Kagiso Balanced Fund

December 2009

KAGISO Asset Management

The fund's objective is to significantly outperform the median manager in the domestic retirement fund manager peer group. The fund has a balanced mandate and investments are diversified across equities, bonds and cash. The fund is actively managed and positioned in the best ideas from the Kagiso bottom-up research process. The fund is structured to comply with Regulation 28 of the Pension Funds Act.

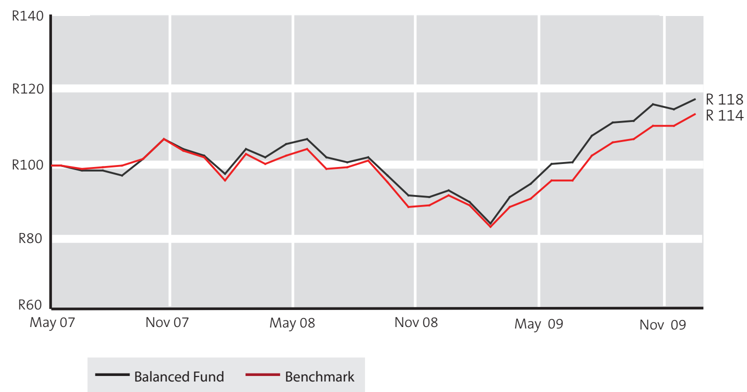
Inception date	1 May 2007
Portfolio manager	Gavin Wood
Fund mandate	Prudential regulation compliant domestic balanced fund
Vehicle	Pooled
Benchmark	Median return of Alexander Forbes SA Manager Watch: BIV survey
Composite size	R61 million
Minimum	No minimum

Portfolio Detail

Commentary

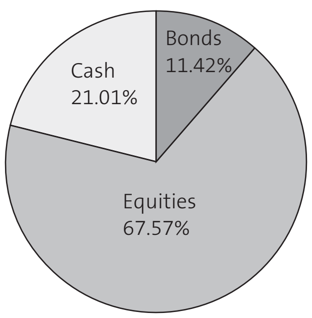
Track Record

Value of R100 invested at inception (dividends reinvested)



Asset allocation exposure

As at 31 December 2009



Industrials	34.04%
Financials	16.26%
Resources	17.27%

Performance in ZAR (gross of fees)

Period	1 yr	2 yrs	3 yrs[1]		Cum[1,2]	2008	2009
Fund	26.84%	7.35%			6.53%	(9.14%)	26.84%
Benchmark[3]	24.50%	5.77%			5.10%	(10.14%)	24.50%
Out (under) performance	2.34%	1.58%			1.43%	1.00%	2.34%

[1] Annualised; [2] Inception date: 1 May 2007

[3] Median return of Alexander Forbes SA Manager Watch: BIV survey

Figures to 31 December 2009

Total fund assets: 2008: R48m; 2009: R61m

Total firm assets: 2008: R8 930m; 2009: R 17 775

Source: Fund returns – KAM; Benchmark returns – Alexander Forbes

Top 10 equity holdings

As at 31 December 2009	% of Equities	% of Fund
MTN	14.24%	11.86%
Naspers	7.57%	8.52%
Sasol	8.40%	8.38%
Standard Bank	5.84%	6.20%
FirstRand	4.71%	4.33%
Tongaat Hulett	2.40%	4.20%
British American Tobacco	1.79%	3.70%
Discovery	3.03%	3.56%
New Gold	1.33%	3.04%
Remgro	2.46%	2.96%
Total	51.78%	56.75%

Risk statistics since inception

	Fund	Benchmark
Annualised monthly volatility	13.75%	13.73%
Annualised monthly tracking error	3.47%	0.00%
Information ratio[4]	0.41	n/a
Sharpe ratio	-0.03	-0.13
Maximum gain	8.67%	7.46%
Maximum drawdown[5]	0.00%	0.00%
% Positive months	50.00%	65.63%
Beta vs benchmark	0.97	1

4 Information ratio = $\frac{\text{outperformance}}{\text{tracking error}}$ 5 Maximum % decline over any period

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