

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

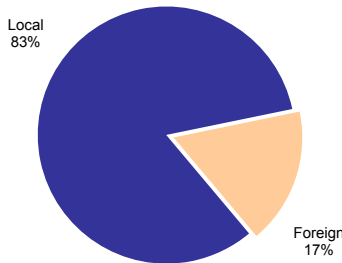
September proved to be a turbulent month for both local and foreign financial markets. Locally, several stocks initially reacted positively to particular corporate actions as well as improved financial results. However, the volatility in the world financial markets negatively affected investor confidence and this resulted in panic selling towards month end. SEMTRI and SEM-7 lost 5.5% and 5% respectively, with SEMTRI giving up 4.2% during a single trading session (30 September). The DEMTRI in contrast was rather unchanged.

On the international front, equity indices were influenced by several events. These include: US investment bank Lehman Brothers filing for bankruptcy, the rescue of insurance company AIG by the Federal Reserve, the Bank of America/ Merrill Lynch merger, a temporary restriction on short selling of US financial stocks as well as the rejection of the US Government plan to rescue banks from billions of dollars of bad mortgage debt. Overall, fears of a global recession caused markets to be extremely volatile. The MSCI All Country World Index (Net) shed nearly 14% in September.

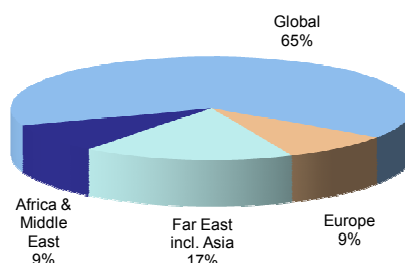
The Mauritian Rupee depreciated against the USD by around 0.3% during September. The Euro and the Pound Sterling on the other hand weakened by 2.4% and 1.4% against our local currency.

The Equity Fund once again proved less volatile and **performed better** than the benchmark during September. The Fund lost 4.5% whereas the benchmark return was -5.7%. The Equity Fund is well diversified with 68 different positions. This ensures that a sharp decline in value of one particular security could ultimately only have a limited impact on overall fund performance. The present volatility in the financial markets should provide us with some interesting buying opportunities. History has furthermore demonstrated that significant declines in markets are often followed by large upswings. Investors with a medium to long term view are likely to benefit from this scenario.

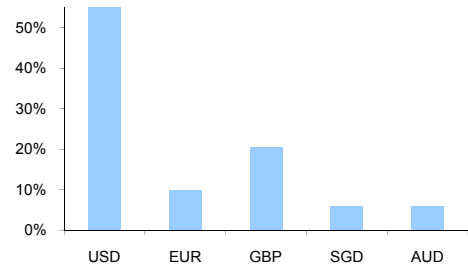
Geographical Allocation



Foreign Allocation

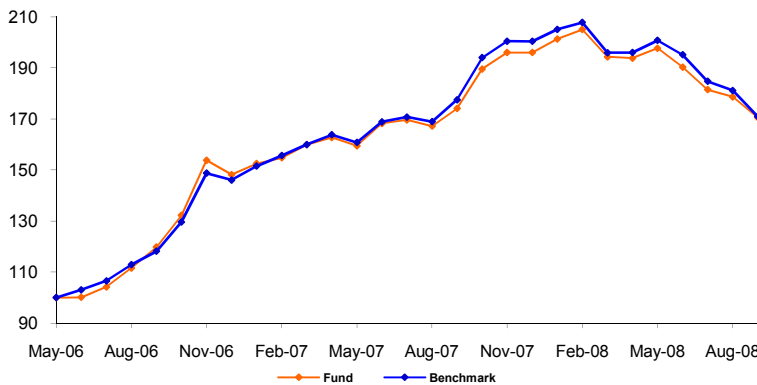


Foreign Currency Exposure



Performance Analysis

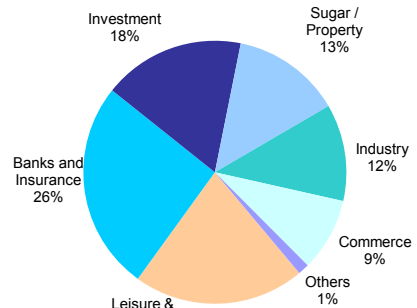
Indexed Performance since inception



Top Holdings

1 MCB	Banks and Insurance	12.6%
2 New Mauritius Hotels	Leisure & Hotels	9.4%
3 State Bank	Banks and Insurance	8.9%
4 Phoenix Beverages	Industry	5.7%
5 Sun Resorts	Leisure & Hotels	4.5%
6 Rogers	Commerce	3.7%
7 MTMD	Sugar / Property	3.6%
8 Permal "Low Volatility Portfolio"	Foreign	2.4%
9 Ciel Investment	Investment	2.3%
10 Medine S.E (O)	Sugar / Property	2.2%

Sector Allocation (Local)



Cumulative Performance	1 mth	6 mths	YTD	1 year	2 years	Since inception
	%	%	%	%	%	%
Fund	-4.55	-12.24	-12.99	-2.01	42.38	70.56
Benchmark	-5.66	-12.77	-14.71	-3.72	44.64	70.93

Annualised Performance	1 year	2 years	Since inception
	%	%	%
Fund	-2.01	19.32	25.71
Benchmark	-3.72	20.27	25.83

Other Fund's Statistics

Number of positions	68
12 Months High / Low NAV	2.0096 / 1.6726

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) 16.7 M	Management Fee 1.5% p.a	

Contact Details

The Mauritius Union Assurance Co. Ltd
 4, Leoville L'Homme Street, Port-Louis
 Tel: + 230 207 5500 - Fax: + 230 212 4198
 info@mauritiunion.com - www.mauritiunion.com

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