

THE NMF PROPERTY TRUST

TRUST CONSTITUTION

The NMF PROPERTY TRUST is constituted under the NMF UNIT TRUST which is authorised under the Unit Trust Act 1989 and established by a Trust Deed dated 30 May 1990 and a supplemental deed dated 28 November 1990 made between the National Mutual Fund Ltd ("The Manager") and the State Bank of Mauritius ("The Trustee").

TRUST OBJECTIVE

The aim of the NMF PROPERTY TRUST is to produce long term capital appreciation with average income distribution from a portfolio of prime properties in Mauritius. Furthermore, with a significant proportion of our assets invested overseas, the Trust remains well positioned to realize its objective.

MANAGERS' REPORT

For the year ended 31 March 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%. On a sectoral basis, the agricultural sector is still expected to post a negative growth figure following heavy rain-

falls and the passage of Gamede at the start of the year while, the EPZ sector is expected to keep recovering amid 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.

increased by 19.3 % during the financial year under review to reach Rs 19.45 on 31 March 2007 compared to Rs 16.30 a year earlier. Such a performance is mainly attributable to a combination of factors namely, the positive results recorded on our investments in the Norwich Union Property Trust which appreciated by 13.8% and, the fact that GBP appreciated by 19.7% against the local currency during the period under review.

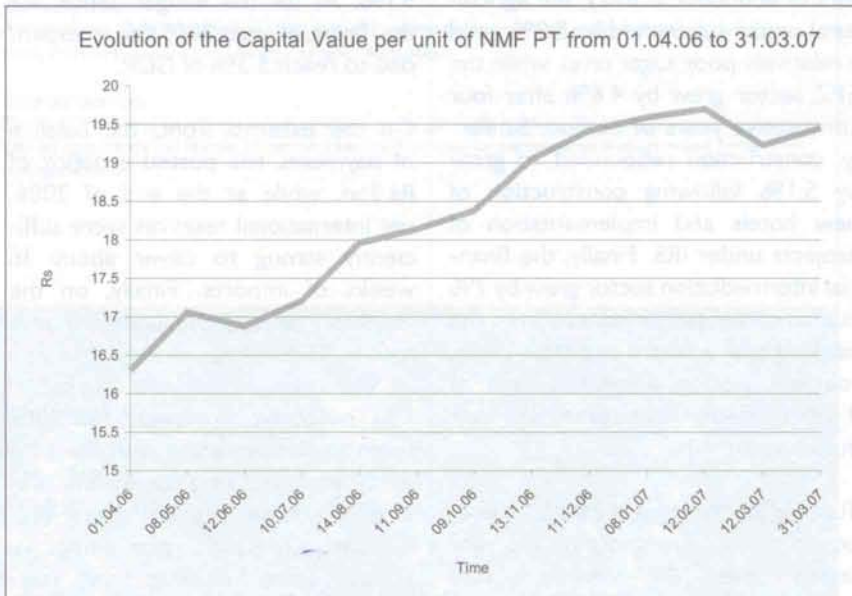
PERFORMANCE REVIEW

- CAPITAL

The Trust's Capital Value per unit

INCOME

For the financial year under consideration, the Trust's Net Income after Tax stood at Rs 3.2m compared to Rs 3.6m last year. Such a result is mainly attributable to the fact that



the tax bill for the current financial year has come up significantly higher than during the previous period (i.e., a difference of about Rs 0.3m). Against such a background, the Trust has paid a dividend of Rs 0.51 per unit, i.e., marginally lower than last year (2005: Rs 0.53 per unit).

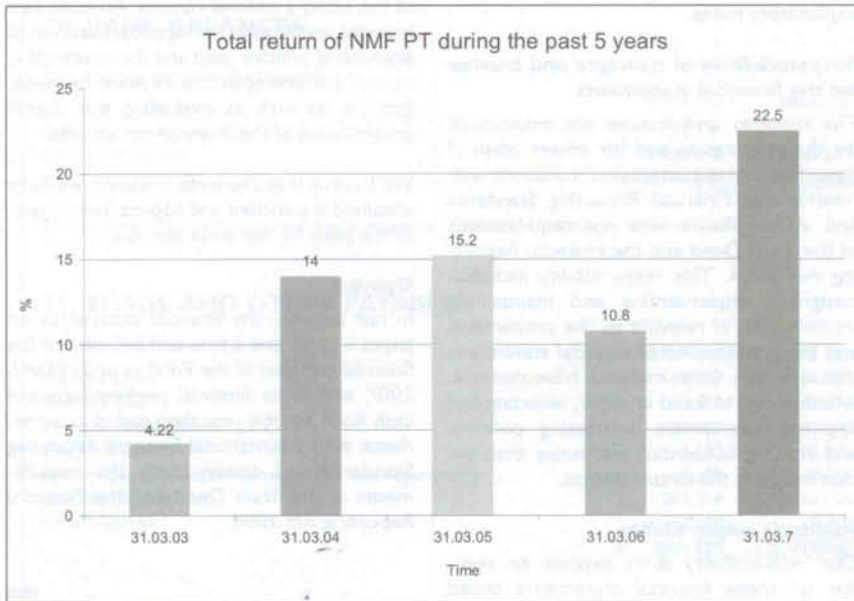
TOTAL RETURN

Combining both the capital value and the total income distributed during the financial year shows that at 31.03.07, the Net Asset Value per unit of the Trust reached Rs 19.96, i.e., an increase of 22.5%. Such a result compares favourably to the average returns achieved during the past five years as shown below:

LOOKING AHEAD

Over the medium term we remain cautiously optimistic on our ability to deliver added value to our unit-holders. We are reinforced in our views by the following considerations:

- We have a new tenant at our previously vacant premises situated at the Moorgate House. This should have a positive impact on our monthly revenue stream.
- Our overseas investment in the Norwich Union Property Trust offers good medium-term prospects, as the U.K's commercial property market seems to be heading for further growth this year.



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE NMF PROPERTY TRUST

(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 and 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 Property Trust on pages 5 to 16 which comprise the statement of assets and liabilities as at 31 March 2007 and the income and distribution statement, statement of movements in net assets attributable to unitholders 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 for the financial statements

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 entity'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 31 March 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.

The NMF Property Trust
STATEMENT OF ASSETS AND LIABILITIES
 at 31 March 2007

	Note	2007 (Rs)	2006 (Rs)	% of Fund	
				2007	2006
ASSETS					
NON-CURRENT ASSETS					
Investment properties	6	30,077,591	30,077,591	24.56	28.76
Foreign securities	7	81,784,920	60,063,297	66.78	57.42
		111,862,511	90,140,888	91.34	86.18
CURRENT ASSETS					
Treasury bills	8	11,251,330	10,565,994	9.18	10.10
Trade and other receivables	9	139,872	1,143,233	0.12	1.09
Bank balances	10	1,516,721	5,469,687	1.23	5.23
		12,907,923	17,178,914	10.53	16.42
TOTAL ASSETS		124,770,434	107,319,802	101.87	102.60
LIABILITIES					
CURRENT LIABILITIES					
Bank overdraft		-	68,248	-	0.06
Trade and other payables	11	500,428	778,041	0.40	0.74
Current tax liability	12	296,859	393,543	0.24	0.38
Dividend proposed		1,499,023	1,482,357	1.23	1.42
		2,296,310	2,722,189	1.87	2.60
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	13	122,474,124	104,597,613	100.00	100.00

Approved by the Manager of the NMF Property Trust on 18 May 2007.

The National Mutual Fund Ltd



The NMF Property Trust
INCOME AND DISTRIBUTION STATEMENT
for the year ended 31 March 2007

	Note	2007 Rs	2006 Rs
GROSS INCOME			
Dividend income		2,044,364	1,648,711
Interest income	14	948,236	1,112,982
Rental income		2,690,719	2,427,600
		5,683,319	5,189,293
FUND EXPENSES			
Manager's fees	15	1,168,858	998,138
Trustee's fees	16	83,490	71,296
Auditors' remuneration - audit fee		41,400	47,150
Maintenance of building and sewerage		494,436	317,310
Printing, postages and stationery		33,825	32,962
Municipal tax		104,612	104,604
Bank charges		3,477	4,633
		1,930,098	1,576,093
		3,753,221	3,613,200
NET INCOME FROM OPERATING ACTIVITIES			
EQUALISATION			
Income received on units created		16,374	20,633
Income paid on units liquidated		(37,386)	(45,227)
		(21,012)	(24,594)
NET INCOME BEFORE TAXATION			
		3,732,209	3,588,606
TAXATION			
	12	(546,078)	(388,450)
NET INCOME AFTER TAXATION			
		3,186,131	3,200,156
FINANCE COSTS			
Distributions to unitholders	17	(3,186,131)	(3,200,156)
NET INCOME BEFORE NET GAINS ON INVESTMENTS			
NET GAINS ON INVESTMENTS			
Net increase in fair value of HFT investments		19,881,695	7,222,239
NET INCOME AFTER NET GAINS ON INVESTMENTS			
		19,881,695	7,222,239

**STATEMENT OF MOVEMENTS IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS**
for the year ended 31 March 2007

	Investments Rs	Other Net Assets Rs	Total Rs
Net assets attributable to unitholders at 1 April 2005	112,950,964	(12,904,154)	100,046,810
Movement in units			
Cash received for units created	-	4,389,763	4,389,763
Cash paid for units liquidated	-	(7,061,199)	(7,061,199)
Net cash from movement in units	-	(2,671,436)	(2,671,436)
Movement in investments			
Cost of investments purchased	11,440,044	(11,440,044)	-
Proceeds of investments sold	(18,869,548)	18,869,548	-
Net cash from movement in investments	(7,429,504)	7,429,504	-
Net income after net gains on investments for the year	-	7,222,239	7,222,239
Transfer of net gains on investments	7,222,239	(7,222,239)	-
	7,222,239	-	7,222,239
Net assets attributable to unitholders at 31 March 2006	112,743,699	(8,146,086)	104,597,613
Net assets attributable to unitholders at 1 April 2006	112,743,699	(8,146,086)	104,597,613
Movement in units			
Cash received for units created	-	3,653,696	3,653,696
Cash paid for units liquidated	-	(5,658,880)	(5,658,880)
Net cash from movement in units	-	(2,005,184)	(2,005,184)
Movement in investments			
Cost of investments purchased	1,839,928	(1,839,928)	-
Net income after net gains on investments for the year	-	19,881,695	19,881,695
Transfer of net gains on investments	19,881,695	(19,881,695)	-
	19,881,695	-	19,881,695
Net assets attributable to unitholders at 31 March 2007	134,465,322	(11,991,198)	122,474,124

The NMF Property Trust
CASH FLOW STATEMENT
for the year ended 31 March 2007

Note	2007 Rs	2006 Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income before Taxation (after finance costs and net gains on investments)	20,427,773	7,610,689
Adjustments for:		
Adjustment to foreign securities	(204,436)	(164,871)
Net Increase in Fair Value of HFT Investments	(19,881,695)	(7,222,239)
Finance Costs - Distributions to Unitholders	3,186,131	3,200,156
Operating profit before working capital changes	3,527,773	3,423,735
(Increase)/decrease in trade and other receivables	318,025	(951,046)
Decrease in trade and other payables	(277,613)	(4,535)
CASH GENERATED FROM OPERATIONS	3,568,185	2,468,154
Tax Paid	(438,326)	(421,137)
NET CASH FLOW FROM OPERATING ACTIVITIES	3,129,859	2,047,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,839,928)	(11,440,044)
Proceeds on Disposal or Maturity of Investments	-	18,869,548
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,839,928)	7,429,504
CASH FLOW FROM FINANCING ACTIVITIES		
Net Proceeds on Movement in Units	(2,005,184)	(2,671,436)
Distributions to Unitholders	(3,169,465)	(3,041,180)
NET CASH FLOW FROM FINANCING ACTIVITIES	(5,174,649)	(5,712,616)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	(3,884,718)	3,763,905
CASH AND CASH EQUIVALENTS AT 1 APRIL	18 5,401,439	1,637,534
CASH AND CASH EQUIVALENTS AT 31 MARCH	18 1,516,721	5,401,439

The NMF Property Trust
NOTES TO THE ACCOUNTS
 for the year ended 31 March 2007

1. GENERAL INFORMATION

The NMF Property Trust ("The Fund") was established as a Unit Trust by a Trust Deed dated 28 November 1990 between The National

Mutual Fund Ltd ("The Manager") and The State Bank of Mauritius Ltd ("The Trustee").

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Fund has adopted the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("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 January 2006.

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: Presentation of financial statements - Capital Disclosures
IAS 23	Amendment to IAS 23: Capitalisation of Borrowings Costs

IFRS 7	Financial Instruments: Disclosure
IFRS 8	Operating Segments
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	Group and Share Treasury Transactions
IFRIC 12	Service Concession Arrangements

The Manager and the Trustee anticipate that the adoption of the relevant Standards and Interpretations in future periods will not have a 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 have been prepared under the historical cost convention, as modified by the revaluation of certain investments including investment properties, and in accordance with International Financial Reporting Standards ("IFRS").

(b) Income recognition

- (i) Dividend income is recognised on the ex-dividend date.
- (ii) Interest is accounted for on an accrual basis.
- (iii) Rent on properties is credited to the Income and Distribution Statement on a receivable basis and is stated net of Value Added Tax (VAT) and gross of Tax Deducted at Source (TDS).

(c) Investment properties

Properties held to earn rentals and/or capital appreciation, are stated at their fair value at the balance sheet date. Fair value is determined periodically by independent valuers and as reassessed by the manager based on current rental value.

Increases and decreases in the carrying amount arising from revaluation of investment properties are recognised in the Income and Distribution Statement in the period in which they arise.

(d) 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.

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 in securities are recognised on a trade-date basis and are initially measured at cost. At subsequent reporting dates, investments classified as held-to-maturity ("HTM") or loans-and-receivables ("L&R") are measured at amortised cost, less any impairment loss. Investments other than HTM and L&R securities 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 security 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.

(ii) 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.

(iii) Receivables

Receivables are stated at their nominal value, as reduced by appropriate allowances for irrecoverable amounts.

(iv) Payables

Payables are stated at their nominal value.

(e) Equalisation

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

(f) Foreign currency translation

Foreign currency transactions are converted into rupees at the exchange rate ruling at the dates of the transactions. Monetary assets and

liabilities denominated in foreign currencies at the end of the accounting period are translated into rupees at the rate of exchange ruling at that date. Resulting exchange differences are recognised in the Income and Distribution Statement.

(g) Impairment

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

(h) 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 balance sheet date and adjusted to reflect the current best estimate.

(i) Deferred taxation

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

Deferred tax liabilities are recognised on 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 and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

(j) Cash and cash equivalents

Cash and 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 of changes in value. They are measured at fair value, based on the relevant exchange rates at balance sheet date.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and 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. UNITS

	No. of units	Net assets attributable to unitholders (Rs)
(a) Movement in units during the period		
At 1 April 2005	6,578,411.66	100,046,810
Units created	284,547.74	4,389,763
Units liquidated	(457,457.11)	(7,061,199)
Income and distribution account for the year	-	7,222,239
At 31 March 2006	6,405,502.29	104,597,613
At 1 April 2006	6,405,502.29	104,597,613
Units created	207,145.29	3,653,696
Units liquidated	(316,551.18)	(5,658,880)
Income and distribution account for the year	-	19,881,695
At 31 March 2007	6,296,096.40	122,474,124
	2007 (Rs)	2006 (Rs)
(b) Net asset value per unit	19.45	16.33
(c) Prices per unit		
Issue price	19.65	16.39
Repayment price	19.26	15.98

6. INVESTMENT PROPERTIES

(a) At fair value	
	Freehold land and building (Rs)
At 1 April 2006 and 31 March 2007	30,077,591
The fair value of the freehold land and buildings was reassessed by the Manager at the balance sheet date.	
(b) Rental income earned and direct operating expenses incurred by the Fund in respect of investment properties are as follows:	
	2007 (Rs)
Rental income	2,690,719
Direct operating expenses	593,048
	2006 (Rs)
Rental income	2,427,600
Direct operating expenses	421,914

Rental income receivable under non-cancellable lease agreements are as follows:	
	2007 (Rs)
Not longer than one year	1,296,960
Longer than 1 year but no longer than 5 years	550,000
	2006 (Rs)
Not longer than one year	1,520,640
Longer than 1 year but no longer than 5 years	696,960
	2,217,600

(c) The portfolio of properties shown in the balance sheet is detailed as follows:

Property	Type/Description	Tenant	Lease Term
5th Floor Moorgate House Sir William Newton Street Port Louis	Freehold One floor of office accommodation containing 466.82m ² (i) 297.36m ² (ii) 169.46m ²	The National Mutual Fund Ltd Kartel Solutions Ltd	Lease of 3 years from 1 August 1997 Lease of 2 years from 1 March 2007
2nd Floor Moorgate House Sir William Newton Street Port Louis	Freehold One floor of office accommodation containing 444.50m ²	Ministry of Housing and Lands	Lease of 2 years from 16 September 2005

7. FOREIGN SECURITIES

	At 1 April 2006 Rs	Additions Rs	Net increase in fair value Rs	At 31 March 2007 Rs
Held-for-trading investments	60,063,297	1,839,928	19,881,695	81,784,920

8. TREASURY BILLS

	Rate	2007 Rs	2006 Rs
728 Days Treasury bills expiring 27 April 2007	6.90%	9,956,204	9,956,204
Interest receivable		1,295,126	609,790
		11,251,330	10,565,994

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

9. TRADE AND OTHER RECEIVABLES

	2007 (Rs)	2006 (Rs)
Interest receivable on bank accounts	38,270	77,992
Prepayments	26,152	26,158
Other receivables	75,450	1,039,083
	139,872	1,143,233

10. BANK BALANCES

Bank balances comprise the following:

	2007 (Rs)	2006 (Rs)
Current account	95,731	-
Local bank deposit	1,420,990	5,469,687
	1,516,721	5,469,687

The local bank deposit is at call and bears interest at 7.5% (2006: 6.0%) per annum.

11. TRADE AND OTHER PAYABLES

	2007 (Rs)	2006 (Rs)
Manager's fees	160,237	136,317
Trustee's fees	51,213	38,391
Auditors' remuneration	41,400	41,400
Entry and exit fee	6,102	16,871
Amount due to customers in respect of units repurchased	9,339	178,766
Dividend payable	204,768	358,536
Other payables	27,369	7,760
	500,428	778,041

12. TAXATION

(i) INCOME TAX

Income tax has been charged on the net income of the Trust Fund, adjusted for tax purposes, at the rate of 15%.

(a) Tax Expense	2007 (Rs)	2006 (Rs)
Accounting profit	20,427,773	7,610,689
Tax on accounting profit at the tax rate of 15%	3,064,166	1,141,603
Tax effects of:		
- Non-allowable expenditure	481,072	483,713
- Exempt income	(2,982,254)	(1,083,336)
Overprovision for last year	(16,906)	(153,530)
Tax withheld	204,436	164,871
Tax credit	(204,436)	(164,871)
Tax expense for the year	546,078	388,450
(b) Tax liability	2007 (Rs)	2006 (Rs)
At 1 April	393,543	591,101
Paid during year	(438,326)	(421,137)
	(44,783)	169,964
Overprovision for last year	(16,906)	(153,530)
Current tax provision	358,548	377,109
At 31 March	296,859	393,543

(ii) DEFERRED TAX

The fund had no deferred tax liability at 31 March 2007.

13. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The net assets attributable to unitholders can be analysed as follows:

	2007 (Rs)	2006 (Rs)
Capital value	77,324,513	79,329,697
Accumulated net income:		
- Income and distribution brought forward	25,267,916	18,045,677
- Income and distribution for the year	19,881,695	7,222,239
	45,149,611	25,267,916
Net assets attributable to unitholders	122,474,124	104,597,613

14. INTEREST INCOME

	2007 (Rs)	2006 (Rs)
Interest from treasury bills	685,336	850,322
Interest on bank balances and local deposit	262,900	262,660
	948,236	1,112,982

15. MANAGER'S FEES

Manager's fees are paid to National Mutual Fund Ltd based on 1% of Net Asset Value of the Fund.

16. TRUSTEE'S FEES

Trustee's fees are paid to State Bank of Mauritius Ltd, based on 1/14 of manager's fees.

17. FINANCE COSTS - DISTRIBUTIONS TO UNITHOLDERS

	2007 (Rs)	2006 (Rs)
Interim distribution of Re 0.27 (2006: Re 0.29) per unit	1,687,108	1,717,799
Final distribution of Re 0.24 (2006: Re 0.23) per unit	1,499,023	1,482,357
	3,186,131	3,200,156

The final distribution is recognised as a liability and as an expense in the year to which it relates because in terms of the Trust Deed, the Fund has to distribute all its net income for the year (excluding capital gains, both realised and unrealised).

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following balance sheet amounts:

	2007 (Rs)	2006 (Rs)
Bank balances	1,516,721	5,469,687
Bank overdraft	-	(68,248)
	1,516,721	5,401,439

19. ENTRY FEE AND EXIT FEE

On the issue of units, an entry fee of 1% (prior 1 January 2007: 0.5%) of the capital and income values of the units is paid by the unitholder to the Fund and, on the repurchase of units, an exit fee of 1% (prior 1 January 2007: 2%) of the capital and income values of the units is paid by the unitholder to the Fund. The sums collected are then remitted to the Manager.



20. RELATED PARTY TRANSACTIONS

	2007 (Rs)	2006 (Rs)
(a) Manager		
(i) Manager's fees	1,168,858	998,138
(ii) Rental income	1,045,200	1,045,200
(iii) Outstanding balance payable	166,339	153,188
(iv) Outstanding balance receivable	-	87,100
(b) Trustee		
(i) Trustee's fees	83,490	71,296
(ii) Bank charges	3,477	4,633
(iii) Interest income	262,900	262,660
(iv) Bank balances	1,516,721	5,401,439
(v) Outstanding balance payable	51,213	38,391
(vi) Outstanding balance receivable	38,270	77,992

21. FINANCIAL INSTRUMENTS**Fair values**

Except where stated elsewhere, the carrying amounts of the Fund's financial instruments approximate their fair values.

Credit risk

The Fund does not have any significant concentrations of credit risk.

Currency risk

At the balance sheet date, the Fund held foreign investments denominated in Great Britain Pound. The Fund, therefore, is exposed to foreign currency fluctuations.

Interest rate risk

The Fund is exposed to interest rate fluctuations on the domestic market. The Manager monitors closely interest rate trends and related impact on investment income for performance evaluation and better fund management.

