

Sasfin Balanced Fund

January 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	R27.693mil
Inception date	08/06/2006
Original buying price	100.00 cents
Unit price as at 31 January 2010	105.47 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	1.43% (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

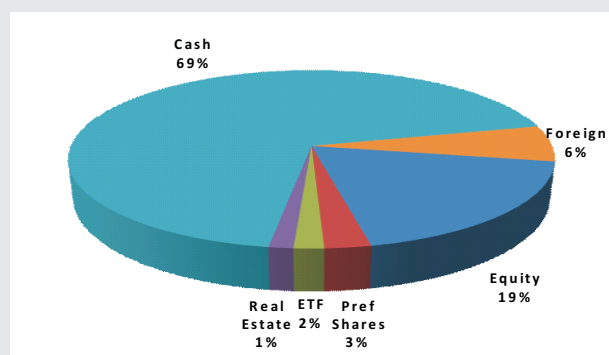
Metropolitan Int. Spec Income	6.54%
Standard Bank Call	4.69%
British American Tobacco	4.37%
BHP Billiton	3.27%
PPC	2.42%
First Rand Pref	2.07%
Pikwik	1.85%
Newgold	3.42%
MTN Group	1.58%
Exxaro	1.53%

Total Expense Ratio (TER)

Total TER - Incl. VAT and Performance Fees 1.94%

Please note: The TER has been calculated using data from 1 January 2009 - 31 December 2009. 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

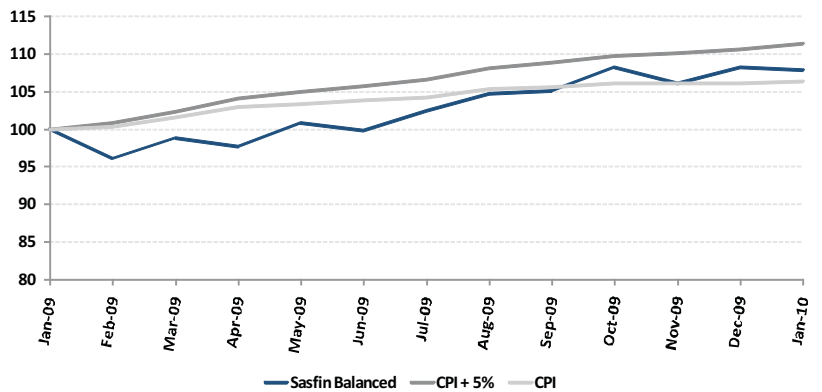


Investment Returns

	1 year	2 years	3 years
Sasfin Balanced Fund	7.87%	-0.53%	1.07%
Benchmark (CPI+5%)	11.38%	12.70%	12.63%

*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
B.Soc.Sc. Economics Honours 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 January with a total return of minus 3.5%. The majority of sectors ended January lower with resources losing 6.4%, industrials 2.4% but financials gained 1.2%. The Rand has gained 2.9% against a strong dollar. The South African All Bond Index posted a positive return of 0.4% in January as hopes for an interest rate cut resurface. Cash delivered a positive 0.6%!

Global equity markets were all lower in January reversing some of their gains of 2009. The MSCI World Index (in Dollar terms) ended January 4.4% lower. The Nikkei lost 3.3% (in local currency), the FTSE lost 4.2% (in local currency), and the DAX lost 5.9% (in local currency). The three major US markets were lower with the Dow down 4.6%, the Standard and Poor down 3.7% and the NASDAQ lost 5.4%. The MSCI Emerging Market Free Index (in Dollar terms) fell 5.6% in January.

The weak equity markets were mirrored in the commodity markets with the broad based CRB commodity index losing 6.6% in January. Oil prices dropped 8.1% to about the \$72 level with plentiful supply around. The copper price suffered from the fears about Chinese policy tightening and dropped 6.9%. The platinum price bucked the general weakness of other commodities to firm by 2% to over \$1500. The gold price lost made some attempt at arresting the heavy losses of December by gaining 1% to settle at \$1078 per ounce.

The fund went into the month of January expecting moderate gains to consolidation of the global equity rally that started in mid March 2009 as the signs that the global recovery continue. We would expect equity markets to head higher in 2010 but with much more moderate gains than those experienced in 2009.

Manager Details

Sasfin Securities (Pty) Ltd - Registered Credit Provider NCRCP 2139, member of the JSE and the Sasfin Group.

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