

IPRO Growth Fund
ANNUAL REPORT

2013

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CHAIRMAN'S STATEMENT

Dear Shareholder,

I am pleased to present the Annual Report and Audited Financial Statements of IPRO Growth Fund Ltd ("the Company" or "the Fund") for the year ended June 30, 2013. The performance has been positive with a 15.5% performance over the last financial year. The main driver of this positive return has been the Fund's investments in the IPRO African Market Leaders Fund, which gained 40.8% in Rs. terms over the twelve-month period, while the SEMTRI increased by 10.7%.

We do believe that Sub-Saharan African equities will continue to show superior risk-adjusted returns compared to global and emerging markets equities over the next several years. The overall focus of the Fund will thus continue to be geared towards growth with exposure to the African region playing a prominent role. However, we will also consider opportunities in the fixed income area. The objective is to gradually reduce the volatility of the Fund, compared to a fund which would invest exclusively in equities.

The Directors of the Company, the fund manager and the fund administration team are all paying due attention to the well-being of your investment. Our aim is that the Company becomes the investment fund of reference for long-term investors in Mauritius. We do encourage the shareholders and the Mauritian public to engage in long-term investment planning through regular investments called Systematic Investment Plans (SIPs). SIPs are the best way to avoid cyclical market downturns, by reducing the average cost paid by the investors.

I wish to express my sincere gratitude to my fellow Directors, for their advice, hard work and continuous support. The Company is very well positioned to grow further in the coming years, while complying at all times to best practices in investment management, administration and corporate governance standards.

Mr. Jean-Pierre DALAIS

Chairman

November 12, 2013

CORPORATE INFORMATION

Year ended June 30, 2013

BOARD OF DIRECTORS

Jean-Pierre DALAIS (Chairman)

G. Christian DALAIS

Jérôme DE CHASTEAUNEUF

Stéphane HENRY

James LEUNG YIN KOW

E. Jean MAMET

Imrith RAMTOHUL

Antoine SEEYAVE

AUDIT COMMITTEE

Imrith RAMTOHUL (Chairman)

James LEUNG YIN KOW

Jérôme DE CHASTEAUNEUF

CORPORATE GOVERNANCE, NOMINATION AND CONTRACTS COMMITTEE

Jean-Pierre DALAIS (Chairman)

E. Jean MAMET

Antoine SEEYAVE

INVESTMENT COMMITTEE

James LEUNG YIN KOW (Chairman)

Jérôme DE CHASTEAUNEUF

Stéphane HENRY

Imrith RAMTOHUL

REGISTERED OFFICE

5th Floor, Ebène Skies

Rue de l'Institut

Ebène

SECRETARY

CIEL Corporate Services Ltd

5th Floor, Ebène Skies

Rue de l'Institut

Ebène

CIS MANAGER

IPRO Fund Management Ltd

3rd Floor, Ebène Skies

Rue de l'Institut

Ebène

CIS ADMINISTRATOR, REGISTRAR & TRANSFER AGENT

Galileo Portfolio Services Limited

3rd Floor, Ebène Skies

Rue de l'Institut

Ebène

DISTRIBUTOR

Investment Professionals Ltd

3rd Floor, Ebène Skies

Rue de l'Institut

Ebène

CUSTODIAN

The Mauritius Commercial Bank Ltd

9-15 Sir William Newton Street

Port Louis

COMPLIANCE OFFICERS

Abax Corporate Administrators Ltd

6th Floor, Tower A, 1 Cybercity

Ebène

AUDITORS

BDO & CO

10, Félix de Valois Street

Port Louis

CERTIFICATE OF COMPANY SECRETARY

In our capacity as Company Secretary, we hereby certify, to the best of our knowledge and belief, that **IPRO Growth Fund Ltd** has filed with the Registrar of Companies, for the financial year ended June 30, 2013, all such returns as are required of the Company under The Companies Act 2001, and that all such returns are true, correct and up to date.

Mrs Clothilde DE COMARMOND, ACIS
CIEL Corporate Services Ltd
Company Secretary

September 12, 2013

CORPORATE GOVERNANCE REPORT

I PRO Growth Fund Ltd (“the Company” or “the Fund”) is pleased to present its Annual Report for the year ended June 30, 2013.

The Fund was incorporated on August 10, 1992, and is listed, but not traded, on the Stock Exchange of Mauritius Ltd since December 2000.

I PRO Growth Fund Ltd registered as a Reporting Issuer with the Financial Services Commission (“FSC”) since the promulgation of the Securities Act 2005. On January 21, 2013, the Fund was authorised by the FSC to operate as a Collective Investment Scheme under Section 97 of the Securities Act 2005.

The Fund pools money from investors and invests across a diversified basket of local equities and foreign funds with the objective of generating long term capital growth.

As detailed under the Corporate Information section, the Fund has appointed third party entities to conduct its operations. The main service providers to the Fund are, amongst others:

- I PRO Fund Management Ltd, appointed to provide investment management services;
- Galileo Portfolio Services Limited, appointed to provide administration, registrar and transfer agency services; and
- Investment Professionals Ltd, appointed to provide distribution and marketing services.

COMPLIANCE STATEMENT

The Fund reiterates its commitment to ensure and maintain a high standard of corporate governance within the Company to ensure transparency and protection of the interests of its shareholders and all stakeholders at large.

The Fund is engaged in upholding standards of corporate governance through awareness of business ethics and supervision by the Board of Directors. This has brought about the establishment of key committees, namely the Audit Committee, the Corporate Governance, Nomination and Contracts Committee and the Investment Committee.

CONSTITUTION

The Constitution of the Fund, adopted on June 25, 2004, (and modified on November 11, 2005, and October 26, 2007) was repealed and replaced by a new Constitution at the Annual Meeting held on December 15, 2011. The new Constitution is in line with the Companies Act 2001, the Listing Rules of the Stock Exchange of Mauritius and The Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

There are no clauses of the Constitution which are deemed material for special disclosure.

SHAREHOLDING

At June 30, 2013, the stated capital of the Fund was Rs 327,348,494 represented by 23,005,203 Ordinary Shares of no par value and there were 3,000 shareholders on the registry.

There was no ultimate holding company in the capital structure.

CORPORATE GOVERNANCE REPORT

The following shareholders held more than 5% of the Fund at June 30, 2013:

	% Held	No. of Ordinary Shares Held
CIEL Investment Limited	10.60%	2,438,632
The M.C.B Ltd (A/c Sugar Industry Pension Fund Board)	8.13%	1,871,376

THE BOARD OF DIRECTORS

The Fund is headed by an effective Board which is collectively responsible for promoting its success and overall corporate governance framework. The Board is responsible for setting the Fund's strategic objectives, its values and standards and ensuring the necessary resources are in place to achieve their goals.

As per the Fund's Constitution, the Board may comprise of a minimum of 4 Directors and a maximum of 12 Directors. A quorum of four Directors is required for Board meetings.

The Board consists of Executive, Non-Executive and Independent Directors coming from different sectors of our economy. Every Director has drawn from his professional background and expertise in positively contributing to the Board's activities.

The Independent Directors play a key governance role in protecting shareholders' interests and bring an external dimension to the Board whilst complementing the skills and experience of the Executive and Non-Executive Directors through their range of knowledge, experience and insight from other sectors.

The Board is currently made up of one Executive Director, 3 Non-Executive Directors and 4 Independent Directors as follows:

Director	Category
Jean-Pierre DALAIS (Chairman)	Non-Executive
G. Christian DALAIS	Non-Executive
Jérôme DE CHASTEAUNEUF	Non-Executive
Stéphane HENRY	Executive
James LEUNG YIN KOW	Independent
E. Jean MAMET	Independent
Imrith RAMTOHUL	Independent
Antoine SEEYAVE	Independent

Nominations to the Board are vetted by the Corporate Governance, Nomination and Contracts Committee and recommended to the Board. Directors are re-elected to office at each Annual Meeting of the Fund.

The following changes occurred during the year under review:

- Mr. James Leung Yin Kow was appointed on November 7, 2012.
- Mr. Olivier Lagesse resigned on February 12, 2013.
- Mr. Imrith Ramtohum was appointed on February 12, 2013.

CORPORATE GOVERNANCE REPORT

DIRECTORS' PROFILES AND DIRECTORSHIPS IN LISTED COMPANIES

(a) PROFILES

Jean-Pierre DALAIS

Mr. Jean-Pierre Dalais was appointed as Director and Chairman on August 27, 2009. He is the Chief Executive Officer of CIEL Investment Limited. After graduating from the International University of America with an MBA, he was employed by Arthur Andersen in Mauritius and France. He later joined the CIEL Group and played an active role in the development of the Group's operations both in Mauritius and internationally.

G. Christian DALAIS

Mr. G. Christian Dalais was appointed as Director on August 5, 1992. He has been the Chief Executive Officer and a Director of Ireland Blyth Ltd for several years. He was also the Chairman of Sun Resorts Limited and CIEL Investment Limited for a number of years.

Jérôme DE CHASTEAUNEUF

Mr. Jérôme De Chasteauneuf was appointed as Director on March 4, 2010. He is a Chartered Accountant of England and Wales and holds a BSc honours in Economics from the London School of Economics and Political Science (1989). He joined the CIEL Group in 1993 as Corporate Finance Advisor and became Head of Finance of the CIEL Group in 2000. He is the Managing Director of CIEL Corporate Services Ltd.

Stéphane HENRY

Mr. Henry was appointed Director of the Fund on February 10, 2011. Since March 2005, he has been the Managing Director of Investment Professionals Ltd, a fund management group with over Rs.12 billion of assets under management.

James LEUNG YIN KOW

Mr. James Leung Yin Kow was appointed as Director on November 7, 2012. He holds a Master of Arts in Economics from York University (Canada) and is also a CFA Charterholder since 2000. He was a member of a task team subcommittee for the Code of Corporate Governance (2004). Mr. Leung has 13 years' experience as Fund Manager and 3 years' experience as Stockbroker. He is currently Managing Director of Skanda Business Consultants Ltd which provides corporate advisory services.

E. Jean MAMET

Mr. E. Jean Mamet is a certified accountant and was appointed as Director on November 13, 2001. He was an audit partner for several years with Messrs De Chazal du Mée & Co, Chartered Accountants, and from 1992 to 2003 he was the Managing Partner of Ernst & Young. He is currently Vice Chairman of The Mauritius Commercial Bank Ltd and a member of its Supervisory and Monitoring Committee.

Imrith RAMTOHUL

Mr. Ramtohul was appointed as Director on February 12, 2013. He is a Fellow Member of the Association of Chartered Certified Accountants UK as well as a CFA Charterholder. Mr. Ramtohul has over 14 years' experience in the financial services sector and is currently Senior Investment Consultant at AON Hewitt Ltd (Mauritius).

Antoine SEEYAVE

Mr. Antoine Seeyave was appointed as Director on January 14, 2004 and is a member of the Fund's Corporate Governance, Nomination & Contracts Committee. He is the Chairman of Happy World Ltd.

CORPORATE GOVERNANCE REPORT

(b) DIRECTORSHIPS IN OTHER COMPANIES LISTED ON THE OFFICIAL MARKET OF THE STOCK EXCHANGE OF MAURITIUS LTD

Jean-Pierre DALAIS

Sun Resorts Limited

Phoenix Beverages Limited (Alternate Director)

G. Christian DALAIS

Sun Resorts Limited

Alteo Limited

Jérôme DE CHASTEAUNEUF

Harel Mallac Ltd.

Stéphane HENRY

None

James LEUNG YIN KOW

None

E. Jean MAMET

The Mauritius Commercial Bank Ltd.

United Basalt Products Limited

Imrith RAMTOHUL

Innodis Ltd

Antoine SEEYAVE

Caudan Development Limited

ATTENDANCE AT BOARD MEETINGS

It is the responsibility of the Directors to attend Board meetings. A Director who is unable to attend a meeting is expected to notify either the Company Secretary or the Chairman of the Board in advance of a meeting. The Board met 4 times during the year under review and the attendance record of the Directors is set out below:

Director	Number of Board meetings attended
Jean-Pierre DALAIS (Chairman)	3 out of 4
G. Christian DALAIS	4 out of 4
Jérôme DE CHASTEAUNEUF	4 out of 4
Stéphane HENRY	4 out of 4
Olivier LAGESSE ¹	3 out of 4
James LEUNG YIN KOW ²	3 out of 4
E. Jean MAMET	4 out of 4
Imrith RAMTOHUL ³	2 out of 4
Antoine SEEYAVE	3 out of 4

Notes

¹Resigned on February 12, 2013

²Appointed on November 7, 2012

³Appointed on February 12, 2013

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Although the Board is ultimately responsible for the performance and affairs of the Fund, it has set up Board Committees to assist the Directors in discharging their duties through a more comprehensive evaluation of specific issues, followed by well-considered recommendations to the Board.

The Company Secretary acts as secretary to the Board Committees.

(a) AUDIT COMMITTEE

The Audit Committee which also covers the risk management function is scheduled to meet on a quarterly basis and operates within the scope of its terms of reference. The Committee is responsible for internal and external audit, ethical conduct of the Fund and financial reporting. It reports to the Board of Directors at each Board meeting.

The Committee is chaired by an Independent Director and consists of three members, namely Messrs. Imrith Ramtohul (Chairman), Jérôme De Chasteauneuf and James Leung Yin Kow. The following changes in the composition occurred during the year under review:

- Mr. Olivier Lagesse resigned as member on February 12, 2013.
- Messrs. James Leung Yin Kow and Imrith Ramtohul were appointed as members on April 16, 2013.
- Mr. Imrith Ramtohul replaced Mr. Jérôme De Chasteauneuf as Committee Chairman on May 2, 2013.

The Committee met four times during the year under review. The particulars of attendance are given in the table below:

Members	Number of meetings attended
Jérôme DE CHASTEAUNEUF	4 out of 4
Olivier LAGESSE ¹	3 out of 4
James LEUNG YIN KOW ²	1 out of 4
Imrith RAMTOHUL ²	1 out of 4

Notes

¹Resigned during the year

²Appointed during the year

(b) CORPORATE GOVERNANCE, NOMINATION AND CONTRACTS COMMITTEE

The Committee meets at least twice a year and operates within the scope of its terms of reference. The main objectives and functions of the Committee are:

- To determine, agree and develop the Fund's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- Advise and make recommendations to the Board on all aspects of corporate governance and new Board appointments;
- Approve the Corporate Governance Report; and
- Review the terms and conditions of all service agreements between the Fund and service providers.

CORPORATE GOVERNANCE REPORT

The Committee reports to the Board of Directors at each Board meeting.

The Corporate Governance, Nomination and Contracts Committee consists of 3 members namely, Messrs. Jean-Pierre Dalais (Chairman), E. Jean Mamet and Antoine Seeyave.

The Committee met four times during the year under review and attendance record was as follows:

Members	Number of meetings attended
Jean-Pierre DALAIS	4 out of 4
E. Jean MAMET	2 out of 4
Antoine SEEYAVE	4 out of 4

(c) INVESTMENT COMMITTEE

The Investment Committee is scheduled to meet on a quarterly basis and operates within the scope of its terms of reference. At each meeting, the Committee conducts the following:

- Ratify the investments and disinvestments of the previous quarter;
- Review the general economic trends and forecasts;
- Set and assess portfolio performance targets and monitor the performance of the portfolio;
- Determine an appropriate investment strategy, including the optimum asset allocation;
- Review and report to the Board of Directors all matters relating to the administration, supervision, tax and management of the Fund.

The Committee is chaired by an Independent Director and consists of 4 members namely Messrs. James Leung Yin Kow (Chairman), Jérôme De Chasteauneuf, Stéphane Henry and Imrith Ramtohul.

The following changes occurred during the year under review:

- Messrs. Jean-Pierre Dalais stepped down as member on April 16, 2013.
- Messrs. James Leung Yin Kow and Imrith Ramtohul were appointed as members on April 16, 2013.
- Mr. James Leung Yin Kow replaced Mr. Stéphane Henry as Committee Chairman on May 2, 2013.

The Committee met four times during the year under review. The particulars of attendance were as follows:

Members	Number of meetings attended
Jean-Pierre DALAIS	1 out of 4
Jérôme DE CHASTEAUNEUF	4 out of 4
Stéphane HENRY	4 out of 4
James LEUNG YIN KOW	1 out of 4
Imrith RAMTOHUL	1 out of 4

All Board committees are satisfied that they have discharged their responsibilities for the year in compliance with their terms of reference.

CORPORATE GOVERNANCE REPORT

STATEMENT OF REMUNERATION POLICY

Directors are paid a fixed annual fee in respect of Board meetings whilst committee members' remuneration is based on attendance basis. Remuneration is as follows:

Board meetings	Chairman	Rs. 45,000/-	Annually
	Directors	Rs. 25,000/-	
Audit Committee	Member	Rs. 12,500/-	Per attendance at meeting
Corporate Governance, Nomination and Contracts Committee	Member	Rs. 11,000/-	Per attendance at meeting
Investment Committee	Non-Executive Director	Rs. 12,500/-	Per attendance at meeting

Fees paid to the Directors during the year under review were as follows:

	Fees (Rs.)
Jean-Pierre DALAIS	101,500
G. Christian DALAIS	25,000
Jérôme DE CHASTEAUNEUF	125,000
Stéphane HENRY	25,000
Olivier LAGESSE	54,167
James LEUNG YIN KOW	41,667
E. Jean MAMET	47,000
Imrith RAMTOHUL	35,417
Antoine SEEYAVE	69,000

Directors may elect to be remunerated in monetary terms or in terms of shares in the Fund.

There is no distinct policy in respect of Directors' remuneration. All information pertaining to Directors' fees have been disclosed above.

CORPORATE GOVERNANCE REPORT

DIRECTORS' INTERESTS IN SHARES AND DEALINGS

The Directors' interests in the capital of the Fund as at June 30, 2013, were as follows:

Directors	Ordinary Shares	
	Direct	Indirect
Jean-Pierre DALAIS	32,794	15,543
G. Christian DALAIS	13,965	43,416
Jérôme DE CHASTEAUNEUF	37,124	-
Stéphane HENRY	-	3,555
James LEUNG YIN KOW	830	-
E. Jean MAMET	16,858	2,862
Imrith RAMTOHUL	2	-
Antoine SEEYAVE	-	-

With regard to directors' dealing in shares of the Fund, the Directors follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

Share dealings by Directors during the year under review were as follows:

Directors	Number of Ordinary Shares purchased/ (sold) directly	Number of Ordinary Shares purchased/ (sold) indirectly
Jean-Pierre DALAIS	-	-
G. Christian DALAIS	899	-
Jérôme DE CHASTEAUNEUF	-	-
Stéphane HENRY	(1,740)	(2,789)
James LEUNG YIN KOW	830	-
E. Jean MAMET	-	-
Imrith RAMTOHUL	-	-
Antoine SEEYAVE	-	-

There are no share option schemes in place for Directors.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Fund did not declare any dividend during the year under review.

The Board of Directors changed its dividend policy on November 12, 2013. Henceforth, it is the intention of the board of Directors to declare dividends. Dividends may be paid out of dividend and interest income received by the Company during the financial year. At the discretion of the Board, profits realised during the financial year may be used to top up the dividend payment, subject to overall cash flow position and performance of the Fund.

AGREEMENTS

The following agreements approved at Board meetings are still effective:

Investment Management Agreement with IPRO Fund Management Ltd (approved on June 1, 2006 and amended on November 11, 2009, February 4, 2010 and July 1, 2010);

- Administrative and Transfer Agency Agreement with Galileo Portfolio Services Limited (approved on June 1, 2006 and amended on November 11, 2009);
- Distribution Agreement with Investment Professionals Ltd (approved on December 8, 2006);
- Custody Agreement with The Mauritius Commercial Bank Ltd (approved on October 26, 2007);
- Compliance Services Agreement with Abax Corporate Administrators Ltd (approved on May 12, 2009 and amended on November 4, 2011);
- Service Agreement with CIEL Corporate Services Ltd (approved on May 11, 2011).

There is no shareholders' agreement which affects the governance of the Fund by the Board.

During the year under review, the Fund entered into some agreements within normal course of business.

IDENTIFICATION OF KEY RISKS FOR THE FUND

The activities of the Fund are exposed to a variety of risks: financial, operational and compliance. The Board is ultimately responsible for the Fund's 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 Fund. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

FINANCIAL RISK FACTORS

Please refer to note 3.1 of the accounts.

RELATED PARTY TRANSACTIONS

Please refer to note 16 of the accounts.

SHARE PRICE INFORMATION

Please refer to the Manager's report.

DIRECTORS' LIABILITY INSURANCE

CORPORATE GOVERNANCE REPORT

As permitted by the Constitution, the Fund has contracted a Directors' & Officers Liability insurance for its Directors.

CORPORATE SOCIAL RESPONSIBILITY AND DONATIONS

During the year under review, CSR contributions amounted to Rs. 11,339.

There has been no political donation during the year under review.

IMPORTANT EVENTS DURING THE YEAR UNDER REVIEW

Approval of accounts* by Directors	August 29, 2012
Approval of accounts* by Shareholders	November 7, 2012
Annual Meeting	November 7, 2012
Financial year end	June 30, 2013

*Accounts for the year ended June 30, 2012

CIEL Corporate Services Ltd

Company Secretary

September 12, 2013

OTHER STATUTORY DISCLOSURES

(Pursuant to Section 221 of the Companies Act 2001)

NATURE OF BUSINESS

The principal activity of the Fund is that of an Investment Company.

DIRECTORS' SERVICE CONTRACTS

There were no service contracts between the Fund and any of its Directors during the year under review.

DIRECTORS' REMUNERATION AND BENEFITS

	2013	2012
	Rs.	Rs.
Executive Directors		
Full-time	-	-
Part-time	25,000	25,000
Non-Executive Directors	498,751	332,500
	523,751	357,500

AUDITORS REPORT AND ACCOUNTS

The auditors' report is set out on pages 27 to 28 and the statement of profit or loss and other comprehensive income is set out on page 30.

AUDIT FEES

Audit fees payable to BDO & Co. for the year ended June 30, 2013, amounted to Rs. 205,275 (2012: Rs. 180,000)

Other fees paid to BDO & Co. for the year ended June 30, 2013, totalled Rs. 86,250 (2012: Rs. 86,250)

APPRECIATION

The Board expresses its appreciation to all those involved for their input during the year.

The Directors extend a special word of gratitude to Mr. Olivier Lagesse for his valuable contribution to the affairs of the Fund during his mandate.

ON BEHALF OF THE BOARD

Mr. Jean-Pierre DALAIS

Chairman

Mr. Jérôme DE CHASTEAUNEUF

Director

September 12, 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors acknowledge their responsibilities for:

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

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

The Directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- (iii) International Financial Reporting Standards have been adhered to. Any departure has been disclosed, explained and quantified; and
- (iv) the Code of Corporate Governance has been adhered to in all material aspects and reasons provided for non-compliance.

ON BEHALF OF THE BOARD

Mr. Jean-Pierre DALAIS
Chairman

Mr. Jérôme DE CHASTEAUNEUF
Director

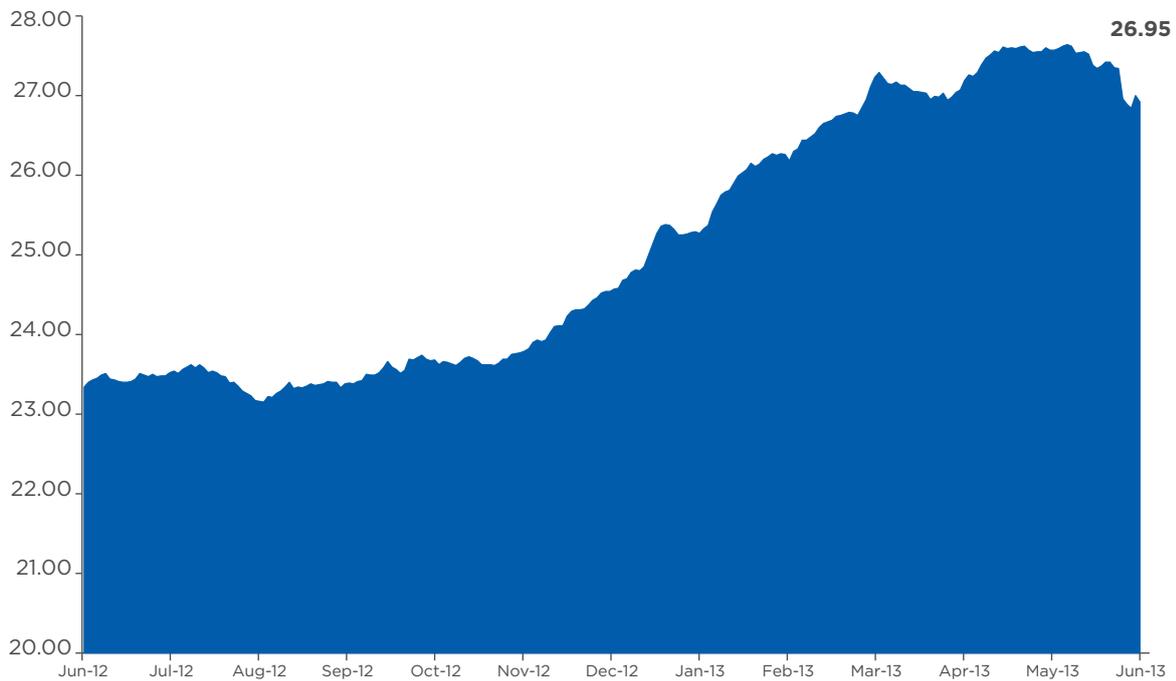
September 12, 2013

MANAGER'S REPORT

FUND PERFORMANCE REVIEW

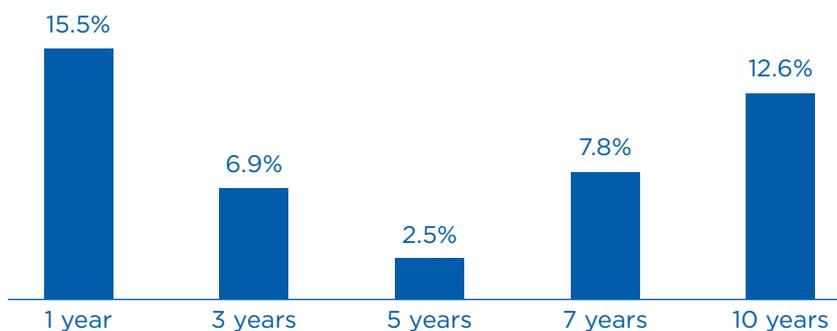
The Net Asset Value (“NAV”) per share of IPRO Growth Fund Ltd rose by 15.5% over the year, from Rs. 23.34 as at June 30, 2012 to Rs. 26.95 as at June 30, 2013.

Net Asset Value Evolution for the Financial Year 2012/13



Annualised Total Return

As per June 30, 2013, total return of the Fund has been 12.6% p.a. over a ten year period.



MANAGER'S REPORT

GLOBAL CAPITAL MARKET REVIEW

The financial year 2012/2013 was generally marked by a benign environment for global equities. In the first nine months, European equities as measured by the STOXX Europe 600 clearly outperformed the S&P 500, driven by abating fears of a Eurozone break-up and the prevailing valuation discount. This trend was reversed during the last three months, triggered by comments from U.S. Federal Reserve Chairman Ben Bernanke in May 2013, which gave hints that bond purchases by the FED, also known as quantitative easing, might be scaled back towards the end of 2013 if labour market data continues to improve. Those comments led to an almost unprecedented repatriation of international investment capital from emerging capital markets into U.S. equity markets, on the grounds of a better than anticipated outlook for the U.S. economy. MSCI Emerging Markets, which had already underperformed U.S. and European equities since the start of the financial year, added a mere 1.79% during the period, while the S&P 500 rose 18.36% (all returns in terms of Rs.).

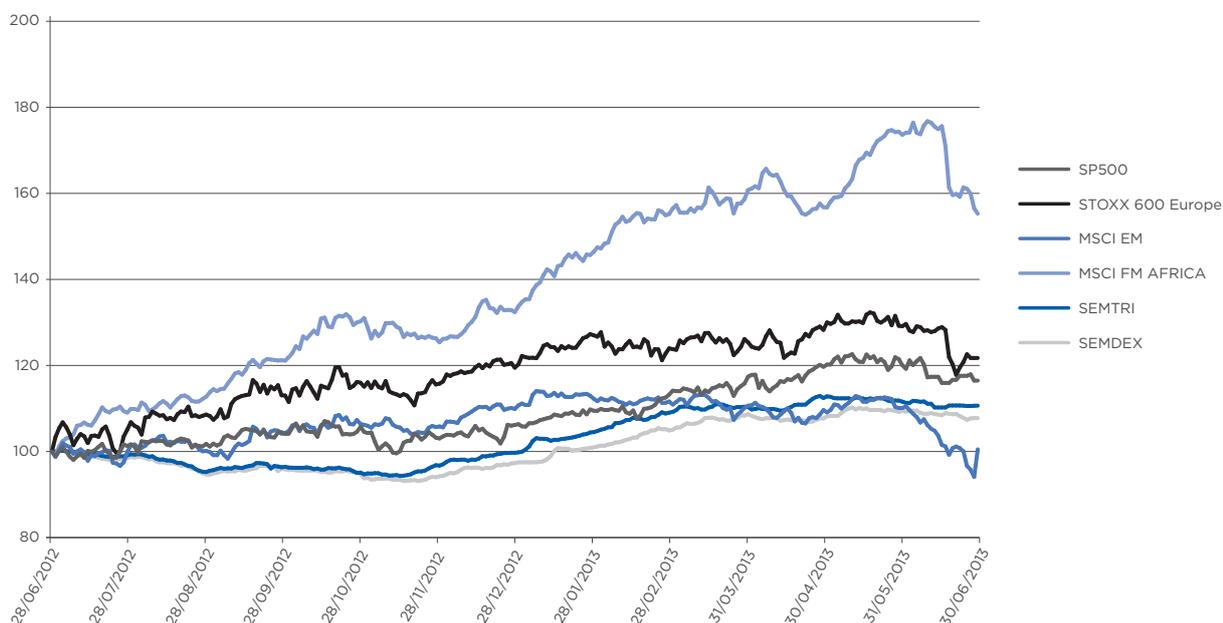
Regional frontier equity markets have seen some profit taking upon the release of Bernanke's comments in May, which has been a welcomed opportunity as the asset class outperformed largely most international equity markets. Despite the profit taking, MSCI Frontier Markets Africa rose by 56.38% in Rs. terms during the financial year.

Local equities underperformed most international equity markets throughout the financial year. However, it should be noted that SEMDEX and SEMTRI fared better compared to MSCI Emerging Markets once global macroeconomic events unfolded in May, closing the financial year at +7.81% and +10.69%, respectively.

Benchmark 10 year U.S. government bond yields touched an all-time low at 1.39% in July 2012, a downward spiral mostly influenced by the quantitative easing program of the U.S. FED and on-going strong demand from international investors for U.S. Treasuries. The comments released by Chairman Bernanke in May 2013 were of course very bearish for U.S. fixed income and catapulted the 10 year yield to 2.49% at the end of the financial year.

In Mauritius, the benchmark Bank of Mauritius repo rate was mostly stable during the financial year, but were cut by 0.25% on June 17, 2013 to address slowing economic growth and lower inflation expectation. Government bond issuance continued to be highly oversubscribed on auction dates during the financial year, while the Mauritian yield curve continued to flatten as demand for longer dated fixed rate assets outstripped demand.

World Equity Market Performance (all returns in Rs.)



MANAGER'S REPORT

TOTAL PORTFOLIO REVIEW

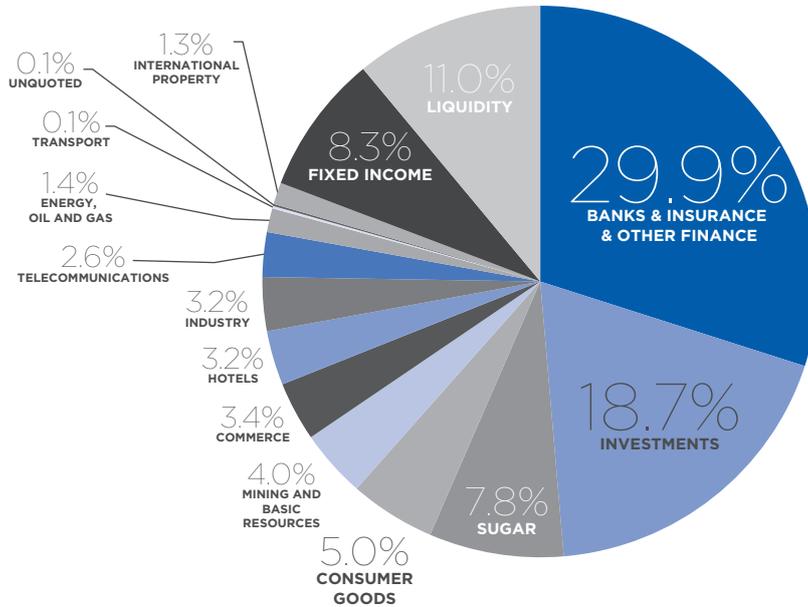
The Funds' assets under management stood at Rs. 620.3 million as at June 30, 2013. The local and international portfolios represented 69.2% and 30.8% of total assets, respectively.

Asset Allocation of the Fund

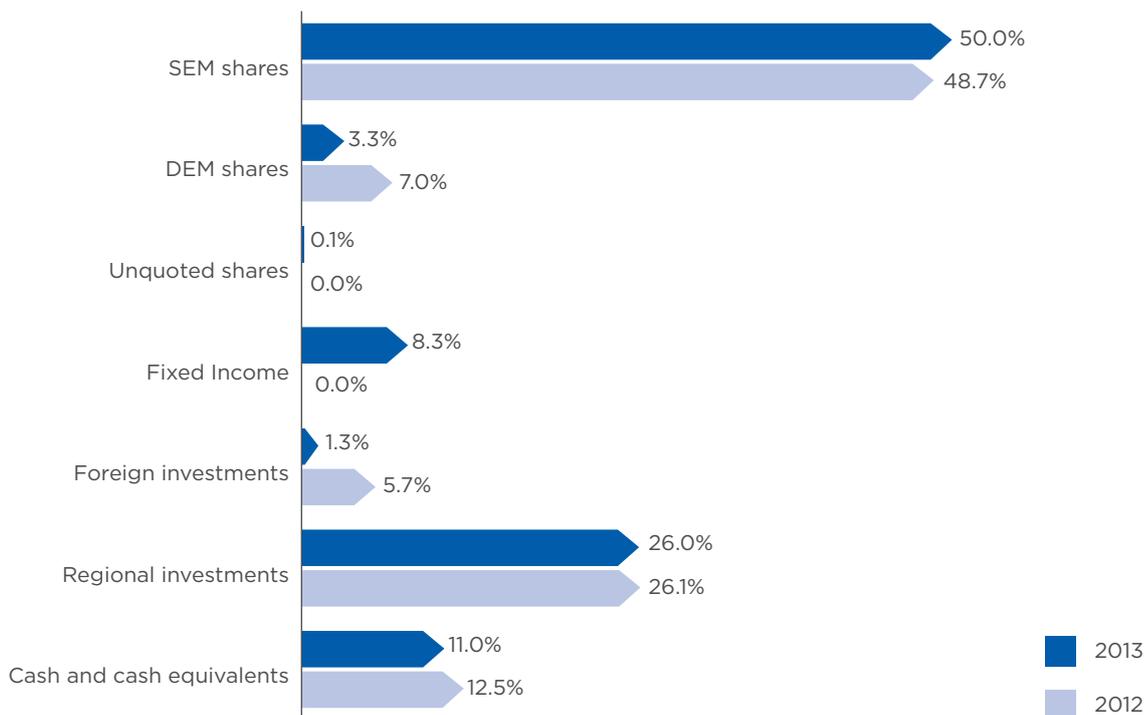
Asset class	June 30, 2013 Rs.	% of Total Portfolio	June 30, 2012 Rs.	% of Total Portfolio
Local portfolio				
SEM shares	310,424,282	50.0%	275,281,394	48.7%
DEM shares	20,301,052	3.3%	39,487,871	7.0%
Unquoted shares	654,982	0.1%	96,141	0.0%
Fixed Income	51,216,817	8.3%	-	0.0%
Cash and cash equivalents	46,214,230	7.5%	70,399,093	12.5%
Total (A)	428,818,363	69.2%	385,264,499	68.2%
International portfolio				
Foreign investments	7,941,420	1.3%	31,941,782	5.7%
Regional investments	161,403,485	26.0%	147,711,813	26.1%
Cash and cash equivalents	21,933,111	3.5%	185,304	0.0%
Total (B)	191,278,016	30.8%	179,838,899	31.8%
Total Portfolio (C = A+B)	620,089,379	100.0%	565,103,398	100.0%

MANAGER'S REPORT

Total Portfolio Composition



Breakdown of the Total Portfolio as at June 30, 2013



MANAGER'S REPORT

Top 10 Holdings

The Fund's top 10 holdings represented 70.5% of the total portfolio as at June 30, 2013 (against 64.0% in June 2012).

Holdings	Rs.	% of total portfolio
1 African Market Leaders Fund	161,403,485	26.0%
2 The Mauritius Commercial Bank Ltd	61,381,347	9.9%
3 Alteo Limited	43,027,079	6.9%
4 State Bank of Mauritius Ltd	40,053,041	6.5%
5 15 years 7.4% Government of Mauritius Bond	30,682,022	5.0%
6 Terra Mauricia Ltd	29,446,826	4.7%
7 10 years Mutual Aid Fixed Deposit Repo rate +3.1%	20,534,795	3.3%
8 ENL Land Ltd	18,756,626	3.0%
9 Deep River Investment Ltd	17,489,835	2.8%
10 Cim Financial Services	13,607,488	2.2%
Total	436,382,545	70.5%

LOCAL PORTFOLIO REVIEW

Representing 61.7% of the Fund, the local portfolio was mainly invested in local equity securities listed on the official market. In light of prevailing market uncertainties and an anticipated slowdown in the Mauritian economy, we disinvested from highly geared sectors like Leisure & Hotels and rotated into the more diversified Investments sector. During the year, we also invested 8.3% of the portfolio in local government bonds and fixed deposits, which should help to shield the portfolio against any substantial local equity market downturn.

MANAGER'S REPORT

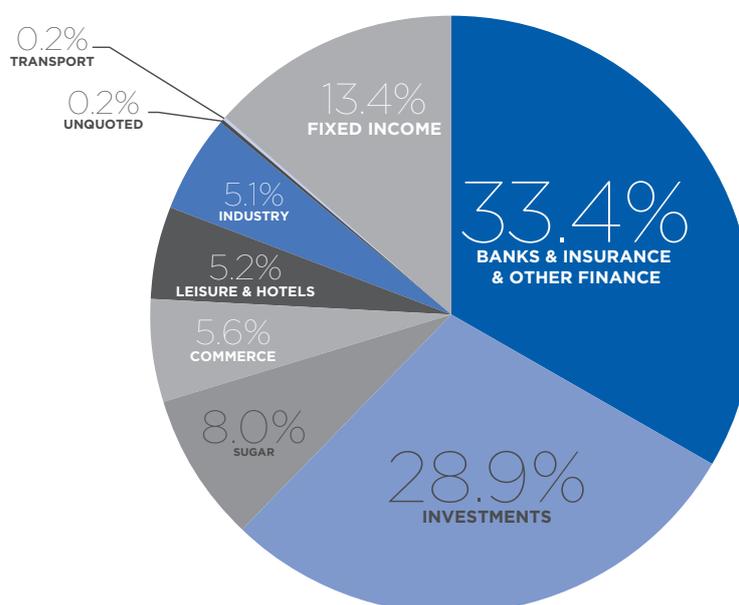
Local Portfolio Composition as at June 30,

Local investments	2013			2012		
	Rs.	% ¹	% ²	Rs.	% ¹	% ²
Equities						
Banks & Insurance and Other Finance	127,856,885	20.6%	33.4%	108,843,996	19.3%	34.6%
Investments	110,740,857	17.9%	28.9%	22,305,994	3.9%	7.0%
Sugar	30,492,327	4.9%	8.0%	42,617,854	7.5%	13.5%
Commerce	21,476,344	3.5%	5.6%	51,281,267	9.1%	16.3%
Leisure & Hotels	19,740,649	3.2%	5.2%	33,182,710	5.9%	10.6%
Industry	19,521,089	3.1%	5.1%	56,537,443	10.0%	18.0%
Unquoted	654,982	0.1%	0.2%	96,141	0.0%	0.0%
Transport	897,180	0.1%	0.2%	-	-	-
Fixed Income						
15 years 7.4% Government of Mauritius Bond	30,682,022	5.0%	8.0%	-	-	-
10 years Mutual Aid Fixed Deposit Repo rate +3.1%	20,534,795	3.3%	5.4%	-	-	-
	382,597,130	61.5%	100%	314,865,405	55.7%	100.0%

¹ Of total portfolio

² Of local portfolio

Local Portfolio Composition



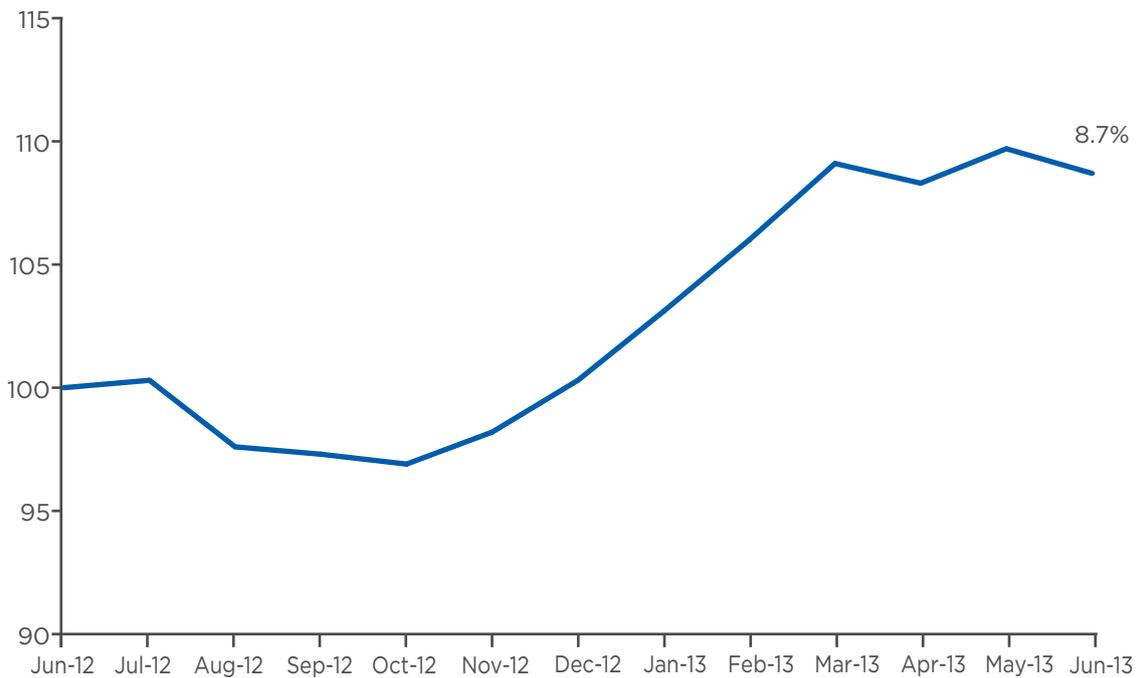
MANAGER'S REPORT

Local Portfolio Performance

The local portfolio gained 8.7% during the financial year, slightly underperforming both SEMTRI and SEM -7, which gained 10.7 and 10.2% respectively.

Local equities started to rally in the beginning of the third quarter, in tandem with a substantial rally across practically all global equity markets. However, the rally across global equities reversed starting May 2013 due to the comments released by the U.S. Federal Reserve. Local equities performed relatively better than other emerging markets but also felt the pinch of international investors retreating to their home markets.

	Local Portfolio	SEMTRI	SEM - 7
Q1	-2.7%	-3.4%	-3.3%
Q2	3.1%	3.2%	2.5%
Q3	8.7%	11.4%	13.7%
Q4	-0.4%	-0.3%	-2.3%
FY 2012/13	8.7%	10.7%	10.2%

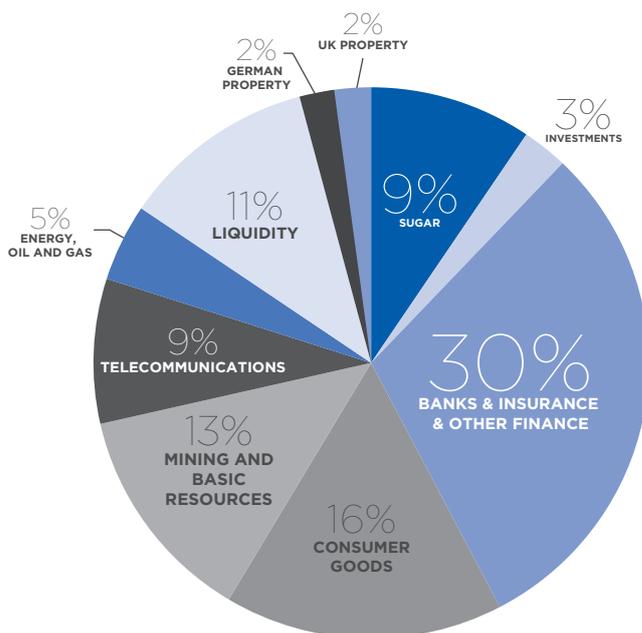


MANAGER'S REPORT

INTERNATIONAL PORTFOLIO REVIEW

The international portfolio of Fund represented 30.9% of total investments as at June 30, 2013. Including cash, 85% of the international portfolio is currently invested in the African Market Leaders Fund, an actively managed listed equity fund that focuses on the Sub-Saharan African region. Investment strategy of the Fund is to invest in high quality African/multinational companies which derive or are expected to derive a significant portion of their earnings from the African continent. The Fund follows a bottom up driven thematic approach that focuses on the African financial sector, the African consumer and invests in companies that are building Africa in terms of physical and technological infrastructure. During the year, we took some profits by selling some shares of the African Market Leaders Fund. The Fund had an excellent performance over the financial year, rising by 40.8% in Rs. terms. We continue to take the view that Africa is one of the most dynamic economic regions of the world and will look for further investment opportunities on the continent.

International Portfolio Composition as at June 30, 2013

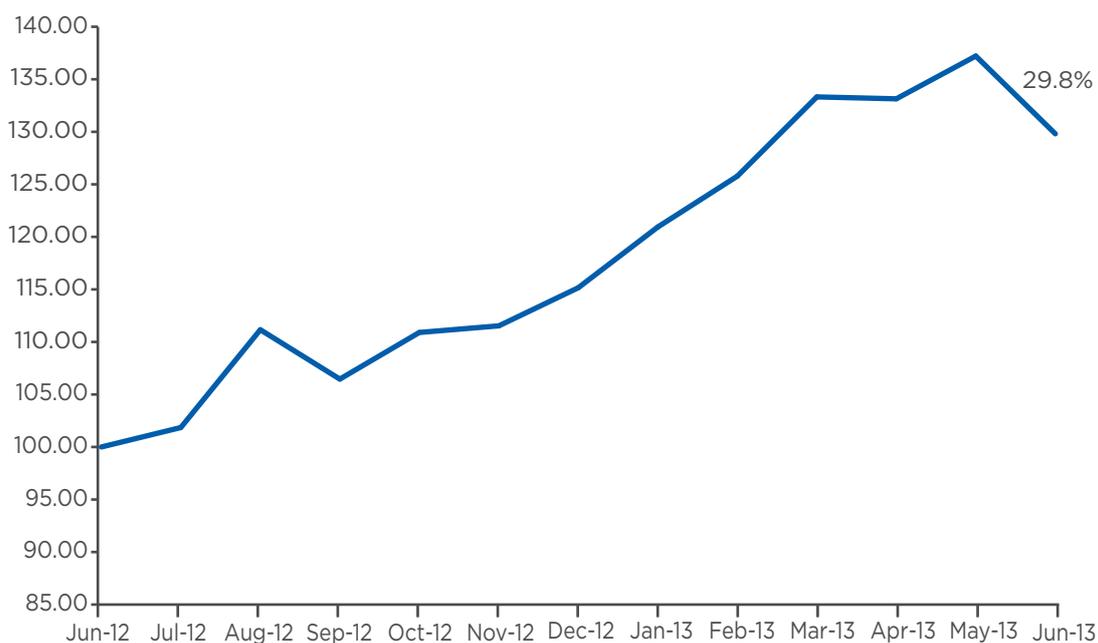


MANAGER'S REPORT

International Portfolio Performance

The international portfolio gained 29.8% over the year, outperforming the MSCI EFM Africa ex SA which gained 27.7% and underperforming the MSCI FM Africa which gained 63.8%.

	International Portfolio	MSCI EFM Africa ex ZA	MSCI FM Africa
Q1	6.5%	19.1%	22.9%
Q2	8.2%	3.8%	13.3%
Q3	15.8%	7.3%	18.8%
Q4	-2.6%	-3.7%	-1.0%
FY 2012/13	29.8%	27.7%	63.8%



MANAGER'S REPORT

OUTLOOK

Global economic growth has stalled during the financial year, mostly due to a slowdown in economic growth in China, which has been the driver of global growth since 2008. China's new government is implementing a new five year plan, with an emphasis of moving the composition of GDP away from investments and exports towards domestic consumption. As per the almost unanimous and thus suspicious opinion of leading economists and institutions, this process should bring potential Chinese GDP growth down to the range of 7.00% to 7.50%, while any lower growth might lead to serious social consequences.

For the financial year ahead, investors need to focus on two crucial elements. The first is whether the U.S. economy will be able to move on a higher GDP growth trajectory, with an improving labour market as a prerequisite. Revived U.S. growth has the potential to create the necessary global demand and in turn helping Europe and developing nations to grow faster as currently expected. The second element, which is closely related to the first, is whether the U.S. Federal Reserve will be able to manage an orderly exit of its quantitative easing program and zero interest rate policy. If such exit leads to substantial volatility and distortions in global capital markets, it could severely weigh on sentiment of households and companies across the globe and hence future economic growth.

The local economy in Mauritius is expected to slow further, with a 3.00% to 3.30% range in real GDP growth expected for the calendar year 2013. Inflationary pressure should decrease further in such an environment, but investors should keep a close tab on the elevated risk of imported inflation through oil and food prices. If inflation is kept in check and growth slows further, the Bank of Mauritius might lower the repo rate further in the financial year ahead. That being said, a minority of MPC members believes that rates should be raised given the prolonged negative interest rates which encourages consumption over savings. Two growing worries in the Mauritian economy are the extreme current account deficit, which has swelled to < -10% in the first quarter of the calendar year, and continued declining investments, which dropped by 13.30% in the first quarter of the calendar year. Any uptick in global demand, as described above, would of course be very helpful for such an open economy as Mauritius. That being said, investors should not rely on such exogenous factors, structural reforms are needed to increase investments, exports, and productive employment.

In such an environment, we continue to prefer a rather defensive positioning for our local equity portfolio. We like companies that already have built businesses outside of Mauritius to diversify from the vagaries of the local economy. Further, we also prefer companies that are in relatively better financial position, measured by metrics such as leverage and free cash flow. On local fixed income, we do not intend to add to the portfolio immediately but rather wait on better opportunities.

With respect to our international portfolio, we will continue to hold to our regional equity allocation. Africa is currently one of the fastest growing regions of the world, with the IMF expecting real GDP growth of 6.50% for the calendar year 2013. The dynamics of the region, coupled with reasonable valuations and continued strong interest from foreign investors, should lead to a continued positive contribution to the Fund.

Given attractive valuations and diversification benefits, we intend to look closer at emerging and frontier market fixed income in the financial year ahead, with the emphasis on local currency investments across Africa.

June 30, 2013

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of IPRO Growth Fund Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of IPRO Growth Fund Ltd on pages 29 to 47 which comprise the statement of financial position at June 30, 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONTINUED)

Report on the Financial Statements (Continued)

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

Opinion

In our opinion, the financial statements on pages 29 to 47 give a true and fair view of the financial position of the Company at June 30, 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

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

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

BDO & Co

Chartered Accountants

Shabnam Peerbocus, FCA

Licensed by FRC

Port Louis,

Mauritius

September 12, 2013

STATEMENT OF FINANCIAL POSITION

June 30, 2013

	Notes	2013	2012
		Rs.	Rs.
ASSETS			
Non-current assets			
Available-for-sale financial assets	5	500,739,593	494,518,996
Investments held to maturity	6	51,216,817	-
		551,956,410	494,518,996
Current assets			
Cash and cash equivalents	14	69,763,617	72,759,043
Other assets	7	96,160	21,897
		69,859,777	72,780,940
Total assets		621,816,187	567,299,936
LIABILITIES			
Other payables	8	1,427,564	2,076,985
Current tax liability	9	299,244	119,553
		1,726,808	2,196,538
Net assets attributable to holders of redeemable ordinary shares		620,089,379	565,103,398
Total liabilities		621,816,187	567,299,936
Net asset value per share	10	26.95	23.34

These financial statements have been approved for issue by the Board of Directors on September 12, 2013 and signed on its behalf by:

Mr. Jean-Pierre DALAIS
Chairman

Mr. Jérôme DE CHASTEAUNEUF
Director

The notes on pages 33 to 47 form an integral part of these financial statements.

Auditors' report on pages 27 and 28.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended June 30, 2013

	Notes	2013 Rs.	2012 Rs.
INCOME			
Dividend income		12,446,001	13,018,869
Profit on disposal of available-for-sale financial assets	2(b)	25,387,611	18,266,216
Interest income	6	4,046,908	1,651,139
Total income		41,880,520	32,936,224
EXPENSES			
Management fees		(4,949,416)	(4,764,974)
Secretarial and administration fees		(1,759,224)	(1,797,517)
Auditors' fees		(205,275)	(216,775)
Other operating expenses	11	(2,429,911)	(2,793,870)
Impairment of investments	5	(29,292,104)	-
Total operating expenses		(38,635,930)	(9,573,136)
FINANCE INCOME/COST			
Gain/(loss) on foreign exchange		1,040,489	(487,127)
Taxation	9	(282,448)	(85,046)
PROFIT FOR THE YEAR		4,002,631	22,790,915
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Fair value adjustment on disposal of financial assets		10,008,545	(49,017,843)
Increase/(decrease) in fair value of financial assets		67,642,500	(28,761,320)
TOTAL OTHER COMPREHENSIVE INCOME		77,651,045	(77,779,163)
Increase/(decrease) in net assets attributable to holders of redeemable ordinary shares		81,653,676	(54,988,248)

The notes on pages 33 to 47 form an integral part of these financial statements.

Auditors' report on pages 27 and 28.

STATEMENT OF CASH FLOWS

Year ended June 30, 2013

Note	2013	2012
	Rs.	Rs.
Cash flows from operating activities		
Dividend received	8,288,521	13,018,869
Interest received	2,563,291	1,651,139
Operating expenses paid	(9,136,527)	(9,483,556)
Cash generated from operations	1,715,285	5,186,452
Income tax paid	(102,757)	(77,223)
Net cash from operating activities	1,612,528	5,109,229
Cash flows from investing activities		
Purchases of available-for-sale financial assets	(103,212,570)	(212,462,989)
Proceeds from disposal of available-for-sale financial assets	124,266,286	233,748,446
Net cash from investing activities	21,053,716	21,285,457
Cash flows from financing activities		
Proceeds from redeemable ordinary shares issued	53,210,889	68,818,634
Redemption of redeemable ordinary shares	(79,878,584)	(71,983,555)
Net cash used in financing activities	(26,667,695)	(3,164,921)
Net (decrease)/increase in cash and cash equivalents	(4,001,451)	23,229,765
Movement in cash and cash equivalents		
At July 1,	72,759,043	50,016,405
Foreign exchange difference	1,006,025	(487,127)
(Decrease)/increase	(4,001,451)	23,229,765
At June 30,	69,763,617	72,759,043

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The notes on pages 33 to 47 form an integral part of these financial statements.

Auditors' report on pages 27 and 28.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE ORDINARY SHARES

Year ended June 30, 2013

	2013	2012
	Rs.	Rs.
Net assets attributable to holders of redeemable ordinary shares at July 1,	565,103,398	623,256,567
Proceeds from redeemable shares issued	53,210,889	68,818,634
Redemption of redeemable shares	(79,878,584)	(71,983,555)
Net decrease from share transactions	(26,667,695)	(3,164,921)
Increase/(decrease) in net assets attributable to holders of redeemable ordinary shares from operations	81,653,676	(54,988,248)
Net assets attributable to holders of redeemable ordinary shares at June 30,	620,089,379	565,103,398

The notes on pages 33 to 47 form an integral part of these financial statements.

Auditors' report on pages 27 and 28.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

1. GENERAL INFORMATION

IPRO Growth Fund Ltd is a limited liability company incorporated as an open-ended Fund and domiciled in Mauritius. The address of its registered office is 5th Floor Ebene Skies, Rue de l'Institut, Ebene.

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

The Company's objective is to generate long-term capital growth.

The Company's investment activities are managed by IPRO Fund Management Ltd (the 'Investment Manager').

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The financial statements are prepared under the historical cost convention, except that available-for-sale investments and relevant financial assets and financial liabilities are stated at their fair value.

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

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Company's financial statements.

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income'(OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

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

IFRS 9 Financial Instruments

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits (Revised 2011)

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

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

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

Amendment to IFRS 1 (Government Loans)

Annual Improvements to IFRSs 2009-2011 Cycle

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

Transition Guidance

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

IFRIC 21: Levies

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments

(i) Financial assets

Categories of financial assets

The Company classifies its financial assets as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Available-for-sale financial assets

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

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Available-for-sale investments are initially measured at fair value including transaction costs.

Derecognition

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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at their fair values.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

(i) Financial assets (cont'd)

(a) Available-for-sale financial assets (cont'd)

Subsequent measurement (cont'd)

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

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions and reference to other instruments that are substantially the same.

Valuation of investments in other funds. The Company's investments in other funds (Investee Funds) are subject to the terms and conditions of the respective Investee Funds offering documentation. The investments in Investee Funds are primarily valued based on the latest available redemption price of such units for each investee funds as determined by the administrator of such Investee Funds.

Impairment of financial assets

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

(b) Held to maturity Investments

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

(ii) 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 Company will not be able to collect all amounts due according to the original terms of receivables.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial instruments (cont'd)

(iii) Other payables

Other payables are stated at their nominal value.

(iv) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position.

(c) Foreign currencies

(i) *Functional and presentation currency*

Items included in the financial statements are measured using Mauritian rupees, the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Mauritian rupees, which is the Company’s functional and presentation currency.

(ii) *Transactions and balances*

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

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

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

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

(d) Impairment of assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Interest income and dividend income

Income receivable from investments in securities is accounted for on an accruals basis and for which the market price of quoted investments is ex-dividend at year end.

Interest income recognised on a time-proportionate basis using the effective interest method.

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

(f) Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party making financial or operational decisions.

(g) Alternative Minimum Tax (AMT)

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

(h) Provisions

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

(i) Distributions payable to holders of ordinary redeemable shares

Proposed distributions to holders of ordinary redeemable shares are recognised in the statement of changes in net assets when they are appropriately authorised and no longer at the discretion of the Company.

(j) Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

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) 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.

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

(a) Market risk

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

(i) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Company's policy is not to manage the Company's exposure to foreign exchange movements by entering into any foreign exchange hedging transactions.

At June 30, 2013, if Mauritian rupee had weakened/strengthened by 5% against the GB pound, US dollar and euro with all other variables held constant, the impact on net asset value for the year would have been Rs.8,467,964 (2012: Rs.8,982,680) higher/lower, as a result of foreign exchange gains/losses on translation of GB pound, US dollar and euro denominated available-for-sale financial assets.

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the statement of financial position as available-for-sale. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Sensitivity analysis

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

	Net asset value	
	2013	2012
	Rs.	Rs.
5% Increase/decrease in fair value of investments	25,036,980	24,725,950

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 Financial Risk Factors (cont'd)

(b) 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 Company is exposed to weekly cash redemptions of ordinary shares. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities.

In order to ensure the adequacy of its funding requirements, cash positions are monitored on a daily basis.

3.2 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

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

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

3.3 Capital risk management

The capital of the Company is represented by the net assets attributable to holders of redeemable ordinary shares. The amount of net asset attributable to holders of redeemable ordinary shares can change significantly on a weekly basis as the Company is subject to daily subscriptions and redemptions at the discretion of shareholders. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

In order to maintain or adjust the capital structure, the Fund's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and adjust the amount of distributions the Company pays to ordinary shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to ordinary shareholders.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

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

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

The fair value of securities not quoted in an active market may be determined by the Company using valuation techniques. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used.

(c) Functional currency

The Company considers the Mauritian rupee the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Mauritian rupee is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscription from its investors.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	LOCAL			FOREIGN	2013 TOTAL	2012 TOTAL
	LISTED	DEM QUOTED	UNQUOTED	MUTUAL FUNDS		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At July 1,	275,281,391	39,487,871	96,141	179,653,593	494,518,996	585,311,728
Additions	57,253,921	88,480	-	-	57,342,401	202,328,379
Disposals	(48,558,808)	(17,979,012)	-	(22,934,380)	(89,472,200)	(264,359,793)
Impairment	(4,131,653)	-	-	(25,160,451)	(29,292,104)	-
Increase/(decrease) in fair value	30,579,429	(1,296,288)	558,841	37,800,518	67,642,500	(28,761,318)
At June 30,	310,424,280	20,301,051	654,982	169,359,280	500,739,593	494,518,996

(a) **At June 30, 2013**

	Level 1	Level 3	Total
	Rs.	Rs.	Rs.
Available-for-sale financial assets	500,084,611	654,982	500,739,593

There were no transfers between level 1 and level 3 in the period.

For fair value measurements in level 3, there were no purchases and sales in the period.

- (b) Available-for-sale financial assets comprise principally of listed and DEM quoted equity securities and foreign mutual funds. The fair value of listed and DEM quoted available-for-sale financial assets is based on the Stock Exchange and DEM quoted prices at the close of business at year end. In assessing the fair value of unquoted available-for-sale financial assets, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each year end.
- (c) The impairment of Rs. 4,131,653 represents the fall in value of shares held in Rogers & Co Ltd after the declaration of dividend in specie of CIM Financial Services shares.
- (d) The impairment of Rs. 25,160,451 relates to the international property funds.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONT'D)

(e) Available-for-sale financial assets are denominated in the following currencies:

	2013	2012
Currency	Rs.	Rs.
Rupee	331,380,313	314,865,403
US Dollar	163,854,272	163,831,753
UK Pound	2,110,511	3,628,100
Euro	3,394,497	12,193,740
	500,739,593	494,518,996

6. INVESTMENTS HELD TO MATURITY

	2013	2012
	Rs.	Rs.
Government of Mauritius	30,682,022	-
MCS Mutual Aid Association Ltd	20,534,795	-
	51,216,817	-

(a) The investments are denominated in Mauritian Rupees.

(b) Fixed interest rate on Government of Mauritius bonds is 7.40% p.a. with maturity date February 25, 2025.

Floating interest rate on fixed deposit with MCS Mutual Aid Association Ltd is 7.75% p.a. with maturity date February 28, 2023.

(c) None of the financial assets are either past due or impaired.

7. OTHER ASSETS

	2013	2012
	Rs.	Rs.
Other receivables	96,160	21,897

The carrying amount of other assets approximates their fair value.

8. OTHER PAYABLES

	2013	2012
	Rs.	Rs.
Accrued expenses	1,427,564	2,076,985

The carrying amount of other payables approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

9. TAXATION

(a) Current tax liability in the statement of financial position

At July 1,

Current tax on the adjusted profit for the year at 15% (2012: 15%)

Payment made under Advance Payment System

At June 30,

(b) Charge to the Statement of Profit or Loss and Other Comprehensive Income

Charge for the year

2013	2012
Rs.	Rs.
119,553	111,730
282,448	85,046
(102,757)	(77,223)
299,244	119,553
282,448	85,046

The tax on the Company's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

Profit before taxation

Tax calculated at a rate of 15%

Income not subject to tax

Expenses not deductible for tax purposes

Tax charge

2013	2012
Rs.	Rs.
4,285,079	22,875,961
642,762	3,431,394
(5,749,523)	(4,695,701)
5,389,209	1,349,353
282,448	85,046

10. REDEEMABLE ORDINARY SHARES

- (a) All issued shares are fully paid and have been admitted to the official listing of the Stock Exchange in Mauritius. Ordinary shares carry one vote each. They are entitled to a distribution of income and to payment of the net asset value on redemption.

Redeemable ordinary shares are issued and redeemed at the holders' option at prices based on the value of the Company's net assets at the time of issue/redemption.

Issued and fully paid

At July 1,

Issue of shares

Shares redeemed

At June 30,

2013	2012
Number of shares	
24,213,609	24,306,482
1,973,701	2,955,076
(3,182,107)	(3,047,949)
23,005,203	24,213,609

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

10. REDEEMABLE ORDINARY SHARES (CONT'D)

(b) Net assets attributable to a holder of the redeemable ordinary share represent an equity in the statement of financial position carried at the redemption amount that would be payable at the end of the reporting period if the holder exercised the right to request the Company to redeem such shares.

Net asset value per share was Rs.26.95 at June 30, 2013 (2012: Rs.23.34).

11. OTHER OPERATING EXPENSES

	2013	2012
	Rs.	Rs.
Advertising	482,856	650,895
Custody fees - MCB	338,619	341,207
Directors' insurance	151,089	254,862
Directors' fees	523,751	366,319
Licences	213,925	141,992
Printing & stationery	445,085	598,428
Professional fees	223,675	350,635
Others	50,911	89,532
	2,429,911	2,793,870

12. PROFIT BEFORE TAX

	2013	2012
	Rs.	Rs.
Profit before tax is arrived at after		
Crediting:		
Profit on sale of investments in financial assets	25,387,611	18,266,216
and charging:		
Management fees (note 12(a))	(4,949,416)	(4,764,974)
Administrative & registry and transfer agency fees (note 12(b))	(1,586,724)	(1,625,017)

(a) Management fees

During the year, the Manager was entitled to receive a management fee of 0.85% per annum from the Fund, calculated on the daily Net Assets of the Fund and paid monthly in arrears.

(b) Administrative and registry & transfer agency fees

The Transfer Agent receives a fee at a rate of 0.10% per annum, calculated and accrued on a daily basis on the daily Net Assets of the Fund and payable in arrears on a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

12. PROFIT BEFORE TAX (CONT'D)

(b) Administrative and registry & transfer agency fees (cont'd)

There is an administration fee of 0.15% per annum, exclusive of Value Added Tax, calculated and accrued on a daily basis on the daily Net Assets of the Fund and payable in arrears on a monthly basis.

(c) Staff

The Fund does not employ any staff.

13. NON-DISTRIBUTABLE RESERVES OF HOLDERS OF REDEEMABLE ORDINARY SHARES

At July 1,

Transfer from statement of profit or loss and other comprehensive income

At June 30,

	2013	2012
	Rs.	Rs.
	301,947,502	283,681,286
	25,387,611	18,266,216
	327,335,113	301,947,502

Net assets attributable to ordinary shareholders include non-distributable reserves of holders of ordinary redeemable shares.

The transfer to non-distributable reserves of holders of ordinary shares is in respect of the profit on disposal of available-for-sale financial assets, which can only be used for distribution with a written approval of the Stock Exchange of Mauritius Ltd.

14. CASH AND CASH EQUIVALENTS

(a) Cash at bank

(b) The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

Rupee

UK Pound

US Dollar

	2013	2012
	Rs.	Rs.
	69,763,617	72,759,043

	2013	2012
	Rs.	Rs.
	47,830,506	72,573,738
	1,206,621	180,200
	20,726,490	5,105
	69,763,617	72,759,043

(c) The effective interest rate at end of reporting date were as follows:

Savings account

	2013	2012
	%	%
	3.4	3.65

NOTES TO THE FINANCIAL STATEMENTS

Year ended June 30, 2013

15. SEGMENT REPORTING

The Company is engaged in investing activities. The Board of Directors considers the business as a single portfolio comprised of a diversified portfolio of securities in various asset classes.

The investment manager is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The investment manager's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

The Company invests mostly in a diversified portfolio of local listed equity securities with the objective of generating long-term capital growth.

The internal reporting provided for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

There were no changes in the reportable segments during the year.

The Company is domiciled in Mauritius. Most of the Company's income is from investments in entities incorporated in Mauritius.

The Company holds investments in available-for-sale financial assets classified as non-current assets.

The Company also has a diversified shareholder population.

16. RELATED PARTY TRANSACTIONS

	Directors' emoluments		Management company		Enterprise with common directors	
	2013	2012	2013	2012	2013	2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Management, administrative & registry and transfer agency fee paid	-	-	6,536,140	6,389,991	-	-
Directors' emoluments	523,751	366,319	-	-	-	-
Legal & secretarial fees	-	-	-	-	172,500	150,938
Stockbroking commission	-	-	-	-	186,520	161,920
Amount owed to related parties	-	-	611,780	509,802	43,215	43,215

APPENDIX I

Three Year Summary of Published Results and Liabilities

	2013	2012	2011
	Rs.	Rs.	Rs.
Statement of profit or loss and other comprehensive income			
Income	41,880,520	32,936,224	86,893,246
Profit before tax	4,285,079	22,875,961	76,632,353
Taxation	(282,448)	(85,046)	(57,026)
Profit attributable to holders of ordinary redeemable shares	4,002,631	22,790,915	76,575,327
Statement of financial position			
Available-for-sale financial assets	500,739,593	494,518,996	585,311,728
Investments held to maturity	51,216,817	-	-
Cash and cash equivalents	69,763,617	72,759,043	50,016,405
Other assets	96,160	21,897	158,027
Total assets	621,816,187	567,299,936	635,486,160
Net assets attributable to holders of ordinary redeemable shares	620,089,379	563,103,398	623,256,567
Liabilities	1,726,808	2,196,538	12,229,593
Total equity and liabilities	621,816,187	565,299,936	635,486,160

