

Kagiso Managed Equity Fund

June 2010

The fund's objective is 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.

Inception date	1 September 2006
Portfolio manager	Gavin Wood
Fund mandate	South African equities – unconstrained
Vehicle	Pooled
Benchmark	FTSE/JSE SWIX index (J403)
Composite size	R3 838 million
Minimum	No minimum

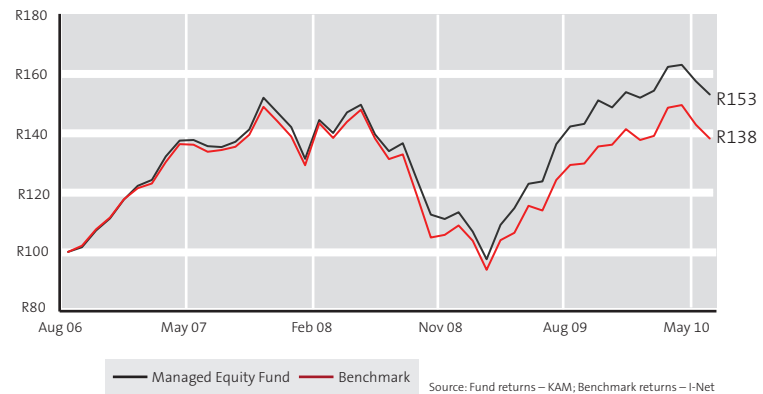
Portfolio detail

Commentary

The fund recorded a return of 11.77% since its inception to 30 June 2010, outperforming the benchmark's 8.84% by 2.94%. Most developed markets are grappling with their sizeable debt burdens and are sharpening pencils to steer their respective economies to more manageable gearing levels. The implications for global growth and hence corporate earnings are clear: at worst, the world is facing a second recession or at best a protracted period of slow growth as economies start to de-leverage. Global sentiment appears to be shifting from outright bullishness on a recovery to an admission that the recovery will be slow. Our investment strategy is to invest in companies with sound balance sheets and strong cashflow generation abilities.

Track record

Value of R100 invested at inception (dividends reinvested)



Sectoral exposure

As at 30 June 2010

Domestic assets	100.00%
♦ Equities	99.51%
Oil & Gas	8.52%
Basic Materials	13.32%
Industrials	12.46%
Consumer Goods	14.64%
Healthcare	4.97%
Consumer Services	7.18%
Telecommunications	12.06%
Financials	25.89%
Technology	0.47%
♦ Preference Shares & Other Securities	0.00%
♦ Real Estate	0.00%
♦ Cash	0.49%
♦ International Assets	0.00%
Equities – inwardly listed on JSE Securities Exchange	

Top 10 holdings

As at 30 June 2010	% of Fund
MTN	11.83%
Naspers	8.83%
Sasol	8.52%
Standard Bank	6.84%
Tongaat Hulett	5.58%
Discovery	4.48%
FirstRand	4.05%
British American Tobacco	3.69%
SABMiller	2.95%
RMB Holdings	2.52%
Total	59.30%

Performance in ZAR (gross of fees)

Period	1 yr	2 yrs ¹	3 yrs ¹	5 yrs ¹	Cum ^{1,2}	2007	2008	2009
Fund	23.77%	4.70%	4.10%		11.77%	20.84%	(20.21%)	35.58%
Benchmark ³	21.32%	0.00%	1.11%		8.84%	18.05%	(21.67%)	29.91%
Out (under) performance	2.45%	4.70%	2.99%		2.94%	2.79%	1.46%	5.67%

¹ Annualised; ² Inception date: 1 September 2006

³ FTSE/JSE SWIX index (J403); Figures to 30 June 2010

Total funds assets: 2007: R303m; 2008: R247m; 2009: R 1 511m

Total firm assets: 2007: R6 267m; 2008: R8 930m; 2009: R 17 725m

Source: Fund returns – KAM; Benchmark returns – I-Net

Risk statistics since inception

	Fund	Benchmark
Annualised monthly volatility	17.77%	18.31%
Annualised monthly tracking error	3.66%	0.00%
Information ratio ⁴	0.80	n/a
Sharpe ratio	0.30	0.13
Maximum gain	11.88%	10.94%
Maximum drawdown ⁵	(6.18%)	(7.57%)
% Positive months	63.04%	65.22%
Beta vs benchmark	0.95	1

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