



skybound
CAPITAL

Fund Profiles

South Africa



skybound

June 2011



the lighthouse fund

- This Fund invests into relative value focussed strategies in a combination of Bond, Fixed Income and Equity markets.
- The equity component will concentrate on Managers with a market neutral bias.
- The Fund will select managers who have proven specialised skills in exploiting inefficiencies while demonstrating a detailed and thorough investment process with a specific focus on risk management.
- The Fund will seek to outperform cash while paying special attention to downside risk protection and non-correlation to Market indices.

Return Analysis*	Lighthouse	All Bond	Cash
Since Inception	10.9%	8.9%	8.3%
1 Year Return	7.9%	11.2%	6.2%
3 Year Return	10.0%	13.0%	8.3%
Risk Analysis			
Volatility (1 Year)	3.0%	6.3%	0.2%
Volatility (Since Inception)	1.6%	6.7%	0.5%
% positive return months	96.7%	71.1%	100.0%
% negative return months	3.3%	28.9%	0.0%



the managed equities fund

- This Fund is a multi-disciplinary portfolio that invests into a focussed pool of equity based managers and exchange traded funds.
- The fund will hold investments that are able to outperform the markets by managed analysis and deep, stock specific understanding.
- It will seek to outperform the equity markets while managing risk to two-thirds of the All Share Index.

Return Analysis*	Managed Equities	FTSE/JSE	Cash
Since Inception	21.6%	19.3%	8.3%
1 Year Return	14.6%	24.8%	6.2%
3 Year Return	8.4%	4.5%	8.3%
Risk Analysis			
Volatility (1 Year)	3.5%	14.1%	0.2%
Volatility (Since Inception)	7.9%	17.5%	0.5%
% positive return months	82.2%	65.6%	100.0%
% negative return months	17.8%	34.4%	0.0%



the proactive fund

- This is a multi-manager Fund.
- This Fund focusses on specific, professional skills concentrating on short term liquid investment opportunities on the JSE.
- This Fund will compliment existing portfolios that are typically structured with longer-term buy and hold strategies.
- Each manager has recognised investment skills particularly the ability to take advantage of weak trends in the market cycle.

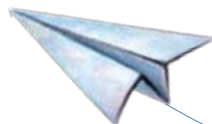
Return Analysis*	Proactive	FTSE/JSE	Cash
Since Inception	23.1%	19.3%	8.3%
1 Year Return	6.9%	24.8%	6.2%
3 Year Return	12.4%	4.5%	8.3%
Risk Analysis			
Volatility (1 Year)	3.3%	14.1%	0.2%
Volatility (Since Inception)	6.8%	17.5%	0.5%
% positive return months	84.4%	65.6%	100.0%
% negative return months	15.6%	34.4%	0.0%



the firecrest fund

- This is a single-manager fund that will enable our clients an opportunity to gain access to the skills of an experienced investment team.
- We have created a well diversified, directional portfolio which endeavours to deliver strong risk adjusted returns over a medium term time horizon.

Return Analysis*	Firecrest	FTSE/JSE	Cash
Since Inception	24.8%	19.3%	8.3%
1 Year Return	15.8%	24.8%	6.2%
3 Year Return	11.8%	4.5%	8.3%
Risk Analysis			
Volatility (1 Year)	3.8%	14.1%	0.2%
Volatility (Since Inception)	9.8%	17.5%	0.5%
% positive return months	80.0%	65.6%	100.0%
% negative return months	20.0%	34.4%	0.0%



What is the objective of Investing?

Sir John Templeton put it best, when he said...

“
For all long term investors, there can only be one objective –
Maximum total return after taxes.
Nothing else matters.”

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THE QUESTION IS:

How can we manage to deliver this objective?

These are some of our guidelines.

Value

Value investing is the only safe approach. By putting the margin of safety at the heart of the process, we can minimize the risk of over-paying for the hope of growth.

Be Contrarian

Sir John Templeton observed: "It is not possible to produce superior performance, unless you do something different from the majority."

Be patient

Patience is integral to the value approach in investing.

Don't forecast

Forecasting has never been a reliable investment tool.

Cycles matter

We can't predict, but we can prepare. An awareness and understanding of economic, credit and sentiment cycles can help with investment.

History matters

Four dangerous words: "This time, it's different". A knowledge of history and context can help avoid repeating the mistakes of the past.

Risk

Understanding risks and then being able to manage them, are key to successful performance.

Consistency and Sustainability

We firmly believe that being able to provide sustainable, consistent performance is a vital element in a successful portfolio or fund management business.

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