



The Protection Specialists

## Property Portfolio

### TECHNICAL OVERVIEW

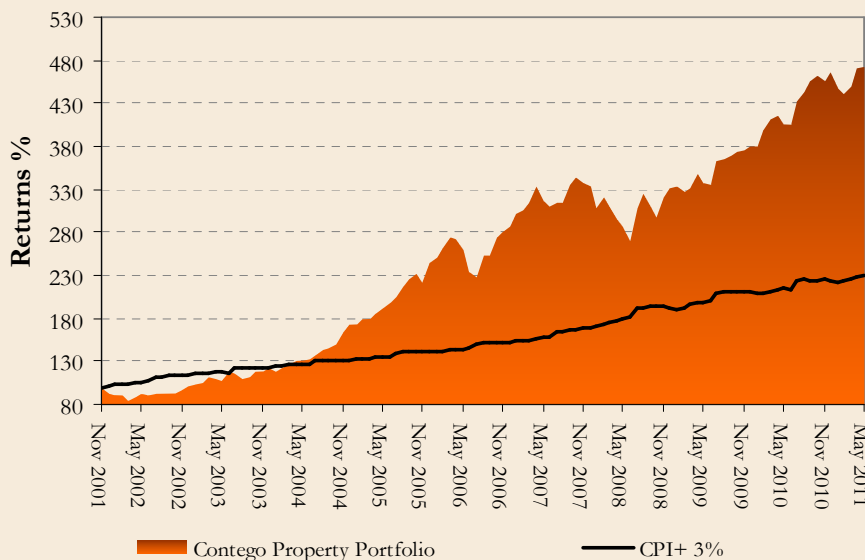
May 2011

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:	30/11/2001
Income Declarations:	Re-Invested
Benchmark:	CPI + 3%
Valuation Date:	Month End

### PERFORMANCE SINCE INCEPTION

	Property	CPI+3%
YTD	1.6%	2.9%
Return Since Inception	373.0%	129.5%
Inception Annualised Return	11.7%	9.1%
5-Year Returns	9.8%	9.8%
2-Year Returns	14.5%	7.5%
1-Year Returns	16.8%	7.2%
6-Month Returns	3.6%	3.1%
Standard Deviation	14.3%	

\*All returns annualised



### 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

This is an actively managed domestic portfolio, which invest in listed securities included in the Property Index (J253) on the JSE. The portfolio has an absolute orientation and aims to provide investors with both a high-income and long-term capital growth. The Property Portfolio is a medium to high-risk portfolio.

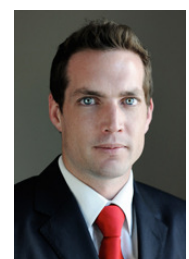
### INVESTMENT STRATEGY

The fund maintains an exclusive focus on South African listed property stocks, specifically Property Unit Trusts (PUT's) and Property Loan Stocks (PLS's). The fund aims to generate sustainable pre-tax income whilst growing the original capital invested. The aim is to achieve superior returns through in-depth research.

### FUND MANAGERS



Schalk Louw



Niel van der Linde

**RISK: ASSERTIVE**

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