

**UNIT-LINKED EQUITY FUND**
**31 May 2009**
**Unit Price (NAV) - MUR 1.5729**
**Investment approach and strategy**

The fund's objective is to achieve long-term capital appreciation by investing in a diversified portfolio of local and foreign equities and equity-based securities. The fund suits investors willing to accept a relatively high degree of short-term volatility in the value of their investment compensated for by the expectation of higher return in the long-run. In order to meet investors' expectations, the fund manager will carefully select and actively manage stocks that are believed to possess long-term growth potential. Minimum liquidity requirements will prevent the fund to be fully invested and this proportion may vary depending on prevailing market conditions.

**Manager's commentary**

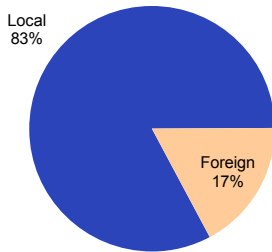
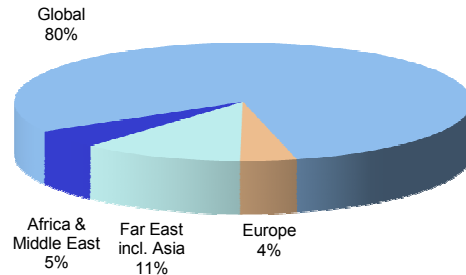
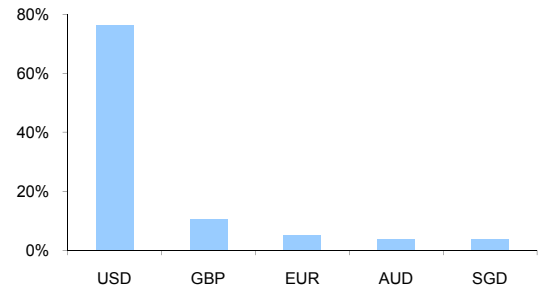
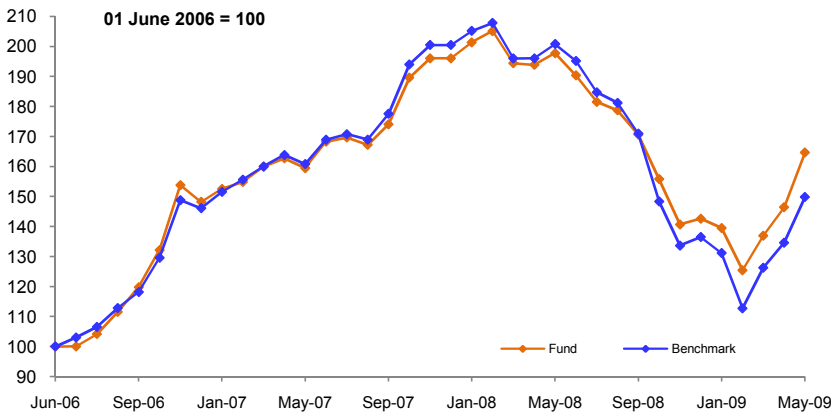
The local Budget was presented on 22nd May. A number of important measures were announced. These include the imposition of a special levy on turnover and profits of banks and telecommunication companies, profitable companies to spend at least 2% of profits on Corporate Social Responsibility (CSR) activities, additional ways to support the tourism sector as well as investment in infrastructure projects by the Government.

The local stock market indices rallied strongly this month. SEM-7 gained 18% while the SEMTRI and DEMTRI moved up by 15.1% and 3.7% respectively.

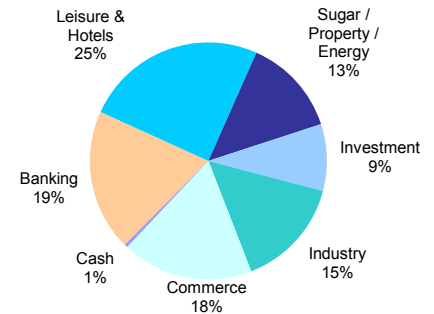
May was also a spectacular month for most stock markets worldwide. The MSCI All Country World Index (Net) increased by 10% (in USD terms)! It should also be highlighted that the stock markets have now enjoyed three consecutive months of solid gains. Overall, there has been a growth in investor confidence. There are moreover signs of improvement in the US housing market. During the month, Standard & Poor's announced that it was revising its outlook for UK's sovereign debt rating from 'stable' to 'negative'. The oil price maintained its upward trend and stood at around USD 65/barrel at month-end.

The GBP and EUR appreciated by 4% and 1.5% respectively against the Mauritian Rupee. The USD in contrast shed 3.3% vis-à-vis our local currency. There have been concerns about the rising amount of debt needed to fund the US budget deficit. This has consequently resulted in some USD weakness.

The Equity Fund returned **12.4%** in May, compared to **11.3%** for the benchmark. Assets under management (AUM) increased further this month to reach Rs 28.4 m. We continue to hold defensive stocks and stocks of high quality companies. We also caution unitholders that the recent rally in stock prices could reverse as a result of profit-taking. Furthermore, the rising oil price may potentially pose a risk to economic recovery going forward. Bearing this in mind, we are maintaining an active but cautious strategy in order to create long term value for our unitholders.

**Geographical Allocation**

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**Foreign Currency Exposure**

**Performance Analysis**
**Indexed Performance since launch**

**Top Holdings**

1 Mauritius Commercial Bank	Banking	8.5%
2 State Bank Of Mauritius	Banking	7.5%
3 Mon Tresor Mon Desert	Sugar / Property / Energy	6.1%
4 Innodis	Commerce	5.8%
5 Phoenix Beverages	Industry	5.7%
6 Rogers	Commerce	5.5%
7 New Mauritius Hotels	Leisure & Hotels	5.4%
8 Sun Resorts	Leisure & Hotels	4.8%
9 Automatic Systems Ltd	Leisure	3.9%
10 Permal "Low Volatility Portfolio"	Foreign	3.5%

**Sector Allocation (Local)**


	1 mth	6 mths	YTD	1 year	2 years	Since launch
<b>Cumulative Performance</b>						
Fund	12.43%	16.98%	15.42%	-16.75%	3.23%	64.60%
Benchmark	11.28%	12.06%	9.77%	-25.40%	-6.85%	49.79%
<b>Annualised Performance</b>						
Fund	-16.75%	1.60%	18.07%			
Benchmark	-25.40%	-3.48%	14.42%			

**Other Statistics**

<b>Total number of holdings</b>	75
<b>12 Months High / Low NAV</b>	1.8767 / 1.1884

**Fund Facts**

<b>Launch Date</b> June 1, 2006	<b>Benchmark</b> 65% SEMTRI, 20% MSCI AC World, 15% DEMTRI	<b>Performance</b> All information is stated gross of the management fee.
<b>Currency</b> MUR	<b>Valuation</b> Monthly	All dividends received are reinvested in the Equity Fund.
<b>Size</b> MUR 28.4M	<b>Management Fee</b> 1.5% p.a	

**Contact Details**

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This fund is only available through our Unit-Linked Plans.

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