

# Plexus Platinum CPI Plus 7% Fund



|                        |  |                                 |                                    |
|------------------------|--|---------------------------------|------------------------------------|
| <b>Fund manager</b>    | Plexus Asset Management (Namibia) (Pty) Ltd          | <b>Minimum investment</b>       | Subject to SP <sup>2</sup> minimum |
| <b>Industry sector</b> | Namibian Asset Allocation - Prudential - High Equity | <b>Inception date</b>           | 30 April 2006                      |
| <b>Risk factor</b>     | High   | <b>Portfolio management fee</b> | 0,35% per annum                    |

## Objective

The Plexus Platinum CPI Plus 7% Fund has been constructed to target particular levels of real returns (returns in excess of inflation). The portfolio aims to deliver returns in excess of these real-return targets over the medium to longer term, while also focusing on capital preservation. The portfolio holds a diversified range of South African and Namibian equity and fixed-interest collective investments, as well as funds targeting absolute or real returns. A minimum of 35% will be invested in Namibian funds at all times. International exposure may also be included. The portfolio operates on a multi-manager basis employing best-of-breed managers to manage key underlying funds. The managers chosen to manage each underlying fund have been selected on the basis of their expertise in the mandate that they have been awarded. The fund is suitable for investors with compulsory retirement or discretionary funds.

## Mandate

The Plexus Platinum CPI Plus 7% Fund a high-risk fund that aims to outperform its real-return target of 7% per annum over the medium term. The portfolio is well diversified between the different asset classes. Investors should be prepared to invest in this fund for at least five years.

## Performance benchmark

Performance is measured against South African CPI + 7% over rolling 3 year-periods.

## Comments

Global stock markets took a much needed breather in January. The turnaround in the 10-month upward trend (since March 2009) came in mid-January and was sparked by China where government had initiated measures to cool down the economy. This reignited investors' concerns regarding the extent and sustainability of the still fragile global economic recovery, and risk aversion returned to the markets. The MSCI World Index declined by 4,2% and the MSCI Emerging Markets Index by 5,7% in US dollars.

Risk aversion resulted in a flight to US treasuries, with the US dollar strengthening and bond yields in the US dropping. The USA government 30-year bond yielded a total return of 3,0% for January, but the return from global bonds was somewhat more subdued due to the stronger dollar. We continue to believe that global bond yields are in a rising trend and that this asset class is therefore not offering value at present.

The strength of the US dollar continued into the new year, reaching a six-month high against the euro on the back of greater confidence by the Federal Reserve in the economic recovery. The dollar was also stronger against the British pound but lost ground against the yen.

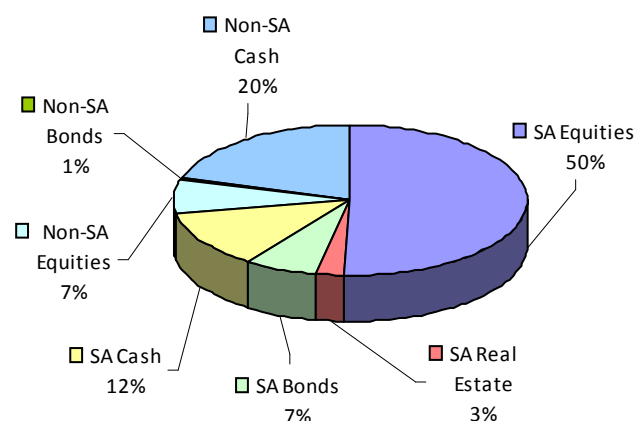
A strong US dollar put pressure on commodities during January, with the CRB Index losing 6,3% and Brent Crude 8,3%. The gold price held up relatively well in the face of a strong dollar.

The FTSE/JSE All Share Index could not escape the negative investor sentiment and yielded a total return of -3,5% for the month in line with other emerging markets. Financials, however, managed to buck the trend, yielding a total return of 1,2%. The SA Industrial Index yielded a return of -2,7%. Mining shares (-6,8%) and gold shares (-8,4%) took a beating on the back of lower commodity prices. As far as market cap performance is concerned, small (-0,5%) and mid-caps (-2,1%) once again outperformed large caps (-3,8%).

The SA bond market yielded a flat return for the month of January. The shorter end of the market outperformed cash, which yielded 0,6%, but long-dated bonds (12+ years) ended up on a negative return of -0,9%.

The rand declined against all the major currencies during January mainly on the back of heightened risk aversion.

## Asset allocation



## Holdings

| South African Funds                                  | %    |
|--|------|
| Plexus RAFI <sup>®</sup> Enhanced SA Strategy Fund B | 42.5 |
| Plexus International Allrounder Fund of Funds        | 10.0 |
| Namibian Funds                                       |      |
| Bank Windhoek Investment Fund                        | 17.5 |
| Sanlam Namibia Active Fund                           | 15.0 |
| Sanlam Namibia Growth Fund                           | 10.0 |
| Standard Bank Namibia Flexible Property              | 5.0  |

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

|                                  | 3 Months | 6 Months | 1 Year |
|----------------------------------|----------|----------|--------|
| Plexus Platinum CPI Plus 7% Fund | 0.02%    | 7.76%    | 20.19% |
| Benchmark                        | 2.04%    | 5.67%    | 13.98% |

\* Source: MoneyMate. The above portfolio performance is calculated on a NAV-to-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income.

Unit trusts are usually medium- to long-term investments. Their value can rise and drop and performance is not necessarily a guideline for the future. Unit trusts are traded at current closing prices. Future pricing is used. A statement of fees and levies is available on request from the LISP. Commission and incentives may be payable and if this is the case, they are included in the total cost.