Port Louis Fund Ltd

annual report 2015

PLF

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of Port Louis Fund Ltd for the financial yearended on 30 June 2015.

The Directors' report was approved by the Board on 5 November 2015 and the audited Financial Statements were approved on 28 September 2015.

A. H. Nakhuda
Chairman

V. Bhuguth
Director

Contents

Notice of Annual Meeting

Notice is hereby given that the 18th Annual Meeting of Shareholders of Port Louis Fund Ltd will be held on Monday 21 December 2015 at 14:00 hours at Conference Hall A, 1st floor, BPML, Cyber Tower, Cybercity, Ebene to deliberate and transact on the following businesses:

Agenda

1. To approve and adopt the Minutes of Proceedings of the 17th Annual Meeting of Shareholders of Port Louis Fund Ltd held on Monday, 18 November 2014.
2. To receive the Annual Report for the financial year ended 30 June 2015.
3. To receive the Report of Auditors.
4. To consider and approve the Audited Financial Statements for the year ended 30 June 2015.
5. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 16 June 2015.
6. To appoint Mr. Ayub Hussein Nakhuda as Director of the company until the next Annual Meeting of the Company under section 138 (6) of the companies Act 2001.
7. To re-appoint Mr. Yusuf Hassam Aboobaker as Director of the company 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. Veenay Rambarassah as Director of the Company to hold office until the next Annual Meeting.
11. To appoint Mrs. Anista Devi Indira Ramphul-Punchoo 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 2016 and to authorise the Board of Directors to fix their remuneration.
14. To transact any other business, if any, as may be transacted at an Annual Meeting of Shareholders.

BY ORDER OF THE BOARD

Prime Partners Ltd
Company Secretary
Per Christophe Brette

5 November 2015

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. A. H. Nakhuda, C.S.K, Chairman
Mr. Y.H. Aboobaker, S.C, C.S.K
Mr. V. Bhuguth
Mr. G.Y.H. Lassémillante
Mr. V. Rambarassah
Mrs. A. D. I. Ramphul-Punchoo

Fund Manager
Capital Asset Management Ltd

Registrar and Transfer Office
Prime Partners Ltd

Company Secretary
Prime Partners Ltd

Bankers
AfrAsia Bank Limited
Bank of Baroda
Bank One Limited
Banque des Mascareignes Ltée
Barclays Bank (Mauritius) Limited
Mauritius Post and Co-operative Bank Ltd
SBM Bank (Mauritius) Ltd
Standard Bank (Mauritius) Ltd
The Hongkong and Shanghai Banking Corp Ltd
The Mauritius Commercial Bank Ltd

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

Auditors
BDO & CO (External)
McMillan Woods (Internal)

Website
http://www.portlouisfund.com

Stockbroking Companies
Anglo-Mauritius Stockbrokers Ltd
Associated Brokers Ltd
AXYS Stockbroking 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
ICICI Bank Ltd (India)
SBM Bank (Mauritius) Ltd
Standard Bank (Mauritius)

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

Statutory Disclosures

Principal Activities

Port Louis Fund Ltd is a Collective Investment Scheme as per Securities Act 2005. The Company was incorporated on June 9, 1997 as a Public Company with limited liability. It initially obtained approval from the Ministry of Finance to be an Authorised Mutual Fund under Section 35 of the Companies Act 1984, now replaced by the Companies Act 2001.

The main objects of the Company are: (a) to carry on business as an investment holding company; (b) to deal in securities and properties of all kinds and; (c) to manage and advise on investment funds.

Members of the Board of Directors

Mr. A. H. Nakhuda, C.S.K, Chairman (Appointed on May 13 2015)
Mrs. A. D. I. Ramphul-Punchoo (Appointed on May 13 2015)
Mr. Y.H. Aboobaker, S.C, C.S.K
Mr. V. Bhuguth
Mr. G.Y.H. Lassémillante
Mr. V. Rambarassah
Mr. M.I. Mallam-Hasham, Chairman (Resigned on December 18, 2014)
Mr. I. Golam (Resigned on January 8, 2015)

Directors' Service Contracts

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

Directors' Remuneration and Benefits

Directors' remuneration and benefits received and receivable from the Company were MUR 0.98M for FY 2014 and MUR 0.87M for FY 2015.

Directors' and Company Secretary Interest in Share of the Company

Director	Direct Shareholding	Indirect Shareholding
Mr. A. H. Nakhuda	Nil	Nil
Mr. Y.H. Aboobaker	Nil	Nil
Mr. V. Bhuguth	Nil	Nil
Mr. G.Y.H. Lassémillante	Nil	Nil
Mr. V. Rambarassah	Nil	Nil
Mrs. A. D. I. Ramphul-Punchoo	Nil	Nil
Company Secretary		
Prime Partners Ltd	Nil	Nil

Donations

No donation was made during the financial year ended June 30, 2015 (2014 Nil).

Statutory Disclosures

Auditors' Remunerations

The auditors' remunerations for audit services were MUR 0.12M for FY 2015 (FY 2014: MUR 0.12M).

A. H. Nakhuda
Chairman

V. Bhuguth
Director

Approved on 28 September 2015

Disclosure as per sixth schedule of the Securities (Collective Investment Scheme and Close-ended Funds) Regulation 2008, Securities Act 2005

Financial Highlights	2013 (MUR'000)	2014 (MUR'000)	2015 (MUR'000)
Net assets value at beginning of year	1,144,364	1,248,811	1,507,450
Total revenue	41,666	42,747	40,674
Total expenses	14,624	17,431	18,584
Realised gains (losses) for the period	3,488	7,658	(9,017)
Unrealised gains (losses) for the period	114,650	244,614	57,483
Total increase (decrease) from operations	145,180	277,588	70,556
Distributions			
From net investment income	27,042	25,316	22,090
From realised gain	14,021	22,274	26,653
Total Annual Distributions	41,063	47,590	48,743
Net asset value at last day of financial year	1,248,811	1,507,450	1,529,263

Key indicators	2013	2014	2015
Number of shares outstanding	51,650,181	52,700,614	54,270,263
Management expense ratio	1.16%	1.11%	1.18%
Portfolio turnover ratio	3.2%	0.5%	0.08%

Secretary's Certificate

For the year ended June 30, 2015

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 June 30, 2015, all such returns as are required of the Company under the Companies Act 2001 in terms of section 166(d).

Prime Partners Ltd
Company Secretary
Per Christophe Brette

28 September 2015

Directors' Profile

Directors

Mr. Ayub Hussein Nakhuda, C.S.K, is currently the Chairman of the State Investment Corporation Ltd. Previously, he served as Chairman of the Board of Investment, Enterprise Mauritius, the Business Parks of Mauritius Ltd, Revenue Authority, among others. He also represented the parent Ministry on the Boards of several parastatal bodies.

Economist by training, Mr. Nakhuda has worked at various levels in Government. Starting as Economist in the then Ministry of Economic Planning & Development, he successively occupied the posts of Senior Economist, Principal Economist and Deputy Director. He subsequently moved to the Ministry of Finance, where he held the post of Financial Secretary until his retirement.

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 27 years of experience in accounting firms and holds a post-graduate diploma in International Tax Planning from the University of Miami. 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 practised at the Mauritian Bar until June 2014 when he was appointed as Deputy Chairperson of the National Human Rights Commission.

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

Mrs. A. D. I. Ramphul Punchoo joined the State Investment Corporation Limited in 1991 and currently holds the position of Investment Executive. She holds a B.Sc Econ Banking and Finance from the University of Cardiff Wales, UK. She is also Director on several Boards such as Les Pailles Management Ltd, Casino de Maurice Ltd, Pointe Cotton Resort Hotel Co. Ltd and Mauritius Shipping Corporation Ltd.

Company Secretary

Prime Partners Ltd, incorporated on June 09, 1997, is actively involved in the provision of statutory corporate secretarial services, registrar & transfer office services and accounting services to Domestic Companies/ Trusts/Mutual Funds registered in Mauritius. Prime Partners Ltd is a wholly owned subsidiary of The State Investment Corporation Limited ('SIC'), investment arm of the Government of Mauritius. Most of its clients are either subsidiaries of the SIC or companies related to the SIC.

Executive Management

Capital Asset Management

The Fund is 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, amongst others. 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 15 years of experience in the financial services sector. He has previously worked in the Government and in the banking sector. He joined CAM in 2001 and is currently the Executive Director.

Finance Manager

Mr. M. K. Ramroop joined CAM in 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 20 years. Before joining CAM he worked within the SIC Group in the leisure and financial services sectors.

Senior Financial Analysts

Mrs. S. B-Ramyead joined CAM in 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 joined the SIC Group in May 2005. He holds a Masters in Strategy & Organization Consulting from ESCP, 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 8 years within private equity financing.

Financial Analyst

Mr. J. Nundoo is a holder of an M.Sc. in 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 in March 2012.

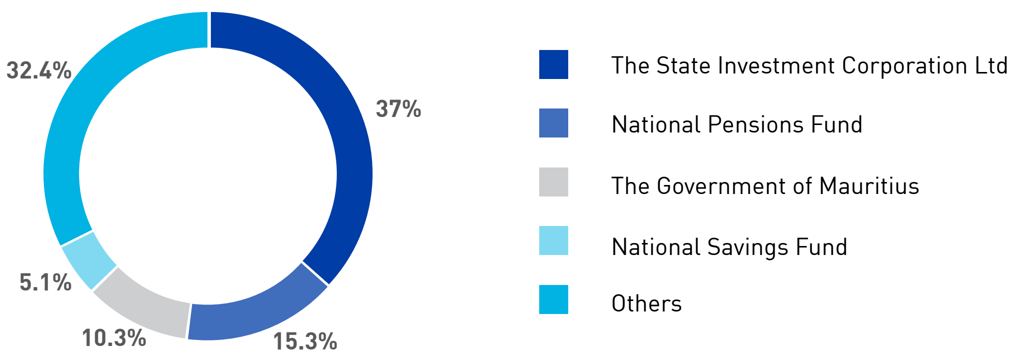
Corporate Governance Report

Compliance

The Fund is committed to adhere in all material respects to the principles of 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 the Board in the execution of its responsibilities and to ensure compliance with the provisions set out in 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 ourselves to ensure that the Fund's activities are carried out ethically and in a transparent manner.

Holding structure



Shareholders holding more than 5% share capital of the Company *as at June 2015*

Shareholders Name	No. of Shares	% of Share Capital
The State Investment Corporation Ltd	20,061,083	36.97
National Pensions Fund	8,288,143	15.27
The Government of Mauritius	5,597,909	10.31
National Savings Fund	2,762,715	5.09

Shareholder analysis *as at June 2015*

Range of shareholders	No. of Shareholders	% of Shareholders	Number of shares	% of Shareholding
1 – 1,000	3,064	65.5	1,252,699	2.31
1,001 – 5,000	965	20.63	2,690,195	4.96
5,001 – 10,000	349	7.46	2,759,891	5.09
10,001 – 25,000	208	4.45	3,384,973	6.24
25,001 – 50,000	56	1.2	1,957,327	3.61
50,001 – 100,000	15	0.32	1,084,581	2.00
100,001 – 1,000,000	17	0.36	4,430,920	8.16
Over 1,000,000	4	0.09	36,709,850	67.64
TOTAL	**4,678**	**100**	**54,270,436**	**100**

Corporate Governance Report

Category of shareholders *as at June 2015*

Category	No. of shareholders	No. of shares	% of Shareholding
Individuals	4,611	14,213,856	26.19
Corporate Bodies and others	67	40,056,580	73.81
TOTAL	**4,678**	**54,270,436**	**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 are published on the website at: www.portlouisfund.com

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

The Statement of holdings, including the value of investment, is being sent to each shareholder annually.

Schedule of events

Date	Event
November 18, 2014	Annual General Meeting
June 16, 2015	Declaration of Dividend
June 23, 2015	Payment of Dividend
June 30, 2015	End of Financial Year
December 21, 2015	Annual General Meeting

Dividend policy

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

Corporate Governance Report

The Board

As per the Company's constitution, the Board is constituted with a minimum of five and a maximum of nine directors. The profile of current board members is given on page 6.

Board membership and attendance

Director Name	Role	Category	Attendance
Mr. A. H. Nakhuda, C.S.K (As from 13 May 2015)	Chairman	Non-Executive	3/3
Mr. Y.H. Aboobaker, S.C, C.S.K	Member	Independent	6/6
Mr. V. Bhuguth	Member	Independent	6/6
Mr. G.Y.H. Lassémillante	Member	Independent	4/6
Mr. V. Rambarassah	Member	Independent	5/6
Mrs. A. D. I. Ramphul-Punchoo (As from 13 May 2015)	Member	Non-Executive	3/3
Mr. M. I. Mallam-Hasham (Up to 18 December 2014)	Chairman	Non-Executive	2/3
Mr. I. Golam (Up to 8 January 2015)	Member	Non-Executive	3/3

The existing Directors consider that the current Board is of reasonable size, and that the Directors possess the right mix of skills and experience to provide leadership, reflect integrity and make judgment in managing the affairs of the Company.

The management of PLF has been outsourced to a CIS manager, namely, Capital Asset Management Ltd (CAM). The Board, given the circumstances, has not deemed it necessary to appoint a chief executive officer and executive directors. A representative of CAM attends all Board/Committee meetings and contributes to the decision-making process and affairs of PLF.

The Board monitors and evaluates the implementation of strategies and policies and ensures that decisions are effectively executed by management.

The Board is of the view that the appointment of two executive directors on the Board, as required by the Code, is not necessary taking into consideration the present level of operations of the Company and given that an Investment Management Agreement has been entered into with CAM.

A Board Appraisal system will be put in place in the near future. The aim of the appraisal will be to assess the Board's performance, procedures and practices. The results of assessment will be reported to the Corporate Governance Committee.

The Board met 6 times during the year. The individual attendance of the Directors is further detailed above. The Board deliberated on various issues including:

- Examination and endorsement of the recommendations of various board committees;
- Review of the asset allocation, investment strategy of the Fund and its performance;
- Governance and internal audit issues;
- Approval of audited accounts;
- Valuation of unquoted shares in the portfolio;
- Declaration and payment of dividends;
- Review of various tenders relating to the expenses of the Fund;
- Review of audit and other fees.

Corporate Governance Report

Committees

Investment Committee	Audit & Risk Committee	Corporate Governance Committee
Members	Members	Members
Mr. A. H. Nakhuda, C.S.K, **Chairman** (As from 13 May 2015)	Mr. V. Bhuguth, **Chairman**	Mr. Y.H. Aboobaker, S.C, C.S.K, **Chairman**
Mr. Y. Aboobaker, S.C, C.S.K, **Member**	Mr. Y.H. Aboobaker, S.C, C.S.K, **Member**	Mr. G.Y.H. Lassémillante, **Member**
Mr. V. Bhuguth, **Member**	Mr. G.Y.H. Lassémilliante, **Member**	Mr. V. Rambarassah, **Member**
Mr. V. Rambarassah, **Member**	Mr. I. Golam (Resigned on 8 January 2015)	
Mr. M.I. Mallam-Hasham (Resigned on 18 December 2014)		
Mr. I. Golam (Resigned on 8 January 2015)		
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 discussed the evolving financial market conditions, and deliberated on various investment opportunities on both the local and international fronts. The present asset allocation breakdown was maintained.	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. It examined the semi-annual and annual accounts, and discussed the issues raised in the management letter and deliberated on the recommendations.	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 twice during the year. It approved the Corporate Governance Report of 2014, and took note that the prospectus needed to be amended in order to align it to the constitution and to other regulatory changes.

Board and committee meetings attendance and remuneration

Director Name	Investment Committee	Audit & Risk Committee	Corporate Governance Committee	Directors' Remuneration
Mr. A. H. Nakhuda, C.S.K (As from 13 May 2015)*	1/1	-	-	27,000
Mr. Y.H. Aboobaker, S.C, C.S.K	1/1	2/2	2/2	166,000
Mr. V. Bhuguth	2/2	2/2	-	184,000
Mr. G.Y.H. Lassémillante	-	2/2	2/2	164,000
Mr. V. Rambarassah	2/2	-	2/2	156,000
Mrs. A. D. I. Ramphul-Punchoo (As from 13 May 2015)*	-	-	-	15,000
Mr. M. I. Mallam-Hasham (Up to 18 December 2014)*	1/1	-	-	84,000
Mr. I. Golam (Up to 8 January 2015)*	1/1	-	-	76,000

*The Directors' remunerations are paid to The State Investment Corporation Ltd

Corporate Governance Report

Directorship in listed companies

	Mr. Y.H. Aboobaker	Mr. V. Rambarassah
National Investment Trust		✓
Compagnie Immobilière Ltée	✓	

Agreements

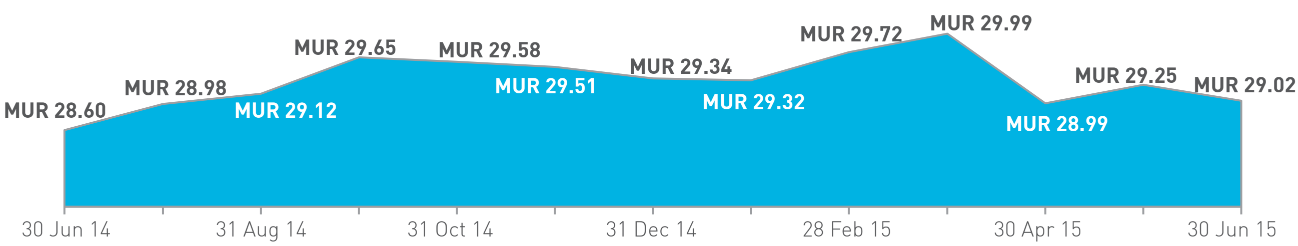
Management Agreement	Registrar and Transfer Office
The Company has an Investment Agreement with Capital Asset Management Ltd.	The Company has an agreement with Prime Partners Limited to provide Registrar and Transfer Office Services.
Custodian Services - Local	**Custodian Services - Foreign**
The Company has an agreement with Standard Bank (Mauritius) Ltd to provide custodian services for its local investments.	The Company has an agreement with ICICI Bank Ltd in India to provide custodian services for its investments on the Indian stock market.
Liquidity Contract	**Contract with Shareholders**
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.	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. The remuneration philosophy is to reward the collective contribution of Directors towards achievement of the Fund's objectives. The Directors' remuneration in similar companies is 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.



Constitution

The Company is governed by the Constitution approved by the Shareholders on December 17, 2013. The Constitution is in agreement with the Companies Act 2001 and does not contain any material clause that needs to be disclosed.

Internal audit function

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The internal audit function is outsourced to Messrs McMillan Wood. The internal auditor regularly scrutinizes the registry function, investment processes and administration of PLF. It helps PLF accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. The internal auditor has unrestricted access to all records as well as management, necessary to discharge its responsibilities.

Risk management

The Board of directors is responsible for providing the overall strategic direction of the Fund and the proper risk management strategy and policies. It sets the appropriate risk appetite and tolerance of the Fund. The risk strategy covers all the major risk areas in which the Fund has significant exposure. The risk management strategy is based on diversification and acceptable levels of exposure/limits to different asset classes, currencies, issuers, regions and risk-level. The risk strategy is periodically assessed to reflect changes in market conditions and determine tactical re-allocations. The CIS manager, Capital Asset Management Ltd (CAM), is responsible for implementing the risk strategy and policies approved by the board of directors. It further deals with day-to-day risk management issues in line with the approved strategy, policies and procedures.

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 unauthorised activity fraud, due to theft, systems' security failure or tampering, employment practices and workplace safety due to unhealthy employee 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, system failures and inaccurate reporting.

The Fund does not have any employees but its day-to-day management is carried out by CAM which has adequate logistics, experience and technical capabilities to carry out its contractual obligations vis-à-vis the Fund.

CAM absorbs most of the operational risks of the Fund. CAM has, on the recommendation of an internal auditor, established control procedures to mitigate operational risks related to the management of Port Louis Fund Ltd. The major risk areas addressed relate to investment and currency risk, and supervisory control. CAM's IT support team ensures that technological risks are minimised through frequent system maintenance and updates, restricted access to external parties and data backup system. An IT agreement was circulated and signed by the staff to ensure their adherence to terms, policies and procedures to minimise risks.

Financial risk factors

Please refer to note 3 of the Notes to the Financial Statements on pages 42-44.

Corporate Governance Report

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 SICOM/Mauritius Union Assurance 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 CAM which is an established fund management company licensed by the Financial Services Commission as a CIS Manager. CAM has adopted an appropriate 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 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.

Corporate Governance Report

Statement of Compliance

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

Name of PIE: Port Louis Fund Ltd
Reporting period: June 30, 2015

We, the Directors of Port Louis Fund Ltd, confirm to the best of our knowledge that Port Louis Fund Ltd has not complied with Section 2.2.3 of the Code. Reason for non-compliance has been disclosed on page 10.

Signed on behalf of the Board of Directors

Mr. A. H. Nakhuda	**Mr. V. Bhuguth**
Chairman	Director

28 September 2015

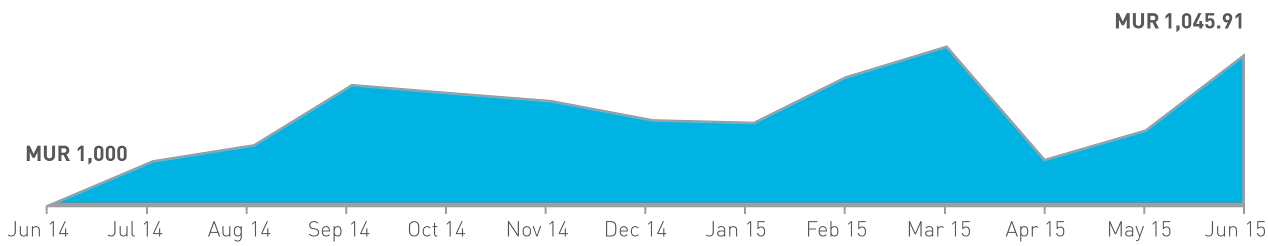
Report of Directors 2015

Performance Review

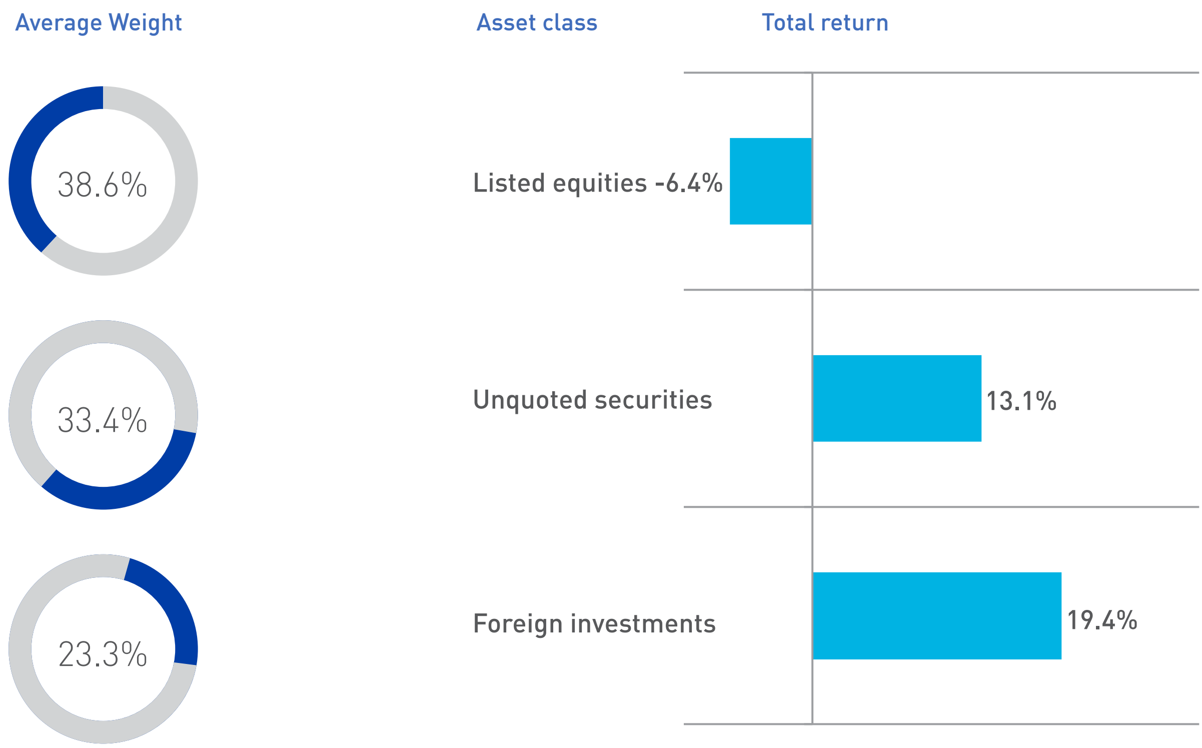
For the financial year ended 30 June 2015, Port Louis Fund Ltd registered a total return of 4.6% due to a downtrend in local equity prices and low bond yields. Foreign markets witnessed higher volatility during the year after a series of events including global economic slowdown, Fed's prospective rate rise and the possibility of Greece exit from the Eurozone.

The Net Asset Value (NAV) of the Fund rose from MUR 28.60 as at June 2014 to MUR 29.02 as at June 2015. The total return, after paying a dividend per share of MUR 0.90, was 4.6%.

Growth of MUR 1,000 invested on 30 June 2014 (with dividend reinvested)



The main assets of the Fund can be broadly classified into three categories: locally listed equities, unquoted shares and foreign investments.



Report of Directors 2015

Local listed equities

Locally listed equities carried an average weight of 38.6% during the year. This category registered a return of -6.4% and when weighed, it contributed -2.5% to the Fund's total return. In comparison, the SEMDEX and DEMEX posted respective returns of -5.0% and 11.6%.

Following the revocation of the licence of Bramer Banking Corporation Ltd (BBCL) and subsequent trading suspension from the official market of the Stock Exchange of Mauritius, the value of investment in BBCL was impaired by MUR 24.8M (cost of investments: MUR 3.3M).

Brief history of investment in BBCL

PLF had initially invested MUR 10M in Mauritius Leasing Company Ltd (MLC) in 1998 and subsequently subscribed to rights issues totalling MUR 8.1M. The aggregate investment in MLC was MUR 18.1M. MLC was later acquired by the BAI group. In 2012, MLC amalgamated with BBCL and Bramer Holding Co. Ltd with BBCL remaining the surviving entity. During the holding period, total dividends of around MUR 20M were received from the security. However, PLF has been on the sell-side of the stock since 2004 when MLC was listed. Disposal approximated MUR 87M. The total receipt aggregated MUR 107M from dividends and disposal of the security, which net of initial investment, resulted in a gain of MUR 89M over the holding period.

Unquoted equities

Unquoted shares weighed an average of 33.4% in the portfolio. This segment posted a positive return of 13.1% over the year and contributed 4.4% to the total return of the Fund. The return of unquoted securities is subject to regular revaluation exercises carried out by an independent valuator. Major revaluations resulted in the revision of the value of SICOM by 10.7%, Maurinet by 15.0% and Grand Casino du Domaine by -6.1%. Total dividends of MUR 18.4M were received from unquoted securities.

Foreign investments

Foreign investments, which include investments in India, had an average allocation of 23.3% in the portfolio. Total return in MUR terms was 19.4%, analogous to a contribution of 4.5% to the total return of the Fund. With the fund switches from emerging to advanced markets and overexposure to the US dollar, the foreign portfolio outperformed the broad foreign market indices: the MSCI World Index generated a return of -0.4% in USD terms which corresponds to 16.4% in MUR after an appreciation of 17.0% of the USD against the MUR. The MSCI Emerging Index returned -7.5% in USD terms, equivalent to 8.2% in MUR terms.

Report of Directors 2015

Asset allocation and portfolio composition

The Fund allocates its assets subject to some predefined 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.

2014 — Local listed equities — MUR 617.6M — 41.0%

	Rs'M	%
Financials	284.9	18.9
Commerce	54.5	3.6
Industry	27	1.8
Investment	144.3	9.6
Leisure & Hotels	79.1	5.3
Sugar	13.2	0.9
Transport	8.3	0.6
Others	6.1	0.4

2014 — Unquoted securities — MUR 520.1M — 34.5%

	Rs'M	%
Insurance	450	29.9
Investment	1.2	0.1
Technology	25	1.7
Leisure	43.9	2.9

2014 — Foreign investments — MUR 330.8M — 21.9%

	Rs'M	%
Equity	324.4	21.5
Bonds & Others	6.4	0.4
Cash	0	0

2014 — Fixed income — MUR 38.9M — 2.6%

	Rs'M	%
Long-term bonds	28.8	1.9
Short-term bonds & Others	10.1	0.7

2015 — Local listed equities — MUR 558.7M — 35.5%

	Rs'M	%
Financials	220.9	14.0
Commerce	50.5	3.2
Industry	28.9	1.8
Investment	146.6	9.3
Leisure & Hotels	80.2	5.1
Sugar	20.4	1.3
Transport	5.3	0.3
Others	5.9	0.4

2015 — Unquoted securities — MUR 568.6M — 36.1%

	Rs'M	%
Insurance	497.9	31.6
Investment	0.7	0.0
Technology	28.7	1.8
Leisure	41.2	2.6

2015 — Foreign investments — MUR 401.4M — 25.5%

	Rs'M	%
Equity	377.5	24.0
Bonds & Others	13.3	0.8
Cash	10.6	0.7

2015 — Fixed income — MUR 46.4M — 2.9%

	Rs'M	%
Long-term bonds	13.5	0.9
Short-term bonds & Others	32.9	2.2

The value of locally listed equities fell from MUR 617.6M to MUR 558.7M. Acquisitions on the domestic market totalled MUR 23.5M, mainly in the sugar and hotel stocks. Shares worth MUR 30.1M were disposed.

The value of holdings in unquoted shares increased from MUR 520.1M to MUR 568.6M after the revaluation of major holdings in this category. There was no transaction for this asset class.

Foreign investments expanded from MUR 330.8M to MUR 401.4M, mainly on account of the appreciation of the US dollar and the good performance of Indian equities. The Fund invested MUR 9.4M in Emerging Africa Bond Fund.

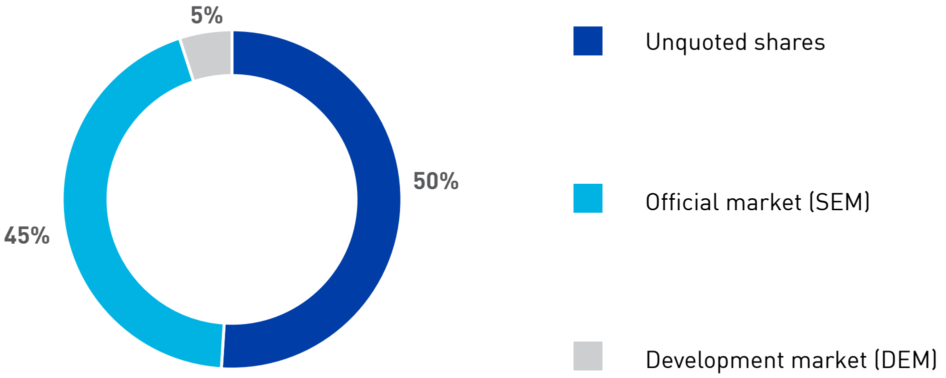
With relatively low yields prevailing on the local and foreign markets, the Fund's exposure to Fixed Income asset class remained limited. The value of investments rose from MUR 38.9M to MUR 46.4M. Impairments to the tune of MUR 8.5M were effected in this asset class on investments relating to BAI group.

Report of Directors 2015

Local equity Investments

Domestic equities amounted to MUR 1,127.3M or 71.6% of the total portfolio as at June 2015. Stocks listed on the Stock Exchange of Mauritius accounted for 50.4% of the domestic equities whereas holdings in unquoted securities made up 49.6%.

Local equity breakdown



Top 5 Holdings (% NAV)		Security outline
SICOM	31.3%	The State Insurance Company Ltd (SICOM) was incorporated in the year 1988 and its portfolio of activities consists of Life Assurance, General Insurance, Group Life and Pensions, Actuarial Services, Group Medical, Loans, Financial Services and Investment Management. For FY15, total assets by 13.5 % to reach MUR 34.9Bn. Total revenue, including general insurance, remained more or less stable at MUR 4.5Bn. Profit after tax fell by 3.3% to MUR 455.5M.
MCBG	8.2%	The Mauritius Commercial Bank Group Ltd (MCBG) is the leading financial services group. It is listed on the SEM since 1989. As at 30 June 2015, its market capitalisation was MUR 51.7Bn representing 23.5% of the SEMDEX. Operating income increased by 7.3% to MUR 13.2Bn while net profit rose by 29.6% to MUR 5.8Bn. P/E ratio and dividend yield were at 11.8 times and 3.0% respectively as at June 2015.
SBMH	4.5%	The State Bank of Mauritius Holdings Ltd (SBMH) is one of the largest financial services groups 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 2015, its market capitalisation was MUR 27.6Bn representing 12.6% of the SEMDEX. Operating income grew to MUR 6.2Bn while PAT rose to MUR 3.2Bn. As at June 2015, the P/E ratio was 7.0 times while the dividend yield was 5.0%.
GCD	2.6%	The main activity of Grand Casino du Domaine Ltée (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 class amenities and popular games. For its FY14, Casino revenue amounted to Rs 166.6M equivalent to a rise of 7.2% over last year while net profit grew by 113.5% to Rs 23.8M.
INNODIS	2.0%	Innodis Ltd manufactures, markets and distributes food and grocery products. Its main activity is the production of broiler chicken and ice cream. As at 30 June 2015, its market capitalisation was MUR 1.9Bn representing 0.9% of the SEMDEX. For its FY15, revenue rose by 2.4% to MUR 4.3Bn and PAT 8.0% to MUR 0.1Bn. The P/E ratio and dividend yield were 16.5 times and 3.6% correspondingly as at June 2015.

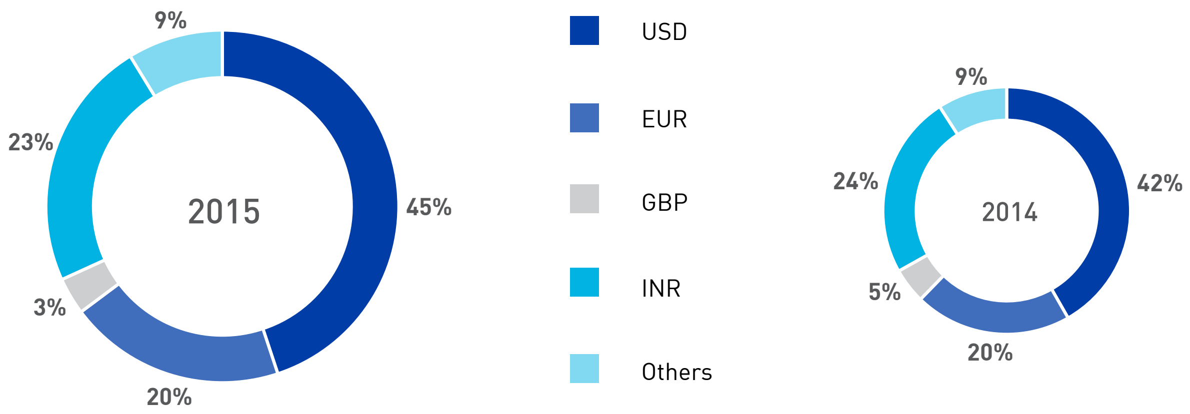
Report of Directors 2015

Foreign Investments

The total foreign investment component amounted to MUR 401.4M (excluding India rupee balance of INR 2.3M and other currency balances, representing 25.5% of the total portfolio. Investment in foreign funds was MUR 308.8M as at June 2015, that is, 76.9% of the foreign portfolio. These investments were spread across 53 funds in 81 countries, 5 asset classes, 15 sectors and 8 currencies. The other 23.1% of the portfolio (equivalent to MUR 92.6M) was invested in Indian stocks.

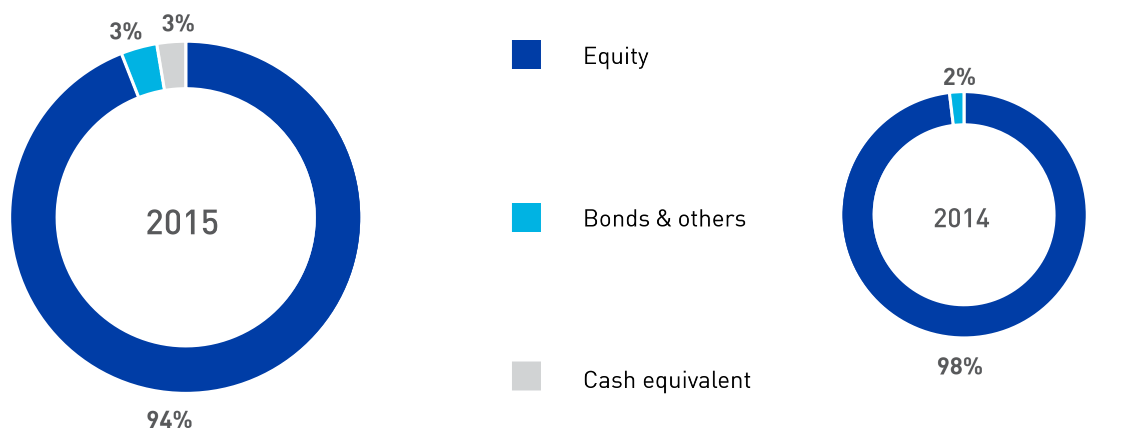
Currency distribution

The Fund invested mostly in USD terms to minimise losses from the volatile environment and to take advantage of the prospective appreciation of the USD due to expectations that the Federal Reserve would raise interest rates after it ended its quantitative easing programme.



Asset class

The Fund maintained its overweight positions in equities as many governments relied on accommodative monetary policy to boost economic growth. Hence, bond yields in many advanced economies remained low. Fixed income investment in emerging markets remained relatively unattractive owing to interest rate and foreign exchange risks.

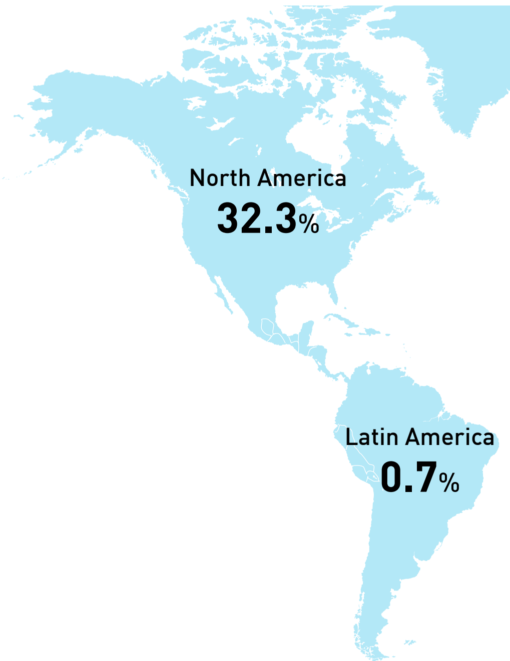


Report of Directors 2015

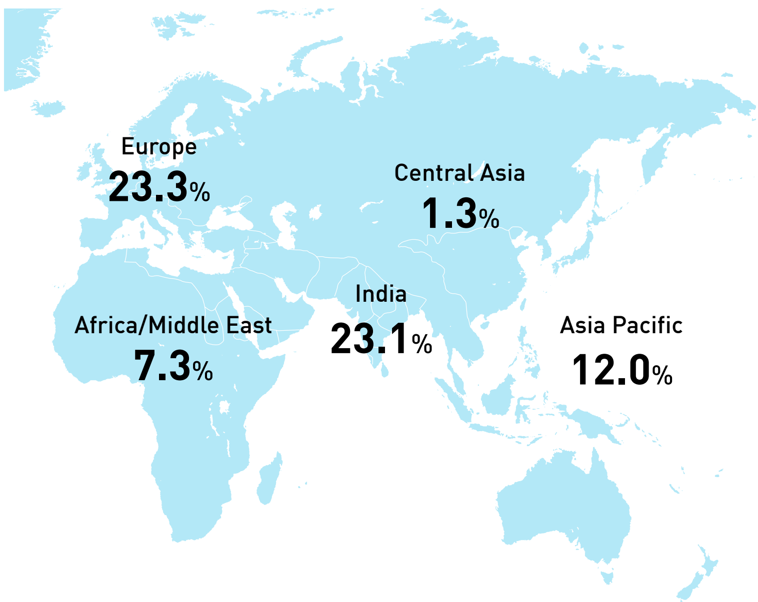
Geographical allocation

Investment in foreign markets (excluding India) is carried out via foreign fund managers, mostly, Franklin Templeton and Fidelity Investments. The top 5 securities in this asset class made up 26.3% of the total foreign portfolio.

1-Yr Return (MUR)	Top 5 Holdings	% foreign portfolio
+28%	Fid America	7.8%
+29%	FT US Opportunity	7.1%
+67%	FT Biotechnology	4.5%
+17%	FT Mutual Beacon	3.5%
+17%	Fid Uk	3.4%

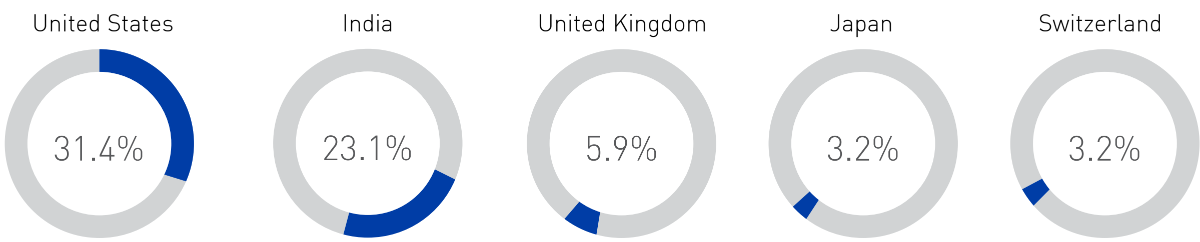


During the year, the Fund maintained its overexposures to the North American and European markets thereby outperforming the MSCI World and MSCI Emerging indices.



With the economic slowdown in large emerging economies and speculation over the looming rate hike by the Federal Reserve, many emerging market currencies depreciated. This was exacerbated by the downtrend in the commodity prices. Investors focused on developed markets after the US economy maintained its economic ascent and the Eurozone posted positive economic data. Market volatility spiked in June 2015 after the possible exit of Greece from the Euro area.

Top 5 foreign markets

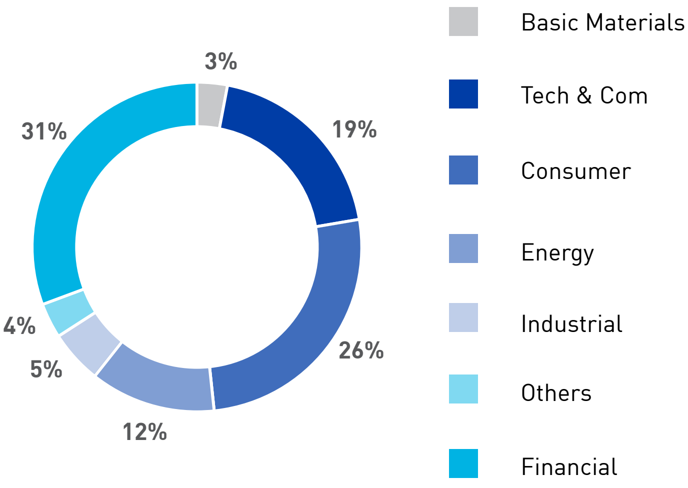


Report of Directors 2015

Investment in India

The Fund's exposure to India amounted to MUR 92.6M (INR 168.0M) as at June 2015, representing 23.1% of the foreign portfolio. Investment was mainly in the financial, consumer and technology & communication sectors which made up 76.0% of the portfolio. The Indian equity portfolio has the SENSEX as the target index.

Sector Allocation



Growth in Indian equity prices was limited in 2015 compared to 2014. New project implementation was delayed and the global economic slowdown together with prospective US interest rate hike weighed on India's equity markets. The financial and pharmaceutical sectors were the best performers over the reporting period.

For the financial year ended 2015, portfolio return was 18.2% in MUR terms, equivalent to 7.6% in INR terms after a 9.8% appreciation of the INR against the MUR. Comparatively, the SENSEX achieved a return of 20.1% and 9.3% in MUR and INR terms, respectively.

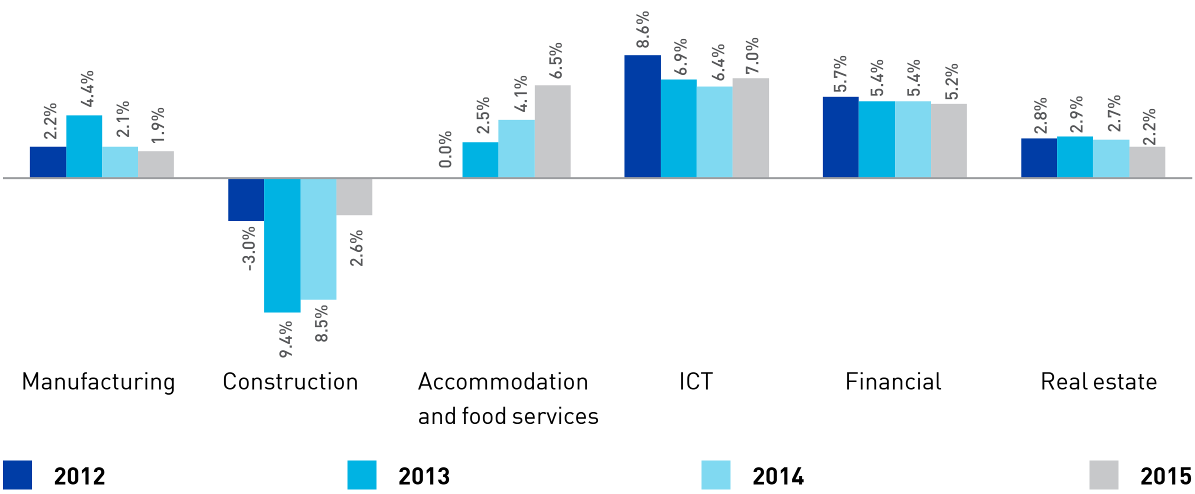
Top 5 Holdings (% foreign portfolio)		Security outline
HDFC Bank Ltd	1.9%	HDFC Bank Ltd provides a range of banking and financial services, including commercial banking, and treasury operations. Net interest income escalated by 22.3% and PAT grew by 19.7% during FY ended Mar-15. The PE ratio was 24.2x and 1-yr return of 29.9% in INR terms on 30 Jun-2015.
ICICI Bank Ltd	1.9%	The bank and its specialised subsidiaries offer a wide range of banking products and financial services to corporate and retail customers. For the FY ended Mar-15, net interest income and PAT advanced by 14.6% and 10.9%, respectively. As at Jun-15, ICICIB was trading at a PE ratio of 14.5x. The 1-yr total return was 10.5% in INR terms.
ITC Ltd	1.8%	ITC Ltd is one of India's largest private sector enterprises engaged in operating segments which include fast moving consumer goods, hotels, agri-business and paperboards, paper and packaging. For FY ended Mar-15, the company's revenue registered an increase in total revenue of 9.9% while PAT rose by 8.7%. Its PE ratio stood 26.0x at the end of June 2015 and 1-yr total return was -1.1% in INR terms.
HDFC Ltd	1.8%	HDFC is a pioneer of housing finance in India with 34 years of lending experience and offers a wide range of home loan and deposit products. As at Mar-15, the company registered an increase in revenue and PAT of 18.6% and 10.2% respectively. The stock traded at a PE 22.4x of times as at Jun-15 and 1-yr return was 32.6% in INR terms.
Infosys Ltd	1.7%	Infosys is a global leader in consulting, technology, and outsourcing solutions and has client in more than 30 countries. As at Mar-15, turnover increased by 6.4% while PAT surged by 15.8%. Its PE ratio was 18.0x as at Jun-15 and 1-yr total return was 23.7% in INR terms.

Report of Directors 2015

Local Economy

Economic slowdown remained a major challenge for policymakers globally but the Mauritian economy remained relatively resilient to external forces. Economic growth marginally picked up in 2014, reaching 3.5% against 3.2% in 2013. Statistics Mauritius forecasts a growth rate of 3.6% for 2015 led mainly by strong growth in the financial, tourist and ICT sectors.

Main sector growth rates



The financial sector is expected to lead economic growth with an estimated rate of 5.2% in 2015. The accommodation and food services sector, with forecast arrivals of 1,115,000 tourists, is expected to grow by 6.5%, compared to 4.1% in 2014. The manufacturing sector is projected to expand by 1.9% in 2015, slightly lower than 2014's rate of 2.2%. After forecasting a rebound in the construction sector in 2015, the rate was revised to -2.6% as a result of major project delays.

During FY 15, the Monetary Policy Committee kept the repo rate at 4.65% as inflationary pressures remained subdued. Plummeting commodity prices, including energy and food prices, have contained the import pressures from a higher dollar. The headline inflation rate for calendar year 2014 was 3.2%. The Central Bank is expecting inflation to hover around 3% for the year 2015.

According to Statistics Mauritius, the unemployment rate was 7.8% for 2014. For the year 2015, the forecast unemployment rate is 8.0% based on the assumption that the number of unemployed individuals rise from 44,800 to 46,500.

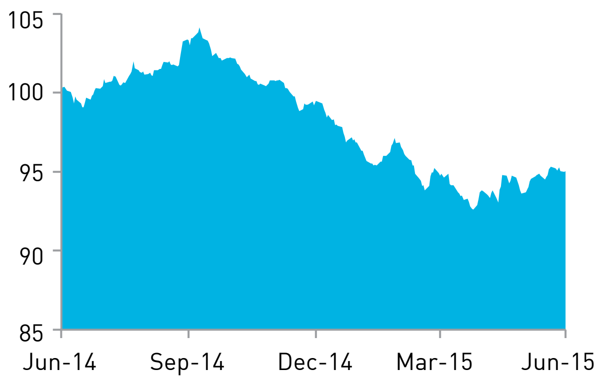
Report of Directors 2015

Local Financial Market

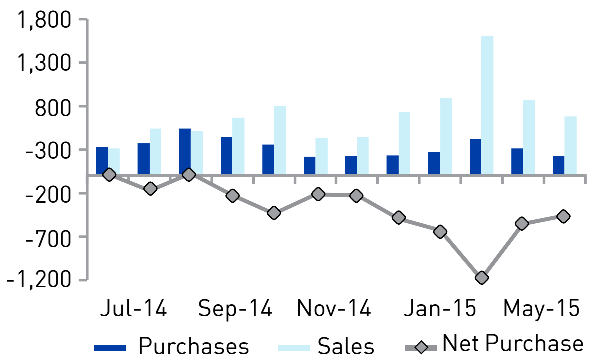
During the financial year, the SEMDEX registered a return of -5.0%, due to the poor performance of banking stocks. In addition, the licence of the Bramer Banking Corporation was revoked in April 2015 after the Bank of Mauritius identified liquidity and capital issues. The main leading movers, that is, the companies which contributed to the positive performance of the SEMDEX were Rogers & Co. Ltd, Phoenix Beverages Ltd and LUX Island Resorts Ltd. On the downside, the lagging movers were the State Bank of Mauritius Holdings Ltd, New Mauritius Hotels Ltd and Mauritius Commercial Bank Group Ltd. The top price gainers were Phoenix Beverages Ltd, Rogers & Co. Ltd and LUX Island Resorts Ltd while top price losers were Automatic Systems Ltd, Gamma Civic Ltd and Lottotech Ltd. The price-earnings ratio and dividend yield stood at 14.1x and 3.10%, respectively as at June 15 compared to corresponding figures of 12.8x and 2.9% as at June 14.

Foreigners were net sellers during the year with total buys of MUR 3.95Bn compared to total sell of MUR 8.5Bn. Net sales amounted to MUR 4.6Bn in 2015 against MUR 181.5M in 2014.

SEMDEX evolution (Indexed June 30, 2014)



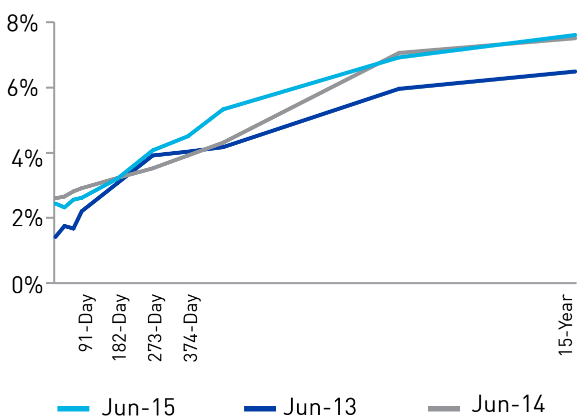
Foreign investments on the SEM (Rs 'M)



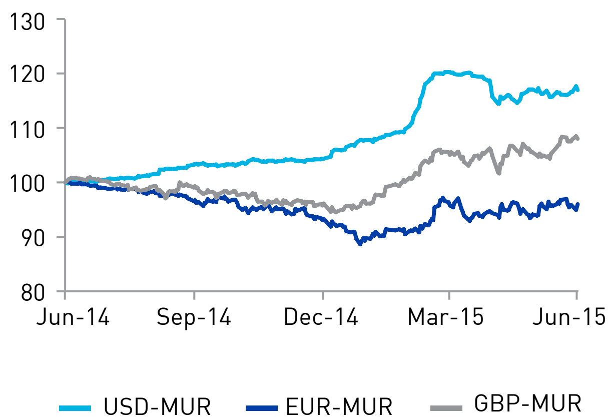
On the fixed income market, yields on government instruments remained low amid a relatively low-interest environment and excess liquidity. The yield curve rotated to the right in 2015 after yields on longer term instruments fell: from 6.91% to 5.95% for 10-year bonds and from 7.60% to 6.49% for 15-year bonds.

The USD appreciated by 17.0% against MUR on the speculation that the Federal Reserve will raise interest rates. The EUR weakened by 4.0% vis-à-vis the MUR on the back of low economic growth and quantitative easing by the European Central Bank. The pound sterling strengthened by 8.0% against the domestic currency amid improvements in British economic fundamentals.

Yields curves for government securities



Evolution of the MUR-FX rates (Indexed June 30, 2014)



Report of Directors 2015

Major Economic Highlights

Global Slowdown

Growth rates in the developed and emerging world were divergent in 2014 – 2015. There was a sharp deceleration in the growth of large emerging economies including Brazil, China, South Africa and Russia, among others. Lower global demand, structural problems, plunging commodity prices and adverse currency movements affected large emerging countries. In the US, a harsh winter and an appreciation in the dollar adversely impacted economic growth. Recovery in the Eurozone remained sluggish.

The IMF revised the global growth rates for 2015 from 3.3% to 3.1% in its latest World Economic Outlook edition. Growth rates of developed and emerging markets are expected to be 2.0% and 4.0%, respectively.

US interest rate

The Federal Reserve gradually ended its quantitative easing programme in 2014 after signs of a stronger economy and labour market. However, the Federal Funds rate was maintained at historical lows. With growing speculation that the Fed would raise interest rates in 2015, the US dollar massively appreciated during the first quarter of 2015 and remains strong to date.

The US dollar index, which measures the performance of the USD against a basket of currencies including the EUR, JPY, GBP, CAD, CHF and SEK, has gained 19.7% over Jun-14 and Jun-15 interval.

Oil prices

Supply of oil continued to exceed demand amid the global economic slowdown. US crude stockpiles attained a record high in January 2015. During the year, West Texas Intermediate (WTI) reached a low of $ 43.5/barrel while Brent Crude plummeted to $ 46.6/barrel. Major factors include resistance from the OPEC to cut production so as to protect market share amid the US shale boom and the appreciation of the USD.

Greece bailout

June 2015 was marked by a steep fall in global equity prices over fears of a possible "Grexit". Eurozone policymakers rejected an extension of its bailout and the European Central Bank further froze the emerging loans for the Greek financial system. As default loomed, a referendum was voted in July 2015 to accept or reject the bailout conditions specified by the European Commission, the International Monetary Fund and the European Central Bank. Although the bailout conditions were rejected, the Prime Minister later had to sign the bailout to avoid exiting the Eurozone.

Report of Directors 2015

Prospects

In its latest Federal Open Market Committee, interest rates in the U.S have been left untouched due to concerns over China's slower economic growth rates and slumping commodity prices. The Eurozone has witnessed improvements in economic fundamentals and the ECB, through its quantitative easing programme, managed to contain deflation and supress upside currency pressures. However, tumbling energy prices and an appreciating euro are impacting on the ECB's plans to combat deflation risk. Japan's quarter-on-quarter real GDP growth was negative for the second quarter of 2015 after a drop in real personal consumption. The weakened yen was able to ignite inflation on the cost-side but was not so effective in boosting exports. The change in currency regime in China, as a result of slower economic growth, precipitated a market panic and sell-off of equities.

According to the IMF, numerous negative factors, including, poor investment environment and weak economic activity in larger emerging countries, are outweighing the beneficial economic impacts of lower oil prices. It projects a real GDP growth of 2.6% for the US for 2015 compared to 2.4% for 2014. The Euro area is projected to expand by 1.5% in 2015 after growing by 0.9% in 2014. The four largest Eurozone economies – Germany, France, Italy and Spain – are projected to grow by 1.6%, 1.2%, 0.8% and 3.1%, respectively. The Japanese economy continues to perform below expectations with an anticipated real GDP growth rate of 0.6% in 2015 against -0.1% in 2014. In the emerging world, India's economic growth rate is expected to supersede that of China in 2015 with corresponding projections of 7.3% and 6.8%.

In terms of financial market valuations and expectations, US stocks look less attractive than European ones. With the accommodative monetary policy in Japan and low wage growth, the stock market is expected to pursue its recent uptrend, albeit bouts of volatility spikes. Emerging equities remain undervalued relative to advanced markets but they are associated with substantial downside risks, especially with the weakened economic fundamentals of China and downtrends in commodity prices. So far, the stock markets of emerging economies which are net commodity exporters and facing high external debts have performed poorly. The recent hike in the CBOE Volatility Index, a gauge of market fear, is indicative of the downside risks looming on equity markets and by extension, reflective of economic conditions.

Given the current economic outlook, PLF's foreign investments are expected to remain underexposed to emerging markets due to risks of further economic slowdown and interest rate and foreign exchange risks from prospective hikes in Federal Funds rate. The Fund shall monitor its positions in the light of macroeconomic and policy developments and switch its investments from equity to cash positions in case there is a need to cushion against downside risks.

On the local market, the economy remains exposed to spill-over effects from foreign downside risks. However, the diversification stance adopted by the Government of Mauritius in its Economic Mission Statement is likely to improve the resilience of the local economy against external factors. The core areas targeted include manufacturing, ocean industry, ICT and services sectors. For the coming 5 years, investment projects worth MUR 183Bn are in the pipeline to bolster economic growth and address the problem of unemployment. With these developments, the local stock market is likely to experience an upswing in the medium to long-term.

Mr A. H. Nakhuda
Chairman

5 November 2015

Independent Auditor's 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 29 to 52 which comprise the statement of financial position at June 30, 2015, 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 29 to 52 give a true and fair view of the financial position of the Company at June 30, 2015, 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.

Independent Auditor's Report to the Members

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, 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 are consistent with the requirements of the Code.

BDO & CO
Chartered Accountants

Port Louis,
Mauritius.
28 September 2015

Rookaya Ghanty, FCCA
Licensed by FRC

Statement of Financial Position

For the Year ended June 30, 2015

	Note	2015	2014
		Rs'000	Rs'000
ASSETS			
Non-current assets			
Portfolio of domestic securities	5	**581,792**	548,946
Portfolio of foreign securities	6	**401,370**	330,805
		983,162	879,751
Current assets			
Portfolio of domestic securities	5	**558,684**	617,598
Short term deposits	7	**35,728**	34,360
Other receivables	8	**1,972**	2,749
Cash and cash equivalents	18(b)	**4,534**	1,964
		600,918	656,671
Total assets		**1,584,080**	1,536,422
EQUITY AND LIABILITIES			
Net asset attributable to holders of redeemable shares		**1,575,072**	1,507,450
Current liabilities			
Other payables	10	**5,677**	4,604
Current tax liabilities	11	**171**	62
Bank overdraft	18(b)	**361**	21,623
Dividend payable		**2,799**	2,683
		9,008	28,972
Total equity and liabilities		**1,584,080**	1,536,422
Net asset value per share (Rs)	19	**29.02**	28.60

These financial statements have been approved for issue by the Board of Directors on 28 September 2015

Mr. A. H. Nakhuda
Chairman

Mr. V. Bhuguth
Director

The notes on pages 33 to 52 form an integral part of these financial statements.
Auditors' report on pages 27 and 28.

Statement of Profit or Loss and Other Comprehensive Income

For the Year ended June 30, 2015

	Note	2015	2014
		Rs'000	Rs'000
INCOME			
Investment income	12	**41,589**	42,747
Gain/(loss) on disposal of investments		**492**	(42)
Release to income on disposal of available-for-sale securities		**(9,509)**	7,700
Net (decrease)/increase in fair value of financial assets through profit or loss	13	**(52,262)**	64,122
		(19,690)	114,527
EXPENSES			
Management fees	14	**(14,068)**	(12,437)
Registry costs	15	**(748)**	(748)
Other operating expenses		**(3,208)**	(3,487)
Interest income written off		**(915)**	-
Impairment of available-for-sale and held-to-maturity securities		**(14,498)**	-
		(33,437)	(16,672)
Net (loss)/income before taxation	16	**(53,127)**	97,855
Income tax charge	11	**(560)**	(759)
Net (loss)/income after taxation		**(53,687)**	97,096
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
• Increase in fair value of available-for-sale securities		**114,734**	188,192
• Release to income on disposal of available-for-sale securities		**9,509**	(7,700)
		124,243	180,492
Total comprehensive income for the year		**70,556**	277,588

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

The notes on pages 33 to 52 form an integral part of these financial statements.
Auditors' report on pages 27 and 28.

Statement of Changes in Net Assets attributable to holders of Redeemable shares

For the Year ended June 30, 2015

	2015	2014
	Rs'000	Rs'000
Net assets attributable to holders of redeemable shares at July 1,	**1,507,450**	1,248,811
Proceeds from issue of redeemable shares	**65,132**	50,008
Payments on redemption of redeemable shares	**(19,323)**	(21,367)
Net increase from share transactions	**45,809**	28,641
Net (loss)/income after taxation	**(53,687)**	97,096
Other comprehensive income for the year	**124,243**	180,492
Total comprehensive income for the year	**70,556**	277,588
Distribution to holders of redeemable shares	**(48,743)**	(47,590)
	21,813	229,998
Net assets attributable to holders of reedeemable shares at June 30,	**1,575,072**	1,507,450

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

The notes on pages 33 to 52 form an integral part of these financial statements.
Auditors' report on pages 27 and 28.

Statement of Cash Flows

For the Year ended June 30, 2015

	Note	2015	2014
		Rs'000	Rs'000
Cash flows from operating activities			
Cash used in operations	18(a)	**(16,084)**	(14,055)
Interest received		**2,618**	4,244
Dividend received		**37,966**	38,118
Income tax		**(451)**	(1,175)
Net cash generated from operating activities		**24,049**	27,132
Cash flows from investing activities			
Purchase of investments		**(26,765)**	(29,427)
Proceeds from sale of investments		**30,734**	6,973
Net cash generated from/(used in) investing activities		**3,969**	(22,454)
Cash flows from financing activities			
Redemption of shares		**(19,323)**	(21,367)
Issue of shares		**63,021**	48,826
Dividend paid to holders of redeemable shares		**(46,516)**	(46,056)
Net cash used in financing activities		**(2,818)**	(18,597)
Net increase/(decrease) in cash and cash equivalents		**25,200**	(13,919)
Movement in cash and cash equivalents			
At July 1,		**14,701**	28,620
Increase/(decrease)		**25,200**	(13,919)
At June 30,	**18(b)**	**39,901**	14,701

The notes on pages 33 to 52 form an integral part of these financial statements.
Auditors' report on pages 27 and 28.

Notes to the Financial Statements

For the Year ended June 30, 2015

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.

2.1 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. These financial statements are that of an individual entity.

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

Amendments to IAS 32, 'Offsetting Financial Assets and Financial Liabilities', clarify the requirements relating to the offset of financial assets and financial liabilities. The amendment is not expected to have any impact on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27, 'Investment Entities', define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities. As the Company is not an investment entity, the standard has no impact on the Company's financial statements.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what obligating event that gives rise to pay a levy and when should a liability be recognised. The Company is not subject to levies so the interpretation has no impact on the Company's financial statements.

Amendments to IAS 36, 'Recoverable Amount Disclosures for Non-financial Assets', remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated. The amendment has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Amendments to IAS 39, 'Novation of Derivatives and Continuation of Hedge Accounting', provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. The amendment has no impact on the Company's financial statements.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on Company's financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Company's financial statements.

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Company's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Annual Improvements to IFRSs 2010-2012 Cycle (cont'd)

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Company's financial statements.

IAS 16,'Property, plant and equipment' and IAS 38,'Intangible are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Company's financial statements.

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Company's financial statements, since the Company is an existing IFRS preparer.

IFRS 3,'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Company's financial statements.

IFRS 13,'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Company's financial statements.

IAS 40,'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(b) 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 January 1, 2015 or later periods, but which the Company has not early adopted.

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

IFRS 9 Financial Instruments
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRS 14 Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 15 Revenue from Contract with Customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
Equity Method in Separate Financial Statements (Amendments to IAS 27)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Annual Improvements to IFRSs 2012-2014 Cycle
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
Disclosure Initiative (Amendments to IAS 1)

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.

2.2 Financial assets

(a) Categories of financial assets

The Company classifies its financial assets in the following categories: financial assets through profit or loss, loans and receivables, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(a) Categories of financial assets
(i) 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.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost less any impairment.

The Company's loans and receivables comprise cash and cash equivalents, and trade and other receivables.

(iii) 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. Held-to-maturity investments are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment (see note 2.2 (c)(ii)).

(iv) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 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.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

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 recognised 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 profit or loss 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
(i) Financial assets classified as available-for-sale
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 equity investments 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 profit or loss.
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 profit or loss.

Impairment losses recognised in profit or loss for an investment in the equity instrument classified as available-for-sale are not reversed through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Financial assets (cont'd)

(c) Impairment of financial assets (cont'd)
(ii) Financial assets carried at amortised cost
For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been has the impairment not been impaired.

2.3 Other receivables

Other 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 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 profit or loss.

Other receivables are stated at fair value.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash at bank, short term bank deposits, and bank overdrafts. Bank overdrafts are shown in current liabilities on the statement of financial position.

2.5 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Provisions

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

2.7 Other payables

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

2.8 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 and presentation 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 profit or loss.

Foreign exchange gains and losses are presented in profit or loss within investment 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.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

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.

2.9 Impairment of non-financial 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).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 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.

2.11 Current tax

The tax expense for the period comprises current tax which is recognised in the profit or loss.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the reporting date where the Company operates and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.12 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.

2.13 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, 2015, 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.20.449 million (2014: Rs.17.064 million) higher/lower mainly as a result of retranslation of foreign investment and bank balance.

(ii) Price risk
The Company's securities 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%.

	Impact on post-tax income		Impact on other comprehensive income	
	2015	2014	2015	2014
	Rs'000	Rs'000	**Rs'000**	Rs'000
Available-for-sale financial assets	**-**	-	**47,097**	41,493
Designated at fair value through profit or loss	**29,996**	33,095	**-**	-

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial risk factors (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from borrowings and short term deposits. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2015, if interest rates on rupee-denominated borrowings has been 10 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been Rs.0.41m (2014: Rs.0.95 m).

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.

3.2 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.

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.2 Fair value estimation (cont'd)

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.47.097m (2014: Rs.41.493m) 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

4.1 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

4.1 Critical accounting estimates and assumptions (cont'd)

(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.

Notes to the Financial Statements

For the Year ended June 30, 2015

5. PORTFOLIO OF DOMESTIC SECURITIES

	2015	2014
	Rs'000	Rs'000
(a) Fair value through profit or loss financial assets	**599,912**	661,496
Available-for-sale financial assets	**540,564**	499,048
Held-to-maturity securities	**-**	6,000
	1,140,476	1,166,544
Analysed as:		
Non-current assets:		
Fair value through profit or loss financial assets	**41,228**	43,898
Available-for-sale financial assets	**540,564**	499,048
Held-to-maturity securities	**-**	6,000
	581,792	548,946
Current assets		
Fair value through profit or loss financial assets	**558,684**	617,598
	558,684	617,598
Total	**1,140,476**	1,166,544

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, 2014	**563,752**	**53,846**	**43,898**	**661,496**
Additions	**14,486**	**-**	**-**	**14,486**
Disposals	**(22,193)**	**(3,974)**	**-**	**(26,167)**
Transfer	**2,194**	**165**	**-**	**2,359**
(Decrease)/increase in fair value	**(60,265)**	**10,673**	**(2,670)**	**(52,262)**
At June 30, 2015	**497,974**	**60,710**	**41,228**	**599,912**
At July 1, 2013	491,097	49,587	39,678	580,362
Additions	16,863	-	-	16,863
Disposals	(290)	-	-	(290)
Dividend in specie	3,072	(2,633)	-	439
Increase in fair value	53,010	6,892	4,220	64,122
At June 30, 2014	563,752	53,846	43,898	661,496

5. PORTFOLIO OF DOMESTIC SECURITIES (CONT'D)

Available-for-sale financial assets	2015	2014
	Rs'000	Rs'000
At July 1,	**499,048**	366,475
Disposals	**-**	(2,689)
Increase in fair value	**51,627**	135,701
Transfer	**(1,613)**	(439)
Impairment	**(8,498)**	-
At June 30,	**540,564**	499,048

Held-to-maturity securities	2015	2014
	Rs'000	Rs'000
At amortised cost		
At July 1,	**6,000**	-
Additions	**-**	6,000
Impairment	**(6,000)**	-
At June 30,	-	6,000

(b) At June 30, 2015	Level 1	Level 2	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Fair value through profit or loss financial assets	**558,684**	**41,228**	**-**	**599,912**
Available-for-sale financial assets	**-**	**539,839**	**725**	**540,564**
At June 30, 2015	**558,684**	**581,067**	**725**	**1,140,476**

At June 30, 2014	Level 1	Level 2	Level 3	Total
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
At June 30, 2014				
Fair value through profit or loss financial assets	617,598	43,898	-	661,496
Available-for-sale financial assets	-	497,815	1,233	499,048
Held-to-maturity securities	-	-	6,000	6,000
	617,598	541,713	7,233	1,166,544

(c) The table below shows the changes in level 3 instruments	2015	2014
	Rs'000	Rs'000
At July 1,	**7,233**	1,896
Additions	**-**	6,000
(Decrease)/increase in fair value	**(508)**	563
Transfer	**-**	(1,226)
Impairment	**(6,000)**	-
At June 30,	725	7,233

6. PORTFOLIO OF FOREIGN SECURITIES

	2015	2014
	Rs'000	Rs'000
Non-current assets:		
Available for sale financial assets		
At July 1,	**330,805**	275,817
Additions	**12,279**	42,371
Disposals	**(4,821)**	(39,874)
Increase in fair value	**63,107**	52,491
At June 30,	**401,370**	330,805

(a) Available-for-sale financial assets	2015	2014
	Rs'000	Rs'000
Level 1	**401,370**	330,805

(b) Available-for-sale financial assets are denominated in the following currencies	2015	2014
	Rs'000	Rs'000
US Dollar	**180,251**	137,972
Euro	**79,772**	67,939
INR	**92,560**	79,416
Other currencies	**48,787**	45,478
	401,370	330,805

7. SHORT TERM DEPOSITS

	2015	2014
	Rs'000	Rs'000
Short term bank deposits	**35,728**	34,360

8. OTHER RECEIVABLES

	2015	2014
	Rs'000	Rs'000
Dividend and interest receivable	**1,802**	2,519
Other receivables and prepayments	**170**	230
	1,972	2,749

Other receivables are denominated in the following currencies:	2015	2014
	Rs'000	Rs'000
Rupees	**1,972**	2,749

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

Notes to the Financial Statements

For the Year ended June 30, 2015

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.

	2015 & 2014
Authorised	Rs'000
120,000,000 ordinary shares of Rs. 10 par value	**1,200,000**

Issued and fully paid	2015	2014
	Number of shares (000)	
At July 1,	**52,700**	51,650
Issue of shares	**2,227**	1,832
Redemption of shares	**(657)**	(782)
At June 30,	**54,270**	52,700

10. OTHER PAYABLES

Issued and fully paid	2015	2014
	Rs'000	Rs'000
Amount owed to related party	**3,702**	3,530
Other payables	**1,975**	1,074
	5,677	4,604

11. INCOME TAX EXPENSE

	2015	2014
	Rs'000	Rs'000
(a) Statement of financial position		
Current tax on the adjusted profit for the year		
15% (2014: 15%)	**565**	630
Tax paid (APS)	**(394)**	(568)
	171	62
(b) Statement of profit or loss and other comprehensive income		
Current tax on the adjusted profit for the year		
15% (2014: 15%)	**565**	630
(Over)/under provision in previous year	**(5)**	129
Taxation charge	**560**	759
(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:		
Net income before taxation	**(53,127)**	97,855
Tax calculated at the rate of 15% (2014: 15%)	**(7,970)**	14,678
Tax effect of:		
Income not subject to tax	**(5,465)**	(16,292)
Expenses not deductible for tax purposes	**13,930**	2,143
(Over)/under provision in previous year	**(5)**	129
CSR contribution	**70**	101
Taxation charge	**560**	759

Notes to the Financial Statements

For the Year ended June 30, 2015

12. INVESTMENT INCOME

	2015	2014
	Rs'000	Rs'000
Dividend income	**38,867**	38,334
Interest income	**1,915**	4,582
Foreign exchange gains/(losses)	**807**	(169)
	41,589	42,747

13. NET (DECREASE)/INCREASE IN FAIR VALUE OF FINANCIAL ASSETS THROUGH PROFIT OR LOSS

	2015	2014
	Rs'000	Rs'000
Domestic securities	**(52,262)**	64,122

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	2015	2014
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 (LOSS)/INCOME BEFORE TAXATION

	2015	2014
	Rs'000	Rs'000
Net (loss)/income before taxation is arrived at after crediting:		
Net (decrease)/increase in fair value through profit or loss financial assets	**(52,262)**	64,122
Dividend income		
• Listed (local)	**18,675**	19,409
• Foreign	**3,066**	1,841
• Unquoted	**17,126**	17,084
Interest income	**1,915**	4,582

17. DIVIDENDS

The Board of Directors has declared a dividend of Rs.48,742,610 representing Re 0.90 per share on June 16, 2015 (2014: Rs.47,589,585, representing Re 0.90 per share).

18. NOTES TO THE STATEMENT OF CASH FLOWS

	2015	2014
	Rs'000	Rs'000
(a) Cash used in operations		
Net (loss)/income before taxation	**(53,127)**	97,855
Adjustments for:		
Dividend income	**(38,867)**	(38,334)
Interest income	**(1,915)**	(4,582)
Exchange difference	**-**	32
Interest income written off	**915**	
Impairment of available-for-sale and held-to-maturity securities	**14,498**	-
Net decrease/(increase) in fair value of financial assets at fair		
Value through profit or loss	**52,262**	(64,122)
Release to income on disposal of available-for-sale securities	**9,509**	(7,700)
(Profit)/loss on disposal of investments	**(492)**	42
	(17,217)	(16,809)
Changes in working capital		
Decrease in trade and other receivables	**60**	1,761
Increase in trade and other payables	**1,073**	993
Cash used in operations	**(16,084)**	(14,055)

	2015	2014
	Rs'000	Rs'000
(b) Cash and cash equivalents		
Cash at bank	**4,534**	1,964
Bank overdraft	**(361)**	(21,623)
Short term bank deposits	**35,728**	34,360
	39,901	14,701

Notes to the Financial Statements
For the Year ended June 30, 2015

19. NET ASSET VALUE PER SHARE

	2015	2014
Net asset value (Rs'000)	**1,575,072**	1,507,450
Number of ordinary shares in issue ('000)	**54,270**	52,700
Net asset value per share (Rs)	**29.02**	28.60

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.

	2015	2014
	Rs'000	Rs'000
TRANSACTIONS		
Corporate with common shareholders		
Management fee expenses	**14,068**	12,437
Registry costs	**748**	748
Compensation of key management personnel		
Short term benefits	**872**	984
BALANCES		
Amount due to related party	**3,702**	3,530

Glossary of Terms

CAD – Canadian Dollar

CAM – Capital Asset Management Ltd

CIS – Collective Investment Scheme

CBOE – Chicago Board Options Exchange

CHF – Swiss Franc

DEMEX – Development and Enterprise Market Index

ECB – European Central Bank

EUR – Euro

FID – Fidelity Investments

Fed – Federal Reserve Bank

FT – Franklin Templeton Investments

FSC – Financial Services Commission

GBP – British Pound

GDP – Gross Domestic Product

IFRS – International Financial Reporting Standards

INR – Indian Rupee

JPY – Japanese Yen

MSCI – Morgan Stanley Capital International

MUR – Mauritian Rupee

NAV – Net Asset Value

OPEC – Organisation of the Petroleum Exporting Countries

P/E – Price-earnings ratio

PAT – Profit-after-tax

PLF – Port Louis Fund Ltd

SEK – Swedish Krona

SEM – Stock Exchange of Mauritius

SEMDEX – Stock Exchange of Mauritius Official Index

SENSEX – Bombay Sensitive Index

USD – US Dollar

WTI – West Texas Intermediate

PLF

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