

# SA Mining & Resources Sector Fund

ALL DATA TO 30/09/2011

Product availability		IF	FC	Max Life	Max LISP	Max Income
Discretionary Investment	Investment	✓		✓		
	Income	✓				
Retirement Growth	Retirement Annuity	✓		✓		
	OM Flexi-Provident Fund					
	Preservation Fund					
Retirement Income	Living Annuity	✓				✓
	Composite Annuity	✓				✓

## FUND DESCRIPTION

This is a specialist fund which has exposure to companies involved in the extraction of minerals, precious metals and diamonds as well as mining holding companies that derive a significant portion of their profits from these sources. Furthermore, it invests in mining houses that are engaged in a wide range of resource-based financing activities and hold significant industrial, financial and property interests. Superior security selection is employed to maximise returns. In order to achieve the fund objective the portfolio manager may choose to gain exposure to the described assets and asset classes by investing through OMLACSA pooled portfolios, collective investment schemes or a combination thereof.

## BENCHMARK

Unit Trusts Category Average - Domestic Equity - Resources & Basic Industries

## LAUNCH DATE

01/09/1998

## BUY/SELL PRICES AS AT 30/09/2011

2242.76c 2227.17c

## Q3 HIGH/LOW SELL PRICES

2655.34c 2205.75c

## ASSET MANAGEMENT FEE\*

1.00% p.a.

## BUY/SELL SPREAD AS AT 30/09/2011

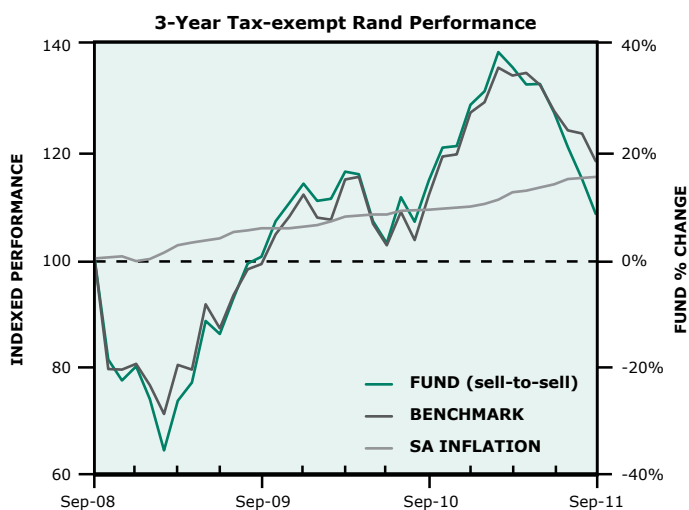
0.70%

## FUND MANAGER(S)

Ian Woodley - OMIGSA

## REVIEW OF Q3 2011

The basic materials sector produced a return of -10.8% for the quarter ending September 2011, underperforming the FTSE/JSE All Share Index (ALSI)'s return of -5.8%. The quarterly performances of the individual sectors varied widely, with the gold sector returning a stellar 19.5% and the coal sector eking out a positive 1.1%, while every other resources sector fell by 10% or more. As the global economic situation came under pressure from the uncertain situation in the Eurozone, as well as the stuttering US economy, the gold price performed its job as a safe haven. Of the major metals, precious or industrial, gold was the only one that managed a significant rise (in US dollar terms), with iron ore being the only other significant commodity to hold up. The long-forecast fall of the rand has led to margin pressure being alleviated at South African (SA) operations for the time being, although other SA issues (safety, health, productivity, threats of nationalisation, etc.) continue. The market appears to be reaching the conclusion that continually fudging Greece's debt refinancing isn't going to make the issue disappear. Until a proper solution is found (possibly involving some kind of default), the uncertainty will continue and markets will remain under pressure. Although the developing world is holding up better than the developed world so far, some kind of knock-on effect can be expected. In particular, copper, down by 25% for September, appears to have already priced in a slowdown, even though current prices for copper are still 17% above 2010 lows, let alone the lows seen during 2008. With the Swiss franc now officially off the list of safe havens, gold reigns supreme in that regard, although the recent \$300/oz fall shows that even gold isn't immune to current market volatility. We continue to believe that now is not the time to take aggressive bets, and generally the fund is still positioned defensively. With the exception of the gold shares, share prices have generally tended to follow the metal prices down, while the offsetting effect of the weakening rand has had less of an impact. The major mining houses, which should have benefited from a diversified, low-cost portfolio and an already discounted rating relative to the market, were all hit by the downturn. They are all now trading on ratings more akin to 2008, despite the balance sheets being significantly stronger. We continue to favour the larger, higher quality, and/or better priced counters such as Anglo American and BHP Billiton, while the rand weakness has increased the attractiveness of certain of the SA-based miners.

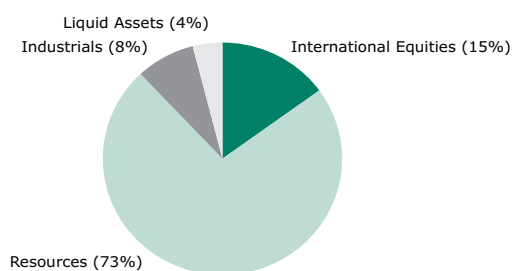


## PERFORMANCE

	% PERF.			% PERF. (p.a.)				
	1-Mth	3-Mth	6-Mth	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr
Tax-exempt Investor	-5.6	-14.7	-20.0	-5.4	2.6	8.1	17.2	18.7
Benchmark	-4.2	-7.2	-11.8	5.6	5.6	9.1	18.7	20.0
Corporate Investor	-5.4	-14.2	-19.3	-5.2	2.2	7.7	16.3	16.7
Private Investor	-5.4	-14.3	-19.5	-5.3	1.9	7.3	16.1	17.4
Retirement Fund	-5.6	-14.7	-19.9	-5.3	2.6	7.9	16.9	18.6

Sell-to-sell fund performance and gross benchmark returns, both including reinvested income. Lump sum basis. Performances are in ZAR.

## ASSET ANALYSIS



## CURRENT PRINCIPAL HOLDINGS

HOLDING	PRINCIPAL ACTIVITY	% OF FUND
Anglo American plc	Basic Resources	24.3
Sasol Limited	Oil & Gas	17.5
BHP Billiton plc	Basic Resources	16.1
Lonmin plc	Basic Resources	6.9
Xstrata plc	General Mining	5.6
Murray & Roberts Holdings Limited	Construction & Materials	3.3
Gazprom Adr Rep10 Ord Rub5	Exchange Traded Funds	3.0
Gold Fields Limited	Basic Resources	2.8
Illovo Sugar Limited	Food & Beverage	2.8
Aveng Limited	Construction & Materials	2.3
		<b>84.7</b>

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\* Total management fee will be the sum of the asset management fee and any performance-related fee.