

**UNIT-LINKED SECURE FUND**

31 May 2009

Unit Price (NAV)

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MUR 1.4135

**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**

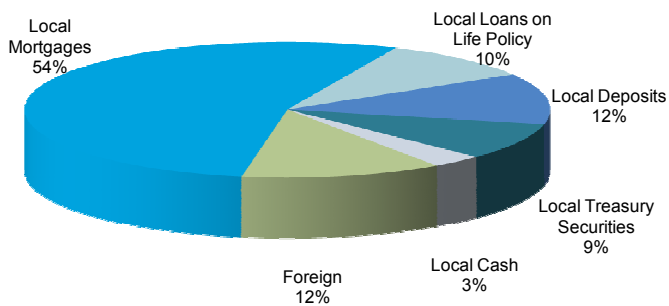
The local Budget was presented on 22nd May. A number of important measures were announced. These include the imposition of a special levy on turnover and profits of banks and telecommunication companies, profitable companies to spend at least 2% of profits on Corporate Social Responsibility (CSR) activities,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

At end-May, weighted yields on 91-day, 182-day and 364-day Government of Mauritius Treasury Bills amounted to 4.65 %, 4.68% and 5.06 % respectively. We also remind unitholders that the next meeting of the Bank of Mauritius Monetary Policy Committee (MPC) will be held on 22nd June.

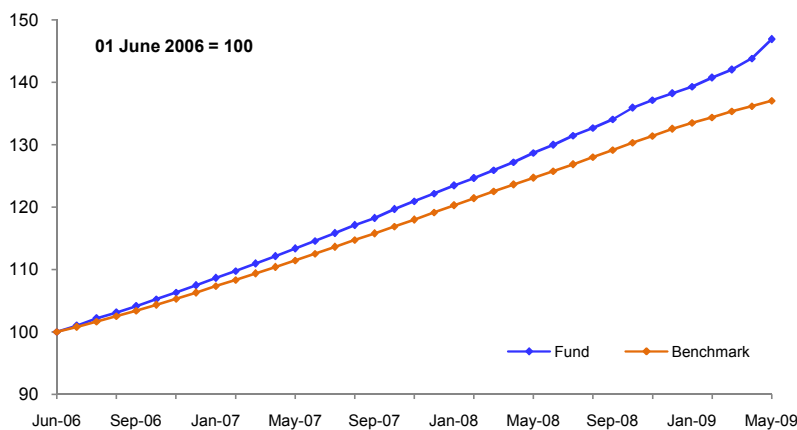
The rate of inflation in Mauritius for the twelve months ending May 2009 (source: Central Statistics Office) amounted to 7.4%.

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 Secure Fund outperformed its benchmark during May, returning 2.2% against a 0.6% rise in the benchmark. Our 1-year return amounting to 14.2% actually exceeds the inflation rate by 6.8%. During the month, we increased our exposure to some foreign investment grade bonds. These bonds are currently offering a very attractive yield. It should also be highlighted that 12% of the Fund was invested in foreign securities at end-May. We remain confident in our ability to generate returns ahead of both inflation and the savings rate in the long run.

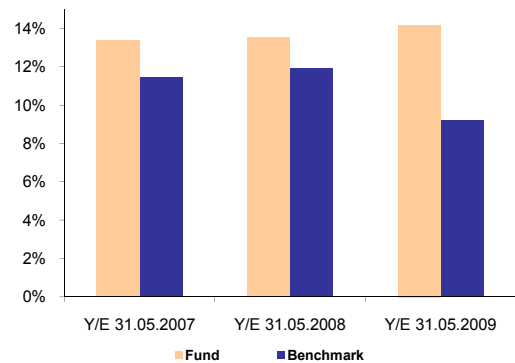
**Asset Allocation**

**Monthly Returns**

	2006	2007	2008	2009
Jan		1.1%	1.1%	0.8%
Feb		1.0%	0.9%	1.1%
Mar		1.1%	1.0%	0.9%
Apr		1.1%	1.0%	1.2%
May		1.1%	1.2%	2.2%
Jun	1.0%	1.1%	1.0%	
Jul	1.2%	1.1%	1.1%	
Aug	0.9%	1.1%	0.9%	
Sep	1.0%	1.0%	1.0%	
Oct	1.0%	1.2%	1.4%	
Nov	1.0%	1.1%	0.9%	
Dec	1.1%	1.0%	0.8%	
Year	<b>7.5%</b>	<b>13.7%</b>	<b>13.2%</b>	<b>6.3%</b>

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


Cumulative Performance	1 mth	6 mths	YTD	1 year	2 years	Since launch
Fund	2.16%	7.12%	6.28%	14.17%	29.59%	46.91%
Benchmark	0.62%	4.49%	2.74%	10.16%	23.36%	36.17%

Annualised Performance	1 year	2 years	Since launch
Fund	14.17%	13.84%	13.68%
Benchmark	10.16%	11.07%	10.84%

**Year by Year return Since Inception**

**Portfolio Structure**
**Time to maturity (M)**

≤ 5 years	48%
5 years < M ≤ 10 years	10%
10 years < M ≤ 15 years	8%
> 15 years	34%

**YTD Return**

Fund return	6.28%
Savings rate (5 months)	2.13%
<b>SURPLUS RETURN</b>	<b>4.15%</b>

**Other Fund's Statistics**

12 Months High / Low NAV	1.4135/ 1.2644
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**Fund Facts**

<b>Launch Date</b>	June 1, 2006	<b>Benchmark</b>	Savings rate + 3% (as from January 2009)	<b>Performance</b>	All information is stated gross of the management fee.
<b>Currency</b>	MUR	<b>Valuation</b>	Monthly		All income received is reinvested in the Secure Fund.
<b>Size</b>	MUR 29.7 M	<b>Management Fee</b>	1.5% p.a		

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