



EMPEROR
ASSET MANAGEMENT

Robert Falcon Scott

FUND FACT SHEET AUGUST 2011



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*A fully transparent fund,
with clients receiving monthly
or even daily investment
statements that include
alpha and beta levels,
together with upside and
downside capture.*

INVESTMENT OBJECTIVE

The Emperor Asset Management fund seeks to maximise long-term returns. Emperor Asset Management aims to produce returns well in excess of the JSE AlsiTop40.

STRATEGY

Emperor Asset Management has a unique, algorithm-based quantitative strategy. The strategy targets two classes of companies: Those with high dividend yields and those with high-momentum. High-momentum stocks are stocks with high returns over the past three to 12 months and high dividend stocks are identified through historical and forecasted dividend yields.

A risk profile assessment undertaken by all clients determines the percentage of cash to be held, as well as the gearing level. For a conservative client, we would consider investing 50% of the capital in shares with high dividend yields and the remaining 50% of capital in shares with high momentum which delivers capital growth.

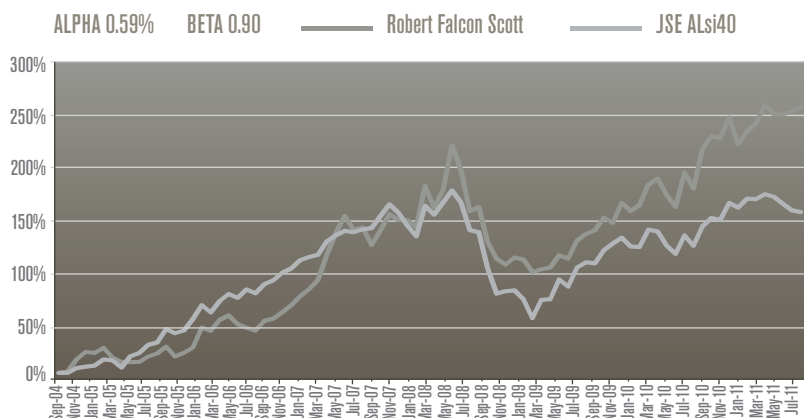
FUND FEATURES

The fund utilizes derivative instruments. CFDs provides us with a gearing option, giving us the tools to better manage market volatility and risk. Gearing also allows you to take larger positions than you would normally be able take. If market prices are falling, normally it would be expensive to sell your portfolio, in the example of normal vanilla equities. Using CFDs, we can increase the clients' cash holdings and decrease the equity portion, to adjust risk allocations whilst keeping costs minimal. This provides scope to de-risk or adapt the portfolio according to market conditions without eating into profits.

The fund holds a portfolio of 24 stocks, which are allocated to client portfolios in amounts according to their risk appetite. While each client has 24 stocks, certain stocks can be excluded, for example, if a client is prohibited from owning SABMiller because of Shariah law, the account is flagged as such and that counter will not be added to his portfolio. Any such restrictions a client might have will be flagged, allowing us to offer a unique solution specific to you the client.

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CUMULATIVE RETURNS



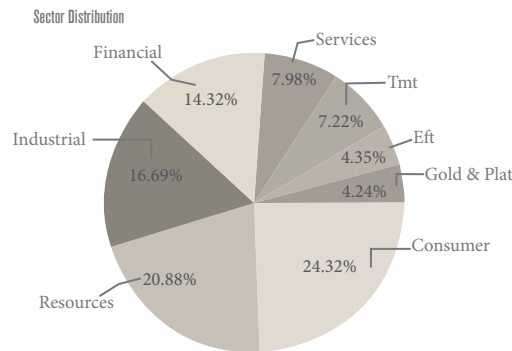


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Receive income monthly from the cash & dividend component of your investment or choose to reinvest it into your investment while preserving your capital at the same time.

PORTFOLIO



TOP TEN HOLDINGS

Share	% Weight	% move 6m
cml	12.3%	16.4%
mrprice	11.0%	-0.3%
richmont	10.0%	15.2%
barworld	8.8%	4.5%
metorex	8.7%	25.7%
exxaro	8.3%	28.2%
kumbaio	8.3%	16.8%
shoprite	8.2%	3.2%
bats	8.0%	18.6%
naspersn	7.8%	3.2%

FEES

Fees	Annual Management Fees
Initial Fund Fee	0%
	Management* 1.2%
	Sharing Fee # 20%

*Calculated on net asset value #The manager shares in the fund performance above the benchmark, JSE ALSI Top 40. If the fund performs in line with its ALSI benchmark then the annual management fee is 1.2%. Fees are shown excluding VAT.

FUND PERFORMANCE

	Composite	JSE AlsI40
Total Return		
Last 12 Months	28.2%	14.7%
Last 3 Years	37.1%	8.3%
Last 5 Years	138.2%	37.8%
Since Inception	259.0%	156.8%
Annual Return		
Last 12 Months	28.2%	14.7%
Last 3 Years	11.1%	2.7%
Last 5 Years	19.0%	6.6%
Since Inception	20.3%	14.6%

RISK AND PERFORMANCE SINCE INCEPTION

Return	Composite	JSE AlsI40
Total Return	259.0%	156.8%
Annualised Return	20.3%	14.6%
Best Month	16.7%	12.9%
Best Month	-13.6%	-14.9%
Max Drawdown	-38.4%	-44.8%



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PERFORMANCE RATIOS

Performance Ratios	Composite	JSE Alsi40
Alpha (% pm)	0.59%	0.00%
Beta	0.90	1.00
Upside Capture	110.1%	100.0%
Downside Capture	88.9%	100.0%

RISK RATIOS

Risk Ratios	Composite	JSE Alsi40
Annualised Std Deviation*	21.6%	18.7%
Annual Downside Std Dev	10.4%	10.0%
Relative Volatility Risk	115.3%	100.0%
Downside Volatility Risk	103.7%	100.0%

*Standard Deviation: Measures the volatility of investment return. The higher the standard deviation, the more volatile the fund's returns.

VOLATILITY RISK FACTOR

Volatility refers to the amount of uncertainty or risk measured by the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

ALPHA OUTPERFORMANCE

A positive alpha of 1.0 means the fund has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%.

If a CAPM* analysis estimates that a portfolio should earn 10% based on the risk of the portfolio but the portfolio actually earns 15%, the portfolio's alpha would be 5%. This 5% is the excess return over what was predicted in the CAPM model.

*The Capital Asset Pricing Model (CAPM) is an economic model that describes the expected return on an asset as a function of both the time value of money and the asset's risk relative to the overall market. The model implies that because risks unique to individual assets can be eliminated through diversification, the only risk that investors need to concern themselves with is overall market risk.

BETA RISK FACTOR

A Beta of 1.5 means that the expected volatility of the share is 1.5 times higher than that of the market. For example, if the market has a profitability of 20% in a determined period, a company that has a Beta of 1.5 means that its share will generate a profitability of 30% in the same period. Another example is if the Beta of a company is 1.2 in relation to the market, you will expect that the volatility of the share of this company will be 20% higher than that of the market.

The higher the Beta, the greater is the risk of a share in relation to the rest of the market. Usually, most of the shares have Betas with values between 0.8 and 1.4.



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UPSIDE MARKET CAPTURE

An investment manager who has an up-market ratio greater than 100 has outperformed the index during the up-market. For example, a manager with an up-market capture ratio of 120 indicates that the manager outperformed the market by 20% during the specified period. Many analysts use this simple calculation in their broader assessments of individual investment managers.

DOWNSIDE MARKET CAPTURE

An investment manager who has a down-market ratio less than 100 has outperformed the index during the down-market. For example, a manager with a down-market capture ratio of 80 indicates that the manager's portfolio declined only 80% as much as the index during the period in question. Many analysts use this simple calculation in their broader assessments of individual investment managers.

NB: This is not the universe of performance measures, Emperor Asset Management will supply other performance measures if required.

INVESTMENT TEAM

The Emperor Asset Management investment team is lead by chief investment officer, Tom de Lange. Tom is responsible for providing the science behind the investment strategy and has a long and successful history of investing on the JSE. He has averaged a compound annual return of 20% over the past 25 years and 35% over the past 15 years. Over the years he has developed a unique, algorithm-based quantitative strategy, which is back tested for 20 years proving itself as a highly successful model.

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