



The Protection Specialists

## Balanced Portfolio

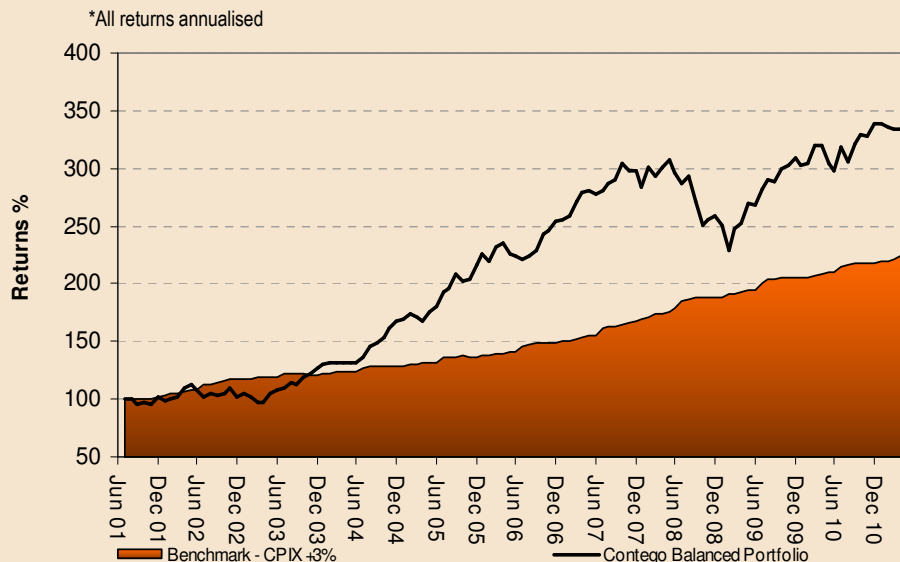
### TECHNICAL OVERVIEW

May 2011

Minimum lump sum:	R500 000
Initial charge (max):	
Contego	0.00% (incl. VAT)
Advisor	0.00% - 3.42% (incl. VAT)
Annual service fee:	1.14% (incl. VAT)
Performance fee:	0.50% p/a on out performance of the benchmark, Calculated Quarterly
Formation date:	31/07/2001
Income Declarations:	Re-Invested
Benchmark:	CPIX +3%
Valuation Date:	Month End

### PERFORMANCE SINCE INCEPTION

	Portfolio	CPIX+3%
YTD	-1.3%	2.9%
Return Since Inception	235.1%	124.7%
Inception Annualised Return	13.1%	8.6%
5-Year Returns	8.2%	9.8%
3-Year Returns	2.9%	8.5%
2-Year Returns	11.5%	7.5%
1-Year Returns	9.9%	7.2%
6-Month Returns	4.6%	6.3%
Standard Deviation	12.5%	



### MANAGER'S COMMENT

Equity markets declined in May on growing fears that Greece could default, weak jobs data from the US and fears that Chinese economic growth is slowing. The MSCI World index was down -2.0%, Emerging Markets -3.6%, Europe -6.3% and the All Share index -0.8%. The US\$ weakened sharply against the Euro and Gold fell by 2%, Platinum -2.2% and Brent Oil by 7.8%. The oil price has dropped by more than 15% over the past 2 months. Our Industrial stocks rose 1.0% while Resource stocks fell 2.9% on the lower commodity prices. The Rand appreciated by 3.6% against the US\$ which was positive for bonds (ALBI index +1.5%) while Cash delivered a positive return of 0.47%. Inflationary pressure is building driven by the rising fuel, electricity and food prices and the latest CPI figure rose from 4.1% to 4.2%. However, the high unemployment, low growth and strong ZAR makes a rate hike unlikely in 2011. Bond yields are very low and we remain positive on local equity. We expect the ZAR to depreciate toward year-end making offshore equity attractive.

### PORTFOLIO OBJECTIVE

The fund is an actively managed fund that aims to deliver consistent growth and hence provide sustainable capital appreciation over the medium and long term. The securities that will normally be included in the fund will consist of listed equities across all industry sectors of the JSE and the fund has the capacity to invest offshore.

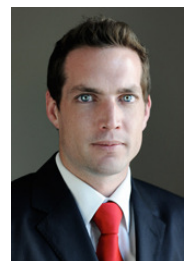
### INVESTMENT STRATEGY

The investment risk is expertly diversified by investing funds in quality local shares, bonds, property, off-shore assets and cash. Value is added through active share selection while the income component of the fund will be enhanced by actively managing the duration of the fixed income assets.

### PORTFOLIO MANAGERS



Schalk Louw



Niel van der Linde

**RISK: MODERATE**

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