

Portfolio information

Fund Manager Shaun le Roux (since 2002)

Fund Size R893.2 million

Launch Date 31 December 1997

Initial Fee incl. VAT Fund Manager: 0%
Advisor: Max 2.28%

Annual Management Fee Class A : 1.71%
Class B : 1.14% + 22.8% of outperformance of the benchmark

Minimum investment R2000 lump sum, or
R250 monthly debit order

Risk Profile High

Benchmark FTSE/JSE All Share Index

Sector South African - Equity - General

Distribution per Unit Class A : 2.40c on 28 Feb 13 Class A : 3.88c on 31 Aug 12
Class B : 5.15c on 31 Aug 12 Class B : 5.15c on 31 Aug 12
Class C : 0.00c on 28 Feb 13 Class C : 0.00c on 31 Aug 12
Class D : 4.65c on 28 Feb 13 Class D : 5.93c on 31 Aug 12

Total Expense Ratio Class A : 1.72%
Class B : 1.83%
Class C : 2.68%
Class D : 0.98%

The PSG Equity Fund has Total Expense Ratio's (TER) as listed above. For the period from 1 April 2012 to 30 March 2013 on an annualised basis, the percentages above of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's. Included in the TER of Class B of 1.83% is a performance fee of 0.67% of the Net Asset Value of the participatory interest of the portfolio.

Asset Allocation

Local Resources	18.9%
Local Financials	8.9%
Local Industrials	34.8%
Local Property	0.1%
Local Cash	1.3%
Offshore Equity	35.5%
Offshore Cash	0.5%
Total	100.0%

Performance

Returns	Class A	Benchmark
Manager Inception (01 March 2002)	20.6%	16.2%
5 Years	12.6%	8.9%
3 Years	20.6%	19.2%
1 Year	34.4%	30.7%

Top 10 Holdings

1. Anglo American Plc	6. EOH Holdings Ltd
2. Steinhoff International Holdings Limited	7. Adcorp Holdings Limited
3. Microsoft Corp	8. Cisco Systems Inc
4. Walgreen Co	9. Exxaro Resources Ltd
5. Capitec Bank Holdings Limited	10. International Business Machines Corp

Collective Investment Schemes in Securities (CIS) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not a guide to the future. CIS are traded at ruling prices and can engage in borrowing and script lending. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. A schedule of fees and charges and maximum commissions is available on request from PSG Collective Investments Limited. Commission and incentives may be paid and if so, are included in the overall costs. Forward pricing is used. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. Different classes of Participatory Interest can apply to these portfolios and are subject to different fees and charges. Figures quoted are from Source: 2013 Morningstar Inc. All rights reserved as at end of May 2013, for a lump sum using NAV-NAV prices net of fees, includes income and assumes reinvestment of income. PSG Collective Investments Limited is a member of the Association of Savings and Investments South Africa (ASISA).

Conflict of Interest Disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments Limited or the Fund Manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are re-invested in the Fund for the benefit of the investor. Neither PSG Collective Investments Limited nor the Fund Manager retains any portion of such discount for their own accounts. PSG Asset Management (Pty) Ltd (FSP no 29524) and PSG Collective Investments Limited are subsidiaries of PSG Group Limited. The Fund Manager may use the brokerage services of a related party, PSG Online Solutions (Pty) Ltd.

Investment Objective and Mandate

The PSG Equity Fund is a general equity fund and the manager in selecting securities for the portfolio, will seek to offer investors long-term capital growth and earn a higher total rate of return than that of the South African equity market as represented by the All Share Index including income, without assuming greater risk.

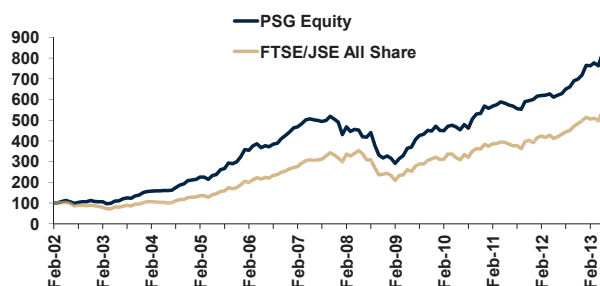
Fund Manager Commentary

We strongly suspect that the average investor on the JSE over-estimates the correlation between the index, as represented by the FTSE/JSE All Share Index (ALSI), and the performance of the South African economy. In fact, the ALSI by far prefers a weaker rand to a stronger rand, and a weaker rand usually coincides with poor relative domestic economic performance. On a crude measure, 71% of the Top 40's market capitalization comprises companies that generate the majority of their revenue in currencies other than the rand; these include Resource companies and large cap rand hedge industrials such as SAB, Richemont, MTN and Naspers. This partly explains the strong performance of the JSE over the past two years as the share prices of the large cap industrials, in particular, have benefited from substantial rand weakness.

It is our view that the vast majority of the larger JSE-listed industrial stocks are overpriced, particularly the SA consumer stocks. It would appear to us that many South African investors are avoiding SA consumer stocks but remain invested in overpriced rand hedge industrials on the basis of them offering poor future returns but being the "best of a bad bunch" on offer on the JSE. We take comfort in our ability to extend our reach into attractively valued quality stocks, both offshore and locally, and as a result do not suffer the same restriction. Our team has been picking stocks offshore for more than six years and our domestic and global equity processes are fully integrated. We have made full use of our funds' offshore allowances in order to directly invest into attractive opportunities on foreign stock exchanges.

On the domestic front, our relatively low assets under management allow us to build conviction in names outside of the Top 40.

Performance Graph



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Portfolio information

Fund Manager	Jan Mouton
Fund Size	R2.87 billion
Launch Date	2 November 1998
Initial Fee incl. VAT	Fund Manager: 0% Advisor: Max 2.28%
Annual Fee incl. VAT	1.14%
Performance Fee incl. VAT	7.98% above high water mark
Month end NAV Price	336.38c
Minimum investment	R2000 lump sum, or R250 monthly debit order
Risk Profile	Moderate to High
Benchmark	Inflation + 6%
Fund Category	South African – Multi Asset – Flexible
Distribution per Unit	0.00c on 28 February 2013 2.38c on 31 August 2012
Total Expense Ratio	2.57%

The PSG Flexible Fund has a Total Expense Ratio (TER) of 2.57%. For the period from 1 April 2012 to 31 March 2013, 2.57% of the average Net Asset Value (NAV) of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Inclusive in the TER of 2.57%, a performance fee of 1.42% of the NAV of the portfolio was recovered.

Asset and Sector Allocation

Resources	16.5%
Financials	5.9%
Industrials	25.8%
Property	0.2%
Domestic Equity	48.4%
Resources	0.4%
Financials	13.0%
Industrials	17.3%
Foreign Equity	30.7%
Domestic Cash	20.6%
Foreign Cash	0.3%
Total	100.0%

Performance Tables (after fees)

Annualised Performance	Fund	Benchmark
Current manager (since 1 Nov 2004)	18.5%	12.1%
5 Years	15.2%	11.9%
3 Years	19.4%	11.4%
2 Years	16.2%	12.0%
1 Year	25.0%	11.9%

Over the last 5 years	Fund	Sector Average
Volatility	11.4%	9.6%
Sharpe Ratio	0.7	0.4

Top 10 Holdings

1. Steinhoff Int Holdings Ltd	6. EOH Holdings Ltd
2. Berkshire Hathaway Inc	7. ING Group NV
3. Anglo American Plc	8. Grindrod Ltd
4. Sasol Ltd	9. Capitec Bank Holdings Ltd
5. Tesco Plc	10. Porsche Automobil Holding SE

Mandate

The fund invests in a flexible combination of investments in the equity, bond and money markets.

Investment Objective

The PSG Flexible Fund is a managed flexible portfolio and will seek to follow an investment policy which will aim to achieve superior medium to long term capital growth through exposure to selected sectors of the equity market, and/or gilt market and/or money market. The asset allocation will be actively managed and will continually reflect the portfolio manager's view of the relative attractiveness of the equity, gilt and money markets, both locally and abroad. The selected sectors of the equity portion will change from time to time in accordance with changing market conditions and economic trends.

Fund Manager Commentary

9.1% of the fund was invested in Berkshire Hathaway Inc on 31 May 2013. We attended the annual shareholder meeting in Omaha where the leaders of this business, Warren Buffett and Charlie Munger, answered questions from journalists, analysts and shareholders.

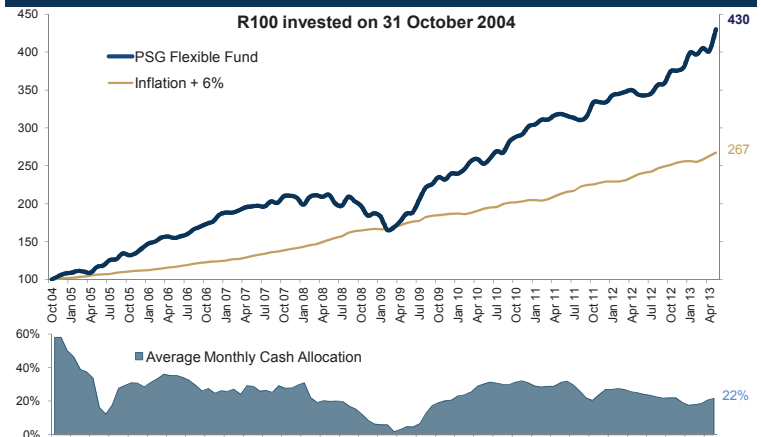
One of the elements we consider when evaluating management is whether they ascribe to honest and transparent financial reporting. In his letter to shareholders, Buffett included an invitation for a "credentialed bear on Berkshire, preferably one who is short the stock" to attend the meeting and ask questions. Doug Kass from Seabreeze Partners, who claimed to be negative on Berkshire and short of the stock, was accepted to the panel of analysts. He had the opportunity to ask six questions in total with the aim of motivating his short (negative) position on Berkshire Hathaway. As Berkshire Hathaway is a very large holding in the fund, we were eager to understand any negative opinions on the company. We took away three key messages from this meeting in this regard.

Firstly, we were impressed by the transparent nature in which Berkshire Hathaway invited someone to ask the difficult questions. We have never before heard of a company that has actively encouraged negative views to be discussed in front of its shareholders.

Secondly, we appreciated the honest, frank and professional manner in which management addressed the questions and answered directly. In our opinion, the answers carried much more weight than the questions asked.

Lastly, we are encouraged by our own process as the questions were on subjects we have asked, discussed and analysed in the past. We were always mindful of the succession risks, growing size and questions around future profitability of the business. Before the meeting, we were comfortable that our internal down-side risk was addressed. After the meeting, we can say the same about the bear case in the market as well.

Berkshire Hathaway is trading below our estimate of its fair value and we calculate an attractive margin of safety, particularly on a risk-adjusted basis.



All performance data are net of fees, include income, assumes reinvestment of income, on a NAV to NAV basis. Source: © 2013 Morningstar, Inc. All Rights Reserved and Stats SA (benchmark one month lagged).

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May 2013
PSG Balanced Fund
Portfolio information

Fund Manager	Paul Bosman and Jan Mouton
Fund Size	R1.86 billion
Launch Date	1 June 1999
Initial Fee incl. VAT	Fund Manager: 0% Advisor: Max 2.28%
Annual Fee incl. VAT	Class A : 1.71% Class B : 1.14% + 7.98% of out-performance of High Watermark
Minimum investment	R2000 lump sum, or R250 monthly debit order
Risk Profile	Moderate - High
Benchmark	CPI + 5%

Sector	South African - Multi Asset - High Equity
Distribution per Unit	Class A : 34.59c on 28 Feb 13 Class B : 47.29c on 28 Feb 13 Class A : 46.51c on 31 Aug 12 Class B : 52.39c on 31 Aug 12
Total Expense Ratio	Class A : 1.77% Class B : N/A Class D : 1.03%

The PSG Balanced Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 30 March 2013 on an annualised basis, the above percentages of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

Asset Allocation

Local Equity	34.5%
Local Cash	31.5%
Local Bonds	7.2%
Local Property	0.3%
Offshore Equity	26.3%
Offshore Cash	0.2%
Total	100.0%

Performance

Returns (annualised)	Class A	Benchmark
Since Inception	15.5%	10.7%
5 Years	11.4%	10.9%
3 Years	15.9%	10.4%
1 Year	22.8%	10.9%

Top 10 Equity Holdings

1. Steinhoff International Holdings Limited	6. Berkshire Hathaway Inc
2. Anglo American Plc	7. EOH Holdings Limited
3. Sasol Limited	8. Microsoft Corp
4. Super Group Limited	9. Laboratory Corporation of America Holdings
5. Tesco Plc	10. Capitec Bank Holdings Limited

Investment Objective and Mandate

The PSG Balanced Fund will be a specialised portfolio, having the primary objective of long term growth of capital and a reasonable level of income for investors. The manager shall seek to achieve this objective through active management of a portfolio of assets which comprise a mix of securities, non-equity securities, assets in liquid form and participatory interests in collective investment schemes or similar schemes both locally and abroad as legislation permits. The asset allocation will be actively managed and will continually reflect the portfolio manager's view of the relative attractiveness of the equity, gilt and money markets, both locally and abroad. The selected sectors within the equity portion of the portfolio will change from time to time in accordance with changing market conditions and economic trends. The fund will comply with regulations governing retirement funds.

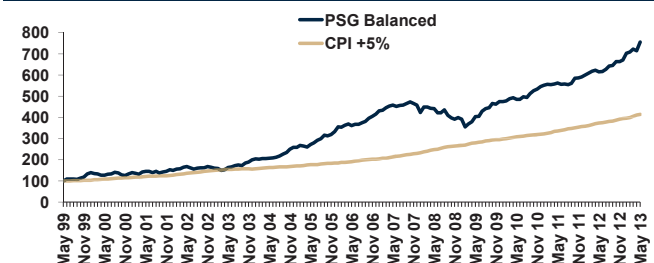
Fund Manager Commentary

The PSG Balanced Fund aims to grow clients' capital at a rate of inflation plus 5% over the long term. The fund's mandate allows for a maximum equity exposure of 75% and offshore exposure of up to 25%. Over and above equities the fund is also allowed to invest in listed property, bonds and cash. There are mainly two ways of setting out to achieve this targeted return. The first approach, and perhaps the more intuitively obvious approach, would be to decide which blend of asset classes, given mandate restraints, is likely to result in a real return of 5%. This could be based on historical asset class returns or a projection of how macro global scenarios would influence asset class returns. This is not what we do. We ascribe to a quite different philosophy, called a "bottom-up" approach. Past financial market behaviours can be a good projector of future returns, but when they're not you could be very wrong for very long. In our view you are much better off studying seismic activities in anticipation of catastrophic events than assuming that a non-quacking earth obviously doesn't quake - by the time your desk starts shaking you might be headed for a congested exit.

So let us drill down into this bottom up approach. Our approach is to cherry pick specific investments from the different asset classes, always optimising risk and return. This is very similar to working your way through the supermarket and optimising quality and price as you work your way down the aisles. When it comes to equities, which in our mind includes listed property, we have our preferred list of companies, but only own them if the price is right. Owning overvalued equities can result in permanent or, at least very long term, destruction of wealth. Our approach to bonds is no different; we have a list of approved bond issuers but only hold them if the yields are attractive. There are many ways of defining attractive yields, for us it is vital that bonds must offer a sufficient margin above inflation. Cash is our default asset class, if we can't find what we are looking for we leave the supermarket with a loaded wallet.

Consistently applying this approach has resulted in the fund's current construction. Many of the domestic companies we would like to own are expensive and therefore JSE listed companies comprise 36% of the fund. On the contrary, there are many high quality companies at attractive prices available offshore, especially in the Developed World and as a result we are utilising our entire 25% offshore capacity.

Bonds are not offering attractive real yields and we have only allocated 1.2% of the fund to nominal bonds. The remaining portion of the 9.3% bond holding comprises of instruments which pay a floating coupon and have significantly less capital risk. As at the end of April 29% of the fund is in cash, ready to pounce should opportunities arise.

Performance Graph


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Portfolio information

Fund Manager	Paul Bosman
Fund Size	R60.7 million
Launch Date	1 September 2011
Initial Fee incl. VAT	Fund Manager: 0% Advisor: Max 2.28%
Performance Fee incl. VAT	7.98% of outperformance of High Watermark
Annual Fee incl. VAT	1.14%
Minimum investment	R2,000 lump sum, or R250 monthly debit order
Risk Profile	Moderate - Low
Benchmark	CPI + 3% over rolling 3 year period
Sector	South African - Multi Asset - Low Equity
Distribution per Unit	1.08c on 28 Feb 13 1.52c on 31 Aug 12
Month end NAV Price	1.2155
Total Expense Ratio	2.39%

The PSG Stable Fund has Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 30 March 2013 on an annualised basis, the above percentages of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Included in the TER of 1.93% is a performance fee of 0.28% of the Net Asset Value of the participatory interest of the portfolio.

Asset Allocation

Local Equity	14.8%
Resources	3.5%
Industrials	9.3%
Financials	2.0%
Foreign Equity	16.4%
Domestic Cash	53.2%
Foreign Cash	1.3%
Domestic Property	0.4%
Domestic Bonds	13.9%
Total	100.0%

Performance

Annualised Returns	Fund	Benchmark
Since Inception	14.4%	8.8%
1 Year	17.5%	8.9%

Top 10 Equity Holdings

1. Tesco Plc	6. Adcorp Holdings Limited
2. Berkshire Hathaway Inc	7. Sasol Limited
3. Steinhoff International Holdings Limited	8. Super Group Limited
4. Microsoft Corporation	9. International Business Machines Corp
5. Roche Holding	10. Anglo American Plc

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Conflict of Interest Disclosure

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Investment Objective and Mandate

The PSG Stable Fund will seek to generate a performance return of CPI + 3% over a rolling three year period after costs, while aiming to achieve capital appreciation with low volatility and a low correlation to equity markets through all market cycles. This fund will comply with regulations governing retirement funds.

Fund Manager Commentary

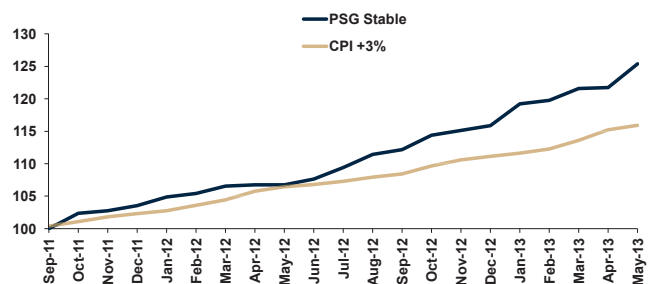
The PSG Stable Fund aims to grow clients' capital at a rate of inflation plus 3% over a rolling three year period. The fund's mandate allows for a maximum equity exposure of 40% and offshore exposure of up to 25%. Over and above equities, the fund is also allowed to invest in listed property, bonds and cash. There are mainly two ways of setting out to achieve this targeted return. The first approach, and perhaps the more intuitively obvious approach, would be to decide which blend of asset classes, given mandate restraints, is likely to result in a real return of 5%. This could be based on historical asset class returns or a projection of how macro global scenarios would influence asset class returns. This is not what we do. We ascribe to a quite different philosophy, called a "bottom-up" approach. Past financial market behaviours can be a good projector of future returns, but when they're not you could be very wrong for very long. In our view you are much better off studying seismic activities in anticipation of catastrophic events than assuming that a non-quacking earth obviously doesn't quake - by the time your desk starts shaking you might be headed for a congested exit.

So let us drill down into this bottom up approach. Our approach is to cherry pick specific investments from the different asset classes, always optimising risk and return. This is very similar to working your way through the supermarket and optimising quality and price as you work your way down the aisles. When it comes to equities, which in our mind includes listed property, we have our preferred list of companies, but only own them if the price is right. Owning overvalued equities can result in permanent or, at least very long term, destruction of wealth. Our approach to bonds is no different; we have a list of approved bond issuers but only hold them if the yields are attractive. There are many ways of defining attractive yields, for us it is vital that bonds must offer a sufficient margin above inflation. Cash is our default asset class, if we can't find what we are looking for we leave the supermarket with a loaded wallet.

Consistently applying this approach has resulted in the fund's current construction. Many of the domestic companies we would like to own are expensive and therefore JSE listed companies comprise 14% of the fund. We are finding many high quality companies at attractive prices available offshore, especially in the Developed World and as a result we have allocated 15% of the fund to such opportunities - despite the currency volatility it could introduce.

Bonds are not offering attractive real yields and we have only allocated 1.4% of the fund to nominal and inflation-linked bonds. The remaining portion of the 16.2% bond holding comprises of instruments which pay a floating coupon and have significantly less capital risk. As at the end of April 54.2% of the fund is in cash, ready to pounce should opportunities arise.

Performance Graph



MANAGEMENT COMPANY

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Portfolio information

Fund Manager	Heinrich Dietzsch
Fund Size	R117.3m
Launch Date	01 November 2006
Initial Fee incl. VAT	0%
Max Advice Fee incl. VAT	2.28%
Annual Fee incl. VAT	0.97%
Minimum Investment	R2 000 lump sum or R250 monthly debit order
Risk Profile	Low to Moderate
Benchmark	60% of Prime after Costs
Sector	South African Equity Other
Distribution per Unit	2.49c on 31 May 13 0.35c on 28 Feb 13 2.20c on 30 Nov 12 0.99c on 31 Aug 12
Total Expense Ratio (TER)	1.10%

The PSG Preferred Dividend Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 31 March 2013 the percentage above of the average Net Asset Value of the portfolio were incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Fund Performance

Performance	Fund	Benchmark
1 Year	-1.01%	5.14%
2 Year	5.62%	5.27%
3 Year	5.59%	5.39%

All performance data are net of fees, include income, assumes investment of income, on a NAV to NAV basis. Source: © 2013 Morningstar, Inc. All Rights Reserved and South African Reserve Bank (benchmark).

Percentage Month End Yield after Costs of the Portfolio

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg. for Yr.
2008								11.5	11.7	12.6	12.2	11.6	11.9
2009	11.8	11.3	10.2	9.9	8.1	8.2	7.7	8.2	8.0	7.5	7.6	7.3	8.8
2010	7.1	7.3	6.9	6.6	6.7	6.7	6.7	6.7	6.2	6.3	5.7	5.9	6.6
2011	5.9	6.2	6.1	6.1	6.2	6.1	6.2	6.2	6.0	5.9	5.9	5.8	6.1
2012	5.7	6.0	5.8	6.3	6.2	6.6	6.2	6.4	6.1	6.1	6.5	6.7	6.2
2013	6.9	6.9	6.9	6.9	7.0								6.9

Investment Objective

The PSG Preferred Dividend Fund is a specialist portfolio. The objective of the PSG Preferred Dividend Fund is to seek to preserve capital and to maximise dividend income returns for investors. The portfolio will comprise a mix of high dividend yielding listed equity securities, listed preference shares, derivative instruments, money market instruments and assets in liquid form, both locally and abroad, thereby generating a high level of dividend income, whilst preserving capital. The portfolio will optimise the asset allocation in order to achieve the fund objective over time. The portfolio may be fully invested in listed preference shares, but may not invest more than 20% of its market value in preference shares that are convertible into ordinary shares. The exposure to securities, other than listed preference shares, will be limited to a maximum of 40% of the market value of the portfolio. The portfolio may also include participatory interests.

Fund Manager Commentary

The monthly return on preference shares fluctuated very widely in May. Capitec, Grindrod and Netcare delivered healthy positive returns of over 2%. In contrast, the return on Invicta was a negative 2.1%, while Steinhoff declined by a massive 7.3%.

The expected running yield of the fund of 7% equates to 82.5% of the prime overdraft rate.

Asset & Sector Allocation

Financials	62%
Industrials	29%
Cash	9%

Top Holdings

ABSA Bank	Invicta
Capitec Bank	Nedbank
FirstRand	PSG
Grindrod	Standard Bank
Investec Bank	Steinhoff International

Statutory disclosure: Collective Investment Schemes in Securities (Unit trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not a guide to future performance. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from PSG Collective Investments Limited. Commission and incentives may be paid and if so, are included in the overall costs. Forward pricing is used. Figures quoted are from © 2013 Morningstar, Inc. All Rights Reserved and South African Reserve Bank as at 31 May 2013, for a lump sum using NAV-NAV prices, with income distributions reinvested. PSG Collective Investments Limited is a member of the Association for Savings and Investments South Africa (ASISA). **Conflict of Interest Disclosure:** PSG Collective Investments and PSG Asset Management (Pty) Ltd are wholly owned by PSG Group Ltd. The Fund Manager may use the brokerage services of a related party, Online Securities Ltd, trading as PSG Online.

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Portfolio information

Fund Manager	Paul Bosman	
Fund Size	R100.4 million	
Launch Date	7 April 2006	
Initial Fee incl. VAT	Fund Manager:	0%
	Advisor:	Max 0.57%
Annual Fee incl. VAT	1.14%	
Minimum investment	R2000 lump sum, or R250 monthly debit order	
Risk Profile	Low - Moderate	
Benchmark	Alexander Forbes Short Term Fixed Interest (STEFI) Index	
Sector	South African - Multi Asset - Income	
Distribution per Unit	1.22c on 31 May 13 1.28c on 28 Feb 13 1.42c on 30 Nov 12 0.97c on 31 Aug 12	
Total Expense Ratio	1.23%	

The PSG Optimal Income Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 30 March 2013 on an annualised basis, the above percentages of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

Asset Allocation

Local Equity	4.0%
Local Cash	54.8%
Local Bonds	31.8%
Offshore Equity	5.8%
Offshore Cash	3.6%
Total	100.0%

Performance

Returns (annualised)	Fund	Benchmark
Since Inception	8.2%	7.4%
5 Years	8.3%	6.7%
3 Years	8.0%	5.3%
1 Year	11.9%	4.8%

Top 5 Equity Holdings

1. Microsoft Corporation
2. Berkshire Hathaway Inc
3. Tesco Plc
4. Heineken Holding NV
5. Steinhoff International Holdings Limited

Top 5 Bond Holdings

1. MET01
2. ABFN06
3. IBL19
4. SSA02
5. CBL16

Investment Objective and Mandate

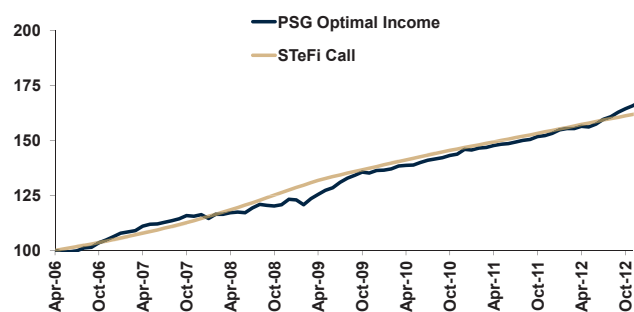
The PSG Optimal Income Fund is a specialist portfolio. The objective of the portfolio is to seek to preserve capital and to maximise income returns for investors. The portfolio will comprise a mix of high yielding equity securities, property, bonds, preference shares and assets in liquid form, both locally and abroad, thereby generating both tax free and taxable income, whilst preserving capital. The fund will comply with regulations governing retirement funds.

Fund Manager Commentary

The PSG Optimal Income Fund aims to grow clients' capital at a rate in excess of cash. The fund's mandate allows for a maximum equity exposure of 20% and offshore exposure of up to 25%. Over and above equities, the fund is also allowed to invest in listed property, bonds and cash. There are mainly two ways of setting out to achieve this targeted return. The first approach, and perhaps the more intuitively obvious approach, would be to decide which blend of asset classes, given mandate restraints, is likely to result in a return comfortably above cash without taking too much risk. This could be based on historical asset class returns or a projection of how macro global scenarios would influence asset class returns. This is not what we do. We ascribe to a quite different philosophy, called a "bottom-up" approach. Past financial market behaviours can be a good projector of future returns, but when they're not you could be very wrong for very long. In our view you are much better off studying seismic activities in anticipation of catastrophic events than assuming that a non-quaking earth obviously doesn't quake - by the time your desk starts shaking you might be headed for a congested exit.

So let us drill down into this bottom up approach. Our approach is to cherry pick specific investments from the different asset classes, always optimising risk and return. This is very similar to working your way through the supermarket and optimising quality and price as you work your way down the aisles. When it comes to equities, which in our mind includes listed property, we have our preferred list of companies, but only own them if the price is right. Owning overvalued equities can result in permanent or, at least very long term, destruction of wealth. Our approach to bonds is no different; we have a list of approved bond issuers but only hold them if the yields are attractive. There are many ways of defining attractive yields, for us it is vital that bonds must offer a sufficient margin above inflation. Cash is our default asset class, as we can't find what we are looking for we leave the supermarket with a loaded wallet.

Consistently applying this approach has resulted in the fund's current construction. Many of the domestic companies we would like to own are expensive and therefore JSE listed companies comprise 14.2% of the fund. We are finding many high quality companies at attractive prices available offshore, especially in the Developed World and as a result we have allocated 5.5% of the fund to such companies despite the currency volatility it could introduce. Government bonds are not offering attractive real yields and we therefore do not hold them at all. We have invested 19% of the fund in shorter duration corporate nominal bonds in isolated opportunities where the yield still outweighs capital risk. 29% of the fund comprises of instruments which pay a floating coupon, i.e. increases or decreases with interest rates, and therefore have significantly less capital risk than nominal bonds. The latter instruments only have credit and liquidity risk. As at the end of April, 43% of the fund is in cash - ready to pounce should opportunities arise.

Performance Graph


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Conflict of Interest Disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments Limited or the Fund Manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are re-invested in the Fund for the benefit of the investor. Neither PSG Collective Investments Limited nor the Fund Manager retains any portion of such discount for their own accounts. PSG Asset Management (Pty) Ltd (FSP no 29524) and PSG Collective Investments Limited are subsidiaries of PSG Group Limited. The Fund Manager may use the brokerage services of a related party, PSG Online Solutions (Pty) Ltd.

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Portfolio information

Fund Manager	Heinrich Dietzsch
Fund Size	R36.3 million
Launch Date	1 September 2011
Initial Fee incl. VAT	Fund Manager: 0%
	Advisor: Max 0.57%
Annual Fee incl. VAT	1.14%
Minimum investment	R2,000 lump sum, or R250 monthly debit order
Risk Profile	Low
Benchmark	Alexander Forbes Money Market Index
Sector	South African - Interest Bearing - Variable
Distribution per Unit	1.15c on 31 May 13 1.23c on 28 Feb 13 1.27c on 30 Nov 12 1.31c on 31 Aug 12

Distributions are quarterly at the end of Nov, Feb, May and Aug

Total Expense Ratio 1.34%

The PSG Income Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 30 March 2013 on an annualised basis, the percentages above of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TER's.

Asset Type

Listed Bonds	33%
NCDs	11%
Call and Cash	9%
Floating Rate Notes	47%
Total	100%

Performance

Returns (annualised)	Fund	Benchmark
Inception	5.7%	7.6%
1 Year	5.1%	6.3%

Top 10 FI assets

1. FirstRand	6. ABSA
2. Nedbank	7. Steinhoff International
3. Standard Bank	8. Eqstra
4. Capitec Bank	9. Sanlam
5. Investec Bank	10. Toyota Financial Services

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Investment Objective and Mandate

The investment objective of the PSG Income Fund is to maximise income while achieving long term capital appreciation as interest rate cycles allow. The fund will comply with regulations governing retirement funds.

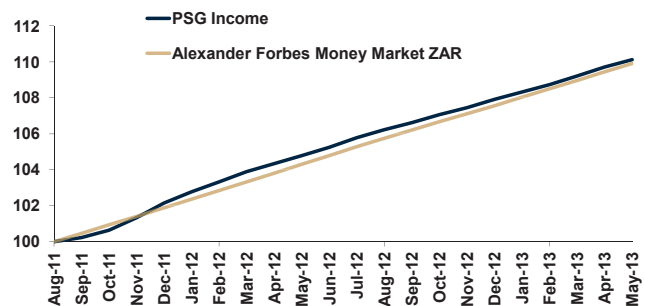
Fund Manager Commentary

There was a spate of important data releases in May. Unemployment for Q1 2013 increased to 25.2%, with an additional 100,000 people joining the ranks of the unemployed. GDP for Q1 2013 was released at 0.9% quarter-on-quarter (previous 2.1%) or 1.9% year-on-year (previous 2.5%). The biggest negative contributor to the slowing GDP figure was manufacturing at -7.9% for the quarter. The trade deficit for April came in at R15 billion vs. an upwardly revised number of R8.3bn in March. Exports rose by 3% for the period, which was not enough to offset the 12% increase in imports.

At the May MPC, the SARB Governor once again highlighted the risks of lower growth and higher inflation. The repo rate was kept unchanged at 5% in light of these concerns.

The rand continued to depreciate further against the USD, reaching new four year lows. This depreciation is cause for further concern to our widening current account deficit and trade balance deficit.

Post MPC, expectations of further interest rate easing dissipated. The 12 month Jibar rate recovered to 5.633% at month end, which is a 15 bps increase. As at the end of May, the FRA curve priced out the probability of further cuts in the interest rate.

Performance Graph

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PSG Money Market Fund A

May 2013

Portfolio Information

Manager	Heinrich Dietzsch
Total Expense Ratio % (incl. VAT)	0.58
Minimum Investment	R25000 lump sum
Fund Size (ZAR)	2 267 973 363
Inception Date	1998/10/19
Benchmark	South African - Interest Bearing - Money Market
Sector	South African - Interest Bearing - Money Market

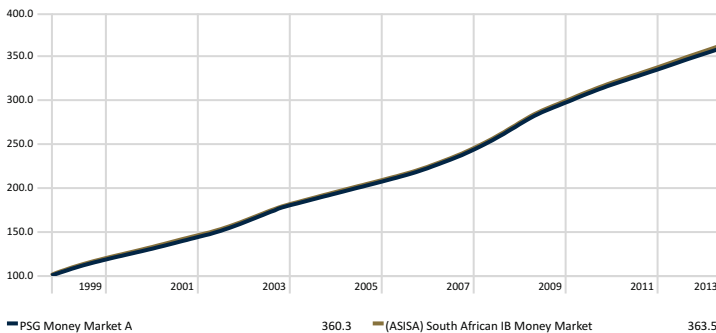
Fees and Distributions

Distribution Frequency	Daily
Initial Manco Fee %	
Max. Initial Broker Fee % (incl. VAT)	0.00
Annual Management Fee % (incl. VAT)	0.57
Latest Distribution (rands per unit)	0.0041
Total Expense Ratio % (incl. VAT)	0.58

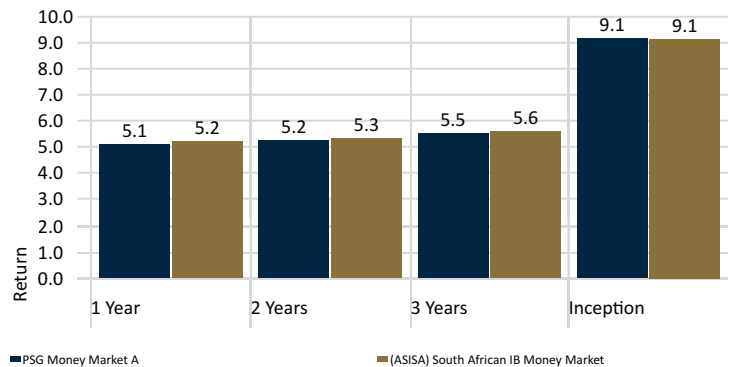
The Total Expense Ratio listed above is annualised and is for the period 1 April 2012 to 31 March 2013. This percentage of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER ratio imply a good return. The current TER cannot be regarded as an indication of future TERs. Part of the Annual Annual Fee is payable to the financial intermediary.

Performance Growth

Time Period: 1998/10/19 to 2013/05/31



Returns % (annualized)



Fund Manager Commentary

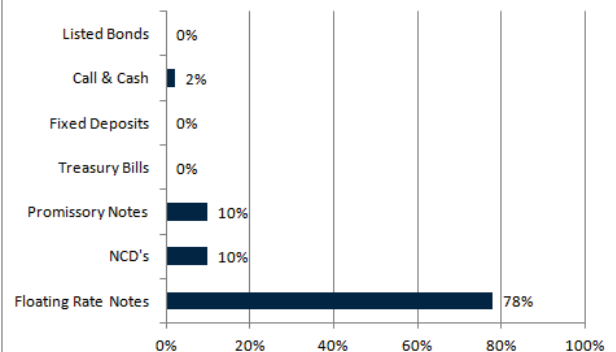
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Asset Allocation (monthly)



Top 10 Holdings (monthly)

Standard Bank	Steinhoff International
ABSA	Eqstra
Nedbank	Investec Bank
FirstRand	Nampak
Capitec Bank	PSG Konsult

Disclaimer

A constant price will be maintained. Past performance is not necessarily a guide to future performance. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Unit trusts can engage in borrowing and scrip lending. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. Figures quoted are from Source : © 2013 Morningstar, Inc. All Rights Reserved as at 31 May 2013, for a lump sum using NAV-NAV prices, with income distributions reinvested. PSG Collective Investments Limited is a member of the Association for Savings and Investments South Africa (ASISA).

Conflict of Interest Disclosure: PSG Collective Investments and PSG Asset Management (Pty) Ltd are wholly owned by PSG Group Ltd.

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Portfolio information	
Fund Manager	Greg Hopkins
Fund Size	R50.1 million
Launch Date	3 May 2011
Initial Fee incl. VAT	Fund Manager: 0% Advisor: Max 2.28%
Annual Management Fee	0.86% (incl VAT)
Minimum investment	R2,000 lump sum
Risk Profile	High
Benchmark	MSCI World Free ZAR Index
Sector	Global - Equity - General
Distribution per Unit	0.00c on 29 Feb 12
Total Expense Ratio	2.15%

The PSG Global Equity Feeder Fund has a Total Expense Ratio (TER) as listed above. For the period from 1 April 2012 to 31 March 2013 on an annualised basis, the percentage above of the average Net Asset Value of the portfolio was incurred as charges, levies and fees. A Higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TERs.

Sector Allocation	
Financials	16.8%
Consumer Staples	15.3%
Industrials	14.2%
Healthcare	12.8%
Technology	12.4%
Cash	9.5%
Materials	6.8%
Energy	6.3%
Resources	2.4%
Consumer Discretionary	1.5%
Total	100.0%

Regional Allocation	
US	51.5%
Europe	20.3%
United Kingdom	15.2%
Cash	9.5%
Africa	3.4%
China	0.1%
Total	100.0%

Performance		
Returns (annualised)	Fund	Benchmark
Since Inception	20.6%	29.8%
1 Year	47.0%	51.0%

Top 10 Holdings			
1. Berkshire Hathaway Inc	5.0%	6. JP Morgan Chase & Co	3.6%
2. Tesco Plc	4.5%	7. Cisco Systems Inc	3.4%
3. Bank of New York Mellon Corp	4.5%	8. Steinhoff International Holdings Limited	3.4%
4. Microsoft Corp	4.4%	9. Walgreen Co	3.2%
5. Alstom	4.0%	10. Laboratory Corp of America	3.1%

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Conflict of Interest Disclosure
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Investment Objective and Mandate

The PSG Global Equity Feeder Fund is a rand denominated equity Feeder Fund, feeding solely into the PSG Global Equity Fund (USD), a protected cell under the PSG Mutual Fund PCC Limited, approved for distribution in the Republic of South Africa. The portfolio aims to outperform the average of the world's equity markets, as represented by the MSCI Daily Total Return Net World USD. The portfolio's investment strategy will attempt to reduce the comparative risk (against the benchmark) of loss over an investment period of 4 or more years.

Ideal Investor

The portfolio will be best suited to investors looking for capital growth by being invested in a portfolio of equity holdings.

Fund Manager Commentary

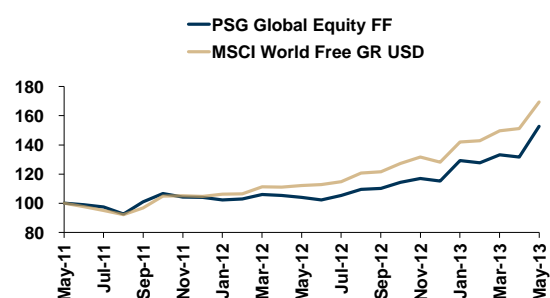
Despite the uncertain backdrop we believe that there continues to be an opportunity to invest in high quality, household name global equities. We believe that applying a simple, consistent philosophy in the global arena will reap dividends - to invest in companies with long track records, simple to understand businesses, and a moat that provides protection against the marauding competition. The fund's holdings are focused in the developed markets where we find the best opportunities at present. They often have significant emerging market exposure (for example, Unilever has over 50% of its revenues coming from developing markets), although they continue to trade at large discounts to their emerging market peers.

We typically favour investments in industries with stable, staple-like businesses, or those that provide essential services. We expect these products will be in increasing demand as incomes continue to rise in the developing world. We also typically favour companies with rock solid balance sheets.

Our holdings in household quality names are supplemented from time to time in smaller capitalization stocks and stocks with more cyclical cash flows when we feel that we are rewarded with a significant margin of safety. The recent sell off in the markets continue to provide opportunities in this latter space, particularly in Europe.

Recession fears, sovereign debt concerns in the developed world, particularly in Europe and fears of another round of banking crises continue to weigh on equity markets. We remain sanguine about the prospects for the holdings in the fund over the medium term. Current dividend yields and future expected growth rates in dividends further support our constructive view.

Performance Graph



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PSG Asset Management

May 2013

PSG Global Flexible Feeder Fund

Portfolio information

Fund Manager	Henno Vermaak & Jan Mouton	
Fund Size	R102.3 million	
Launch Date	April 2013	
Initial Fee incl VAT	Fund Manager:	0%
	Advisor:	Max 2.28%
Annual Management Fee incl VAT	Class A:	0.86%
	Class B:	0.29%
Month end NAV Price	Class A:	R1.17
	Class B:	R1.17
Minimum investment	R2,000 lump sum	
Risk Profile	Moderate to High	
Benchmark	US Inflation + 6%	
Sector	Global – Multi Asset – Flexible	
Distributions per Unit	N/A	
Total Expense Ratio	N/A	

Total Expense Ratio (TER) for this class of participatory interest cannot be accurately determined due to the fund class being less than 12 months in existence. The TER of this class of participatory interest will be higher than the quoted service charge of the manager.

Asset Allocation of PSG Global Flexible Fund

Consumer Discretionary	10.2%	USA	49.0%
Consumer Staples	11.9%	UK	12.8%
Energy	4.8%	EU	15.2%
Financials	19.1%	Switzerland	3.7%
Health Care	9.2%	South Africa	3.9%
Industrials	6.9%	Total Equities	84.6%
Materials	5.6%	Cash	15.4%
Information Technology	16.8%	Total	100.0%
Telecoms	0.0%		
Utilities	0.0%		
Total Equities	84.6%		
Cash	15.4%		
Total	100.0%		

Top 10 Equity Holdings

1. Berkshire Hathaway Inc	6. Steinhoff International Holdings Ltd
2. Microsoft Corp	7. Target Corp
3. Tesco Plc	8. Roche Holding AG
4. Cisco Systems Inc	9. JP Morgan Chase & Co
5. IBM Corp	10. Laboratory Corp of America Hlds

Performance figures

* Performance figures may only be published after 12 months

Investment Objective

The portfolio will invest solely in assets in liquid form and the PSG Global Flexible Fund (USD), a protected cell under the PSG Mutual Fund PCC Limited.

The underlying fund is a managed flexible portfolio and will seek to follow an investment policy which will aim to achieve superior medium to long term capital growth through exposure to selected sectors of the global equity, bond and money markets.

Quarterly Commentary

Berkshire Hathaway Inc remains the largest holding in the fund. Nearly 8% of the fund was invested in this business on 30 April 2013. We attended the annual shareholder meeting in Omaha where the leaders of this business, Warren Buffett and Charlie Munger, answered questions from journalists, analysts and shareholders.

One of the elements we consider when evaluating management is whether they ascribe to honest and transparent financial reporting. In his letter to shareholders, Buffett included an invitation for a "credentialed bear on Berkshire, preferably one who is short the stock" to attend the meeting and ask questions. Doug Kass from Seabreeze Partners, who claimed to be negative on Berkshire and short of the stock, was accepted to the panel of analysts. He had the opportunity to ask six questions in total with the aim of motivating his short (negative) position on Berkshire Hathaway. As Berkshire Hathaway is a very large holding in the fund, we were eager to understand any negative opinions on the company. We took away three key messages from this meeting in this regard.

Firstly, we were impressed by the transparent nature in which Berkshire Hathaway invited someone to ask the difficult questions. We have never before heard of a company that has actively encouraged negative views to be discussed in front of its shareholders.

Secondly, we appreciated the honest, frank and professional manner in which management addressed the questions and answered directly. In our opinion, the answers carried much more weight than the questions asked.

Lastly, we are encouraged by our own process as the questions were on subjects we have asked, discussed and analysed in the past. We were always mindful of the succession risks, growing size and questions around future profitability of the business. Before the meeting, we were comfortable that our internal down-side risk were addressed. After the meeting, we can say the same about the bear case in the market as well.

Berkshire Hathaway is trading below our estimate of its fair value and we calculate an attractive margin of safety, particularly on a risk-adjusted basis.

The fund has seen significant inflows and we welcome all our new investors in the fund.

Performance graph

* Performance figures may only be published after 12 months

Collective Investment Scheme in Securities are generally medium to long-term investments. The value of the shares/units may go down as well as up and past performance is not a guide to future performance. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and script lending. A schedule of fees and charges and maximum commissions is available on request from PSG Fund Management (CI) Limited. Commission and incentives may be paid and if so, are included in the overall costs. Forward pricing is used. Different classes of shares/units can apply to these portfolios and are subject to different fees and charges. Figures quoted are from Source: 2013 Morningstar Inc. All rights reserved as at end May 2013, for a lump sum using NAV-NAV prices, with income distributions reinvested. All the performance data is net of fees, includes income and assumes reinvestment of income on a NAV-NAV basis. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate.

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