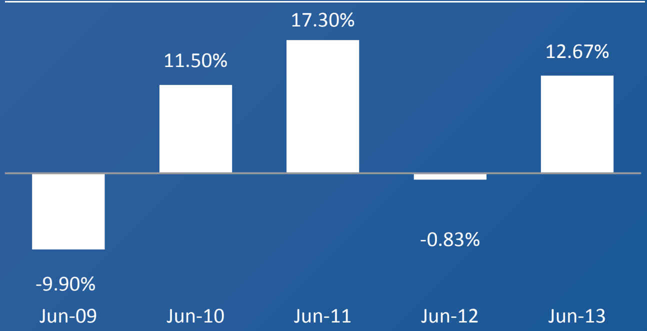
Port Louis Fund Ltd

Annual Report 2013

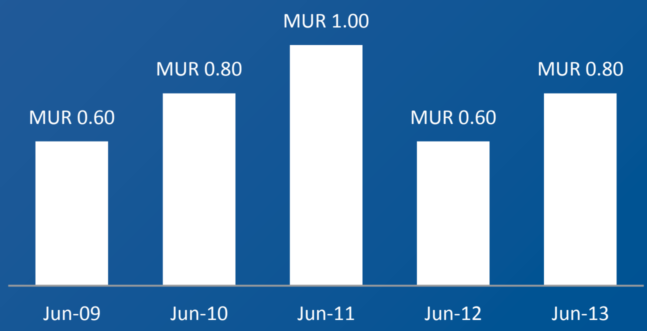
What you need to know about us…

- Port Louis Fund Ltd (PLF) was set up in 1997 under the aegis of the State Investment Corporation Ltd.
- The Fund was set up with MUR 648 million which has now grown to MUR 1.3 billion after having paid dividends approximating MUR 610 million over the 16 years.
- To-date, PLF is the largest local mutual fund in terms of net asset value and has around 4,700 shareholders
- Consistently among top 3 performers in the local market
- Return for the financial year 2012-13: 12.7% implying that an investment of MUR 1,000 would have grown to MUR 1,126.7 in a year with dividends being re-invested.
- Return since inception: 380.6% which is equivalent to an annually compounded return of 10.3%
- Consistent payment of dividends: MUR 0.80 per share in financial year 2012-13. MUR 41.0M was distributed as dividends.
- Lowest total expense ratio; No entry fee and No exit fee if investment held for more than 1 month.

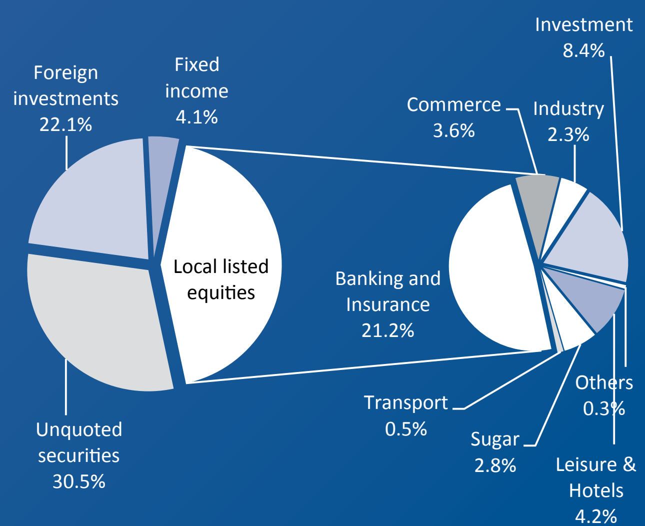
Annualised return



Dividend per share



Asset allocation



Top 10 Holdings

Security	MUR 'M	% of Net Assets
State Insurance Corporation of Mauritius	315.3	25.2%
Mauritius Commercial Bank	115.6	9.3%
State Bank of Mauritius	80.0	6.4%
Bramer Banking Corporation	56.3	4.5%
Grand Casino du Domaine	39.7	3.2%
Innodis	31.9	2.6%
New Mauritius Hotels	30.3	2.4%
Terra Mauritius	29.9	2.4%
Maurinet	23.5	1.9%
ENL Land	21.6	1.7%
Total	744.0	59.6%

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Port Louis Fund Ltd for the financial year which ended on 30 June 2013.

This report was approved by the Board of Directors on 30 September 2013.

M.I. Mallam-Hasham
Chairman

V.Bhuguth
Director

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Notice of Annual Meeting

Notice is hereby given that the 16th Annual Meeting of Shareholders of Port Louis Fund Ltd will be held on Tuesday 17 December 2013 at 14:00 hours at Conference Hall A, 1st floor, BPML, Cyber Tower, Cybercity, Ebene to deliberate and transact on the following businesses:

Agenda

Ordinary Resolutions

1. To approve and adopt the Minutes of Proceedings of the 15th Annual Meeting of Shareholders of Port Louis Fund Ltd held on Monday, 4th December, 2012.
2. To receive the Annual Report for the financial year ended 30 June 2013.
3. To receive the Report of Auditors.
4. To consider and approve the Audited Financial Statements for the year ended 30 June 2013.
5. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 7 June 2013.
6. To re-appoint Mr. Muhammad Iqbal Mallam-Hasham as Director of the Company to hold office until the next Annual Meeting.
7. To re-appoint Mr. Yusuf Hassam Aboobaker, who is over the age of 70 years, to continue to hold office as Director of the Company to hold office until the next Annual Meeting of the Company under section 138 (6) of the Companies Act 2001.
8. To re-appoint Mr. Georges Yves Hervé Lassémillante as Director of the Company to hold office until the next Annual Meeting.
9. To re-appoint Mr. Vijay Bhuguth as Director of the Company to hold office until the next Annual Meeting.
10. To re-appoint Mr. Ishwurlal Golam as Director of the Company to hold office until the next Annual Meeting.
11. To re-appoint Mr. Veenay Rambarassah as Director of the Company to hold office until the next Annual Meeting.
12. To fix remuneration of the Directors.
13. To re-appoint the Auditors of the Company for the financial year ending 30 June 2014 and to authorise the Board of Directors to fix their remuneration.

Special Resolution

To consider and, if thought fit, pass the following resolution as a Special Resolution:

14. "That the new constitution of the Company contained in the Draft Deed signed by Mr M.I. Mallam-Hasham, Director of the Company, for the purpose of identification and deposited with Mr. Ashvin Krishna Dwarka, Notary of Port Louis, as witnessed by a Deed of Deposit duly drawn up and authenticated by him, currently in the process of being registered with the Registrar - General's Department, such as the said constitution stands after any amendment or alteration made to it at the meeting, be adopted as the New Constitution of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company, and to grant full powers to any member of the Board and/or the Secretary of the Company to carry out all such procedural formalities (including the deposit by authentic deed) as may be useful or necessary following the adoption of the unaltered or altered New Constitution of the Company".

    An explanatory note in respect of the Special Resolution under Item 14 is attached herewith.

15. To transact any other business, if any, as may be transacted at an Annual Meeting of Shareholders.

BY ORDER OF THE BOARD

SNullatemby

S.L Nullatemby (Mrs.)
Company Secretary
5 November 2013

NOTE: Members entitled to attend and vote at the meeting may appoint proxies to attend and vote for them. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company not less than twenty-four hours before the meeting or else the instrument of proxy shall not be treated as valid.

Registration of shareholders at the meeting will start as from 13:00 hours

Corporate Information

Directors

Mr. M.I. Mallam-Hasham , Chairman
Mr. Y.H. Aboobaker, S.C, C.S.K
Mr. V. Bhuguth
Mr. I. Golam
Mr. G.Y.H. Lassémillante
Mr. V. Rambarassah

Fund Manager

Capital Asset Management Ltd

Registrar and Transfer Office

Prime Partners Ltd

Company Secretary

Mrs. S.L. Nullatemby

Bankers

AfrAsia Bank Limited
Bank of Baroda Ltd
Bank One Ltd
Banque des Mascareignes Ltée
Barclays Bank Mauritius Ltd
Bramer Banking Corporation Limited
Mauritius Post and Co-operative Bank Ltd
Standard Bank (Mauritius) Ltd
State Bank of Mauritius Ltd
The Hong Kong and Shanghai Banking Corp Ltd
The Mauritius Commercial Bank Ltd

Registered Office

15th Floor, Air Mauritius Centre,
6, President John Kennedy Street
Port Louis
Mauritius

Auditors

BDO & CO(External)
McMillan Woods (Internal)

Website

http://www.portlouisfund.com

Stockbroking Companies

Anglo-Mauritius Stockbrokers Ltd
Associated Brokers Ltd
AXYS Stockbroking Ltd
Bramer Securities Ltd
Capital Markets Brokers Ltd
IPRO Stockbroking Ltd
MCB Stockbrokers Ltd
LCF Securities Ltd
Prime Securities Ltd
Ramet & Associés Ltée
SBM Securities Ltd

Foreign Fund Managers

Fidelity Investments International
Franklin Templeton Investments Ltd
London & Capital Asset Management Ltd
Imara Asset Management Ltd

Custodian Bank

Standard Bank (Mauritius) Ltd
ICICI Bank Ltd (India)

Indian Stockbrokers

Indsec Securities & Finance Ltd
Religare Capital Markets Ltd
SPA Securities Ltd

The Directors have the pleasure to submit the Annual Report together with the audited accounts of Port Louis Fund Ltd for the year ended 30 June 2013.

Principal Activities

Port Louis Fund Ltd is a Public Company with limited liability incorporated on 9 June 1997. It operates as a collective investment scheme (CIS) as authorised by the Financial Services Commission under the Securities Act 2005.

The main objects of the Company are:

- To carry on business as an investment holding company;
- To deal in securities and properties of all kinds; and
- To manage and advise on investment funds.

Members of the Board of Directors

Mr. M.I. Mallam-Hasham, Chairman

Mr. Y.H. Aboobaker

Mr. V. Bhuguth

Mr. I. Golam

Mr. G.Y.H. Lassémillante

Mr. V. Rambarassah

Directors' Service Contracts

There was no service contract between the Company and any of its Directors.

Directors' Remuneration and Benefits

Remuneration and benefits received and receivable from the Company were:

	2013 (MUR '000)	2012 (MUR '000)
Non-executive directors	982	982

The direct and indirect interests of the Directors in the securities of the Company as at June 30, 2013

	Direct shareholding	Indirect shareholding
Directors		
Mr. M.I. Mallam-Hasham	7,539	Nil
Mr. G.Y. Lassémillante	Nil	Nil
Mr. Y.H. Aboobakar	Nil	Nil
Mr. V. Bhuguth	Nil	Nil
Mr. I.Golam	Nil	Nil
Mr. V. Rambarassah	Nil	Nil
Company Secretary		
Mrs. S. Nullatemby	Nil	Nil

Donations

No donation was made during the financial year ended June 30, 2013.

Auditors' Remunerations

The auditors' remunerations were:

	2013 (MUR '000)	2012 (MUR '000)
Audit services	115	115
Other services	-	-

M.I. Mallam-Hasham
Chairman

V.Bhuguth
Director

Approved on 30 September 2013

Secretary's Certificate

For the year ended June 30, 2013

I certify that, to the best of my knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 June 2013, all such returns as are required of the Company under the Companies Act 2001 of section 166(d).

S.L. Nullatemby (Mrs.)
Company Secretary
30 September 2013

Directors' Profile

Mr. M.I. Mallam-Hasham is a Fellow of the prestigious Hubert H. Humphrey program and read International Economy at Boston University. He is also a Fellow of the Mauritius Institute of Directors. He holds post-graduate degrees in Management and Business from "Institut d'Administration des Enterprises", Université de Strasbourg. At present, he is the Managing Director of the State Investment Corporation Ltd and is board member of a number of leading companies in Mauritius. He has wide ranging experience in the financial sector and has been banker, consultant in corporate management and Associate Professor at universities. He was also a Member of Parliament.

Mr. Y.H. Aboobaker, S.C, C.S.K, holds a B.A. (Hons) in Economics. He is a Senior Counsel practicing at the Bar of Mauritius since March 1972 and sits on the board of some of the leading companies in Mauritius.

Mr. V. Bhuguth is a Fellow of the Association of Chartered Certified Accountant (FCCA). He reckons 24 years of experience in accounting firms and holds a post-graduate diploma in International Tax Planning from the University of Miami. Being a Fellow of the Mauritius Institute of Directors, he is presently leading an accounting firm in Port Louis.

Mr. G.Y.H. Lassémillante is a Member of the Middle Temple. He sat on the Police Service Commission. At present, he is Barrister-at-Law and has been practicing at the Mauritian Bar since 1982.

Mr. I. Golam is a member of the Chartered Institute of Management Accountants and also holds an MBA. He is presently the Group Finance Manager of the State Investment Corporation Ltd. He has a wide range of experience in the field of Finance and Accounting, Stock Exchange, Offshore Sector and privatisation of the Civil Aviation. He is also member of various boards within the SIC group.

Mr. V. Rambarassah is a Fellow of the Association of Chartered Certified Accountant (FCCA). He is currently acting as Fund Manager and Fund Accountant of the National Pension Fund and National Savings Fund. He has previously been working in the Government Audit Office. He has wide experience in audit and finance fields.

Company Secretary

Mrs. S.L. Nullatemby is a fellow of the Institute of Chartered Secretaries and Administrators (FCIS) and also a Fellow of the Mauritius Institute of Directors (MIoD). She also holds an MBA in Finance. At present, she is the Company Secretary of Port Louis Fund Ltd. She has been working at the State Investment Corporation Ltd for the past 22 years and has wide ranging experience in the field of Finance and Accounting, Administrative and Corporate matters. She is also director of various companies within the SIC group.

Executive management

Capital Asset Management Ltd

The Fund has been managed by Capital Asset Management Ltd (CAM) since inception. CAM is a wholly owned subsidiary of The State Investment Corporation Ltd (SIC) and is licensed by the Financial Services Commission (FSC) as a CIS Manager and Investment Advisor (Unrestricted) under the Securities Act 2005. CAM also manages the SME Partnership Fund Ltd and provides advisory services to the Casinos of Mauritius Pension Fund. The following key personnel are employed by CAM:

Executive Director

Mr. V. Auckaloo is a member of the CFA institute and holds an M.Sc. in Financial Management, a B.Sc. (Hons) in Economics and an LLB (Hons). He has more than 14 years of experience in the financial services sector and had previously worked in the Government service and in the banking sector. He joined CAM since 2001 and is currently the Executive Director.

Finance Manager

Mr. M. K. Ramroop joined CAM since January 2006 and is currently the Finance Manager of the Company. He is a Fellow of the Association of Chartered Certified Accountants (FCCA) and holds an MBA with specialisation in Financial Management. He has worked in the banking sector for over 19 years. Before joining CAM he worked within the SIC Group in the leisure sector and financial services sectors.

Senior Financial Analysts

Mrs. S. Beeharee joined CAM since July 2007 and currently holds the position of Senior Financial Analyst. She holds a B.A. (Hons.) in Law and Management and is an affiliate of the Association of Chartered Certified Accountants. She has more than 10 years of experience in the financial and regulatory sectors.

Mr. S. Namah currently holds the position of Senior Financial Analyst and he holds a B.Sc. (Hons.) in Accounting and Finance and is a member of the Association of Chartered Certified Accountants. He has more than 10 years of experience in various fields of finance, including 6 years within private equity financing.

Assistant Analysts

Mr. Ashley Appadu joined CAM since October 2011 and holds the position of Assistant Analyst. He holds a B.Com Accounting & Finance from Curtin University of Technology. He is currently undertaking M.Sc. Finance from the European Business School.

Mr. Jayvash Nundoo is a holder of an M.Sc. Financial Risk Management (distinction) from the University of Glasgow and a B.Sc. Economics and Finance (Hons.) from the University of Mauritius. He joined the team as Assistant Analyst since March 2012.

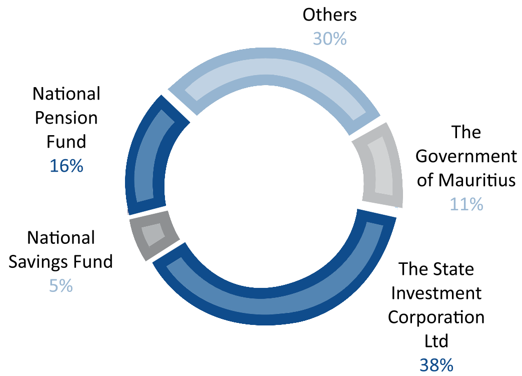
Mr. Pravish Halkhoree is a holder of an M.Sc. Finance, Investment and Risk from the University of Kent and a B.Sc. Economics and Finance (Hons.) from the University of Mauritius. He joined the team as Assistant Analyst since October 2012.

Compliance

The Fund is committed to adhere in all material respects to the principles of good Corporate Governance. It has set the appropriate policies and practices which enable it to maintain the highest standards of integrity and accountability. The Board has also established different committees, namely, Audit and Risk Committee, Investment Committee and Corporate Governance Committee to assist in execution of its responsibilities and to ensure compliance with the provisions set out in the Code of Corporate Governance. We, the Directors of Port Louis Fund Ltd (PLF), confirm that to the best of our knowledge, PLF has complied with of its obligations and requirements under the Code of Corporate Governance. We understand that we are collectively accountable and responsible for the performance and affairs of the Fund. We further commit to ensure that the Fund's activities are carried out ethically and in a transparent manner.

Holding structure

The holding structure of the Port Louis Fund Ltd as at 30 June 2013 was:



Shareholders holding more than 5% share capital of the Company as at June 30, 2013

Shareholder name	No. of shares	% of share capital
The State Investment Corporation	19,789,414	38.31
National Pension Fund	8,036,733	15.56
The Government of Mauritius	5,597,909	10.84
National Savings Fund	2,678,912	5.19

Shareholding Analysis as at June 30, 2013

Range	No. of shareholders	No. of shares	% of share capital	% of all shareholders
1-1,000	3,077	1,243,268	2.41	65.44
1,001 – 5,000	969	2,699,131	5.23	20.61
5,001 – 10,000	366	2,882,396	5.58	7.78
10,001 – 25,000	210	3,418,767	6.62	4.47
25,001 – 50,000	55	1,927,923	3.73	1.17
50,001 – 100,000	12	928,196	1.80	0.26
100,001 – 1,000,000	9	2,447,532	4.74	0.19
Over 1,000,000	4	36,102,968	69.90	0.09
Total	**4,702**	**51,650,181**	**100**	**100**

Category of Shareholders as at June 30, 2013

Shareholders Type	No. of shareholders	No. of shares	% shareholding
Individuals	4,641	12,495,437	24.19
Corporate Bodies and others	61	39,154,744	75.81
Total	**4,702**	**51,650,181**	**100**

Communication with shareholders

The Fund communicates with its shareholders on a regular basis. The daily Net Asset Value per share of the Fund and monthly factsheet detailing the performance is published on the website at: www.portlouisfund.com

The annual report containing the audited accounts, performance review and other essential information are sent to all shareholders. The latter are also invited to the annual meeting of shareholders whereby they can ask any relevant questions or seek clarifications from the Board and Management regarding the Fund. Any individual queries can be addressed to the Registry and/or the Fund Manager.

Schedule of events

Date	Event
December 04,2012	Annual General Meeting
June 07, 2013	Declaration of Dividend
June 20, 2013	Payment of Dividend
June 30, 2013	End of Financial Year

Dividend Policy

Dividends are payable out of distributable profits. Other factors which may influence dividends are; the Fund's performance, its cash flow position and future investment opportunities.

The Board of Directors

As per the Company's constitution, the Board is constituted with a minimum of five and up to a maximum of nine directors. The Board Meetings were chaired by, Mr. M.I. Mallam-Hasham. The profile of current board members is given on page 5.

The Board monitors and evaluates the implementation of strategies and policies. It maintains control over the Fund and ensures that decisions are effectively executed by management.

The Board met 4 times during the year and the individual attendance of the Directors is detailed on page 9.

The Board deliberated on various issues including:

- Examination and endorsement of the recommendations of various board committees.
- Review of the asset allocation and investment strategy of the Fund
- Performance of the Fund in light of various economic and financial market challenges.
- Governance and internal audit issues
- Approval of audited accounts as at June 2012
- Valuation of unquoted shares in the portfolio
- Declaration and payment of dividends
- Appointment of Notary to review the Constitution of the Fund
- Reviewed audit fee

There was no Executive Director on the Board during the financial year ended June 30, 2013.

Investment Committee

Members

Mr. M.I. Mallam-Hasham, Chairman

Mr. V. Bhuguth

Mr. I. Golam

The Investment Committee has the main objective of advising the Board on asset allocation, investment policies, processes, strategies and optimal risk/return level. The Investment Committee met twice during the year.

The Committee took note of the investment strategy recommended by management and reviewed the asset allocation for the year 2013. On the local equity front, it was agreed to increase exposure in securities bearing sounder financial fundamentals and to gradually divest from overexposed stocks. Risk/return opportunities in African stock markets were discussed and it recommended increasing exposure therein. Fixed income segment represented a low portion of the total portfolio and given prevailing low market yields, the Committee recommended investing in Indian bonds. However this decision has been deferred due to prevalent market and currency risks.

Audit & Risk Committee

Members

Mr. V. Bhuguth, Chairman

Mr. Y.H. Aboobaker

Mr. G.Y.H. Lassémilliante

Mr. I. Golam

The Audit & Risk Committee has the objective to assist the board in discharging its duties relating to safeguarding of assets, the operation of adequate systems, control processes and the preparation of financial reports and statements in compliance with all applicable legal requirements and accounting standards. The Committee met twice during the year to approve the accounts of the financial year 2012, half yearly accounts and to take note of the report of the internal auditor.

The findings of the internal auditor were lengthily discussed and main recommendations were with regard to further detailed disclosure of investments to board, establishment of an intermediate supervisory control mechanism and invited the Committee to consider available options to mitigate currency risk inherent in foreign investments.

Corporate Governance Committee

Members

Mr. Y.H. Aboobaker, Chairman

Mr. G.Y.H. Lassémillante

Mr. V. Rambarassah

The Corporate Governance Committee acts as a useful mechanism for making recommendations to the Board on all corporate governance issues, so that the Board remains effective and complies with the prevailing good governance principles.

The Committee met once during the year and approved the amendments made to the Initial Public Offer Document of the Company so as to align it with the Securities Act 2005 and the Collective Investment Schemes Regulations. It was further recommended to prepare a new Constitution of the Company which would include the obligations under the Securities Act 2005 and related regulations. The new Constitution would also provide a modern framework which will enable the Fund to invest in new financial instruments among others.

Board and Committee Meetings Attendance and Remuneration of Directors for the Year Ended June 30, 2013

Director name	Category	Board	Investment Committee	Audit & Risk Committee	Corporate Governance Committee	Directors Remuneration
Mr. M. I. Mallam-Hasham†	Non-Executive	4/4	2/2	-	-	MUR 168,000
Mr. Y. H. Aboobaker	Independent	4/4	-	2/2	1/1	MUR 166,000
Mr. V. Bhuguth	Independent	4/4	2/2	2/2	-	MUR 184,000
Mr. V. Rambarassah	Non-Executive	4/4	-	-	1/1	MUR 148,000
Mr. G. Y. H. Lassemillante	Independent	3/4	-	2/2	0/1	MUR 164,000
Mr. I. Golam†	Non-Executive	4/4	2/2	2/2	-	MUR 152,000

† *The Director's remuneration accruing to Mr. I. M Mallam-Hasham and Mr. I. Golam are paid to The State Investment Corporation Ltd*

Directorship of the Directors in Listed Companies

Company	Mr. M.I. Mallam-Hasham	Mr. V. Rambarassah	Mr. Y. H. Aboobaker
Caudan Development Ltd	✓		
Constance Hotel Service Ltd	✓		
Sun Resort Ltd	✓		
National Investment Trust		✓	
Compagnie Immobiliere Limitee			✓

Agreements

Management Agreement

The Company has entered into an investment management agreement with Capital Asset Management Ltd.

Registrar and Transfer Office

The Company has an agreement with Prime Partners Limited to provide Registrar and Transfer Office services.

Custodian Services – Local

The Company has an agreement with Standard Bank (Mauritius) Ltd to provide custodian services for its local investments.

Custodian Services – Foreign

The Company has an agreement with ICICI Bank Ltd in India to provide custodian services for its investments in the Indian stock market.

Liquidity contract

In 1997, the Company entered into a liquidity contract with the SIC to ensure that there is sufficient liquidity to complete transactions based on demand for and supply of the Company's shares.

Contract with Shareholders

The Company does not have any agreement with shareholders except for the one described above.

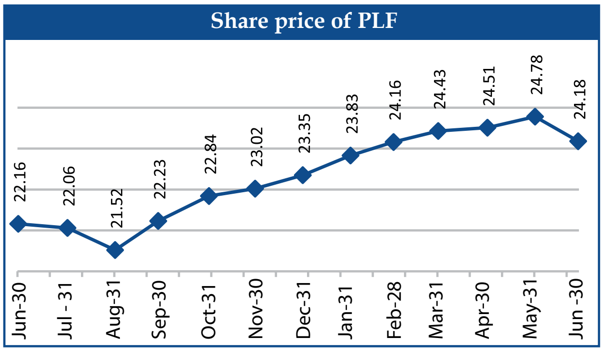
Statement of Remuneration Philosophy

Directors are remunerated for their knowledge, experience and insight given. The remuneration philosophy is to reward the collective contribution of Directors towards achievement of the Fund's objectives. The Directors' remuneration in similar companies are also used as a guide.

Share Price of the Fund

The Company is an open-ended fund and its shares are tradable on a daily basis based on the Net Asset Value per share.

The chart depicts the share price movement of Port Louis Fund Ltd during the year. From MUR 22.16 at the end of June 2012, the share price has evolved to MUR 24.18 a year later after paying a dividend of MUR 0.80 per share in June 2013.



Internal Audit Function

The internal audit function has been outsourced to Messrs McMillan Wood. The Board, however, is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. The internal auditor carries its functions independently and reports to the Audit and Risk Committee.

Internal Auditor has established a risk control matrix giving due consideration to the probability of materialization of the risk factors and its impact on the operation of the Fund. Major risk areas addressed related mostly to investment and currency risk and existence of supervisory control.

During the financial year ended June 30, 2013 Messrs McMillan Wood carried out internal audit works on Registry Operations and on Investments. With regard to Registry Operations a general review was performed which covered purchases, redemptions, payment of dividends, monthly investment plans, transmissions and issue of duplicate certificates. On the Investment side the areas covered were the authority and discretion of the Fund Manager, supervisory control on analysts' reports, disclosures of investment exposure, foreign exchange risk and quarterly management reports.

Risk management

The Directors are responsible to ensure the maintenance of an effective system of internal control so that assets are safeguarded, transactions are properly authorized and recorded and material frauds and other irregularities are either prevented or detected within reasonable time.

Operational Risk

Operational risk is defined by the Basel Committee on Banking Supervision as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events." The main areas of risk of loss pertain to risks relating to internal fraud due to unauthorized activity, theft or fraud due to theft, systems' security failure or tampering, employment practices and workplace safety due to unhealthy employees relations, improper environment, improper business or market practices, disputes over performance and management of monies, damage to physical assets due to disaster and other events, business disruptions and systems failures, inaccurate reporting and other task mis-performance.

Whilst the Fund does not have any employees, its day to day management is carried out by Capital asset Management Ltd (CAM) which has adequate logistics, experience and technical capabilities to carry out its contractual obligations vis-à-vis the Fund. In this respect, CAM absorbs the majority of operational risks of the Fund. CAM has its own internal auditor and control procedures to mitigate operational risks related to the management of Port Louis Fund Ltd.

Financial risk factors

Please refer to note 3 of the Notes to the Financial Statements on page 44.

Related Party Transactions

Please refer to note 20 of the Notes to the Financial Statements on page 52.

Directors' & Officers Liability Insurance

The Company has contracted with Mauritius Union Assurance Ltd a Professional Indemnity, Crime and Directors' & Officers Liability Insurance.

Corporate social responsibility and donations

For its CSR, the Fund had paid directly its contribution to the Mauritius Revenue Authority and there were no donations made during the year.

Code of Ethics

The Fund has outsourced its management to Capital Asset Management Ltd (CAM) which is an established management company licensed by the Financial Services Commission as a CIS Manager. It is in the process of adopting a Code of Conduct for Asset Management.

Environmental Policy

Due to the nature of its activities, the Company's operation has no major impact on environment.

Statement of Directors' Responsibilities

Directors acknowledge their responsibilities for:

- Adequate accounting records and maintenance of effective internal control systems;
- The preparation of financial statements which fairly present the state of affairs of the company as at the end of the financial year and the cash flows for that period, and which comply with International Financial Reporting Standards (IFRS);
- The use of appropriate accounting policies supported by reasonable and prudent judgments and estimates.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The Directors report that:

- Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- International Financial Reporting standards have been adhered to. Any departure has been disclosed, explained and quantified in the financial statements; and
- The Code of Corporate Governance has been adhered to in all material aspects. Reasons for non-compliance have been provided where appropriate.

Y.H. Aboobaker
Chairman,
Corporate Governance Committee
30 September 2013

V. Bhuguth
Director

30 September 2013

Statement of Compliance

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: Port Louis Fund Ltd
Reporting period: June 30, 2013

We, the Directors of Port Louis Fund Ltd, confirm to the best of our knowledge that Port Louis Fund Ltd has complied with its obligations and requirements under the Code of Corporate Governance

Signed on behalf of the Board of Directors:

Y.H. Aboobaker
Chairman,
Corporate Governance Committee
30 September 2013

V. Bhuguth
Director

30 September 2013

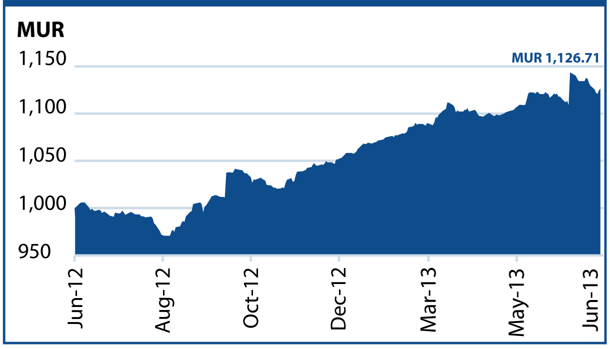
Performance review

The financial year 2012-13 proved to be particularly challenging from portfolio management perspective given the substantial downside risks in the global economy and spill-overs to various sectors of the local market. Nonetheless, policy efforts of central banks around the world helped sparking optimism in financial markets although the Bank of Mauritius's ability to act on the repo rate was limited by concerns over inflationary pressures. The key repo rate was reduced by 25 basis points to 4.65 percent in June 2013, representing only one cut over the financial period. However, the SEMDEX was quite insensitive to the policy move as the local economic landscape continued to weigh on investor decisions which have been in favour of blue chips.

Fund performance

The Fund delivered a laudable performance amid the uncertainty that loomed in the local and global economy owing to its diversified portfolio. A return of 12.7 percent was achieved for the financial year ended 30 June 2013. The Net Asset Value (NAV) moved to MUR 24.18 against MUR 22.16 a year ago and a dividend of MUR 0.80 per share was paid to investors.

Growth of Rs 1000 over the year with dividend re-invested



The NAV per share closely mimicked the movement of the SEMDEX and major foreign market indexes during the period. With the massive efforts of world central banks to lift economic growth via expansionary monetary policies or quantitative easing programmes, investor optimism was boosted from August 2012 onwards. Substantial improvements were noticeable in the Fund's value and investor return began to navigate in the positive territory again. By mid-May 2013, the Fund's NAV per share reached an all-time peak of MUR 24.89. This emanated from the good performances of the local and foreign markets as well as the upward revaluation of unquoted shares.

Fund performance by asset class

The assets of the Fund can be broadly classified in four main classes: locally listed equities, unquoted shares, foreign investments and fixed income securities & others. To assess the performance of the different categories, total return of the Fund is split. The weighted return indicates the contribution of each asset class to the Fund as per their respective average allocation over the year.

Locally listed equities carried an average weight of 42.8 percent during the year. This category produced a return of 8.1 percent and when weighed, it contributed 3.5 percent to the Fund's total return. In comparison, the SEMDEX, SEM-7 and DEMEX posted respective returns of 7.8 percent, 10.2 percent and 3.3 percent.

Return by asset class

Asset class	Total return (%)	Average weight (%)	Weighted return (%)
Listed equities	8.1	42.8	3.5
Unquoted equities	28.0	27.9	7.8
Foreign investments	10.9	23.5	2.6
Fixed income Sec & Others	7.2	5.9	0.4
Adjustment†			-1.6
PLF portfolio			12.7

† The unallocated return is mainly explained by fund expenses, the interaction of the different asset classes and the variation in the daily weight

Unquoted shares weighed an average of 27.9 percent in the portfolio. This segment registered a positive return of 28.0 percent over the year and contributed 7.8 percent to the total return of the Fund. The return is subject to regular valuation exercises of unquoted shares by an independent consultant. Major revaluations included the revision of the value of SICOM by 21.2 percent and that of Grand Casino du Domaine by 47.4 percent.

Foreign investments, which include investments in India, had an allocation of 23.5 percent in the portfolio. Total return in MUR terms amounted to 10.9 percent, analogous to a contribution of 2.6 percent to the return of the Fund. As a general indication, The MSCI World Index posted 16.0 percent in USD terms which corresponds to 16.9 percent in MUR due to a depreciation of 0.7 percent of the MUR against the USD over the interval. The MSCI Emerging Index advanced 0.3% in USD terms, equivalent to 1.1% in MUR terms. In preceding years, the Fund had an over-exposure in emerging markets which significantly enhanced its performance. However, these markets have witnessed substantial volatility during the reporting period due to lower external demand and growth deceleration concerns. Hence, the overall return of the Fund in this particular asset class was dragged down, though it was in between the MSCI World Index and the MSCI Emerging Index performances.

Fixed income securities and others constitute long-term bonds, short-term deposits, foreign currency deposits and net cash balances. The asset class had an average allotment of 5.9 percent in the total portfolio. With a total return of 7.2 percent, it contributed 0.4 percent to the Fund's return.

Financials

Financial results

Total income excluding gain on disposal of investment and fair value change of financial assets amounted to MUR 41.7m against last year's MUR 26.7m. Dividend income was MUR 32.4m in 2013 compared to MUR 20.7 in 2012. Interest income amounted to MUR 4.4m back from MUR 5.1m in 2012 mainly on account of a fall in interest rates and maturity of some fixed income instruments. The fair value of financial assets through profit or loss registered a gain of MUR 35.1m due to a general rise in market prices as opposed to last year's loss of MUR 13.4m.

Fund expense

The Total Expense Ratio (TER) gives an indication of the expenses incurred in running a fund. The TER is calculated in line with International Standards and covers professional fees and other operating expenses. It stood at 1.2 percent for the Fund for the year ended 30 June 2013 while the industry-weighted TER was around 1.5 percent.

Dividend

The dividend declared for the year was MUR 0.80 per share compared to MUR 0.60 per share in the preceding year. On aggregate, an amount of MUR 41.0m was distributed to shareholders registered at close of business on 7 June 2013. It is to be noted that dividend paid to shareholders is based on net profit and realised gain on disposal of investments.

Share capital

The issued share capital of the Fund as at 30 June 2013 was 51,650,181 against last year's 51,651,031. Redemption exceeded purchases during the year. The number of shares purchased amounted to 475,156 whereas 476,006 shares were redeemed. The number of shares outstanding decreased by 850 relative to last year.

Asset allocation and portfolio composition

The Fund allocates its assets subject to some pre-defined goals, risk tolerance and investment horizon. The aim is to minimise risk while achieving the best possible return for shareholders. The asset allocation is periodically reviewed and adjusted to reflect changes in market conditions.

The total net assets as at 30 June 2013 stood at MUR 1,248.8m compared to the preceding period's value of MUR 1,144.4m.

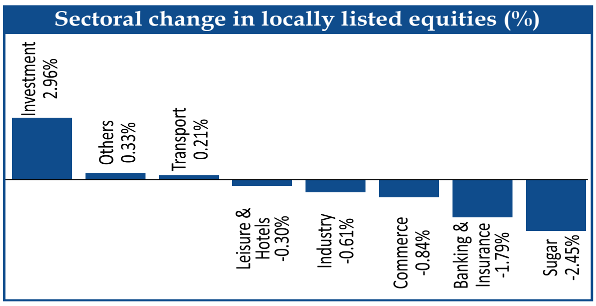
Asset allocation +

Asset class/details	June 30, 2013		June 30, 2012	
	Rs 'M	%	Rs 'M	%
Locally listed equities	**540.7**	**43.3**	**524.4**	**45.8**
Banking & Insurance	264.8	21.2	263.2	23.0
Commerce	44.4	3.6	50.4	4.4
Industry	28.6	2.3	33.1	2.9
Investment	104.3	8.4	61.9	5.4
Leisure & Hotels	52.5	4.2	51.8	4.5
Sugar	35.6	2.8	60.7	5.3
Transport	6.4	0.5	3.3	0.3
Others	4.1	0.3	0.0	0.0
Unquoted securities	**380.4**	**30.5**	**310.8**	**27.2**
Insurance	315.3	25.2	260.2	22.7
Investment	1.9	0.2	1.2	0.1
Technology	23.5	1.9	22.4	2.0
Leisure	39.7	3.2	26.9	2.4
Foreign investments	**275.8**	**22.1**	**243.9**	**21.3**
Equity	256.1	20.5	186.8	16.3
Bonds, Property & Others	12.3	1.0	35.8	3.1
Cash	7.4	0.6	21.4	1.9
Fixed income securities & others	**51.8**	**4.1**	**65.3**	**5.7**
Long-term bonds	25.8	2.1	37.5	3.3
Short-term bonds & others	26.0	2.1	27.8	2.4
Total Assets	**1248.8**	**100.0**	**1144.4**	**100.0**

+ Note that figure may not tally due to rouding

Locally listed equities

As at end of the financial year, the value of locally listed equities amounted to MUR 540.7m synonymous to an increase of MUR 16.3m over the preceding year.

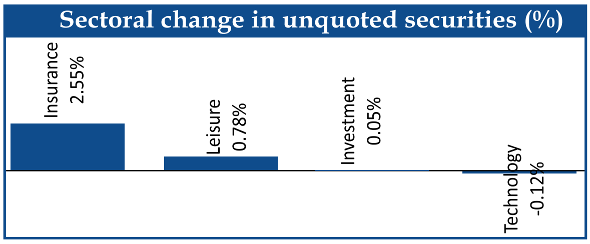


During the year, acquisitions of stocks on the local stock market amounted to MUR 11.6m, 50 percent of which were in financial and investment sector stocks.

Disposal of shares totalled MUR 24.0m and were mostly in the financial sector. Holdings in the sugar sector decreased by MUR 25.1M as a result of the amalgamation between Fuel and DRBC which was then listed in the investment segment of the official market as Alteo Ltd. The decline in the commerce segment was the outcome of Rogers engaging in a spin-off and listing Cim Group on the SEM. The Group was then listed in the investment category which further raised the importance of this sector in the portfolio.

Unquoted securities

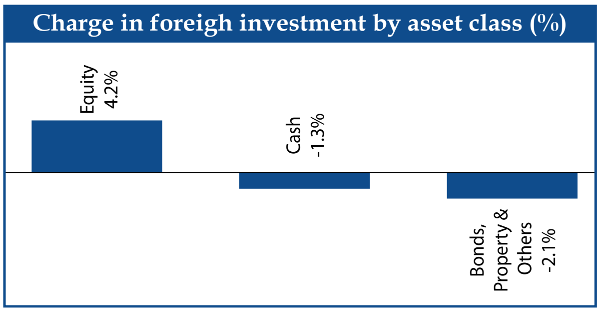
The value of unquoted shares rose to MUR 380.4m during the year back from MUR 310.8m.



No trade transactions were effected for this asset class. The representation of this this asset class in the portfolio increased following the upward revaluations of SICOM and Grand Casino du Domaine.

Foreign investments

The portion of foreign investments in the portfolio rose after the rally in major markets and investments in this segment. Its value increased from MUR 243.9m in 2012 to MUR 275.8m in 2013.



Acquisitions totalling MUR 12.3m were made in African funds. Disposals amounted to MUR 7.3m of which London Capital European Real Estate and CB Solar Funds. A net balance of MUR 14.0m was moved from cash to equity-based investments so as to benefit from upswings in foreign financial markets. Given the relatively low yields on foreign fixed income instruments, particularly advanced ones, investments were reshuffled to equity-based funds.

Fixed income securities and others

The share of fixed income securities and others in the portfolio declined over the year with the market value moving to MUR 51.8m back from the previous year's MUR 65.3m.

Segregating the asset class into long-term and short-term instruments, it is noted that the value of long-term bonds fell to MUR 25.8m after some securities matured. Short-term bonds' value moved from MUR 27.8m to MUR 26.0m.

Sectoral change in fixed income securities and others (%)

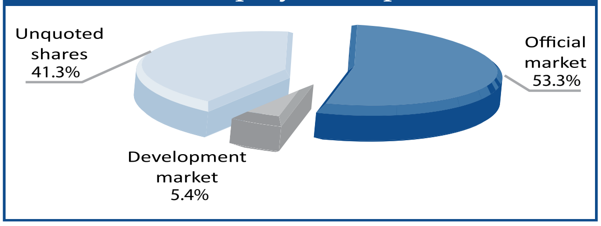
Local equity profile

Local equities constituted MUR 921.1m or 73.8 percent of the total portfolio as at end of the financial year. Stocks on the official market made up to 53.3 percent of local equities while holdings in unquoted securities and Development and Enterprise Market were 41.3 percent and 5.4 percent respectively.

The top five holdings of the Fund comprised the insurance, banking and leisure sectors. The top holdings made up 48.6 percent of the Net Asset Value and 65.9 percent of the total equity worth.

SICOM remained the Fund's top holdings accounting for the 25.2 percent of the Net Asset Value and 34.2 percent of total local equities. Other top holdings were MCB, SBM, BBC and GCD.

Local equity decomposition



Top five holdings - local equities

Security	Category	Sector	Rs 'M	% of NAV	% of local equity
SICOM	Unquoted	Insurance	315.3	25.2%	34.2%
MCB	Listed	Banking	115.6	9.3%	12.6%
SBM	Listed	Banking	80.0	6.4%	8.7%
BBC	Listed	Banking	56.3	4.5%	6.1%
GCD	Listed	Leisure	39.7	3.2%	4.3%
TOTAL			606.9	48.6%	65.9%

State Insurance Company Ltd (SICOM)

SICOM is an insurance company and its portfolio of activities consists of Life Assurance, General Insurance, Group Life and Pensions, Actuarial Services, Group Medical, Loans, Financial Services as well as Investment Management. For the financial year ended 30 June 2013, the Group's total assets escalated by 13.5 percent to reach MUR 39.6bn. Total gross revenue remained more or less stable at MUR 3.5bn. Profit after tax rose by 20.7 percent to MUR 493m.

Mauritius Commercial Bank Ltd (MCB)

The Mauritius Commercial Bank Ltd (MCB) is one of the leading domestic banks. It is listed on the SEM since 1989. The Group recently restructured its operations into 'Banking', 'Non-Banking Financial', and 'Other Investments' clusters. As at 30 June 2013, its market capitalisation was MUR 46.6bn representing 23.9 percent of the SEMDEX. The Group operating income grew by 10.1 percent to MUR 11bn while net profit rose by 4.88 percent to MUR 4.4bn. P/E ratio and dividend yield for the period ended was at 10.3 times and 3.3 percent respectively.

State Bank of Mauritius Ltd (SBM)

The State Bank of Mauritius Group (SBM) is a leading financial services group in Mauritius with a growing international presence. SBM started operations in 1973 and was listed on the Stock Exchange of Mauritius in 1995. As at 30 June 2013, its market capitalisation was MUR 31.3bn representing 16.1 percent of the SEMDEX. Operating income grew by 15.7 percent to MUR 5.9bn while PAT rose by 20.6 percent to MUR 3.2bn. For the period ended, the P/E ratio was 8.3 times while the dividend yield was 3.9 percent.

Grand Casino du Domaine (GCD)

The main activity of GCD is the operation of a casino at Domaine Les Pailles. GCD is the largest casino in terms of table game operation in Mauritius. It provides a range of top of line amenities and popular games. For the six months ended June 2013, Casino revenue amounted to MUR 95.4 M while net profit was MUR 26.8m.

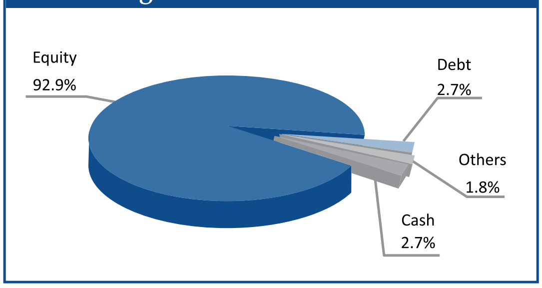
Bramer Banking Corporation Ltd (BBC)

BBLC was listed on the official market in 2012 following an amalgamation between Bramer Banking Corporation, Bramer Holding and Mauritius Leasing. It offers retail, private and commercial banking, deposit services, loans and advances as well as offshore banking. As at 30 June 2013, its market capitalisation was MUR 6.6bn representing 3.4 percent of SEMDEX. For the 6 months ended June 2013, PAT amounted to MUR 10.5M and total assets was MUR 13.4bn.

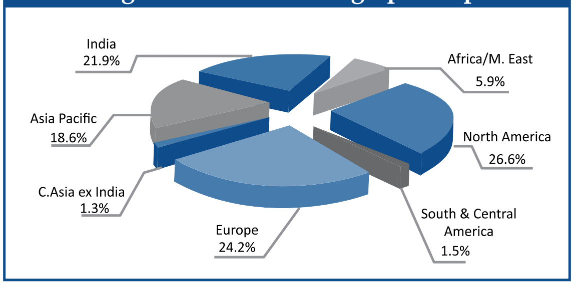
Foreign investment profile

The total foreign investment component amounted to MUR 275.8m representing 22.1 percent of the Fund's total portfolio. Investment in foreign funds amounted to MUR 215.9m, accounting for 78.3 percent of the foreign portfolio. The investments were spread across 59 funds cutting across 81 countries, 5 asset classes, 15 sectors and 8 currencies as at June 30, 2013. For the remaining portion, it entailed investment in Indian stocks which totalled MUR 59.9m.

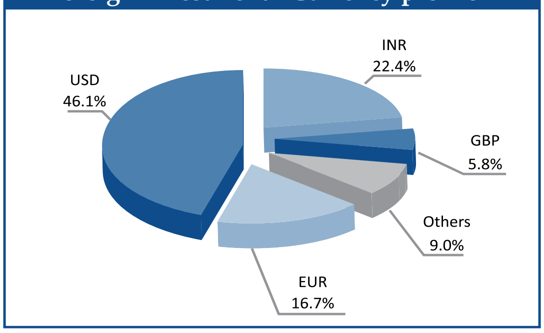
Foreign investment - Asset Class



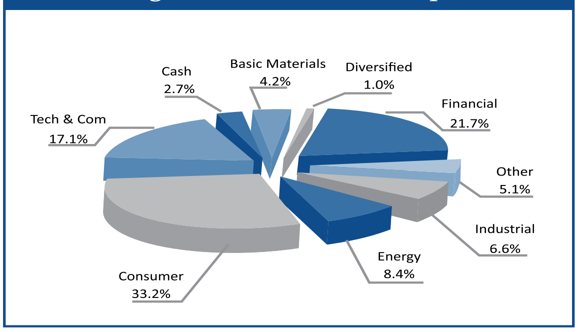
Foreign investment - Geographical profile



Foreign investment - Currency profile



Foreign investment - Sector profile



Investment in foreign funds

Investment in the foreign funds is carried out via international fund managers, mostly, Franklin Templeton and Fidelity investments. The top five holdings in this particular category made up to 15.0 percent of total foreign investments. The Fund substantially raised its exposure in US equity-based funds, as is evident from the top holdings, in order to reap the benefits of the rally in foreign markets from the quantitative easing programme.

Top five holdings - foreign funds

Security	Fund Manager	Rs 'M	% foreign investment
America Fund	Fidelity Investments	11.0	4.0%
U.S Opportunites Fund	Franklin Templeton	8.4	3.0%
M.Beacon Fund	Franklin Templeton	8.2	3.0%
UK Fund	Fidelity Investments	7.2	2.6%
Biotechnology Fund	Franklin Templeton	6.6	2.4%
TOTAL		**41.4**	**15.0%**

FID America Fund

The aim of the fund is to provide long-term capital growth with the level of income expected to be Low. At least 70% of investment in the shares of US companies. The fund employs the S&P500 index as its benchmark. Over the period, it delivered a return of 25.2 percent.

FT US Opportunities Fund

The fund's objective is capital appreciation. It invests primarily in equity securities of US. issuers demonstrating accelerating growth, increasing profitability and growth potential as compared with the overall economy. The fund uses Russell 3000 growth index as benchmark. Over the period the fund delivered a return of 17.5 percent.

FT Mutual Beacon Fund

The fund's objective is long-term capital appreciation. It invests in US equity and convertible debt securities with no more than 20% of its assets invested in non-US issuer. Its reference benchmark is the S&P 500 index. The fund delivered a return of 20.0 percent over the reporting period.

FID UK Fund

The fund invests primarily in securities in UK's companies with the objective to achieve capital growth. Its benchmark is the FTSE All-Share index. The fund delivered a return of 25.8 percent over the one-year interval.

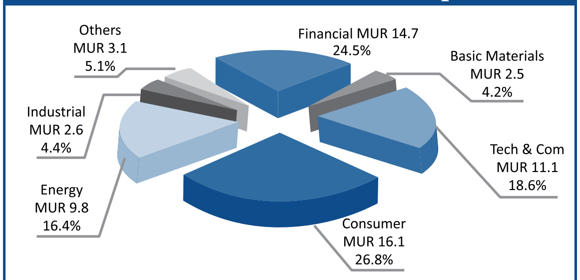
FT Biotechnology Fund

Aiming at achieving long-term capital appreciation, the fund invests mostly in equity securities of US-based biotechnology and discovery research companies. The fund more or less mimicked the trend of Nasdaq Biotechnology index over the year, delivering a return of 17.8 percent.

Investment in India

The Fund's total investment in India amounted to INR 116.4m (MUR 59.9m) as at the end of the reporting period representing 21.7 percent of total foreign portfolio. This particular segment encompasses most of the stocks of the Bombay Sensitive Index (SENSEX) but in different weights. The financial and consumer stocks constituted 51.3 percent of the portfolio as at 30 June 2013.

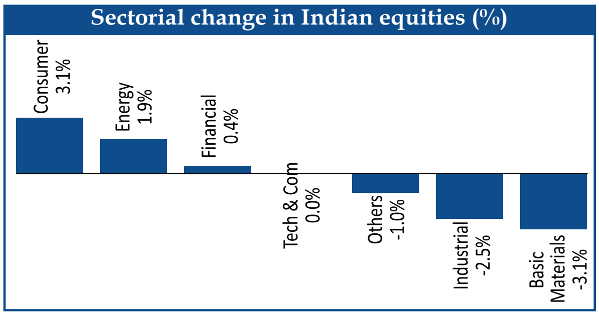
Indian market investment - Sector profile



For the financial year, return was 8.9 percent in INR terms which translated to 2.6 percent in MUR terms after a 6.3 percent depreciation of the INR against the MUR. Comparatively, the SENSEX registered returns of 11.3 percent and 5.0 percent when denominated in INR and MUR terms respectively. The Fund was underexposed in high-performing sectors like Consumer and Financials while overexposed to the Basic Materials and Industrial sectors relative to the SENSEX.

The Indian stock market experienced high volatility in the fourth quarter of the reporting period over economic growth concerns and the financing of the high current account deficit. The USD was trading at INR 62.50 near end of June. Yet the Indian portfolio delivered an honourable performance driven by the consumer and financial sectors. The top price gainers over the year have been Sun Pharmaceutical Industries Ltd and Mahindra & Mahindra Ltd from the Consumer sector. The top losers have been Jindal Steel & Power Ltd and Tata Steel Ltd which are from the Basic M aterials sector.

Sectorial changes in holdings were on account of price evolutions during the year and stock trading. Acquisitions and disposals were around INR 28.0m and INR 27.4m respectively. The Fund raised its exposure to the Financial, Technology and Communication and Healthcare sectors.



The top five holdings in the India portfolio accounted for 38.6 percent of the category.

Top five holding - Indian portfolio

Security	Sector	MUR 'M	% Indian Portfolio
ITC Ltd	Consumer	5.5	9.2%
Reliance Industries Ltd	Energy	5.5	9.2%
Infosys Ltd	Tech & Comm	4.1	6.9%
HDFC	Financial	4.0	6.7%
HDFC Bank Ltd	Financial	4.0	6.6%
TOTAL		23.1	38.6%

Indian Tobacco Corporation (ITC)

ITC is one of the India's foremost FMCG private sector firms. It has diversified presence in cigarettes, hotels, paperboards & specialty papers, packaging, agribusiness and other FMCG products. For its financial year ended 31 March 2013, the company's income statement showed an increase in total revenue of 18.7 percent while PAT rose by 20.4 percent. At end of June 2013, ITC was trading at a PE ratio of 34.8 times and a total return of 27.2 percent was registered in INR terms.

Reliance Industries Ltd (RIL)

Reliance Industries Ltd is India's largest private sector enterprise with business activities spanning across exploration and production of oil and gas, petroleum refining and marketing, petrochemicals, textiles, retail, telecom and special economic zones. As at 31 March 2013, the company registered an increase in turnover by 9.2 percent and PAT by 4.8 percent. On 30 June 2013, RIL was trading at a PE ratio of 13.3 times and it returned 18.2 percent in INR terms over the year.

Infosys (INFO)

Infosys is a global leader having presence in the IT sector. It provides a wide range of consultancy and software services. As at 31 March 2013, the company's turnover increased by 19.6 percent while PAT surged by 13.3 percent. Its PE ratio stood 15.1 times at end of June 2013 and total return in INR terms was 1.4 percent.

Housing Development Finance Corporation (HDFC)

HDFC is a pioneer of housing finance in India with over 34 years of lending experience and offers a wide range of home loan and deposit products. HDFC has emerged as a financial conglomerate with its presence in the entire range of financial services. As at 31 March 2013, the company registered an increase in both turnover and PAT of magnitude 21.9 percent and 17.6 percent respectively. HDFC traded at a PE ratio of 27.8 times at the end of the reporting period and one-year total return was 35.4 percent in INR terms.

HDFC Bank (HDFCB)

HDFC Bank is one of India's premier banks both on the domestic and international grounds, providing a wide range of financial products and services. The bank enjoys a track record of healthy profitability growth, strong liability franchise and impressive risk appetite. As at 31 March 2013, the bank registered a robust total business growth of 21.2 percent while PAT grew by 30.9 percent. Its PE ratio was 23.0 times at the end of June 2013 and the stock returned 19.6 percent in INR terms over the year.

Local economic review

The Mauritian economy remained resilient to the on-going European debt crisis in 2012 with growth estimated at 3.4% compared to 3.6% in 2011. Real Gross Domestic Product (GDP) has been supported by the strong performances of the financial services, ICT and seafood sectors. In September 2013, Statistics Mauritius projected growth for the year to hover around 3.2%. Nonetheless, substantial sources of risk continue to menace the economic landscape due to the Eurocentric nature of some sectors.

Growth

Growth in household expenditure, like previous years, contributed positively to GDP growth. In 2012, public sector investment mostly through the Public Sector Investment Programme and the Road Decongestion Programme added positively to GDP growth. On the downside, private sector investment fell relative to 2011 after the completion of major projects.

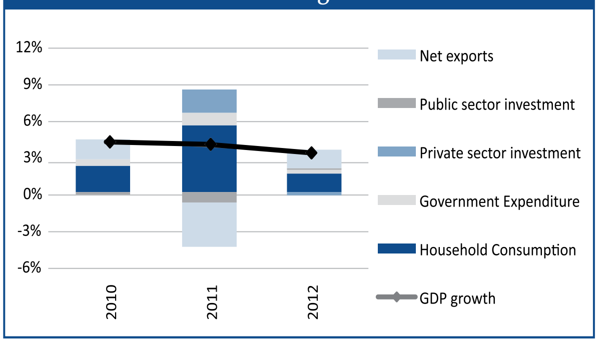
Major economic pillars posted honourable performances amid the risks posed by the crisis. In 2012, growth was largely led by the financial services sector which grew by 5.7 percent. The tourism sector which is still Eurocentric stagnated. Tourist arrivals increased a mere 0.1 percent over the calendar year as growth in arrivals from other destinations outweighed the 8.0 percent drop from European markets. The manufacturing sector grew by 2.2 percent aided by high growth in the 'food processing' category. On the other hand, the respective output of the textile and sugar industries slumped by 1.1 percent and 7.3 percent. The construction sector displayed a contraction of 3.0 percent attributable to the completion of major projects and delay of some government projects.

Growth statistics (% change Y-o-Y)

	2011	2012	2013*
Real GDP growth	3.6	3.4	3.2
Sugarcane	3.5	-7.3	2.0
Manufacturing	0.7	2.2	2.7
Tourism	3.6	0.0	2.5
Construction	-2.0	-3.0	-9.4
Financial services	5.6	5.7	5.3
Real estate	2.9	2.8	2.9

*Statistics Mauritius September 2013 Forecasts

Contribution to GDP growth: Mauritius



In September, Statistics Mauritius revised its 2013 growth projection to 3.2 percent back from its June estimate of 3.3 percent. The financial services sector, like previous years, is expected to continue adding significantly to the aggregate output of the local economy with a projected growth of 5.3 percent for

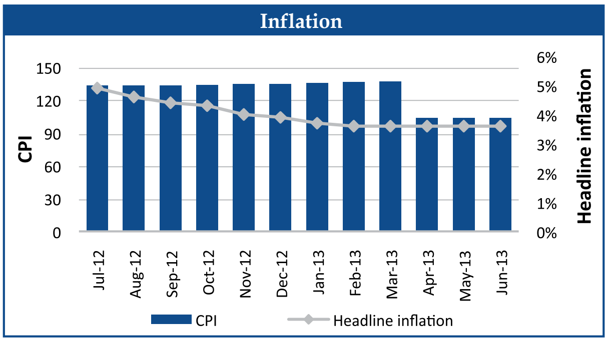
2013. The sugar cane sector is expected to grow by 2.0 percent due to a higher sugar output of 420,000 tonnes. The manufacturing sector is anticipated to advance by 2.7 percent on the basis of higher sugar output and more demand for textile. The tourism sector should expand by 2.5 percent on the assumption of a higher number of arrivals of 990,000 in 2013 against 965,441 in 2012. Output in the construction sector is projected to fall by 9.4 percent.

Inflation

Statistics Mauritius updated its basket of commodities for the construction of Consumer Price Index (CPI) in April 2013. The constituents' weightages have been altered to reflect household consumption expenditure. Headline inflation was 5.1 percent at the start of the financial year and tumbled to 3.6 percent in June 2013.

Inflation remained subdued over the year owing to lower external price pressures from the weakened global demand and a stable rupee. Over the year, 'alcoholic beverages and tobacco' led the inflation rate followed by 'food and non-alcoholic beverages' and 'restaurants and hotels'.

In its April 2013 report, the Central Bank forecasted headline inflation to be in the range 4.7-4.9 percent by end of 2013 on the ground of upside risks in the global commodity prices and local demand-pull factors from the public sector wage revision and the prospective adjustment of private sector remunerations.



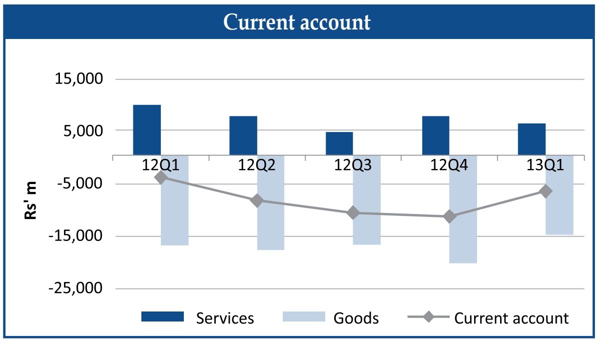
Unemployment rate

For calendar year 2012, the unemployment rate was 8.1 percent. Over April – June 2013 interval, the unemployment rate was 8.2 percent compared to 8.7 percent in the preceding quarter. This represented 49,700 unemployed persons of which 36 percent were males and 64 percent were females. Statistics Mauritius expects the unemployment rate to grow to 8.3 percent in 2013.

Balance of payments

The current account deficit narrowed in 2012 reaching MUR 35.6bn compared to 2011's MUR 42.8bn. The balance of trade deficit amounted to MUR 80.6bn in 2012 against MUR 74.2 in 2011 as a result of higher imports.

Data for the second quarter of 2013 indicate an increase of 8.4 percent in the value of exports relative to last year's equivalent period. Imports tumbled by 1.8 percent. Statistics Mauritius forecasts trade deficit to stand at MUR 88.0bn in 2013.



The balance of services surplus widened by 26.8 percent in 2012 to reach MUR 29.0bn. For the second quarter of 2013, the surplus dampened by 10.0 percent relative to last year's corresponding period, led by transportation.

The surplus in the capital and financial section rose from MUR 35.0bn in 2011 to MUR 37.9bn in 2012. Foreign direct investments (excluding GBC1) advanced by 89.0 percent. This was partly driven by an increase in FDI particularly from UK and China.

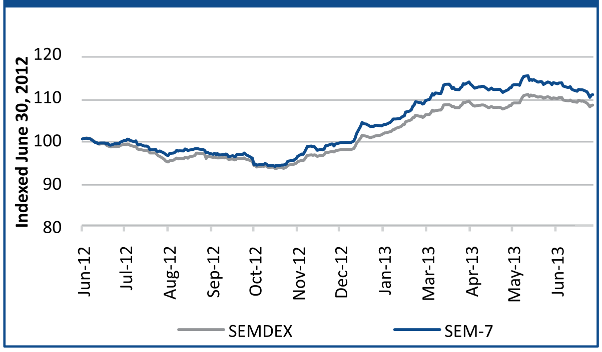
Local financial market review

Over calendar year 2012, the SEMDEX lost 8.5 percent making it one of the worst index performers for the year, according to Bloomberg data. Investors on the domestic market remained cautious with the on-going risks posed by the Euro debt crisis and limited expansionary monetary measures in the local economy. In the second half of 2012, the central bank's ability to act on the key repo rate was impeded by fear of inflationary pressures. Progress was noticeable near end of the year when the local equity index started to move in tandem with international market indexes over the growing optimism that was spurred by policy support from central banks around the world.

The Stock Market

During the initial part of the financial year, the local stock market failed to follow the uptrend set by international markets. The SEMDEX took a descent in the third quarter of 2012 over growth concerns. The momentum in foreign markets seemed to have enhanced investor confidence in the last quarter of 2012 with local blue chip companies delivering good performances. Encouraging economic data, perceptions of lower downside risks and higher risk appetite seemed to have boosted the local market in the first quarter of 2013. In June, the central bank cut the repo rate by 25 basis points to 4.65 percent but the move failed to provide additional support to the index.

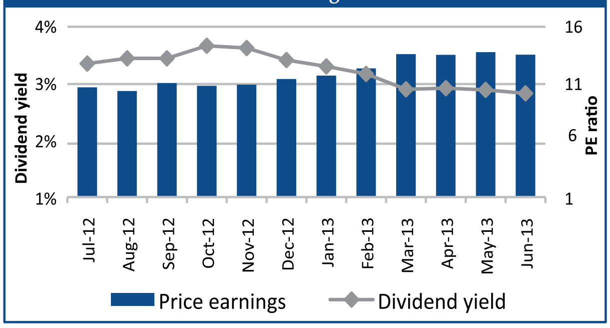
Evolution of SEMDEX and SEM-7



The official market posted a return of 7.8 percent over the year, reflecting more or less the global uptrend. As for the SEM-7, which comprises the seven largest and more liquid companies, it returned 10.2 percent. The main leading movers, that is, the companies which contributed to the positive performance were SBM, MCB and ENL Land. On the downside, the lagging movers were BBCL, SUN and GAMMA. During the financial year, the top price gainers were MEI (+42.9%), AML (+26.8%) and PAD (+20.3%). The top price losers were MSM (-34.5%), POLICY (-20.7%) and SUN (-19.2%).

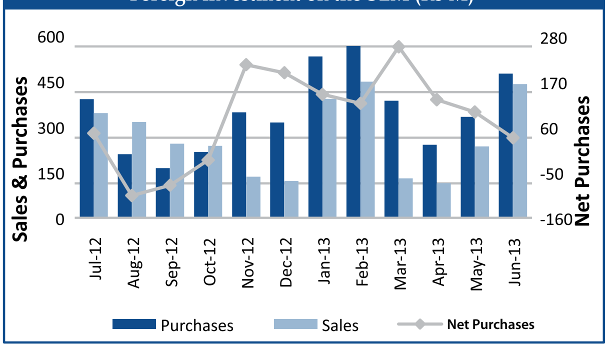
The price-earnings ratio of the official market increased from 10.6 as at June 2012 to 13.4 at as June 2013. The increase resulted from the growth in market capitalisation following the rise in equity prices. Dividend yield fell from 3.3 percent to 2.8 percent with overall stock prices growing at a faster pace than the dividend growth in most sectors.

Dividend Yield & Price Earnings Ratio for the SEMDEX



Total purchases by foreign investors on the local stock market fell from MUR 5,779.0m to MUR 4,167.6m over the interval July 12 – June 13. Total sale transactions amounted to MUR 3,153.5m over the same period as opposed to MUR 6,852.3m in the preceding financial year. Net purchases to the tune of MUR 1,014.1m were recorded against last period's net sales of MUR 1,073.3m.

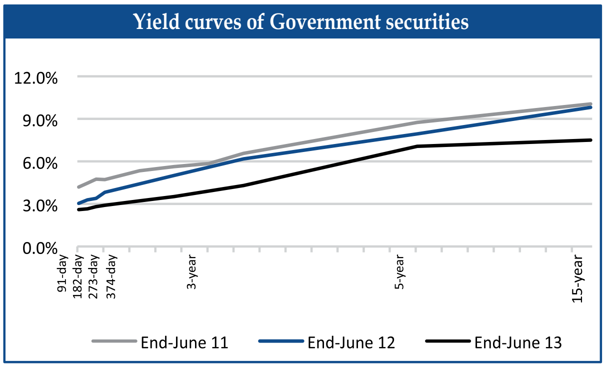
Foreign investment on the SEM (Rs'M)



Government-backed securities

Yields on local government securities, including short to long-term ones, prolonged their downtrends in 2013 with the prevailing low repo rate and excess liquidity in the money market.

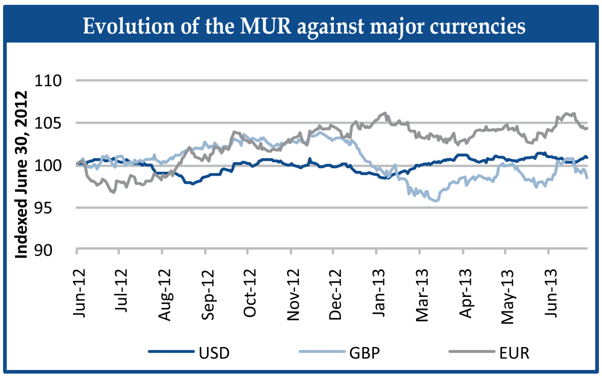
The yield curve moved inward in June 2013. The corresponding weighted average yields for 91-day and 182-day Treasury bills dropped to 2.60 percent and 2.65 percent back from 3.04 percent and 3.29 percent a year ago. Those on the 273-day and 364-day Treasury Bills moved to 2.81 percent and 2.91 percent respectively. The yield on longer term bonds including 10-year and 15-year ones were 7.06 percent and 7.50 percent respectively.



The Foreign Exchange Market

The MUR has been responsive to the international economic environment reflecting the broad weaknesses or economic recovery in foreign markets. Over the year ended 30 June 2013, it weakened vis-à-vis the USD as well as the EUR by 0.71 percent and 4.16 percent respectively. Against the GBP, the MUR gained 1.66 percent.

During the second half of 2012, the MUR had a tendency to appreciate against the USD which was subject to weaknesses. Thereafter, improvements in the macroeconomic fundamentals of the US economy and more confidence in the currency raised its value relative to the local currency. The EUR-MUR rate remained more or less stable over the year although the 'common' currency gained the confidence of investors following progresses in the economic health of the Eurozone. The pound sterling continued to suffer from major macroeconomic setbacks and weakened fundamentals thereby depreciating against the MUR.



Foreign economic review

The year 2012 was characterised by high degree of volatility in financial markets following slowing economic growth, elections in key developed economies, the US fiscal cliff and uncertainty regarding the Euro area. Many developed economies in the Eurozone witnessed contraction in aggregate output with weakened demand and the implementation of austerity measures. Unemployment rate soared to record levels in the EU led by Spain's labour market. In contrast, emerging and developing economies fared quite well in 2012 achieving relatively high growth rates although they faced the pressure of lower external demand from advanced economies. Nonetheless, domestic consumption expenditure remained strong in those countries.

Growth

Weakened domestic demand in advanced economies and growth deceleration in many emerging markets continue to weigh on the global economic recovery in 2013. Accordingly, the International Monetary Fund (IMF) reviewed its world economic growth projection for 2013 from 3.1 percent in July to 2.9 percent in September.

Advanced economies

Economic growth is expected to remain subdued in advanced economies. Whereas the US continues to show signs of economic progress in 2013, the Euro area is still mired in recession. For advanced countries, the IMF expects real GDP to advance 1.2 percent in 2013 compared to 1.5 percent in 2012. The US economy is projected to grow by 1.6 percent in the current year under the assumption that the sequester program will last until 2014 while the Euro area, -0.4 percent based on weaker demand and fiscal tightening. Japan's growth is forecasted to advance by 2.0 percent following the various economic measures implemented by the new government.

Growth statistics for advanced economies (% change Y-o-Y)

Geography	2011	2012	2013*	2014*
Advanced Economies	1.7	1.5	1.2	2.0
United States	1.8	2.8	1.6	2.6
Euro Area	1.5	-0.6	-0.4	1.0
Germany	3.4	0.9	0.5	1.4
France	2.0	0.0	0.2	1.0
Italy	0.4	-2.4	-1.8	0.7
United Kingdom	1.1	0.2	1.4	1.9
Spain	0.1	-1.6	-1.3	0.2
Japan	-0.6	2.0	2.0	1.2

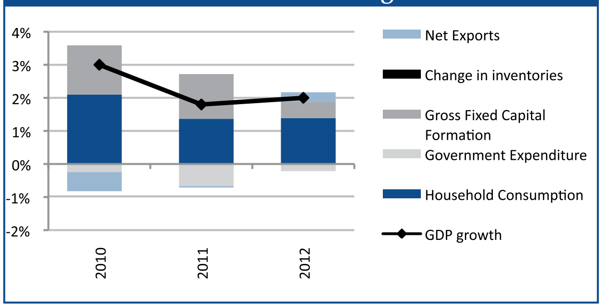
*IMF October 2013 Forecasts

United States

The US economy grew by 2.8 percent in 2012 compared to the preceding year's 1.8 percent. Private consumption provided strong support to economic activity during the year together with fixed investment which indicated a pick-up in the end of 2012. The manufacturing sector displayed signs of improvement with the Purchasing Managers' Index (PMI) increasing to 50.9 in June 2013 relative to 50.5 a year ago.

On the policy front, the Federal Reserve resumed its policy of injecting money into the economy through quantitative easing in an attempt to boost economic growth and employment. The federal funds rate was kept between the range of 0.0 percent and 0.25 percent. On the fiscal side, the fiscal cliff was avoided in January 2013 over an agr ement on m asures that would enhance government revenue. Nevertheless, a sequestration programme was adopted in March to cut government expenditure.

Contribution to GDP growth: US

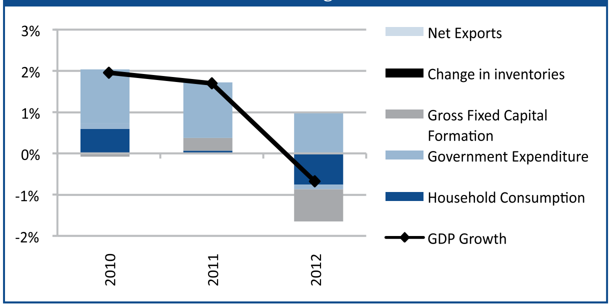


Euro area

Growth in the Eurozone was -0.6 percent in 2012 as austerity measures hit economic activity and employment. The German economy grew 0.9 percent in 2012 yet insufficient to sustain the area's growth. Real GDP of France stagnated while that of Italy and Spain contracted by 2.4 percent and 1.6 percent respectively. The economic sentiment in Greece remained tense with the economy facing the harshness of austerity measures. In March 2013, Cyprus was the latest country to seek bailout; a € 10bn package was agreed. The manufacturing sector in the Eurozone improved after the turn of 2012 with the Markit PMI reaching 48.8 in June compared to 45.1 a year ago.

To deal with the poor indicators like depressed growth, retail sales and consumer sentiment, the ECB lowered some key rates on July 5, 2012: refinancing rate from1.0 percent to 0.75 percent, deposit rate from 0.25 percent to zero and marginal lending rate from 1.75 percent to 1.5 percent. During the second quarter of 2013, it reduced the interest on key refinancing operations from 0.75% to 0.5%.

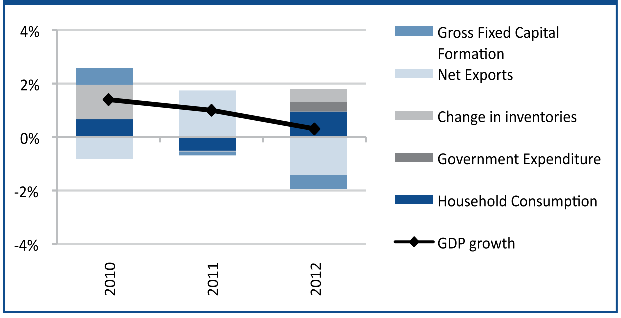
Contribution to GDP growth: Eurozone



[1] The PMI is an indicator of the economic health of the manufacturing sector. A reading less than 50 represents a contraction in the manufacturing sector whereas a figure greater than 50 indicates expansion in the sector. A reading of 50 is synonymous to no change.

United Kingdom

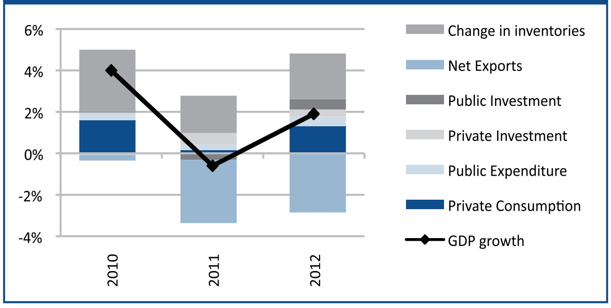
The UK registered a growth of 0.2 percent in 2012 as opposed to 1.1 percent in 2011. Output has been constrained by weaker private and public spending as well as limited exports. The manufacturing PMI rose to 52.5 in June 2013, back 48.6 in June 2012 on account of better domestic conditions and stronger external demand.



To tackle the economic challenges, policymakers in the UK enhanced its quantitative easing programme in July 2012 by increasing the size of asset purchase from £ 325bn to £ 375bn. Policy rate was maintained at 0.5% over the interval.

Japan

After contracting by 0.6 percent in 2011 in the aftermath of the tsunami and Fukushima nuclear disaster, the Japanese economy grew by 2.0 percent in 2012. Real GDP growth was negative in the second and third quarters of the year on account of a stronger yen, territorial tensions with China, the sovereign debt crisis in the Euro area and higher import bills. The PMI stayed below the 50 mark during the second half of 2012 but improvements in the manufacturing sector was observable after the election of the new government. The so-called 'Abenomics' which entails a combination of fiscal and monetary policies was successful in boosting economic activity in Japan. As at end of June 2013, the PMI stood at 52.3 as opposed to 49.9 a year ago.



Stimulus efforts in Japan continue to play a pivotal role in boosting growth. Quantitative easing has led to a massive depreciation of the yen although this has not transmitted into clear gains for the export sector which continued to face the vulnerabilities of weaker external demand. Nevertheless, massive efforts have been made on the fiscal base to boost the economy. ¥ 200tn has been allotted to public works of which an "emergency economic stimulus measures" package of ¥ 20.2tn in an attempt to create 600,000 jobs and target a 2.0 percent real GDP growth.

Emerging and Developing markets

Economic activity in emerging and developing economies proved to be resilient in 2012 with real GDP growth estimated at 4.9 percent. For larger emerging economies like the BRICs, output softening has been observed in the manufacturing and services sectors. On the basis of deceleration of growth in large emerging economies, the IMF has projected real GDP to advance 4.5 percent in 2013.

Real output in China is expected to advance by 7.6 percent, 0.2 percent lower than its previous estimate. The Russian economy should grow by 1.5 percent while India and Brazil, 3.8 percent and 2.5 percent respectively.

Growth statistics for emerging and developing economies (% change Y-o-Y)

Geography	2011	2012	2013*	2014*
Emerging and Developing Economies	6.2	4.9	4.5	5.1
Russia	4.3	3.4	1.5	3.0
Developing Asia	7.8	6.4	6.3	6.5
China	9.3	7.7	7.6	7.3
India†	6.3	3.2	3.8	5.1
Brazil	2.7	0.9	2.5	2.5
Middle East and North Africa	3.9	4.6	2.1	3.8
Sub-Saharan Africa	5.5	4.9	5.0	6.0

†Forecasts for India is over its fiscal year

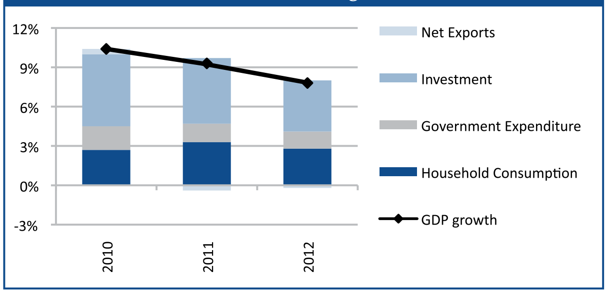
***IMF October 2013 Forecasts**

China

The Chinese economy grew at a slower pace of 7.7 percent in 2012 compared to the previous year's 9.3 percent. Growth in private consumption expenditure and investment slowed during the year. The country's exports continued to struggle amidst sluggish growth in the US and Euro area but a pick-up was noticeable in the last quarter of 2012 which boosted industrial production. Hence, the manufacturing PMI rose above the 50 mark in November 2012 but for June 2013, it fell to 48.2 raising concerns over the health of the economy.

To tackle the growth slowdown when inflationary pressures were soothing, the People's Bank of China eased monetary policy by cutting the bank reserve requirement by 50 basis points. In July 2012, key interest rates were cut: the 1-year lending rate was lowered by 31 basis points to 6.0 percent while the 1-year deposit rate by 0.25 basis points to 3.0 percent. On the fiscal side, policymakers raised state investment during the year so as to boost growth.

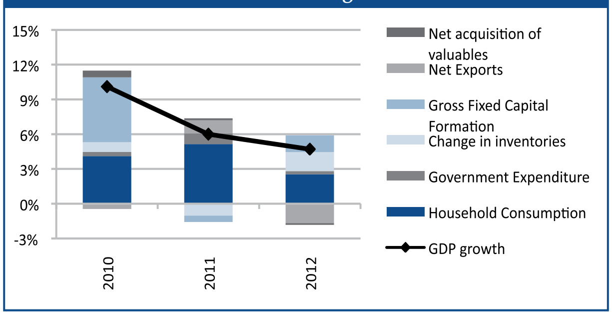
Contribution to GDP growth: China



India

The Indian economy showed substantial weaknesses in 2012 as industrial production, consumption and investment faced sluggish growth. Real GDP grew by 3.2 percent in 2012 compared to 6.3 percent in 2011. Like the manufacturing sector, farming output remained poor. Growth in private consumption expenditure considerably weakened while private investment progression remained subdued. The manufacturing PMI reached 50.3 in June 2013 as opposed to 55.0 a year ago. The major accounting factors were lower output level amid unfavourable domestic economic conditions.

Contribution to GDP growth: India



Policy decision-making remained challenging as high inflation rate together with high public debt were major setbacks. The Reserve Bank of India engaged in multiple cuts of the cash reserve ratio during 2012: the ratio stood at 4.25 percent at the end of the year. The repo rate was cut by 50 basis points to 8.0 percent in April. In the first half of 2013, the repo rate was slashed by 25 basis points on three occasions. Over the same, the cash reserve ratio was lowered by 25 basis points.

Africa

African economies showed resilience to external factors in 2012. Middle East and North Africa experienced higher growth with real GDP advancing 4.6 percent vis-à-vis the preceding period's 3.9 percent. Sub-Saharan African countries' growth dampened to 4.9 percent back from 5.5 percent a year ago. Domestic demand continued to drive growth in the continent through combinations of private and public consumption and investments. However, this did not outweigh the fall in exports that resulted from weakened global demand. In North Africa, there were still political tensions in Egypt, Libya and Tunisia. Nevertheless, output increased in the region after Libya resumed its production and export of oil. According to the IMF, GDP growth will dampen to 2.1 percent for Middle East and North Africa in 2013 while 5.0 percent for Sub-Saharan Africa.

Inflation

Global inflationary pressure dampened in 2012 on account of slower economic growth, weaker demand and stable commodity prices. The Food and Agricultural Organisation (FAO) Oils Price Index tumbled by 13.6 percent over Dec 2012-13 from 227.5 to 196.5. Over the same, the FAO Dairy Price Index and Sugar Price Index declined by 2.4 percent and 16.2 percent respectively. General food and meat prices depicted stability over the period as the FAO Food Price Index and FAO Meat Price Index rose marginally by 0.1 percent and 0.4 percent correspondingly. Only cereal prices increased significantly with the FAO Cereals Price Index advancing by 15.1 percent in 2012. In the first half of 2013, food, meat and sugar prices depicted downward trends. The Oils Price Index increased marginally whereas the Dairy Price Index experienced a hike of 21.4 percent.

Given the downtrend in energy and food prices, inflation remained subdued in many advanced and emerging economies. For advanced economies, inflation stood at 2.0 percent in 2012 compared to 2.7 percent in 2011. For emerging and developing economies, it was 6.1 percent in 2012 whereas 7.1 percent a year ago. However, African economies witnessed elevated inflation in 2012 due to demand pressures.

Inflation statistics for advanced economies (% change CPI Y-o-Y)

Geography	2011	2012	2013*	2014*
Advanced Economies	2.7	2.0	1.4	1.8
United States	3.1	2.1	1.4	1.5
Euro Area	2.7	2.5	1.5	1.5
Japan	-0.3	0.0	0.0	2.9
Emerging and Developing Economies	7.1	6.1	6.2	5.7
Developing Asia	6.3	4.7	5.0	4.7
Middle East & North Africa	9.2	10.8	12.3	10.3
Sub-Saharan Africa	9.3	9.0	6.9	6.3

*IMF October 2013 Forecasts

According to IMF projections for 2013, inflation in the US and Euro area should hover around 1.4 percent and 1.5 percent respectively. Japan which operated in a deflationary environment in 2010 and 2011 is anticipated to have an inflation rate of 0.0 percent in 2013. The Bank of Japan has adopted an inflation target of 2.0 percent. In developing Asian economies, inflation is anticipated at 5.0 percent on the basis of higher aggregate demand pressures. Inflationary pressures in the African continent are expected to remain high in 2013 due to the expanding domestic consumption. Middle East and North Africa countries should experience an inflation of 12.3 percent in2013 while Sub-Saharan Africa, a marginally lower rate of 10.8 percent.

Government debt

The government gross debt-to-GDP ratio for advanced countries increased to 108.7 percent in 2012 from 104.4 percent in 2011. The indicator stood at 93.0 percent for the Euro area in 2012 compared to the previous year's 88.2 percent owing to the low growth and high interest rate differential. Large deficits have increased the corresponding ratio for the US and Japan to 102.7 percent and 238.0 percent in 2012. For emerging economies, the gross debt-to-GDP ratio fell by 3.4 percent as the borrowing costs were low relatively to GDP growth rate.

Austerity measures have hurt growth but simultaneously helped governments reducing their deficits. The IMF forecasts gross debt ratio of advanced countries to fall to 108.5 in 2013. The indicator is expected to rise to 106.0 percent for the US due to larger fiscal deficits. In emerging economies, the ratio is forecasted to fall to 35.3 percent.

Government Gross Debt (% of GDP)

Geography	2011	2012	2013*	2014*
Advanced Economies	104.4	108.7	108.5	109.2
United States	99.4	102.7	106.0	107.3
Euro Area	88.2	93.0	95.7	96.1
Germany	80.4	81.9	80.4	78.1
France	85.8	90.2	93.5	94.8
Italy	120.8	127.0	132.3	133.1
Spain	70.4	85.9	93.7	99.1
United Kingdom	84.3	88.8	92.1	95.3
Japan	230.3	238.0	243.5	242.3
Emerging Economies	37.8	36.5	35.3	34.1
Asia	36.7	34.5	32.0	30.1
China	28.7	26.1	22.9	20.9
India	66.4	66.7	67.2	68.1
Russia	11.7	12.5	14.1	14.6
Brazil	64.7	68.0	68.3	69.0
Middle East & North Africa	70.1	75.5	81.8	83.8

*IMF October2013 Forecasts

Foreign financial market review

During the financial year, equity markets gained momentum after central banks around the world adopted expansionary policies to boost economic growth. The Fed pursued its monthly $85bn quantitative easing programme. The Bank of Japan extended its asset purchasing programme in October, raising purchases of Japanese government securities and other assets planned before the end of 2013 by ¥21 trillion. Policy rates were cut in Australia, Brazil, Colombia, the Czech Republic, Hungary, Israel, Korea, the Philippines, Sweden and Thailand.

By end of 2012, perceptions of lower downside risks substantially improved world equity markets. The trend extended to the first quarter of 2013 as economic data in the US and China was encouraging. The second quarter proved to be more challenging with growing speculations that the Fed would taper its bond purchase programme earlier than expected. Developed equity markets maintained their impetus, albeit at a slower pace, whereas emerging equities experienced higher volatility on the ground of lower external demand and growth slowdown.

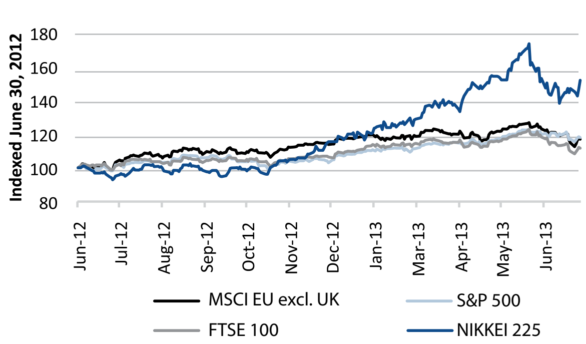
Equities

Equity prices, particularly advanced economies', depicted general upswings during the financial year as central banks employed expansionary monetary policies to boost the economy. During the fourth quarter of 2012, stock prices were additionally supported by beliefs that some downside risks had lessened. Worries that China would experience extended periods of low growth were wiped out after the release of encouraging data which further fuelled stock price gains. Equity markets extended gains in the first quarter of 2013 on account of the higher investor optimism. Concurrently, volatility in many markets dampened - a sign that investors perceived lower degree of downside risks. Economic data in US and China were encouraging during the first two months of 2013 which further provided tonic to markets. Many equity indexes shed points in the second quarter of the year. Whereas developed markets' equities maintained some of their momentum, volatility in many emerging stocks heightened on the ground of growth deceleration. Concerns that the Fed would taper its bond purchase programme earlier than expected caused volatility spikes in financial markets.

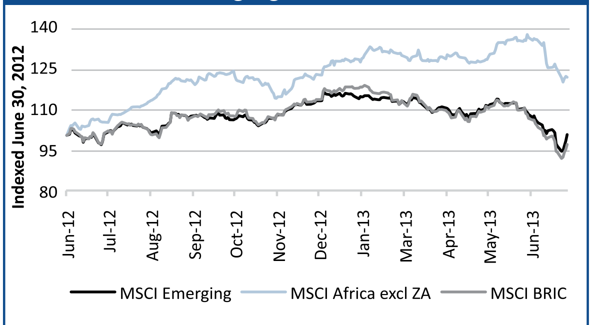
In their respective domestic currency terms, the MSCI Europe Index excluding UK gained 16.9 percent while the FTSE 100 advanced 11.6 percent over the period June 12-13. The S&P 500 and Nikkei 225 grew 17.9 percent and 51.9 percent respectively. In the second half of 2013, growth deceleration was a key concern for emerging markets causing their indexes to erase most of their gains.

The MSCI Emerging Index gained a mere 0.3 percent over the one year interval as the MSCI BRIC Index fell by 3.3 percent. The MSCI Africa excluding South Africa Index gained 21.1 percent led by strong gains in the Nigerian and Kenyan markets. On the downside, political unrest in Egypt started erasing gains at the beginning of June 2013 while government crisis and poor economic performance in Morocco continued to dampen equity performance.

Evolution of advanced markets' indices

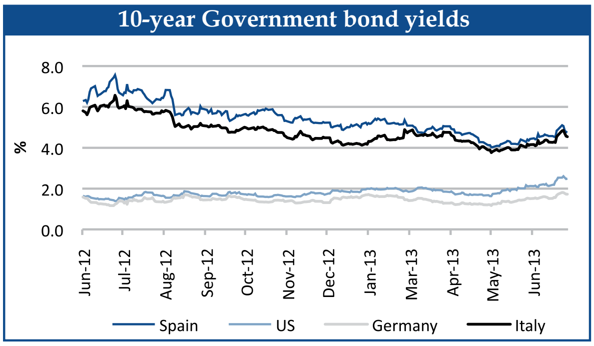


Evolution of emerging & frontier markets' indices



Government Bonds

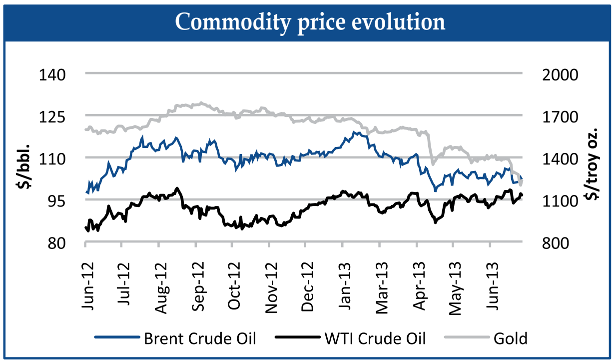
Yields in the US market remained low for most of the interval June 2012-13 following high demand for safe assets amid concerns on the global economy. During the second quarter of 2013, improving macroeconomic fundamentals, perceptions of lower risk of default coupled with the possible retreat of the Fed from its quantitative easing programme raised yields as investors sold government bonds. Downtrends were initially observable in the yields of European government bonds but borrowing costs heightened in the second half of 2013 over worries that the Fed and other central banks will cut their stimulus programs.



Commodities

Gold prolonged its price decline in 2013, shedding 26.3 percent in the first half of the year. Speculations of prospective cuts in the Fed's quantitative easing program reduced the demand for the commodity on the basis of less inflation concerns.

Oil prices spiked from end of 2012 to the first two months of 2013 on account of higher seasonal demand and geopolitical tensions. Unhealthy global economic fundamentals weighed on the commodity's price thereafter following weaker economic statistics in the Euro area, growth slowdown in China and other large emerging economies, World Bank's downgrade of global growth and Fed's possible cut in stimulus.



Prospects

Amid the difficult market conditions and volatile environment, the performance of the Fund was commendable with the NAV reaching a record high during the financial year. Given the diversification strategy, volatility whether from internal or external sources was successfully limited.

We are optimistic over the performance of the Fund in the coming year as data in advanced markets have recently been positive. The US economy continues to show signs of improvement as real GDP grew by 2.5 percent in 13Q2. The rally in equity markets is likely to extend in the short-term given that the Fed is not expected to taper its bond purchase programme this year. The economic condition and fiscal policies in the Eurozone seem to be stabilising. A pick-up in manufacturing was noticeable with the Eurozone PMI remaining above the 50-mark over the three months to September, indicating that the rate of contraction could slow during the third quarter of this year. The economic landscape of China, which has been one of the reasons for the wide risk-aversion of investors, has improved with amelioration in retail sales and manufacturing. Its GDP growth accelerated to 7.8 percent year-on-year in 13Q3.

Nevertheless, we remain alert of downside risks given the postponement of the US debt ceiling, the political events in Spain and Portugal, the quite alarming state of the financial sector and escalating property prices in China, industrial woes in addition to the rupee volatility in India and growth slowdown in several emerging Asian, Latin American and Eastern European economies. Like last year, foreign fund switches will be frequently entertained on a tactical basis so as to maximise short-term returns or reduce losses.

The presence of downside risks in the global economy and the high dependence on the European market are sources of risk to the local market. With improvements in the economic condition of the EU, we may upgrade our business outlook for the local economy. We will stick to our top-down investment approach as we continue to consider the macro-economy and attractive industries. We will seek overexposure in companies having substantial growth potentials, sounder fundamentals and low business as well as financial risks.

Acknowledgements

The Board would like to thank the management team and staff toward enhancing the value of the Company as well as the shareholders for their continued support and trust.

M.I. Mallam-Hasham
Chairman
5 November 2013

PORT LOUIS FUND LTD

FINANCIAL STATEMENTS
YEAR ENDED
30 JUNE 2013

Independent Auditors' Report to the Members

This report is made solely to the members of Port Louis Fund Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 Company and the Company's members 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 Port Louis Fund Ltd on pages 34 to 52 which comprise the statement of financial position at June 30, 2013, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors 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 Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgement, 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 auditors consider internal control relevant to the company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 34 to 52 give a true and fair view of the financial position of the Company at June 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company ,other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

The Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosures in the annual report is consistent with the requirements of the Code.

BDO & CO

BDO & CO
Chartered Accountants
Port Louis, Mauritius.

Rookaya Ghanty, FCCA
Licensed by FRC

September 30, 2013

Statement of financial position - year ended June 30, 2013

	Note	2013	2012
		Rs'000	Rs'000
ASSETS			
Non-current assets			
Portfolio of domestic securities	5	**403,104**	339,588
Portfolio of foreign securities	6	**275,817**	243,925
		678,921	583,513
Current assets			
Portfolio of domestic securities	5	**543,733**	533,069
Short term deposits	7	**20,935**	31,198
Trade and other receivables	8	**3,956**	1,944
Cash and cash equivalents	18(b)	**9,617**	2,230
		578,241	568,441
Total assets		**1,257,162**	1,151,954
EQUITY AND LIABILITIES			
Net asset attributable to holders of redeemable shares		**1,248,811**	1,144,364
Current liabilities			
Trade and other payables	10	**3,611**	3,237
Current tax liabilities	11	**477**	263
Dividend payable		**2,331**	2,346
Bank overdraft	18(b)	**1,932**	1,744
		8,351	7,590
Total equity and liabilities		**1,257,162**	1,151,954
Net asset value per share	19	**24.18**	22.16

These financial statements have been approved for issue by the Board of Directors on 30 September 2013.

M.I. Mallam Hasham
Chairman

V. Bhuguth
Director

The notes on pages 38 to 52 form an integral part of these financial statements.
Auditors' report on pages 32 and 33.

Statement of profit or loss and other comprehensive income - year ended June 30, 2013

	Note	2013	2012
		Rs'000	Rs'000
INCOME			
Investment income	12	41,666	26,667
Gain/(loss) on disposal of investments		1,225	(90)
Release to income on disposal of available-for-sale securities		2,263	4,244
Net increase/(decrease) in fair value of financial assets through profit or loss	13	35,078	(13,394)
		80,232	17,427
EXPENSES			
Management fees	14	(10,808)	(10,183)
Auditors' remuneration		(150)	(98)
Registry costs	15	(748)	(748)
Other operating expenses		(2,757)	(3,581)
Corporate social responsibility fund		-	(277)
		(14,463)	(14,887)
Net income before taxation	16	65,769	2,540
Income tax	11	(161)	(901)
Net income after taxation		65,608	1,639
Other comprehensive income:			
Items that may be reclassified subsequent to profit or loss:			
Increase/(decrease) in fair value of available-for-sale securities		81,835	(6,726)
- Release to income on disposal of available-for-sale securities		(2,263)	(4,244)
		79,572	(10,970)
Total comprehensive income for the year		145,180	(9,331)

Note: EPS information is not disclosed as the class of shares that are publicly traded are redeemable shares.

The notes on pages 38 to 52 form an integral part of these financial statements.
Auditors' report on pages 32 and 33.

Statement of changes in net assets attributable to holders of redeemable shares for the year ended June 30, 2013

	2013	2012
	Rs'000	Rs'000
Net assets attributable to holders of redeemable shares at July 1,	**1,144,364**	1,187,833
Proceeds from issue of redeemable shares	**11,466**	19,778
Payments on redemption of redeemable shares	**(11,136)**	(22,928)
Net increase/(decrease) from share transactions	**330**	(3,150)
Net income after taxation	**65,608**	1,639
Other comprehensive income for the year	**79,572**	(10,970)
Total comprehensive income for the year	**145,180**	(9,331)
Distribution to holders of redeemable shares	**(41,063)**	(30,988)
	104,117	(40,319)
Net assets attributable to holders of reedeemable shares at June 30,	**1,248,811**	1,144,364

No statement of equity is presented as the class of shares publicly traded are redeemable shares.

The notes on pages 38 to 52 form an integral part of these financial statements.
Auditors' report on pages 32 and 33.

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Statement of cash flows - year ended June 30, 2013

	Note	2013	2012
		Rs'000	Rs'000
Cash flows from operating activities			
Cash used in operations	18(a)	**(16,201)**	(12,792)
Interest received		**4,425**	4,948
Dividend received		**30,454**	20,564
Income tax		**53**	(1,153)
Net cash generated from operating activities		**18,731**	11,567
Cash flows from investing activities			
Purchase of investments		**(40,347)**	(17,318)
Proceeds from sale of investments		**59,300**	46,839
Net cash generated from investing activities		**18,953**	29,521
Cash flows from financing activities			
Redemption of shares		**(11,136)**	(22,928)
Issue of shares		**3,243**	19,530
Dividend paid to holders of redeemable shares		**(32,855)**	(30,386)
Net cash used in financing activities		**(40,748)**	(33,784)
Net (decrease)/increase in cash and cash equivalents		**(3,064)**	7,304
Movement in cash and cash equivalents			
At July 1,		**31,684**	24,380
(Decrease)/increase		**(3,064)**	7,304
At June 30,	18(b)	**28,620**	31,684

The notes on pages 38 to 52 form an integral part of these financial statements.
Auditors' report on pages 32 and 33.

1. General information

The Company's registered office is 15th Floor, Air Mauritius Centre, 6 President John Kennedy Street, Port Louis.

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the Company.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of preparation

The financial statements of Port Louis Fund Ltd comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparatives figures have been amended to conform with change in presentation in the current year.

The financial statements have been prepared under the historical cost convention, except that financial assets and financial liabilities are carried at fair value.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40

Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes.

This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Company's financial statements.

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income.

The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income'(OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2013 or later periods, but which the Company has not early adopted.

2. Significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

Standards, Amendments to Published Standards and Interpretations issued but not yet effective

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits (Revised 2011)

IFRIC 20 Stripping Costs in the Production Phase of a surface Mine

Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amendments to IFRS 1 (Government loans)

Annual Improvements to IFRSs 2009-2011 Cycle

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities:

Transition Guidance

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRIC 21: Levies

Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

Where relevant, the Company is still evaluating the effect of these standards, amendments to published standards and interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2. Significant accounting policies (cont'd)

(b) Financial instruments

(i) Financial assets

(A) Categories of financial assets

The Company classifies its financial assets in the following categories: financial assets through profit or loss, held-to-maturity investments, and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months to the end of the reporting period.

(b) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the end of the reporting period.

(B) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date,the date on which the Company commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income.

2. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(B) Recognition and measurement (cont'd)

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at their fair values. Held-to-maturity investments are carried at amortised cost using the effective interest method.

Treasury bills and bonds are classified as 'Available-for-sale' and value-based on mark to market value.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in other comprehensive income.

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of capitalised earnings and dividend yield and makes assumptions that are based on market conditions existing at end of each reporting date.

(C) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the statement of profit or loss and other comprehensive income.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in the statement of profit or loss and other comprehensive income.

2. Significant accounting policies (cont'd)

(b) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Impairment losses recognised in the statement of profit or loss and other comprehensive income for an investment in the equity instrument classified as available-for-sale are not reversed through profit and loss.

(ii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of provision is the difference between the assets' carrying amount and the present value of estimated future cash flows,discounted at the effective interest rate.The amount of provision is recognised in the statement of profit or loss and other comprehensive income.

(iii) Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, bank overdraft and short term bank deposits.

(v) Share capital

Shares of the Company are redeemable at any time at the option of the shareholder for cash and have a par value. Share capital are therefore liabilities and net assets attributable to shareholders are considered as liabilities in the statement of financial position.

(c) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements are measured using Mauritian Rupees, the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Mauritian Rupees, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2. Significant accounting policies (cont'd)

(c) Foreign currencies (cont'd)

Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets are included in the net assets attributable to the redeemable shares.

(d) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(e) Revenue recognition

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established by reference to the ex-dividend date.
Interest income is accounted for as it accrues unless collectibility is in doubt. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate

(f) Alternative Minimum Tax (AMT)

Alternative Minimum Tax (AMT) is provided for, where the Company which has a tax liability of less than 7.5% of its book profit pays a dividend. AMT is calculated as the lower of 10% of the dividend paid and 7.5% of book profit.

(g) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events which it is probable will result in an outflow of resources that can be reliably estimated.

(h) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks as follows:

- Market risk (including currency risk, price risk and cash flow and fair value interest rate risk);
- Liquidity risk; and
- Credit risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

(a) Market risk

(i) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EURO, USD, GBP and INR. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign entities.

Currency exposure arising from the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At June 30, 2013, if Mauritian rupee had weakened/strengthened by 5% against EURO, USD, GBP, INR and other currencies with all other variables held constant, the impact on net asset value for the year would be Rs.14.284 million (2012: Rs.13.021 million) higher/lower mainly as a result of retranslation of foreign investment and bank balance.

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company valued at market prices

The Company's securitites are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of its investment portfolio.

Sensitivity analysis
The table below summarises the impact of increases/decreases in the fair value of the investments on the Company's net asset value. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

3. Financial risk management (Cont'd)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

	Impact on post-tax income		Impact on other comprehensive income	
	2013	2012	**2013**	2012
	Rs'000	Rs'000	**Rs'000**	Rs'000
Available-for-sale financial assets	-	-	**13,791**	12,196
Designated at fair value through profit or loss	**27,034**	26,219	-	-

(iii) Cash flow and fair value interest rate risk

The Company is exposed to risk associated with the effect of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. If the interest rate on interest bearing asset had been 50 basis points higher/lower with all other variables held constant, the impact on post-tax profit for the year would not have been material.

The risk is managed by maintaining an appropriate investment mix in the portfolio of investment.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of cash balance.

The Fund has entered into a liquidity contract with The State Investment Corporation Ltd to ensure that the Fund has enough cash to maintain flexibility in funding.

(c) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's credit risk concentration is spread between interest rate and equity securities. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligations, the trade will fail.

3. Financial risk management (Cont'd)

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occuring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as trading securities.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of all significant inputs is not based on observable market data, the instrument is included in level 3.

The Company uses a variety of methods namely the capitalised earnings and dividend yield and makes assumptions that are based on market conditions existing at each end of reporting date.

If fair value had been 5% higher/lower, the carrying amount of available-for-sale financial assets would be estimated at Rs.20.3 m (2012: Rs.17.2m) higher/lower with all the other variables held constant from management estimate for the year.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlyding assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

There were no changes to the Company's approach to capital risk management during the year.

4. Critical accounting estimates and judgements

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates 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 are discussed below.

(a) Impairment of available-for-sale financial assets

The Company follows the guidance of International Accounting Standard (IAS) 39 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(b) Held-to-maturity investments

The Company follows the guidance of International Accounting Standard (IAS) 39 - "Recognition and Measurement" on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Company evaluates its intention and ability to hold such investments to maturity.

If the Company fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale financial assets. The investments would therefore be measured at fair value not amortised cost.

(c) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.

(d) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Company using valuation techniques including third party transaction values, earnings, net assets value or discounted cash flows, whichever is considered to be appropriate. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Portfolio of domestic securities

	2013	2012
	Rs'000	Rs'000
Fair value through profit or loss financial assets	**580,362**	551,311
Available-for-sale financial assets	**366,475**	317,346
Held-to-maturity securities	**-**	4,000
	946,837	872,657
Analysed as:		
Non -current assets:		
Fair value through profit or loss financial assets	**39,679**	26,928
Available-for-sale financial assets	**363,425**	308,660
Held-to-maturity securities	**-**	4,000
	403,104	339,588
Current assets		
Fair value through profit or loss financial assets	**540,683**	524,383
Available-for-sale financial assets	**3,050**	8,686
	543,733	533,069
Total	**946,837**	872,657

Fair value through profit or loss financial assets

	Listed on SEM	Listed on DEM	Unquoted	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At July 1, 2012	**468,167**	**56,216**	**26,928**	**551,311**
Additions	**17,841**	**-**	**-**	**17,841**
Disposals	**(25,795)**	**(3,313)**	**-**	**(29,108)**
Dividend in specie	**5,240**	**-**	**-**	**5,240**
Increase/(decrease) in fair value	**25,644**	**(3,316)**	**12,750**	**35,078**
At June 30, 2013	**491,097**	**49,587**	**39,678**	**580,362**
At July 1, 2011	502,953	54,810	20,812	578,575
Additions	1,764	1,336	-	3,100
Disposals	(15,482)	(1,488)	-	(16,970)
(Decrease)/increase in fair value	(21,068)	1,558	6,116	(13,394)
At June 30, 2012	468,167	56,216	26,928	551,311

Available-for-sale financial assets

	Unquoted
	Rs'000
At July 1, 2012	**317,346**
Additions	**439**
Disposals	**(8,506)**
Increase in fair value	**57,196**
At June 30, 2013	**366,475**
At July 1, 2011	322,671
Disposals	(15,818)
Increase in fair value	10,493
At June 30, 2012	317,346

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5. Portfolio of domestic securities (Cont'd)

Held-to-maturity securities At amortised cost	**Unquoted Securities**
	Rs'000
At July 1, 2012	**4,000**
Disposals	**(4,000)**
At June 30, 2013	**-**
At July 1, 2011 and June 30, 2012	4,000

6. Portfolio of foreign securities

	2013	2012
	Rs'000	Rs'000
Non-current assets:		
Available for sale financial assets		
At July 1,	**243,925**	260,221
Additions	**121,099**	50,902
Disposals	**(113,846)**	(49,979)
Increase/(decrease) in fair value	**24,639**	(17,219)
At June 30,	**275,817**	243,925

7. Short term deposits

	2013	2012
	Rs'000	Rs'000
Short term bank deposits	**20,935**	31,198

8. Trade and other receivables

	2013	2012
	Rs'000	Rs'000
Dividend and interest receivable	**1,965**	1,760
Other receivables and prepayments	**203**	184
Receivables for investment sold	**1,788**	-
	3,956	1,944

Trade and other receivables are denominated in the following currencies:

	2013	2012
	Rs'000	Rs'000
Rupees	**2,168**	1,944
US Dollars	**425**	-
GB Pound	**1,363**	-
	3,956	1,944

None of the receivables are past due or impaired and the Company does not hold any collateral security

9. Share capital

(a) Shares are issued at the holders' option at prices based on the value of the Company's net assets at the time of issue/redemption.

	2013 & 2012
	Rs.'000
Authorised	
120,000,000 ordinary shares of Rs. 10 par value	1,200,000

Issued and fully paid	**2013**	2012
	Number of shares (000)	
At July 1,	**51,651**	51,758
Issue of shares	**475**	917
Redemption of shares	**(476)**	(1,024)
At June 30,	**51,650**	51,651

10. Trade and other payables

	2013	2012
	Rs'000	Rs'000
Amount owed to related party	**3,015**	2,584
Other payables	**596**	653
	3,611	3,237

11. Income tax expense

	2013	2012
	Rs'000	Rs'000
(a) Statement of financial position		
Current tax on the adjusted profit for the year		
15% (2012 : 15%)	**661**	901
Tax paid (APS)	**(184)**	(638)
	477	263
(b) Statement of profit or loss and other comprehensive income		
Current tax on the adjusted profit for the year		
15% (2012 : 15 %)	**661**	901
Overprovision in previous year	**(500)**	-
Taxation charge	**161**	901

(c) The tax on the Company's net income before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2013	2012
	Rs'000	Rs'000
Net income before taxation	**65,769**	2,540
Tax calculated at the rate of 15% (2012: 15%)	**9,865**	381
Tax effect of:		
Income not subject to tax	**(11,109)**	(3,778)
Expenses not deductible for tax purposes	**1,905**	4,298
Overprovision in previous year	**(500)**	-
Taxation charge	**161**	901

12. Investment income

	2013	2012
	Rs'000	Rs'000
Dividend income	32,426	20,727
Dividend in specie	5,240	-
Interest income	4,415	5,104
Foreign exchange (losses)/gains	(415)	836
	41,666	26,667

13. Net increase/(decrease) in fair value of financial assets through profit or loss

	2013	2012
	Rs'000	Rs'000
Domestic securities	35,078	(13,394)

14. Management fees

An annual global management fee of 1.25% of the fund's net asset value is payable to Capital Asset Management as per the investment management agreement dated June 9, 1997. The management fees are at present based on a graduated fee structure based on the performance of the fund presently at 0.9% with maximum of 1.25% of the net asset value of the fund.

Annual Fund Return	2013	2012
Up to 27%	0.90%	0.90%
27% - 35%	1.00%	1.00%
above 35%	1.25%	1.25%

15. Registry costs

Registry costs are payable to Prime Partners Ltd.

16. Net income before taxation

This is arrived at after crediting:

	2013	2012
	Rs'000	Rs'000
Net increase/(decrease) in fair value through profit or loss financial assets	35,078	(13,394)
Dividend income		
- Listed (local)	13,910	13,487
- Foreign	2,175	1,644
- Unquoted	16,341	5,596
- Dividend in specie	5,240	-
Interest income	4,415	5,104

17. Dividends

The Board of Directors has declared a dividend of Rs 41,063,288 (representing Re 0.80 per share on June 06, 2013 (2012: Rs.30,987,877, representing Re 0.60 per share).

18. Notes to the statement of cash flows

		2013 Rs'000	2012 Rs'000
(a)	**Cash used in operations**		
	Net income before taxation	**65,769**	2,540
	Adjustments for:		
	Dividend income	**(32,426)**	(20,727)
	Dividend in specie	**(5,240)**	-
	Interest income	**(4,415)**	(5,104)
	Exchange difference	**110**	-
	Net (increase)/decrease in fair value of financial assets at fair value through profit or loss	**(35,078)**	13,394
	Release to income on disposal of available-for-sale securities	**(2,263)**	(4,244)
	(Profit)/loss on disposal of investments	**(1,225)**	90
		(14,768)	(14,051)
	Changes in working capital		
	- (Increase)/decrease in trade and other receivables	**(1,807)**	980
	- Increase in trade and other payables	**374**	279
	Cash used in operations	**(16,201)**	(12,792)

		2013 Rs'000	2012 Rs'000
(b)	**Cash and cash equivalents**		
	Cash at bank	**9,617**	2,230
	Bank overdraft	**(1,932)**	(1,744)
	Short term bank deposits	**20,935**	31,198
		28,620	31,684

19. Net asset value per share

		2013 Rs'000	2012 Rs'000
Net asset value		**1,248,811**	1,144,364
Number of ordinary shares in issue ('000)		**51,650**	51,651
Net asset value per share	Rs.	**24.18**	22.16

20. Related party transactions

The amounts outstanding at year end on related party transactions are unsecured and interest free and settlement occurs in cash. No guarantee have been given or received by the Company to related parties.

	2013	2012
TRANSACTIONS	**Rs'000**	Rs'000
Corporate with common shareholders		
Management fee expenses	**10,808**	10,183
Registry costs	**748**	748
Compensation of key management personnel		
Short term benefits	**982**	982
BALANCES		
Amount due to related party	**3,015**	2,584

PLF

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