

Investment approach and strategy

The Fund's objective is to achieve long-term growth by investing in a diversified portfolio of local and foreign debt and fixed income securities. The portfolio may also have a small exposure to equity-based instruments which satisfy the yield requirements of the fund. This fund suits investors seeking a relatively high level of capital preservation and smoother fluctuations in the value of their investment, in order to achieve more predictable but lower expected returns than equity instruments. The investment approach will be to primarily hold a variety of highly-rated mortgages and other fixed income securities which have a low risk of interest and capital defaults. Interest rate fluctuations will also be controlled by holding a selection of fixed and floating interest-bearing instruments.

Manager's commentary

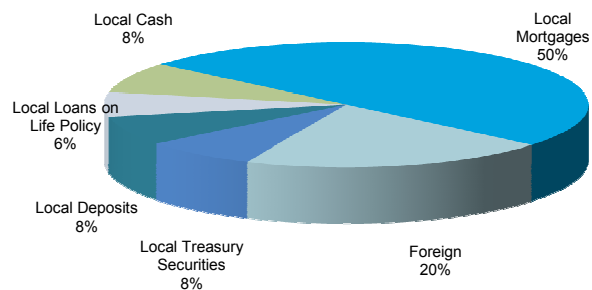
2009 was a year characterized by both low inflation and low interest rates worldwide. Interest rates were reduced frequently in most countries throughout the year.

The Monetary Policy Committee (MPC) of the Bank of Mauritius met on 10th December. It was unanimously decided to leave the Key Repo rate unchanged at 5.75% per annum.

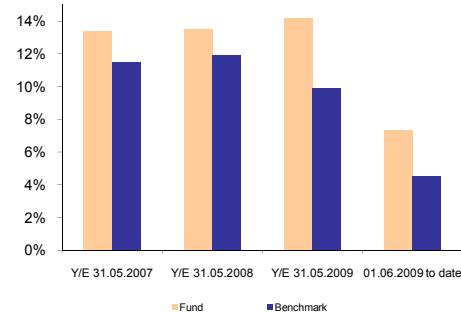
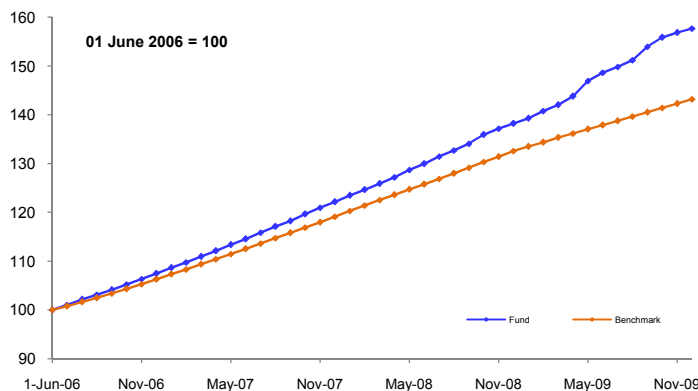
At end-December, weighted yields on 91-day, 182-day and 364-day Government of Mauritius Treasury Bills amounted to 4.40%, 4.58% and 4.74% respectively.

The rate of inflation in Mauritius for the year ending December 2009 (*source: Central Statistics Office*) amounted to 2.5%. The US dollar rallied against the euro during December. The US dollar appreciated on growing optimism of a US recovery whereas the euro weakened due to regional credit problems (Greece, Spain). The Mauritian Rupee depreciated by 1.1% against the US Dollar this month. In contrast, it gained ground against the Euro and GBP by 3.6% and 2% respectively.

This month, the Secure Fund recorded a return of 0.52%. 2009 performance for the Equity Fund also stands at a remarkable 14.1%, which is way ahead of inflation and the bank savings rate. The Secure Fund has moreover generated a positive real rate of return (*Annual Return - Annual Inflation*) of 11.6% during 2009. We will continue to actively manage the Fund and look for attractive opportunities for our unitholders. We moreover draw the attention of our unitholders and the public in general that MUA will henceforth offer two additional funds (*NMF General Fund and NMF Property Trust*) following its acquisition of NMF. These two funds should complement the investment products already offered by MUA.

Asset Allocation

Monthly Returns

	2006	2007	2008	2009
Jan	1.1%	1.1%	0.8%	0.8%
Feb	1.0%	0.9%	1.1%	1.1%
Mar	1.1%	1.0%	0.9%	0.9%
Apr	1.1%	1.0%	1.2%	1.2%
May	1.1%	1.2%	2.2%	2.2%
Jun	1.0%	1.1%	1.0%	1.2%
Jul	1.2%	1.1%	1.1%	0.8%
Aug	0.9%	1.1%	0.9%	0.9%
Sep	1.0%	1.0%	1.0%	1.8%
Oct	1.0%	1.2%	1.4%	1.3%
Nov	1.0%	1.1%	0.9%	0.6%
Dec	1.1%	1.0%	0.8%	0.5%
Year	7.5%	13.7%	13.2%	14.1%

Performance Analysis
Indexed Performance since launch

Portfolio Structure
Time to maturity (M)

≤ 5 years	43%
5 years < M ≤ 10 years	13%
10 years < M ≤ 15 years	12%
> 15 years	32%

YTD Return

Fund return	14.06%
Savings rate (12 months)	4.85%
SURPLUS RETURN	9.21%

Other Fund's Statistics

12 Months High / Low NAV	1.5076/ 1.3460
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Cumulative Performance	1 mth	6 mths	YTD	1 year	2 years	Since launch
Fund	0.52%	6.08%	14.06%	14.06%	29.07%	57.67%
Benchmark	0.64%	3.84%	8.03%	8.03%	20.19%	43.18%

Annualised Performance	1 year	2 years	Since launch
Fund	14.06%	13.61%	13.55%
Benchmark	8.03%	9.63%	10.54%

Fund Facts

Launch Date	June 1, 2006	Benchmark	Savings rate + 3% (as from January 2009)
Currency	MUR	Valuation	Monthly
Size	MUR 47.5M	Management Fee	1.5% p.a

Performance All information is stated gross of the management fee.
All income received is reinvested in the Secure Fund.

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

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