

PSG MONEY MARKET UNIT TRUST

Monthly report: 28 February 2010



PSG ABSOLUTE INVESTMENTS

KEY FEATURES

- **Objective**
To provide investors with low risk interest income with optimal capital security
- **Risk Profile**
Conservative
- **Benchmark**
The mean return of the money market unit trust sector.
- **Legal structure**
CISCA compliant unit trust
Regulated investment mandate
- **Typical investors**
Individuals, retirement funds and companies
- **Liquidity**
Daily investments and redemptions are accommodated
- **Fund Size**
R 1.15 billion
- **Fee Structure**
A registered total fee of 0.50% pa (excl VAT) is charged. This fee includes all management and administrative costs.
- **Fund Managers**

Heinrich Dietzsch
Qanitah Adams

PSG Absolute Investments (Pty) Ltd

Reg. No. 2002/029798/07

FSP No. 7410

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Investment Philosophy

The Fund invests in a range of money market instruments and fixed deposits. The investment mandate is prescribed by CISCA and is very conservative in terms of credit exposure and instrument duration. The selection of assets and duration is determined by intensive research. Macro economic and fundamental research helps to determine the interest rate cycle and credit spreads. Quantitative tools are then used to determine the optimum portfolio duration.

Summary of past returns (Source: Micropal)

Term to 26 February 10	PSG return (% pa)	Sector mean return (% pa)	Sector ranking
10 years	9.58	9.55	3 of 10
5 years	8.95	8.90	5 of 18
3 years	10.05	10.05	10 of 19
2 years	10.20	10.17	11 of 21
1 year	8.37	8.38	12 of 22

Fund Manager Comment

GDP grew 3.2% on a saar basis in Q42009 with manufacturing and general government spending leading the broad based recovery. The economy should continue to grow over the next two years.

In January 2010 CPI slowed to 6.2% year-on-year with food inflation running at 2.7% and non-food at 7.0%. CPI will decline further due to the high base effects in February and March last year.

In January 2010 PSCE declined by 1.1% year-on-year due to a sharp decline in investments of R4.5 billion. The demand for credit by households grew by R4.6 billion in January which is at a much faster pace than the average increase of R1.5bn during 2009.

Short term rates are expected to remain at current levels for 2010.

About PSG Absolute Investments ("PSGAI")

- PSGAI was established in June 2003 as a subsidiary of PSG Fund Management Holdings Ltd.
- The company specialises in fixed interest and alternative fund management and is an authorised Financial Service Provider (FSP 7410).
- Total funds under management were approximately R5.0 billion as at 28 February 2010.
- The management team at PSGAI has over 100 years of experience in the financial markets and the fund managers have a diversified skill set with specialist academic qualifications:

Name	Age	Qualifications	Years
Jean-Pierre Matthews	38	BSc (Act Sci), CFP, CFA	14
Christopher Henderson	37	BCom (Hons), CFP, CA(SA)	11
Heinrich Dietzsch	56	MSc (Statistics)	30
Qanitah Adams	32	BCom (Eco)	5
Phillip van Blerk	35	MCom (Statistics)	11
David Venter	28	BCom (Fin Man)	4
Alastair Sellick	36	BBusSc (Act Sci), CFI	13
Ruen Naidu	25	BBusSc (Act Sci)	2
Adrian Cloete	41	BCom (Act Sci), CFA	22
Retief du Toit	36	BCom (Econometrics)	12
C T Verster	24	BBusSc (Act Sci)	1

- PSG encourages an entrepreneurial spirit. All key staff members at PSGAI have bought meaningful stakes in their own businesses. This provides the teams with positive incentives and ensures the retention of our talented staff.