

MONTHLY INVESTMENT REPORT

31 January 2011

CPSA LAYWORKERS PENSION FUND

■ FINANCIAL OVERVIEW

■ PORTFOLIO STRATEGY

■ MARKET VALUES AND RETURNS

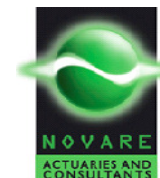
■ MANAGER PERFORMANCE

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■ DISCLAIMER

FUTURE STRATEGY

- 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.



CPSA Layworkers Pension Fund

FINANCIAL OVERVIEW

Foreign selling dragged the local financial markets lower during January. Foreign investors were major sellers of South African bonds and the repatriation of foreign exchange caused the rand to reverse its prior month's gains and depreciate to a four month low. The equity market followed other emerging market equity markets lower as inflationary fears brought the expectation of future tighter monetary policy forward. The Reserve Bank's Monetary Policy Committee (MPC) left interest rates unchanged at their meeting during the month, but their tone changed from dovish to neutral as they moderately adjusted their inflation forecasts higher. The MPC cited that downside risks still exist to their growth outlook.

Consumer price inflation improved from 3.6% in November to 3.5% in December. Higher transport costs were the main driver of inflation. Manufacturing activity has been recovering after the industrial action that crippled the sector last year and retail sales have been more buoyant than what has been expected. The leading indicator for manufacturing has remained mixed however, indicating fragile conditions still exist in that sector.

The FTSE/JSE All Share Index lost 2.2% during the month. The resources sector benefitted from higher commodity prices and the weaker exchange rate, but still closed 0.5% lower. Financials ended the month 1.3% down while industrials were the weakest performing sector with a loss of 4.1%. In general, small- and mid capitalization shares underperformed the large capitalization shares. The All Bond Index ended 2.1% lower due to foreign selling and the subsequent higher bond yields negatively impacted listed property which fell by 4.2%. The rand depreciated by 8.4% against the dollar to close at R7.18. The depreciation was more pronounced against the other major currencies and the rand lost 11.5% against the pound and 11.3% against the euro.

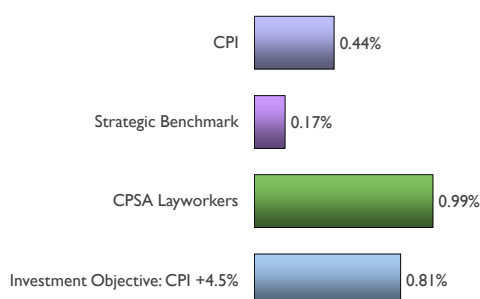
Global Equity (US\$)	Level	1 Month	3 Months	6 Months	YTD	12 Months
S&P 500	1,286.1	2.3%	8.7%	16.8%	2.3%	19.8%
Nasdaq	2,700.1	1.8%	7.7%	19.8%	1.8%	25.7%
MSCI Global Equity	1,308.1	2.2%	7.0%	16.3%	2.2%	16.8%
MSCI Emerging Mkt	1,119.1	-2.8%	1.2%	12.9%	-2.8%	19.9%
Global Bond (US\$)						
Global Bonds	483.8	-0.1%	-3.2%	2.4%	-0.1%	5.8%
Commodity Prices						
Brent Oil (USD/Barrel)	99.3	4.8%	20.3%	27.1%	4.8%	39.7%
Platinum (USD/oz)	1,792.5	1.3%	5.0%	14.0%	1.3%	19.2%
Gold (USD/oz)	1,332.8	-6.2%	-2.0%	12.8%	-6.2%	23.3%
South African Mkt (Rand)						
Africa All Share	3,621.6	-2.2%	3.4%	12.3%	-2.2%	20.6%
Africa Top 40	3,254.5	-1.7%	4.2%	13.1%	-1.7%	19.8%
Africa Resource 20	2,828.2	-0.5%	6.8%	17.2%	-0.5%	19.4%
Africa Financial 15	3,271.7	-1.2%	1.0%	2.0%	-1.2%	11.7%
Africa Industrial 25	4,145.5	-4.1%	1.4%	12.6%	-4.1%	25.3%
Africa Mid Cap	7,003.2	-4.8%	-1.1%	7.2%	-4.8%	26.7%
Africa Small Cap	8,532.2	-3.6%	3.1%	14.7%	-3.6%	20.7%
All Bond Index	336.4	-2.1%	-2.4%	2.3%	-2.1%	12.2%
Stefi Composite	251.9	0.5%	1.5%	3.2%	0.5%	6.8%
Africa SA Listed Property - (SAPY)	833.4	-4.2%	-2.5%	5.3%	-4.2%	24.5%
MSCI Global Equity (R)		10.8%	9.9%	14.5%	10.8%	10.1%
Global Bonds (R)		8.3%	-0.5%	0.8%	8.3%	-0.4%
Rand Dollar Exchange Rate	7.18	8.4%	2.7%	-1.6%	8.4%	-5.8%



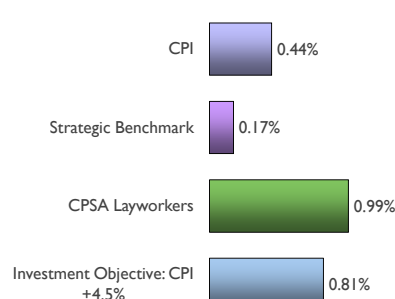
CPSA Layworkers Pension Fund

MARKET VALUES AND RETURNS

Monthly return for January 2011



Return from 1 January 2011 to 31 January 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 portfolio 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	15,482,330	3,120,184	18,760,817	1,530,022
% of Fund	24.5%	4.9%	29.6%	2.4%
Monthly Return	2.26%	-0.88%	1.41%	0.51%
Benchmark	0.42%	0.81%	0.66%	0.49%
Out/ Under Perf	1.84%	-1.69%	0.75%	0.02%
Last 3 Months	3.43%	0.70%	4.14%	1.53%
Benchmark	1.28%	1.91%	3.19%	1.52%
Out/ Under Perf	2.16%	-1.21%	0.95%	0.01%
Calendar YtD	2.26%	-0.88%	1.41%	0.51%
Benchmark	0.42%	0.81%	0.66%	0.49%
Out/ Under Perf	1.84%	-1.69%	0.75%	0.02%
Last 12 Months	6.75%	9.00%	13.27%	7.02%
Benchmark	5.62%	8.30%	15.85%	6.80%
Out/ Under Perf	1.13%	0.70%	-2.58%	0.21%
Since Jan 2006	n/a	n/a	100.91%	n/a
Benchmark	n/a	n/a	83.55%	n/a
Out/ Under Perf	n/a	n/a	17.36%	n/a
	Mar-07	Mar-07	Aug-02	Jun-06
Ann Since Inception	9.81%	7.07%	20.04%	8.88%
Benchmark	7.17%	11.91%	16.78%	9.01%
Out/ Under Perf	2.64%	-4.84%	3.26%	-0.13%



CPSA Layworkers Pension Fund

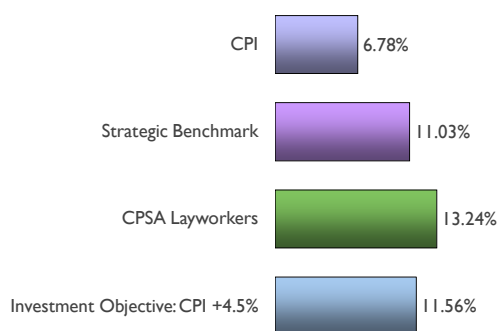
MARKET VALUES AND RETURNS

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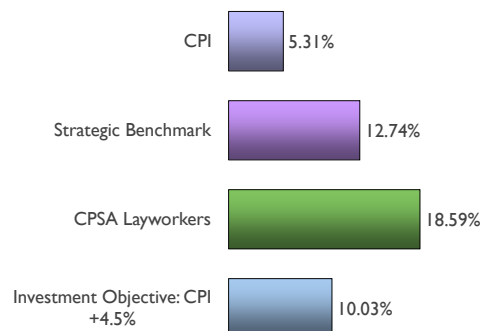
	Liberty Preferred	Liberty Liquid	Lib STMM	Total
Market Value	21,058,178	1,981,160	1,344,412	63,277,104
% of Fund	33.3%	3.1%	2.1%	100.0%
Monthly Return	0.25%	0.44%	0.51%	0.99%
Benchmark	-1.73%	0.49%	0.49%	0.81%
Out/ Under Perf	1.97%	-0.05%	0.02%	0.18%
Last 3 Months	4.10%	1.34%	1.53%	3.40%
Benchmark	2.08%	1.52%	1.52%	1.91%
Out/ Under Perf	2.02%	-0.18%	0.01%	1.49%
Calendar YtD	0.25%	0.44%	0.51%	0.99%
Benchmark	-1.73%	0.49%	0.49%	0.81%
Out/ Under Perf	1.97%	-0.05%	0.02%	0.18%
Last 12 Months	16.53%	6.04%	7.01%	11.05%
Benchmark	15.53%	6.80%	6.80%	8.30%
Out/ Under Perf	1.00%	-0.76%	0.20%	2.75%
Since Jan 2006	79.96%	12.76%	n/a	88.16%
Benchmark	48.51%	53.85%	n/a	74.40%
Out/ Under Perf	31.45%	-41.08%	n/a	13.76%
	Aug-02	Jul-04	Nov-08	Aug-02
Ann Since Inception	15.55%	3.14%	n/a	18.59%
Benchmark	n/a	8.51%	n/a	10.03%
Out/ Under Perf	n/a	-5.37%	n/a	8.56%

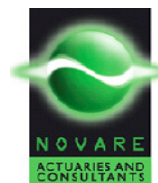
LONGER TERM RETURNS

Annualised Return from 1 January 2006



Annualised Return from August 2002





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.

	From Jan 06	From Jan 11
Market Value at Start	30,803,599	62,451,392
Cash In / Out Flow	2,874,908	207,039
Return	29,598,596	618,673
Current Market Value	63,277,104	63,277,104

The return table below shows the monthly returns added to the portfolio. 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.

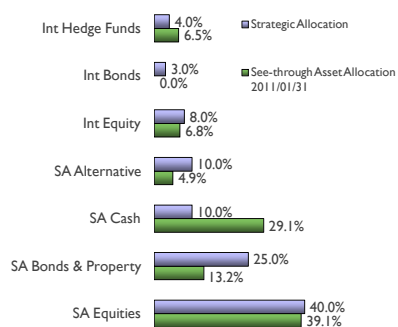
Period	Return	CPI + 4.5%
Annualised from 08/2002	18.59%	10.03%
Feb-10	0.63%	1.01%
Mar-10	1.88%	1.18%
Apr-10	1.18%	0.55%
May-10	-1.20%	0.55%
Jun-10	-0.41%	0.37%
Jul-10	2.30%	1.00%
Aug-10	-0.59%	0.46%
Sep-10	2.44%	0.46%
Oct-10	1.01%	0.55%
Nov-10	0.82%	0.55%
Dec-10	1.55%	0.54%
Jan-11	0.99%	0.81%

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

Date	Transferred From	Transferred To	Amount
1-Jan-11	Mayibentsha	Bank Account	R 13,847.61
5-Jan-11	AG Global Stable	Bank Account	R 21,445.85
5-Jan-11	AG Global Balanced	Bank Account	R 27,843.98
12-Jan-11	AG Global Balanced	Bank Account	R 8,817.22
19-Jan-11	AG Global Stable	Bank Account	R 119,524.96
19-Jan-11	AG Global Balanced	Bank Account	R 122,616.18
26-Jan-11	AG Global Stable	Bank Account	R 144.71

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%	9.8%	7.1%	20.0%	15.5%
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%

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