

RMB Africa Equity Fund

Month ended 31 January 2011



Fund profile

The RMB Africa Equity Fund is a Rand denominated listed equity unit trust registered in South Africa and regulated by the Financial Services Board (FSB). The Fund aims to exploit opportunities in the inefficient, under-invested markets on the African continent by investing on recognised stock exchanges across the continent. The Fund is allowed to have a maximum exposure of 15% of total investment portfolio in South Africa. Any exposure to South African companies will target those with earnings derived from the rest of the African continent.

Performance objectives

The objective of the Fund is to generate competitive, risk-adjusted returns on a consistent basis through a full market cycle by investing in the most liquid African markets while being cognisant of levels of risk within each country. The medium to long-term objective is to maximise capital growth.

Investment approach

The Fund reflects our best stock ideas we believe will maximise expected returns in Africa. Our proven investment process ensures that we integrate macro economic and political factors during stock analysis. Liquidity and market capitalisation filters ensure that our investable universe is of the right size to facilitate entry and exit without prejudicing investors within the Fund. Our valuation driven bottom up approach takes into consideration ratios assessing free cash flows, growth potential, dividend payout and gearing levels. In order to clearly assess future company risk, we also look at non-financial factors like corporate governance, levels of transparency, labour policies and environmental awareness. The Africa Team frequently travels to meet companies that we invest in and regulators across the continent.

Fund commentary

North Africa was the news maker during January as Tunisia and Egypt staged uprisings against their respective country Presidents. The riots saw the Tunisia Stock Exchange suspend trading for about 2 weeks in January while Egypt Stock Exchange last traded on 26 January. By month end, Morocco was the only North African country that we invest in to close positively, up by 10.2%, while Tunisia and Egypt were respectively down by -4.3% and -17.2%.

Nigeria was up 17.9% buoyed by stellar performance from the banking sector, mainly the 'rescued' banks. Due to our cautious view to these troubled banks, we did not participate in the run but benefited from our overall banking exposure. Kenya was up 9.4% during the month, while Zimbabwe and Zambia closed at 16.1% and 11.4%, respectively.

Mauritius was the best performing market in Africa, up by 8.7% in January.

Note: performance sourced from Bloomberg and is quoted in SA Rands (ZAR)

Contacts

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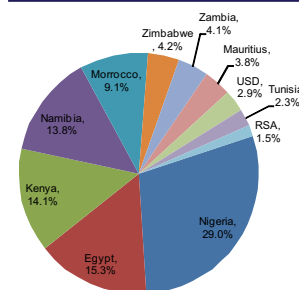
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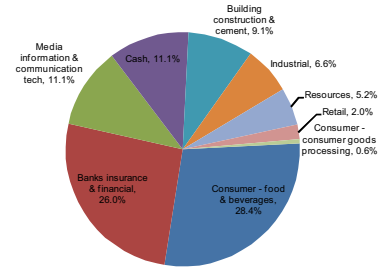
Fund details

Launch Date	July 2009
Fund Domicile	South Africa
Currency	South African Rands (ZAR)
Size of Fund	R19 million
Benchmark	MSCI Emerging Frontier Markets Africa excluding South Africa Index
Benchmark description	A market capitalisation weighted equity index with a focus on African markets
Bloomberg	RMBAFRA SJ Equity
Pricing	Daily

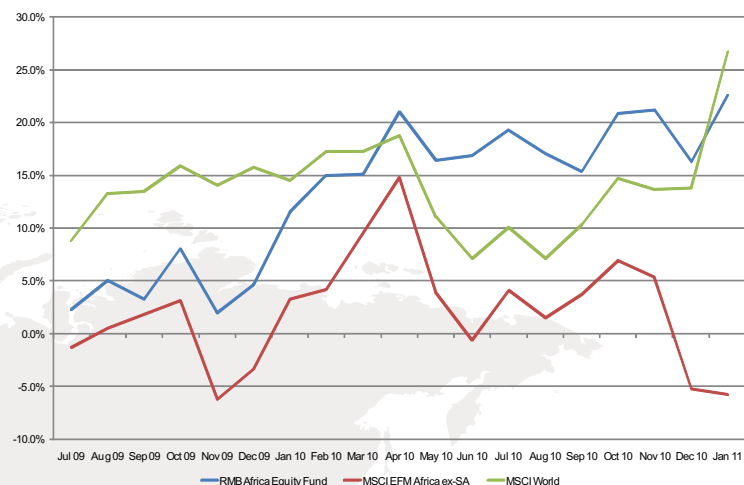
Country exposure



Sector exposure



Fund performance



Month	2009		2010		2011	
	Fund	B'mark	Fund	B'mark	Fund	B'mark
January			6.6%	-1.3%	5.4%	-0.5%
February			3.1%	1.2%		
March			0.1%	3.8%		
April			5.0%	2.9%		
May			-3.8%	-4.2%		
June			0.4%	-3.7%		
July	2.3%	4.5%	2.1%	6.0%		
August	2.7%	4.9%	-1.9%	-2.5%		
September	-1.7%	-1.2%	-1.5%	2.4%		
October	4.6%	3.5%	4.8%	3.1%		
November	-5.6%	-2.6%	0.3%	-1.5%		
December	2.6%	4.1%	-4.0%	-2.1%		

Benchmark: Converted on 1 Aug '10 from MSCI Emerging Frontier Market Africa inclSA index to MSCI Emerging Frontier Market Africa exclSA index

Disclaimer: The document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing in any of RMBAM's products. The merits of any investment should be considered together with the investor's specific risk profile and investment objectives. Past performance is not necessarily a guide to future performance. Fluctuations in exchange rates may cause the value of international investments, if included in the mandate, to go up or down.

RMB Asset Management (Pty) Ltd. (Reg. No. 1987/004655/07) is an Authorised Financial Services Provider in terms of the FAIS Act (FSP Number 623).

Non-Executive Directors: BJ van der Ross (Chairman) LL Dippenaar PK Harris RJ Hutchison NAS Kruger M Mthombeni EB Nieuwoudt MW Pfaff FJC Truter
Executive Directors: DE Gouws (CEO) Silibusu Mabuza Company Secretary: GB Drake