		2006	
		Rs	% of Fund	Rs	% of Fund
Non-Current Assets					
Portfolio of Mauritian Securities	6	366,806,269	65.45	209,741,087	56.89
Portfolio of International Securities	7	148,090,212	26.43	121,172,116	32.86
		514,896,481	91.88	330,913,203	89.75
Current Assets					
Treasury bills	5	32,147,196	5.74	10,224,725	2.77
Debtors and accrued income	8	40,535	0.01	29	0.00
Bank balances and short term deposits		19,298,998	3.44	31,606,114	8.57
		51,486,729	9.19	41,830,868	11.34
Total Assets		566,383,210	101.07	372,744,071	101.09
Current Liabilities					
Creditors and accruals	9	2,423,135	0.42	1,655,708	0.45
Distribution to unitholders	13	3,182,960	0.57	2,224,471	0.60
Taxation payable	12	423,711	0.08	140,961	0.04
Total Liabilities		6,029,806	1.07	4,021,140	1.09
Net Assets Attributable to Unitholders		560,353,404	100.00	368,722,931	100.00

Approved by the Manager of the NMF General Fund on 28 August 2007

The National Mutual Fund Ltd

NMF GENERAL FUND
STATEMENT OF MOVEMENTS IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2007

	INVESTMENTS (Rs)	OTHER NET ASSETS (Rs)	TOTAL (Rs)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2005	290,271,430	(3,781,637)	286,489,793
Cash received for units created	-	42,362,560	42,362,560
Cash paid for units liquidated	-	(22,104,067)	(22,104,067)
NET CASH MOVEMENT FROM UNITS	-	20,258,493	20,258,493
Net cost of investments Purchased and Sold	38,587,709	(38,587,709)	-
Proceeds from sale of Investments	(19,010,109)	19,010,109	-
NET CASH MOVEMENT FROM INVESTMENTS	19,577,600	(19,577,600)	-
Interest on treasury bills:			
Receivable for the year	749,288	(749,288)	-
Receivable at start of year	81,565	(81,565)	-
	830,853	(830,853)	-
Net income after net gains on investments and bank accounts for the year	-	61,974,645	61,974,645
Transfer of net gains on investments	62,064,159	(62,064,159)	-
	62,064,159	(89,514)	61,974,645
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2006	372,744,042	(4,021,111)	368,722,931
Cash received for units created	-	40,302,540	40,302,540
Cash paid for units liquidated	-	(30,653,128)	(30,653,128)
NET CASH MOVEMENT FROM UNITS	-	9,649,412	9,649,412
Net cost of investments purchased	115,724,372	(115,724,372)	-
Proceeds from sale of investments	(107,250,321)	107,250,321	-
NET CASH MOVEMENT FROM INVESTMENTS	8,474,051	(8,474,051)	-
Interest on treasury bills receivable for the year	2,664,599	(2,664,599)	-
NET GAINS ON INVESTMENTS AND BANK ACCOUNTS			
Net income after net gains on HFT investments and bank accounts for the year	-	181,981,061	181,981,061
Transfer of net gains on HFT investments and bank accounts	(182,459,983)	(182,459,983)	-
	182,459,983	(478,922)	181,981,061
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2007	566,342,675	(5,989,271)	560,353,404

**NMF GENERAL FUND
INCOME AND DISTRIBUTION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 Rs	2006 Rs
GROSS INVESTMENT INCOME	10	15,227,402	10,665,504
FUND EXPENSES			
Management Fees	14	5,632,871	3,461,967
Trustee Fees	15	150,000	150,000
Auditors' Remuneration		69,000	72,450
Other Expenses	11	78,155	155,327
		5,930,026	3,839,744
NET INCOME FROM OPERATING ACTIVITIES		9,297,376	6,825,760
EQUALISATION			
Add: Income received on units created		172,715	205,498
Less: Income paid on units liquidated		(106,034)	(108,439)
		66,681	97,059
NET INCOME BEFORE TAXATION		9,364,057	6,922,819
Taxation charge	12	396,772	116,510
NET INCOME AFTER TAXATION		8,967,285	6,806,309
FINANCE COSTS DISTRIBUTION TO UNIT HOLDERS			
	13	(8,967,285)	(6,806,309)
NET INCOME BEFORE NET GAINS ON INVESTMENTS			
NET GAINS ON INVESTMENTS			
Net increase in fair value of HFT investments		152,839,386	60,760,536
Gains realised on disposals of HFT investments		29,620,597	1,303,623
		182,459,983	62,064,159
CURRENCY DEPRECIATION ON FOREIGN BANK ACCOUNTS			
Net unrealised exchange loss		(478,922)	(89,514)
NET INCOME AFTER NET GAINS ON INVESTMENTS		181,981,061	61,974,645

NMF GENERAL FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007 Rs	2006 Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Net income before taxation (after finance costs and net gain on investments)	182,377,833	62,091,155
Adjustments for:		
Interest on treasury bills	(2,664,599)	(749,288)
Finance costs - distributions to unitholders	8,967,285	6,806,309
Net increase in fair value of HFT investments	(152,839,386)	(60,760,536)
Gain on disposal of HFT investments	(29,620,597)	(1,303,623)
Operating profit before working capital changes	6,220,536	6,084,017
(Increase)/decrease in debtors and accrued income	(40,506)	3,063,724
Decrease/(decrease) in creditors and accruals	767,427	(103,618)
Cash generated from operating activities	6,947,457	9,044,123
Dividend paid	(8,009,796)	(9,678,240)
Tax paid	(114,022)	(46,776)
Net cash absorbed by operating activities	(1,175,361)	(680,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cost of investments purchased, excluding movements in bank balances	(128,031,488)	(37,539,296)
Proceeds on sale of investments	107,250,321	19,010,109
Net cash used in investing activities	(21,956,528)	(19,210,080)
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash movement from units	9,649,412	20,258,493
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(12,307,116)	1,048,413
CASH AND CASH EQUIVALENTS AT 1 JULY	31,606,114	30,557,701
CASH AND CASH EQUIVALENTS AT 30 JUNE	Rs 19,298,998	31,606,114
CASH AND CASH EQUIVALENTS		
Represented by:		
Bank balances and short term deposits	Rs 19,298,998	31,606,114

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2007

1. GENERAL INFORMATION

The NMF General Fund is an open-ended collective Investment Scheme which is constituted under the NMF Unit Trust. It was authorised under the Unit Trust Act 1989 and established by a Trust Deed dated 30 May 1990 made between The National Mutual Fund Ltd ("The Manager") and The State Commercial Bank Ltd ("The Trustee").

The investment objective of the NMF General Fund is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in equities and fixed interest securities in the domestic and in the major international stock markets.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Fund has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2006. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Fund's accounting policies that would affect the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IAS 1	Amendment to IAS 1: <i>Presentation of financial statements - Capital Disclosures</i>
IAS 23	Amendment to IAS 23: <i>Capitalisation of Borrowings Costs</i>
IFRS 7	<i>Financial Instruments: Disclosure</i>
IFRS 8	<i>Operating Segments</i>
IFRIC 10	<i>Interim Financial Reporting and Impairment</i>
IFRIC 11	<i>Group and Share Treasury Transactions</i>
IFRIC 12	<i>Service Concession Arrangements</i>

IFRIC 13	<i>Customer Loyalty Programme</i>
IFRIC 14	<i>IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.</i>

The Manager and the Trustee anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Fund.

3. ACCOUNTING POLICIES

The principal accounting policies adopted by the Fund are as follows:

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with International Financial Reporting Standards ("IFRS").

(b) Dividend and interest income

(i) Dividends receivable from listed investments are credited to the Income and Distribution Statement when they are first quoted ex-dividend.

(ii) Dividends from unquoted investments and international equities are accounted for in the Income and Distribution Statement on a receipt basis.

(iii) Interest receivable from bank, short term deposits and fixed interest stocks is credited to the Income and Distribution Statement on a daily basis.

(c) Deferred taxation

Deferred taxation is provided on the comprehensive basis using the liability method.

Deferred tax liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is possible that taxable profit will be available against

which the deductible temporary differences can be utilised.

(d) Foreign currency transactions

Monetary assets and liabilities in foreign currencies are translated into rupees at rates of exchange ruling at the year end. Any exchange gains or losses arising are recognised in the Income and Distribution Statement. Revenue items denominated in foreign currencies are converted into rupees at the exchange rates ruling at the dates of their transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realised and unrealised gains or losses from investments.

(e) Capital gains

Not more than 30% of the gains derived on realisation of any investments is statutorily allowed to be considered as distributable income.

(f) Cash and Cash Equivalents

Cash comprises cash at bank and in hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk to change in value.

(g) Financial instruments

Financial assets and liabilities are recognised on the statement of Assets and Liabilities when the Fund has become party to the contractual provisions of the financial instruments.

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:-

(i) Investments

Investments are recognised on a trade-date basis and are initially measured at cost. At subsequent

reporting dates, investments classified as loans-and-receivables ("L&R") or as held-to-maturity ("HTM") are measured at amortised cost, less any impairment loss. Investments other than L&R and HTM investments are classified as either held-for-trading ("HFT"), which is a subset of the fair-value-through-profit-or-loss ("FVTPL") category, or available-for-sale ("AFS") and are normally measured at subsequent reporting dates at fair value. However, AFS investments which do not have a quoted market price and whose fair value cannot be reliably measured are subsequently measured at amortised cost or cost, depending on whether they have a fixed maturity or not, less any impairment loss.

For FVTPL (including HFT) assets and liabilities, unrealised gains and losses are included in the Income and Distribution Statement. For AFS investments, unrealised gains and losses are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity in respect of that investment is included in the Income and Distribution Statement.

The Fund has the possibility to designate any financial asset or financial liability as at FVTPL i.e. at fair value with changes in fair value recognised through profit or loss provided that the financial asset or financial liability satisfies certain conditions.

The gains and losses on disposal of HFT and AFS investments are recognised in the Income and Distribution Statement.

Management determines the appropriate classification of the Fund's investments and re-evaluates such classification on a regular basis.

Fair value of the investments is determined by the Fund as follows:

- Investments quoted on the local market are valued on the basis of the market prices prevailing at year end or at the trading sessions immediately preceding the year end.
- International securities are valued on the basis of the latest valuation report submitted by fund managers immediately preceding the year end.
- Unquoted investments are valued by the manager at cost. Unquoted investments which are tra-

ded are valued on the basis of the market prices published by the newspapers at year end.

• Dividends received in specie are debited and special non-recurrent dividend received in cash credited to investment account and due adjustments made to capital account on revaluation of investments.

(ii) Treasury bills

Treasury bills are classified as L&R and are measured at amortised cost.

(iii) Accounts receivable

Accounts receivable originated by the Fund are stated at cost less provision for doubtful debts. An estimate of doubtful debts is made based on a review of all outstanding amounts at balance sheet date. Bad debts are written off during the period in which they are identified.

(iv) Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the year end.

(v) Accounts payable

Accounts payable are stated at their nominal value.

(vi) Units

Units of the Fund, which are redeemable at any time at the option of the unitholder for cash, do not have a par value and an unlimited number of units may be issued. The units are financial liabilities and therefore the net assets attributable to unitholders are classified within liabilities in the statement of Assets and Liabilities and distributions to unitholders are included as finance costs in the Income and Distribution Statement.

(h) Impairment

The carrying amounts of assets are assessed at each year date to determine whether there is any indication of impairment. If such indication exists, the Fund estimates the recoverable amount of the assets, being the higher of assets' net selling price and their value in use, and reduces the carrying amount of the assets to their recoverable amounts.

(i) Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each year end and adjusted to reflect the current best estimate.

(j) Equalisation

Accrued income included in the issue and repurchase of prices of units are dealt with in the Income and Distribution Statement.

(k) Comparative figures

Comparative figures have been restated or regrouped where necessary to conform to the current year's presentation.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. TREASURY BILLS

Treasury bills are classified as L&R and are detailed as follows:

	Interest Rate per annum %	2007 Rs	2006 Rs
357 Day treasury bill expiring 22/02/2008	12.90	8,790,804	-
175 Day treasury bill expiring 24/08/2007	12.70	7,258,020	-
347 Day treasury bill expiring 14/03/2008	11.20	15,002,582	-
364 Day treasury bill expiring 16/02/2007	7.60	-	9,967,371
		31,051,406	9,967,371
Interest receivable		1,095,790	257,354
		32,147,196	10,224,725

6. PORTFOLIO OF MAURITIAN SECURITIES

(i) Held for trading

	Official list Rs	Development & Enterprises Market Rs	Total Rs
At 1 July 2006	182,303,264	27,437,823	209,741,087
Additions	20,101,577	-	20,101,577
Disposals	(5,441,106)	(240,730)	(5,681,836)
Increase in fair value of investments	124,203,968	18,441,473	142,645,441
At 30 June 2007	321,167,703	45,638,566	366,806,269
Proceeds on sale of investments	6,038,723	4,054,899	10,093,622

(ii) Details of securities

	2007 Rs	2006 Rs
SUGAR INDUSTRY	51,695,058	29,422,918
Official List		Development & Enterprises Market
Harel Frères Limited (Ord)		Alma Investment Co Ltd (Ord)
Mount Sugar Estates Co Ltd (Ord)		Beau Champ Holdings Ltd (Ord)
Mon Trésor Mon Désert Ltd (Ord)		Deep River Beau Champ Ltd (Ord)
Mon Désert Alma Ltd (Ord)		Deep River Beau Champ Ltd (Pref)
Mon Désert Alma Ltd (Pref)		Flacq United Estates Ltd (Ord)
Savannah Sugar Estates Co Ltd (Ord)		Médine Share Holdings Ltd (Ord)
		Médine Sugar Estates Co Ltd (Pref)
		The Union Sugar Estate Ltd (Ord)
FINANCE & INVESTMENT COMPANIES	149,495,351	86,014,132
Official List		Development & Enterprises Market
British American Insurance Co (Mtius) Ltd (Ord)		Forward Investment and Development Enterprises Ltd (Ord)
Mauritian Eagle Insurance Co Ltd (Ord)		Espitalier Noel Investment Trust (Units)
Mauritius Commercial Bank Ltd (Ord)		
Mauritius Development Investment Trust Ltd (Ord)		
National Investment Trust Co Ltd (Ord)		Unquoted traded
P.O.L.I.C.Y Ltd (Ord)		Policy Growth Fund (units)
Swan Insurance Co Ltd (Ord)		TMFLF Unit Trust
State Bank of Mauritius Ltd (Ord)		
Fincorp (Ord)		
United Docks (Ord)		

MANUFACTURING AND INDUSTRIAL	12,311,845	12,543,680
Official List		Development & Enterprises Market
Mauritius Oil Refineries Ltd (Ord)		Bychemex Ltd (Ord)
Plastic Industry Ltd (Ord)		Chemco Ltd (Ord)
United Basalt Products Ltd (Ord)		Consolidated Investments and Enterprises Ltd (Ord)
		CIEL Textile Ltd (Ord)
		Gaz Industriels Ltd (Ord)
		Livestock Feed Ltd (Ord)
		Livestock Feed Ltd (Pref)
CONGLOMERATE	23,706,600	14,223,960
Official List		
Rogers & Co Ltd (Ord)		
LEISURE & TOURISM	101,730,083	42,442,974
Official List		Development & Enterprises Market
New Mauritius Hotels Ltd (Ord)		Casino Ltd (Ord)
Automated Systems Ltd (Ord)		Naiade Resort Ltd (Ord)
Sun Resorts Ltd (Ord)		
AIR TRANSPORT	1,460,114	3,802,533
Official List		
Air Mauritius Ltd (Ord)		
FOOD & BEVERAGES	3,488,920	4,132,689
Official List		Development & Enterprises Market
Happy World Foods Ltd(Ord)		Moulins de la Concorde Ltd (Ord)
Innodis Ltd (Ord)		Moulins de la Concorde Ltd (Pref)
		Falaise Rouge Ltd (Ord)
COMMERCE	22,120,803	16,675,339
Official List		
Compagnie des Magasins Populaires Ltée (Ord)		
Shell (Mauritius) Ltd (Ord)		
Ireland Blyth Limited (Ord)		
PROPERTY	797,495	482,862
Official List		
Promotion and Development Co Ltd (Ord)		
Caudan Development & Co Ltd (Ord)		
TOTAL VALUE of Mauritian Securities	366,806,269	209,741,087
PORTFOLIO CHANGES		
Holdings Purchased		Fincorp (Ord)
Naiade Resorts Ltd (Ord)		Espitalier Noel Investment Trust (Ord)
Ireland Blyth Limited (Ord)		Courts (Ord)
New Mauritius Hotels Ltd (Ord)		Forward Investment and Development Enterprises Ltd (Ord)
Sun Resorts Ltd (Ord)		Flacq United Estates Ltd (Ord)
United Docks (Ord)		Sun Resorts Ltd (Ord)
State Bank of Mauritius Ltd (Ord)		New Mauritius Hotels Ltd (Ord)
Holdings Sold		Naiade Resorts Ltd (Ord)
The Mauritius Commercial Bank Ltd (Ord)		Air Mauritius Ltd(Ord)
Deep River Beau Champ (Ord)		Innodis Ltd (Ord)

7. PORTFOLIO OF INTERNATIONAL SECURITIES

(i) Held for trading	2007 (Rs)	2006 (Rs)
At 1 July	121,172,116	73,656,849
Additions	47,250,729	24,558,609
Disposals	(30,526,578)	(177,615)
Increase in fair value	10,193,945	23,134,273
At 30 June	Rs 148,090,212	121,172,116

Proceeds on sale of investments	Rs 55,735,389	177,615
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(ii) Details of securities	2007 (Rs)	2006 (Rs)
The China Index Fund Limited (shares)	-	1,732,358
Prudential World Value Fund (units)	26,749,761	20,826,897
Long Investment Management Limited		
- Global Funds:		
Lim Asia Arbitrage Fund (units)	25,298,728	20,670,392
Man - IP 220 Plus Limited (bonds)	2,992,353	2,701,378
LIM China Opportunities Fund	-	3,560,441
HSBC Funds Nominee (Jersey) Limited:		
HSBC Global Investment Funds Sicav		
- Brazil Equity (shares)	4,111,244	4,251,459
JF Equity Funds		
- Global Equity (Units)	13,364,463	20,944,138
- Germany Global (units)	3,666,981	4,498,950
- Japan Equity Fund (units)	6,444,877	11,265,258
- Asia Pacific Single Country - India (units)	8,874,119	14,244,058
- Eastern Europe Global (units)	9,008,537	12,541,968
- Asia Pacific Single Country - China (units)	3,495,103	3,934,819
- JPM USD	30,511,947	-
- JPM Euro	10,836,529	-
- HSBC USD Reserve	2,735,570	-
Total Value of International Securities	148,090,212	121,172,116

8. DEBTORS AND ACCRUED INCOME

	2007 (Rs)	2006 (Rs)
Dividend receivable	29	29
Other debtors and prepayments	40,506	-
	Rs 40,535	29

9. CREDITORS AND ACCRUALS

	2007 (Rs)	2006 (Rs)
Uncleared Distribution	611,288	622,097
Other Creditors and Accruals	1,811,847	1,033,611
	Rs 2,423,135	1,655,708

10. GROSS INCOME

	2007 (Rs)	2006 (Rs)
Dividends on Mauritian Securities	10,600,992	9,197,126
Interest on Bank and Short Term Deposits	1,037,152	9,197,126
Interest on overseas deposit	1,037,152	603,759
Interest on Treasury Bills	206,743	112,272
Dividend on overseas securities	2,664,599	749,288
	Rs 717,916	3,059
	15,227,402	10,665,504

11. OTHER EXPENSES

	2007 (Rs)	2006 (Rs)
Bank Charges	14,155	96,327
Printing	64,000	59,000
	Rs 78,155	155,327

12. TAXATION

(i) Income tax

Income tax has been charged on the net income of the Fund, as adjusted for tax purposes, at the rate of 15% as follows:

	2007 (Rs)	2006 (Rs)
Provision for current year	423,711	140,961
Overprovision in previous year	(26,939)	(24,451)
Taxation charge	396,772	116,510

(ii) Tax reconciliation

	2007 (Rs)	2006 (Rs)
Net income before taxation	9,364,057	6,922,819
Tax at 15%	1,404,609	1,038,423
Tax effects of:		
- Exempt income	(1,600,151)	(1,394,128)
- Expenses attributable to exempt income	619,253	496,666
Overprovision last year	(26,939)	(24,451)
Taxation expense	396,772	116,510

(iii) Deferred tax

The fund had no deferred tax asset/liability at 30 June 2007 and 30 June 2006.

13. FINANCE COSTS - DISTRIBUTIONS TO UNITHOLDERS

	2007 (Rs)	2006 (Rs)
Interim distribution of Re 0.49 (2006: Re 0.42) per unit	5,784,325	4,581,838
Final distribution of Re 0.27 (2006: Re 0.19) per unit	3,182,960	2,224,471
	8,967,285	6,806,309

14. MANAGER'S FEES

	2007 (Rs)	2006 (Rs)
These comprise fees payable to:		
- National Mutual Fund Ltd	5,414,948	3,253,698
- Prudential World Value Fund's Investment Manager	217,923	208,269
	5,632,871	3,461,967

Manager's fees payable to the Fund's Investment Manager, National Mutual Fund Ltd is based on 1.25% of the Net Asset Value of the Fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

15. TRUSTEE'S FEES

Trustee's fees payable to State Bank of Mauritius Ltd are at a flat rate of Rs150,000 annually. The fees are payable half yearly in arrears.

16. UNITS

(a) Movements in units during the year:

	2007		2006	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	11,669,746.50	368,722,931	11,052,905.56	286,489,793
Units created	983,747.88	40,302,540	1,373,484.05	42,362,560
Units liquidated	(785,527.21)	(30,653,128)	(756,643.11)	(22,104,067)
Income not distributed for the year	-	183,797,879	-	62,064,159
Currency depreciation	-	(478,922)	-	(89,514)
Adjustment to gains on investments	-	(1,337,896)	-	-
Net assets attributable to unitholders at 30 June	11,867,967.17	560,353,404	11,669,746.50	368,722,931

16. UNITS (Contd)

(b) Net asset value per unit	2007	2006
Ex-div	Rs 47.22	31.60
(c) Prices per unit at 30 June (valuation date)		
Issue price	Rs 47.69	31.75
Repurchase price	Rs 46.74	30.96

17. RELATED PARTY TRANSACTIONS

The fund is making the following disclosures in respect of related party transactions:

(i) Outstanding balances payable to related parties	2007 (Rs)	2006 (Rs)
NMF Property Trust	612,300	166,675
National Mutual Fund Ltd	599,418	484,636
State Bank of Mauritius Ltd	75,000	75,000
	Rs 1,286,718	726,311
Bank balances and short term deposits with State Bank of Mauritius Ltd	Rs 19,298,998	31,606,114
Investments in National Investment Trust	Rs 48,715,485	27,141,485
(ii) Manager's fees to National Mutual Fund Ltd	Rs 5,414,948	3,253,698
(iii) Trustee's fees to State Bank of Mauritius Ltd	Rs 150,000	150,000
(iv) Interest income from State Bank of Mauritius Ltd	Rs 1,243,895	716,031
(v) Bank charges payable to State Bank of Mauritius Ltd	Rs 14,155	96,327

18. FINANCIAL INSTRUMENTS

In its ordinary operations, the fund is exposed to various financial risks such as foreign currency risks, interest rate risks and market risk. The fund has devised a set of specific policies for managing these exposures.

Fair values

Except where stated elsewhere, the carrying amounts of the fund's financial assets and financial liabilities approximate their fair value due to the short-term nature of the balances involved.

Currency risk

The Fund has investments, bank balances and accounts receivable denominated in United States Dollar, Euro and Pounds Sterling. The Fund is therefore exposed to the risk that these currencies may change in a manner that has a material effect on the reported values of its financial assets.

All of the Fund's financial liabilities are denominated in Mauritian Rupee.

Interest rate risk

The interest rate profile of the financial assets of the fund as at 30 June 2007 was:

Financial assets	Currency	Interest rate %	
		2007	2006
Treasury bills	MRU	11.20-12.90	7.60
Call deposit with banks	MRU	7.50	6.00
	USD	4.90	4.25
	GBP	3.25	2.50

Financial liabilities

None of the financial liabilities was interest bearing at 30 June 2007 and at 30 June 2006.