

January 2010

The Plexus Mauldin Bull's-eye Fund of Hedge Funds is a multi-manager, multi-strategy fund of hedge funds which blends together a diversified range of investment strategies in an optimised manner.

The long-term performance objective of the fund is to maintain a real growth in assets in excess of 5% per annum.

The selection of managers is based on a thorough quantitative and qualitative analysis of the hedge fund market in South Africa. Any fund selected for inclusion in the product has been subjected to a detailed operational due diligence review. Our selection is based on the quality of the individuals involved, and not the brand name of the asset management house they may be associated with. Judgement, intellectual courage and a strong risk management focus are the three key characteristics of the managers we have selected.

The Plexus Mauldin Bull's-eye Fund of Hedge Funds endowment is structured as a five-year sinking fund policy issued by Sygnia Life and is administered by AIMS. Policy administration charges are based on the investment amount and these, together with financial adviser commissions are disclosed on the policy application form.

## FUND DETAILS

Fund manager:  
Plexus Asset Management (Pty) Ltd

Investment advisor:  
Sygnia Asset Management

Fund type:  
Multi-strategy Fund of South African Hedge Funds

Benchmark:  
CPI (Lagged by 1 month) + 5%

Minimum investment:  
R100,000.00

Initial fund fee:  
0%

Annual management fee:  
1.5% (VAT excluded)

Performance fee:  
20% of the outperformance of benchmark over rolling 12-month period

## PERFORMANCE SUMMARY

Fund Month	Fund 12 Months	CPI + 5% 12 Months	Annualised Standard Deviation
0.0%	12.7%	11.3%	5.2%

## PERFORMANCE COMMENTARY

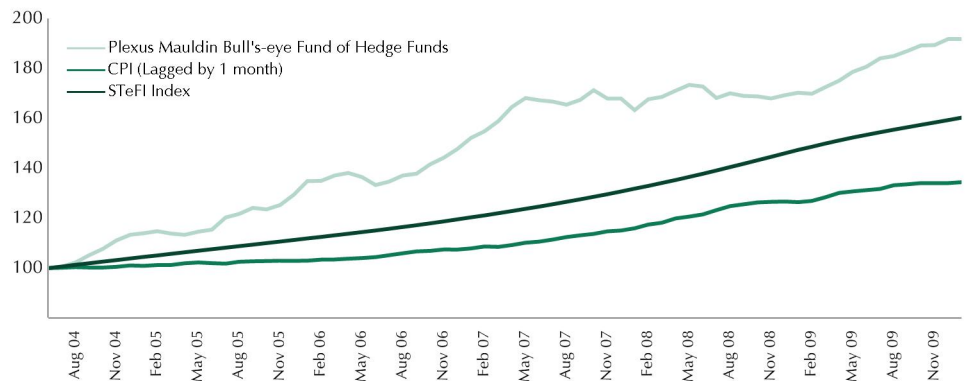
The first month of 2010 ended with the FTSE/JSE Top 40 Index down 3.8%. The largest losers were commodities, with the Resources sector down 6.4%. Surprisingly financials were up 1.5%, while Industrials fell by 3.0%. The bond market returned 0.3%, while the Rand weakened by 2.9% against the US dollar as investors took flight from commodity currencies.

Although starting on a high note, with a slew of economic data confirming that recovery is underway, January ended with a massive thump, as global risk aversion increased on fears of interest rate increases, notably in the United States and China, uncertainty surrounding President Barack Obama's plans to reform banks and the rising debt levels in Greece and Portugal. The news that 80% of companies in the US reported fourth quarter earnings numbers ahead of expectations was overshadowed by the political power play in the US and an unanticipated shift in monetary policy by China. China raised its key interest rates and increased the reserve requirements for banks in an effort to stave off inflation. In the US, the Democrats lost Ted Kennedy's Massachusetts seat as Americans voted against a president seen to be aiding Wall Street ahead of Main Street. The implications are that the US health care reform is now on hold. Obama responded by announcing that he intends to prevent banks from engaging in proprietary trading and from investing in, or sponsoring, private equity and hedge funds.

Not all was doom and gloom however. The UK officially exited recession in the fourth quarter of 2009 (just) with a 0.1% growth in GDP, while the US reported an annualised 5.7% GDP growth. This cheered the markets on the last day of trading.

South Africa's economic performance is heavily dependent on the resurgence of global demand. Domestic demand remains sluggish with credit demand by households and companies experiencing the sharpest annual contraction in 43 years. There is also an increasing risk that South Africa's fiscal gap could widen further as government expenditure continues to soar while tax collections are much lower compared to last year. Unsurprisingly, the Reserve Bank left interest rates unchanged at 7.0% on concerns about inflation, shrugging off trade union pressure to ease policy. The actual CPI figures for December came in below expectations at an annualised 6.3%. January ended with a surprise announcement that the trade deficit in 2009 narrowed to R25.8bn from R71.6bn in 2008 on weaker imports.

## CUMULATIVE RETURNS



## PERFORMANCE

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2005</b>	0.6%	0.7%	-0.8%	-0.5%	1.1%	0.7%	4.2%	1.2%	2.0%	-0.5%	1.4%	3.3%	<b>14.1%</b>
<b>2006</b>	4.3%	0.0%	1.6%	0.7%	-1.2%	-2.3%	1.0%	1.8%	0.5%	2.7%	1.9%	2.4%	<b>14.2%</b>
<b>2007</b>	3.0%	1.7%	2.6%	3.6%	2.2%	-0.5%	-0.3%	-0.7%	1.1%	2.3%	-1.9%	0.0%	<b>13.7%</b>
<b>2008</b>	-2.8%	2.7%	0.6%	1.5%	1.4%	-0.4%	-2.7%	1.1%	-0.6%	-0.1%	-0.5%	0.8%	<b>0.8%</b>
<b>2009</b>	0.6%	-0.2%	1.6%	1.5%	2.0%	1.2%	1.9%	0.5%	1.1%	1.2%	0.1%	1.3%	<b>13.3%</b>
<b>2010</b>	0.0%												<b>0.0%</b>

Please note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

## FUND SUMMARY

INCEPTION (actual)	01-Jul-04	
Number of months	67	
	FUND	ALSI
Sharpe Ratio	0.36	0.65
Sortino Ratio	0.59	0.97
Standard Deviation	5.2%	18.6%
Downside Deviation	3.1%	12.4%

## RISK ANALYSIS

	FUND	ALSI
% Positive Months	73.1%	70.1%
% Negative Months	26.9%	29.9%
Best Month	4.3%	12.5%
Worst Month	-2.8%	-13.2%
Avg Negative Return	-0.9%	-4.6%
Maximum Drawdown	-4.7%	-40.4%

## CORRELATIONS

	FUND	ALSI
FTSE/JSE All Share Index	0.66	1.00
BESA All Bond Index	0.12	0.03

## MARKET STRESS MONTHS

	FUND	ALSI
July 2008	-2.7%	-8.7%
September 2008	-0.6%	-13.2%
October 2008	-0.1%	-11.6%
February 2009	-0.2%	-9.9%

## NET RETURNS

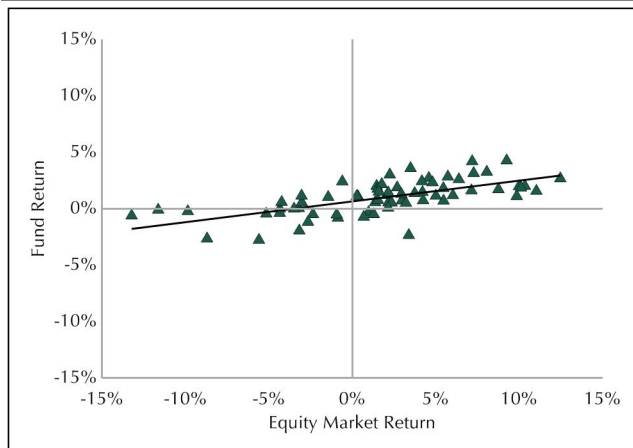
All returns shown above are shown net of investment management fees and gross of taxes. Investors' policy values are credited with returns after deduction of investment management fees and taxes paid by Sygnia Life. Then net/net return for January 2010 is -0.1%.

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## PERFORMANCE

	FUND	CPI + 5%	DIFFERENCE		FUND	CPI + 5%	DIFFERENCE
2004	13.3%	3.2%	10.2%	1 month	0.0%	0.7%	-0.7%
2005	14.1%	3.5%	10.6%	3 month	1.4%	1.5%	-0.2%
2006	14.2%	5.6%	8.5%	6 month	4.2%	4.6%	-0.3%
2007	13.7%	7.9%	5.7%	Year to date	0.0%	0.7%	-0.7%
2008	0.8%	10.5%	-9.7%	1 year	12.7%	11.3%	1.3%
2009	13.3%	6.2%	7.1%	2 year	8.4%	12.7%	-4.3%
				3 year	8.0%	12.6%	-4.6%
				5 year	11.0%	10.9%	0.1%

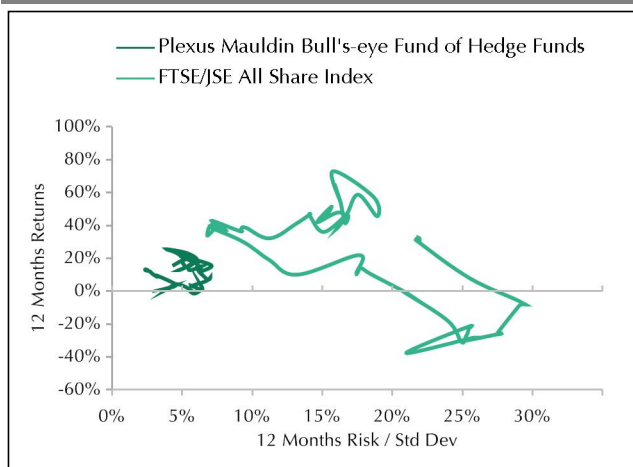
## FUND SENSITIVITY TO EQUITY MARKET



This scatterplot indicates the extent to which fund returns are correlated with those of the equity market.

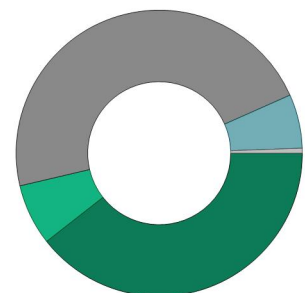
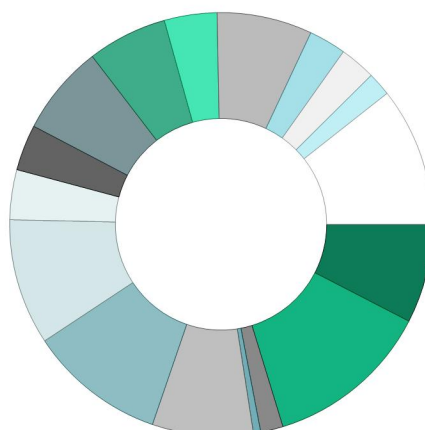
This analysis shows that the fund exhibited strong capital preservation characteristics during negative equity markets and participated meaningfully when equity markets were positive.

## 12 MONTHS RISK/RETURN SNAIL TRAIL



The 12 month risk/return snail trails show that the Plexus Mauldin Bull's-eye Fund of Hedge Funds has consistently delivered attractive returns with considerably lower risk than the equity market.

## FUND AND STRATEGY ALLOCATION



- Equity Variable Bias - 39.4%
- Long/Short Fixed Interest - 6.9%
- Equity Market Neutral - 47.0%
- Equity Low Range - 6.1%
- Cash - 0.6%