

CORE EQUITY FUND - SWIX



January 2010

Portfolio Manager **Rob Nagel**

BENCHMARK
INCEPTION DATE

J403T SWIX
01 Sep 02

FUND OBJECTIVES

The Cadiz Asset Management Core Equity product range encompasses both segregated and pooled portfolios. These moderate risk South African equity mandates focus on delivering strong consistent returns over the medium to longer term, targeting benchmark +4% per annum. Core equity mandates are managed on a fully discretionary best house view basis. This product is targeted at institutional clients seeking moderate risk equity only investment strategies with a value tilt. This mandate is ideally suited as a core equity investment for both pension and provident funds.

FUND COMMENTARY

It was a negative start to the new decade with the market (benchmark FTSE/JSE Shareholder Weighted All Share Index) returning -2.6% for the month of January 2010. The houseview portfolio fund returned -3.5% against this underperforming by 0.9%. Overall, the Financials won the race albeit with a meagre return of 1.2% followed by Industrials at -2.7% and lastly Resources at -6.4%.

Within the Resources sector there was continued strength from Pallinghurst, Brian Gilbertson's commodities based private equity vehicle that returned 4.3%, one of the strongest returns in the portfolio. The Precious Metals sectors should have been somewhat defensive with Platinum up 2.3% and Gold marginally down in US\$ terms but both supported by a 2.9% weaker Rand. Both sectors were however weak with Gold off 8.4% and the Plats off 4.5%. We were underweight both sectors and our preferred Platinum play Lonmin returned -4.5% out-performing AngloPlats by almost 4%. Anglo Plc was weak, down 11.1% underperforming Billiton Plc by 7.3%.

The Banks sector drove the Financials with a return on 4.3%. Standard Bank rose 6.7% and was the top performer in the fund for the month. Life Assurers were 2.1% down and the Real Estate sectors fell 3.5% and 0.6% respectively. Coronation Fund Managers was up 1.7%, out-performing the market by 5%.

There did not appear to be a significant trend to the Industrial sectors. The top performers in the fund were from seemingly diverse economic sectors. Richemont was the top industrial stock with a return of 4.3% followed by AVUSA at 4.1% and Altech at 3.3%. The fund also benefited from its holding in Bidvest that returned 1.7%. The two most significant detractors in the portfolio for the month were Telkom down 11.4% and JD Group down 12.1%. Telkom remains under pressure from continued regulatory uncertainty. JD Group fell under disappointing earnings guidance that followed significant Directors sales of shares earlier in the month.

RISK STATISTICS (3 YEARS)

	FUND	BENCHMARK	ACTIVE
Standard Deviation	20.6%	19.5%	1.1%
Tracking Error	4.4%		
Information Ratio	-0.3		

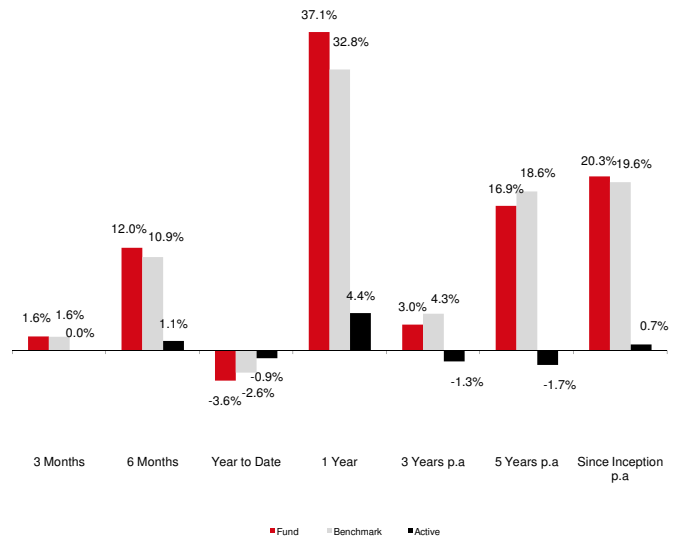
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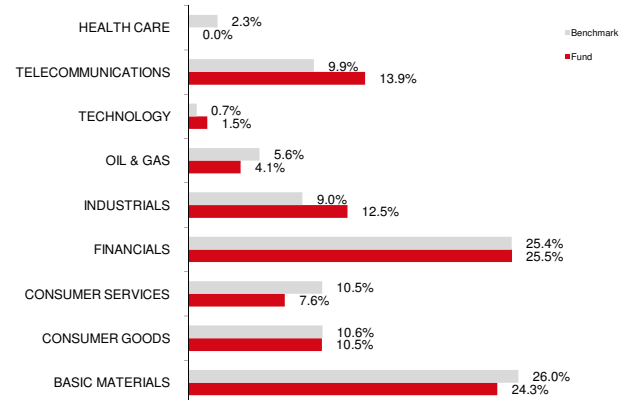
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PERIOD RETURNS ENDING

31 January 2010



SECTOR ALLOCATION



TOP 10 HOLDINGS

	FUND	BENCHMARK
MTN Group Ltd	9.8%	8.3%
Anglo American plc	6.5%	4.7%
Bhp Billiton Plc	6.4%	6.2%
Standard Bank Group Ltd	5.4%	5.2%
FirstRand Ltd	5.3%	3.2%
Sasol Ltd	4.1%	5.6%
Steinhoff International Holdin	4.0%	1.2%
SabMiller Plc	3.8%	4.2%
Impala Platinum Holdings Ltd	3.7%	3.8%
Naspers Ltd	3.3%	3.3%

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