



B3 Protected Balanced Fund

TECHNICAL OVERVIEW

December 2011

Inception date:	1 Feb 2006	
Benchmark:	CPI + 5% (12 month rolling period)	
Risk :	Moderate	
Original buying price:	100.00 cents	
Minimum lump sum:	R5 000	
Minimum monthly investment:	R500	
Initial charge (max):	3.42% (incl. VAT)	* Performance fee: 20% (sharing rate) of out performance above the portfolio benchmark (hurdle rate) over a 12 month rolling period, capped at 1.75%. The fees are accrued on a daily basis and paid out on a monthly basis. Any shortfall to the hurdle rate is carried forward for set-off against future positive out performances.
Annual service fee*:	1.43% (incl. VAT)	
Income distribution 2011 :	3.14cpu	
Income distribution 2010 :	3.30 cpu	
Date of income declaration:	30 June / 31 Dec	
Date of income payment:	7 July / 7 Jan	
Fund size :	R49m	
Valuation and Transaction time:	15h00	
The FSP holds professional indemnity cover and fidelity insurance cover.		
Sector: Domestic Asset Allocation-Prudential Variable Equity		

ASSET ALLOCATION

	Nov	Dec	Move
Derivatives	1.4%	1.8%	0.4%
Cash & M/M	1.5%	3.1%	1.6%
Property	3.4%	3.0%	(0.4%)
Bonds	8.9%	9.1%	0.2%
Off-shore	18.0%	18.5%	0.5%
Equity	66.8%	64.5%	(2.3%)

TOP EQUITY HOLDINGS

Biliton	Naspers
Anglos	Remgro
MTN	Richemnt
SAB	FirstR
Amplats	ARM

MANAGER'S COMMENT

In 2011 markets fluctuated between fear and greed. In the end local Equity ended almost square (2.6%) with Listed Property (8.9%) and Bonds (8.8%) the best sectors. Global equity markets were down (MSCI -5%), but local investors did well offshore due to an 18% depreciation of the rand. Cash returned a sedate 5.8%, which is below inflation (6.1%), but investors are still waiting for more certainty. The price of Gold and Oil rose by 10% and 13% respectively as investors lost faith in the US\$ and Euro. The rest of the commodities declined (Platinum -21%, Copper -22%) as demand fell due to lower global economic growth.

So what does 2012 hold? Company earnings is growing well and we are positive on local and offshore equity. There is a lot of pressure on inflation and even the SARB expects it to remain above the 6% target for most of the year. We do not expect them to raise interest rates soon, but this is negative for longer term yields (Bonds). Among the equity sectors we like Miners, Diversified Industrials, Healthcare en Telecoms, while we would steer clear of Retailers en Food Processors.

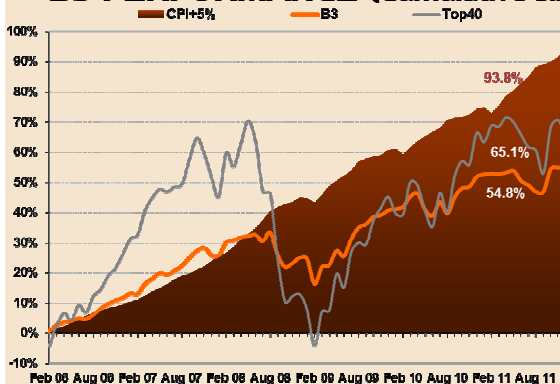
FUND OBJECTIVE

The Contego B3 Protected Balanced Fund is an asset allocation prudential variable equity fund offering investors steady growth of capital and income. It is distinguished by the fact that derivatives are used to achieve a reduced level of risk.

INVESTMENT STRATEGY

The B3 Protected Balanced Fund is an actively managed Prudential Balanced fund complying with Regulation 28 of the Pension Funds Act and is therefore suitable for Pension and Provident Funds. This is a medium to long term investment for investors with a moderate risk profile looking for a balanced exposure to local and off shore growth assets. Innovative hedging strategies are used to protect the local equity component, giving investors' further peace of mind.

B3 PERFORMANCE (Cumulative since inception)



	FUND*	CPI+5%	TOP40
1-Yr	2.0%	11.1%	-0.7%
2-Yr (Ann)	4.9%	9.8%	6.6%
3-Yr (Ann)	7.4%	10.2%	13.5%
Incept (Ann)	7.7%	11.8%	8.8%
Std Dev	7.2%	2.4%	18.5%

* Income Distributions Included

TOTAL EXPENSE RATIO (TER)

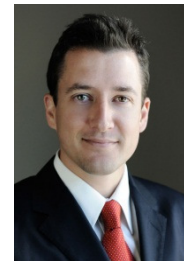
TER as at 30 September 2011 1.78%

The TER has been calculated using data from 1 October 2010 till 30 September 2011. The TER % of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

FUND MANAGERS



Kobus Louw



JC Louw

BANK DETAILS

Deposits can be made at any ABSA Bank
 Account Number: 4064 141 892
 Bank Code: 312109
 Bank: ABSA
 Please fax deposit slip to: (021) 940 4856

FAIS conflict of interest disclosure

Please note that in most cases where the FSP is a related party to Contego Asset Management (Pty) Ltd and/or Metropolitan, Contego Asset Management (Pty) Ltd and/or distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client.

Such fees (ex vat) are paid out of the portfolio's service charge and range between

MetCIS	Portfolio Mgr	Distributor	LISP/FoF rebate	Service fee	Perf Fee
up to 0.35%	up to 1.00%	0.00%	up to 0.25%	1.250%	100% to P/Mgr

The investment manager's range of portfolios invest into other funds or portfolios within the Metropolitan Collective Investment Scheme that may also be managed by the investment manager. The investment manager will therefore earn fees at the multi-manager and multi-asset class portfolio level.

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JSE Code: MCB8
 Bloomberg Code: CONB6BL SJ Equity

Custodian: Standard Executors & Trustees: Tel (021) 401-2286; Metropolitan Collective Investments Limited: Parc du Cap Mispel Road Bellville, PO Box 925 Bellville 7535 Tel (021) 940-5981 Fax (021) 940-5885 Call Centre: Tel 0800 100 279 Registration No 19910374106. Collective Investments are generally medium to long term investments. The value of participating interests may go down as well as up and past performance is not necessarily a guide to the future. Collective Investments are traded at ruling prices and can engage in scrip lending. Forward pricing is used. A schedule of fees and charges and maximum commissions is available on request from company/scheme. Commission and incentives may be paid and if so, are included in the overall cost. This fund may be closed to new investors. Graphs and performance figures are sourced from MoneyMate for lump sum investments including income distribution, at NAV to NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Collective investment prices are calculated on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the portfolio. The portfolio manager may borrow up to 10% of portfolio NAV to bridge insufficient liquidity. The performance fee FAQ document is kept as a public document at Metropolitan Head office. Metropolitan Collective Investments Ltd is a Full member of the Association for Savings & Investments SA (ASISA).