met

collective investments

MET Managed Fund

April 2012

The management team of this fund changed on 01 August 2011.

Fund Managers

PSG Asset Management

Neels van Schaik

B.Com (Econ) (Stel); CFA

Adrian Clayton

B.Soc Sc. (UCT);
PDM (UCT);
MBL (UNISA)

Portfolio Information

Portfolio value:	R113.4million
Original buying price:	95.00 cents
Minimum Investment:	R5 000 lump sum or R500 monthly debit order
Manager's upfront charge (max):	0.00% (incl. VAT)
FSP upfront comm (max):	0.00% (incl. VAT)
Annual service fee:	1.54% (incl. VAT)
Formation date:	13/02/1998
Date of income declaration:	31 Dec/30 June
Date of income payment:	7 Jan/7 July
2010 distribution:	4.98 cpu
2011 distribution:	3.50 cpu
Benchmark:	CPI + 5% over a 2 year rolling period
Risk:	Moderate
Fund Classification:	Domestic Prudential Variable Equity
Valuation and Transaction time:	15h00

Performance Fee:

20% (sharing rate) of out performance above the portfolio benchmark (hurdle rate) , over a 2 year rolling period, capped at 2% 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.

Total Expense Ratio: 1.76%

Please note: the TER has been calculated using data from 1 January 2011 until 31 December 2011. The TER is disclosed as % of the average Net Asset Value of the portfolio that were incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER is adjusted for significant subsequent portfolio restructurings and/or fee changes. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Investment Objective

The primary objective of the MET Managed Fund is to offer investors moderate to high long term total returns.

Asset Allocation

	Current	Benchmark
Domestic Stocks	33%	55%
International Stocks	21%	14%
Total Stock Exposure	54%	69%
Preference Shares	0%	0%
Property	0%	0%
Domestic Bonds	5%	10%
Domestic Cash	38%	10%
International Cash & Other	3%	11%
Total Fixed Income Exposure	46%	31%

Top Holdings

Tesco PLC	5.8%
Supergroup	4.8%
Anglo American	4.1%
Steinhoff International Holdings	4.0%
Kagiso Media Limited	3.8%
Sasol	3.4%
Microsoft	3.2%
MTN Group	2.6%
ING Group	2.5%
Brimstone	2.3%

Annualised Performance

as at 30 April 2012

	Fund	Benchmark
1 year	3.83%	10.59%
3 years	8.40%	10.29%
5 years	4.52%	12.00%

Investment Strategy

The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities, derivatives, non-equity securities and any other securities which are considered to be consistent with the portfolio's primary objective and the Act or the Registrar may allow from time to time, all to be acquired at fair market value. The portfolio may from time to time invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, in order to achieve the portfolio's investment objective. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Deposits can be made at any ABSA Bank

Account Number:	360 000 931
Bank Code:	31 21 09
Bank:	ABSA
Please fax deposit to:	(021) 940 4856

Custodian: Standard Executors & Trustees: Tel (021) 401-2286. MET Collective Investments Limited Parc du Cap Mispel Road Bellville, PO Box 925 Bellville 7535 Tel (021) 940-5981

Fax (021) 940-5885 Call Centre, Tel: 0860 100 279 Registration No 1991/03741/06.

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Fund Managers Commentary

April proved to be a very strange month for asset class performances globally, one where extreme divergences occurred in performances across regions, within regions and within sectors of the market.

Probably the most notable weakness was again in Europe, where the Cac 40 lost 6.4% in dollars and is now down 27.1% for twelve months. The Dax has not exactly performed much better, falling 3.3% for the month and 19.7% over a year. The Dax is however the second best performing developed market after the Nasdaq, year-to-date, returning 16.9%.

Even within regions, large divergence was evidenced; in April the FTSE gained a respectable 1.3% and is 9% up over the past twelve months; much of this is due to the strong gains made by the pound relative to the dollar. Overall in April, the MSCI World Free index fell 1.1% in dollar terms.

Emerging markets were certainly not spared in terms of their heterogeneous performance metrics. Brazil's commodity heavy Bovespa slumped 7.7% in April, 55% of this fall being purely the market's performance and the balance the weak real as the Brazilian Government looked to extend rate cuts to boost the economy. The real has retreated to levels last seen in 2009 compared to the dollar.

Nearly all of the other prominent emerging markets, the likes of India, Russia, Korea and Turkey produced negative dollar returns in April. The bright spots were China, which gained 3.6% and South Africa, which was up 0.7%. Over twelve months, the MSCI South African index is the best performing major developing market, albeit that it has returned -7.1% in dollar terms. This can be compared to double digit losses across all the other MSCI Emerging market indices, lead by MSCI India, which is down 23.5%.

The divergence theme is equally pervasive within sector performances on the JSE. Over the last year in rand terms, our market has risen 8.1%, but within that, resources have fallen 9.6%, whereas industrials have gained 20.2% followed by financials, which are up 18.7%. Mid caps have been the best performing area from a market capitalization perspective, gaining 21% for the year. Against this, the Top 40 is up a mere 5.9%.

Looking at other domestic asset classes, the All Bond Index continues to produce outstanding risk adjusted returns, in April the ALBI rose a rather spectacular 1.81%, extending its annual gain to 12.7%. Inflation linkers were equally impressive, returns for twelve months are now 15.5% and preference shares are not far behind, racking-up gains of 14.8%.

If one looks at our positioning within our portfolio, there are certainly areas that are working and presently, some that are not.

On the positive side of things, our most important call has been to be cautious on the domestic market as a whole. Although over twelve months, equities have enjoyed a slight outperformance over cash, this has been accompanied by extreme bouts of volatility. Against this, we have been positive on developed markets and in rand terms, these have outperformed the JSE over 12 months. What has also contributed is that we have been well placed in terms of our mid cap exposure, having been cautious on most of the highly rated larger market cap stocks domestically for quite a while. We have also been very underweight resources. On the fixed income front, we have held sizeable positions in inflation linkers which have performed superbly.

From a slightly more critical perspective, we probably could have held significantly larger stakes in longer duration fixed income instruments rather than cash and we could have backed our stock picking calls even more and increased our equity exposure within the areas we were already well positioned in – this being mid caps.

With respect to our current positioning on the fund, we are actively seeking-out companies domestically and abroad where we feel the market has become too bearish on the economic and political landscapes. As mentioned above, we have large stock piles of cash which we intend to deploy during serious bouts of negativism towards companies where intrinsic, long-term value exceeds the current share price. Having been underweight resources for a while, we are beginning to feel that valuations are more compelling at present and we are building positions in this area on a very selective basis.

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