

# IMARA INVESTING IN AFRICA

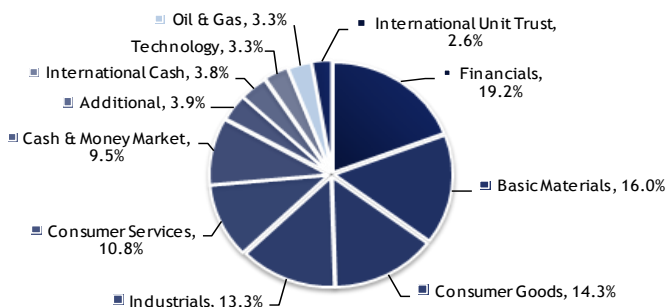
## Asset Management

Title	Imara MET Equity Fund
Edition	Monthly
Region	South Africa
Date	31 July 2013
Issued by	Imara Asset Management SA (Pty) Ltd

### Key Information

Price as at 31 July 2013	176.02 cents
Original buying price	100.00 cents
Portfolio value	R417.8m
Managers upfront charge (max)	0.00%
Advisors upfront comm. (max)	3.42% (incl. VAT)
Annual service fee	1.71% (incl. VAT)
Benchmark	J203T ALSI
Launch date	21 May 2008
Date of Income Declaration	30 Jun / 31 Dec
Date of Income Payment	2 <sup>nd</sup> working day of Jul/Jan
Risk Profile	High
Valuation time	15h00
Transaction time	13h00
2010 Income Distribution	1.14 cpu
2011 Income Distribution	1.63 cpu
2012 Income Distribution	2.00 cpu
Fund Classification	SA Equity General
Portfolio manager	Dave Eliot & Chris Botha
ISIN Code	ZAE000118410

### Asset Allocation as at 31 July 2013



### Portfolio Objective

The Imara MET Equity Fund is a general equity portfolio. The Fund largely mirrors the successful Imara Houseview investment policy and may consist of financially sound equity securities, property shares and property related securities listed on exchanges and assets in liquid form. In selecting securities for this portfolio, where possible, the manager shall seek to sustain high long-term capital growth.

### Managers Comment

The fund underperformed the market during the month delivering a return of 3.5% compared to the JSE All Share return of 4.3% mainly due to a strong performance by resource stocks on the back of a weaker rand.

The world economy remains in a low inflationary or even deflationary cycle and is characterised by inadequate aggregate demand and excess savings. Globally, QE programmes have not yet led to increased final consumption but have managed to stabilise investment markets at least. Markets, in our view, will remain data dependant for a while still as fundamental underpinnings gain traction.

On the local economic front, the demand side GDP growth breakdown indicated that consumers are under pressure. Debt levels remain high and growth in remuneration continued to slow. Household consumer expenditure slowed to 2.3% quarter on quarter in 1Q13 from 2.4% previously, led by durable and non-durable goods.

We remain concerned about the trade deficit and the impact it might have on the local currency and potential investment outflows going forward despite the deficit narrowing to R11bn in May after widening to R15.9bn in April.

Despite rebounding strongly in July, local equities remain fairly valued. The yield gap between listed shares and long bond yields currently stands at 2.2% which effectively is the hurdle rate for company earnings to grow at to compensate investors for investing in risky assets. The current earnings yield on equities is 6%, so valuations are not stretched by any means. We remain cautious on resources despite offering value. Industrial stocks, particularly rand hedges, appear expensive but the risk of a material derating in our view is unlikely as earnings upgrades are expected due to the weaker exchange rate.

### \*Performance: 31/07/2013

	FUND	B/MARK
1 year (annualised)	22.60%	23.02%
2 year (annualised)	23.18%	18.67%
3 year (annualised)	20.48%	16.77%
5 year (annualised)	17.04%	11.51%
Since inception (annualised)	14.81%	7.50%

### \*Distributions reinvested

### Top 10 Holdings - 31/07/2013

CFR	4.32%	Reinet	3.47%
Naspers	4.24%	EOH	3.31%
Billiton	4.21%	Discovery	3.29%
SAB Miller	3.83%	Sasol	3.26%
Capco	3.75%	Anglo	2.87%

**met**  
collective investments

Custodian: Standard Executors & Trustees: Tel (021) 441-4100. MET Collective Investments Limited Parc du Cap Mispel Road Bellville, PO Box 925 Bellville Fax (012) 675-3889 Call Centre, Tel: 0860 111 899  
Email: CI.clientservice@momentum.co.za Registration No 1991/03741/06.

Collective Investment Schemes (CIS) in securities are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. All CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request. Commission may be paid and if so, would be included in the overall costs. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. MET Collective Investments Limited reserves the right to close and reopen certain portfolios from time to time in order to manage them more efficiently. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Different classes of participatory interests apply to certain portfolios, which are subject to different fees and charges. Performance figures quoted are from Morningstar/MoneyMate, as at the date of this factsheet for a lump sum investment, using NAV-NAV prices with income distributions reinvested. Service charges and investment manager charges are calculated and accrued on the daily market value of the investment and paid out monthly. MET Collective Investments Limited is the Manager of the MET Collective Investments Scheme, and a full member of the Association for Savings and Investment SA. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, MET Collective Investments Limited does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of MET Collective Investments Limited's product.

July 2013

### Total Expense Ratio (TER)

	Class A
Portfolio ongoing fee	1.50%
Portfolio costs	0.01%
<b>TER - excluding performance fees</b>	<b>1.51%</b>
Performance fees	0.00%
VAT	0.21%
<b>Total TER - incl VAT</b>	<b>1.72%</b>

Please note: the TER has been calculated using data from 1 April 2012 until 31 March 2013. The TER is disclosed as % of the average Net Asset Value of the portfolio that were incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER is adjusted for significant subsequent portfolio restructurings and/or fee changes.

A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

### FAIS Conflict of Interest

Please note that in most cases where the FSP is a related party to Imara Asset Management Pty (Ltd) and/or MET, Imara Asset Management Pty (Ltd) and/or the distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client.

Such fees are paid out of the portfolio's service charge and ranges anything between (excl VAT):

MetCI	Imara Asset Management Pty (Ltd)	Distributor	LISP	Service Fee (Excl. VAT)
Up to 0.30%	Up to 1.20%	Up to 0.00%	Up to 0.00%	1.50%

Imara Asset Management SA (Pty) Ltd.  
P.O. Box 701  
Northlands  
2116  
Financial Services Provider License No: 884  
Tel: (011) 550 6183  
Fax: (011) 550 6194  
www.imara.com  
Email: dave.eliot@imara.com

**Deposits can be made at any First National Bank**  
Account Holder MET Collective Investments  
Ltd-METCI Client Deposit Trust  
Account Number: 623 614 33784  
Bank Code: 253 145  
Bank: First National Bank  
Please fax deposit slip to: (012) 675 3889