



The Protection Specialists

## Equity Portfolio

### TECHNICAL OVERVIEW

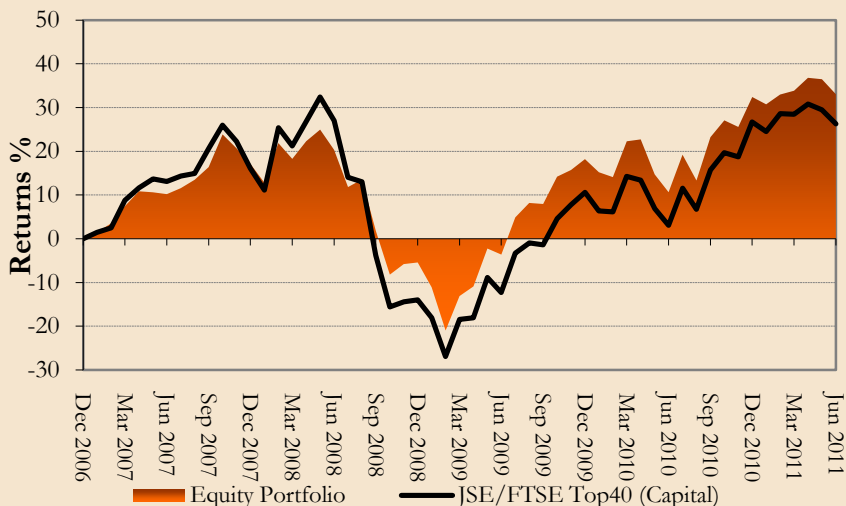
June 2011

Minimum lump sum:	R250 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:	0.57% per annum on out-performance of benchmark, calculated quarterly
Formation date:	31/12/2006
Income Declarations:	Re-Invested
Benchmark:	FTSE/JSE Top40 (capital)
Valuation Date:	Month End

### PERFORMANCE SINCE INCEPTION

	Equity Portfolio	JSE/FTSE Top40 (Capital)
YTD	0.6%	-0.3%
Return Since Inception	33.1%	26.3%
Inception Annualised Returns	6.6%	5.3%
3-Year Returns	3.4%	-0.2%
2-Year Returns	17.5%	20.0%
1-Year Returns	20.3%	22.6%
6-Month Returns	1.0%	-0.6%
Standard Deviation	17.0%	20.1%

\*All returns annualised



### MANAGER'S COMMENT

The markets had a lot of news to digest during June and most of it was rather nerve-racking. The fiscal problems of nations in the euro zone was one of the major news events while economic data released during the month fuelled concerns that the global recovery was losing momentum. During June the All bond Index delivered a return of 0.16% while cash returned 0.47%. Over the quarter the All Bond Index returned 3.9%, outperforming local equities (-0.6%) and cash (1.4%). Foreigners were net buyers of SA bonds in the second quarter to the value of R42.3 billion after being net sellers of R7.6 billion of bonds in the first quarter. After solid gains in April (2.2%), the All Share fell during May (-0.77%) and June (-2.03%) leading to negative returns for the second quarter of 2011 (-0.6%). Foreigners were net buyers of SA equities over the second quarter to the value of R 6 billion after being net seller of equities to the value of R 3.1 billion in the first quarter. 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.

### FUND 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.

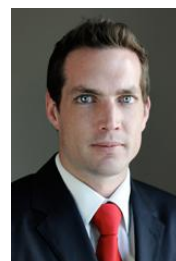
### INVESTMENT STRATEGY

The aim will be to actively manage a concentrated portfolio of shares selected from a universe consisting of the Top100 biggest shares (according to market capitalization) listed on the FTSE/JSE All Share index. From this allocated universe of shares, the best 10 to 20 shares will be included in the fund at any given moment. Although a flexible approach will be used, a clear focus will be allocated towards reducing the company specific or unsystematic risk of the portfolio while proprietary ranking models will be employed in assisting the security selection process. Relative attributes (to the market and its benchmark) will be a critical factor in determining which securities are included in the fund.

### FUND MANAGERS



Schalk Louw



Niel van der Linde

**RISK: AGGRESSIVE**

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