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MONTHLY INVESTMENT REPORT

30 April 2011

CPSA LAYWORKERS PENSION FUND

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The Fund is under weight Equities, significantly under weight Bonds and Property and significantly over weight SA Cash.

The Fund is fairly conservatively positioned to take advantage of current volatile market conditions.

The Fund is in the process to investigate individual member default options to form part of its investment strategy.

FUND MANAGER Leo Vermeulen

FUND ADMINISTRATOR Nuraan Desai

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CPSA Layworkers Pension Fund

FINANCIAL OVERVIEW

Financial markets experienced a mid-month scare when the global credit rating agency, *Standard and Poor's*, revised their outlook on US government debt from neutral to negative and warned that the US might face a possible credit rating downgrade in the future. The local market was not spared the knee-jerk reaction, but strong global data towards the end of the month helped to revive risk appetite and turned foreigners into firm buyers of both domestic equities and bonds. The FTSE/JSE All Share Index gained 2.2% by month-end after it was trading by more than 2% lower during the month. Telecoms was once again the best performing sub-sector and industrial shares the best performing sector, with a return of 4.3%. Financial shares closed 2.9% higher and resources ended marginally positive with a return of 0.1%.

Higher food and energy prices have driven global inflation rates higher, but the impact on domestic inflation figures has been relatively muted so far. The CPI increase, on a year on year basis, for March was 4.1%, up from 3.6% the previous month but still comfortably below the Reserve Bank's upper limit of 6%. Economic data has been mixed with private sector credit extension below expectations and the leading indicator for manufacturing edging lower. The IMF, in its latest publication, predicts that the South African economy will grow by 3.5% during 2011. The return of foreign investors and less aggressive interest rate hike expectations caused a rally in the bond market. The All Bond Index gained 2.2% during the month.

The rand appreciated by 3.1% against the US dollar on the back of continued dollar woes to close at R6.56 a dollar. However, the rand weakened by 1.4% against the euro. The rand's movement against the dollar broadly tracked the movement in the gold price as gold gained 6.7% to end the month above $1,500 an ounce.

Global Equity (US$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,363.6	2.8%	6.0%	15.2%	8.4%	14.9%
Nasdaq	2,873.5	3.3%	6.4%	14.6%	8.3%	16.8%
MSCI Global Equity	1,388.6	4.0%	6.2%	13.6%	8.5%	15.9%
MSCI Emerging Mkt	1,204.0	2.8%	7.6%	8.9%	4.6%	18.0%
Global Bond (US$)						
Global Bonds	501.9	3.1%	3.8%	0.5%	3.7%	11.4%
Commodity Prices						
Brent Oil (USD/Barrel)	126.2	7.5%	27.2%	53.0%	33.2%	47.0%
Platinum (USD/oz)	1,875.0	6.1%	4.6%	9.8%	5.9%	8.6%
Gold (USD/oz)	1,565.6	9.3%	17.5%	15.2%	10.1%	34.0%
South African Mkt (Rand)						
Africa All Share	3,826.6	2.2%	5.7%	9.3%	3.4%	17.8%
Africa Top 40	3,454.7	2.1%	6.2%	10.6%	4.3%	18.3%
Africa Resource 20	2,913.3	0.1%	3.0%	10.1%	2.5%	14.6%
Africa Financial 15	3,451.7	2.9%	5.5%	6.6%	4.2%	8.4%
Africa Industrial 25	4,543.7	4.3%	9.6%	11.2%	5.1%	27.1%
Africa Mid Cap	7,227.8	2.9%	3.2%	2.1%	-1.7%	15.6%
Africa Small Cap	8,611.9	2.7%	0.9%	4.1%	-2.7%	11.3%
All Bond Index	346.0	2.3%	2.9%	0.4%	0.7%	9.4%
Stefi Composite	255.4	0.5%	1.4%	2.9%	1.9%	6.4%
Africa SA Listed Property - (SAPY)	882.6	3.7%	5.9%	3.2%	1.5%	17.5%
MSCI Global Equity (R)		1.0%	-3.0%	6.6%	1.0%	2.9%
Global Bonds (R)		0.1%	-5.2%	-5.7%	2.7%	-1.1%
Rand Dollar Exchange Rate	6.56	-2.9%	-8.6%	-6.1%	-0.9%	-11.2%

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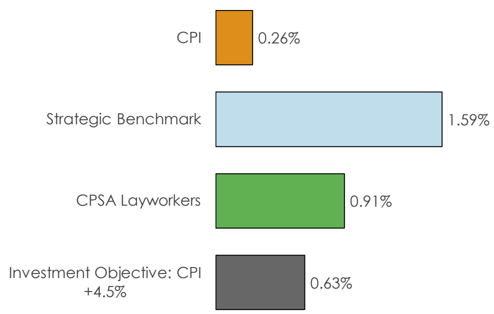
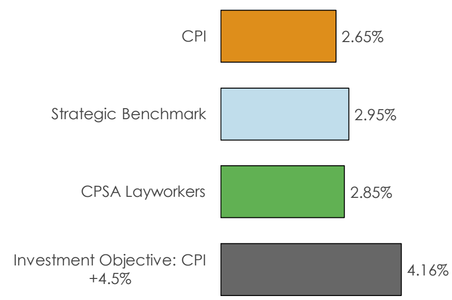
MARKET VALUES AND RETURNS

Monthly return for April 2011



Return from 1 January 2011 to 30 April 2011



The table below is the return matrix for the CPSA Layworkers Pension Fund's investment portfolio. It shows the various manager returns as well as that of the total portoflio for various periods and compares it with their respective benchmarks. The benchmark used for the portfolio is in line with its investment objective, which is CPI + 4.5% p.a. before fees.

	AG Global Stable	Mayibentsha	AG Global Balanced	Std MM Fund
Market Value	15,005,443	3,099,319	18,490,581	1,407,895
% of Fund	24.2%	5.0%	29.8%	2.3%
Monthly Return	0.31%	1.10%	1.12%	0.44%
Benchmark	0.42%	0.63%	1.64%	0.46%
Out/ Under Perf	-0.11%	0.47%	-0.52%	-0.02%
Last 3 Months	0.16%	2.69%	2.41%	1.38%
Benchmark	1.27%	3.33%	3.18%	1.38%
Out/ Under Perf	-1.11%	-0.63%	-0.77%	-0.01%
Calendar YtD	2.43%	1.79%	3.85%	1.89%
Benchmark	1.70%	4.16%	3.85%	1.88%
Out/ Under Perf	0.73%	-2.37%	0.00%	0.01%
Last 12 Months	5.22%	8.33%	11.07%	6.52%
Benchmark	5.44%	8.90%	12.86%	6.42%
Out/ Under Perf	-0.22%	-0.56%	-1.79%	0.10%
Since Jan 2006	n/a	n/a	105.75%	n/a
Benchmark	n/a	n/a	89.39%	n/a
Out/ Under Perf	n/a	n/a	16.37%	n/a
	Mar-07	Mar-07	Aug-02	Jun-06
Ann Since Inception	9.24%	7.32%	19.75%	8.71%
Benchmark	7.05%	12.03%	16.68%	8.84%
Out/ Under Perf	2.18%	-4.72%	3.06%	-0.13%

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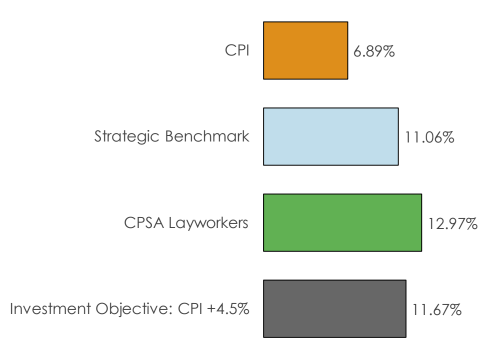
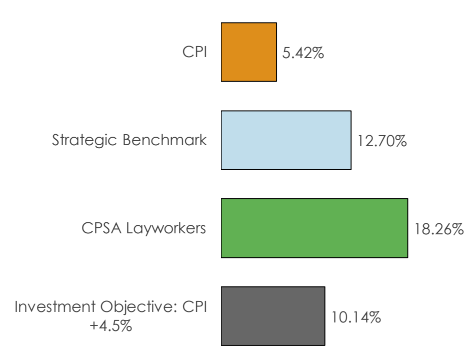
	Liberty Preferred	Liberty Liquid	Lib STMM	Total
Market Value	21,301,569	1,975,645	825,819	62,106,271
% of Fund	34.3%	3.2%	1.3%	100.0%
Monthly Return	1.36%	0.42%	0.44%	0.91%
Benchmark	1.94%	0.46%	0.46%	0.63%
Out/ Under Perf	-0.58%	-0.04%	-0.02%	0.28%
Last 3 Months	2.92%	1.30%	1.38%	1.84%
Benchmark	4.92%	1.38%	1.38%	3.33%
Out/ Under Perf	-2.00%	-0.09%	-0.01%	-1.48%
Calendar YtD	3.17%	1.74%	1.89%	2.85%
Benchmark	3.11%	1.88%	1.88%	4.16%
Out/ Under Perf	0.07%	-0.14%	0.01%	-1.31%
Last 12 Months	13.03%	5.65%	6.38%	9.04%
Benchmark	13.60%	6.42%	6.42%	8.90%
Out/ Under Perf	-0.57%	-0.77%	-0.04%	0.14%
Since Jan 2006	85.21%	14.23%	n/a	91.63%
Benchmark	55.81%	55.97%	n/a	80.20%
Out/ Under Perf	29.40%	-41.75%	n/a	11.43%
	Aug-02	Jul-04	Nov-08	Aug-02
Ann Since Inception	15.45%	3.22%	n/a	18.26%
Benchmark	n/a	8.40%	n/a	10.14%
Out/ Under Perf	n/a	-5.19%	n/a	8.11%

LONGER TERM RETURNS

Annualised Return from 1 January 2006



Annualised Return from August 2002



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CPSA Layworkers Pension Fund

FUND SPECIFIC ANALYSIS

The cash flow table below, gives an indication of the Rand value that has been added to the CPSA Layworker's portfolio. The added value is divided between cash in/out flows and the return achieved on the Fund's investments since January 2006 and January 2011.

The return table below shows the monthly returns added to the portoflio. It is compared to the CPSA Layworker's Investment Objective (to outperform CPI with 4.5% per annum after fees). The Fund's rolling annualised returns are indicated in the top line.

	From Jan 06	From Jan 11
Market Value at Start	30,803,599	62,451,392
Cash In / Out Flow	563,438	(2,104,431)
Return	30,739,233	1,759,309
Current Market Value	62,106,271	62,106,271

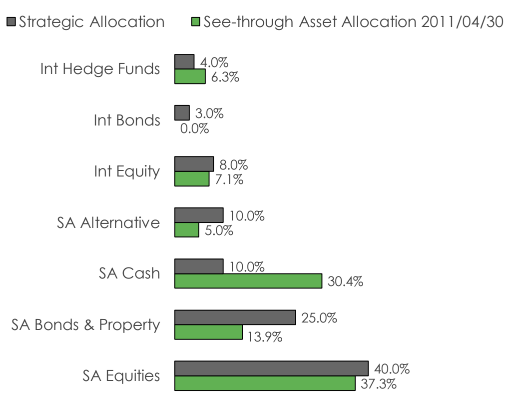
The table below gives a recent history of money flows between managers, as well as portfolio in or out flows.

Date	Transferred From	Tranferred To		Amount
24-Mar-11	AG Global Balanced	Bank Account	R	138,855.53
1-Apr-11	Mayibentsha	Bank Account	R	53,542.89
13-Apr-11	AG Global Balanced	Bank Account	R	49,417.57
18-Apr-11	AG Global Stable	Bank Account	R	3,162.56
18-Apr-11	AG Global Balanced	Bank Account	R	37,093.66
20-Apr-11	AG Global Balanced	Bank Account	R	15,936.66
29-Apr-11	AG Global Balanced	Bank Account	R	11,411.16

Period	Return	CPI + 4.5%
Annualised from 08/2002	18.26%	10.14%
May-10	-1.20%	0.55%
Jun-10	-0.41%	0.37%
Jul-10	2.30%	1.00%
Aug-10	-0.59%	0.46%
Sep-10	2.44%	0.46%
Oct-10	1.01%	0.55%
Nov-10	0.82%	0.55%
Dec-10	1.55%	0.54%
Jan-11	0.99%	0.81%
Feb-11	0.60%	1.07%
Mar-11	0.32%	1.59%
Apr-11	0.91%	0.63%

PORTFOLIO STRATEGY

Fund See-through Asset Allocation



The CPSA Layworkers Fund is:

- under weight SA Equity
- significantly under weight SA Bonds and Property
- significantly over weight SA Cash
- under weight SA Alternatives
- under weight international

The CPSA Layworkers Pension Fund will maintain its conservative position in the months to come, as local equity valuations can be considered to be on the high side.

MANAGER COMPARISON

Manager	ALBI	AG Global Stable	Mayibentsha	AG Global Balanced	Liberty Preferred
Inception Date	Aug-02	Mar-07	Mar-07	Aug-02	Aug-02
Ann Return since Inception	10.4%	9.2%	7.3%	19.7%	15.4%
Average Monthly return	0.8%	0.2%	0.1%	1.5%	1.2%
% Positive months	63.3%	75.0%	70.2%	70.0%	70.0%
% Negative months	36.7%	25.0%	29.8%	30.0%	30.0%
Maximum Drawdown	-6.7%	-3.3%	-6.0%	-6.8%	-10.7%
Standard Deviation	6.7%	4.4%	5.6%	9.8%	11.0%

NOVARE HOUSEVIEW MATRIX - April 2011

RSA Equities

The latest reading in the local leading economic indicator is consistent with a very low probability of a meaningful economic slowdown during the next few months. Indeed, the acceleration in the indicator bodes well for GDP growth over the next quarter. This resembles the strong momentum evident in global activity indicators. In recent data, household consumption has emerged as one of the major contributors to domestic growth and this is set to continue as real disposable income is growing at a healthy rate. There are some headwinds to household expenditure, including higher energy and food prices as well as anemic home price growth. Consumer confidence remains above the long term average, however, and business confidence has also shown a marked improvement into positive territory. Company earnings have improved sharply and are set to continue increasing at a healthy rate over the next twelve months. From a forward valuation perspective, equities remain attractively valued and we remain over-weight this asset class.

RSA Bonds

The domestic bond market has remained under pressure from foreign selling during the last few months as foreign investors have become worried over the outlook for emerging market inflation, and in general, have become more risk averse. The local inflation environment has remained tame, but upward pressure has emerged from sharply higher fuel and food prices. So far, little second round inflationary pressures have been evident, but the Reserve Bank has raised their inflation forecast higher for the next two years. Due to the outlook of higher inflation, market participants have raised their interest rate expectations markedly higher to such a degree that it is probably now too aggressive in factoring in tighter monetary policy. The expansionary budget proved to be bond negative as it requires a higher issuance and more guarantees drawn down. Given the higher inflation risk premium and rising global bond yields, we have moved to under-weight this asset class.

RSA Property, Alternatives & Cash

Listed property yields have spiked, in conjunction with bond yields, since the start of the year. The result is that listed property has probably become oversold on a short term basis. From a longer term perspective, listed property yields look attractive compared to ten year government bond yields and current cash rates. Property income distribution growth will be timid, however, and might come under pressure from rising inflation. Tighter monetary policy potential will also not benefit this asset class. Given that occupancy rates have improved and that property income yields do provide a cushion over cash yields, we remain on-weight this asset class.

The money market (cash) remains our least favourite asset class, given its very low yield and more attractive opportunities that can be found elsewhere.

International

Recent strong economic data have managed to dominate the impact of unforeseen events and have helped to maintain equities' current bull run. Output and activity indicators suggest that the recovery in manufacturing continues to gather pace and due to payroll tax cuts and the boost to disposable income, US consumers have started to spend more freely again. In the US, the job market is showing more signs of a sustainable improvement although the housing market remains weak. The US Fed has signaled that the second round of quantitative easing will not be cut short and they will probably be hesitant in raising interest rates given the fragile housing market. In contrast, the European Central Bank has embarked on tighter monetary policy to combat rising inflation. Most emerging markets have also had to assume tighter monetary policy to ward off the effect of rampant growth, rising energy prices and already high food prices. Inflation levels remain below peak inflation levels, however. Interest rates levels that are still low in a historical context, broadening growth momentum and healthy company earnings growth are all positive for global equities and compared to bonds, equities are much more favourably priced. We remain overweight global equities.

While underlying inflation pressures remain moderate, inflation expectations have risen. Real bond yields, however, have remained very low. We believe this is unsustainable and are moving even further underweight this asset class.

Given the expectation of strong developed market equity returns and the current level of the rand, which should depreciate over a medium term view, we have moved over-weight offshore assets from a strategic asset allocation perspective.

NOVARE HOUSE VIEW: April 2011

TACTICAL POSITIONING*

	UNDER-WEIGHT	←	ON-WEIGHT	→	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight					***100%***
Equities				110%		110%
Bonds		95%				100%
Property			100%			100%
Alternatives			100%			100%
Cash	Under-weight					Under-weight
OFFSHORE				**120%**		***100%***
Equities				110%		105%
Bonds		85%				90%
Alternatives				105%		105%
AFRICA			***100%***			

* positioning is as a % of strategic asset allocation