

INDEQUITY CAPITAL MANAGERS **Segregated International Portfolio**

Portfolio Manager	Indequity Capital Managers
Inception Date	29 November 2005
Benchmark	MSCI AC World Index
Initial Fee	No initial fee
Management Fee	0,85% on portfolio value
(Excluding administrator/s fee)	
Administrator/s	International private bank (domiciled in Switzerland)

About the Portfolio
 This is a segregated investment portfolio that has as benchmark the MSCI World index and is managed on a combination of fundamental and technical factors.

Portfolio Objective
 The portfolio objective is to outperform the MSCI World Index over the long term at lower than average risk of capital loss and with less volatility than the index.

Risk Management
 While the portfolio is largely invested in equities the investment process enables us to minimize the risk of losing money over the long term by having substantial cash in the portfolio.

FUND PERFORMANCE AND RISK ANALYSIS 30 June 2011

RISK ANALYSIS

Since inception, month end prices annualised	Indequity International Portfolio	Since inception, month end prices annualised	Indequity International Portfolio	MSCI AC World Index
Information Ratio	0.78	Maximum drawdown	31.52%	54%
Standard Deviation	13.79%			
Sharpe Ratio	0.59			

Annualised Monthly Volatility	1 Year	3 Years	5 Years	Since Inception
Indequity International Portfolio	12.94%	16.93%	13.70%	13.79%
MSCI AC World Index	15.21%	23.78%	19.89%	19.20%

PERFORMANCE in USD, annualised

Returns (%)	Indequity International Portfolio	MSCI AC World Index	Out-performance
1 Year	21.88%	27.43%	-5.55%
3 Years	10.36%	-1.29%	11.65%
5 Years	9.52%	1.01%	8.51%
Since Inception	10.19%	1.79%	8.40%

SOURCES

Morning Star, Profile Data, I-Net and Bloomberg

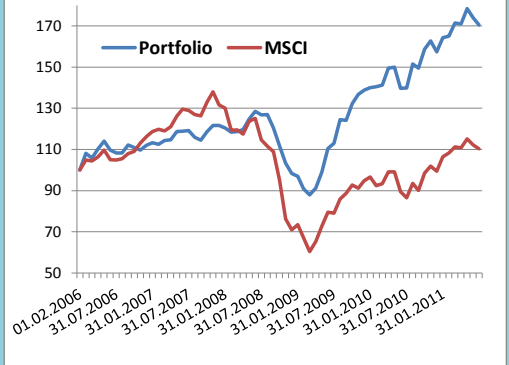
TOP 10 HOLDINGS (%)

30 June 2011			
Cash	42.23	Heineken	2.61
Investec PLC pref-share (7.75%)	7.48	McDonald's Corp	2.45
Rio Tinto PLC	3.13	Ishares MSCI Korea	1.91
SAB Miller PLC	2.73	Yum Brands Inc	1.87
Netease.com	2.62	Moet Hennessy Luis Vuitton	1.74

FUND PROFILE



VALUE OF \$100 INVESTED ON 1 JANUARY 2006



INVESTMENT COMMENTARY

The last six months have been extremely volatile and cash levels were increased during the period given our inter market analysis. The cash levels during the quarter averaged 25 % which turned out to be too conservative and a drag on this year's performance.

Although the portfolio at 31 December 2011 was in line with our process we reduced the active risk by having more counters in the portfolio. The volatility in equity markets required us to do that.

The longer term absolute and risk adjusted performance of the portfolio is satisfactory over three years, five years and since inception. The absolute performance over the last year of 21, 88 % is also very satisfactory.

The portfolio has investments in mostly quality and large counters which do reduce the risk. The portfolio is well diversified geographically as can be seen in the fact sheet.

