

Performance and risk statistics¹

	Fund	Benchmark	Outperformance
1 year	4.7%	4.3%	0.4%
3 years	20.3%	17.9%	2.5%
5 years	10.9%	8.7%	2.3%
Since inception	13.6%	11.5%	2.2%

All performances annualised

	Fund	Benchmark
Annualised monthly volatility	16.4%	17.1%
Annualised monthly tracking error	3.4%	n/a
Information ratio*	0.6	n/a
Sharpe ratio	0.3	n/a
Maximum gain [#]	11.9%	10.9%
Maximum drawdown [#]	-36.0%	-37.0%
% Positive months	62.5%	62.5%
Beta vs benchmark	0.9	1.0

* Information ratio = $\frac{\text{outperformance}}{\text{tracking error}}$ # Maximum % increase/decline over any period

Cumulative performance since inception



Portfolio manager Gavin Wood

Fund mandate South African equities - unconstrained

Fund objective To significantly outperform its benchmark over time. The fund aims to be fully invested in South African equities on a consistent basis, and actively positioned in the best ideas from the Kagiso bottom-up research process.

Vehicle Pooled

Benchmark FTSE/JSE SWIX Index (J403)

Launch date 1 September 2006

Fund size R10.7 billion

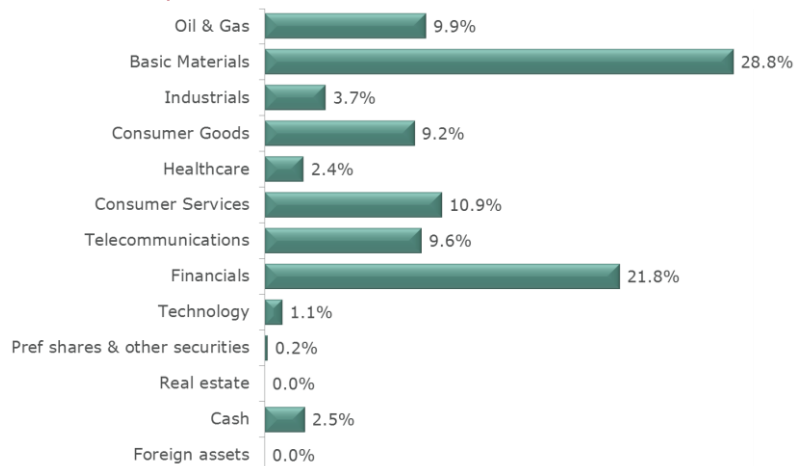
Minimum No minimum

Commentary

The fourth quarter was a very strong period for global equities, bouncing off their third quarter low points, amidst high volatility. Positive US economic data emerged amidst the European gloom and co-ordinated central bank measures were announced to provide Europe with much needed banking sector liquidity. The US and UK markets were particularly strong, outperforming most emerging markets and the negative Japanese Nikkei. Commodity prices were mixed, but oil prices were up due to ongoing Middle East instability and slightly stronger economic news. Gold, platinum and most other commodities relevant to South African miners were significantly down, while copper was up. The Rand was little changed against the US Dollar and stronger against the Euro. Interest rates were unchanged against a backdrop of rising inflation, which breached the official target in November - partly due to the weaker currency and higher transportation costs. Domestic economic growth prospects are looking softer, however. We remain defensively positioned with a strong focus on quality, lower risk companies, which are attractively priced. Over the last year we have moved the portfolio significantly out of industrial shares, many of which are trading at all-time highs and anticipating very strong earnings prospects, and into selected resources stocks, especially platinum group metal miners.

Unconventional thinking. Superior performance

Sectoral exposure



Top ten holdings

	% of fund
Sasol	9.9
MTN	9.6
Firststrand/RMB	7.4
Naspers	6.8
Tongaat Hulett	6.5
Mondi	6.3
Standard Bank	5.4
Lonmin	5.2
Impala Platinum	4.7
AECI	4.1
Total	65.8

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¹ Fund returns are sourced from Kagiso Asset Management, and benchmark returns from I-Net. Fund performance figures are gross of management fees, net of all applicable withholding and gross of SA Capital Gains Tax. Calculation is based on a lump sum investment, with income re-invested.