Plexus Platinum CPI Plus 7% Fund

PLATINUM FINANCIAL SOLUTIONS

Fund manager	Plexus Asset Management (Namibia) (Pty) Ltd	**Minimum investment**	Subject to SP^2 minimum
Industry sector	Namibian Asset Allocation - Prudential - High Equity	**Inception date**	30 April 2006
Risk factor	High	**Portfolio management fee**	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 economic and investor sentiment gained further traction in the fourth quarter of 2009 as global liquidity concerns faded fast. The risk appetite of global investors, as measured by the bond yield spread between emerging-market bonds and US bonds, continues to shrink. Evidence of sustained global economic recovery is increasingly visible, especially in increasing demand and the resultant rising commodity prices (see graph of CRB Index below).

The improved economic data and investor sentiment have obviously also filtered through to global equity markets, resulting in another good quarter for developed markets and especially emerging markets. Given the extreme financial, banking and credit market concerns that prevailed at the beginning of the year, the recovery in global equity markets since the March 2009 lows and the returns for the calendar year can only be described as spectacular.

Two concerns regarding the recovery are the lack of job creation and the fact that heavily indebted consumers remain reluctant to spend. Global stock markets have already discounted a significant improvement in corporate earnings for the next year, and without job creation and an improvement in consumer spending it is extremely difficult to see any positive surprises that would boost share prices significantly in the short term.

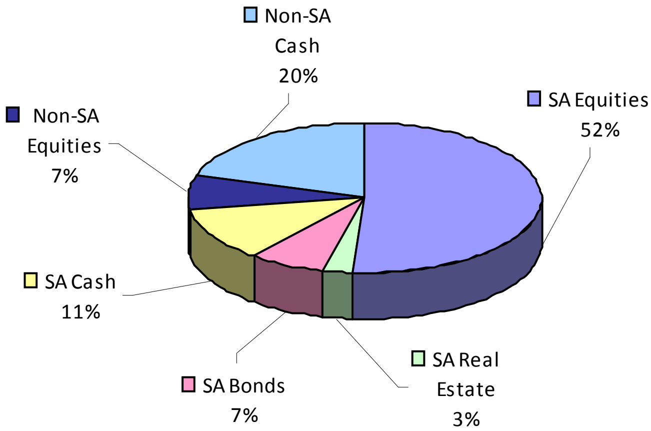
A potential headwind for stock markets is the strong rise in global bond yields, which has resulted in a significant decline in capital value. Although rising long-term interest rates are an indication of expectations of improved economic activity, they also signify the potential for higher inflation and ultimately the necessity for higher short-term interest rates.

The SA rand proved to be one of the world's strongest currencies in 2009, gaining 28,7% against the US dollar, 25,4% against the euro and 15,7% against the pound. A significant amount of rand strength can be ascribed to the strength in commodity prices and significant foreign inflows into South African financial markets. Total net inflows for 2009 came to R99,5 billion – the highest net annual inflow since 2000.

Foreign inflows into the local equity market also boosted returns last year, with the FTSE/JSE All Share Index gaining 11,4% for the quarter and 32,1% for the year.

The BESA All Bond Index has been in a rising trend since the middle of 2009, mainly on the back of lower inflation. The All Bond Index outperformed cash over the six months and one month ended 31 December 2009, yielding 4,1% and 1,2% versus 3,9% and 0,6% for the STEFI Composite Index.

Asset allocation



Holdings

South African Funds	%
Plexus RAFI® 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 31/12/2009

	3 Months	6 Months	1 Year
Plexus Platimum CPI Plus 7% Fund	3.27%	15.73%	17.62%
Benchmark	2.13%	5.77%	13.44%

* 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.

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