

Plexus Direct Equity Portfolio



Portfolio manager	Plexus Asset Management (Pty) Ltd	Minimum investment	R300 000
Portfolio adviser	Ryk de Klerk	Initial charge (once-off) - Plexus - Financial adviser	1.0% 2.5% maximum
Industry category	Domestic equity	Management / service fees (annual) - Plexus - Financial adviser	Based on the market value of the portfolio According to sliding scale - 1.5% p.a. 0.5% p.a. maximum
Risk factor	Aggressive	Performance fee	20% of the outperformance of the benchmark (measured and payable on a quarterly basis - only charged if return exceeds zero)
Inception date	3 June 2003	Dividend payments	Accumulated or distributed

Objective

The investment objective of the Portfolio is to seek capital growth in excess of inflation over the long term. Investors are willing to tolerate higher than average risk levels with large fluctuations in the value of the investment in the expectation of higher than average returns. Investors have no income requirements and should have a time horizon of more than five years.

Mandate

The Plexus Direct Equity Portfolio is a focused equity portfolio of shares listed on the JSE Securities Exchange. At least 70% of shares selected will be from the universe of companies with a market capitalization of more than R3 billion. Not more than 30% of shares selected will be from the universe of companies with a market capitalization of less than R3 billion. The Portfolio will tend to be fully invested in equities at all times.

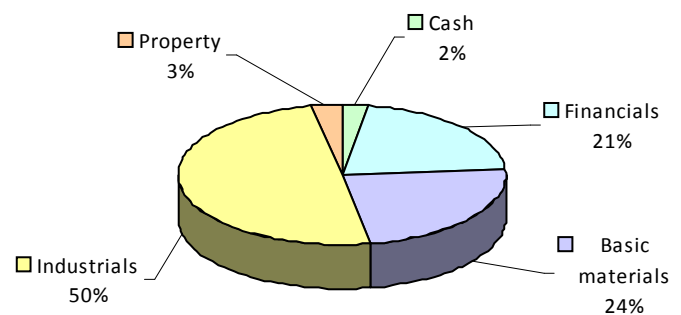
Performance benchmark

Performance is measured against the performance of the FTSE/JSE All Share Index.

Comments

Global equity markets started the new decade on a high note but succumbed to profit taking as the Peoples Bank of China introduced austerity measures to reign in an overheated economy while economic data in the developed countries disappointed somewhat. Global equity markets as measured by the MSCI World index ended down 4.2% in January compared to December's closing. Commodity markets and especially industrial metals and oil reeled with the latter falling to US\$71 from a high of US\$81 per barrel. Further weakness in global markets is possible in coming weeks with the onset of China's new year holidays. Earnings of global companies are exceeding market expectations though while improved consumer sentiment in especially the US indicates sustained economic growth in at least the shorter-term. The global equity market is, however, not cheap and remains extremely vulnerable to economic surprises on the downside.

Sector allocation



Top 10 Holdings and performance data

Share	% holding	Return for the month %	Performance rank %
Adcock	4.84	-1.0	4
Sun International	4.18	-2.5	5
SAB	4.75	-3.6	7
Impala Platinum	4.07	-2.7	6
Sasol	4.60	-3.7	8
Naspers	5.06	-10.0	10
Richemont	6.15	4.3	2
BHP Bill	4.12	-3.8	9
Woollies	3.71	2.4	3
Stanbank	4.20	6.7	1

Historic performance (p.a.) PERIOD ENDED 31/01/2010

	1 Year	3 Years	5 Years
Plexus Direct Equity Portfolio	13.5%	-1.0%	12.5%
Benchmark	33.2%	4.5%	19.1%

Portfolio valuation measures

Weighted average dividend yield	2.04%
Weighted PE ratio	21.0

Equity investments are long-term investments. Their value can rise and fall and historic performance is not necessarily a guideline for the future. Although equities are listed securities and trade freely, liquidity may at times, depending on market conditions, result in purchases and sales not being able to be executed immediately. All dealing expenses normally associated with the acquisition or disposal of the securities in the Plexus Direct Equity Portfolio are for the investor's account.