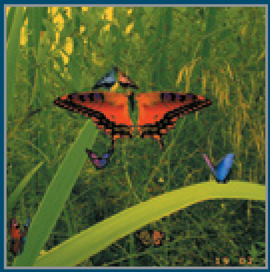
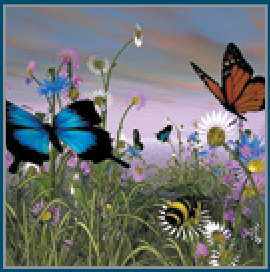
  

National Investment Trust

Annual Report 2009

Dear Shareholder,

The National Investment Trust Ltd is pleased to present its Annual Report for the year ended 30th June 2009.

This innovative format comprises in hard copy, the Notice of Annual Meeting of Shareholders, a proxy form and extracts of the key figures of the report, namely the Balance Sheets, Income Statements, Statements of Changes in Equity and Cash flow Statements. This CD includes the full version of the report.

Should you wish to obtain a printed copy of the Annual Report, kindly complete the closed order form and send it back to us. The report will be forwarded to you free of charge.

Yours faithfully,

Gaetan Wong To Wing
Chief Executive Officer

Corporate Information

CHAIRMAN
Raj Ringadoo

DIRECTORS
Mazahir Adamjee
Chaya Dawonauth
André José Poncini, G.O.S.K.
Imrith Ramtohul
Jayavadee Sooben

CHIEF EXECUTIVE OFFICER
Gaetan Wong To Wing

COMPANY SECRETARY
Soundararajen Ramsamy

AUDITORS
Kemp Chatteris Deloitte
(Charted Accountants)

BANKERS
The Hong Kong and Shanghai Banking Corporation Ltd
The Mauritius Commercial Bank Ltd
BNPI Offshore Banking Ltd
Barclays Bank PLC

REGISTER AND TRANSFER OFFICE
Level 8, Newton Tower
Sir William Newton Street
Port Louis

REGISTERED OFFICE
Level 8, Newton Tower
Sir William Newton Street
Port Louis

Notice of Meeting

Notice is hereby given that the Annual General Meeting of National Investment Trust Ltd will be held at 10.00 a.m. on Saturday 12th December 2009 at Centre Social Marie Reine de la Paix, Port Louis to transact the following business.

1. To approve the Minutes of Proceedings of the previous meeting of shareholders.
2. To receive and adopt the financial statements to June 2009 and the report of the Directors and Auditors thereon.
3. To ratify the dividend declared by the Board of Directors and paid to all shareholders registered at the close of business on 19th November 2009.
4. To elect the existing Directors in accordance with the provisions of the Articles of Association and the Companies Act 2001.
5. To reappoint Messrs Kemp Chatteris Deloitte as Auditors for the current year and to authorize the Board of Directors to fix their remuneration.
6. To transact such other business, if any, as may be transacted at an Annual General Meeting.

By order of the Board

Soundararajen Ramsamy
Company Secretary
25 November 2009

Notes:

1. *A member of the Company entitled to attend and vote at this meeting may appoint a proxy (whether a member or not) to attend and vote on his behalf. The appointment of a proxy must be made in writing on a proxy form and deposited at the Registered Office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four hours before the meeting.*

National Investment Trust Ltd Annual Report 2009

Directors' Report

The Directors have pleasure in submitting their Annual Report with the Audited Accounts of the Company for the year ended 30 June 2009.

Principal Activities

The Company was incorporated as a closed-end fund whose principal activity was to invest in shares and securities in both the local and international markets.

In January 2008, the Company got the approval from the relevant authorities to go ahead with its plan to split its assets into three distinct and separate parts, namely:

(i) Sub-Fund 1: NIT Local Equity Fund, to hold all domestically quoted stocks;

(ii) Sub-Fund 2: NIT Global Opportunities Fund, to hold all overseas investments;

(iii) NIT Ltd, to hold the local unquoted shares and manage the above two funds.

In this respect, the NIT Unit Trust was established on to manage the Trust's two sub-funds.

Review of Business

The review of the Company's activities and performance is set out in the Chairman's Statement on page 7.

Results and Dividends

The Income and Expenditure Account of the Company for the year to 30 June 2009 is set out on page 10 of this report.

For the financial year under review, the Company's profit after taxation amounted to Rs 16m (2008-Rs 30.6m). Such a figure is not directly comparable to the 2008 results which included income from assets that have now been transferred to our two unit trusts. In that respect, the Directors have declared a dividend of Re 1 per share (2008 adjusted – Rs 1 per share).

Substancial Shareholders at 31 October 2009

The following shareholders held more than 5% of the share capital of the Company:

Name of Company	Class of shares	Proportion held
National Pension Fund	Ordinary	22.6%
Government of Mauritius (ex Consolidated Sinking Fund)	Ordinary	10.7%

Directors' Interests

(a) *Interests' in shares*

The interests of the directors in the shares of the Company as at October 31, 2009 are as follows:

	Ordinary shares
Mr Mazahir Adamjee	Nil
Mr André José Poncini G.O.S.K.	22,500
Mr Moonesar Ramgobin	Nil
Mr Raj Ringadoo	Nil
Mrs Chaya Dawonauth	Nil
Mr Imrith Ramtohul	2,774
Mrs Jayavadee Sooben	Nil

(b) *Directors' Remuneration*

The Directors received Rs 160,000 as remuneration from the Company in respect of the financial year ended 30 June 2009.

(c) *Contracts of significance* (transaction > 5% of share capital and reserves)

There were no significant contracts or transactions during the year involving the Company and the directors or their related parties outside the ordinary course of business.

(d) *Directors Service Contracts*

There are no service contracts between the Company and the directors.

Auditors

Messrs Kemp Chatteris Deloitte have expressed their willingness to continue to act as auditors of the company.

Corporate Governance

The Company has carried its business and activities in a manner which is in line with the best corporate practices as regard to the decision making process, procedures at Board level and management issues.

Directors

The Directors who served during the year are given below:

Chairman
Raj Ringadoo

Directors
Mazahir Adamjee
Chaya Dawonauth
André José Poncini, G.O.S.K.
Moonesar Ramgobin (resigned on 20.12.08)
Imrith Ramtohul (appointed on 20.12.08)
Jayavadee Sooben (appointed on 04.03.09)

Secretary's Certificate

In terms of Section 166 (d) of the Companies Act 2001, I certify that, to the best of my knowledge, the Company has lodged with the Registrar of Companies all such returns as are required in terms of the Companies Act 2001 for the year ended June 30, 2009.

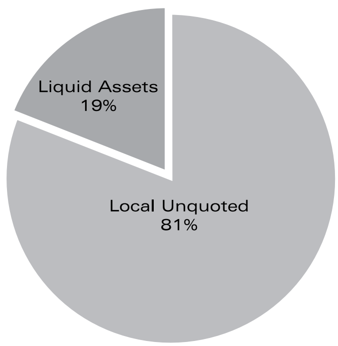
Soundararajen Ramsamy
Company Secretary
24 November 2009

Chairman's Statement

I am pleased to present the sixteenth report of the Company together with the audited financial statements for the year ended 30 June 2009.

Performance Review

Asset Allocation as at 30.06.09



Net Asset Value

For the financial year under review, the Company's Net Asset Value per share has decreased by 9.7% falling from Rs 47.82 on 01 July 2008 to reach Rs 43.20 on 30 June 2009. Such a performance is mainly attributable to the fact that, our portfolio of unquoted shares fell by around Rs 65.5m following the lower rating of most comparable listed companies as at 30 June 2009.

Income

For its first full year of operation as a management company that holds some unquoted assets, the Company's net income after tax stood at Rs 16m. Such a figure is not directly comparable to the 2008 results which included income from assets that have now been transferred to our two unit trusts namely, NIT Local Equity Fund and NIT Global Opportunities Fund.

Prospects

Given the nature of our business, the size of funds under management and de facto, the evolution of stock-markets both locally and worldwide is critical in determining our performance. Furthermore, the fact that the valuation of our unquoted assets also takes into account the market ratios of comparable listed companies accentuates such dependence.

Taking into account the fact that since the end of the first quarter of the year equity markets (both locally and internationally) have rallied on the back of the end of the global recession and the emergence of some green shoots on the economic front, present indications seem to suggest that the worst is behind us and that the markets will be in for a easier ride amid, a very volatile one. In fact, since the beginning of the present financial year, the Semdex and the Msci World have gained about 18.6% and 13.7% respectively.

The Way Forward

In line with its constant quest to create value for shareholders, the Board is currently exploring alternative avenues that would enable the Company to diversify its income stream going forward. In line with this, we have acquired some prime location in the Newton Tower and, an application for an investment adviser licence has been made to the Financial Services Commission. More details will be given to shareholders and the market once a concrete breakthrough is made.

Bearing in mind these latest developments, our current stance is one of cautious optimism.

Chairman
30 October 2009

Independent auditor's report to the shareholders of the National Investment Trust Ltd

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of the **National Investment Trust Ltd** on pages 9 to 26 which comprise the statement of assets and liabilities as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities 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 Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements on pages 9 to 26 give a true and fair view of the financial position of the company as at 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacities as auditors and tax advisors;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.

Kemp Chatteris Deloitte
Chartered Accountants
3rd Floor, Cerné House
La Chaussée, Port Louis

Statement of Assets and Liabilities at 30 June 2009

	Notes		2009 Rs	2008 Rs
ASSETS				
NON-CURRENT ASSETS				
Property and equipment	5		35,486,527	552,896
Portfolio of Domestic Securities	6		482,730,000	548,190,000
Intangible assets	7		204,126	297,814
Fixed income securities	15		-	25,000,000
			518,420,653	**574,040,710**
CURRENT ASSETS				
Fixed income securities	15		25,000,000	-
Accounts receivable	8		62,208,510	104,385,273
Cash at bank			20,844,523	1,178,955
			108,053,033	**105,564,228**
TOTAL ASSETS		Rs	**626,473,686**	**679,604,938**
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Share capital	10		137,025,000	137,025,000
Capital redemption reserve			319,722,000	319,722,000
Share premium			19,693,346	19,693,346
Deficit on realisation of investments			(377,393,998)	(377,327,349)
Investment revaluation reserve			391,530,000	456,990,000
Retained earnings			101,405,317	99,150,360
TOTAL EQUITY			**591,981,665**	**655,253,357**
NON CURRENT LIABILITIES				
Bank Loan	16		**26,250,000**	-
CURRENT LIABILITIES				
Bank overdraft (unsecured)			-	19,284,536
Accounts payable	9		3,128,982	4,485,398
Bank Loan	16		3,750,000	-
Taxation	11		1,054,283	515,369
Deferred tax liability	11		308,756	66,278
TOTAL LIABILITIES			**8,242,021**	**24,351,581**
TOTAL EQUITY AND LIABILITIES		Rs	**626,473,686**	**679,604,938**

Approved by the Board of Directors and authorised for issue on 30 October 2009.

Raj Ringadoo)
José Poncini, G.O.S.K.) Directors

Income Statement for the year ended 30 June 2009

	Notes		2009 Rs	2008 Rs
INCOME				
Domestic dividend receivable			9,300,000	22,638,803
Domestic interest receivable			5,477,103	5,997,457
Overseas investment income			-	1,271,985
Management fees receivable			11,712,604	7,003,219
Exit fees receivable			2,788,663	11,774,554
Initial service charge			83,459	-
(Deficit)/Surplus on portfolio of investments			(65,526,649)	186,273,898
			(36,164,820)	**234,959,916**
LESS: EXPENSES				
Global service charge	13		5,016,466	5,454,719
Salaries, allowances and pension fund contributions			3,049,018	2,949,291
Management fees			-	2,091,114
Director fees			160,000	151,250
Printing, postage and stationery			461,076	1,293,470
Corporate information expenses			737,522	1,688,898
Audit fees			28,750	193,200
Professional fees			118,450	167,250
Listing fees			383,883	342,656
Secretarial fees			30,000	26,500
Company licence			9,000	9,000
General expenses			161,396	145,469
Bank charges			45,543	87,631
Overseas travelling			255,661	378,217
Reference books and subscriptions			15,696	37,425
Training costs and seminars			5,400	8,500
Telephone and fax			28,798	30,015
Repairs and maintenance			103,220	44,028
Motor vehicle running expenses			386,433	220,561
Interest on bank overdraft			417,042	452,239
Depreciation of property and equipment			285,364	347,961
Amortisation of intangible assets			111,688	127,543
			11,810,406	16,246,937
(LOSS)/ INCOME FOR THE YEAR BEFORE TAXATION			**(47,975,226)**	**218,712,979**
TAXATION	11		(1,594,266)	(1,815,010)
(LOSS)/ INCOME FOR THE YEAR			**(49,569,492)**	**216,897,969**
MOVEMENT IN PORTFOLIO OF INVESTMENTS TRANSFERRED TO:				
- **DEFICIT ON REALISATION OF INVESTMENTS**			66,649	(55,933,161)
- **INVESTMENT REVALUATION RESERVE**			65,460,000	(130,340,737)
			65,526,649	**(186,273,898)**
NET DISTRIBUTABLE INCOME FOR THE YEAR			**15,957,157**	**30,624,071**
(LOSS)/EARNINGS PER SHARE BEFORE MOVEMENT ON PORTFOLIO OF INVESTMENTS (I.E. **BASED ON (LOSS)/ INCOME FOR THE YEAR**):	17	Rs	**(3.62)**	**6.70**
EARNINGS PER SHARE AFTER MOVEMENT ON PORTFOLIO OF INVESTMENTS (I.E. **BASED ON DISTRIBUTABLE INCOME FOR THE YEAR**):	17	Rs	**1.16**	**0.95**

Statement of Changes in Equity for the year ended 30 June 2009

	Note	Share capital	Capital Reduction	Share premium	Surplus/ (deficit) on realisation of investments	Investment revaluation reserve	Retained earnings	Total
		Rs	Rs	Rs	Rs	Rs	Rs	Rs
Balance at 1 July 2007		456,750,000	-	19,693,346	226,613,678	1,386,770,915	95,931,289	2,185,759,228
Capital reduction		(319,725,000)	319,725,000	-	-	-	-	-
Fractional shares to be refunded		-	(3,000)	-	-	-	-	(3,000)
Profit for the year		-	-	-	-	-	216,897,969	216,897,969
Distribution upon restructuring		-	-	-	(1,689,975,003)	-	-	(1,689,975,003)
Profit on realisation of investments transferred		-	-	-	55,933,161	-	(55,933,161)	-
Deficit on revaluation on transfer of investments		-	-	-	1,030,101,174	(1,030,101,174)	-	-
Surplus on revaluation of investments transferred to fair value reserve		-	-	-	-	130,340,737	(130,340,737)	-
Surplus on disposals of investments transferred		-	-	-	-	(30,020,839)	-	(30,020,839)
Dividend	14	-	-	-	-	-	(27,405,000)	(27,405,000)
Adjustment		-	-	-	(359)	361	-	2
Balance at 30 June 2008	Rs	**137,025,000**	**319,722,000**	**19,693,346**	**(377,327,349)**	**456,990,000**	**99,150,360**	**655,253,357**
Balance at 1 July 2008		137,025,000	319,722,000	19,693,346	(377,327,349)	456,990,000	99,150,360	655,253,357
Loss for the year		-	-	-		-	(49,569,492)	(49,569,492)
Deficit on realisation of investments					(66,649)		66,649	-
Deficit on revaluation of investments transferred to fair value reserve		-	-	-		(65,460,000)	65,460,000	-
Dividend	14	-	-	-		-	(13,702,200)	(13,702,200)
Balance at 30 June 2009	Rs	**137,025,000**	**319,722,000**	**19,693,346**	**(377,393,998)**	**391,530,000**	**101,405,317**	**591,981,665**

Cash Flow Statement for the year ended 30 June 2009

		2009 Rs	2008 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(47,975,226)	218,712,979
Adjustments for:			
Deficit/(Surplus) on portfolio of investments		65.526,649	(186,273,898)
Depreciation of property and equipment		285,364	347,961
Amortisation of intangible assets		111,688	127,543
Fractional shares to be refunded		-	(3,000)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**17,948,475**	**32,911,585**
MOVEMENT IN WORKING CAPITAL			
Decrease/(Increase) in accounts receivable		42,110,114	(99,101,031)
(Decrease)/Increase in accounts payable		(1,356,416)	53,439
		40,753,698	(99,047,592)
NET CASH GENERATED FROM/(USED IN) OPERATIONS		58,702,173	(66,136,007)
Taxation		(812,874)	-
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		**57,889,299**	**(66,136,007)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	155,297,427
Purchase of investments		-	(60,622,571)
Purchase of intangible assets		(18,000)	(333,752)
Purchase of property and equipment		(35,218,995)	(266,984)
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		**(35,236,995)**	**94,074,120**
CASH FLOWS FROM FINANCING ACTIVITIES			
Application money to NIT Global Opportunities Fund		-	(46,200,025)
Dividends paid		(13,702,200)	(27,405,000)
Loan received		30,000,000	-
NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES		**16,297,800**	**(73,605,025)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		38,950,104	(45,666,912)
CASH AND CASH EQUIVALENTS AT 1 JULY		(18,105,581)	27,561,331
CASH AND CASH EQUIVALENTS AT 30 JUNE	Rs	**20,844,523**	**(18,105,581)**
Represented by:			
Cash at bank		20,844,523	1,178,955
Bank overdraft		-	(19,284,536)
	Rs	20,844,523	(18,105,581)

Notes to the Financial Statements

for the year ended 30 June 2009

1. **LEGAL FORM AND ACTIVITIES**

The company was incorporated on 18 March 1993 as a public company . It has taken over with effect from 1 July 2001 the management of NMF General Fund and NMF Property Trust under subcontract from National Mutual Fund.

Following the restructuring of the company in January 2008 ,the company acts as a management company which also holds securities.The company was appointed as the manager of NIT Local Equity Fund and NIT Global Opportunities Fund as established by a Trust Deed dated 19th and 20th October 2007.

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

In the current year, the company has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the “IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2008. The adoption of these new and revised standards and interpretations has not resulted in any changes to the company’s accounting policies that would affect the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 1	Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 7	Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual improvement to IFRSs (effective 1 January 2009)
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 23	Borrowing Costs - Comprehensive revision to prohibit immediate expensing (effective 1 January 2009)
IAS 23	Borrowings Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 27	Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first time adoption (effective 1 January 2009)

IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 28	Investments in Associates - Amendments resulting from May 2008 Annual improvements to IFRSs (effective 1 January 2009)
IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 31	Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 36	Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 38	Intangible Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 38	Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement – amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective 1 January 2009)
IFRS 2	Share-based Payment - Amendment relating to vesting conditions and cancellations (effective 1 January 2009)
IFRS 2	Share-based Payment - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)
IFRS 2	Share-based Payment – Amendments relating to Group cash-settled share-based payment transactions (effective 1 January 2010)
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 7	Financial Instruments - Disclosures - Amendments enhancing disclosures about fair value and liquidity risk (effective 1 January 2009)
IFRS 8	Operating segments (effective 1 January 2009)
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRIC 15	Agreements for the Construction of Real Estate (effective 1 January 2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
IFRIC 17	Distributions of Non-Cash Assets to Owners (effective 1 July 2009)
IFRIC 18	Transfers of Assets from Customers (effective 1 July 2009)

The directors anticipate that the adoption of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the company.

3. **ACCOUNTING POLICIES**

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

(a) **Basis of preparation**

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

(b) **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation of property and equipment is calculated so as to write off the cost of these assets in use on a straight line basis over their expected useful lives.Depreciation on newly acquired property and equipment is calculated pro rata from date of acquisition The annual depreciation rates used for the purpose are as follows:

Buildings	- 5%
Computer hardware	- 20%
Office equipment	- 10%
Motor vehicles	- 20%

(c) **Deferred taxation**

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

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

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

(d) **Investment valuation**

Fair value is determined as follows:

The Company classifies its investments as fair value through profit or loss (“FVTPL”). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments 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.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in the Income Statement and subsequently transferred to investment revaluation reserve, as the gains/losses are not distributable.

The gains and losses on disposal of FVTPL assets are recognised in the Income Statement. Gains or losses on disposal of quoted and overseas investment are subsequently transferred to surplus on realisation of investments.

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

(i) *Unquoted Investments*

Unquoted investments are valued by the Directors based on the average weighted earnings per share of the companies concerned over the last three years and the average price earnings ratios of comparable companies quoted on the stock market, after applying a discounting factor of 20% for their restricted marketability.

(e) **Investment Income**

(i) Dividends from investments are accounted for on an accrued basis when the company's right to receive payment is established.

(ii) *Fixed interest investments*

Interest receivable from bank and short term deposits and fixed interest stocks debentures and Treasury Bills are accrued for on a daily basis.

(f) **Foreign currency transactions**

Monetary assets and liabilities in foreign currencies outstanding at year end are translated into rupee at rates of exchange ruling at the end of the accounting period. Revenue items denominated in foreign currencies are converted into rupee at the exchange rates ruling at the date of transactions.

(g) **Cash and cash equivalents**

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

(h) **Retirement benefit obligations**

The present value of unfunded obligations is recognised in the balance sheet as a non-current liability.

(i) **Intangible assets**

The intangible assets relate to computer software and are amortised over 3 years.

(j) **Financial instruments**

Financial assets and liabilities are recognised on the balance sheet when the company has become party to the contractual provisions of the financial instruments.

The carrying amounts of the company's financial instruments approximate their fair values due to the short-term nature of the balances involved. These instruments are measured as follows:

(i) *Investments*

Investments in equity securities are stated at fair value. The accounting policy for investment securities is disclosed in note 3(d).

(ii) *Investment in Treasury Bills*

Treasury Bills are accounted for under the effective interest method.

(iii) *Accounts receivables*

Accounts receivables originated by the company are stated at amortised cost. An allowance for doubtful debts is made based on a review of all outstanding amounts at balance sheet date. Bad debts are written off during the period in which they are identified.

(iv) *Cash and cash equivalents*

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

(v) *Accounts payables*

Accounts payables are stated at their amortised cost.

(vi) *Fixed income securities*

Fixed income securities are measured at amortised cost.

(k) **Impairment**

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

(l) **Provisions**

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

(m) **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

4. **ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

Financial crisis

The company may, from time to time, hold investments that are not quoted on active markets. Fair values of such investments are determined by the Directors based on the average weighted earnings per share of the companies concerned over the last three years and the average price earnings ratios of comparable companies quoted on the stock market,after applying a discount factor of 20% for their restricted marketability. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

5. PROPERTY AND EQUIPMENT

		Buildings Rs	Computer hardware Rs	Office equipment Rs	Motor vehicles Rs	Total Rs
COST						
At 01 July 2007		-	688,864	193,323	1,491,595	2,373,782
Additions		-	136,574	130,410	-	266,984
At 30 June 2008	Rs	-	825,438	323,733	1,491,595	2,640,766
At 01 July 2008		-	825,438	323,733	1,491,595	2,640,766
Additions		35,200,915	18,080	-	-	35,218,995
At 30 June 2009	Rs	35,200,915	843,518	323,733	1,491,595	37,859,761
DEPRECIATION						
At 01 July 2007		-	550,300	98,014	1,091,595	1,739,909
Charge for the year		-	97,269	32,373	218,319	347,961
At 30 June 2008	Rs	-	647,569	130,387	1,309,914	2,087,870
At 01 July 2008		-	647,569	130,387	1,309,914	2,087,870
Charge for the year		-	71,310	32,374	181,680	285,364
At 30 June 2009	Rs	-	718,879	162,761	1,491,594	2,373,234
NET BOOK VALUE						
At 30 June 2009	Rs	**35,200,915**	**126,639**	**160,972**	-	**35,486,527**
At 30 June 2008	Rs	-	177,869	193,346	181,681	552,896

6. PORTFOLIO OF DOMESTIC SECURITIES - UNQUOTED

Fair value through profit or loss

At fair value		**UNQUOTED** **2009** Rs	**2008** Rs
At 1 July		548,190,000	711,798,471
Disposals		-	(15,018,472)
Movement in fair value		(65,460,000)	(148,589,999)
At 30 June	Rs	**482,730,000**	**548,190,000**

The investments were revalued as per note 3 (d).

6.1 **PORTFOLIO OF DOMESTIC SECURITIES**

	SHARE HOLDINGS 2009 Rs	SHARE HOLDINGS 2008 Rs	MARKET VALUE 2009 Rs
State Investment Corporation Ltd	1,500,000	1,500,000	279,000,000
SICOM Ltd	30,000	30,000	201,930,000
Mauritius Shopping Paradise Ltd	18,000	18,000	1,800,000
TOTAL PORTFOLIO OF DOMESTIC SECURITIES		Rs	**482,730,000**

6.2 **SIGNIFICANT HOLDINGS**

Details of investments in which the Company holds a 10% interest or more are set out below:

Name of Company	Class of Shares	Proportion Held
Mauritius Shopping Paradise Ltd	Ordinary	15.0%
SICOM Ltd	Ordinary	12.0%
State Investment Corporation Ltd	Ordinary	15.0%

7. **INTANGIBLE ASSETS**

Computer software		2009 Rs	2008 Rs
Cost			
At 1 July		1,191,660	857,908
Additions		18,000	333,752
At 30 June		1,209,660	1,191,660
Amortisation			
At 1 July		893,846	766,303
Charge for the year		111,688	127,543
At 30 June		1,005,534	893,846
Net book value			
At 30 June	Rs	**204,126**	**297,814**

8. **ACCOUNTS RECEIVABLE**

		2009 Rs	2008 Rs
Trade receivables		-	581,980
Other receivables		38,731,426	15,732,243
Loan receivable from NIT Local Equity Fund		11,132,095	80,099,273
Accrued income		12,249,104	7,863,105
Prepayments		95,885	108,672
	Rs	**62,208,510**	**104,385,273**

Loan receivable from NIT Local Equity Fund carries interest of 5.5%(2008:8%) and repayable at call.

9. ACCOUNTS PAYABLE

		2009 Rs	2008 Rs
Other payables		432,099	1,826,732
Accruals		142,695	189,000
Unclaimed dividends		2,554,188	2,469,666
	Rs	**3,128,982**	**4,485,398**

The company has financial risk management policies in place to ensure that all payables are paid within the timeframe.

10. SHARE CAPITAL

At 30 June	2008 & 2009 Rs
13,702,500 shares of Rs10 each	**137,025,000**

Ordinary shares are not redeemable, carry voting rights, entitlement to dividends or distributions and on winding up to any surplus on assets of the company.

11. TAXATION

(i) Income Tax

Income tax is calculated at the rate of 15% (2008:15%) on the profit for the year as adjusted for income tax purposes.

	2009 Rs	2008 Rs
Provision for the year	1,054,283	515,369
Underprovision in previous year	297,505	-
Deferred tax expense	242,478	1,299,641
Taxation expense	**1,594,266**	**1,815,010**

(ii) Tax Reconciliation

	2009 %	2008 %
Applicable income tax rate	15.00	15.00
Tax effect of:		
- Investment revaluation reserve	-	(12.78)
- Non taxable income	2.91	(1.55)
- Expenses not deductible for tax purposes	(0.12)	0.14
- Overprovision in deferred tax in current year	-	0.01
- Overprovision in taxation in current year	-	0.01
Underprovision in taxation in previous year	(0.62)	-
Investment revaluation reserve	(20.49)	
Effective tax rate	**(3.32)**	**0.83**

(iii) **Deferred tax liability**

		2009 Rs	2008 Rs
At 1 July		(66,278)	1,233,363
Deferred tax expense		(242,478)	(1,277,400)
Overprovision in prior year		-	(2,791)
Underprovision in current year		-	(19,450)
At 30 June	Rs	(308,756)	(66,278)

12. RETIREMENT BENEFIT OBLIGATION

No provision has been made for Retirement Benefits, as in the directors' opinion, the amount is not considered to be material.

13. GLOBAL SERVICE CHARGE

Pursuant to a resolution passed at the Board of Directors' meeting dated 28 June 2001, the management of National Mutual Fund Ltd (NMF) has been entrusted to the National Investment Trust Ltd (NIT) as from 1 July 2001. It has also been agreed between the two parties that NIT will take over all the operating expenses of NMF as from this date. These expenses have been reflected in the accounts as "Global Service Charge" and are made up of:

		2009 Rs	2008 Rs
Salaries, allowances and pension fund contributions		2,737,872	2,987,964
Rent and service charge		1,352,771	1,336,596
Printing, postage and stationery		101,731	296,349
Legal and professional fees		138,600	138,600
Electricity, telephone and fax		502,473	511,964
Reference books and subscriptions		20,134	23,240
Repairs and maintenance		37,706	43,979
Insurance		21,532	19,338
General expenses		103,647	96,689
	Rs	5,016,466	5,454,719

Against these costs, the company has in return received management fees of Rs 2,570,436 and Rs3,366,379 for the years ended 30 June 2009 and 30 June 2008 respectively.

14. DIVIDEND

		2009 Rs	2008 Rs
Dividend of Re 1.00 (2008: Re 0.60) per share paid on 15 September 2008	Rs	13,702,200	27,405,000

15. FIXED INCOME SECURITIES

		2009 Rs
At cost		
8.75% Barclays Bank Plc bonds maturing on 9 September 2009	Rs	25,000,000

16. **BANK LOAN**

		2009 Rs
9.25% loan repayable by quarterly instalments	Rs	30,000,000
Disclosed as follows :		
Within 1 year		3,750,000
More than 1 year		26,250,000
		30,000,000

The loan is repayable in 32 consecutive quarterly instalments in the aggregate of Rs937,500 each and is secured by fixed charge on commercial space and floating charge on assets.

17. (**LOSS**)/**EARNINGS PER SHARE**

The calculation of loss per share before movement on portfolio of investments is based on loss for the year of Rs 49,569,492 (2008: profit of Rs 216,897,969) and 13,702,500 weighted average number of ordinary shares (2008: 32,353,000 ordinary shares) in issue during the year.

The calculation of earnings per share after movement on portfolio of investment is based on net distributable income for the year of Rs 15,957,157 (2008: Rs 30,624,071) and 13,702,500 weighted average number of ordinary shares (2008: 32,353,000 ordinary shares) in issue during the year.

18. **FINANCIAL STATISTICS**

	2009 Rs	2008 Rs	2007 Rs	2006 Rs	2005 Rs
Earnings per share, based on net distributable income for the year	1.16	0.95	0.62	0.53	0.88
Dividend per share	1.00	0.60	0.50	0.95	0.75
Net Asset per share	43.20	47.82	47.85	30.23	32.27

19. **RELATED PARTY TRANSACTIONS**

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

		2009 Rs	2008 Rs
(i)	*Outstanding balances*		
	Receivables from related parties:		
	- National Mutual Fund	239,655	320,849
	- NIT Local Equity Fund	32,436,331	92,344,910
	- NIT Global Opportunities Fund	9,956,639	4,885,899
	Payables to related parties:		
	- National Mutual Fund	384,781	350,196
	- NIT Global Opportunities Fund	-	1,429,217

		2009	2008
(ii)	*Management fees receivable*		
	- NMF Property Trust	388,471	521,526
	- NMF General Fund	2,181,965	2,844,853
	- NIT Local Equity Fund	5,514,288	2,410,372
	- NIT Global Opportunities Fund	3,627,880	1,226,468
(iii)	*Global service charge*		
	- National Mutual Fund Ltd	5,016,466	5,454,719

Compensation to key management personnel

	2009 Rs	2008 Rs
Directors fee		
Non-executive	160,000	150,000

20. **FINANCIAL INSTRUMENTS**

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern. The capital structure of the company consists of stated capital, revaluation reserve, surplus on realisation of investments and retained surplus.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Fair values

The carrying amounts of financial assets and liabilities approximate to their fair values due to the short term nature of the balances involved.

Categories of financial instruments

	2009 Rs	2008 Rs
Financial assets		
Investments at fair value though profit or loss (FVTPL)	482,730,000	548,190,000
Fixed income securities	25,000,000	25,000,000
Accounts receivable	62,112,625	104,276,601
Cash and cash equivalents	20,844,523	1,178,955
	590,687,148	**678,645,556**
Financial liabilities		
Bank overdraft	-	19,284,536
Accounts payable, amortised cost	3,128,982	4,485,398
Loan	30,000,000	-
	33,128,982	**23,769,934**

Prepayments amounting to Rs 95,885 (2008: Rs 108,672) have not been included in financial assets.

Financial risk management objectives

The company holds both domestic and overseas investments and manages the financial risks relating to its operations by monitoring the risks and implementing policies to mitigate these risk exposures. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

The currency profile of the company's financial assets and financial liabilities at 30 June is summarised as follows:

	2009		2008	
Currency	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
MUR	590,687,148	33,128,982	678,645,556	23,769,934

Credit risk

The company does not have significant concentration of credit risk which is primarily attributable to its trade receivables. Trade receivables consist mainly of dividend receivable from a large number of investee companies spread across diverse industries.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company.

Interest rate risk management

The company is exposed to interest rate risk as the company used its overdraft facility at floating interest rates. The risk is managed by the company by providing floating rate loans.

The interest rate profile of the company's financial assets and financial liabilities as at 30 June was:

		2009 % p.a	2008 % p.a
Financial assets			
Cash at bank	- MRU	4.5	7.00
	- USD	-	1.00
	- EURO	-	2.75
	- GBP	-	3.00
Loan receivable		5.50	8.00
Financial liabilities			
Bank overdraft		-	10.50
Loan		9.25	-

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for loans receivable at the balance sheet date. The analysis is prepared assuming the amount of loan receivable at the balance sheet date was outstanding for the whole year. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the company's results would be affected as follows:

	2009 Rs	2008 Rs
Profit	98,831	30,995

Had the interest rates been 50 basis points lower and all other variables were held constant, there would be an equal and opposite impact on profit.

Other price risks

The company is exposed to equity price risks arising from equity investments which the company held for trading purposes.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower:

Equity reserves would increase/decrease by Rs 24,136,500 (2008: Rs 27,490,500) as a result of the changes in fair value of investments.

Liquidity risk management

The company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows.

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the company can be required to earn or pay.

2009	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
Financial assets							
Non interest bearing	n/a	-	-	-	-	482,730,000	482,730,000
Variable interest rate instruments		20,844,523	-	87,112,625	-	-	107,957,148
		20,844,523	-	87,112,625	-	482,730,000	590,687,148
Financial liabilities							
Non interest bearing		-	-	-	-	-	-
Variable interest rate instrument	21	-	-	3,128,982	-	-	3,128,982
Fixed interest rate instruments					3,750,000	26,250,000	30,000,000
	Rs	-	-	3,128,982	3,750,000	26,250,000	33,128,982

2009	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
Financial assets							
Non interest bearing	n/a	1,722,898	581,963	17	21,875,206	548,190,000	572,370,084
Variable interest rate instruments	7.50	81,275,472	-	-	-	-	81,275,472
Fixed interest rate instruments	8.00	25,000,000	-	-	-	-	25,000,000
		107,998,370	581,963	17	21,875,206	548,190,000	678,645,556
Financial liabilities							
Non interest bearing	n/a	-	539,196	1,476,536	2,469,666	-	4,485,398
Variable interest rate instrument	10.50	19,284,536	-	-	-	-	19,284,536
	Rs	19,284,536	539,196	1,476,536	2,469,666	-	23,769,934

NIT Local Equity Fund Annual Report 2009

NIT LEF Trust Constitution

The NIT LOCAL EQUITY FUND is constituted under the NIT UNIT TRUST which is authorized under the Unit Trust Act 1989 and established by a Trust Deed dated 19th & 26th October 2007 between the National Investment Trust Ltd ("The Manager") and the State Commercial Bank Ltd ("The Trustee").

NIT LEF Trust Objective

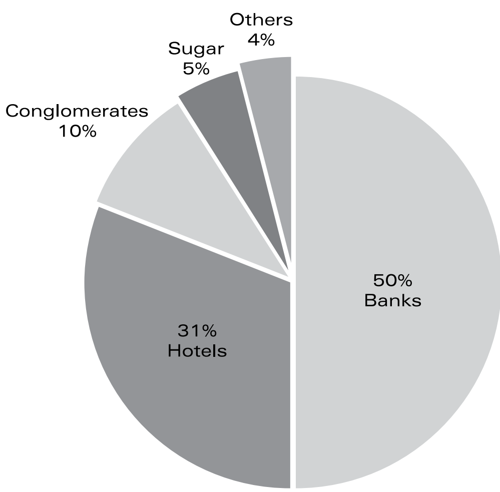
The investment objective of the NIT LOCAL EQUITY FUND is to produce both income and capital growth from a diversified portfolio of domestic securities. Investments are predominantly made in shares quoted on the local stock market.

Manager's Report

We are pleased to present a report of the NIT LOCAL EQUITY FUND for the period ended 30 June 2009.

Performance Review

Investment Breakdown



Top 5 holdings

Company	Weight in Portfolio (%)	Weight in Semdex (%)
Mauritius Commercial Bank	25.8	24.1
State Bank of Mauritius	23.8	16.3
New Mauritius Hotels	17.7	13.2
Sun Resorts	10.8	5.0
Rogers	7.7	5.6

Capital

For the period under review, the Fund's Capital Value per unit decreased by about 27.5% as it fell from Rs 0.91 on 1st July 2008 to reach Rs 0.66 on 30 June 2009. An in-depth analysis of the performance of our portfolio of locally listed equities is set out below:

	Capital Gains/ (Losses) Rs (000)	Capital Appreciation/ (Depreciation) Rs(000)	Total Rs (000)
Local Portfolio	(12,078)	(241,980)	(254,058)

With the Semdex down 22% for the period under review, the Fund's portfolio of local quoted shares decreased by Rs 254.1m thereby representing a depreciation of about 26.6% based on the portfolio valuation of 30 June 2008. Such a negative performance can be explained by the fact that our portfolio is clearly over-weighted in most of the 'blue chips' thereby increasing our exposure to such specific sectors during the downturn.

Having said that, our exposure to such stocks is quite deliberate, as we believe that the local market still suffers from a significant lack of depth. Furthermore, it is also of our opinion that over the long term, it is the foreigners who drive the market and these types of investors generally look for quality and liquidity.

Income

For the period under review, the Fund has paid a dividend of Rs0.02 per unit.

Prospects

The performance of our portfolio is closely linked to the evolution of the local stock market.

Since balance sheet date, the market continued to move north with the Semdex gaining 18.6%. Such a performance results from the ability of the local economy to ride the wave during such uncertain times. In fact, the resilience shown by the major local players both in terms of debt and profitability levels has boosted up the confidence of both local and international investors to re-enter the market.

Furthermore, based on existing fundamentals with a market P.E of 10.1X and dividend yield of 3.3%, the local stocks does offer good potential especially when taking into account the fact that the bank rate currently stands at 5.75%. Having said that, the lack of depth of the domestic stock market continues to be a cause of concern in such volatile times.

Against such a background, our current stance is one of cautious optimism.

The National Investment Trust Ltd

Independent auditor's report to the unitholders of the NIT Local Equity Fund constituted under the NIT Unit Trust

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

Report on the Financial Statements

We have audited the financial statements of **NIT Local Equity Fund** on pages 31 to 48 which comprise the statement of assets and liabilities as at 30 June 2009 and the statement of movements in net assets, income and distribution statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibilities of manager and trustee

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements on pages 31 to 48 give a true and fair view of the financial position of the Fund as at 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Trust Deed.

Report on other legal requirements

In accordance with the requirements of the Trust Deed, we report as follows:

- we have no relationship with, or interests in, the Fund other than in our capacities as auditors and tax advisors;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from our examination of those records.

Kemp Chatteris Deloitte
Chartered Accountants
3rd Floor, Cerné House
La Chaussée, Port Louis

Statement of Assets and Liabilities at 30 June 2009

	Notes		2009 Rs	% of Fund	2008 Rs	% of Fund
ASSETS						
Non-Current Assets						
Portfolio of Domestic Securities	5		635,330,366	108.56	954,765,285	110.62
Current Assets						
Accounts receivable	6		223,907	0.04	919,548	0.11
Cash at bank			674,466	0.12	4,366,379	0.51
			898,373	0.16	5,285,927	0.62
TOTAL ASSETS			636,228,739	108.72	960,051,212	111.24
LIABILITIES						
Current Liabilities						
Accounts payable	7		21,579,162	3.70	12,313,137	1.43
Loan	8		11,132,095	1.90	80,099,273	9.28
Distribution to unitholders	9		18,263,631	3.12	4,473,886	0.52
Taxation	10		36,958	-	28,598	0.01
TOTAL LIABILITIES			51,011,846	8.72	96,914,894	11.24
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		Rs	**585,216,893**	**100.00**	**863,136,318**	**100.00**

Approved by the Manager of the NIT Local Equity Fund and authorised for issue on 30 October 2009.

The Manager

Statement of Movements in Net Assets

for the year ended 30 June 2009

		Investments Rs	Other net assets Rs	Total Rs
NET ASSETS TRANSFERRED FROM NATIONAL INVESTMENT TRUST PER TRUST DEED DATED 19th AND 26th OCTOBER 2007		1,141,875,003	-	1,141,875,003
Cash received for units created		-	4,186,789	4,186,789
Cash paid for units liquidated		-	(179,336,977)	(179,336,977)
NET CASH MOVEMENT FROM UNITS		-	(175,150,188)	(175,150,188)
Proceeds from sale of investments		(83,521,222)	83,521,222	-
NET CASH MOVEMENT FROM INVESTMENTS		(83,521,222)	83,521,222	-
Loss after loss on investments for the period		-	(103,588,497)	(103,588,497)
Transfer of gains on investments		(103,588,497)	103,588,497	-
		(103,588,497)	-	(103,588,497)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2008	Rs	954,765,284	(91,628,966)	863,136,318
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2008		954,765,284	(91,628,966)	863,136,318
Cash received for units created		-	7,336,087	7,336,087
Cash paid for units liquidated		-	(31,196,986)	(31,196,986)
NET CASH MOVEMENT FROM UNITS		-	(23,860,899)	(23,860,899)
Additions		105,559	(105,559)	-
Proceeds from sale of investments		(65,481,951)	65,481,951	-
NET CASH MOVEMENT FROM INVESTMENTS		(65,376,392)	65,376,392	-
Loss after loss on investments		-	(254,058,526)	(254,058,526)
Transfer of loss on investments		(254,058,526)	254,058,526	-
		(254,058,526)	-	(254,058,526)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2009	Rs	**635,330,366**	**(50,113,473)**	**585,216,893**

Income and Distribution Statement

for the year ended 30 June 2009

	Notes	Year ended 30 June 2009 Rs	Period from 26 October 2007 to 30 June 2008 Rs
INVESTMENT INCOME			
Dividend income		26,362,333	9,110,957
Interest income		355,239	343,449
		26,717,572	9,454,406
FUND EXPENSES			
Management fees	11	5,514,288	2,410,372
Audit fees		190,000	15,000
Trustee fees	12	150,000	37,500
Finance cost		2,198,507	1,720,141
Printing		128,180	15,000
Bank charges		6,414	8,085
		8,187,389	4,206,098
INCOME FROM OPERATING ACTIVITIES		18,530,183	5,248,308
EQUALISATION			
Income received on units created		164,072	29,458
Income paid on units liquidated		(393,666)	(775,282)
		(229,594)	(745,824)
INCOME BEFORE TAXATION		18,300,589	4,502,484
TAXATION EXPENSE	10	(36,958)	(28,598)
INCOME AFTER TAXATION		18,263,631	4,473,886
FINANCE COSTS - DISTRIBUTION TO UNITHOLDERS	9	(18,263,631)	(4,473,886)
INCOME BEFORE NET LOSS ON INVESTMENTS		-	-
LOSS ON INVESTMENTS			
Net decrease in fair value of HFT investments		(241,980,223)	(87,958,077)
Loss realised on disposals of HFT investments		(12,078,303)	(15,630,420)
		(254,058,526)	(103,588,497)
LOSS AFTER NET LOSS ON INVESTMENTS	Rs	**(254,058,526)**	**(103,588,497)**

Cash Flow Statement for the year ended 30 June 2009

		Year ended 30 June 2009 Rs	Period from 26 October 2007 to 30 June 2008 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation (after net loss on investments)		(235,757,937)	(99,086,013)
Adjustments for:			
Interest paid		2,198,507	1,720,141
Dividend income		(26,362,333)	(9,110,957)
Interest received		(355,239)	(343,449)
Net decrease in fair value of HFT investments		241,980,223	87,958,077
Loss on disposal of investments		12,078,303	15,630,420
Operating loss before taxation		(6,218,476)	(3,231,781)
Movement in working capital			
Decrease/(increase) in accounts receivable		695,641	(919,548)
Increase in accounts payable		9,266,025	12,313,137
		9,961,666	11,393,589
NET CASH GENERATED FROM OPERATING ACTIVITIES		3,743,190	8,161,808
Taxation		(28,598)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		355,239	343,449
Dividend received		26,362,333	9,110,957
Additions to investments		(105,558)	-
Proceeds from sale of investments		65,481,951	83,521,221
NET CASH GENERATED FROM INVESTING ACTIVITIES		92,093,965	92,975,627
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received		-	100,000,000
Interest paid		(2,198,507)	(1,720,141)
Dividend paid		(4,473,886)	-
Repayment of loan		(68,967,178)	(19,900,727)
Net cash movement from units		(23,860,899)	(175,150,188)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(99,500,470)	(96,771,056)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(3,691,913)	4,366,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD		4,366,379	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/ PERIOD	Rs	**674,466**	**4,366,379**

Notes to the Financial Statements

for the year ended 30 June 2009

1. **GENERAL INFORMATION**

The NIT Local Equity Fund is a public open-ended collective Investment scheme which is constituted under NIT Unit Trust. It was established by a Trust Deed dated 19th and 26th October 2007 made between National Investment Trust Ltd ("The Manager") and State Bank of Mauritius Ltd ("The Trustee").

The investment objective of the NIT Local Equity Fund is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in equities and fixed interest securities in the domestic stock market.

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

The Fund has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2008.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 January 2010)
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 January 2010)
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 17	Leases - Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 January 2010)
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual improvement to IFRSs (effective 1 January 2009)
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 23	Borrowing Costs - Comprehensive revision to prohibit immediate expensing (effective 1 January 2009)
IAS 23	Borrowings Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 27	Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first time adoption (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)

IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 28	Investments in Associates - Amendments resulting from May 2008 Annual improvements to IFRSs (effective 1 January 2009)
IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 31	Interests in Joint Ventures - Consequential amendments arising from
IAS 31	Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009) amendments to IFRS 3 (effective 1 July 2009)
IAS 36	Impairments of Assets - Amendments resulting from April 2009 Annual Improvements to IFRS (effective 1 January 2010)
IAS 36	Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 38	Intangible Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 38	Intangible Assets - Amendments resulting from April 2009 Annual improvements to IFRSs (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 39	Financial Instruments – Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments (effective 30 June 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments (effective 30 June 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective 1 January 2009)
IFRS 2	Share-based Payment - Amendment relating to vesting conditions and cancellations (effective 1 January 2009)
IFRS 2	Share-based Payment – Amendments resulting from April 2009 Annual Improvements to IFRSs(effective 1 July 2009)
IFRS 2	Share-based Payment – Amendments relating to Group cash-settled share-based payment transactions (effective 1 January 2010)
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from April 2009 Annual Improvement to IFRSs(effective 1 January 2010)
IFRS 7	Financial Instruments: Disclosures- Amendments enhancing disclosures about fair value and liquidity risk (effective 1 January 2009)
IFRS 8	Operating Segments- Amendments resulting from April 2009 Annual improvements to IFRSs(effective 1 January 2010)
IFRS 8	Operating segments (effective 1 January 2009)
IFRIC 15	Agreements for the construction of Real Estate (effective 1 January 2009)
IFRIC 16	Hedges of a Net Investments in a Foreign Operation (effective 1 October 2008)
IFRIC 17	Distributions of Non-Cash Assets to Owners (effective 1 July 2009)
IFRIC 18	Transfers of Assets from Customers (effective 1July 2009)

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

3. ACCOUNTING POLICIES

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

(a) **Basis of preparation**

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

(b) **Dividend and interest income**

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

(ii) Interest receivable from bank and short term deposits is credited to the Income and Distribution Statement on an accrual basis.

(c) **Deferred taxation**

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

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

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

(d) **Cash and cash equivalents**

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

(e) **Investment valuation**

Fair value is determined as follows:

The Company classifies its investments as fair value through profit or loss ("FVTPL"). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments 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.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in the Income Statement and subsequently transferred to investment revaluation reserve, as the gains/losses are not distributable.

The gains and losses on disposal of FVTPL assets are recognised in the Income Statement. Gains or losses on disposal of quoted and overseas investment are subsequently transferred to surplus on realisation of investments.

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

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

- Investments quoted on the local market are valued on the basis of the market prices prevailing at year end or at the trading sessions immediately preceding the year end.
- Dividends received in specie are debited and credited to investment account and due adjustments made to capital account on revaluation of investments.

(f) **Financial instruments**

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

Measurement

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

(i) *Investments*

Investments in equity securities are stated at fair value. The accounting policy for investment securities is disclosed in note 3(e).

(ii) *Accounts receivable*

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

(iii) *Cash and cash equivalents*

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

(iv) *Accounts payable*

Accounts payable are stated at their amortised cost.

(v) *Units*

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

(g) **Impairment**

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

(h) **Provisions**

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

(i) **Equalisation**

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

(j) **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5. PORTFOLIO OF DOMESTIC SECURITIES

(i) **Fair-value-through profit and loss**

	Quoted	**Development & Enterprises Market**	**Total**
	Rs	Rs	Rs
At fair value			
At 1 July 2008	934,747,080	20,018,205	954,765,285
Additions	-	105,559	105,559
Disposals	(70,112,255)	(7,448,000)	(77,560,255)
Deficit on revaluation	(239,077,382)	(2,902,841)	(241,980,223)
At 30 June 2009	**625,557,287**	**9,773,078**	**635,330,366**
At 30 June 2008	934,747,080	20,018,205	954,765,285
Sales proceeds	**58,802,624**	**6,679,327**	**65,481,951**

(ii) **Details of domestic securities**

	Fair value 2009 Rs	Portfolio 2009 %
LEISURE AND TOURISM		
Official List		
New Mauritius Hotels Limited	112,278,417	17.67
Sun Resorts Limited	68,828,643	10.83
Naiade Resort Ltd	13,308,750	2.09
Development & Enterprises Market		
Casino Ltd (Knowledge Economies Ltd)	2,554,420	0.40
	196,970,230	30.99
BANK, INSURANCE AND FINANCE		
Official List		
The Mauritius Commercial Bank Ltd	163,787,652	25.78
State Bank of Mauritius Ltd	151,146,310	23.79
Mauritian Eagle Insurance Co Ltd	3,122,200	0.49
Swan Insurance Co. Ltd	2,511,696	0.40
	320,567,858	50.46
COMMERCE		
Official List		
Shell Mauritius Limited	2,285,640	0.36
PROPERTY AND CONSTRUCTION		
Official List		
Caudan Development Limited	563,200	0.09
Development & Enterprises Market		
COVIFRA Ltée	206,064	0.03
	769,264	0.12
FOOD AND BEVERAGES		
Official List		
Innodis Limited	299,733	0.05
Phoenix Beverages Ltd	6,174	-
Development & Enterprises Market		
Les Moulins de la Concorde Ltée	47,257	0.01
	353,164	0.06

	Fair value 2009 Rs	Portfolio 2009 %
MANUFACTURING AND INDUSTRIAL		
Official List		
Mauritius Oil Refineries Limited	2,770,187	0.44
United Basalt Products Limited	7,958,851	1.25
Development & Enterprises Market		
Chemco Ltd	21,750	-
CIEL Textile Ltd	23,328	-
Espitalier Noel Ltd - Preference Shares	732,000	0.12
United Docks	445,000	0.07
	11,951,116	1.88
CONGLOMERATE		
Official List		
Ireland Blyth Ltd	15,438,203	2.43
Rogers and Company Ltd	49,113,820	7.73
	64,552,023	10.16
SUGAR INDUSTRY		
Official List		
Harel Freres Ltd	649,994	0.10
Omnicane Limited	27,180,093	4.28
The Mount Sugar Estates Company Limited	461,940	0.07
Development & Enterprises Market		
Alma Investment Co Ltd	521,560	0.08
Deep River Beau Champ Ltd - Preference Shares	286,875	0.05
Flacq United Estates Ltd - Ordinary Shares	2,828,520	0.45
Medine Share Holdings	437,400	0.07
The Union Sugar Estate Ltd	792	-
	32,367,174	5.10
INVESTMENTS		
Official List		
British American Investment Co. (Mauritius) Ltd	1,928,766	0.30
Belle Mare Holdings	272,800	0.04
Development & Enterprises Market		
Ciel Investment Limited	1,822,974	0.30
Excelsior United Development Companies Ltd	6,097	-
Forward Investment and Development Enterprises Limited	3,720	-
Phoenix Investment	280,320	0.04
	4,314,677	0.68
AIR TRANSPORT		
Official List		
Air Mauritius Limited	1,199,220	0.19
TOTAL VALUE OF DOMESTIC SECURITIES Rs	**635,330,366**	**100.00**

(iii) **Portfolio changes**

HOLDINGS SOLD DURING THE YEAR

Official List
British American Investment Co Ltd (Ord)
Mauritius Commercial Bank Ltd (Ord)
New Mauritius Hotels Ltd (Ord)
Rogers Ltd (Ord)
State Bank of Mauritius Ltd (Ord)
Sun Resorts Ltd (Ord)

Development & Enterprises Market
Deep River Beau Champ (Ord)
Beau Champ Holdings Company Limited

HOLDINGS ACQUIRED DURING THE YEAR

Development & Enterprises Market
Ciel Investment

6. **ACCOUNTS RECEIVABLE**

		2009 Rs	**2008** Rs
Trade receivables		223,907	445,648
Amount due by NIT Global Opportunities Fund		-	473,900
	Rs	**223,907**	**919,548**

Trade receivables represent dividend receivable from listed and DEM companies which is accrued on the basis of the date of dividend declaration.

There are no past due dividend receivable.

7. **ACCOUNTS PAYABLE**

		2009 Rs	**2008** Rs
Other payables		9,510,855	8,115,124
Accruals		12,068,307	4,198,013
	Rs	**21,579,162**	**12,313,137**

The company has financial risk management policies in place to ensure that all payables are paid within the timeframe.

8. **LOAN**

		2009 Rs	2008 Rs
Balance at 1 July		80,099,273	-
Additions		-	100,000,000
Repayments		(68,967,178)	(19,900,727)
Balance at 30 June	Rs	**11,132,095**	**80,099,273**

The above loan due to National Investment Trust Ltd is unsecured, repayable at call and bears an interest rate of 5.5% to 8% p.a. (2008: 8% p.a.)

9. **FINANCE COSTS - DISTRIBUTIONS TO UNITHOLDERS**

		2009 Rs	2008 Rs
Final distribution of Re 0.02 per unit (2008 Re 0.005)	Rs	**18,263,631**	**4,473,886**

10. **TAXATION**

(i) **Income tax**

Income tax is charged on the net income of the Fund, as adjusted for tax purposes, at the rate of 15 %(2008: 15 %) as follows:

		2009 Rs	2008 Rs
Provision for current period		36,958	28,598
Taxation charge	Rs	**36,958**	**28,598**

(ii) **Tax reconciliation**

		2009 Rs	2008 Rs
Net income before taxation	Rs	18,300,589	4,502,484
Tax at 15%		2,745,088	675,373
Tax effects of:			
- Exempt income		(3,954,350)	(1,366,644)
- Expenses attributable to exempt income		1,246,220	719,869
Taxation expense	Rs	**36,958**	**28,598**

(iii) **Deferred tax**

The Fund had no deferred tax asset/liability at 30 June 2009.

11. MANAGER'S FEES

		2009	2008
		Rs	Rs
These comprise fees payable to:			
National Investment Trust Ltd	Rs	5,514,288	2,410,372

Manager's fees payable to the Fund's Investment Manager, National Investment Trust Ltd is based on 1% of the Net Asset Value of the Fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

12. TRUSTEE'S FEES

Trustee's fees payable to State Bank of Mauritius Ltd are determined on the basis of a scale determined by the trustee in consultation with the manager. The trustee fees amounted to Rs 150,000 per year and are payable half yearly in arrears.

13. UNITS

(a) Movements in units during the period:

	2009	
	Units	**Rs**
Net assets attributable to unitholders at 01 July 2008	948,162,524.90	863,136,318
Units created	12,072,668.51	7,336,087
Units liquidated	(49,574,074.68)	(31,196,986)
Loss for the period	-	(254,058,526)
Net assets attributable to unitholders at 30 June 2009	**910,661,118.70**	**585,216,893**

(b) Net asset value per unit:

		2009	2008
		Rs	Rs
Ex-div	Rs	0.64	0.91

(c) Prices per unit at 30 June 2009 (valuation date):

		2009	2008
		Rs	Rs
Issue price	Rs	0.67	0.91
Repurchase price	Rs	0.64	0.86

14. ENTRY AND EXIT FEE

On the issue of units,an entry fee of 1% (2008: 1%) of the capital and income values of the units is paid by the unitholder to the Fund and,on the repurchase of units,an exit fee of 4% (2008: 5%) of the capital and income values of the units is paid by the unitholder to the Fund.The sums collected are then remitted to the manager.

15. RELATED PARTY TRANSACTIONS

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

			2009 Rs	2008 Rs
(i)	*Outstanding balances*			
	Receivable from related parties			
	NIT Global Opportunities Fund	Rs	-	473,900
	Payable to related parties			
	National Investment Trust Ltd		32,486,257	92,344,909
	State Bank of Mauritius Ltd		75,000	37,500
		Rs	32,561,257	92,382,409
	Bank balances and short term deposits with			
	State Bank of Mauritius Ltd	Rs	674,466	4,366,379
(ii)	*Manager's fees to*			
	National Investment Trust Ltd	Rs	5,514,288	2,410,372
(iii)	*Trustee's fees to*			
	State Bank of Mauritius Ltd	Rs	150,000	37,500
(iv)	*Interest income from*			
	State Bank of Mauritius Ltd	Rs	355,239	343,449
(v)	*Bank charges payable to*			
	State of Mauritius Ltd	Rs	6,414	8,085

Compensation to key management personnel

There was no compensation to key management personnel for the period ended 30 June 2009. (2008: Nil)

16. FINANCIAL INSTRUMENTS

Capital risk management

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern. The capital structure of the Fund consists of cash and cash equivalents and net assets attributable to unitholders.

Gearing ratio

The Fund reviews the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with each class of capital. The Fund has a target gearing ratio of 10% determined as the proportion of net debt to equity.

The gearing ratio at the year end was as follows:

	2009 Rs	2008 Rs
Debt (i)	11,132,095	80,099,273
Cash and cash equivalents	(674,466)	(4,366,379)
Net debt	10,457,629	75,732,894
Equity (ii)	585,216,893	863,136,318
Net debt to equity ratio	*2%*	*9%*

(i) Debt is defined as loan, as detailed in note 8.

(ii) Equity is defined as net assets attributable to unitholders.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Fair values

The carrying amounts of financial assets and liabilities approximate to their fair values due to the short term nature of the balances involved.

Categories of financial instruments

		2009 Rs	**2008** Rs
Financial assets			
Investments at fair value through profit or loss (FVTPL)		635,330,366	954,765,285
Accounts receivable		223,907	919,548
Cash and cash equivalents		674,466	4,366,379
	Rs	**636,228,739**	**960,051,212**
Financial Liabilities			
Accounts payable, at amortised cost		32,711,257	92,412,410
Distribution to unitholders		18,263,631	4,473,886
	Rs	**50,974,888**	**96,886,296**

Financial risk management objectives

The Fund deals with domestic securities only and manages the financial risks relating to its operations by monitoring the risks and implementing policies to mitigate these risk exposures. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Fund's exposure to market risk is determined by a number of factors, including interest rates and market volatility.

Foreign currency risk management

The Fund is not exposed to any currency risk since all its financial assets and liabilities are denominated in Mauritian Rupees.

Credit risk

The Fund does not have significant concentration of credit risk which is primarily attributable to its trade receivables. Trade receivables consist mainly of dividend receivable from a large number of investee companies spread across diverse industries.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund.

Interest rate risk management

The Fund is exposed to interest rate risk as the Fund has borrowings at fixed interest rates. The risk is managed by the Fund by maintaining adequate cash reserves at floating interest rates.

The interest rate profile of the Fund's financial assets and financial liabilities as at 30 June 2009 was:

	2009 % p.a	**2008** % p.a
Financial assets		
Cash at bank	4.50	7.00
Financial liabilities		
Loan	5.50 to 8.00	8.00

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for loan outstanding at the balance sheet date. The analysis is prepared assuming the amount of loan outstanding at the balance sheet date was due for the whole period. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Fund's results would be affected as follows:

	2009	**2008** Rs
Loss	**522,881**	**3,786,648**

Had the interest rates been 50 basis points lower and all other variables were held constant, there would be an equal and opposite impact on profit.

Other price risks

The Fund is exposed to equity price risks arising from equity investments which the Fund held for trading purposes.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower, equity reserves would increase/decrease by Rs 30.9M as a result of the changes in fair value of the held-for-trading shares.

Liquidity risk management

The Fund manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Fund's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Fund can be required to earn or pay.

2009	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
Financial assets							
Non interest bearing		-	223,907	-	-	635,330,366	635,554,273
Variable interest rate instruments	4.5%	674,466	-	-	-	-	674,466
		Rs 674,466	223,907	-	-	635,330,366	636,228,739
Financial liabilities							
Non interest bearing	n/a	-	90,000	135,000	35,699,145	-	35,939,145
Variable interest rate instruments	5.5%	15,050,743	-	-	-	-	15,050,743
		Rs 15,050,743	**90,000**	**135,000**	**14,999,382**	-	**50,974,888**

2008	Weighted average effective interest rate % p.a	At call Rs	Less than 1 month Rs	1-3 months Rs	3 months to 1 year Rs	More than 1 year Rs	Total Rs
Financial assets							
Non interest bearing		-	445,648	-	-	954,765,285	955,684,833
Variable interest rate instruments	4.5%	4,366,379	-	-	-	-	4,366,379
		Rs 4,366,379	445,648	-	-	954,765,285	960,051,212
Financial liabilities							
Non interest bearing	n/a	-	15,000	52,500	14,999,382	-	15,066,882
Variable interest rate instruments	5.5%	81,819,414	-	-	-	-	81,819,414
		Rs 81,819,414	**15,000**	**52,500**	**14,999,382**	-	**96,886,296**

NIT Global Opportunities Fund Annual Report 2009

NIT GOF Trust Constitution

The NIT GLOBAL OPPORTUNITIES FUND is constituted under the NIT UNIT TRUST which is authorized under the Unit Trust Act 1989 and established by a Trust Deed dated 19th & 26th October 2007 between the National Investment Trust Ltd ("The Manager") and the State Commercial Bank Ltd ("The Trustee").

NIT GOF Trust Objective

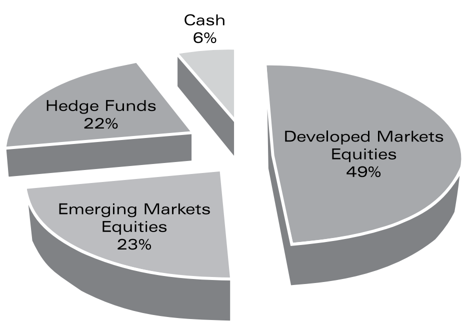
The investment objective of the NIT GLOBAL OPPORTUNITIES FUND is to produce both income and capital growth from a diversified portfolio of international securities. Investment can be made in overseas equities, fixed-interest securities and other financial assets.

Manager's Report

We are pleased to present a report of the NIT GLOBAL OPPORTUNITIES FUND for the period ended 30 June 2009.

Performance Review

Investment Breakdown at 30 June 2009



Capital

For the period under review, the Fund's Capital Value per unit decreased by about 8.9% as it fell from Rs 0.91 on 1 July 2008 to reach Rs 0.86 on 30 June 2009. A detailed analysis of the performance of our portfolio of foreign investments is set out below:

	Realised Currency Gains/ (Losses)	**Realised Capital Gains/ (Losses)**	*Unrealised Gains/ (Losses) on Currency*	*Unrealised Gains/ (Losses) on Capital*	**Total**
	Rs (000)	Rs (000)	Rs (000)	Rs (000)	Rs (000)
Portfolio	11,369	(10,188)	61,258	(92,798)	(30,359)

For the year under review, our portfolio of overseas investments posted a negative result of Rs 30.4m which, based on the portfolio valuation of 1 July 2008, represents a depreciation of about 8.9%. In USD terms, with the MSCI World Index down 30.8%, the Company's portfolio fell by 23.1%. Such a performance is primarily explained by the fact that about 28% of our portfolio is invested in alternative investments and cash which has mitigated our exposure to equities during such uncertain times. Finally, it is worth noting that during the period under review, the USD has appreciated by 19.2%, 12.5% and 21.1% against the Rupee, the Euro and the GBP respectively. The table below compares the performance of the Funds in which we have invested against their respective benchmarks.

Performances in forex terms from 01.07.08 to 30.06.09

Investment	**%**	**Benchmark (Hedged)**	**%**
UBS	-20.3	Msci World	-30.8
In-House Portfolio	-21.4		
JF India	-4.4	Sensex (adj USD)	1.4
JF China	-7.3		
JF Eastern Europe	-53.0	Msci Eastern Europe	-53.1
JF Japan	-31.7	Nikkei 225 (adj USD)	-16.5
JF Latin America	-39.1	Msci Latin America	-35.7
SJPI GAM USD	-19.6	Msci World	-30.8
SJPI THSP USD	-27.0	Msci World	-30.8
SJPI Far East GBP	-3.9	Msci Far east (adj USD)	-0.27
SJPI GAM GBP	-8.7	Msci World (adj GBP)	-9.6
SJPI THSP Pound	-18.8	Msci World (adj GBP)	-9.6

Income

Given the nature of our underlying investments where much of the emphasis is on long-term capital growth, the dividend income received from our holdings has been quite minimal. As such, for the period under review, the Fund has not been able to pay any dividend.

GOF Prospects

The performance of our portfolio is closely linked to the evolution of stock markets around the globe.
Since balance sheet date, markets continued to rally under the influence of improving global economic releases, a supportive financial background and, a good earnings season. As a result, predictions of economic growth have been picking up fast with the IMF forecasting world growth to reach 3.1% in 2010, 1.2 percentage points more than its April forecast.

Such expectations that the global economy is on the mend together with, low interest rates as additional stimulus measures, like subsidies and quantitative easing, remain in place; have caused investors to flock back into higher-yielding products thereby leading to a surge in asset prices from equities to corporate and agency bonds. In fact, equity market indexes around the world showed double-digit growth in both the second and third quarters while, spreads on investment-grade corporate bonds over Treasuries have fallen dramatically, and high-yield bonds have been among the best performers in fixed income this year.

Turning to currency markets, with fundamentals in Japan and the euro-zone stronger than in the UK and the US, the yen and euro have strengthened, while sterling remained notably weak and the US dollar continued to fall sharply. In fact, based on current economic fundamentals, a weaker dollar is what should be expected, given the relative cyclical weakness of America's economy. Thanks to the hangover from its financial crisis, America's recovery will be slower than that of other economies, especially emerging ones. That suggests America's monetary policy will stay looser for longer, pushing the dollar down. Another factor that contributed to the U.S. dollar's recent fall is the reverse of the previous flight to safe haven on the back of returning appetites for risky investments. Such a slide has unnerved policymakers in economies whose currencies are rising, notably Brazil, where a 2% tax on foreign capital inflows has been imposed.

On the commodities front, gold prices have surged, moving beyond US$1,000 in early October on the back of not only fears about the value of the U.S. currency, but also concerns about inflation. Although inflation expectations have risen only modestly so far, they could prove tricky going forward for central banks to manage as the economic recovery kicks in. In fact, the pending avalanche of government debt about to be unloaded on world financial markets and the need to finance it during the coming years, could lead to political pressure on central banks to print money to buy much of the newly issued debt.

Against such a background, our current stance remains one of caution. In fact, although the immediate outlook for share prices is not certain, we believe that global equity markets continue to represent potentially good value over a longer-term time horizon. Having said that, we also believe that the current environment favours a dynamic approach to portfolio management.

Independent auditor's report to the unitholders of the NIT Global Opportunities Fund constituted under the NIT Unit Trust

This report is made solely to the Fund's unit holders, as a body. Our audit work has been undertaken so that we might state to the Fund's unit holders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's unit holders 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 NIT Global Opportunities Fund on pages 53 to 70 which comprise the statement of assets and liabilities as at 30 June 2009 and the statement of movements in net assets, income and distribution statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibilities of manager and trustee

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements on pages 53 to 70 give a true and fair view of the financial position of the Fund as at 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Trust Deed.

Report on other legal requirements

In accordance with the requirements of the Trust Deed, we report as follows:

- we have no relationship with, or interests in, the Fund other than in our capacities as auditors and tax advisors;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Fund as far as appears from our examination of those records.

Kemp Chatteris Deloitte
Chartered Accountants
3rd Floor, Cerné House
La Chaussée, Port Louis

Statement of Assets and Liabilities at 30 June 2009

	Notes	2009 Rs	2009 % of Fund	2008 Rs	2008 % of Fund
ASSETS					
Non-Current Assets					
Portfolio of International Securities	5	378,456,510	102.29	438,422,979	100.47
Current Assets					
Accounts receivable	6	-	-	1,429,217	0.33
Cash at bank		1,808,076	0.49	1,978,865	0.45
		1,808,076	0.49	3,408,082	0.78
TOTAL ASSETS		380,264,586	102.78	441,831,061	101.25
LIABILITIES					
Current Liabilities					
Accounts payable	7	10,284,489	2.78	5,472,299	1.25
TOTAL LIABILITIES		10,284,489	2.78	5,472,299	1.25
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	Rs	**369,980,097**	**100.00**	**436,358,762**	**100.00**

Approved by the Manager of the NIT Global Opportunities Fund and authorised for issue on 30 October 2009.

The Manager

Statement of Movements in Net Assets

for the year ended 30 June 2009

		Investments Rs	Other net assets Rs	Total Rs
NET ASSETS TRANSFERRED FROM NATIONAL INVESTMENT TRUST AS PER TRUST DEED DATED 19th AND 26th OCTOBER 2007		501,899,975	46,200,025	548,100,000
Cash received for units created		-	7,108,882	7,108,882
Cash paid for units liquidated		-	(73,030,928)	(73,030,928)
NET CASH MOVEMENT FROM UNITS		-	(65,922,046)	(65,922,046)
Net cost of investments purchased		50,179,620	(50,179,620)	-
Proceeds from sale of investments		(69,925,648)	69,925,648	-
NET CASH MOVEMENT FROM INVESTMENTS		(19,746,028)	19,746,028	-
Loss after loss on investments for the period		-	(45,819,192)	(45,819,192)
Transfer of loss on investments		(43,730,968)	43,730,968	-
		(43,730,968)	(2,088,224)	(45,819,192)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2008	Rs	438,422,979	(2,064,217)	436,358,762
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 JULY 2008		438,422,979	(2,064,217)	436,358,762
Cash received for units created		-	2,766,306	2,766,306
Cash paid for units liquidated		-	(34,101,258)	(34,101,258)
NET CASH MOVEMENT FROM UNITS		-	(31,334,952)	(31,334,952)
Net cost of investments purchased		92,775,838	(92,775,838)	-
Proceeds from sale of investments		(122,960,042)	122,960,042	-
NET CASH MOVEMENT FROM INVESTMENTS		(30,184,204)	30,184,204	-
Loss after loss on investments for the year		-	(35,043,713)	(35,043,713)
Transfer of loss on investments		(29,782,265)	29,782,265	-
		(29,782,265)	(5,261,448)	(35,043,713)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 30 JUNE 2009	Rs	378,456,510	(8,476,413)	369,980,097

Income and Distribution Statement

for the year ended 30 June 2009

	Notes	Year ended 30 June 2009 Rs	Period from 26 October 2007 to 30 June 2008 Rs
INVESTMENT INCOME			
Dividend income		1,365,364	323,260
Interest income		141,787	238,894
Overseas Interest		71,070	-
		1,578,221	562,154
FUND EXPENSES			
Management fees	9	6,340,217	2,541,857
Audit fees		190,000	15,000
Trustee fees	10	150,000	37,500
Interest Cost		265,825	-
Printing		129,880	15,000
Bank charges		102,071	43,146
		7,177,993	2,652,503
LOSS FROM OPERATING ACTIVITIES		(5,599,772)	(2,090,349)
EQUALISATION			
Income paid on units created		(36,012)	(10,946)
Income received on units liquidated		374,336	13,071
		338,324	2,125
BALANCE BEFORE LOSS ON INVESTMENTS		(5,261,448)	(2,088,224)
Net decrease in fair value of HFT investments		(30,785,372)	(37,280,751)
(Gain)/Loss on disposals of HFT investments		1,003,107	(6,450,217)
		(29,782,265)	(43,730,968)
LOSS AFTER LOSS ON INVESTMENTS	Rs	**(35,043,713)**	**(45,819,192)**

Cash Flow Statement for the year ended 30 June 2009

		Year ended 30 June 2009	Period from 26 October 2007 to 30 June 2008
		Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation (after net loss on investments)		(35,043,713)	(45,819,192)
Adjustments for:			
Interest expense		265,825	-
Dividend income		1,365,364	(323,260)
Interest income		(212,857)	(238,894)
Net decrease in fair value of HFT investments		30,785,372	37,280,751
(Gain)/Loss on disposals of investments		(1,003,107)	6,450,217
Operating loss before taxation		(3,843,116)	(2,650,378)
Movement in working capital			
Accounts receivable		1,429,217	(1,429,217)
Accounts payable		4,812,190	5,472,299
		6,241,407	4,043,082
CASH GENERATED FROM OPERATIONS		2,398,291	1,392,704
Interest paid		(265,825)	-
CASH GENERATED BY OPERATING ACTIVITIES		2,132,466	1,392,704
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investments		(92,775,838)	(50,179,620)
Proceeds from sale of investments		122,960,042	69,925,648
Interest income		212,857	323,260
Dividend income		(1,365,364)	238,894
NET CASH GENERATED FROM INVESTING ACTIVITIES		29,031,697	20,308,182
CASH FLOWS FROM FINANCING ACTIVITIES			
Application money received		-	46,200,025
Net cash movement from units		(31,334,952)	(65,922,046)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(31,334,952)	(19,722,021)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		(170,789)	1,978,865
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD		1,978,865	-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR/ PERIOD	Rs	**1,808,076**	**1,978,865**

Notes to the Financial Statements

for the year ended 30 June 2009

1. GENERAL INFORMATION

The NIT Global Opportunities Fund is a public open-ended collective investment scheme which is constituted under NIT Unit Trust. It was established by a Trust Deed dated 19th and 26th October 2007 made between National Investment Trust Ltd ("The Manager") and State Bank of Mauritius Ltd ("The Trustee").

The investment objective of the NIT Global Opportunities Fund is to produce both income and capital growth from a diversified portfolio of assets. Investments are mostly in equities and fixed interest securities in the international stock market.

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

The Fund has adopted all of the new and revised standard and interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2008.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Comprehensive revision including requiring a statement of comprehensive income (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 1	Presentation of Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 1	Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 7	Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 16	Property, Plant and Equipment - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 19	Employee Benefits - Amendments resulting from May 2008 Annual improvement to IFRSs (effective 1 January 2009)
IAS 20	Government Grants and Disclosure of Government Assistance - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 23	Borrowing Costs - Comprehensive revision to prohibit immediate expensing (effective 1 January 2009)
IAS 23	Borrowings Costs - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 27	Consolidated and Separate Financial Statements - Amendment relating to cost of an investment on first time adoption (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)

IAS 28	Investments in Associates - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 28	Investments in Associates - Amendments resulting from May 2008 Annual improvements to IFRSs (effective 1 January 2009)
IAS 29	Financial Reporting in Hyperinflationary Economies - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 31	Interests in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 31	Interests in Joint Ventures - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 32	Financial Instruments: Presentation - Amendments relating to puttable instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 36	Impairment of Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 38	Intangible Assets - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 38	Intangible Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments (effective 1 July 2009)
IAS 39	Financial Instruments: Recognition and Measurement – amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 40	Investment Property - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IAS 41	Agriculture - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 January 2009)
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective 1 January 2009)
IFRS 2	Share-based Payment - Amendment relating to vesting conditions and cancellations (effective 1 January 2009)
IFRS 2	Share-based Payment - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 July 2009)
IFRS 2	Share-based Payment – Amendments relating to Group cash-settled share-based payment transactions (effective 1 January 2010)
IFRS 3	Business Combinations - Comprehensive revision on applying the acquisition method (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from May 2008 Annual Improvements to IFRSs (effective 1 July 2009)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 7	Financial Instruments - Disclosures - Amendments enhancing disclosures about fair value and liquidity risk (effective 1 January 2009)
IFRS 8	Operating segments (effective 1 January 2009)
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRIC 15	Agreements for the Construction of Real Estate (effective 1 January 2009)
IFRIC 16	Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
IFRIC 17	Distributions of Non-Cash Assets to Owners (effective 1 July 2009)
IFRIC 18	Transfers of Assets from Customers (effective 1 July 2009)

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

3. **ACCOUNTING POLICIES**

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

(a) **Basis of preparation**

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

(b) **Dividend and interest income**

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

(ii) Interest receivable from bank and short term deposits is credited to the Income and Distribution Statement on accrual basis.

(c) **Deferred taxation**

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

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

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

(d) **Cash and cash equivalents**

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

(e) **Investment Valuation**

Fair value is determined as follows:

The Company classifies its investments as fair value through profit or loss ("FVTPL"). Purchases and sales of investments are recognised on the trade-date basis – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value for all financial assets. Investments 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.

Unrealised gains or losses arising from changes in fair value of FVTPL assets are included in the Income Statement and subsequently transferred to investment revaluation reserve, as the gains/losses are not distributable.

The gains and losses on disposal of FVTPL assets are recognised in the Income Statement. Gains or losses on disposal of quoted and overseas investment are subsequently transferred to surplus on realisation of investments.

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

The fair values of the overseas investments are determined by reference to the available bid price or market price prevailing at balance sheet date or according to the trading session immediately preceding the balance sheet date.

(f) **Financial instruments**

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

Measurement

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

(i) *Investments*
Investments in equity securities are stated at fair value. The accounting policy for investment securities is disclosed in note 3(e).

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

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

(iv) *Accounts payable*
Accounts payable are stated at their amortised cost.

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

(g) **Impairment**

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

(h) **Provisions**

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

(i) **Equalisation**

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

(j) **Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5. PORTFOLIO OF INTERNATIONAL SECURITIES

Fair-value-through profit and loss

	2009 Rs	**2008** Rs
At fair value		
At 1 July	438,422,979	501,899,975
Additions	92,775,838	50,179,620
Disposals	(121,956,935)	(76,375,865)
Deficit on revaluation	(30,785,372)	(37,280,751)
At 30 June	378,456,510	438,422,979
Sales proceeds	**122,960,042**	**69,925,648**

5.1. PORTFOLIO OF OVERSEAS INVESTMENT EQUITIES

	HOLDINGS 2009	**MARKET VALUE 2009** USD	**MARKET VALUE 2009** Rs	**% OVERSEAS PORTFOLIO 2009**
UNITED STATES OF AMERICA				
ABB	900	14,202	447,874	0.12
Accenture	500	16,730	527,597	0.14
Adobe Systems	600	16,980	535,481	0.14
Allstate Corporation	100	2,440	76,948	0.02
Altria Group	300	4,917	155,062	0.04
AMR	800	3,216	101,419	0.03
Apple	150	21,365	673,767	0.18
Baker Hughes Incorporation	400	14,576	459,668	0.12
Bank of America	273	3,604	113,655	0.03
Barrick Gold	800	26,840	846,426	0.22
Best Buy	400	13,396	422,456	0.11
Boeing	250	10,625	335,070	0.09
Canadian Nat Railway Co	350	15,036	474,176	0.13

	HOLDINGS 2009	MARKET VALUE 2009 USD	MARKET VALUE 2009 Rs	% OVERSEAS PORTFOLIO 2009
UNITED STATES OF AMERICA				
Cisco Systems	800	14,912	470,265	0.12
Delphi	2,000	130	4,100	0.0013
EMC Corporation	1,000	13,042	411,292	0.11
Encana Corporation	250	12,368	390,037	0.10
Fannie Mae	250	145	4,572	0.0012
Fedex	200	11,124	350,806	0.09
General Electric Co	1,000	11,720	369,602	0.10
Goldman Scahs	180	26,539	836,934	0.22
Google	60	25,295	797,703	0.21
Halliburton Hldg	800	16,560	522,236	0.14
Hewlett Packard	400	15,460	487,546	0.13
Intel	1,000	16,550	521,921	0.14
JP Morgan Chase	400	13,644	430,277	0.10
KB Home	800	10,944	345,130	0.09
Kellogg	300	13,971	440,589	0.12
Kraft Foods	600	15,204	479,473	0.13
Mc Donald's	350	20,122	634,567	0.17
Medtronics	300	10,467	330,087	0.09
Microsoft	1,000	23,770	749,612	0.20
Myriad Genetics	1,650	58,823	1,855,042	0.48
Myriad Pharmaceutical	412	1,916	60,423	0.02
News Corporation Ltd	1,000	10,570	333,335	0.09
Oracle Corporation	900	19,278	607,951	0.16
Petro Canada	390	14,984	472,535	0.12
Pfizer Inc	900	13,500	425,736	0.11
Philip Morris Int'l	300	13,086	412,680	0.11
Procter&Gamble	300	15,330	483,447	0.13
Symantec Corp	1,000	15,560	490,700	0.13
Teva Pharmaceuticals	700	34,538	1,089,190	0.29
Time Warner	1,000	11,017	347,432	0.09
Toll Brothers	800	13,576	428,133	0.11
United Technologies	300	15,588	491,583	0.13
UBS Equity Fund - USA	16,000	1,080,800	34,084,109	9.01
UBS SEC POR-US EMU B	2,220	251,992	7,946,819	2.10
UBS SECPOR-US COD B	2,790	207,381	6,539,967	1.73
UBS SECPOR-US IND B	2,285	165,411	5,216,402	1.38
UBS SECPOR-US CST B	1,420	155,746	4,911,606	1.30
UBS SECPOR-US HCA B	2,460	219,284	6,915,340	1.83
UBS SECPOR-US FIN B	3,200	136,512	4,305,042	1.14
UBS SECPOR-US ITT B	2,990	281,718	8,884,259	2.35
UBS KS SUSEQUSPA	9,890	104,636	3,299,801	0.87
		3,277,140	103,347,880	27.31

	HOLDINGS 2009	MARKET VALUE 2009 USD	MARKET VALUE 2009 Rs	% OVERSEAS PORTFOLIO 2009
EUROPE-EURO ZONE EXCLUDING UK				
Alcatel-Lucent	1,700	4,263	134,438	0.04
Ahold	800	9,362	295,240	0.08
Alstom	250	14,747	465,061	0.13
AXA	400	7,513	236,930	0.06
Basf	280	11,381	358,911	0.09
Deutsche Post	400	5,209	164,271	0.04
EADS	700	11,682	368,403	0.11
Infineon Technologies	1,000	3,693	116,463	0.03
Siemens AG	125	8,834	278,589	0.07
Technip	300	14,682	463,011	0.13
Tui	700	5,150	162,410	0.04
Vivendi Universal	450	10,752	339,075	0.09
UBS Equity Fund - Euro Countries	1,100	138,569	4,369,912	1.15
UBS SEC POR-EMU EMUB	375	62,961	1,985,538	0.52
UBS SEC POR-EMU FINB	670	64,356	2,029,531	0.54
UBS SEC POR-EMU ITTB	270	34,937	1,101,773	0.29
UBS SECPOR-EMU CDIB	195	24,431	770,456	0.20
UBS SECPOR-EMU INDB	165	20,360	642,073	0.17
UBS SECPOR-EMU CSHB	200	26,953	849,990	0.22
		479,835	15,132,075	4.00
UNITED KINGDOM				
BAE Systems	1,900	10,592	334,029	0.09
Barclays	2,300	10,719	338,034	0.09
BHP Billiton Plc	600	13,478	425,042	0.11
Carnival Corporation	400	10,308	325,073	0.09
Glaxo Smith Kline	500	17,670	557,242	0.15
Kingfisher	5,000	14,640	461,687	0.12
Prudential	800	5,448	171,808	0.05
Rolls Royce Group	1,500	8,930	281,617	0.07
Standard Chartered	650	12,203	384,834	0.10
Vectura Group	9,000	10,301	324,852	0.09
UBS Equity Fund - Great Britain B	975	126,560	3,991,196	1.05
		240,849	7,595,413	2.01
JAPAN				
Mits UFG FULGR- ADR	2,000	12,280	387,262	0.10
Panasonic	1,300	17,407	548,947	0.15
JF Japan	6,645	60,066	1,894,255	0.50
		89,753	2,830,464	0.75
BRAZIL				
HSBC-Brazil		255,626	8,061,477	2.13
CHINA				
China Mobile	500	25,040	789,662	0.21
Petrochina	140	15,467	487,768	0.13
Shanda Interactive	350	18,302	577,172	0.15

	HOLDINGS 2009	MARKET VALUE 2009 USD	MARKET VALUE 2009 Rs	% OVERSEAS PORTFOLIO 2009
CHINA (continued)				
SINA	380	11,202	353,266	0.09
JF CHINA	9,101	367,122	11,577,554	3.06
		437,133	13,785,423	3.64
INDIA				
JF India	4,386	659,516	20,798,509	5.50
REGION SPECIFIC EQUITY FUNDS				
UBS Equity Funds - Emmaus B	10,500	208,950	6,589,447	
JF Eastern Europe	15,709	395,741	12,547,534	
JF Latin America	4,240	115,613	3,645,973	
HSBC Global Emerging Markets Equity Freestyle	10,205	93,035	2,933,966	
SJPI/Far East	25,890	631,282	20,117,778	
		1,444,621	45,834,698	12.11
SPECIALISTS FUNDS				
SJPI/GAM Managed USD		329,182	10,381,075	
SJPI/THSP Managed USD		382,617	12,066,220	
SJPI/GAM Managed GBP		242,566	7,730,145	
SJPI/THSPManaged GBP		397,508	12,667,839	
		1,100,465	42,845,279	11.32
TOTAL OVERSEAS EQUITIES		7,984,938	260,231,219	68.76
PROPERTY				
UBS WM Global Property	32,100	350,172	11,043,024	2.92
ALTERNATIVE INVESTMENTS				
Gam Trading IV	2,800	416,220	13,125,914	
JPY/EUR Bear Ct110	1,100	23,082	727,914	
DCI IRL Feed One	1,600	175,744	5,542,263	
Global Division Alt	49,000	577,844	18,222,888	
FS-GLBDUSB	650	65,046	2,051,290	
O' Connor CRPJ	95	144,148	4,545,851	
Emerging Markets 15 UBSL	910	115,643	3,646,916	
MSCI Perles 06 UBSL	26,000	241,415	7,613,263	
Shorty S&P500 Ct09	1,540	53,592	1,690,077	
ShortySX5E Ct09	1,100	54,804	1,728,299	
MDDLEMU Ct05 UBS	280	65,262	2,058,102	
MSCI Perles 08 PXJ	4,810	132,660	4,183,566	
NDDLUK PERL 06 UBSL	1,935	151,271	4,770,482	
PRE DEBIT ACF USD	13,110	110,262	3,477,222	
PRED UBS MMAF USD A	10,583	105,882	3,339,095	
MSCI CT 13 CAD SGA	965	28,684	904,579	
UBS MSA USD	8,800	98,324	3,100,746	
UBS 100 INDEX-FD CH	28	95,434	3,009,607	
		2,655,317	83,738,074	22.13

	HOLDINGS 2009	MARKET VALUE 2009 USD	MARKET VALUE 2009 Rs	% OVERSEAS PORTFOLIO 2009
CASH INVESTMENTS				
BNP IPB - USD A/C		6,676	210,546	
UBS Managed - USD		4,167	131,411	
UBS Managed – EUR		77	2,428	
UBS Managed – CHF		2,086	65,784	
UBS Non-Managed – USD		63,814	2,012,438	
UBS Non-Managed – Euro		53,835	1,697,741	
UBS Non-Managed – GBP		8,001	252,320	
Swissquote – USD		154,428	4,870,041	
Swissquote – Euro		66,118	2,085,097	
Swissquote – CHF		975	30,748	
SBM – USD		285,280	8,996,605	
SBM – EURO		80,048	2,563,391	
SBM – GBP		8,465	269,761	
UBP – USD		384	12,096	
Barclays – USD		7,730	243,786	
		742,084	23,444,193	6.19
TOTAL OVERSEAS INVESTMENTS		11,732,511	378,456,510	100.00

6. ACCOUNTS RECEIVABLE

		2009 Rs	2008 Rs
Application money		-	1,200,025
Other receivables		-	229,192
	Rs	-	**1,429,217**

7. ACCOUNTS PAYABLE

		2009 Rs	2008 Rs
Other payables		5,136,092	3,659,431
Accruals		5,148,397	1,812,868
	Rs	**10,284,489**	**5,472,299**

The company has financial risk management policies in place to ensure that all payables are paid within the timeframe.

8. TAXATION

(i) Income tax

Net income of the Fund, as adjusted for tax purposes is subject to income tax at the rate of 15% (2008: 15%). At 30 June 2009, the fund has a tax loss of Rs939,966 to be carried forward.

(ii) Deferred tax

The Fund had no deferred tax asset/liability at 30 June 2009.

9. MANAGER'S FEES

		2009 Rs	2008 Rs
These comprise fees payable to:			
UBS		2,357,081	1,118,868
St James' Place		358,207	196,522
National Investment Trust Ltd		3,624,929	1,226,467
	Rs	**6,340,217**	**2,541,857**

Manager's fees payable to the fund's Investment manager, National Investment Trust Ltd is based on 1% of the Net Asset Value of the fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

10. TRUSTEE'S FEES

Trustee's fees payable to State Bank of Mauritius Ltd are determined on the basis of a scale determined by the trustee in consultation with the manager.The trustee fees amounted to Rs150,000 per year and are payable half yearly in arrears.

11. UNITS

(a) Movements in units during the period:

	2009	
	Units	**Rs**
Net assets attributable to unitholders at 01 July 2008	477,018,750.70	436,358,762
Units created	3,645,486.52	2,766,306
Units liquidated	(40,163,631.18)	(34,101,258)
Loss for the period	-	(35,043,713)
Net assets attributable to unitholders at 30 June 2009	**440,500,606**	**369,980,097**

(b) Prices per unit at 30 June 2009 (valuation date)

		2009 Rs	2008 Rs
Issue price	Rs	0.85	0.91
Repurchase price	Rs	0.81	0.87

12. ENTRY AND EXIT FEE

On the issue of units,an entry fee of 1% (2008: 1%) of the capital and income values of the units is paid by the unitholder to the Fund and,on the repurchase of units,an exit fee of 4% (2008: 5%) of the capital and income values of the units is paid by the unitholder to the Fund.The sums collected are then remitted to the manager.

13. RELATED PARTY TRANSACTIONS

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

			2009 Rs	2008 Rs
(i)	Outstanding balances			
	Receivable from related parties			
	National Investment Trust Ltd	Rs	-	1,429,217
	Payable to related parties			
	National Investment Trust Ltd		9,987,489	4,885,899
	NIT Local Equity Fund		-	473,900
		Rs	9,987,489	5,359,799
	Bank balances and short term deposits with			
	State Bank of Mauritius Ltd	Rs	1,808,076	1,978,865
(ii)	Manager's fees to			
	National Investment Trust Ltd	Rs	3,624,929	1,226,467
(iii)	Trustee's fees to			
	State Bank of Mauritius Ltd	Rs	150,000	37,500
(iv)	Interest income from			
	State Bank of Mauritius Ltd	Rs	141,787	238,894
(v)	Bank charges payable to			
	State Bank of Mauritius Ltd	Rs	7,163	8,026

Compensation to key management personnel

There was no compensation to key management personnel for the period ended 30 June 2009. (2008: Nil)

14. FINANCIAL INSTRUMENTS

Capital risk management

The Fund manages its capital to ensure that the Fund will be able to continue as a going concern. The capital structure of the Fund consists of cash and cash equivalents and net assets attributable to unitholders.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Fair values

The carrying amounts of financial assets and liabilities approximate to their fair values due to the short term nature of the balances involved.

Categories of financial instruments

	2009	2008
	Rs	Rs
Financial assets		
Investments at fair value though profit or loss (FVTPL)	378,456,510	438,422,979
Loan and receivables	-	1,429,217
Cash and cash equivalents	1,808,076	1,978,865
	380,264,586	441,831,061
Financial liabilities		
Accounts payable, amortised cost	10,284,489	5,472,299

Financial risk management objectives

The Fund deals with international securities only and manages the financial risks relating to its operations by monitoring the risks and implementing policies to mitigate these risk exposures. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Fund's exposure to market risk is determined by a number of factors, including interest rates and market volatility.

Foreign currency risk management

The Fund undertakes certain transactions denominated in foreign currencies. Consequently, the Fund is exposed to the risk that the carrying amounts of assets and liabilities denominated in foreign currency may change due to fluctuations in foreign exchange rates.

The currency profile of the Fund's financial assets and financial liabilities at 30 June is summarised as follows:

	2009		2008	
	Financial assets	Financial liabilities	Financial Assets	Financial liabilities
Currency	Rs	Rs	Rs	Rs
MUR	1,808,076	10,284,489	3,408,082	5,472,299
USD	322,560,062	-	352,235,732	-
EURO	15,110,925	-	40,263,522	-
GBP	40,785,523	-	45,875,753	-
JPY	-	-	16,002	-
CHF	-	-	31,970	-
Rs	**380,264,586**	**10,284,489**	**441,831,061**	**5,472,299**

The company is mainly exposed to the USD, EURO and GBP.

The following table details the Fund's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates a decrease in profit and equity where the Mauritian Rupee strengthens 10% against the relevant foreign currencies. For a 10% weakening of the Mauritian Rupee against the relevant foreign currencies, there would be an equal and opposite impact on the profit and equity and the balance below would be negative.

		Equity	
		2009	2008
		Rs	Rs
Foreign Currency Impact			
USD		32,256,006	35,223,573
EURO		1,511,093	4,026,352
GBP		4,078,552	4,587,575
JPY		-	1,600
CHF		-	3,197
	Rs	**37,845,651**	**43,842,297**

The above foreign currency impact is mainly attributable to the foreign currency exposure on investment balances.

Credit risk

The Fund does not have significant concentration of credit risk which is primarily attributable to its trade receivables. Trade receivables consist mainly of application money receivable from National Investment Trust Ltd "The Manager".

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund.

Interest rate risk management

The interest rate profile of the Fund's financial assets as at 30 June 2009 was:

	2009	2008
	% p.a	% p.a
Financial assets		
Cash at bank	4.50	7.00

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for loans receivable at the balance sheet date. The analysis is prepared assuming the amount of loan receivable at the balance sheet date was outstanding for the whole year. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Fund's results would be affected as follows:

	2009	2008
	Rs	Rs
Profit	**90,404**	**989**

Had the interest rates been 50 basis points lower and all other variables were held constant, there would be an equal and opposite impact on profit.

Other price risks

The Fund is exposed to equity price risks arising from equity investments which the company held for trading purposes.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 5% higher/lower, net assets attributable to unitholders would increase/decrease by Rs 21,921,149 as a result of the changes in fair value of the held-for-trading shares.

Liquidity risk management

The Fund manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows.

Liquidity and interest risk tables

The following tables detail the Fund's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Fund can be required to earn or pay.

2009	Weighted average effective interest rate		At call	Less than 1 month	1-3 months	3 months to 1 year	More than 1year	Total
	% p.a		Rs	Rs	Rs	Rs		Rs
Financial assets								
Non interest bearing	n/a		-	-	-	-	378,456,510	378,456,510
Variable interest rate instruments	4.50		1,808,076	-	-	-	-	1,808,076
		Rs	**1,808,076**	-	-	-	**378,456,510**	**380,264,586**
Financial liabilities								
Non interest bearing	n/a	Rs	-	**207,000**	**90,000**	**9,987,489**	-	**10,284,489**

2008	Weighted average effective interest rate		At call	Less than 1 month	1-3 months	3 months to 1 year	More than 1year	Total
	% p.a		Rs	Rs	Rs	Rs		Rs
Financial assets								
Non interest bearing	n/a		-	229,192	1,200,025	-	438,422,979	439,852,196
Variable interest rate instruments	4.50		1,978,865	-	-	-	-	1,978,865
		Rs	1,978,865	229,192	1,200,025	-	438,422,979	441,831,061
Financial liabilities								
Non interest bearing	n/a	Rs	-	97,500	15,000	5,359,799	-	5,472,299

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