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National Investment Trust

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*worthy*  
since 1993



Annual Report

*2017*



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# Notice of Meeting

Notice is hereby given that the Annual Meeting of National Investment Trust Ltd (the “Company”) will be held at 10.00 a.m. on Thursday 21st December 2017 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 2017 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 12 October 2017.
4. To elect the existing Directors in accordance with the provisions of the Constitution of the Company and the Companies Act 2001 and, to fix their remuneration.
5. To reappoint Messrs Mazars as Auditors for the current year and to authorise the Board of Directors to fix their remuneration.
6. To authorize and empower the Board of Directors to take all such actions as necessary in its discretion to resolve the issue of interest owed by the State Investment Corporation Ltd in relation to the share purchase agreement.
7. To transact such other business, if any, as may be transacted at an Annual Meeting.

By Order of the Board

**Ah Vee Li Chun Fong**  
Company Secretary  
1 December 2017

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## 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.
2. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 1 December 2017.

## Dear Shareholder,

I am pleased to present the Annual Report of the National Investment Trust Ltd for the year ended 30 June 2017.

This report was approved by the Board of Directors on 22 September 2017.

On behalf of the Board of Directors, I invite you to join us at the Annual Meeting of the Company on:

Date: **21 December 2017**

Time: **10 hours**

Place: **Centre social Marie, Reine-de-la-Paix**

Yours faithfully,



**Gaetan Wong To Wing**  
Chief Executive Officer

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## Corporate Information

### **CHAIRMAN**

Raj Ringadoo

### **DIRECTORS**

Mazahir Adamjee  
Chaya Dawonauth (Resigned on 21 April 2017)  
Veenay Rambarassah  
Nikhil Treebhoohun  
Anjana Ramburuth (Appointed on 12 May 2017)

### **CHIEF EXECUTIVE OFFICER**

Gaetan Wong To Wing

### **Company Secretary**

Ah Vee K. C. Li Chun Fong  
c/o Kingston Marks  
Leoville L'homme Street  
Port Louis

### **AUDITORS**

Mazars  
Chartered Accountants  
4th Floor, Unicorn Centre  
Frère Félix de Valois Street  
Port Louis

### **BANKERS**

SBM (Mauritius) Ltd  
State Bank Tower  
1, Queen Elizabeth II Avenue  
Port Louis  
  
Barclays Bank Mauritius Ltd  
4th Floor Barclays House  
68/68 A Cybercity  
Ebène

### **SHARE REGISTRY & TRANSFER OFFICE**

If you are a shareholder and have inquiries regarding your account, wish to change your name or address, or have questions about lost share certificates, share transfers or dividends, please contact our Share Registry and Transfer Office:  
Ground Floor, Newton Tower  
Sir William Newton Street  
Port Louis

### **REGISTERED OFFICE**

Level 8, Newton Tower  
Sir William Newton Street  
Port Louis

BRN C10011104

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The Company delivers only one copy of shareholder reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is known as "householding" and is intended to eliminate duplicate mailings and reduce expenses. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please contact the Company on (230) 211 54 84.

# Statement of Compliance

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

Reporting Period: 1st July 2016 to 30th June 2017

We, the Directors of National Investment Trust Ltd confirm to the best of our knowledge that the Public Interest Entity ('PIE') has complied with all of its obligations and requirements under the Code of Corporate Governance except for Sections 2.2.3, 2.3.2 (d), 2.3.3, 2.5.3 (c), 2.5.3 (e), 2.6.2 (b), 2.7.3, 2.7.6, 2.8.4, 2.9.2, 2.10.1/2/3, part of Sections 3 and all of sections, 5 and 6. The reason for non-compliance being that given the small size of the Company and the Board, most Corporate Governance and other functions can be discharged by the Board of Directors as a unit and the composition of the Board includes members with appropriate experiences.



Raj Ringadoo  
*Chairman*



Veenay Rambarassah  
*Director*

22 September 2017

# Corporate Governance Report

Good Governance is a fundamental part of the basic principles which have always been applied by The Company and forms an intrinsic part of its Corporate Policy. The Board has thus established procedures to ensure compliance with the provisions of the Mauritius Code of Corporate Governance as applicable.

Given the nature of the Company and the relatively small size of its board, except for the Audit Committee, all other Corporate Governance functions are discharged by the Board of Directors as a unit. This has been specified in the Statement of Compliance which forms an integral part of this report.

The main elements of the governance framework of the Company are disclosed thereafter.

## Shareholding Structure

The stated capital of the Company as at 30 June 2017 consisted of **27,405,000** ordinary shares of MUR 10 each.

### Main Shareholders

The largest shareholders of the National Investment Trust Ltd at **30 June 2017** were as follows:

Main Shareholders	% holding
National Pension Fund	22.3
Pershing LLC	21.6
Firefox Limited	3.7
Others	52.4

## Shareholding Profile

The share ownership and the categories of shareholders at **30 June 2017** are set out hereafter.

No. of Shareholders	Size of Shareholding	No. of Shares owned	% of Total Issued Shares
7,333	1 - 10,000 shares	4,261,111	15
135	10,001 - 100,000 shares	3,732,274	14
33	> 100,000 shares	19,411,615	71
<b>7,501</b>		<b>27,405,000</b>	<b>100</b>

No. of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,355	Individual	4,258,759	31
12	Insurance and Assurance Companies	789,499	6
18	Pension and Provident Funds	3,691,348	27
24	Investment and Trust Companies	560,665	26
92	Other Private Corporate Bodies	4,222,529	10
1	Other Public Sector	180,000	1
<b>7,501</b>		<b>27,405,000</b>	<b>100</b>

No. of Shareholders	Category of Shareholders	No. of Shares owned	% of Total Issued Shares
7,481	Local	21,190,028	77
20	Foreign	6,214,672	23
<b>7,501</b>		<b>27,405,000</b>	<b>100</b>

## Share Price Information

At 30 June 2017, the share price of NIT Ltd was quoted at Rs 25.00 on the Official Market of the Stock Exchange of Mauritius.

Date	Price (Rs)	Yearly Change (%)
June 30, 2011	18.50*	27
June 30, 2012	12.00*	(35)
June 30, 2013	11.18*	(7)
June 30, 2014	25.00*	124
June 30, 2015	21.98*	(12.1)
June 30, 2016	16.75*	(23.7)
June 30, 2017	25.00	43.2

\* Adjusted for bonus issue

## Dividend Policy

The Company has no formal dividend policy. Dividend payments are determined by the profitability of the Company, its cash flow and its future investments.

A final dividend is declared on or about September each year.

Key dividend information over the past 5 years is shown below:

	2013	2014	2015	2016	2017
Dividend per share (Rs)	0.3*	0.75*	0.83*	0.88*	1.00
Dividend cover (times)	0.8	1.03	1.8	0.8	0.7
Dividend yield (%)	2.7	3.0	3.8	5.2	4.0

The final dividend of Rs 1.00 per ordinary share declared in respect of the financial year 2017 will be paid on or around 31 October 2017 to all ordinary shareholders registered at close of business on 12 October 2017.

## Shareholders' Agreement

There is currently no shareholders agreement affecting the governance of the Company by the Board.

## Management Agreement

There is no management agreement with third parties, except with the eight Funds under management namely, the NIT Local Equity Fund, NIT Global Opportunities Fund, NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Healthcare Fund, NIT Global Bond Fund and the NIT Global Value.

## Shareholders' Communication

The Company's Board of Directors places great importance on open and transparent communication with all shareholders. It endeavours to keep them regularly informed on matters affecting the Company by official press announcements, disclosures in the Annual Report and at Annual Meeting of Shareholders, which all Board members are requested to attend.

NIT's Annual Meeting provides an opportunity for shareholders to raise and discuss matters with the Board relating to the Company. Shareholders are encouraged to attend the AGM to remain informed of the Company's strategy and goals.

## Calendar of Forthcoming Events

December 2017	Annual Meeting of Shareholders
15th February 2018	Publication of half-year results to 31 December 2017
15th May 2018	Publication of third quarter results to 31 March 2018
September 2018	Publication of abridged end-of-year results to 30 June 2018 & Declaration of dividend
October 2018	Payment of dividend

## Company's Registered Office

Since October 2009, the registered office of the Company is situated at Level 8 Newton Tower, Sir William Newton Street, Port Louis.



## Company's Constitution

The Company's Constitution is in compliance with the provisions of the Companies Act 2001, the salient features of which are as follows:

- the Company has wide objects and powers;
- the Company may acquire and hold its own shares;
- there are no pre-emptive rights attached to the shares;
- fully paid up shares are freely transferable;
- the quorum for a meeting of Shareholders is 3 Shareholders present or represented holding at least 50% of the share capital of the Company;
- the Board of Directors shall consist of not less than 5 or more than 7 Directors;
- the quorum for a meeting of the Board shall be 2 Directors when the Board shall consist of 2 or 3 members, 3 Directors when the Board shall consist of 4 or 5 members and 4 Directors when the Board shall consist of 6 or 7 members;
- the Directors have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution. The Director so appointed shall hold office only until the next following annual meeting of Shareholders and shall then be eligible for re-election;
- a Director is not required to hold shares in the Company.

A copy of NIT's Constitution is available upon request in writing to the Company Secretary at the registered office of the Company, Level 8 Newton Tower, Sir William Newton Street, Port Louis.

## Board of Directors

The Company has a unitary board of five members, all of whom are Non-Executive Directors and of appropriate calibre, with necessary skills and experience to assist in providing leadership, integrity and commitment to make sound judgments on various key issues relevant to the business of the Company independent of management.

Although the Code of Corporate Governance for Mauritius recommends to have at least two Independent and two Executive Directors, the Directors of the Company believe that the Board composition is adequate due to the presence of Independent Directors on the Board.

The Board of NIT is collectively responsible for promoting the success of the Company and is aware of its responsibility to ensure that the Company adheres to all relevant legislation, complies with the rules of the Official Market of the Stock Exchange of Mauritius and that the principles of good governance are followed and applied throughout the Company.

The Directors perform their duties, responsibilities, and powers to the extent permitted by law. They also ensure that their other responsibilities do not impinge on their responsibilities as a Director of NIT.

The Board has unrestricted access to the records of the Company and also has the right to seek independent professional advice, at the expense of the Company, to enable it to discharge its responsibility effectively.

The Board of Directors has not adopted a Board Charter and is governed by the provision of the Company's Constitution and the Mauritius Companies Act 2001.

## Directors' Profile

### *Raj Ringadoo (Chairman) – Independent Non-Executive*

Mr. Raj Ringadoo is a Chartered Civil Engineer (C.Eng.) from the UK and has worked as a Civil Engineer for three years with the firm of Sir Alexander Gibbs & Partners UK. He holds an Honours Degree in Civil Engineering from University of Manchester, Institute of Science and Technology and an MSc in Construction Management from University of Reading, UK. Mr Ringadoo was formerly Chief Manager at the Development Bank of Mauritius Ltd and, the Chairman of The State Investment Corporation Ltd, the investment arm of the Government of Mauritius. He is currently the Director of Ringadoo Chambers.

Directorship in other listed companies: None

### *Mazahir Adamjee – Independent Non-Executive*

Mr. Mazahir F. E. Adamjee is a Fellow Chartered Accountant. After a successful career in Auditing with Deloitte London, Mr Adamjee joined the Currimjee Group where he was appointed as Director in 1991. In such capacity, Mr Adamjee has acquired an extensive experience in various sectors of economic activity.

Directorship in other listed companies (DEM): Compagnie Immobilière Limitée, Quality Beverages Ltd, Margarine Industries Limited and Soap & Allied Industries Limited.

*Veenay Rambarassah – Non-Executive*

Mr. Veenay Rambarassah is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is currently the Fund Manager and Fund Accountant of the National Pension Fund and the National Savings Fund. He has wide experience in Accounting and Fund management.

Directorship in other listed companies: None

*Anjana Ramburuth-Seesurn- Independent Non-Executive*

Mrs Anjana Ramburuth-Seesurn is a member of the Honourable Society of the Middle Temple (non-practicing) and the Mauritius Bar Association and, is currently Counsel within both the Corporate and Dispute Resolution departments of Appleby both in Mauritius and Seychelles. Prior to joining Appleby, Mrs Ramburuth-Seesurn was a practicing barrister in general private practice with experience in all areas of Mauritian law, including civil, criminal, commercial, corporate, constitutional, matrimonial, employment, insurance and land law matters, and experience in judicial review cases, disciplinary proceedings and domestic and international commercial arbitration.

Directorship in other listed companies: None

*Nikhil Treebhoohun – Independent Non-Executive*

Mr Nikhil Treebhoohun studied economics at the London School of Economics, Financial management at the University of New England, and Development Planning Techniques at the Institute of Social Studies. He has also extensive experience in export development and competitiveness issues gained from being Head of the Trade Section at the Commonwealth Secretariat, Director of the Export Processing Zones Development Authority and Executive Director of the National Productivity and Competitiveness Council in Mauritius and, was also the CEO of Global Finance Mauritius.

Directorship in other listed companies: Terra Mauricia Limited

**Senior Management Profile***Gaetan Wong To Wing – Chief Executive Officer*

Mr Wong is a Fellow of the Institute of Chartered Accountants in England and Wales. After a successful career in Auditing both in the U.K and in Mauritius, he joined the National Mutual Fund Ltd (i.e., the first domestic unit trusts manager) in 1989. He was appointed Acting General Manager in 1997, and guided NMF to the forefront of the local fund management industry with, their flagship fund, the NMF General Fund, being consistently ranked 'best performing' local fund under his stewardship.

Gaetan Wong was a Key player in the setting up of the National Investment Trust Ltd in 1993 and was appointed General Manager of the Company in 2001. Under his leadership, NIT was the first Company to ever carry out a share buy-back operation on the local stock exchange and also a pioneer in promoting total transparency on its investment activities by publishing full details of its investment portfolio. Mr. Wong was appointed as Chief Executive Officer of the Company in 2008 and, was the Architect behind the successful restructuring of NIT that year whereby, the Company was split into three distinct and separate parts with the resulting effect of unlocking significant value to shareholders.

*Teddy Blackburn – Chief Analyst*

Teddy Blackburn joined the Company in 2001 and is the Company's Chief Analyst. He holds postgraduate qualifications in Economics and Applied Finance from Australia.

**Directors' and Officers' Interest in NIT's Shares**

In accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in NIT shares are kept in a Register of Directors' Interests. Consequently, as soon as a Director becomes aware that he is interested in a transaction, or that his holdings or his associates' holdings have changed, the interest should be reported to the Company in writing. The Register of Interests is updated with any subsequent transactions entered into by the Directors and persons closely associated with them.

All new Directors are required to notify in writing to the Company Secretary their direct and indirect holdings in NIT's shares. According to NIT's Constitution, a Director is not required to hold shares in the Company.

Moreover, as pursuant to the Securities Act 2005, NIT registered itself as a reporting issuer with the Financial Services Commission ("FSC") and makes every effort to follow the relevant disclosure requirements. The Company keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other Insiders of NIT Ltd.

The Directors of NIT having direct and/or indirect interests in the ordinary shares of the Company at 30 June 2017 were as follows:

Directors	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Nikhil Treebhoohun	1,440	0	-	-
Gaetan Wong To Wing	-	-	19,366	0.1

#### **Directors' and Officers' Dealings in NIT's Shares**

The Directors of NIT use their best endeavors to follow the rules of the Official Market of the Stock Exchange of Mauritius.

The Directors and officers of the Company are prohibited from dealing in the shares of NIT at any time when in possession of unpublished price-sensitive information, or for the period of one month prior to the publication of the Company's quarterly and yearly results and to the announcement of dividends and distributions to be paid or passed, as the case may be, and ending on the date of such publications/announcements.

Moreover, Directors and officers of NIT are also required to observe the insider trading laws at all times, even when dealing in securities within permitted trading periods.

During the year under review, none of the Directors and officers of NIT dealt with the shares of the Company whether directly or indirectly.

#### **Directors' and Officers' Insurance and Indemnification**

The Directors and officers of NIT benefit from an indemnity insurance cover.

#### **Directors' Appointment**

In accordance with the Company's Constitution, the Board may fill vacancies or appoint additional directors between annual meetings of shareholders provided that, the total number of Directors shall not at any time exceed the number fixed in accordance with the Constitution.

Newly appointed Directors are subject to election by shareholders at the Company's Annual Meeting in their first year of appointment. All Directors hold office for a one-year period but are eligible for reappointment. Consequently, a new Board is elected every year by ordinary resolution at the Company's Annual Meeting.

#### **Board Meetings**

The Board has at least six scheduled meetings each year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the Directors to attend meetings.

Board meetings are convened by giving appropriate notice after obtaining approval of the Chairman. As a general rule, detailed agenda, management reports and other explanatory statements are circulated in advance amongst the Directors to facilitate meaningful, informed and focused decisions at the meetings. To address specific urgent business needs, meetings are at times called at shorter notice.

The Directors may ask for any explanations or the production of additional information and, more generally, submit to the Chairman any request for information or access to information which might appear to be appropriate to him/her. The Board is also regularly informed of the state of business in the sector and its developments and competition.

A quorum of 3 Directors is currently required for a Board meeting.

In addition to the Directors, Senior Management is invited at each Board meeting of the Company.

The minutes of the proceedings of each Board meeting are recorded by the Company Secretary and are entered in the Minutes Book. The minutes of each Board meeting are submitted for confirmation at its next meeting and these are then signed by the Chairman and the Company Secretary.

#### **Board Committees**

Given the nature of the Company and the relatively small size of its board, except for the Audit Committee, all other Corporate Governance functions have continued to be discharged by the Board of Directors as a unit.

## Board and Audit Committee Attendance

Directors	Classification	Board	Audit Committee
Mr R. Ringadoo	Independent Non-Executive	6 out of 6	
Mr M. Adamjee	Independent Non-Executive	6 out of 6	5 out of 5
Mrs Chaya Dawonauth *	Independent Non-Executive	0 out of 5	0 out of 4
Mrs A. Ramburuth-Seesurn **	Independent Non-Executive	1 out of 1	
Mr V. Rambarassah	Non-Executive	6 out of 6	5 out of 5
Mr N. Treebhohun	Independent Non-Executive	4 out of 6	

\* Resigned on 21 April 2017 - \*\* Appointed on 12 May 2017

## Internal Control and Audit

The Company maintains a system of financial control that is designed to provide assurance regarding the keeping of proper accounting records and the reliability of financial information used within the business and for publication. It also ensures compliance with internal procedures, statutory guidelines and regulations, accounting and financial reporting standards.

Given the nature and small size of the Company the Board as a unit is responsible for the Company's system of internal control and for reviewing its effectiveness. In carrying out this function, the Board derives its information from regular management accounts and external audit reports.

As stated above, the Board has unrestricted access to the records of the Company and also has the right to seek independent professional advice, at the expense of the Company, to enable it to discharge its responsibility effectively.

The Board is satisfied that a continual process for identifying, evaluating and managing the Company's significant risks has been in place for the financial year and up to the date of this Annual Report. Furthermore, to date, no material financial problems have been identified that would affect the results reported in these financial statements. The Board confirms that if significant weaknesses had been identified during this review, the Board would have taken the necessary steps to remedy them.

## Risk Management

The Company is constantly faced with a variety of risks, which could adversely affect its performance and financial condition.

The Board is ultimately responsible for the system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Management analyses investments and divestments decisions and recommends them to the Board after having analysed all inherent risks, in terms of returns to be realised, future growth etc.

Some of the prominent risks to which the Company is exposed are:

- *Financial risk*

These risks comprise of market risks (including currency risks, interest rate risks and price risks), credit risks and liquidity risks as reported in note 3 of the financial statements.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The company aims at maintaining flexibility in funding by keeping reliable credit lines available. Management monitors rolling forecasts of the company's liquidity reserve on the basis of expected cash flows.

- *Operational risk*

These risks are defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company's processes are periodically re-evaluated to ensure their effectiveness. Workers and managers at every level fulfill their respective roles to assure that the controls are maintained over time. The risk management process continues throughout the life cycle of the system, mission or activity.

- *Compliance risk*

This risk is defined as the risk of not complying with laws, regulations and policies.

The operations of the Company are compliant with the Occupational Safety and Health Act 2005. Furthermore, the Company has a commitment to the protection of the environment, the welfare of its employees and towards the society at large.

• *Reputational risk*

This risk arises from losses due to unintentional or negligent failure to meet a professional obligation to stakeholders.

The Company's strong reputation revolves around effective communication and building solid relationships. Communication between the Company and its stakeholders has been the foundation for a strong reputation.

Risk management is considered by the Board to be an essential element of business strategy. It is a key responsibility of the Chief Executive Officer of National Investment Trust Limited and his team, and an activity which is overlooked by the Board of Directors.

The Chief Executive Officer of National Investment Trust Limited works with his team to identify potential risks to the Company's business rating identified risks by both probability and severity of impact. Necessary strategies and action plans are then developed to offset or mitigate those risks.

**Statement of Remuneration Philosophy**

**Directors**

The Board fees for the year under review were:

Board Service	Meeting Fees
Annual Director's fee	Rs 486,000

The current monthly remuneration of Rs 8,500 for Chairman and Rs 5,000 for all other Directors is supplemented by an attendance fee of Rs 7,000 and Rs 6,000 per meeting respectively.

Any changes to Board remuneration are submitted to the Annual Meeting of Shareholders for approval.

*Senior Executives*

The Company's policy for determining remuneration for Senior Executives is to:

- Provide a remuneration package that retains and motivates key personnel;
- Ensure that pay levels are internally consistent and are aligned with market rates.

**Code of Ethics**

NIT Ltd, believes that it is essential that all employees within the Company act in a professional manner and extend the highest courtesy to co-workers, visitors, clients and all other stakeholders.

As such, the National Investment Trust Ltd. has adopted a Code of Ethics. The Code is based on the important principle of respect. This fundamental principle applies to the clients, employees, shareholders, and the community in which the company operates.

Moreover, the Code provides guidance to employees as to how to behave both in the immediate internal environment as well as external interactions. It also defines what is regarded as acceptable and not acceptable for the Company as a whole.

All employees have taken cognisance of the National Investment Trust Limited Code of Ethics and are expected to act according to it.

**Related Party Transaction**

Transactions with related parties are disclosed in detail in note 19 of the Financial Statements. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company.

**Health, Safety and Environmental Policies**

The National Investment Trust Ltd believes in providing and maintaining a safe and healthy work environment for all its employees. The objective being the optimization of work efficiency and the prevention of accidents at work through the implementation of safety standards.

Furthermore, the Company carries out its activities in line with best green, environmentally-friendly and energy-saving practices.

**Employee Share Option Plan**

The Company has no employee share option plan.

**Donations**

The Company made no donations during the year.

## Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Company and the Company complies with the Companies Act 2001 and with International Financial Reporting Standards.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Other main responsibilities of the Board of Directors include assessment of the management team's performance relative to corporate objectives, overseeing the implementation and upholding of good corporate governance practices, acting as the central coordination body for the monitoring and reporting of sustainability performance of the Company and ensuring timely and comprehensive communication to all stakeholders on events significant to the Company.

### *Accounting records to be kept*

The Board of Directors shall cause accounting records to be kept that:

- correctly record and explain the transactions of the Company;
- shall at any time enable the financial position of the Company to be determined with reasonable accuracy; and
- enable the Directors to prepare financial statements that comply with the Companies Act 2001 and International Financial Reporting Standards.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether or not the Companies Act 2001 and International Financial Reporting Standards have been adhered to and explain material departures thereto; and
- prepare these financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

The Board of Directors confirms that it endeavors to implement corporate governance best practice. Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business. The financial statements are prepared from the accounting records on the basis of consistent and prudent judgements and estimates that fairly present the state of affairs of the Company.

The Board of Directors confirms that it is satisfied the National Investment Trust Limited has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.



Raj Ringadoo  
Chairman



Veenay Rambarassah  
Director

On behalf of the Board of Directors

22 September 2017

# Statutory Disclosures

## 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.

The Company was granted a CIS Manager Licence on 21st June 2010 and, the NIT Unit Trust was authorized to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005 on 15 January 2013. Consequently, all investment activities carried out by the Company are now subject to certain restrictions.

In October 2015, NIT launched six new thematic/region specific equity funds of funds namely:

NIT North America Fund	A selection of high-profile North American equity funds
NIT Global Value Fund	A selection of international equity funds targeting sectors and companies where The Manager sees value.
NIT Global Bond Fund	A selection of high-profile international fixed-income funds.
NIT Europe Fund	A selection of high-profile European equity funds.
NIT Global Healthcare Fund	A selection of high-profile equity funds targeting global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies funds.
NIT Emerging Markets Fund	A selection of high-profile Emerging Markets equity funds.

## Results and Dividends

The statement of profit or loss and other comprehensive income of the Company for the year ended 30 June 2017 is set out on page 17 of this report. For the financial year under review, the Company's profit after taxation amounted to Rs 31,060,258 (2016-Rs 30,149,103).

The Company has declared and paid dividends of Rs 27,405,000 (2016: Rs 23,979,375) in respect of the financial year 30 June 2017. The directors have performed the required solvency test as required by the Companies Act 2001.

## Directors' Interests

- (a) *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.
- (b) *Directors Service Contracts*  
There are no service contracts between the Company and the Directors.

## Fees payable to the auditors

The fees payable to the auditors for audit services for the year were as follows:

	2017 (Rs)	2016 (Rs)
Audit services	159,224	150,658

## Auditors

The auditors, Mazars, have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted for the approval of the Shareholders of the Company at the next annual meeting.

## Directors

The Directors who served during the year are: *Chairman* - Raj Ringadoo; *Directors* - Mazahir Adamjee, Chaya Dawonauth (Resigned on 21 April 2017), Veenay Rambarassah, Anjana Ramburuth-Seesurn (Appointed on 12 May 2017), Nikhil Treebhoohun.

# Certificate from the Secretary

Under Section 166 (d) of the Companies Act 2001

I certify that, to the best of my knowledge and belief, National Investment Trust Ltd (the "Company") has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 30 June 2017.



Ah Vee K. C. Li Chun Fong  
**Company Secretary**

c/o Kingston Marks  
Leoville L'homme Street  
Port Louis

22 September 2017



# Letter to Shareholders and Unit-Holders

On behalf of the Board of Directors, I am pleased to submit to the shareholders of the Company and the unit-holders of the

eight funds under our management, the audited financial statements, for the year ended 30 June 2017.

## Review of Business

### NIT Ltd

after tax stood at Rs 31.1m compared to Rs 30.1m last year.

### Net Asset Value

For the financial year under review, the Company's Net Asset Value remained more or less stable at Rs 35.50.

A dividend of Rs 1.00 per share has been declared (2016: Rs 0.88 per share).

### Income

On the income side, Total Comprehensive Income

### Prospects

Our performance is closely linked to the evolution of the financial markets in which the funds under our management are invested.

## NIT Funds - Snapshot of Performance at 30 June 2017

NIT Fund	Cumulative Performance						
	1 Month (%)	3 Months (%)	6 Months (%)	1 year (%)	Oct 2015 (%)	3 Years (%)	5 Years (%)
NIT Local Equity Fund	2.1	9.1	16.4	22.5	15.4	5.2	35.9
NIT Global Opportunities Fund	(1.0)	1.0	4.3	15.1	12.1	16.0	39.4
NIT North America Fund	(1.2)	0.6	4.1	15.2	15.2	-	-
NIT Europe Fund	(1.6)	5.9	13.6	17.8	5.4	-	-
NIT Emerging Markets Fund	(0.3)	2.0	11.4	13.2	12.2	-	-
NIT Global Bond Fund	(0.1)	(1.5)	(0.9)	0.4	(4.6)	-	-
NIT Global Healthcare Fund	3.9	2.5	9.9	9.7	4.0	-	-
NIT Global Value Fund	(1.8)	(3.0)	(0.5)	1.6	13.6	-	-

"All performances" information is stated on a NAV-to-NAV basis, net of management fees, including all dividends declared (if any) in the respective measurement periods.

## Some Market Thoughts

Since balance sheet date, global equity markets have continued to record strong gains with volatility stuck at record lows based on an accelerating global macroeconomic momentum narrative and, a blowout fourth quarter earnings season.

On the local front, given the limited free-float, we believe that foreign flows needs to be monitored closely in the weeks to come as, from a structural perspective, foreigners remain the main driving force of the stock market.

Although such a backdrop is constructive for equities on a near term horizon, it is reasonable to ask whether this trend has room to run especially with some major central banks unravelling their stimulus programs.

### Appreciation

I would like to express my gratitude to my colleagues of the Board of Directors for their assistance and guidance throughout the year and the management and staff under the leadership of our CEO, Mr Gaetan Wong, for their valuable contribution during the year.

From our perspective, given that global yields are still likely to remain low on an historical basis, we continue to believe that equities continue to be the default investment although, no concession should be made on quality. In fact, as countries, regions, sectors and players diverge in opportunity going forward, a discerning eye remains key.



Chairman  
National Investment Trust Ltd  
22 September 2017

# Independent auditor's report

## to the shareholders of the National Investment Trust Ltd

### Report on the Financial Statements

#### Opinion

We have audited the financial statements of National Investment Trust Ltd (the "Company") which comprises of the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes set out on pages 16 to 36.

In our opinion, the financial statements on pages 16 to 36 give a true and fair view of the financial position of the Company at 30 June 2017 and its financial performance, changes in equity and cash flow for the year ended on that date in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Responsibilities of Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements which are in accordance with and comply with International Financial Reporting Standards, which give a true and fair view of the matters to which they relate, and which present fairly the financial position of the Company as at 30 June 2017 and their financial performance, changes in equity and cash flows for the year ended on that date.

In preparing the financial statements, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Key Audit Matter	How the matter was addressed in our audit
<p><i>Valuation of financial assets at fair value through profit or loss account</i></p> <p>As at 30 June 2017, the Company had unquoted investments.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and because determining the valuation methodology and the inputs requires estimation and significant judgement to be applied by management and the Board of Directors.</p>	<ul style="list-style-type: none"> <li>• We tested the design and implementation of the controls around the valuation of investments, to determine whether appropriate controls are in place.</li> <li>• We tested those investments identified as having higher risk of valuation error by management, including the adequacy of the inputs used.</li> <li>• For a sample of investments, with significant unobservable valuation inputs, estimates and methodologies used for the valuation of the investments are within reasonable range and that valuations policies were consistently applied by management.</li> <li>• Evaluating the adequacy of the disclosures in the financial statements including disclosures of key assumptions and judgements.</li> </ul> <p>We obtained sufficient audit evidence to conclude that the inputs, estimates and methodologies used for the valuation of the investments are within reasonable range and that valuations policies were consistently applied by the Board of Directors.</p>

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

The Mauritius Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have no relationship with or interests in the Company other than in our capacity as auditors;
- we have obtained all the information and explanations 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.

### *The Financial Reporting Act 2004*

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance (the "Code") and on whether the disclosure is consistent with the requirements of the Code. In our opinion, the disclosure is consistent with the requirements of the Code..

### **Other matter**

This report, including the opinion has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Mazars



Udaysingh Taukoordass, FCA  
Licensed by FRC  
22 September 2017

# Statement of Financial Position

## at 30 June 2017

	Notes	2017 Rs	2016 Rs
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	5	29,141,219	31,984,482
Intangible assets	6	1,617,274	1,358,725
Financial assets at fair value through profit or loss	7	756,562,175	688,844,421
		<b>787,320,668</b>	<b>722,187,628</b>
<b>CURRENT ASSETS</b>			
Other receivables	8	87,173,452	147,520,911
Cash and cash equivalents	9	103,947,667	106,903,085
Current tax assets	11(b)	1,600,024	-
		<b>192,721,143</b>	<b>254,423,996</b>
<b>TOTAL CURRENT ASSETS</b>		<b>192,721,143</b>	<b>254,423,996</b>
<b>TOTAL ASSETS</b>		<b>980,041,811</b>	<b>976,611,624</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Stated capital	10	274,050,000	156,718,346
Fair Value Reserve		465,803,977	443,654,196
Retain earnings		235,697,293	368,097,845
		<b>975,551,270</b>	<b>968,470,387</b>
<b>TOTAL EQUITY</b>		<b>975,551,270</b>	<b>968,470,387</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	11(d)	351,089	609,464
<b>CURRENT LIABILITIES</b>			
Other payables	12	4,139,452	3,920,130
Current tax liabilities	11(b)	-	3,611,643
		<b>4,139,452</b>	<b>7,531,773</b>
<b>TOTAL LIABILITIES</b>		<b>4,490,541</b>	<b>8,141,237</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>980,041,811</b>	<b>976,611,624</b>

Authorised for issue by the Board of Directors on 22 September 2017.

Raj Ringadoo



Veenay Rambarassah



)

) Directors

The notes on pages 20 to 36 form an integral part of these financial statements.

# Statement of Profit or Loss

## and other Comprehensive Income for the year ended 30 June 2017

	Notes	2017 Rs	2016 Rs
<b>INCOME</b>			
Gain on disposal of investments	13	26,784,470	30,258,342
Net changes in fair value of financial assets at fair value through profit or loss	7	22,149,781	1,493,078
		<b>48,934,251</b>	<b>31,036,967</b>
<b>EXPENSES</b>			
Professional and administrative expenses	15	(20,864,623)	(21,008,538)
Profit before finance income		<b>28,069,628</b>	<b>10,028,429</b>
Net finance income	14	3,338,668	23,348,254
<b>Profit before taxation</b>	15	<b>31,408,296</b>	<b>33,376,683</b>
<b>TAXATION</b>	11	(348,038)	(3,227,580)
<b>PROFIT FOR THE YEAR</b>		<b>31,060,258</b>	<b>30,149,103</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>31,060,258</b>	<b>30,149,103</b>
Analysed as follows:			
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		22,149,781	(714,453)
Surplus available for distribution		8,910,477	30,863,556
		<b>31,060,258</b>	<b>30,149,103</b>
<b>Number of shares in issue</b>	18	<b>27,405,000</b>	<b>27,405,000</b>
<b>EARNINGS PER SHARE</b>	18 Rs	<b>1.13</b>	<b>1.10</b>

The notes on pages 20 to 36 form an integral part of these financial statements.

# Statement of Changes in Equity

## for the year ended 30 June 2017

	Notes	Stated capital Rs	Fair value Reserve Rs	Retained earnings Rs	Total Rs
<b>At 1 July 2015</b>		<b>156,718,346</b>	<b>444,368,649</b>	<b>359,843,414</b>	<b>960,930,409</b>
Profit for the year		-	-	30,149,103	30,149,103
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>156,718,346</b>	<b>444,368,649</b>	<b>389,992,517</b>	<b>991,079,512</b>
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		-	(714,453)	714,453	-
Dividend	17	-	-	(22,609,125)	(22,609,125)
<b>At 30 June 2016</b>	Rs	<b>156,718,346</b>	<b>443,654,196</b>	<b>368,097,845</b>	<b>968,470,387</b>
<b>At 1 July 2016</b>		<b>156,718,346</b>	<b>443,654,196</b>	<b>368,097,845</b>	<b>968,470,387</b>
Issue of bonus shares		<b>117,331,654</b>	-	<b>(117,331,654)</b>	-
Profit for the year		-	-	31,060,258	31,060,258
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>274,050,000</b>	<b>443,654,196</b>	<b>281,826,449</b>	<b>999,530,645</b>
Net changes in fair value of financial assets at FVTPL transferred to fair value reserve		-	22,149,781	(22,149,781)	-
Dividend	17	-	-	(23,979,375)	(23,979,375)
<b>At 30 June 2017</b>	Rs	<b>274,050,000</b>	<b>465,803,977</b>	<b>235,697,293</b>	<b>975,551,270</b>

The notes on pages 20 to 36 form an integral part of these financial statements.

# Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 Rs	2016 Rs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		<b>31,408,296</b>	<b>33,376,683</b>
Interest Income	14	(3,338,688)	(23,348,254)
Net changes in fair value of financial assets at FVTPL	7	(22,149,781)	714,453
Depreciation of property and equipment		3,277,670	3,543,874
Amortisation of intangible assets		539,091	-
Profit on disposal of investments		-	(1,493,078)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>9,736,588</b>	<b>12,793,678</b>
Decrease in other receivables		60,347,459	221,906,072
Increase in payables		219,322	52,358
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>70,303,369</b>	<b>234,752,108</b>
Interest income	14	3,338,688	23,348,254
Interest paid		-	-
Tax refund / (paid)		(5,818,080)	1,702,224
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>		<b>67,823,977</b>	<b>259,802,586</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets at fair value through profit or loss		(45,567,973)	(153,777,160)
Proceeds from disposal of financial assets at FVTPL		-	7,497,550
Proceeds from capital distribution of investment		-	-
Purchase of property and equipment		(434,407)	(625,378)
Purchase of intangible assets		(797,640)	(259,555)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(46,800,020)</b>	<b>(147,164,543)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	17	(23,979,375)	(22,609,125)
Loan repaid		-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(23,979,375)</b>	<b>(22,609,125)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,955,418)</b>	<b>90,028,918</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>106,903,085</b>	<b>16,874,167</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	9	<b>103,947,667</b>	<b>106,903,085</b>

The notes on pages 20 to 36 form an integral part of these financial statements.

# Notes to the Financial Statements

## for the National Investment Trust Ltd - 30 June 2017

### 1. GENERAL INFORMATION

The National Investment Trust Ltd (the "Company") was incorporated in Mauritius on 18 March 1993 as a closed-end fund whose principal activity was to invest in shares and securities in both the local and international markets. The Company is listed on the Stock Exchange of Mauritius. The Company's registered office is Level 8, Newton Tower, Sir William Newton Street, Port Louis.

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

During the year 2016, the Company incorporated 6 new sub-funds namely; NIT North America Fund, NIT Europe Fund, NIT Emerging Markets Fund, NIT Global Bond Fund, NIT Global Healthcare Fund, NIT Global Value Fund, under the NIT Unit Trust. The new Funds hold overseas investments.

The Company was granted a CIS Manager Licence on 21 June 2010, issued by the Financial Services Commission and acts as the manager of NIT Local Equity Fund and NIT Global Opportunities Fund. As a CIS Manager, all investment activities carried out by the Company are subject to certain restrictions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 2.1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and its related bodies. The financial statements have been prepared under the historical cost convention.

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

#### (a) Changes in accounting policy and disclosures

##### (i) New and amended standards

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 01 July 2016. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the financial statements of the Company. The nature and the impact of each new standard or amendment relevant to the Company are described below:

IAS 7 in respect of the disclosure initiative regarding change in liabilities arising from cash flows. The additional disclosure will help investors to evaluate changes in liabilities arising from financing activities, including changes in cash flows and non-cash changes, such as foreign gains or losses.

IAS 12 with regards to the recognition of a deferred tax asset relating to the unrealised losses. The amendment is a narrow-scope amendment and provides clarity as to when a deferred tax asset may be recognised for unrealised losses on debt instruments measured at fair value.

Annual Improvement to IFRSs 2014-2016 Cycle (Amendments to IFRS 12 Disclosure of Interests in Other Entities) clarify that the disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution.

##### (ii) New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these



standards, if applicable, when they become effective. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

*IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

*Key requirements of IFRS 9:*

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequently accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributed to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

*Amendments to IAS 7 Statement of Cash Flows - Disclosure initiative*

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The manager and trustee of the Company do not anticipate that the application of these amendments will have a material impact on the Company’s financial statements.

*IFRIC 22 Foreign Currency Transactions and Advance Consideration*

IFRIC 22 clarifies the accounting for transactions that include the receipts or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipts of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at fair value of the recognition received or paid out at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018, early application is permitted.

*IFRS 15 Revenue from contracts with customers and associated amendments to various other standards (effective for accounting periods beginning on or after 1 January 2018)*

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- Identify contracts with customer,
- Identify the separate performance obligation,
- Determine the transactions price of the contract,
- Allocate the transaction price at each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods and services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success for an outcome etc.) – minimum amounts must be recognised over the contract term and vice versa.
- The point at which revenues is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investors communications.

Entities will have a choice of full retrospective application, or prospective application with additional disclosures.

#### *IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)*

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financial leases and requires recognition of an asset (the right to use the leased item) and a finance liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value leases.

The income statement will also be affected because the total expenses is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expenses will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Early adoption is permitted only if IFRS 5 is adopted at the same time.

## **2.2. Foreign currency translation**

### *(a) Functional and presentation currency*

The performance of the Fund is measured and reported to the investors in Mauritian Rupee ("Rs"). The Directors consider the "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Rs, which is the Company's functional and presentation currency.

### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

## **2.3. Property and equipment**

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers

from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated using straight-line method to allocate their cost to their residual values over their estimated useful lives. The annual depreciation rates are as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

#### **2.4. Intangible assets**

##### *Software*

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a written-down-value basis at the rate of 25% per annum. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be shown how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 4 years.

#### **2.5. Financial instruments**

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of a the contractual arrangement. Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets and liabilities in the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial liabilities at amortised cost

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transactions costs which is recognised in profit or loss.

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

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and designated upon initial recognition at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'other receivables' and 'cash and cash equivalents' in the statement of financial position.

#### *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise.

Unrealised gains and losses from changes in fair value of financial assets at FVTPL are recognised in the statement of profit or loss and other comprehensive income and subsequently transferred to fair value reserve as such gains and losses are not available for distribution.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss as part of other income when the Company's right to receive payments is established.

#### *Fair value estimation*

If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum inputs and relying as little as possible on entity-specific inputs.

## **2.6. Impairment of financial assets**

### *(a) Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

## **2.7. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and other comprehensive income.

## **2.8. Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

## **2.9. Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## **2.10. Stated capital**

Ordinary shares are classified as equity.

## **2.11. Other payables**

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

## **2.12. Current and deferred income tax**

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

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2.13. Retirements benefits obligations**

Contribution to the defined contribution pension fund of the Company is expensed to the statement of profit or loss and other comprehensive income.

## **2.14. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

## **2.15. Dividend income**

Dividend income is recognised when the right to receive payment is established.

### 2.16. Interest income

Interest income is accounted for as it accrues unless collectability is in doubt. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate.

### 2.17. Management and exit fee

Management fee receivable from the Funds by the Company as the Investment Manager is based on 1% of the Net Asset Value of the Funds. The fees are calculated on a weekly basis and receivable monthly in arrears.

Exit fee receivable is recognised on repurchase of units by the Funds from the Funds' unitholders. The fees are calculated at 2% of the capital and income values of the units paid by the unitholders to the Fund.

### 2.18. Transactions costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

### 2.19. Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

### 2.20. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by management under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

#### (a) Market risk

##### Foreign exchange risk

The Company holds assets and liabilities denominated in currencies other than the Mauritian Rupee. Consequently, the Company is exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Company's policy is not to enter into any currency hedging transactions.

The currency profile of the Company's financial assets (excluding prepayments) and liabilities is summarised as follows:

	<b>Financial assets 2017</b> Rs	<b>Financial liabilities 2017</b> Rs	<b>Financial assets 2016</b> Rs	<b>Financial liabilities 2016</b> Rs
Mauritian Rupee	773,345,436	4,139,452	818,321,879	3,920,130
United States Dollar	158,878,030	-	123,084,765	-
Euro	11,396,765	-	1,478,682	-
	<b>943,620,231</b>	<b>4,139,452</b>	<b>942,885,326</b>	<b>3,920,130</b>

The exchange rate risk arises mainly out of the Company's investment in the foreign securities which are denominated in USD. The currency risk between the foreign currency of the investments and the functional currency of the Company is not actively managed and fluctuates with market movements.

The following table details the Company's sensitivity to a 10% change in the Mauritian Rupee against the relevant foreign currencies. The 10% represents management's assessment of the reasonably

possible change in foreign exchange rates. A positive number below indicates an increase in profit and equity where the Mauritian Rupee weakens 10% against the relevant foreign currencies. For a 10% strengthening 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.

	2017 Rs	2016 Rs
Increase/(decrease) in pre-tax profit/equity	<b>17,027,480</b>	<b>12,456,345</b>

*Price risk*

The Company is exposed to securities price risk. This arises from investments held by the Company for which prices in the future are uncertain.

Where non-monetary financial instruments are denominated in currencies other than the Mauritian rupee, the price initially expressed in foreign currency and then converted into Mauritian rupees will also fluctuate because of changes in foreign exchange rates.

The Foreign currency risk analysis presented before sets out how this component of price risk is managed and measured.

The fair value of securities exposed to price risk was as follows:

	2017 Rs	2016 Rs
Financial assets at fair value through profit or loss	<b>690,645,174</b>	<b>624,407,485</b>

*Sensitivity analysis*

Management's best estimate of the effect on statement of profit or loss and other comprehensive income for a year due to a possible change in equity prices, with all variables held constant, is indicated in the following table.

If prices had been 5% higher/lower, the Company's profit and equity would increase/decrease as a result of changes in fair value of investments as follows:

	2017 Rs	2016 Rs
Financial assets at fair value through profit or loss	<b>34,532,259</b>	<b>31,220,374</b>

*Interest rate risk*

Interest rate risk is the risk that fair values of financial assets and liabilities, as reported in the Fund's statement of financial position could change due to fluctuations in prevailing levels of market interest rates. All of the Fund's financial assets and liabilities are non-interest bearing except of cash and cash equivalents which are placed at short term interest rates.

The directors consider that the Fund is not subject to significant amount of risk arising from changes in interest rates on cash and cash equivalents as these are short term in nature and changes in their values or interest cash flows in the event of a change in interest rates will not be material. Therefore, no interest rate risk sensitivity analysis on cash and cash equivalents has been performed. However, changes in interest rates could impact on earnings of entities in which the Fund has invested in.

*Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the end of the reporting period, if any.

The Company's main credit risk concentration is associated with cash and cash equivalents and other receivables.

The bank balances are held with a reputable financial institution, State Bank of Mauritius Ltd.

The credit risk for non-current receivables is considered negligible, since the counterparty is a state owned company.

The credit risk for current other receivables is considered negligible since the counterparty is a state owned company and related parties respectively.

Accordingly, the Company has no significant concentration of credit risk. None of the Company's financial assets are impaired nor past due but not impaired.

### Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as impact of discounting is not significant.

	At call	Less than 3 month	3 months to 1 year	More than 1 year	Total
	Rs	Rs	Rs	Rs	Rs
<b>Financial liabilities 2017</b>					
Other payables	-	4,139,452	-	-	4,139,452
<b>Financial liabilities 2016</b>					
Other payables	-	3,920,130	-	-	3,920,130

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. At 30 June 2016, the Company was not exposed to any liquidity risk as it has sufficient cash resources to settle its obligations in full as they fall due.

### 3.2. Fair value estimation

The carrying amounts of financial assets at fair value through profit or loss, other receivables, cash and cash equivalents, borrowings and other payables approximate their fair values.

The fair value of financial assets at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques. The techniques used by the Company are explained in Note 4 (a).

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significant inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgements, considering features specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the related market.

The table below presents the Company's assets and liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rs	Rs	Rs	Rs
<b>At 30 June 2017</b>				
Financial assets designated at FVTPL				
Unquoted equities	-	-	690,645,174	690,645,174
<b>At 30 June 2016</b>				
Financial assets designated at FVTPL				
Unquoted equities	-	-	624,407,485	624,407,485

Cash investments of Rs 65,917,001 (2016: Rs 64,436,936) have not been included in the table above.





that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of unquoted investments

When the fair value of financial assets recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where it is not feasible, a degree of judgement is required in establishing fair value.

The judgements include considerations of liquidity and models input such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. These models are high calibrated regularly and tested for validity using prices for any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

(b) Impairment of financial assets at fair value through profit or loss

The Company follows the guidance of IAS 39 to determine when a financial asset at fair value through profit or loss equity investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(c) Asset lives and residual value

Property and equipment are depreciated over its useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issue such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits or losses on the disposal of similar assets.

(d) Depreciation policies

Property and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from the disposal of the asset; if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use of best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

## 5. PLANT, PROPERTY AND EQUIPMENT

	Building Rs	Computer hardware Rs	Office equipment Rs	Motor vehicles Rs	Total Rs
<b>Cost</b>					
At 1 July 2015	41,150,738	3,275,470	8,197,382	3,949,652	56,573,242
Additions	-	364,328	261,050	-	625,378
At 30 June 2016	41,150,738	3,639,798	8,458,432	3,949,652	57,198,620
Additions	-	313,657	120,750	-	434,407
<b>At 30 June 2017</b>	<b>41,150,738</b>	<b>3,953,455</b>	<b>8,579,182</b>	<b>3,949,652</b>	<b>57,633,027</b>
<b>Accumulated Depreciation</b>					
At 1 July 2015	11,161,753	2,947,649	5,060,862	2,500,000	21,670,264
Charge for the year	2,057,537	198,972	787,365	500,000	3,543,874
At 30 June 2016	13,219,290	3,146,621	5,848,227	3,000,000	25,214,138
Charge for the year	2,057,537	244,936	825,545	149,652	3,277,670
<b>At 30 June 2017</b>	<b>15,276,827</b>	<b>3,391,557</b>	<b>6,673,772</b>	<b>3,149,652</b>	<b>28,491,808</b>
<b>Net Book Value</b>					
<b>At 30 June 2017</b>	<b>25,873,911</b>	<b>561,898</b>	<b>1,905,410</b>	<b>800,000</b>	<b>29,141,219</b>
At 30 June 2016	27,931,448	493,177	2,610,205	949,652	31,984,482

## 6. INTANGIBLE ASSETS

	2017 Rs	2016 Rs
<i>Software</i>		
Cost		
At 01 July		
Transferred from other receivables	1,358,725	-
Additions	-	1,099,170
At 30 June	797,640	259,555
	<b>2,156,365</b>	<b>1,358,725</b>
Accumulated depreciation		
<b>At 01 July</b>	-	-
Charge for the year	539,091	-
At 30 June	539,091	-
Net book value		
At 30 June	<b>1,617,274</b>	<b>1,358,725</b>

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

30-Jun-17 investment at fair value	Unquoted Investments			Cash Investments	Total
	Domestic securities	Foreign security	Sub-Funds under NIT Unit Trust		
	Rs	Rs	Rs	Rs	Rs
<b>At 1 July</b>	455,000,000	60,126,491	109,280,994	64,436,936	688,844,421
Additions	-	33,168,282	10,254,000	-	43,422,282
Net movement in cash investments	-	-	-	2,145,691	2,145,691
Net changes in fair value	-	11,063,022	11,752,385	(665,626)	22,149,781
At 30 June	455,000,000	104,357,795	131,287,379	65,917,001	756,562,175

30-Jun-16 investment at fair value	Unquoted Investments			Cash Investments	Total
	Domestic securities	Foreign security	Sub-Funds under NIT Unit Trust		
	Rs	Rs	Rs	Rs	Rs
<b>At 1 July</b>	450,000,000	23,789,368	-	67,996,818	541,786,186
Additions	5,000,000	43,363,980	104,566,629	-	152,930,609
Disposal	-	(6,004,473)	-	-	(6,004,473)
Net movement in cash investments	-	-	-	846,552	846,552
Net changes in fair value	-	(1,022,384)	4,714,365	(4,406,434)	(714,453)
At 30 June	<b>455,000,000</b>	<b>60,126,491</b>	<b>109,280,994</b>	<b>64,436,936</b>	<b>688,844,421</b>

### (a) Portfolio of domestic securities

Equity	Holdings		Market Value	
	2017 Units	2016 Units	2017 Rs	2016 Rs
Mauritius Shopping Paradise Ltd	18,000	18,000	-	-
State Insurance Company of Mauritius Ltd	30,000	30,000	450,000,000	450,000,000
Investment in: SWAN Notes (Note (i))	50	50	5,000,000	5,000,000

(i) On 21 June 2016, the Company subscribed to loan notes amounting to Rs 5 million in Swan Wealth Structured Products Ltd. The loan notes have a maturity of 5 years and the Company is entitled to a minimum return of 15 % at maturity over the initial investment.

### (b) Portfolio of Foreign Security

	Holdings		Market Value	
	2017 Units	2016 Units	2017 Rs	2016 Rs
LIM Opportunistic Credit Fund 1	577.92	577.92	23,789,368	13,859,928
LIM Opportunistic Credit Fund 2 LP **	-	-	81,799,575	37,887,761
		Rs	<b>104,357,795</b>	<b>60,126,491</b>

\*\* The units were not yet allocated/issued at 30 June 2017.

**(c) Investment in Sub-Funds incorporated under NIT Unit Trust**

Name of Sub Fund	Holdings		Fair Value	
	2017 Units	2016 Units	2017 Rs	2016 Rs
NIT North America Fund	2,524,317	2,524,317	29,080,132	25,243,170
NIT Europe Fund	1,608,693	1,608,693	16,955,631	14,397,808
NIT Global Bond Fund	1,622,576	2,390,921	15,576,732	15,414,474
NIT Global Value Fund	2,197,839	1,622,576	24,967,454	17,648,208
NIT Global Healthcare Fund	1,358,998	1,358,998	14,133,581	12,883,303
NIT Emerging Markets Fund	2,724,942	1,578,552	30,573,849	23,694,031
			<b>Rs 131,287,380</b>	<b>109,280,994</b>

**(d) 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 2017 & 2016	Proportion Held 2017	Proportion Held 2016
Mauritius Shopping Paradise Ltd	Ordinary	15.0 %	15.0 %
State Insurance Company of Mauritius Ltd	Ordinary	12.0 %	12.0 %

**8. OTHER RECEIVABLES**

	Notes	2017 Rs	2016 Rs
Receivable after more than 1 year but less than 5 years			
Receivable from SIC		-	-
Receivable within one year			
Receivable from SIC (including accrued interest income)		71,463,000	134,183,000
Reversal of interest previously recognized		-	-
		<b>71,463,000</b>	<b>134,183,000</b>
Amount receivable from related parties	19	11,487,986	12,962,911
Deposits and prepayments		4,222,466	375,000
	<b>Rs</b>	<b>87,173,452</b>	<b>147,520,911</b>

Amount receivable from NIT Global Opportunities Fund carries interest of 5 % per annum (2016: 5 % per annum), is unsecured and is repayable at call.

The amounts receivable from NIT Local Equity Fund and other sub-funds are unsecured, interest free and repayable at call.

**9. CASH AND CASH EQUIVALENTS**

	2017 Rs	2016 Rs
Cash at bank	103,938,156	106,893,920
Cash in hand	9,511	9,165
<b>Rs</b>	<b>103,947,667</b>	<b>106,903,085</b>

**10. STATED CAPITAL**

	2017 Rs	2016 Rs
Issued and Fully Paid		
13,702,500 shares of Rs 10 each	137,025,000	137,025,000
Share premium	137,025,000	-
Share premium	-	19,693,346
<b>Rs</b>	<b>274,050,000</b>	<b>156,718,346</b>

On 05 December 2016, the Company made a bonus issue of 13,702,500 new ordinary shares in a proportion of one (1) new ordinary share for every one (1) ordinary share held at close of business on 19 December 2016.

Ordinary shares are not redeemable and confer to the holder voting rights, right to dividends or distributions. On winding up, the holder of an ordinary share will be entitled to surplus on assets.

## 11. TAXATION

The Company Income tax is calculated at the rate of 15 % (2016: 15 %) on the profit for the year as adjusted for income tax purposes.

### (a) Tax expense

	2017 Rs	2016 Rs
Provision for the year	606,413	3,615,624
Deferred tax movement for the year	(258,375)	(388,044)
Under provision of tax deferred tax in previous year	-	-
	<b>348,038</b>	<b>3,227,580</b>

### (b) Tax (receivable)/liability

	2017 Rs	2016 Rs
Balance at 1 July	3,611,643	(1,706,205)
Provision for the year	606,413	3,615,624
Tax refund/(paid) during the year	(3,118,971)	1,702,224
Tax paid under APS	(2,699,109)	-
Underprovision of tax in previous year	-	-
	<b>(1,600,024)</b>	<b>3,611,643</b>

### (c) Tax reconciliation

	2017 Rs	2016 Rs
Profit before tax	31,408,296	33,376,683
Income tax rate at 15%	4,711,244	5,006,502
Tax effect of:		
- Non taxable income	(6,113,691)	(3,327,273)
- Expenses not deductible for tax purposes	2,008,859	2,012,889
- Tax loss not utilised in the current year	-	-
- Tax loss utilised in the current year	-	(76,494)
- Under provision of tax in previous year	-	-
- Deferred tax expense	(258,375)	(388,044)
Effective tax rate	<b>348,037</b>	<b>3,227,580</b>

### (d) Deferred tax liabilities

	2017 Rs	2016 Rs
At 1 July	609,464	997,508
Deferred income tax movement	(258,375)	(388,044)
At 30 June	<b>351,089</b>	<b>609,464</b>
Deferred tax liabilities arise from Accelerated capital allowances	<b>351,089</b>	<b>609,464</b>

## 12. OTHER PAYABLES

	2017 Rs	2016 Rs
Accruals	270,321	229,963
Unclaimed Dividends	3,869,131	3,639,474
Amount due to related parties (Note 19(i))	-	50,693
	<b>Rs 4,139,452</b>	<b>3,920,130</b>

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

The amount due to related parties are unsecured, interest free and payable within one year.

13. **INCOME**

	Notes	2017 Rs	2016 Rs
Domestic dividends receivable	19(ii)	16,537,508	15,447,900
Management fees receivable	19(vi)	9,028,453	9,755,987
Exit fees receivable		198,813	4,006,468
Other income		1,019,696	1,047,987
	<b>Rs</b>	<b>26,784,470</b>	<b>30,258,342</b>

14. **NET FINANCE INCOME**

	Notes	2017 Rs	2016 Rs
Finance Income:			
Interest receivable from NIT Global Opportunities Fund	19(v)	11,468	630,004
Interest earned from State Investment Corporation Ltd**		3,030,000	22,683,000
Reversal of interest receivable previously recognised **			
Interest on a bank balance		297,200	35,250
	<b>Rs</b>	<b>3,338,668</b>	<b>23,348,254</b>
Finance cost:			
Interest on bank loan		<b>3,338,668</b>	<b>23,348,254</b>

\*\* Based on the cash receipt from SIC, in 2016, the directors have made a re-assessment of the recoverability of the interest component of the deferred purchase consideration, as stipulated in the Share Purchase Agreement dated (13 November 2013) and are of the opinion that it is appropriate to continue the interest income in the current financial year.

15. **PROFIT BEFORE TAXATION**

The following items have been charged in arriving at profit before taxation:

	2017 Rs	2016 Rs
Salaries, allowances and pension fund contributions	8,566,645	8,637,768
Directors fees	486,000	411,000
Auditor's remuneration	159,224	150,658
Depreciation on property and equipment	3,816,761	3,543,873
Number of employees – full time	9	10

16. **RETIREMENT BENEFIT OBLIGATION**

The company has set up its own pension fund, the NIT Pension Fund, and entered into a defined contribution scheme for its employees as from September 2010. The amounts contributed are included in staff costs (note 15) and recognised in the statement of profit or loss and other comprehensive income as follows:

	2017 Rs	2016 Rs
Defined contribution pension plan:		
Contributions paid	1,280,171	943,409
State pension plan:		
National pension scheme contributions charged	308,987	110,246

17. **DIVIDEND**

	2017 Rs	2016 Rs
Dividend of Rs 1.75 (2016: Rs 1.65) per share	Rs 23,979,375	22,609,125

18. **EARNINGS PER SHARE**

	2017 Rs	2016 Rs
Profit for the year	31,060,258	30,149,103
Number of shares in issue	27,405,000	27,405,000
Earnings per share	<b>Rs 1.13</b>	<b>1.10</b>

The calculation of basic earnings per share for the year ended 30 June 2017 is based on the income attributable to ordinary equity holders of Rs.31,060,258 (2016: Rs.30,149,103) and the number of shares of 27,405,000 (2016: 27,405,000). The Company has no dilutionary instruments in issue.

## 19. RELATED PARTY TRANSACTIONS

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

	2017 Rs	2016 Rs
(i) <i>Outstanding balances</i>		
Receivables from / (payables to) related parties		
NIT Local Equity Fund	1,415,556	3,015,299
NIT Global Opportunities Fund	9,987,769	9,939,501
NIT Global Bond Fund	(124,982)	8,111
NIT Global Value Fund	(34,421)	(17,808)
NIT North America Fund	23,942	(15,000)
NIT Europe Fund	73,851	(3,000)
NIT Emerging Markets Fund	119,436	(6,000)
NIT Global Healthcare Fund	26,835	(8,885)
	<b>11,487,986</b>	<b>12,912,218</b>

The amount receivable from NIT Global Opportunities Fund Ltd is unsecured, repayable at call and bears an interest rate of 5% per annum (2016: 5% per annum).

The amounts receivable from NIT Local Equity Fund and other sub-funds are unsecured, interest free and repayable at call.

The amount due to the related parties are unsecured, interest free and repayable within one year.

	2017 Rs	2016 Rs
<i>Transactions</i>		
(ii) <i>Management fees</i>		
- NIT Local Equity Fund	5,196,874	6,286,583
- NIT Global Opportunities Fund	3,189,405	3,469,404
- New funds	642,174	-
	<b>9,028,453</b>	<b>9,755,987</b>
(iii) Acquisition of securities		
- NIT Global Opportunities Fund		50,354,126

During the year 2016, the Company acquired certain financial assets from NIT Global Opportunities Fund. These financial instruments were then transferred to the new funds, established during the year 2016 (Refer to Note 19(iv)).

	2017 Rs	2016 Rs
(iv) <i>Units subscribed in:</i>		
NIT North America Fund	-	24,802,551
NIT Europe Fund	-	15,810,623
NIT Emerging Markets Fund	-	23,493,382
NIT Global Bond Fund	-	15,389,380
NIT Global Value Fund	-	13,579,842
NIT Global Healthcare Fund	-	15,933,837

During the year ended 30 June 2016, the Company established 6 new funds under the NIT Unit Trust, and subscribed to the units in the respective funds. In return the Company transferred certain financial assets to the new funds for an amount of Rs 109,009,615.

		2017 Rs	2016 Rs
(v) Interest receivable	Note		
NIT Global Opportunities Fund	14	11,468	630,004
(vi) Exit fees			
NIT Local Equity Fund		113,530	2,600,999
NIT Global Opportunities Fund		85,283	1,405,469
		<b>198,813</b>	<b>4,006,468</b>

An exit fee of 2% of the capital and income value of units are paid by the unitholders of the sub funds, on exit, to the sub funds. National Investment Trust Ltd, is entitled to these exit fees.

(vii) Key Management Personnel	<b>2017</b> Rs	<b>2016</b> Rs
NIT Global Opportunities Fund	4,358,985	4,343,885

#### Compensation to key management personnel

Compensation to key management personnel during the year amounted to Rs 4,358,985 (2016: Rs 4,343,885) except for Directors fees as disclosed in Note 15.

## 20. COMMITMENT

### (a) LIM Opportunistic Credit Fund 1

The Board of Directors approved the investment of Rs 29,810,000 (equivalent to USD 1,000,000) in the LIM Opportunistic Credit Fund 1 (the "Fund") on 18 August 2013. The investments are made by instalments based on a 'Capital Call Notice' received from the Fund's Administrator, BNY Mellon Fund Services (Ireland) Limited. At 30 June 2017, the 'Capital Commitment Drawn Down' was Rs 29,312,386 (equivalent to USD 857,338) and the "Undrawn Capital Commitment" was as follows:

	<b>2017</b> Rs	<b>2016</b> Rs
Capital commitment	29,810,000	29,810,000
Capital commitment drawn down	(29,312,386)	(27,132,054)
Increase in commitment due to fluctuation in exchange rate	4,380,000	2,339,477
Undrawn capital commitment	<b>4,877,614</b>	<b>5,017,423</b>

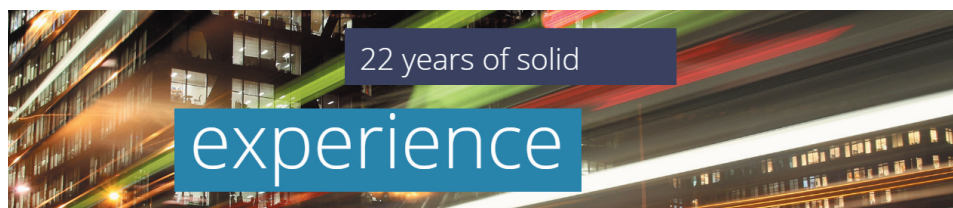
At 30 June 2017, undrawn capital commitment was Rs nil as the two year commitment period has lapsed during the year.

### (b) LIM Opportunistic Credit Fund 2 LP

During the year ended 30 June 2017, the Board of Directors approved the investment of Rs 33,168,282 (equivalent to USD 923,279) in LIM Opportunistic Credit Fund 2 LP. Investments are made by instalments based on a "Capital Call Notice".

At 30 June 2017, the "Capital Commitment Drawn Down" was Rs 71,207,103 (equivalent to USD 2,000,554) and the "Undrawn Capital Commitment" was as follows:

	<b>2017</b> Rs	<b>2016</b> Rs
Capital commitment	81,799,575	68,200,000
Capital commitment drawn down	(71,207,103)	(38,038,821)
Increase in commitment due to fluctuation in exchange rate	2,808,162	2,300,484
Undrawn capital commitment	<b>13,400,634</b>	<b>32,461,663</b>





# NIT Unit Trust

The NIT Unit Trust (the “Trust”) was initially established in Mauritius on 19th & 26th October 2007 by way of a Trust Deed.

The Trust and its sub-funds (collectively “the Funds”) are authorised as Collective Investment Scheme under the Securities Act 2005 on 15 January 2013.

As an authorised Collective Investment Scheme, the Funds comply with the Securities Act 2005 and the Securities Act (Collective Investment Schemes and Closed-End Funds) Regulations 2008.

The NIT Unit Trust consisted of eight sub-funds at June 30, 2017:

- NIT Local Equity Fund
- NIT Global Opportunities Fund
- NIT North America Fund
- NIT Europe Fund
- NIT Emerging Markets Fund
- NIT Global Bond Fund
- NIT Global Healthcare Fund
- NIT Global Value Fund.

The Funds have not been registered for distribution in any other jurisdiction than Mauritius.

## Investment Objectives

### NIT Local Equity Fund

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.

### NIT Global Opportunities

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.

### NIT Emerging Markets Fund

The NIT Emerging Markets Fund invests in Emerging Markets equity funds selected by the Manager. The Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

### NIT Europe Fund

The NIT Europe Fund invests in European equity funds selected by the Manager. The Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

### NIT Global Bond Fund

The NIT Global Bond Fund invests in international fixed-income funds selected by the Manager. The

Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

### NIT Global Healthcare Fund

The NIT Global Healthcare Fund invests in equity funds targeting global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies. The Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

### NIT Global Value Fund

The NIT Global Value Fund invests in international equity funds targeting sectors and companies where The Manager sees value. The Fund is not restricted in choice of investment by size, sector or geographic exposures. Investments are made in equity funds selected by the Manager. The Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

### NIT North America Fund

The NIT North America Fund invests in North American blue-chips equity Funds. The Investment Selection Criteria for assembling the portfolio of underlying funds includes among other things, performances, strategies and management styles. The underlying funds are from different providers.

# Independent auditor's report

## to the unitholders of the sub-funds of the NIT Unit Trust

This report is made solely to the unitholders of the sub-funds of the NIT Unit Trust (the "Funds"), as a body. Our audit work has been undertaken so that we might state to the Funds' unitholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Funds and the Funds' unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Report on the Financial Statements

We have audited the financial statements of the sub funds of the Funds on pages 39 to 82 which comprise the statement of financial position at June 30, 2017 and the statement of profit or loss and other comprehensive income, statement of net assets attributable to holders of redeemable units and statement of cash flows 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, and for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Fund'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 the Manager and Trustee, 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 39 to 82 give a true and fair view of the financial position of the sub funds at June 30, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with their Trust Deed.



Mazars



Udaysingh Taukoordass, FCA  
Licensed by FRC  
22 September 2017

# Statement of Profit or Loss

and other Comprehensive Income for the year ended 30 June 2017  
for the NIT Local Equity Fund and the NIT Global Opportunities Fund

	Note	NIT Local Equity Fund		NIT Global Opportunities Fund	
		2017 Rs	2016 Rs	2017 Rs	2016 Rs
<b>Income</b>					
Dividend income		17,376,641	17,945,334	2,436,026	1,750,411
Interest income		58,615	545,880	-	607,409
		<b>17,435,256</b>	<b>18,491,214</b>	<b>2,436,026</b>	<b>2,357,820</b>
<b>Expenses</b>					
Management fees	10	(5,225,771)	(5,953,907)	(3,293,596)	(3,565,788)
Custodian Fees		(481,282)	(527,454)	(340,242)	-
Trustee fees	11	(150,000)	(150,000)	(150,000)	(150,000)
Printing and Stationeries		(130,000)	(130,000)	(130,000)	(130,000)
Audit fees		(92,725)	(44,994)	(81,225)	(43,844)
Bank charges		(5,163)	(4,560)	(2,495)	(1,347)
General expenses		(2,570)	(10,572)	(1,203)	(2,552)
<b>Total Operating Expenses</b>		<b>(6,087,511)</b>	<b>(6,821,487)</b>	<b>(3,998,761)</b>	<b>(3,893,531)</b>
<b>Net operating income/(loss)</b>		<b>11,347,746</b>	<b>11,669,727</b>	<b>(1,562,735)</b>	<b>(1,535,711)</b>
<b>Equalisation</b>					
Income received on units created		167,096	82,742	10,519	369,024
Amounts paid on units liquidated		(63,534)	(1,995,905)	-	(513)
		<b>103,562</b>	<b>(1,913,163)</b>	<b>10,519</b>	<b>368,511</b>
<b>Net Income before taxation</b>		<b>11,451,308</b>	<b>9,756,564</b>	<b>(1,552,216)</b>	<b>-</b>
Taxation	13	(5,665)	(135,039)	-	-
<b>Net Income after taxation available for distribution</b>		<b>11,445,643</b>	<b>9,621,525</b>	<b>(1,552,216)</b>	<b>-</b>
<b>Finance cost</b>					
(excluding increase/decrease in net assets attributable to unitholders)	12			(11,468)	(630,004)
<b>Distributions to unitholders</b>	9	<b>(11,445,643)</b>	<b>(9,621,525)</b>	<b>(1,563,684)</b>	<b>(1,797,204)</b>
<b>Net income for the year</b>					
Changes in fair value on financial assets at FVTPL	5	94,131,829	(77,811,813)	39,007,426	(61,896,809)
Profit/(Loss) on disposal of financial assets at FVTPL		361,081	(8,078,339)	7,857,617	17,346,489
Net foreign currency gains/(losses) on cash and cash equivalents				86,316	(205,859)
<b>Increase/(decrease) in net assets attributable to unitholders</b>	Rs	<b>94,492,910</b>	<b>(85,890,152)</b>	<b>45,387,675</b>	<b>(46,553,383)</b>

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Profit or Loss

and other Comprehensive Income for the year ended 30 June 2017  
for the NIT North America Fund and the NIT Europe Fund

Note	NIT North America Fund		NIT Europe Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Income</b>	<b>50,148</b>	-	-	-
<b>Expenses</b>				
Management fees	10 (139,536)	-	(105,000)	-
Trustee fees	11 (105,000)	-	(92,234)	-
Audit fees	(30,000)	(28,750)	(30,000)	(28,750)
Printing	(10,000)	-	(10,000)	-
Bank charges	(1,643)	(730)	(2,105)	(730)
<b>Total Operating Expenses</b>	<b>(286,179)</b>	<b>(29,480)</b>	<b>(239,339)</b>	<b>(29,480)</b>
<b>Net loss before taxation</b>	<b>(236,031)</b>	<b>(29,480)</b>	<b>(239,339)</b>	<b>(29,480)</b>
<b>Taxation</b>	13 -	-	-	-
<b>Net Income after taxation</b>	<b>(236,031)</b>	<b>(29,480)</b>	<b>(239,339)</b>	<b>(29,480)</b>
Changes in fair value on financial assets at FVTPL	5 4,117,399	456,824	3,207,602	(1,446,374)
<b>(Increase)/decrease in net assets attributable to unitholders</b>	<b>Rs 3,881,368</b>	<b>427,344</b>	<b>2,968,263</b>	<b>(1,475,854)</b>

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Profit or Loss

and other Comprehensive Income for the year ended 30 June 2017  
for the NIT Emerging Markets Fund and the NIT Global Bond Fund

Note	NIT Emerging Markets Fund		NIT Global Bond Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Income</b>	-	-	<b>132,520</b>	54,889
<b>Other income</b>				
Profit on disposal of investments			<b>168,831</b>	-
<b>Expenses</b>				
Management fees	10 (146,013)	-	(49,271)	-
Trustee fees	11 (105,000)	-	(105,000)	-
Audit fees	(30,000)	(28,750)	(30,000)	(28,750)
Printing	(10,000)	-	(10,000)	-
Bank charges	(2,220)	(845)	(2,565)	(730)
Other costs	-	-	(565)	-
<b>Total Operating Expenses</b>	<b>(293,233)</b>	(29,595)	<b>(197,401)</b>	(29,480)
<b>Net loss before taxation</b>	<b>(293,233)</b>	(29,595)	<b>103,950</b>	25,409
<b>Taxation</b>	13 -	-	(7,358)	(3,811)
<b>Net loss after taxation</b>	<b>(293,233)</b>	(29,595)	<b>96,592</b>	21,598
Changes in fair value on financial assets at FVTPL	5 3,654,139	204,445	(46,237)	(25,033)
<b>Increase/(decrease) in net assets attributable to unitholders</b>	<b>Rs 3,360,906</b>	174,850	<b>50,355</b>	(3,435)

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Profit or Loss

and other Comprehensive Income for the year ended 30 June 2017  
for the NIT Global Healthcare Fund and the NIT Global Value Fund

Note	NIT Global Healthcare Fund		NIT Global Value Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Income</b>				
	956	-	113,570	5,808
<b>Other Income</b>				
			545,438	-
<b>Expenses</b>				
10	(82,256)	-	(132,864)	-
11	(105,000)	-	(105,000)	-
	(30,000)	(28,750)	(30,000)	(28,750)
	(10,000)	-	(10,000)	-
	(1,875)	(730)	(2,105)	(845)
	<b>(229,131)</b>	<b>(29,480)</b>	<b>(279,969)</b>	<b>(29,595)</b>
	<b>(228,175)</b>	<b>(29,480)</b>	<b>379,039</b>	<b>(23,787)</b>
<b>Net loss before taxation</b>				
	-	-	-	-
	<b>(228,175)</b>	<b>(29,480)</b>	<b>379,039</b>	<b>(23,787)</b>
<b>Taxation</b>				
13	-	-	-	-
	<b>(228,175)</b>	<b>(29,480)</b>	<b>379,039</b>	<b>(23,787)</b>
<b>Net Income after taxation</b>				
5	1,816,660	(709,751)	(317,691)	1,755,477
	<b>1,588,485</b>	<b>(739,231)</b>	<b>61,348</b>	<b>1,731,690</b>
	<b>1,588,485</b>	<b>(739,231)</b>	<b>61,348</b>	<b>1,731,690</b>
<b>(Increase)/decrease in net assets attributable to unitholders</b>				

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Financial Position

at 30 June 2017

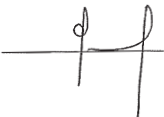
for the NIT Local Equity Fund and the NIT Global Opportunities Fund

	Note	NIT Local Equity Fund		NIT Global Opportunities Fund	
		2017 Rs	2016 Rs	2017 Rs	2016 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>566,946,423</b>	472,432,389	<b>349,740,277</b>	310,670,889
<b>Current Assets</b>					
Receivables	6	2,238,860	417,925	-	-
Cash and cash equivalents	13	15,255,156	12,360,618	4,665,873	1,341,270
Current tax assets	7	29,713	-	-	-
		<b>17,523,729</b>	12,778,543	<b>4,665,873</b>	1,341,270
<b>Total Assets</b>		<b>584,470,152</b>	485,210,932	<b>354,406,150</b>	312,012,159
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Payables	8	1,690,556	3,212,000	10,291,103	10,136,200
Distribution to unitholders	9	11,445,643	9,621,525	-	-
Taxation	13	-	38,071	-	-
<b>Total Liabilities</b> (excluding net assets attributable to unitholders)		<b>13,136,199</b>	12,871,596	<b>10,291,103</b>	10,136,200
<b>Net Assets attributable to Unitholders</b>		<b>571,333,954</b>	472,339,336	<b>344,115,047</b>	301,875,959

Approved by the Manager and authorised for issue on 22 september 2017.

Manager  
National Investment Trust Ltd

Represented by:



The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Financial Position

at 30 June 2017


for the NIT North America Fund and the NIT Europe Fund

	Note	NIT North America Fund		NIT Europe Fund	
		2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>29,228,315</b>	25,259,375	<b>19,577,468</b>	16,364,249
<b>Current Assets</b>					
Receivables	6	-	15,000	-	3,000
Cash and cash equivalents	7	44,433	111,440	296,799	212,370
		<b>44,433</b>	126,440	<b>296,799</b>	215,370
<b>Total Assets</b>		<b>29,272,748</b>	25,385,815	<b>19,874,267</b>	16,579,619
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Payables	8	78,942	28,750	128,851	28,750
<b>Total Liabilities</b> (excluding net assets attributable to unitholders)		<b>78,942</b>	28,750	<b>128,851</b>	28,750
<b>Net Assets attributable to Unitholders</b>		<b>29,193,806</b>	25,357,065	<b>19,745,416</b>	16,550,869

Approved by the Manager and authorised for issue on 22 september 2017.

Manager  
National Investment Trust Ltd

Represented by:



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# Statement of Financial Position

at 30 June 2017


for the NIT Emerging Markets Fund and the NIT Global Bond Fund

	Note	NIT Emerging Markets Fund		NIT Global Bond Fund	
		2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>30,920,889</b>	23,697,827	<b>15,532,517</b>	15,419,267
<b>Current Assets</b>					
Other receivables	6	-	6,000	124,982	-
Cash and cash equivalents	7	483,106	184,934	911,379	39,270
		<b>483,106</b>	190,934	<b>1,036,361</b>	39,270
<b>Total Assets</b>		<b>31,403,995</b>	23,888,761	<b>16,568,878</b>	15,458,537
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	174,436	28,750	55,000	36,861
Taxation	13	-	-	4,502	3,811
<b>Total Liabilities</b> (excluding net assets attributable to unitholders)		<b>174,436</b>	28,750	<b>59,502</b>	40,672
<b>Net Assets attributable to Unitholders</b>		<b>31,229,559</b>	23,860,011	<b>16,509,376</b>	15,417,865

Approved by the Manager and authorised for issue on 22 september 2017.

Manager  
National Investment Trust Ltd

Represented by:



The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Financial Position

at 30 June 2017


for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Note	NIT Global Healthcare Fund		NIT Global Value Fund	
		2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Assets</b>					
<b>Non-Current Assets</b>					
Financial assets at FVTPL	5	<b>17,687,786</b>	15,873,206	<b>25,052,654</b>	17,689,314
<b>Current Assets</b>					
Other receivables	6	-	8,885	34,421	17,808
Cash and cash equivalents	7	132,041	320,450	2,321,349	227,655
		<b>132,041</b>	329,335	<b>2,355,770</b>	245,463
<b>Total Assets</b>		<b>17,819,827</b>	16,202,541	<b>27,408,424</b>	17,934,777
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Other payables	8	81,835	28,750	55,000	28,750
<b>Total Liabilities</b> (excluding net assets attributable to unitholders)		<b>81,835</b>	28,750	<b>55,000</b>	28,750
<b>Net Assets attributable to Unitholders</b>		<b>17,737,992</b>	16,173,791	<b>27,353,424</b>	17,906,027

Approved by the Manager and authorised for issue on 22 september 2017.

Manager  
National Investment Trust Ltd

Represented by:



The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Changes in Net Assets

attributable to Unitholders for the year ended 30 June 2017  
for the NIT Local Equity Fund and the NIT Global Opportunities Fund

Note	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
<b>Net Assets Attributable to Unitholders at 1 July / 1 June</b>	<b>472,339,336</b>	668,317,635	<b>301,875,959</b>	417,813,372
Cash received for units created	632,725	97,467	1,254,681	301,105
Distribution	9,464,052	13,914,087	-	-
Cash paid for units liquidated	(5,595,069)	(124,099,701)	(4,403,268)	(69,685,135)
<b>Net movement in Units</b>	<b>4,501,708</b>	(110,088,147)	<b>(3,148,587)</b>	(69,384,030)
Increase/(decrease) in net assets attributable to unitholders	94,492,910	(85,890,152)	45,387,675	(46,553,383)
<b>Net Assets Attributable to Unitholders at 30 June</b>	<b>571,333,954</b>	472,339,336	<b>344,115,047</b>	301,875,959
<b>Number of units</b>	14 <b>666,894,582</b>	660,766,610	<b>286,612,826</b>	289,494,583
<b>Net Assets Value per unit</b>	<b>0.87</b>	0.73	<b>1.20</b>	1.04

# Statement of Changes in Net Assets

attributable to Unitholders for the year ended 30 June 2017  
for the NIT North America Fund and the NIT Europe Fund

Note	NIT North America Fund		NIT Europe Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Net Assets Attributable to Unitholders at 1 June</b>	<b>25,357,065</b>	-	<b>16,550,869</b>	-
Cash received for units created	45,000	24,929,721	293,500	18,026,723
Cash paid for units liquidated	(89,627)	-	(67,216)	-
<b>Net movement in Units</b>	<b>25,312,438</b>	24,929,721	<b>16,777,153</b>	18,026,723
(Increase)/decrease in net assets attributable to unitholders	3,881,368	427,344	2,968,263	(1,475,854)
<b>Net Assets Attributable to Unitholders at 30 June</b>	<b>29,193,806</b>	25,357,065	<b>19,745,416</b>	16,550,869
<b>Number of units issued</b>	14 <b>2,532,145</b>	2,536,317	<b>1,873,189</b>	1,851,826
<b>Net Assets Value per unit</b>	<b>11.53</b>	10.01	<b>10.54</b>	8.95

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Changes in Net Assets

attributable to Unitholders for the year ended 30 June 2017  
for the NIT Emerging Markets Fund and the NIT Global Bond Fund

Note	NIT Emerging Markets Fund		NIT Global Bond Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Net Assets Attributable to Unitholders at 1 June</b>	<b>23,860,011</b>	-	<b>15,417,865</b>	-
Cash received for units created	4,083,000	23,685,161	1,046,000	15,441,380
Cash paid for units liquidated	(74,358)	-	(4,844)	(20,080)
<b>Net movement in Units</b>	<b>27,868,653</b>	23,685,161	<b>16,459,021</b>	15,421,300
Increase/(decrease) in net assets attributable to unitholders	3,360,906	174,850	50,355	(3,435)
<b>Net Assets Attributable to Unitholders at 30 June</b>	<b>31,229,559</b>	23,860,011	<b>16,509,376</b>	15,417,865
<b>Number of units</b>	<b>2,783,176</b>	2,409,784	<b>1,730,157</b>	1,625,837
<b>Net Assets Value per unit</b>	<b>11.22</b>	9.91	<b>9.55</b>	9.50

# Statement of Changes in Net Assets

attributable to Unitholders for the year ended 30 June 2017  
for the NIT Global Healthcare Fund and the NIT Global Value Fund

Note	NIT Global Healthcare Fund		NIT Global Value Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Net Assets Attributable to Unitholders at 1 June</b>	<b>16,173,791</b>	-	<b>17,906,027</b>	-
Cash received for units created	58,500	16,913,022	9,501,500	16,174,337
Cash paid for units liquidated	(82,784)	-	(115,451)	-
<b>Net movement in Units</b>	<b>16,149,507</b>	16,913,022	<b>27,292,076</b>	16,174,337
Increase/decrease in net assets attributable to unitholders	1,588,485	(739,231)	61,348	1,731,690
<b>Net Assets Attributable to Unitholders at 30 June</b>	<b>17,737,992</b>	16,173,791	<b>27,353,424</b>	17,906,027
<b>Number of units</b>	<b>1,705,061</b>	1,707,733	<b>2,407,856</b>	1,603,356
<b>Net Assets Value per unit</b>	<b>10.40</b>	9.49	<b>11.36</b>	11.19

The notes on pages 53 to 82 form an integral part of the financial statements.



# Statement of Cash Flow

for the year ended 30 June 2017

for the NIT North America Fund and the NIT Europe Fund

Note	NIT North America Fund		NIT Europe Fund	
	2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Cash flow from operating activities</b>				
	(236,031)	(29,480)	(239,339)	(29,480)
	<b>(236,031)</b>	(29,480)	(239,339)	(29,480)
	15,000	(15,000)	3,000	(3,000)
	50,192	28,750	100,101	28,750
	<b>(170,839)</b>	(15,730)	<b>(136,238)</b>	(3,730)
	-	-	-	(2,000,000)
			(136,238)	(2,003,730)
<b>Cash flow from financing activities</b>				
14	148,459	-	(5,617)	-
14	45,000	127,170	293,500	2,216,100
14	(89,627)	-	(67,216)	-
	<b>103,832</b>	127,170	<b>220,667</b>	2,216,100
	(67,007)	111,440	84,429	212,370
	111,440	-	212,370	-
7	<b>44,433</b>	111,440	<b>296,799</b>	212,370

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Cash Flow

for the year ended 30 June 2017

for the NIT Emerging Markets Fund and the NIT Global Bond Fund

	Note	NIT Emerging Markets Fund		NIT Global Bond Fund	
		2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Cash flow from operating activities</b>					
Net loss before taxation		(293,233)	(29,595)	103,950	25,409
<b>Operating loss before working capital changes</b>		<b>(293,233)</b>	(29,595)	103,950	25,409
Decrease/(increase) in receivables		6,000	(6,000)	(124,982)	-
Increase in payables		145,686	28,750	18,139	36,861
<b>Net cash used in operating activities</b>		<b>(141,547)</b>	(6,845)		
Payment of purchases of financial assets at FVTPL		<b>(3,564,000)</b>	-		
				<b>(2,893)</b>	62,270
Payment of purchases of financial assets at FVTPL				<b>(3,745,350)</b>	(54,920)
Tax paid				<b>(6,667)</b>	-
<b>Net cash used in operating activities</b>				<b>(3,754,910)</b>	7,350
<b>Cash flow from financing activities</b>					
Transfer	14	(4,923)	-	(6,137)	-
Proceeds from issue of units	14	4,083,000	191,779	1,046,000	52,000
Cash paid for units liquidated	14	(74,358)	-	(4,844)	(20,080)
<b>Net cash generated from financing activities</b>		<b>4,003,719</b>	191,779	<b>1,035,019</b>	31,920
<b>Cash flow from financing activities</b>					
Proceeds from sale of units	14	4,083,000	191,779	3,592,000	-
<b>Net increase in cash and cash equivalents</b>		298,172	184,934	872,109	39,270
Cash and cash equivalent at the beginning of the period		184,934	-	39,270	-
<b>Cash and cash equivalent at end of the period</b>	7	<b>483,106</b>	184,934	<b>911,379</b>	39,270

The notes on pages 53 to 82 form an integral part of the financial statements.

# Statement of Cash Flow

for the year ended 30 June 2017

for the NIT Global Healthcare Fund and the NIT Global Value Fund

	Note	NIT Global Healthcare Fund		NIT Global Value Fund	
		2017 Rs	Period ended 30 June 2016 Rs	2017 Rs	Period ended 30 June 2016 Rs
<b>Cash flow</b>					
<b>from operating activities</b>					
Net loss before taxation		(228,175)	(29,480)	379,039	(23,787)
<b>Operating loss before working capital changes</b>		<b>(228,175)</b>	(29,480)	379,039	(23,787)
Decrease/(increase) in receivables		8,885	(8,885)	(16,613)	(17,808)
Increase in payables		53,085	28,750	26,250	28,750
<b>Cash used in operating activities</b>		<b>(166,205)</b>	(9,615)	<b>388,676</b>	(12,845)
Payment of purchases of financial assets at FVTPL		-	(3,003,115)	<b>(8,554,800)</b>	-
<b>Net cash used in operating activities</b>		<b>(166,205)</b>	(3,012,730)	<b>(8,166,124)</b>	(12,845)
<b>Cash flow from financing activities</b>					
Transfer	14	2,080	-	(7,593)	-
Proceeds from issue of units	14	58,500	3,333,180	9,501,500	240,500
Cash paid for units liquidated	14	(82,784)	-	(115,451)	-
<b>Net cash used in / generated from financing activities</b>		<b>(22,204)</b>	3,333,180	<b>9,378,456</b>	240,500
<b>Cash flow from investing activities</b>					
Proceeds from sale of investment				881,362	-
<b>Net cash generated from investing activities</b>				<b>881,362</b>	-
<b>Net (decrease) / increase in cash and cash equivalents</b>		(188,409)	320,450	2,093,694	227,655
Cash and cash equivalent at the beginning of the period		320,450	-	227,655	-
<b>Cash and cash equivalent at end of the period</b>	7	<b>132,041</b>	320,450	<b>2,321,349</b>	227,655

The notes on pages 53 to 82 form an integral part of the financial statements.



# Notes to the Financial Statements for the NIT Unit Trust - 30 June 2017

## 1. GENERAL INFORMATION

See page 37 for Funds' descriptions and objectives.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 2.1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") and its related bodies. The financial statements have been prepared under the historical cost convention.

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

#### (a) Changes in accounting policy and disclosures

##### (i) New and amended standards

The Funds applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 July 2016. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the financial statements of the Funds. The nature and the impact of each new standard or amendment relevant to the Funds are described below:

IAS 7 in respect of the disclosure initiative regarding change in liabilities arising from cash flows. The additional disclosure will help investors to evaluate changes in liabilities arising from financing activities, including changes in cash flows and non-cash changes, such as foreign gains or losses.

IAS 12 with regards to the recognition of a deferred tax asset relating to the unrealised losses. The amendment is a narrow-scope amendment and provides clarity as to when a deferred tax asset may be recognised for unrealised losses on debt instruments measured at fair value.

Annual Improvement to IFRSs 2014-2016 Cycle (Amendments to IFRS 12 Disclosure of Interests in Other Entities) clarify that the disclosure requirements for interests in other entities also apply to interests that are classified as held for sale or distribution.

##### (ii) New standards, amendments and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Funds' financial statements are disclosed below. The Funds intend to adopt these standards, if applicable, when they become effective. The Funds have not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### *IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2018)*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

#### *Key requirements of IFRS 9:*

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequently accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the

end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributed to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

#### *Amendments to IAS 7 Statement of Cash Flows - Disclosure initiative*

The amendments require an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The manager and trustee of the Funds do not anticipate that the application of these amendments will have a material impact on the Funds' financial statements.

#### *IFRIC 22 Foreign Currency Transactions and Advance Consideration*

IFRIC 22 clarifies the accounting for transactions that include the receipts or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipts of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at fair value of the recognition received or paid out at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018, early application is permitted.

#### *IFRS 15 Revenue from contracts with customers and associated amendments to various other standards (effective for accounting periods beginning on or after 1 January 2018)*

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- Identify contracts with customer,
- Identify the separate performance obligation,
- Determine the transactions price of the contract,
- Allocate the transaction price at each of the separate performance obligations; and
- Recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods and services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success for an outcome etc.) – minimum amounts must be recognised over the contract term and vice versa.
- The point at which revenues is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licences, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investors communications.

Entities will have a choice of full retrospective application or prospective application with additional disclosures.

#### *IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)*

IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost

all leases on balance sheet. The standard removes the current distinction between operating and financial leases and requires recognition of an asset (the right to use the leased item) and a finance liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value leases.

The income statement will also be affected because the total expenses is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expenses will be replaced with interest and depreciation, so key metrics like EBITDA will change.

Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Early adoption is permitted only if IFRS 5 is adopted at the same time.

## **2.2. Foreign currency translation**

### *(a) Functional and presentation currency*

The performance of the Funds is measured and reported to the investors in Mauritian Rupee ("Rs"). The Directors consider the "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Rs, which is the Funds' functional and presentation currency.

### *(b) Transactions and balances*

Where relevant, foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss and other comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transactions.

## **2.3. Revenue recognition**

### *Dividend income*

Dividend income is recognised when the right to receive payment is established. Dividend arising from financial assets at fair value through profit or loss is recognised when the security is quoted ex-dividend.

### *Interest income*

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

## **2.4. Transactions costs**

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of profit or loss and other comprehensive income as an expense.

## **2.5. Distributions payable to unitholders**

Where relevant, proposed distribution to unitholders are recognised in the statement of profit or loss and other comprehensive income as they are mandatory. The distribution on the units is recognised as a finance cost in the statement of profit or loss and other comprehensive income.

## **2.6. Increase/decrease in net assets attributable to unitholders from operations**

Income not distributed is included in net assets attributable to unitholders.

## **2.7. Current and deferred income tax**

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

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial

statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2.8. Financial instruments**

Financial instruments carried on the statement of financial position include financial assets at fair value through profit or loss, other receivables, cash and cash equivalents, other payables and net assets attributable to unitholders. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

## **2.9. Financial assets at fair value through profit or loss**

### *Classification*

The Funds classify their investments in specialised funds as financial assets at fair value through profit or loss. These financial assets were designated by the Funds Manager at fair value through profit or loss at inception.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not held for trading but are managed, and their performance are evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds policy is for the Fund Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

### *Recognition/derecognition and measurement*

Regular-way purchases and sales of investments are recognised on the trade date - the date on which the Funds commit to purchase or sell the financial assets. Financial assets at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in statement of profit or loss and other comprehensive income within 'Changes in fair value of financial assets at fair value through profit or loss' in the period in which they arise and they are held as assets attributable to unitholders.

Gain and losses on disposal of financial assets at fair value through profit or loss are recognised in the statement of comprehensive income.

### *Fair value estimation*

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets at fair value through profit or loss held by the Funds is the last traded price.

## **2.10. Other receivables**

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

## **2.11. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## **2.12. Other payables**

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

## **2.13. Units**

Units of the Funds, 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 financial position and distributions to unitholders are included as finance costs in the statement of profit or loss and other comprehensive income.

#### **2.14. Equalisation**

Accrued income included in the issues and repurchase of prices of units are dealt with in the statement of profit and loss and other comprehensive income.

#### **2.15. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Funds currently have a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **2.16. Provisions**

Provisions are recognised when the Funds have a present obligation (legal or constructive) as a result of a past event, 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. Where the Funds expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### **2.17. Related parties**

Related parties are individuals and companies where the individual or Fund 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.

#### **2.18. Impairment**

The carrying amount of assets is assessed at end of each reporting period to determine whether there is any indication of impairment. If such indication exists, the Funds estimate the recoverable amounts 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.

#### **2.19. Comparatives**

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

### **3. FINANCIAL RISK MANAGEMENT**

#### **3.1 Financial risk factors**

The Funds activities expose them to a variety of financial risks: market risk (including price risk, currency risk, fair value risk and cash flow interest rate risk), credit risk and liquidity risk.

The Funds are also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Funds to transfer securities might be temporarily impaired.

The Funds' overall risk management programme seeks to maximise the returns derived for the level of risk to which the Funds are exposed and seeks to minimise potential adverse effects on the Funds' financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the Manager under policies approved by Management. Management provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity.

The Funds use different methods to measure and manage the various types of risk to which it is exposed these methods are explained below.

##### **(a) Market risk**

###### *Price risk*

The Funds are exposed to securities price risk. This arises from investments held by the Funds for which prices in the future are uncertain.

Where non-monetary financial instruments are denominated in currencies other than the Mauritian rupee, the price initially expressed in foreign currency and then converted into Mauritian rupees will also fluctuate because of changes in foreign exchange rates.

“Foreign currency risk” sets out how this component of price risk is managed and measured.

The Funds’ policies are to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Management.

For NIT Local Equity Fund:

- the value of the aggregate values of any investments in any company shall not exceed 25% of the total value of the Fund;
- the nominal amount of any investment in shares or stock of any company or body shall not exceed 10% of the total nominal amount of all issued shares or stock of that company; and
- where in any period, the value of the aggregate values of any investments in any company exceeds 25% of the total value of the Fund, the Manager will take necessary step to reduce the percentage of investments accordingly.

For all overseas funds:

- the value of the aggregate values of any investments in the shares of a Collective Investment Scheme shall not exceed 25% of the net asset value of the Fund;
- the value of the aggregate values of any investments in any investee Fund or fund shall not exceed 5% of the total value of the Fund; and
- the nominal amount of any investment in shares or stock of any investee Fund or body shall not exceed 10% of the total nominal amount of all issued shares or stock of that Fund.

The Funds’ investments are publicly traded on overseas Stock Exchange. The Funds’ policies requires that the overall market position be monitored on a daily basis by the Funds’ Investment Manager and reviewed on a regular basis by the Management.

The fair value of securities exposed to price risk was as follows:

<b>Financial assets at fair value through profit or loss</b>	<b>2017 Rs</b>	<b>2016 Rs</b>
NIT Local Equity Fund	<b>566,946,423</b>	472,432,389
NIT Global Opportunities Fund	<b>349,740,277</b>	310,670,889
NIT Emerging Markets Fund	<b>30,920,889</b>	23,697,827
NIT Europe Fund	<b>19,577,468</b>	16,364,249
NIT Global Bond Fund	<b>15,532,517</b>	15,419,267
NIT Global Healthcare Fund	<b>17,687,786</b>	15,873,206
NIT Global Value Fund	<b>25,052,654</b>	17,689,314
NIT North America Fund	<b>29,228,315</b>	25,259,375

#### *Sensitivity analysis*

Management’s best estimate of the effect on statement of profit or loss and other comprehensive income for the year due to a possible change in security prices, with all variables held constant is indicated in the table below.

If security prices had been 5% higher/lower, net assets attributable to unitholders would increase/decrease as a result of changes in fair value of investments as follows:

<b>Financial assets at fair value through profit or loss</b>	<b>2017 Rs</b>	<b>2016 Rs</b>
NIT Local Equity Fund	<b>28,347,321</b>	23,621,619
NIT Global Opportunities Fund	<b>17,487,014</b>	15,533,544
NIT Emerging Markets Fund	<b>1,546,044</b>	1,184,891
NIT Europe Fund	<b>978,873</b>	818,212
NIT Global Bond Fund	<b>776,626</b>	770,963
NIT Global Healthcare Fund	<b>884,389</b>	793,660
NIT Global Value Fund	<b>1,252,633</b>	884,466
NIT North America Fund	<b>1,461,416</b>	1,262,969

#### *Interest rate risk*

The majority of the Funds’ financial assets and liabilities are non-interest bearing and as a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The directors consider that the Funds are not subject to significant amount of risk arising from changes in interest rates on cash and cash equivalents as these are short term in nature and changes in their values or interest cash flows in the event of a change in interest rates will not be material. Therefore, no interest rate risk sensitivity analysis on cash and cash equivalents has been performed. However, changes in interest rates could impact on earnings of entities in which the Funds have invested in.

#### *Foreign currency risk*

Where the Funds holds assets and liabilities denominated in currencies other than the Mauritian

Rupees ("Rs"), they are exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Funds' policies are not to enter into any currency hedging transactions.

The currency profile of the financial assets and financial liabilities is summarised as follows:

#### NIT Global Opportunities Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	1,363,677	354,406,150	4,185	312,012,159
United States Dollar	222,231,611	-	193,255,148	-
Euro	106,371,005	-	94,943,363	-
Pound Sterling	24,439,857	-	23,809,463	-
<b>Rs</b>	<b>354,406,150</b>	<b>354,406,150</b>	<b>312,012,159</b>	<b>312,012,159</b>

#### NIT Emerging Markets Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	483,106	31,403,995	190,934	23,888,761
United States Dollar	23,599,586	-	17,780,793	-
Euro	7,321,303	-	5,917,034	-
<b>Rs</b>	<b>31,403,995</b>	<b>31,403,995</b>	<b>23,888,761</b>	<b>23,888,761</b>

#### NIT Europe Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	296,799	19,874,267	215,370	16,579,619
Euro	19,577,468	-	16,364,249	-
<b>Rs</b>	<b>19,874,267</b>	<b>19,874,267</b>	<b>16,579,619</b>	<b>16,579,619</b>

#### NIT Global Bond Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	1,036,361	16,568,878	39,270	15,454,726
United States Dollar	12,595,459	-	15,419,267	-
Euro	2,937,058	-	-	-
<b>Rs</b>	<b>16,568,878</b>	<b>16,568,878</b>	<b>15,458,537</b>	<b>15,454,726</b>

#### NIT Global Healthcare Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	132,041	17,819,827	329,335	16,202,541
United States Dollar	3,923,779	-	3,549,005	-
Euro	13,764,007	-	12,324,201	-
<b>Rs</b>	<b>17,819,827</b>	<b>17,819,827</b>	<b>16,202,541</b>	<b>16,202,541</b>

#### NIT Global Value Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	2,321,349	27,408,424	245,463	17,934,777
United States Dollar	20,391,053	-	13,616,143	-
Euro	4,661,601	-	4,073,171	-
<b>Rs</b>	<b>27,374,003</b>	<b>27,408,424</b>	<b>17,934,777</b>	<b>17,934,777</b>

## NIT North America Fund

Currency	2017		2016	
	Financial assets Rs	Financial liabilities Rs	Financial assets Rs	Financial liabilities Rs
Mauritian Rupee	44,433	29,228,315	126,440	25,385,815
United States Dollar	29,228,315	-	25,259,375	-
	<b>Rs 29,272,748</b>	<b>29,228,315</b>	<b>25,385,815</b>	<b>25,385,815</b>

The exchange rate risk arises mainly out of the Funds' investment in the securities which are denominated in USD, Euro and GBP. The currency risk between the foreign currency of the investments and the functional currency of the Funds is not actively managed and fluctuates with market movements.

The following tables detail the Funds' sensitivity to a 5% and 10% change in the Mauritian Rupee against the USD and the Euro. A 5% and 10% represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit and net assets attributable to unitholders, where the Mauritian Rupee weakens 5% and 10% against the USD and the Euro. For a 5% and 10% strengthening of the Mauritian Rupee against the USD and the Euro, there would be an equal and opposite impact on the profit and net assets attributable to unitholders and the balances below would be negative.

## NIT Global Opportunities Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	11,111,581	22,223,161	9,662,757	19,325,515
Euro	5,318,550	10,637,100	4,747,168	9,494,336
Pound Sterling	1,221,993	2,443,986	1,190,473	2,380,946
	<b>Rs 17,652,124</b>	<b>35,304,247</b>	<b>15,600,398</b>	<b>31,200,797</b>

## NIT Emerging Markets Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	<b>1,179,979</b>	<b>2,359,959</b>	889,040	1,778,079
Euro	<b>366,065</b>	<b>732,130</b>	295,852	591,703

## NIT Europe Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
Euro	<b>978,873</b>	<b>1,957,747</b>	818,212	1,636,425

## NIT Global Bond Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	<b>7,766,259</b>	<b>15,532,517</b>	770,963	1,541,927

## NIT Global Healthcare Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	196,189	392,378	177,450	354,901
Euro	688,200	1,376,400	616,210	1,232,420
	<b>Rs 884,389</b>	<b>1,768,779</b>	<b>793,660</b>	<b>1,587,321</b>

## NIT Global Value Fund

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
United States Dollar	1,019,553	2,039,105	680,807	1,361,614
Euro	233,080	466,160	203,659	407,317
	<b>Rs 1,252,633</b>	<b>2,505,265</b>	<b>884,466</b>	<b>1,768,931</b>



**NIT North America Fund**

Foreign currency impact	2017		2016	
	5% Rs	10% Rs	5% Rs	10% Rs
<b>United States Dollar</b>	<b>1,461,416</b>	<b>2,922,832</b>	1,262,969	2,525,938

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

**(b) Credit risk**

The Funds take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are made for losses that have been incurred at the end of the reporting period, if any.

The Funds' main credit risks concentration are associated with bank balances and other receivables.

All transactions in listed securities are settled / paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The transaction will fail if either party fails to meet its obligation. The bank balances are held with reputable financial institutions.

Accordingly, the Funds have no significant concentration of credit risk. None of the Funds' financial assets are impaired nor past due but not impaired

**(c) Liquidity risk**

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Funds are exposed to weekly cash redemptions of redeemable units. They therefore invests the majority of their assets in financial assets that are traded in an active market and can be readily disposed of. The Funds' listed financial assets are considered readily realisable, as they are listed on overseas Stock Exchange mainly in USA and Europe.

The following tables analyse the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as impact of discounting is not significant.

**NIT Local Equity Fund**

Financial liabilities	At call	Less than one year	Total	At call	Less than one year	Total
	2017 Rs	2017 Rs	2017 Rs	2016 Rs	2016 Rs	2016 Rs
Other payables	-	1,690,556	1,690,556	-	3,212,000	3,212,000
Net assets attributable to unitholders	-	11,445,643	11,445,643	472,339,336	-	472,339,336
	<b>571,333,954</b>	<b>13,136,199</b>	<b>584,470,152</b>	472,339,336	12,833,525	485,172,861

**NIT Global Opportunities Fund**

Financial liabilities	At call	Less than one year	Total	At call	Less than one year	Total
	2017 Rs	2017 Rs	2017 Rs	2016 Rs	2016 Rs	2016 Rs
Other payables	9,987,771	303,332	10,291,103	9,939,500	196,700	10,136,200
Net assets attributable to unitholders	344,115,047	-	344,115,047	301,875,959	-	301,875,959
	<b>354,102,818</b>	<b>303,332</b>	<b>354,406,150</b>	311,815,459	196,700	312,012,159

**NIT Emerging Markets Fund**

Financial liabilities	At call	Less than one year	Total	At call	Less than one year	Total
	2017 Rs	2017 Rs	2017 Rs	2016 Rs	2016 Rs	2016 Rs
Other payables	-	174,436	174,436	-	28,750	28,750
Net assets attributable to unitholders	31,229,559	-	31,229,559	23,860,011	-	23,860,011
	<b>31,229,559</b>	<b>174,436</b>	<b>31,403,995</b>	23,860,011	28,750	23,888,761

**NIT Europe Fund**

Financial liabilities	At call	Less than	Total	At call	Less than	Total
	2017	one year	2017	2016	one year	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Other payables	-	128,851	128,851	-	28,750	28,750
Net assets attributable to unitholders	19,745,416	-	19,745,416	16,550,869	-	16,550,869
	<b>19,745,416</b>	<b>128,851</b>	<b>19,874,267</b>	<b>16,550,869</b>	<b>28,750</b>	<b>16,579,619</b>

**NIT Global Bond Fund**

Financial liabilities	At call	Less than	Total	At call	Less than	Total
	2017	one year	2017	2016	one year	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Other payables	-	55,000	55,000	-	36,861	36,861
Net assets attributable to unitholders	16,509,376	-	16,509,376	15,417,865	-	15,417,865
	<b>16,509,376</b>	<b>55,000</b>	<b>16,564,376</b>	<b>15,417,865</b>	<b>36,861</b>	<b>15,454,726</b>

**NIT Global Healthcare Fund**

Financial liabilities	At call	Less than	Total	At call	Less than	Total
	2017	one year	2017	2016	one year	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Other payables	-	81,835	81,835	-	28,750	28,750
Net assets attributable to unitholders	17,737,992	-	17,737,992	16,173,791	-	16,173,791
	<b>17,737,992</b>	<b>81,835</b>	<b>17,819,827</b>	<b>16,173,791</b>	<b>28,750</b>	<b>16,202,541</b>

**NIT Global Value Fund**

Financial liabilities	At call	Less than	Total	At call	Less than	Total
	2017	one year	2017	2016	one year	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Other payables	-	55,000	55,000	-	28,750	28,750
Net assets attributable to unitholders	27,353,424	-	27,353,424	17,906,027	-	17,906,027
	<b>27,353,424</b>	<b>55,000</b>	<b>27,408,424</b>	<b>17,906,027</b>	<b>28,750</b>	<b>17,934,777</b>

**NIT North America Fund**

Financial liabilities	At call	Less than	Total	At call	Less than	Total
	2017	one year	2017	2016	one year	2016
	Rs	Rs	Rs	Rs	Rs	Rs
Other payables	-	78,942	78,942	-	28,750	28,750
Net assets attributable to unitholders	29,193,806	-	29,193,806	25,357,065	-	25,357,065
	<b>29,193,806</b>	<b>78,942</b>	<b>29,272,748</b>	<b>25,357,065</b>	<b>28,750</b>	<b>25,385,815</b>

Units are redeemed on demand at the unitholder's option. However, the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as unitholders of these instruments typically retain them for the medium to long term.

**Capital risk management**

The capital of the Funds are represented by the net assets attributable to the unitholders. The amount of net assets attributable to the unitholders can change significantly on a weekly basis as the Funds are subject to weekly subscriptions and redemptions at the discretion of the unitholders. The investment portfolios are very well diversified to mitigate investment risks.

The Funds' objectives when managing capital are to provide an adequate return to the unitholder by achieving and preserving above average long-term real capital returns through a policy of investing primarily in quoted securities. The Funds seek to achieve this through participating in rising markets whilst following a strategy more suitable for capital preservation when share prices are falling.

**Fair value estimation**

The carrying amounts of financial assets at fair value through profit or loss, other receivables, cash and cash equivalents and other payables approximate their fair values.

The fair value of financial assets traded in active markets is based on quoted market prices at the close of trading on the year end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

At 30 June 2017 and 2016 all financial assets at fair value through profit or loss were classified as Level 1. There were no transfers between level 1, 2 and 3 during the year.

Financial instruments by category are as follows:

<b>NIT Local Equity Fund</b>				
<b>Financial assets</b>	<b>Loans and receivables</b> 2017 Rs	<b>Financial assets at FVTPL</b> 2017 Rs	<b>Loans and receivables</b> 2016 Rs	<b>Financial assets at FVTPL</b> 2016 Rs
Financial assets at FVTPL	-	566,946,423	-	472,432,389
Other receivables	2,238,860	-	417,925	-
Cash and cash equivalents	15,255,156	-	12,360,618	-
	<b>17,494,016</b>	<b>566,946,423</b>	<b>12,778,543</b>	<b>472,432,389</b>
<b>Financial liabilities</b>	<b>Financial liabilities at FVTPL</b> 2017 Rs	<b>Other liabilities at amortised cost</b> 2017 Rs	<b>Financial liabilities at FVTPL</b> 2016 Rs	<b>Other liabilities at amortised cost</b> 2016 Rs
Net assets attributable to Unitholders	-	571,333,955	-	472,339,336
Payables	-	1,690,556	-	3,212,000
Distribution to unitholders	-	11,445,643	-	9,621,525
	<b>-</b>	<b>584,470,154</b>	<b>-</b>	<b>485,172,861</b>
<b>NIT Global Opportunities Fund</b>				
<b>Financial assets</b>	<b>Loans and receivables</b> 2017 Rs	<b>Financial assets at FVTPL</b> 2017 Rs	<b>Loans and receivables</b> 2016 Rs	<b>Financial assets at FVTPL</b> 2016 Rs
Financial assets at FVTPL	-	349,740,277	-	310,670,889
Other receivables	-	-	-	-
Cash and cash equivalents	4,665,873	-	1,341,270	-
	<b>4,665,873</b>	<b>349,740,277</b>	<b>1,341,270</b>	<b>310,670,889</b>
<b>Financial liabilities</b>	<b>Financial liabilities at FVTPL</b> 2017 Rs	<b>Other liabilities at amortised cost</b> 2017 Rs	<b>Financial liabilities at FVTPL</b> 2016 Rs	<b>Other liabilities at amortised cost</b> 2016 Rs
Net assets attributable to Unitholders	-	344,115,047	-	301,875,959
Other payables	-	10,291,103	-	10,136,200
	<b>-</b>	<b>354,406,150</b>	<b>-</b>	<b>312,012,159</b>

**NIT Emerging Markets Fund**

<b>Financial assets</b>	<b>Loans and receivables</b>	<b>Financial assets at FVTPL</b>	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	30,920,889	-	23,697,827
Other receivables	483,106	-	6,000	-
Cash and cash equivalents	-	-	184,934	-
	<b>483,106</b>	<b>30,920,889</b>	190,934	23,697,827
<b>Financial liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Other liabilities at amortised cost</b>	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	31,229,559	23,860,011	-
Other payables	174,436	-	-	28,750
	<b>174,436</b>	<b>31,229,559</b>	23,860,011	28,750

**NIT Europe Fund**

<b>Financial assets</b>	<b>Loans and receivables</b>	<b>Financial assets at FVTPL</b>	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	19,577,468	-	16,364,249
Other receivables	296,799	-	212,370	-
Cash and cash equivalents	-	-	3,000	-
	<b>296,799</b>	<b>19,577,468</b>	215,370	16,364,249
<b>Financial liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Other liabilities at amortised cost</b>	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	19,745,416	16,550,869	-
Other payables	128,851	-	-	28,750
	<b>128,851</b>	<b>19,745,416</b>	16,550,869	28,750

**NIT Global Bond Fund**

<b>Financial assets</b>	<b>Loans and receivables</b>	<b>Financial assets at FVTPL</b>	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	15,532,517	-	15,419,267
Other receivables	911,379	-	39,270	-
Cash and cash equivalents	124,982	-	-	-
	<b>1,036,361</b>	<b>15,532,517</b>	39,270	15,419,267
<b>Financial liabilities</b>	<b>Financial liabilities at FVTPL</b>	<b>Other liabilities at amortised cost</b>	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	16,509,376	15,417,865	-
Other payables	55,000	-	-	36,861
	<b>55,000</b>	<b>16,509,376</b>	15,417,865	36,861

### NIT Global Healthcare Fund

Financial assets	Loans and receivables	Financial assets at FVTPL	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	17,687,786	-	15,873,206
Other receivables	132,041	-	8,885	-
Cash and cash equivalents	-	-	320,450	-
	<b>132,041</b>	<b>17,687,786</b>	<b>329,335</b>	<b>15,873,206</b>
Financial liabilities	Financial liabilities at FVTPL	Other liabilities at amortised cost	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	17,737,992	16,173,791	-
Other payables	81,835	-	-	28,750
	<b>81,835</b>	<b>17,737,992</b>	<b>16,173,791</b>	<b>28,750</b>

### NIT Global Value Fund

Financial assets	Loans and receivables	Financial assets at FVTPL	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	25,052,654	-	17,689,314
Other receivables	2,321,349	-	227,655	-
Cash and cash equivalents	34,421	-	17,808	-
	<b>2,355,770</b>	<b>25,052,654</b>	<b>245,463</b>	<b>17,689,314</b>
Financial liabilities	Financial liabilities at FVTPL	Other liabilities at amortised cost	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	27,353,424	17,906,027	-
Other payables	55,000	-	-	28,750
	<b>55,000</b>	<b>27,353,424</b>	<b>17,906,027</b>	<b>28,750</b>

### NIT North America Fund

Financial assets	Loans and receivables	Financial assets at FVTPL	Loans and receivables	Financial assets at FVTPL
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Financial assets at FVTPL	-	29,228,315	-	25,259,375
Other receivables	44,433	-	111,440	-
Cash and cash equivalents	-	-	15,000	-
	<b>44,433</b>	<b>29,228,315</b>	<b>126,440</b>	<b>25,259,375</b>
Financial liabilities	Financial liabilities at FVTPL	Other liabilities at amortised cost	Financial liabilities at FVTPL	Other liabilities at amortised cost
	2017 Rs	2017 Rs	2016 Rs	2016 Rs
Net assets attributable to Unitholders	-	29,193,806	25,357,065	-
Other payables	78,942	-	-	28,750
	<b>78,942</b>	<b>29,193,806</b>	<b>25,357,065</b>	<b>28,750</b>

#### 4. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to exercise its 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 therefore, by definition, 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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### *Determination of functional currency*

The determination of the functional currency of the Funds is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the management have considered those factors therein and have determined that the functional currency of the Funds is the "Rs". Management considers "Rs" as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

#### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

##### NIT Local Equity Fund

	Official Market Rs	Development & Enterprises Market Rs	Total Rs
<b>At fair value - 30 June 2015</b>	<b>650,494,795</b>	<b>1,536,724</b>	<b>652,031,519</b>
Additions	22,121,591	4,999,991	27,121,582
Disposals	(127,918,163)	(990,736)	(128,908,899)
Fair value (loss) / gain on revaluation	(78,446,383)	634,570	(77,811,813)
<b>At 30 June 2016</b>	<b>466,251,840</b>	<b>6,180,549</b>	<b>472,432,389</b>
Additions	2,019,805	-	2,019,805
Disposals	(1,637,600)	-	(1,637,600)
Fair value gain / (loss) on revaluation	93,784,607	347,222	94,131,829
<b>At 30 June 2017</b>	<b>560,418,652</b>	<b>6,527,771</b>	<b>566,946,423</b>

##### NIT Global Opportunities Fund

	2017 Rs	2016 Rs
<b>At fair value - 1 July</b>	<b>310,670,889</b>	453,685,284
Additions during the year	<b>31,713,372</b>	25,261,591
Securities transferred to related parties - Note 15 (iv)	-	(50,534,125)
Disposal during the year	<b>(31,631,940)</b>	(55,845,052)
Transfer to Euroclear custodian	<b>(19,470)</b>	-
<b>Deficit/Surplus on revaluation</b>	<b>39,007,426</b>	(61,896,809)
<b>At 30 June</b>	<b>349,740,277</b>	310,670,889
<b>Disposals proceeds</b>	<b>39,509,027</b>	123,725,666

	NIT Emerging Markets Fund		NIT Europe Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
At fair value - 1 June	23,697,827	-	16,364,249	-
Securities acquired from related party (Note 12)	-	23,493,382	-	15,810,623
Additions	3,564,000	-	-	2,000,000
Transfer	4,923	-	5,617	-
Disposal	-	-	-	-
Fair value adjustments	3,654,139	204,445	3,207,602	(1,446,374)
	<b>30,920,889</b>	<b>23,697,827</b>	<b>19,577,468</b>	<b>16,364,249</b>

	NIT Global Bond Fund		NIT Global Healthcare Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
At fair value - 1 June	15,419,267	-	15,873,206	-
Securities acquired from related party (Note 12)	-	15,389,380	-	13,579,842
Additions	3,745,350	54,920	-	3,003,115
Transfer	6,137	-	(2,080)	-
Disposal	(3,592,000)	-	-	-
Fair value adjustments	(46,237)	(25,033)	1,816,660	(709,751)
	<b>15,532,517</b>	<b>15,419,267</b>	<b>17,687,786</b>	<b>15,873,206</b>

	NIT Global Value Fund		NIT North America Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
At fair value - 1 June	17,689,314	-	25,259,375	-
Securities acquired from related party (Note 12)	-	15,933,837	-	24,802,551
Additions	8,554,800	-	-	-
Transfer	7,593	-	(148,459)	-
Disposal	(881,362)	-	-	-
Fair value adjustments	(317,691)	1,755,477	4,117,399	456,824
	<b>25,052,654</b>	<b>17,689,314</b>	<b>29,228,315</b>	<b>25,259,375</b>

## 6. OTHER RECEIVABLES

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Dividend receivable	2,210,528	417,925	-	-
Switching	28,332	-	-	-
	<b>2,238,860</b>	<b>417,925</b>	<b>-</b>	<b>-</b>

	NIT Emerging Markets Fund		NIT Europe Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Receivables from related party - Note 12(i)	-	6,000	-	3,000

	NIT Global Bond Fund		NIT Global Healthcare Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Receivables from related party - Note 12(i)	<b>124,982</b>	-	-	8,885

	NIT Global Value Fund		NIT North America Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Receivables from related party - Note 12(i)	<b>34,421</b>	17,808	-	15,000

For **NIT Local Equity Fund** Dividend receivables represent receivables from entities that are listed on the Stock Exchange of Mauritius ("SEM") and Development and Enterprises Market ("DEM") which is accrued on the basis of the date of dividend declaration. Dividend is recognised when the security is quoted ex-dividend.

Receivables from sales of shares for **NIT Local Equity Fund** represent receivables for securities sold but not yet settled on the statement of financial statement position date.

## 7. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise the following the balances:

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Cash at bank	1,967,364	1,294,635	4,665,873	1,341,270
Cash held by Custodian	13,287,792	11,065,983		
<b>Cash and cash equivalents</b>	<b>15,255,156</b>	<b>12,360,618</b>	<b>4,665,873</b>	<b>1,341,270</b>

Included in the cash and cash equivalents for NIT Global Opportunities Fund is an amount of Rs 3,302,196 (2016: Rs 1,337,085) which are held by the custodian for investment purposes.

	NIT Emerging Markets Fund		NIT Europe Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Cash at bank	483,106	184,934	296,799	212,370
Significant non cash transactions - Issue of units to NIT Ltd (Note 10)	-	23,493,382	-	15,810,623
Acquisition of financial assets at FVTPL (Note 5)	-	23,493,382	-	15,810,623

	NIT Global Bond Fund		NIT Global Healthcare Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Cash at bank	911,379	39,270	132,041	320,450
Significant non cash transactions - Issue of units to NIT Ltd (Note 10)	-	15,389,380	-	13,579,842
Acquisition of financial assets at FVTPL (Note 5)	-	15,389,380	-	13,579,842

	NIT Global Value Fund		NIT North America Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Cash at bank	2,321,349	227,655	44,433	111,440
Significant non cash transactions - Issue of units to NIT Ltd (Note 10)	-	15,933,837	-	24,802,551
Acquisition of financial assets at FVTPL (Note 5)	-	15,933,837	-	24,802,551

## 8. OTHER PAYABLES

	NIT Local Equity Fund		NIT Global Opportunities Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Other payables - Note 15	1,415,556	3,015,300	-	-
Amount due to related parties - Note 14(i)			9,987,771	9,939,500
Accruals	275,000	196,700	303,332	196,700
	<b>1,690,556</b>	<b>3,212,000</b>	<b>10,291,103</b>	<b>10,136,200</b>



	NIT Emerging Markets Fund		NIT Europe Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Accruals	<b>174,436</b>	28,750	<b>128,851</b>	28,750

	NIT Global Bond Fund		NIT Global Healthcare Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Amount due to related parties - Note 14(i)	-	8,111	-	-
Accruals	55,000	28,750	<b>81,835</b>	<b>28,750</b>
	<b>55,000</b>	36,861		

	NIT Global Value Fund		NIT North America Fund	
	2017 Rs	2016 Rs	2017 Rs	2016 Rs
Accruals	<b>55,000</b>	28,750	<b>78,942</b>	28,750

The Funds have financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The **NIT Global Opportunities Fund** has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. Included in other payables is an amount of Rs 9,987,771 (2016: Rs 9,939,500) due to National Investment Trust Ltd, which is unsecured, repayable at call and bears an interest rate of 5% per annum (2016: 5% per annum).

## 9. DISTRIBUTIONS TO UNITHOLDERS

	NIT Local Equity Fund	
	2017 Rs	2016 Rs
Final distribution of Rs 0.02 per unit (2016: Rs 0.01)	<b>Rs 11,445,643</b>	9,621,525

## 10. MANAGEMENT FEES

Management fees payable to the Funds' Manager are based on 1% of the Net Asset Values of the Funds except for, the NIT Global Bond Fund where it is based on 0.6% of the net asset value of the Fund. The fees which are calculated on a weekly basis are payable monthly in arrears.

	NIT Local Equity Fund		NIT Global Opportunities Fund	
Fees payable to:	2017 Rs	2016 Rs	2017 Rs	2016 Rs
National Investment Trust Ltd	5,225,771	5,953,907	3,293,596	3,565,788
	NIT North America Fund		NIT Europe Fund	
Fees payable to:	2017 Rs	2016 Rs	2017 Rs	2016 Rs
National Investment Trust Ltd	139,536	-	92,234	-
	NIT Emerging Markets Fund		NIT Global Bond Fund	
Fees payable to:	2017 Rs	2016 Rs	2017 Rs	2016 Rs
National Investment Trust Ltd	146,013	-	49,271	-
	NIT Global Healthcare Fund		NIT Global Value Fund	
Fees payable to:	2017 Rs	2016 Rs	2017 Rs	2016 Rs
National Investment Trust Ltd	82,256	-	132,864	-

**11. TRUSTEE FEES****NIT Local Equity Fund & NIT Global Opportunities Fund**

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

**For the other Funds**

A Trustee fee of Rs. 105,000 was paid to SBM Bank (Mauritius) Ltd during the financial year.

**12. INTEREST EXPENSES****NIT Global Opportunities Fund**

	<b>2017</b>	2016
	Rs	Rs
Finance charges		
Interest on amount due to related party - Note 14(vii)	<b>Rs 11,468</b>	630,004

**13. TAXATION****NIT Local Equity Fund****Income tax**

Income tax has been charged on the net income of the Fund, as adjusted for tax purposes, at the rate of 15% (2015: 15%) as follows:

Amounts recognised in the statement of financial position:

	<b>2017</b>	2016
	Rs	Rs
Balance at 1 July	38,071	(20,539)
Charge for the year	5,665	135,039
Payment	(73,449)	(76,429)
	<b>(29,713)</b>	38,071

**Tax reconciliation**

	<b>2017</b>	2016
	Rs	Rs
Net income before taxation	<b>11,451,308</b>	9,756,564
Tax at 15%	1,717,696	1,463,485
Tax effects of:		
Exempt income	(2,606,496)	(2,691,800)
Expenses attributable to exempt income	910,018	993,016
Income not subject to tax	(15,553)	-
Expenses not deductible for tax purposes	-	370,338
<b>Tax charge</b>	<b>5,665</b>	135,039

**NIT Global Opportunities Fund****Income Tax**

Net income of the Fund, as adjusted for tax purposes is subject to income tax at the rate of 15 % (2016: 15 %). At 30 June 2017, the Fund had tax losses of Rs 14,193,388 (2016: Rs 12,629,704), which can be carried forward for set off against taxable income derived in five succeeding years.

<b>Tax reconciliation</b>	<b>2017</b>	2016
	Rs	Rs
Net loss before taxation	(1,563,684)	(1,797,204)
Income tax at 15%	(234,553)	(269,581)
Tax losses not utilised	<b>234,553</b>	269,581

<b>Tax Losses</b>	<b>2017</b>	2016
	Rs	Rs
2017	-	4,310,842
2018	3,770,484	3,770,484
2019	3,745,538	3,745,538
2020	3,483,255	3,483,255
2021	1,630,427	1,630,427
2022	1,563,684	-
	<b>14,193,388</b>	16,940,546

**NIT Emerging Markets Fund, NIT Europe Fund, NIT Global Bond Fund,  
NIT Global Healthcare Fund, NIT Global Value Fund, NIT North America Fund**

Net income of the **NIT Emerging Markets Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2017, the Fund had tax losses of Rs 293,233 (2016: Rs 29,595), which can be carried forward for set off against taxable income derived in five succeeding years.

Net income of the **NIT Europe Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2017, the Fund had tax losses of Rs 239,339 (2016: Rs 29,480), which can be carried forward for set off against taxable income derived in five succeeding years.

Net income of the **NIT Global Bond Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2016, the Fund had tax losses of Rs 29,480, which can be carried forward for set off against taxable income derived in five succeeding years.

Net income of the **NIT Global Healthcare Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2017, the Fund had tax losses of Rs 228,175 (2016: Rs 29,480), which can be carried forward for set off against taxable income derived in five succeeding years.

Net income of the **NIT Global Value Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2017, the Fund had tax losses of Rs 379,039 (2016: Rs 23,787), which can be carried forward for set off against taxable income derived in five succeeding years.

Net income of the **NIT North America Fund**, as adjusted for tax purposes is subject to income tax at the rate of 15 %. At 30 June 2017, the Fund had tax losses of Rs 236,031 (2016: Rs 29,480), which can be carried forward for set off against taxable income derived in five succeeding years.

	<b>NIT Emerging Markets Fund</b>		<b>NIT Europe Fund</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	Rs	Rs	Rs	Rs
Net loss before taxation	(293,233)	(29,595)	(239,339)	(29,480)
Income tax at 15%	(43,985)	(4,439)	(35,901)	(4,422)
Income not subject to tax	(548,121)		(481,140)	
Tax losses not utilised	<b>592,106</b>	4,439	<b>517,041</b>	4,422

	<b>NIT Global Bond Fund</b>		<b>NIT Global Value Fund</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	Rs	Rs	Rs	Rs
<b>Income tax charge</b>				
Net loss before taxation	103,950	3,811	379,039	(23,787)
Income tax at 15%	15,593	-	56,856	(3,568)
Disallowed expenses	16,582	-	34,758	
Exempt income	(25,325)	-	(81,816)	
Tax losses not utilised			(3,568)	3,568
Corporate Social Responsibility	508	-		
Tax charge	<b>7,358</b>	3,811		
<b>Tax liability</b>				
Balance at 1 July	3,811	-		
Tax charge for the period	7,358	3,811	6,230	-
Tax paid during the year	(3,811)	-		
Tax paid under APS	(2,856)	-		
Tax liability at 30 June	<b>4,502</b>	3,811	<b>6,230</b>	-

	<b>NIT Global Healthcare Fund</b>		<b>NIT North America Fund</b>	
	<b>2017</b>	2016	<b>2017</b>	2016
	Rs	Rs	Rs	Rs
Net loss before taxation	(228,175)	(29,480)	(236,031)	(29,480)
Income tax at 15%	(34,226)	(4,442)	(35,405)	(4,422)
Income not subject to tax	(272,499)		(617,610)	-
Tax losses not utilised	<b>306,725</b>	4,442	<b>653,015</b>	4,422

**Deferred tax**

The **NIT Local Equity Fund** had no deferred tax asset/liability at 30 June 2017 (2016: Nil).

The **NIT Global Opportunities Fund** has deferred tax assets of Rs 2,129,008 (2016: Rs 2,541,082) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability.

At 30 June 2017, the **NIT Emerging Markets Fund** has deferred tax assets of Rs 596,545 (2016: Rs 4,439) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability

At 30 June 2017, the **NIT Europe Fund** has deferred tax assets of Rs 521,463 (2016: Rs 4,422) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability.

At 30 June 2017, the **NIT Global Healthcare Fund** has deferred tax assets of Rs 311,167 (2016: Rs 4,422) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability.

At 30 June 2017, the **NIT North America Fund** has deferred tax assets of Rs 657,437 (2016: Rs 4,422) arising from accumulated losses and equalisation and which have not been recognised in these financial statements due to uncertainty of their recoverability.

#### 14. UNITS

<b>NIT Local Equity Fund</b>				
(a) Movements in units during	2017		2016	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	660,766,610	472,339,336	815,069,270	668,317,635
Units created	792,326	632,725	131,436	97,467
Distribution	12,659,901	9,464,052	18,175,855	13,912,662
Units liquidated	(7,324,255)	(5,595,069)	(172,609,951)	(124,099,701)
Total comprehensive income	-	94,492,910	-	(85,890,152)
Net assets attributable to unitholders at 30 June	<b>666,894,582</b>	<b>571,333,954</b>	660,766,610	472,339,336
(b) Net asset value per unit		<b>2017</b>	2016	
		Rs	Rs	
Ex-div	Rs	<b>0.87</b>	0.73	
(c) Prices per unit at valuation date		<b>2017</b>	2016	
		Rs	Rs	
Issue price	Rs	<b>0.88</b>	0.73	
Repurchase price	Rs	<b>0.85</b>	0.71	

<b>NIT Global Opportunities Fund</b>				
(a) Movements in units during	2017		2016	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	289,494,583	301,875,959	360,364,401	417,813,372
Units created	1,026,499	1,254,681	321,685	301,105
Units liquidated	(3,908,257)	(4,403,268)	(71,191,503)	(69,685,135)
Total comprehensive income	-	45,387,675	-	(46,553,383)
Net assets attributable to unitholders at 30 June	<b>286,612,826</b>	<b>344,115,047</b>	289,494,583	301,875,959
(b) Net asset value per unit		<b>2017</b>	2016	
		Rs	Rs	
Ex-div	Rs	<b>1.20</b>	1.04	
(c) Prices per unit at valuation date		<b>2017</b>	2016	
		Rs	Rs	
Issue price	Rs	<b>1.25</b>	1.09	
Repurchase price	Rs	<b>1.17</b>	1.02	

### NIT Emerging Markets Fund

(a) Movements in units during	2017		Period ended 30 June 2016	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	2,409,784	23,860,011	-	-
Units created	380,522	4,083,000	2,409,784	23,685,161
Units liquidated	(7,131)	(74,358)	-	-
Total comprehensive income	-	3,360,906	-	174,850
Net assets attributable to unitholders at 30 June	<b>2,783,176</b>	<b>31,229,559</b>	2,409,784	23,860,011

(b) Net asset value per unit	2017	2016
	Rs	Rs
Ex-div	Rs <b>11.22</b>	9.91

(c) Prices per unit at valuation date	2017	2016
	Rs	Rs
Issue price	Rs <b>11.59</b>	10.28
Repurchase price	Rs <b>11.22</b>	9.91

### NIT Europe Fund

(a) Movements in units during	2017		Period ended 30 June 2016	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	1,851,826	16,550,869	-	-
Units created	28,213	293,500	1,851,826	18,026,723
Units liquidated	(6,850)	(67,216)	-	-
Total comprehensive income	-	2,968,263	-	(1,475,854)
Net assets attributable to unitholders at 30 June	<b>1,873,189</b>	<b>19,745,416</b>	1,851,826	16,550,869

(b) Net asset value per unit	2017	2016
	Rs	Rs
Ex-div	Rs <b>10.54</b>	8.95

(c) Prices per unit at valuation date	2017	2016
	Rs	Rs
Issue price	Rs <b>10.89</b>	9.29
Repurchase price	Rs <b>10.54</b>	8.95

### NIT Global Bond Fund

(a) Movements in units during	2017		Period ended 30 June 2016	
	Units	Rs	Units	Rs
Net assets attributable to unitholders at 1 July	1,625,837	15,417,865	-	-
Units created	104,826	1,046,000	1,627,960	15,441,380
Units liquidated	(506)	(4,844)	(2,123)	(20,080)
Total comprehensive income	-	50,355	-	(3,435)
Net assets attributable to unitholders at 30 June	<b>1,730,157</b>	<b>16,509,376</b>	1,625,837	15,417,865

(b) Net asset value per unit	2017	2016
	Rs	Rs
Ex-div	Rs <b>9.55</b>	9.50

(c) Prices per unit at valuation date	2017	2016
	Rs	Rs
Issue price	Rs <b>9.90</b>	9.86
Repurchase price	Rs <b>9.60</b>	9.50

<b>NIT Global Healthcare Fund</b>				
(a) Movements in units during	<b>2017</b>		Period ended 30 June 2016	
	<b>Units</b>	<b>Rs</b>	Units	Rs
Net assets attributable to unitholders at 1 July	1,707,733	16,173,791	-	-
Units created	5,734	58,500	1,707,733	16,913,022
Units liquidated	(8,406)	(82,784)	-	-
Total comprehensive income		1,588,485	-	(739,231)
Net assets attributable to unitholders at 30 June	<b>1,705,061</b>	<b>17,737,992</b>	1,707,733	16,173,791
(b) Net asset value per unit			<b>2017</b>	2016
			Rs	Rs
Ex-div		Rs	<b>10.40</b>	9.49
(c) Prices per unit at valuation date			<b>2017</b>	2016
			Rs	Rs
Issue price		Rs	<b>10.75</b>	9.84
Repurchase price		Rs	<b>10.40</b>	9.48

<b>NIT Global Value Fund</b>				
(a) Movements in units during	<b>2017</b>		Period ended 30 June 2016	
	<b>Units</b>	<b>Rs</b>	Units	Rs
Net assets attributable to unitholders at 1 July	1,603,356	17,906,027	-	-
Units created	814,485	9,501,500	1,603,356	16,174,337
Units liquidated	(9,985)	(115,451)	-	-
Total comprehensive income		61,348	-	1,731,690
Net assets attributable to unitholders at 30 June	<b>2,407,856</b>	<b>27,353,424</b>	1,603,356	17,906,027
(b) Net asset value per unit			<b>2017</b>	2016
			Rs	Rs
Ex-div		Rs	<b>11.36</b>	11.19
(c) Prices per unit at valuation date			<b>2017</b>	2016
			Rs	Rs
Issue price		Rs	<b>11.71</b>	11.60
Repurchase price		Rs	<b>11.36</b>	11.18

<b>NIT North America Fund</b>				
(a) Movements in units during	<b>2017</b>		Period ended 30 June 2016	
	<b>Units</b>	<b>Rs</b>	Units	Rs
Net assets attributable to unitholders at 1 July	2,536,317	25,357,065	-	-
Units created	3,953	45,000	2,536,317	24,929,721
Units liquidated	(8,125)	(89,627)	-	-
Total comprehensive income	-	3,881,368	-	427,344
Net assets attributable to unitholders at 30 June	<b>2,532,145</b>	<b>29,193,806</b>	2,536,317	25,357,065
(b) Net asset value per unit			<b>2017</b>	2016
			Rs	Rs
Ex-div		Rs	<b>11.53</b>	10.01
(c) Prices per unit at valuation date			<b>2017</b>	2016
			Rs	Rs
Issue price		Rs	<b>11.91</b>	10.38
Repurchase price		Rs	<b>11.52</b>	10.00

## 15. ENTRY AND EXIT FEE

Upon issue of units, no entry fees (2016: Nil) are paid by the unitholders to the Funds and, on the repurchase of units, an exit fee of 2% (2016: 2%) of the capital and income value of the units is paid by the unitholders to the Funds. The sums collected are then remitted to the Manager.

## 16. RELATED PARTY TRANSACTIONS

### NIT Local Equity Fund

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

		2017 Rs	2016 Rs
<b>Outstanding balances</b>			
<i>Payable to National Investment Trust Ltd (Note 8)</i>	Rs	<b>1,415,556</b>	3,015,300
<b>Investment in Securities of:</b>			
National Investment Trust Ltd (Note 5)	Rs	<b>9,065,000</b>	6,073,550
SBM Holdings Ltd (Note 5)		<b>111,150,869</b>	96,719,679
<b>Bank balances and short term deposits with</b>			
SBM Bank (Mauritius) Ltd - Current Account (Note 7)	Rs	<b>1,967,364</b>	1,294,635
SBM Bank (Mauritius) Ltd - Custody Account (Note 7)		<b>13,287,792</b>	11,065,983
		<b>15,255,156</b>	12,360,618
<b>Transactions</b>			
<i>Manager's fees to</i>			
National Investment Trust Ltd (Note 11)	Rs	<b>5,225,771</b>	5,953,907
<i>Custodian fees to</i>			
SBM Bank (Mauritius) Ltd		<b>481,282</b>	527,454
<i>Trustee's fees to</i>			
SBM Bank (Mauritius) Ltd (Note 12)	Rs	<b>150,000</b>	150,000
<i>Interest income from</i>			
SBM Bank (Mauritius) Ltd	Rs	<b>361</b>	32,880
<i>Bank charges payable to</i>			
SBM Bank (Mauritius) Ltd	Rs	<b>5,175</b>	4,560

### NIT Global Opportunities Fund

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

		2017 Rs	2016 Rs
<b>Outstanding balances</b>			
(i) <i>Payable to National Investment Trust Ltd</i>	Rs	<b>9,987,771</b>	9,939,500
The above amount due to National Investment Trust Ltd is unsecured, repayable on call and bears an interest rate of 5% per annum. (2016: 5% per annum).			
(ii) <i>Bank balances and short term deposits with SBM Bank (Mauritius) Ltd</i>	Rs	<b>4,665,873</b>	1,341,270
<b>Transactions</b>			
(iii) <i>Manager's fees to National Investment Trust Ltd</i>	Rs	<b>3,293,596</b>	3,565,788
(iv) <i>Transfer of financial assets National Investment Trust Ltd</i>	Rs	-	50,354,125
During the year 30 June 2016, the Fund transferred certain financial assets to National investment Trust Ltd for a consideration of Rs 50,354,125.			
(v) <i>Trustee's fees to SBM Bank (Mauritius) Ltd</i>	Rs	<b>150,000</b>	150,000
(vi) <i>Bank charges payable to SBM Bank (Mauritius) Ltd</i>	Rs	<b>2,495</b>	1,347
(vii) <i>Interest payable to National Investment Trust Ltd</i>	Rs	<b>11,468</b>	630,004

### NIT Emerging Markets Fund

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

	2017 Rs	2016 Rs
<b>Outstanding balances</b>		
(i) <i>Receivable from</i> National Investment Trust Ltd The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.	-	6,000
(ii) <i>Payable to</i> National Investment Trust Ltd The above amount due to National Investment Trust Ltd is unsecured, interest free and repayable within one year.	Rs <b>119,436</b>	-
<i>Payable to</i> SBM Bank (Mauritius) Ltd The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.	Rs <b>15,000</b>	-
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs <b>483,106</b>	184,934
<b>Transactions</b>		
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs -	23,493,382
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs -	23,493,382
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs <b>251,013</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs <b>2,220</b>	845

### NIT Europe Fund

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

	2017 Rs	2016 Rs
<b>Outstanding balances</b>		
(i) <i>Receivable from</i> National Investment Trust Ltd The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.	-	3,000
(ii) <i>Payable to</i> National Investment Trust Ltd The above amount due to National Investment Trust Ltd is unsecured, interest free and repayable within one year.	Rs <b>73,851</b>	-
<i>Payable to</i> SBM Bank (Mauritius) Ltd The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.	Rs <b>15,000</b>	-
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs <b>296,799</b>	212,370
<b>Transactions</b>		
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs -	15,810,623
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs -	15,810,623
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs <b>197,234</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs <b>2,105</b>	730



### NIT Global Bond Fund

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

		2017 Rs	2016 Rs
<b>Outstanding balances</b>			
(i) <i>Receivable from</i> National Investment Trust Ltd		<b>124,982</b>	-
The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.			
(ii) <i>Payable to</i> National Investment Trust Ltd	Rs	-	8,111
The above amount due to National Investment Trust Ltd is unsecured, interest free and repayable within one year.			
<i>Payable to</i> SBM Bank (Mauritius) Ltd	Rs	<b>15,000</b>	-
The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.			
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs	<b>911,379</b>	39,270
<b>Transactions</b>			
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs	-	15,389,380
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs	-	15,389,380
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs	<b>154,271</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs	<b>2,565</b>	730

### NIT Global Healthcare Fund

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

		2017 Rs	2016 Rs
<b>Outstanding balances</b>			
(i) <i>Receivable from</i> National Investment Trust Ltd		-	8,885
The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.			
(ii) <i>Payable to</i> National Investment Trust Ltd	Rs	<b>26,835</b>	-
The above amount due to National Investment Trust Ltd is unsecured, interest free and repayable within one year.			
<i>Payable to</i> SBM Bank (Mauritius) Ltd	Rs	<b>15,000</b>	-
The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.			
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs	<b>132,041</b>	320,450
<b>Transactions</b>			
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs	-	13,579,842
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs	-	13,579,842
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs	<b>187,256</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs	<b>1,875</b>	730

### NIT Global Value Fund

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

	2017 Rs	2016 Rs
<b>Outstanding balances</b>		
(i) <i>Receivable from</i> National Investment Trust Ltd The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.	<b>34,421</b>	17,808
(ii) <i>Payable to</i> SBM Bank (Mauritius) Ltd The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.	Rs <b>15,000</b>	-
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs <b>2,321,349</b>	227,655
<b>Transactions</b>		
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs	- 15,933,837
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs	- 15,933,837
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs <b>237,864</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs <b>2,105</b>	845

### NIT North America Fund

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

	2017 Rs	2016 Rs
<b>Outstanding balances</b>		
(i) <i>Receivable from</i> National Investment Trust Ltd The above amount due from National Investment Trust Ltd is unsecured, interest free and repayable within one year.	-	15,000
(ii) <i>Payable to</i> National Investment Trust Ltd The above amount due to National Investment Trust Ltd is unsecured, interest free and repayable within one year.	Rs <b>23,942</b>	-
<i>Payable to</i> SBM Bank (Mauritius) Ltd The above amount due to SBM Bank (Mauritius) Ltd is unsecured, interest free and repayable within one year.	Rs <b>15,000</b>	-
(iii) <i>Bank balances and short term deposits with</i> SBM Bank (Mauritius) Ltd	Rs <b>44,433</b>	111,440
<b>Transactions</b>		
(iv) <i>Issue of units</i> - National Investment Trust Ltd	Rs	- 24,802,551
(v) <i>Acquisition of financial assets</i> - National Investment Trust Ltd	Rs	- 24,802,551
(vi) <i>Management and Trustee fees</i> - National Investment Trust Ltd	Rs <b>244,536</b>	-
(vii) <i>Bank charges payable to</i> SBM Bank (Mauritius) Ltd	Rs <b>1,643</b>	730

## 17. COMPENSATION

### *Compensation to key management personnel*

There was no compensation to key management personnel for the year ended 30 June 2017.

## 18. SCHEDULES OF INVESTMENTS

### NIT Local Equity Fund

	Fair value 2017 Rs	Portfolio 2017 %	Fair value 2016 Rs	Portfolio 2016 %
<b>BANK, INSURANCE AND FINANCE</b>				
<b>Official List</b>				
The Mauritius Commercial Bank Ltd	148,019,680	26.11	116,765,290	24.72
State Bank of Mauritius Ltd	111,150,869	19.61	96,719,679	20.47
CIM Financial Services Ltd	15,043,215	2.65	10,928,550	2.31
Mauritian Eagle Insurance Co Ltd	4,365,963	0.77	4,392,185	0.93
Swan Insurance Co. Ltd	2,818,993	0.50	2,735,484	0.58
	<b>281,398,720</b>	<b>49.63</b>	<b>231,541,188</b>	<b>49.01</b>
<b>LEISURE AND TOURISM</b>				
<b>Official List</b>				
New Mauritius Hotels Limited (Equity)	59,277,704	10.46	53,695,499	11.37
New Mauritius Hotels Limited (Debt)	10,923,045	1.93	10,516,816	2.23
Sun Resorts Limited	38,488,511	6.79	31,764,615	6.72
Lux Island Ltd	13,979,068	2.47	13,739,084	2.91
Lottotech Ltd	596,860	0.11	430,832	0.09
	<b>123,265,188</b>	<b>21.76</b>	<b>110,146,846</b>	<b>23.32</b>
<b>CONGLOMERATE</b>				
<b>Official List</b>				
Ireland Blyth Ltd	41,331,775	7.29	26,654,375	5.64
Rogers and Company Ltd	17,822,820	3.14	16,648,240	3.52
	<b>59,154,595</b>	<b>10.43</b>	<b>43,302,615</b>	<b>9.16</b>
<b>SUGAR INDUSTRY</b>				
<b>Official List</b>				
Omnican Limited	19,351,744	3.41	18,898,188	4.00
ENL Land Ltd	14,169,518	2.50	12,095,930	2.56
Alteo Ltd	9,654,414	1.70	6,330,343	1.34
Terra Ltd (Harel Freres Ltd)	4,298,819	0.76	4,055,490	0.86
<b>Development &amp; Enterprises Market</b>				
Société de Développement Industriel et Agricole Limitée	12,368	-	12,368	-
	<b>47,486,864</b>	<b>8.37</b>	<b>41,392,319</b>	<b>8.76</b>
<b>MANUFACTURING AND INDUSTRIAL</b>				
<b>Official List</b>				
United Basalt Products Limited	12,753,500	2.25	9,204,700	1.95
Mauritius Oil Refineries Limited	5,530,381	0.98	5,181,618	1.10
<b>Development &amp; Enterprises Market</b>				
Chemco Ltd	1,800	0.00	1,610	-
	<b>18,285,681</b>	<b>3.23</b>	<b>14,387,928</b>	<b>3.05</b>
<b>FOOD AND BEVERAGES</b>				
<b>Official List</b>				
Innodis Limited	7,725,230	1.36	8,351,600	1.77
Phoenix Beverages Ltd	6,119,295	1.08	4,922,334	1.04
<b>Development &amp; Enterprises Market</b>				
Les Moulins de la Concorde Ltee	211,725	0.04	177,300	0.04
	<b>14,056,250</b>	<b>2.48</b>	<b>13,451,234</b>	<b>2.85</b>
<b>INVESTMENTS</b>				
<b>Official List</b>				
National Investment Trust Limited	9,065,000	1.60	6,073,550	1.29
Ciel Ltd	2,715,020	0.48	2,157,912	0.46
<b>Development &amp; Enterprises Market</b>				
Phoenix Investment	992,508	0.18	770,880	0.16
Excelsior United Development Companies	444	0.00	360	0
	<b>12,772,972</b>	<b>2.25</b>	<b>9,002,702</b>	<b>1.91</b>
<b>COMMERCE</b>				
<b>Official List</b>				
Vivo Energy Mauritius Limited (Shell Mauritius Limited)	3,510,997	0.18	2,463,412	0.52

	Fair value 2017 Rs	Portfolio 2017 %	Fair value 2016 Rs	Portfolio 2016 %
<b>PROPERTY AND CONSTRUCTION</b>				
<b>Official List</b>				
Gamma Civic Ltd	1,423,369	0.25	1,262,120	0.27
Bluelife Ltd	282,852	0.05	263,995	0.06
<b>Development &amp; Enterprises Market</b>				
Covifra Ltée	314,820	0.06	114,480	0.02
Ascencia Property Fund (Equity)	2,759,983	0.49	2,528,313	0.54
Ascencia Property Fund (Debt)	1,183,972	0.21		
Ascencia Property Fund (Bonds)	1,050,160	0.19	2,575,238	0.55
	<b>7,015,156</b>	<b>1.25</b>	<b>6,744,146</b>	<b>1.44</b>
<b>TOTAL VALUE OF DOMESTIC SECURITIES</b>	<b>566,946,423</b>	<b>99.59</b>	<b>472,432,390</b>	<b>100.00</b>

## NIT Global Opportunities Fund

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
<b>America</b>					
Blackrock Global World Energy	53,828	858,557	29,354,062	8.39	53,828
Vontobel U.S. Value Equity	548	609,107	20,825,366	5.95	548
JP Morgan U.S. Dynamic	1,893	405,903	13,877,829	3.97	1,893
Blackrock Global U.S. Flexible	13,772	416,993	14,257,004	4.08	13,772
Alger American Asset Growth	8,281	479,468	16,393,026	4.69	8,281
Fidelity Global Health Care	6,860	190,412	6,510,185	1.86	6,880
Sony Corp	2800	106,932	3,656,005	1.05	4,500
Apple	270	38,885	1,329,492	0.38	717
American international Group	1,500	93,780	3,206,338	0.92	1,783
JP Morgan Chase	1,200	109,680	3,749,959	1.07	1,500
Bristol-Myers Squibb Co	1,500	83,580	2,857,600	0.82	1,500
Microsoft	1,700	117,181	4,006,418	1.15	2,200
Alibaba	550	77,495	2,649,554	0.76	-
Intel	3,000	101,220	3,460,712	0.99	3,000
Abbvie Inc	1,350	97,889	3,346,808	0.96	1,350
American Airlines	2,000	100,640	3,440,882	0.98	2,000
ConocoPhillips	1,280	56,269	1,923,830	0.55	1,280
Blackstone Group	2,750	91,713	3,135,650	0.90	1,900
Halliburton	1,800	76,878	2,628,459	0.75	1,800
Ford	-	-	-	0.00	5,000
Boeing	500	98,875	3,380,536	0.97	300
Johnson & Johnson	600	79,374	2,713,797	0.78	600
Google	110	102,265	3,496,434	1.00	110
General Electric	2,500	67,525	2,308,680	0.66	2,077
Amazon (AMZN)	148	143,264	4,898,196	1.40	178
Wear VMW (VM)	550	48,087	1,644,077	0.47	1,635
Barrick Gold Corp	1,200	76,908	2,629,485	0.00	3,075
Guinness Global Energy	13,763	92,702	3,169,498	0.91	13,763
		<b>4,821,582</b>	<b>164,849,883</b>	<b>46.38</b>	
<b>Europe</b>					
BL Equities Europe	65	503,151	17,202,761	5.09	65
Oyster European Opportunities	709	371,000	12,684,481	3.73	926
Fidelity European	15,503	275,882	9,432,412	2.77	15,503
BL Equities Dividend	2,157	405,470	13,863,001	4.04	2,157
Franklin Templeton European	11,427	323,974	11,076,670	3.24	13,470
Vanguard Investment European Stock Index	13,130	287,871	9,842,309	2.90	18,480
Deutsche Bank	6,870	122,217	4,178,609	1.19	6,870
EADS ADR	5,000	103,350	3,533,537	1.01	7,923
Morrisson Supermarkets Plc	32,000	100,339	3,430,597	0.98	32,000
Eli Lilly And Co	-	-	-	-	1000
BP Plc ADR	2,129	73,770	2,522,191	0.72	2,129
Marks & Spencer	10,000	43,290	1,480,085	0.42	10,000
EasyJet	3,400	60,068	2,053,718	0.59	3,400

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
<b>Europe (continued)</b>					
Siemens R*	500	68,600	2,345,417	0.67	748
Volkswagen AG	325	50,306	1,719,979	0.49	325
Genel Energy	22,000	23,667	809,158	0.23	8,500
Glencore International Plc	30,000	112,008	3,829,554	1.09	67,785
AstraZeneca	1,000	66,768	2,282,798	0.65	1,000
Rolls Royce Group	11,000	127,699	4,366,029	1.25	5,610
International Consolidated Airlines Group SA	10,500	83,265	2,846,830	0.81	-
BT Group PLC	12,345	47,327	1,618,111	0.46	-
Fomento de Construcciones y Contratas	-	-	-	-	6,118
RSA Insurance Group Plc	-	-	-	-	9,900
Banco Santander SA ADR	14,000	93,660	3,202,235	0.92	8,000
Mediobanca	19,188	188,994	6,461,709	1.85	-
BHP Billiton Plc	1,245	44,310	1,514,944	0.43	1,245
BHP Billiton Plc - London	3,000	45,864	1,568,090	0.45	-
Gazprom	8,800	35,024	1,197,471	0.34	8,800
South 32	-	-	-	-	498
FCP OP Biohealth	451	197,761	6,761,439	1.93	451
		<b>3,855,634</b>	<b>131,824,136</b>	<b>38.28</b>	
<b>Emerging Markets &amp; Asia</b>					
Aberdeen Global Asia Pacific	4,076	313,700	10,725,416	3.07	65
BI New markets Equities	1,078	170,894	5,842,853	1.67	1,078
Franklin Templeton Investment India	7,337	274,328	9,379,274	2.68	7,337
JP Morgan Russia	28,762	262,024	8,958,601	2.56	-
Franklin Templeton Emerging Markets	2,642	100,002	3,419,068	0.98	2,642
East Capital (LUX) Eastern European	2,741	206,433	7,057,938	2.02	2,741
BL Asia	1,773	186,413	6,373,460	1.82	1,773
		<b>1,513,794</b>	<b>51,756,611</b>	<b>14.8</b>	
<b>Property</b>					
UBSWM Glob Pty US	4,414	38,305	1,309,648	0.37	4,414
		<b>10,229,314</b>	<b>349,740,277</b>	<b>100%</b>	

NIT Emerging Markets Fund					
Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
Aberdeen Asia Pacific	2,000	153,926	5,262,717	17	2,000
BL Asia	572	60,140	2,056,187	7	572
Baring Asean Frontier	1,109	220,224	7,529,453	24	579
BI New Markets	422	66,899	2,287,276	7	422
Fidelity Emerging Markets	401	56,645	1,936,693	6	401
Invesco Asia	3,795	58,669	2,005,885	6	3,795
BL Emerging Markets	555	56,222	1,922,230	6	555
JP Morgan Brazil	4,152	23,956	819,051	4	4,152
East Capital East Europe	1,955	147,237	5,034,026	16	1,955
Goldman Sachs India	2,980	60,467	2,067,371	7	2,980
		<b>904,384</b>	<b>30,920,889</b>	<b>100%</b>	

NIT Europe Fund					
Equities	Holdings 2017	Euro	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
Fidelity European	7,000	109,270	4,258,975	22	7,000
Oyster European	250	114,753	4,472,666	23	250
BL Equities Europe	20	135,803	5,293,151	27	20
MainFirst Europe	702	68,087	2,653,800	14	702
Schroder Europe Special	91	16,628	646,418	2	91
BlackRock European	3,048	57,790	2,252,458	12	3,048
		<b>502,331</b>	<b>19,577,468</b>	<b>100%</b>	

## NIT Global Bond Fund

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
Templeton Global Bond	-	-	-	-	4,773
Blackrock Fixed Income	6,244	85,904	2,937,058	19	6,244
Goldman Sachs Global Income	728	83,825	2,865,977	18	728
Legg Mason Global Bond	753	96,291	3,292,189	21	753
BL Global Bond	272	78,059	2,668,837	17	272
Worldwide Investors Portfolio Emerging Markets Fixed Income	2,720	110,221	3,768,456	24	3,795
		<b>454,300</b>	<b>15,532,517</b>	<b>100%</b>	

## NIT Global Healthcare Fund

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
Fidelity Health Care	6,021	167,124	5,713,966	32	283
FCP OP BioHealth	278	121,901	4,167,803	24	2,500
Polar Capital Hcare	2,869	113,549	3,882,238	22	562
Janus Life Sciences	3,891	114,764	3,923,779	22	315
		<b>517,338</b>	<b>17,687,786</b>	<b>100%</b>	

## NIT Global Value Fund

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
East Capital Eastern Europe	622	46,845	1,601,617	6	622
Blackrock World Energy	7500	119,625	4,089,978	16	7,500
Guinness Global Energy	16320	109,926	3,758,351	15	16,320
Blackrock World Gold	3074	57,360	1,961,136	8	3,074
Baring Asean Frontiers	529	105,048	3,591,595	14	-
Goldman Sachs India	2759	55,983	1,914,051	8	-
Invesco Asia	3550	54,881	1,876,387	7	-
Schroder Europe Special	290	60,253	2,060,061	8	290
iShares euro stoxx banks	3120	46,737	1,597,923	6	3,120
JP Morgan Brazil Equity	13188	76,091	2,601,555	10	5,925
		<b>732,748</b>	<b>25,052,654</b>	<b>100%</b>	

## NIT North America Fund

Equities	Holdings 2017	USD	Fair Value 2017 Rs	% of Fund 2017	Holdings 2016
Vontobel U.S	283	314,557	10,754,706	37	283
Alger American	2,500	144,750	4,948,987	17	2,500
JP Morgan U.S	562	120,506	4,120,095	14	562
Pioneer U.S	315	74,383	2,543,155	9	315
Blackrock U.S	4,281	129,621	4,431,762	15	4,281
BL America	12	71,062	2,429,610	8	12
		<b>854,879</b>	<b>29,228,315</b>	<b>100%</b>	





# Proxy Form

I/We

of

being a member/s of the above named company, do hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us and on my/our behalf at the Annual Meeting of the Company to be held at **10.00 hours on Thursday 21st December 2017** at the Centre social Marie, Reine-de-la-Paix, Port Louis and at any adjournment thereof.

## Resolutions

**I/We desire my/our vote(s) to be cast on the Resolutions as follows:**

(Please indicate with an X in the spaces below how you wish your votes to be cast)

	For	Against	Abstain
1. To approve the Minutes of Proceedings of the previous meeting of shareholders.			
2. To receive and adopt the financial statements to June 2017 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 12 October 2017.			
4. To elect the existing Directors in accordance with the provisions of the Constitution of the Company and the Companies Act 2001 and, to fix their remuneration.			
5. To reappoint Messrs Mazars as Auditors for the current year and to authorise the Board of Directors to fix their remuneration.			
6. To authorize and empower the Board of Directors to take all such actions as necessary in its discretion to resolve the issue of interest owed by the State Investment Corporation Ltd in relation to the share purchase agreement.			
7. To transact such other business, if any, as may be transacted at Annual Meeting.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature \_\_\_\_\_

### Notes:

1. A Shareholder 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. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or any general power of attorney shall be deposited at the Registered Office of the Company, Level 8, Newton Tower, Sir William Newton Street, Port Louis not less than twenty-four (24) hours before the meeting and in default, the instrument of proxy shall not be treated as valid.
3. A proxy form is included in this Annual Report and is also available at the registered office of the Company.
4. For the purpose of this Annual Meeting, the Directors have resolved, in compliance with Section 120(3) of the Companies Act 2001, that the shareholders who are entitled to receive notice of the meeting and attend such meeting shall be those shareholders whose names are registered in the share register of the Company as at 1 December 2017.

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A balanced fund investing in equity & fixed securities on the local market  
Returns: Variable



A balanced fund investing in equity & fixed securities in global markets  
Returns: Variable



A selection of emerging markets equity funds  
MSCI Emerging Markets  
Returns: Variable



A selection of high-profile North American blue-chips equity fund  
S & P 500  
Returns: Variable



Global equity fund with a "go-anywhere" approach to uncover hidden value around the globe  
Returns: Variable



A selection of international fixed-income funds  
Returns: Stable income growth



A selection of the best European equity funds  
Eurostoxx 50  
Returns: Variable



A selection of Global Healthcare equity funds & global pharmaceutical, biotechnology, healthcare services, medical technology and life sciences companies.  
Dow Jones Health Care Index  
Returns: Variable

... Only with National Investment Trust will you feel like you're in a supermarket & choosing the investments you want in your basket. We are the only company to provide you with a full range of possibilities & offers that allow you to invest in 8 different thought-through funds throughout the world.

Existing funds: NIT Local Equity Fund - NIT Global Opportunities Fund

6 NEW FUNDS - NIT North America Fund - NIT Europe Fund - NIT Emerging Markets Fund - NIT Global Bond Fund - NIT Global Value Fund - NIT Global Healthcare Fund

INVESTMENT AS FROM  
RS 5,000 ONLY

Disclaimer: The prices of units and income derived from the funds may vary and in certain circumstances, a participant's right to redeem units may be suspended.



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