

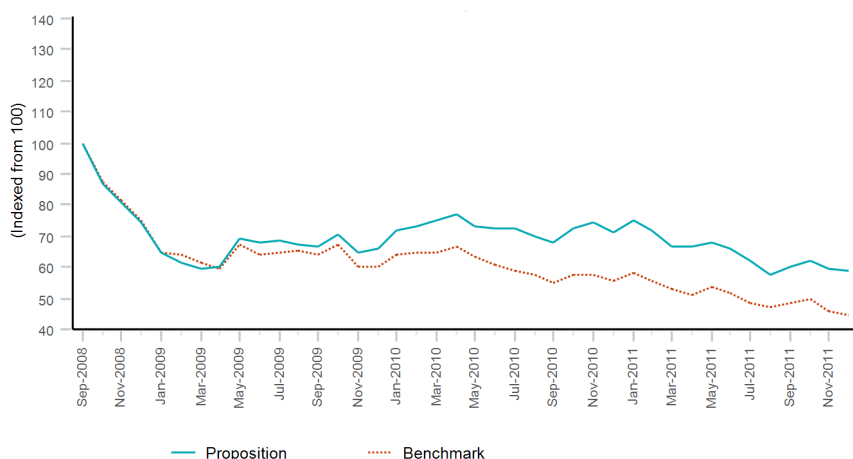
## Proposition details

GIPS Inception Date: 27 Aug 2008  
 Asset size: R 413.27 million  
 Benchmark: Nedbank All Africa ex-SA Top 100 Index (AAXSA100)  
 Available as: Unit Trust, Segregated  
 Brief description:  
 This is a research-driven actively managed proposition which aims to seek out African companies (excluding South Africa) with the highest upside to fair value and/or those that are undervalued relative to peers and the market.

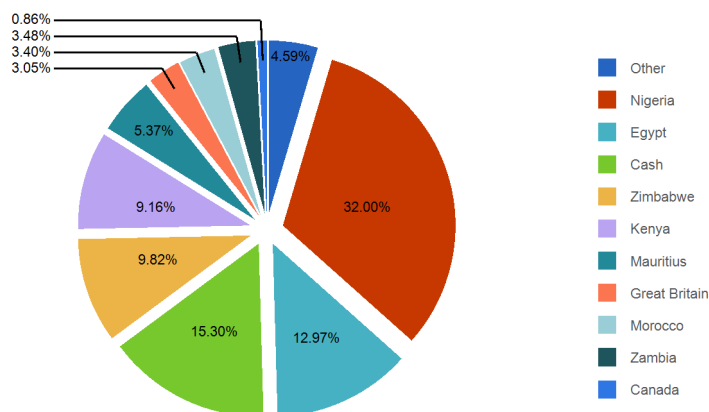
## Performance table (annualized, gross of fees in Rands) (%)

	1 year	3 years	5 years	Since GIPS inception
Proposition	-17.84	-7.57	-	-15.25
Benchmark	-19.60	-15.84	-	-21.87

## Cumulative 5 year gross performance vs. benchmark



## Geographic Split (%)



Based on latest month averages

## Risk profile

Negligible	Low	Moderate	High	Very High
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## Risk statistics (3 years, annualised)

Alpha	0.70
Beta	0.94
Benchmark Standard Deviation	18.07
Standard Deviation	18.29
Sharpe Ratio	-0.79
Sortino Ratio	-0.39
Tracking Error	7.49
Information Ratio	1.10

## Combined top Holdings (%)

Based on last month's averages

1. ORASCOM CONSTRUCTION	7.08
2. GUARANTY TRUST BANK	5.45
3. SONATEL	5.43
4. ECONET WIRELESS HOLD	4.57
5. NIGERIAN BREWERIES	4.53
6. ZENITH BANK LTD	4.40
7. ZAMBEEF PRODUCTS PLC	4.12
8. EQUITY BANK LIMITED	4.03
9. MAURITIUS COMM BANK	3.95
10. KENYA POWER&LIGHTING	3.93
TOTAL	47.49

## Big positions relative to benchmark

Based on last month's averages

Equity Counter	Over/Underweight
ECONET WIRELESS HOLD	OW
ZAMBEEF PRODUCTS PLC	OW
MAROC TELECOM	UW
DANGOTE CEMENT PLC	UW

## Biggest impact on active returns

Based on last month's averages

### Top 5 contributors

1. KENYA POWER&LIGHTING	OW
2. MAROC TELECOM	UW
3. NESTLE FOODS NIGERIA	OW
4. ECONET WIRELESS HOLD	OW
5. KENYA COMMERCIAL BNK	OW

### Top 5 detractors

1. OANDO PLC	OW
2. East African Breweries Ltd	UW
3. DANGOTE CEMENT PLC	UW
4. GUINNESS NIGERIA PLC	UW
5. Lafarge Cements	UW

## GIPS® Disclosure

STANLIB Asset Management is a 100% owned operating entity within STANLIB Ltd. The company comprises all portfolios managed by STANLIB Asset Management. STANLIB Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of STANLIB Asset Management and/or a presentation that complies with the GIPS® standards, contact STANLIB Performance at 0860 123 003, write to STANLIB Asset Management, PO Box 202, Melrose Arch, 2076 or email stanlib.performance@stanlib.com

## Investment thesis

The investment objective of the STANLIB Africa Equity Proposition is to generate capital growth over the long term, with income generation as a secondary objective, by providing investors exposure to African markets.

This proposition can invest across countries and industry sectors as well as across the range of large, mid and smaller cap equity securities. It does not subscribe to a particular theme or investment style. The securities normally to be included in the portfolio will be securities of companies operating in Africa (excluding South Africa) or companies with operations predominantly in Africa (excluding South Africa).

## Quarterly Comments - Q4 2011

**KENYA** - A severe drought in 2011, combined with an erratic monetary and fiscal policy, placed the Kenyan Shilling under immense pressure. The currency gained 15% towards the end of the year, after monetary policy was tightened, leading to improved USD returns from the stocks held in the portfolio. Kenya has entered an election year in 2012 and we remain cautious on the macroeconomic climate as the impact of the higher interest rates filters through to the economy, leading to an increase in Non-Performing Loans and weak credit growth.

**EGYPT** - The market lost 12% in local currency while the pound depreciated by 1.1% against the USD during Q4 2011. There was sectarian violence and protests with renewed calls for the army to hand over power to a civilian government. Egypt's reserves are now sitting at USD 18bn, with the country reportedly using up an average of USD 2bn per month. This, coupled with the reduced tourism and lack of portfolio flows, reinforces our view that the currency can be expected to depreciate. Despite successfully concluding parliamentary elections, political risk has yet to dissipate.

**NIGERIA** - The Nigerian portion of the proposition is a combination of defensive positioning (food/cement) and our three top banking picks (Access, Guaranty Trust and Zenith). Valuations are compelling and given the companies' positive prospects we believe that it is only a matter of time before we reap the benefit of these investments. Early in 2012, a long standing fuel subsidy was removed, which has effectively doubled the price of petrol and to protest action on the streets. The subsidy removal is a very positive long term development as it removes the fiscal burden (estimated at about a quarter of government spending) but has created some short term headwinds for the market.

**MAURITIUS** - With strong linkages to Europe, the Mauritius' SEMDEX continued to suffer from the negative newsflow regarding the EU crisis. The hotel and tourism sector has been negatively affected by reduced arrivals from the EU leading to continued rate discounting by hotel groups. Despite improved financial performance, banks still suffered as a result of the negative sentiment. MCB continued to increase share of earnings from foreign sources, particularly Africa, by channeling business and fund flows from Asia into the continent. SBM on the other hand continued with its strategy of growing into India and capitalising on Mauritius' strong historical linkages with India.

**ZIMBABWE** - The Zimbabwean exposures remain focused on Econet, Delta and Seedco, all of which are attractively valued. Although we remain cautious on the political climate in the country due to pending constitutional referendum and elections, we are confident that business and consumers will continue to recover. FMCG companies continue to report very high revenue and profit growth, yet are still trading at forward price-to-earnings below 5x.

## Statutory Disclosure and General Terms & Conditions

Where Collective Investment Schemes in Securities (unit trusts) is included in the proposition, refer to [www.stanlib.com](http://www.stanlib.com) for the relevant Collective Investment Scheme Portfolio fact sheet.

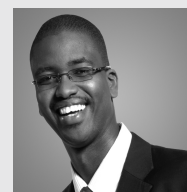
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