



Lion of Africa
FUND
MANAGERS

Real Return CPI + 5 Fund

This pride's on your side



About Lion of Africa

Lion of Africa Fund Managers was founded in 2002 by Commlife Holdings (Pty) Ltd, a 100% black owned enterprise. The company started operations as a captive fund manager for its associate companies, and has recently expanded operations to include managing third party funds. It aims to identify and engage best of breed asset managers to manage both segregated and unitised portfolios. The company seeks to offer unique products with the primary objective of satisfying investors' needs and exceeding their expectations.

About the Real Return Fund

Lion of Africa recently launched the Lion of Africa Real Return CPI + 5 Fund. It offers a relatively safe haven in a volatile market place and its goal is to deliver an average annual return of 5% above inflation over any rolling three-year period.

The fund has a sufficiently diversified structure that will ensure a low variability of returns. This makes it an excellent savings vehicle: one that allows you to plan your future with some certainty, and provide adequately for yourself and your family over the longer term.

Our vision is to make this fund as accessible as possible to all investors who wish to enjoy the rewards of investing in an inflation beating fund.

Return is in the Detail

- We focus the core expertise of everyone involved in the company. This allows our employees to focus on their strengths, as well as, increase their output through specialisation.
- The unique structure of our company means we maximise returns at the lowest expense to you, our investor.
- We use tried and tested investment methodologies that have proven themselves, both locally and abroad.
- Robust risk management strategies and our knowledge of the South African Investment Industry allow us to minimise risks that we believe may be detrimental to our investors.

Investment Management

Lion of Africa Fund Managers has appointed Trident Capital (Pty) Ltd as fund managers for the Lion of Africa Real Return CPI + 5 Fund. Trident Capital is a specialist asset management company that focuses on its core expertise, which includes real return mandates. This is supported by a robust infrastructure, which includes recognised investment processes and rigorous risk management. The fund is jointly managed by Kimon Boyiatjis and Sidney McKinnon, who collectively have in excess of 30 years of experience within the industry and a solid track record of performance.

Fund Objective and Target

- The primary objective of the Lion of Africa Real Return CPI + 5 Fund is to preserve the purchasing power of your investment over time, whilst delivering real returns.
- The target of the fund is a return of the headline inflation rate plus an additional 5% per annum on average over any three-year rolling period.

Securing Your Savings

In order for a savings plan to be effective inflation has to be taken into account. It is therefore important for you to ensure that your savings:

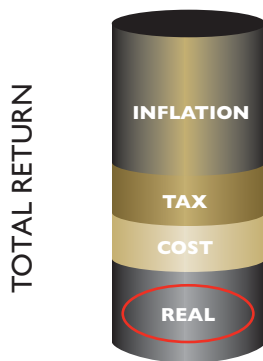
- Offset the negative effects of inflation by providing you with adequate returns.
- Provide these returns at a rate that equals, but preferably exceeds the rate of inflation.
- Preserve your future purchasing power by not eroding the value of your initial investment.
- Continue to grow over time offering you real returns.
- Take the appropriate risk into account to ensure the security of your investment.

Effects of Inflation

In simple terms inflation can be defined as the rate of increase in the general price level for goods and services over time. The following table demonstrates the loss of purchasing power over a 20 year period using differential inflation rates.

INITIAL VALUE	TIME PERIOD (YEARS)	INFLATION RATE (%)	ERODED VALUE	LOSS OF PURCHASING POWER
R100	20	2.5	R61.02	38.98%
R100	20	3.0	R55.36	44.64%
R100	20	5.0	R37.69	62.31%
R100	20	6.0	R31.18	68.82%

In Search of Real Returns



The Lion of Africa Real Return CPI + 5 Fund offers a portfolio that provides:

- A hedge against inflation that is a relatively secure investment that performs over and above the rate of inflation.
- A cost effective investment to all our clients.
- Real returns on investments by taking all of the above mentioned factors into consideration and then offering returns that aim to exceed inflation, thus pursuing the continuous growth of your investment.
- Sufficient diversification across asset classes, which aims to minimise the adverse effects of a volatile market
- Low variability of returns

Investment Methodology

The fund follows a clear investment methodology which can be outlined as follows:

Strategic asset allocation

- Establishing a sufficiently diverse 'base mix' of assets
- Testing asset allocations on past financial models
- Evaluating expected returns

Tactical asset allocation

- Applying stock selection methodologies
- Employing stock valuation techniques

Optimisation

- Adjusting the mix of assets

Risk management

- Managing downside risk and reducing volatility

This methodology has been designed specifically to target a total return that exceeds inflation by 5% per annum on average.

Investment Guidelines

The fund is invested across the various asset classes identified below and exposure to these asset classes is limited to the ranges as indicated.

	RANGE
INFLATION LINKED BONDS	30% to 60%
NOMINAL BONDS	5% to 30%
EQUITIES & PREFERENCE SHARES	5% to 25%
PROPERTY UNIT TRUSTS (PUTS)	0% to 15%
MONEY MARKET	3% to 30%

Who Should Invest?

The following investors would benefit from this fund.

- Investors with retirement savings plans.
- Investors preparing for a large future expenditure.
- Pensioners wishing to protect savings against the effects of inflation.
- Investors wishing to protect their future purchasing power.
- Investors who require a low variability of returns over the medium term.
- Investors requiring a fund which complies with Regulation 28 of the Pension Fund Act

“The Real Return CPI+5 Fund offers investors a safer way of investing.”



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Company registration number 2002/026517/07

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FSP no: 16135

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