

# Sasfin Balanced Fund

June 2010

## Investment Objective

The objective of this portfolio is to deliver consistent capital growth over the medium to long term, and will seek to follow an investment policy which will reflect a spread of investments aimed at income and capital growth normally associated with the investment structure of a moderately managed retirement fund. In order to achieve this objective the investments to be acquired for the portfolio may cover the full spectrum of securities, and will include equities, participatory interests in collective investment schemes in property, loan stock listed on exchanges, non-equity securities and assets in liquid form. It will seek to follow an investment policy which will reflect a spread of investments aiming at income and capital growth normally associated with the investment structure of a retirement fund with a moderate risk profile. The portfolio's equity exposure will vary between 40% and 65%.

## Fund Features

Portfolio value	R62,85mil
Inception date	08/06/2006
Original buying price	100.00 cents
Unit price as at 30 June 2010	104.47 cents
Date of income declaration	31 Dec / 30 June
Date of income payment	07 Jan / 07 July
2007 Distribution	2.53cpu
2008 Distribution	8.68cpu
2009 Distribution	2.72cpu
Valuation time	15h00
Transaction time	15h00
Manager's upfront (max)	0.00% (incl. VAT)
FSP upfront comm. (max)	0.00% (incl. VAT)
Annual service fee	1.60% (incl. VAT)
Risk Profile	Moderate

Performance Fee - 15% (sharing rate) of out performance above the portfolio benchmark (hurdle rate) on a high water mark principle, capped at a max of 2% (excl VAT) p.a. The fees are accrued on a daily basis and paid out on a monthly basis. Any shortfall to the hurdle rate and high water mark is carried forward for set-off against future positive out performances. Fee example: 0% performance fee if portfolio performs in line with its benchmark.

## Benchmark

Benchmark	CPI +5%
Sector	Domestic AA Prudential Medium Equity

## Top 10 Holdings

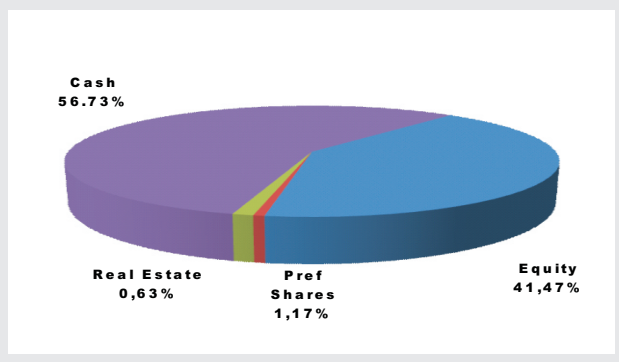
Metropolitan MM	44.70%
Standard Bank	4.80%
SAB	4.10%
Anglo	3.21%
Old Mutual	2.63%
Shoprite	1.98%
Woolworths	1.90%
BATS	1.86%
Foschini	1.74%
Lewis	1.73%

## Total Expense Ratio (TER)

**Total TER - Incl. VAT and Performance Fees 1.65%**

Please note: The TER has been calculated using data from 1 April 2009 - 31 March 2010. The TER % of the average Net Asset Value of the portfolio were incurred as charges, levies and fees related to the management of the portfolio and the underlying portfolios. **A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.**

## Asset & Sector Allocation

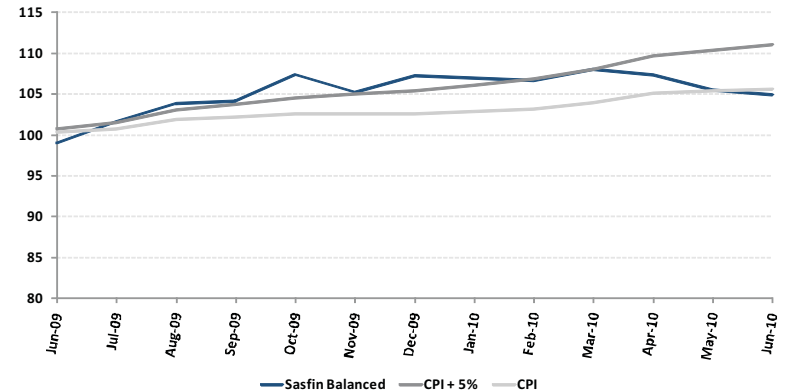


## Investment Returns

	1 year	2 years	3 years
Sasfin Balanced Fund	7.01%	-4.94%	-1.12%
Benchmark (CPI+5%)	10.17%	11.85%	12.66%

\*annualised performance figures

## 12 Month Performance Graph vs Benchmark



Lumpsum R5000  
Monthly R300

Account number 4065 065 859  
Bank Code 312109  
Bank ABSA  
Please fax deposit slip to (021) 940 4856



**Armin Diem**  
BSoc Science, Economics (Hons), CFA

Armin Diem lives and works in Cape Town South Africa. He qualified with an Economics Honours degree from the University of Cape Town in 1986 and is a Charter holder of the US based CFA programme. He has been involved in the investment industry for over 20 years in varied capacities at institutions such as Protea Assurance, Appleton, PSG and for the past six years at Alpha Macro Fund Managers. He has launched and managed the Absolute Alpha Fund since inception in November 2003. The fund has twice been nominated as one of the best performers in the long short category at the annual Symmetry and Africa hedge fund awards.

The Johannesburg Stock Exchange All Share Index ended June with a total negative return of 3.2%. The major sectors ended June quite sharply lower with resources losing 4.1%, industrials losing 4.3% and financials 3.3%. The Rand was unchanged against a generally strong dollar. The South African All Bond Index posted a positive total return of 0.3% in June. Cash delivered a positive 0.6%! Global equity markets were generally strongly down in June. The MSCI World Index (in Dollar terms) ended June 3.6% lower. The Nikkei lost 4% (in local currency), the FTSE lost 5.1% (in local currency), and the DAX was unchanged (in local currency). The three major US markets were lower with the Dow down 3.6%, the Standard and Poor down 5.2% and the NASDAQ down 6.6%. The MSCI Emerging Market Free Index (in Dollar terms) lost 1.1% in June. The fund went into the month of June expecting a continuation of the equity pullback as sentiment suddenly turned bearish as the economic numbers out of the United States, still the world's biggest economy, started disappointing after a long period of beating estimates. Tactically we have adopted a more conservative capital protection mode and have held higher levels of cash. The SA equity market is generally holding up much better than most of the international markets as foreigners continue to buy SA shares to the tune of R21bn year to date. We are less convinced that equity markets will head higher in 2010 from current levels. Our concerns hinge on the sudden massive budget cuts from almost the whole of Euro-land, the UK and Japan, as well as a bigger than expected slow down in the US and China. The jury is out whether enough of the world will avoid a serious slow down so as to not materially affect earnings forecasts for late 2010 and into 2011. On the positive side interest rates will stay low and valuations are not stretched.

## Manager Details

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