

IMARA INVESTING IN AFRICA

Asset Management

Title	Imara MET Equity Fund
Edition	Monthly
Region	South Africa
Date	30 June 2013
Issued by	Imara Asset Management SA (Pty) Ltd

Key Information

Price as at 28 June 2013	170.23 cents
Original buying price	100.00 cents
Portfolio value	R403.8m
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 nd 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

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 outperformed the JSE All Share in a very volatile month producing a negative return of -4.2% compared to the All Share return of -5.8% mainly due to foreign selling.

The main concern locally is whether the big capital outflows driven by foreigners have stabilised. If outflows continue, the rand will remain weak, putting further pressure on our current account deficit. Bloomberg consensus forecast data is for the current account deficit to widen to 6.9% of GDP over the next quarter from 6.5% previously. So, structurally, the trend going forward is for a weaker rand and potentially higher bond yields.

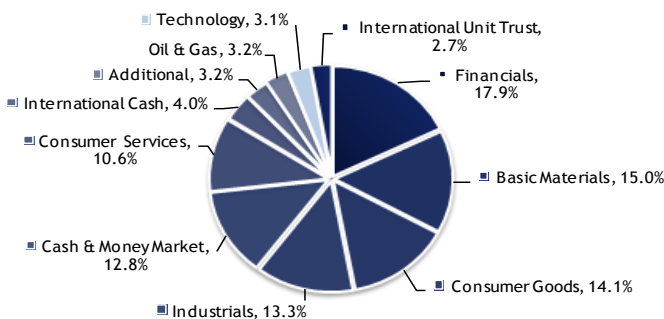
The rand weakened by 7% against the US dollar during the month accompanied by net selling of our local bonds and equities. This will undoubtedly cause deterioration in the inflation outlook going forward and could force the SARB to hike interest rates locally towards the end of the year. However, local data suggests that the consumer remains under pressure, particularly on the durable and semi durable front. High levels of debt are also hindering spending. Given the above pressures, our view for now is that interest rates will remain unchanged for quite a while. Consensus GDP growth for 2013 currently stands at 2.2%, from 2.5% previously, and 2.7% for 2014 from 3% previously.

On the local exchange the main theme remains weakness in commodity stocks and industrial rand hedges continuing to outperform. We expect this trend to continue over the near term but one could potentially expect a recovery in resource counters towards the end of the year as earnings upgrades come through due to the weak rand. We prefer to remain overweight industrial counters on a risk adjusted basis.

*Performance: 30/06/2013	FUND	B/MARK
1 year (annualised)	21.68%	21.01%
2 year (annualised)	20.75%	14.98%
3 year (annualised)	21.59%	18.11%
Since inception (annualised)	14.23%	6.72%

*Distributions reinvested

Asset Allocation as at 30 June 2013



Top 10 Holdings - 30/06/2013

CFR	4.15%	Reinet	3.56%
Billiton	3.94%	Sasol	3.18%
Naspers	3.77%	Discovery	3.17%
SAB Miller	3.71%	EOH	3.11%
Capco	3.57%	Imperial	2.87%

met
collective investments

June 2013

Total Expense Ratio (TER)

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

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%

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