

UNIT-LINKED EQUITY FUND



31 October 2008

Unit Price (NAV) - MUR 1.5027

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

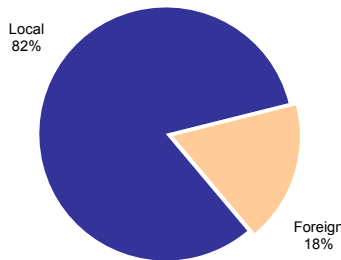
October proved to be one of the worst months on record for financial markets. Equity prices closed the month lower as investors remained concerned about the state of the global economy. In Mauritius, the equity indices fell significantly. SEMTRI and SEM-7 shed 12.5% and 17.5% respectively whereas the DEMTRI decreased by 12.3%. At month-end, Price Earnings Ratio and Dividend Yield for the Mauritian Official Market stood at 7.3 and 4.5%.

The MSCI All Country World Index (Net) shed a massive 20% (in USD terms) during October. Several central banks cut interest rates in an attempt to avoid a severe global recession. Many governments also pledged large amounts in an attempt to stabilize the financial sector. These measures however only had a temporary positive impact on equity markets. The price of crude oil furthermore continued its decline and stood at USD 67.81/barrel at end-October. It is now 54% below its record high of \$147.27, attained in July.

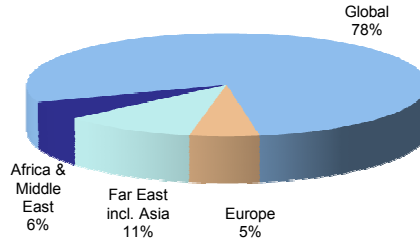
All the major currencies appreciated against the Mauritian Rupee this month. The US Dollar, Pound Sterling and Euro gained 12.5%, 2.5% and 0.9% against our local currency. The Yen was however the biggest mover with a monthly appreciation of nearly 20%.

Interest in the Equity Fund increased further during October and this has caused the total assets under management to grow significantly. Fund size is presently Rs 22.5m. During the month, the Equity Fund again proved less volatile and performed better than the benchmark. Given the drop in equity prices worldwide, the Fund lost 10.5%. However, this decline is significantly lower than the benchmark drop of 13.2%. The Fund asset allocation has moreover been cautiously reviewed. Stocks are presently trading at very attractive valuations and we are gradually taking advantages of such opportunities. It should be highlighted that equity markets tend to rebound well before economies fully recover. Investing in the Equity Fund could therefore be very attractive for investors with a medium to long term view.

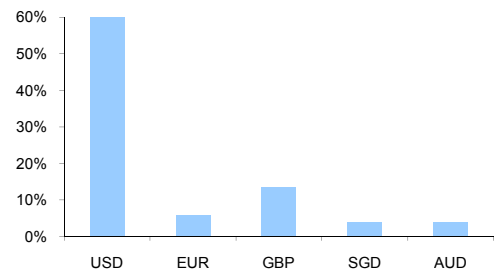
Geographical Allocation



Foreign Allocation

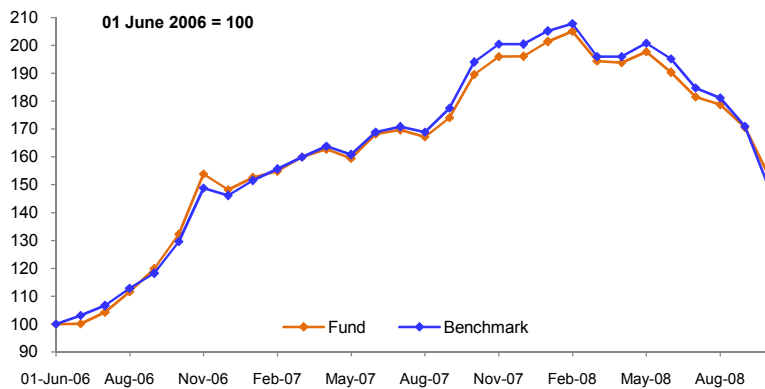


Foreign Currency Exposure



Performance Analysis

Indexed Performance since inception



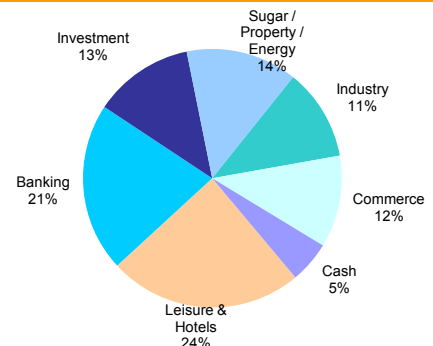
Cumulative Performance	Since inception					
	1 mth	6 mths	YTD	1 year	2 years	Since inception
Fund	-10.50	-21.24	-22.13	-19.47	15.49	52.66
Benchmark	-13.22	-24.32	-25.99	-23.53	14.45	48.34

Annualised Performance	Since inception		
	1 year	2 years	Since inception
Fund	-19.47	7.47	19.13
Benchmark	-23.53	6.98	17.72

Top Holdings

1 MCB	Banking	10.7%
2 New Mauritius Hotels	Leisure & Hotels	7.6%
3 State Bank	Banking	7.4%
4 MTMD	Sugar / Property / Energy	7.0%
5 Sun Resorts	Leisure & Hotels	4.8%
6 Rogers	Commerce	4.6%
7 Permal "Low Volatility Portfolio"	Foreign	4.5%
8 Phoenix Beverages	Industry	4.0%
9 Wellington Diversified Inflation Hedge	Foreign	3.9%
10 UBP	Industry	3.8%

Sector Allocation (Local)



Other Statistics

Number of positions	71
12 Months High / Low NAV	2.0096 / 1.5027

Fund Facts

Inception Date	June 1, 2006	Benchmark	65% SEMTRI, 20% MSCI AC World, 15% DEMTRI	Performance	All information is stated gross of the management fee. All dividends received are reinvested in the Equity Fund.
Currency	Mauritian Rupees (MUR)	Valuation	Monthly		
Size (MUR)	22.5 M	Management Fee	1.5% p.a		

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

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