

*If I had ever been here before I would probably know just what to do  
Don't you?  
If I had ever been here before on another time around the wheel  
I would probably know just how to deal  
With all of you  
And I feel  
Like I've been here before*

*Déjà vu, by David Crosby*

Every February 2, people gather at Gobbler's Knob, a wooded knoll just outside of Punxsutawney, Pennsylvania. They wait eagerly for Punxsutawney Phil, the world's smallest and furriest weather forecaster. Residents claim he has never been wrong. The groundhog comes out of his electrically heated burrow, looks for his shadow on the ground and utters his prediction to a Groundhog Club representative in "groundhogese." This representative then translates the prediction for the general public. If Punxsutawney Phil sees his shadow, it means six more weeks of winter. If he does not see his shadow, it means spring is just around the corner.

"Groundhog Day" has been celebrated in Punxsutawney since 1887, but has achieved worldwide fame in 1993 due to the Bill Murray movie where a cynical weatherman has to relive the same day ad infinitum. Since the movie, the term "groundhog day" has become interchangeable with "déjà vu", the feeling of having experienced something before.

Recently, the CEO of a major international mining company described the current commodity cycle as "vuja de" – or the sense of never having seen this before – a totally new paradigm. The siren song of "this time, it is different" is sounding louder.

2005 has been a very good year for investors in commodity shares and investors often ask what we can be expected in 2006. We believe, as Mark Twain says, that while history may not repeat itself, it certainly rhymes. We cannot forecast with the accuracy of Punxsutawney Phil (we could if we were also allowed to answer in "groundhogese"), but we are certain that this commodity cycle will have more components of "déjà vu" than "vuja de"! Commodity prices are inherently cyclical and currently at high levels relative to their long-term averages. Sooner or later prices will adjust through the normal forces of supply and demand. It is unrealistic to expect a repeat of the performance we saw last year and the risk of value loss has increased. In this environment, we must retain our perspective and invest conservatively.

In the final quarter of 2005, the fund returned 8.4% versus the 9.14% of the benchmark. The total return (including dividends) for the year to December 2005 was 60.0% versus 55.6% for the benchmark. This is significantly higher than the annualised return over the last three calendar years of 25.6%.

The story of the quarter was precious metals with the gold index increasing 17% and the platinum index increasing by 26%. This was on the back of gold and platinum exceeding the US\$500 and US\$1000/oz levels during the quarter. The rand gold and platinum prices increased by 8% and 4% respectively.

During the quarter, we initiated or added to our positions in Western Areas, Omnia and Cashbuild. We also took a reasonably significant stake (3.5% of fund) in the unlisted Eland Platinum, which is due to list shortly. All of the purchases met our criteria of a significant discount to our estimate of long-term value.

Western Areas was by far the best performing gold share, returning 60% over the quarter. Our preference for Anglo American over BHP Billiton proved correct as Anglo outperformed by 12% over the quarter. Sasol declined 8% following a 10% decline in the oil price. We remain convinced of the merits of Sasol's investment case even when using a normalised oil price of less than half the recent peak. Impala Platinum (+29%) continued to outperform Anglo Platinum (22%). Our other large holding, Mittal Steel, increased by 8%.

We remain convinced that the individual stock positions in the fund carry a sufficient margin of safety. Even if the cyclical party ends, we anticipate an elegant exit, and waking without a headache. This is because we have been to other parties before, ones that ended badly. Given a conservative overlay, we are confident that in 2006 we can still have a good time. We have been here before.

**Hugo Nelson & Henk Groenewald**  
Portfolio Managers

<b>Fund category</b>	Domestic Equity Resources & Basic Industries
<b>Launch date</b>	1 October 1999
<b>Portfolio manager</b>	Hugo Nelson & Henk Groenewald
<b>Fund size</b>	R74.7 million
<b>NAV</b>	4226.10 cents
<b>Annual management fee</b>	1.00% (ex VAT)

<b>Benchmark</b>	Resources & Basic Industries Sector Mean
<b>Fund description</b>	Invests in a broad range of resource and basic industry counters that are affected by changes in the commodity cycle.

**ASSET AND SECTOR ALLOCATION**

Sector	31 Dec 2005	30 Sep 2005
<b>Domestic Assets</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Equity</b>	<b>91.30%</b>	<b>91.78%</b>
Resources	66.82%	66.87%
Basic Industries	20.51%	16.92%
General Industrials	3.97%	7.25%
Financials	0.00%	0.35%
Specialist Securities	0.00%	0.39%
<b>Listed Property</b>	<b>3.38%</b>	<b>0.00%</b>
<b>Cash</b>	<b>5.32%</b>	<b>8.22%</b>
<b>International Assets</b>	<b>0.00%</b>	<b>0.00%</b>

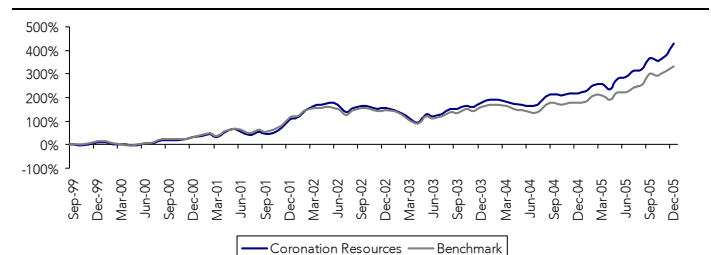
**PERFORMANCE & RISK STATISTICS**

	Fund	Benchmark
Latest 12 months	60.04%	55.63%
Latest 36 months (annualised)	25.61%	20.87%
Latest 60 months (annualised)	30.59%	28.45%
Since inception (annualised)	29.62%	27.88%
Annual deviation since inception	23.73%	23.12%
Sharpe ratio	0.96	0.90
Maximum gain	93.37%	75.65%
Maximum drawdown	-23.81%	-23.54%
Positive months	62.67%	60.00%

**TOP 10 SHARE HOLDINGS**

As at 31 December 2005	% of Fund
Sasol Ltd	15.68%
Anglo American plc	15.26%
BHP Billiton plc	11.91%
Mittal Steel South Africa Ltd	10.08%
Impala Platinum Holdings Ltd	9.86%
AngloGold Ltd	4.06%
Delta Electrical Industries Ltd	3.97%
Eland Platinum Holdings Ltd	3.35%
AECI Ltd	3.28%
Omnia Holdings Ltd	3.13%
<b>Total</b>	<b>80.58%</b>

**CUMULATIVE PERFORMANCE SINCE INCEPTION**



**INCOME DISTRIBUTIONS**

Declaration	Payment	Amount	Dividend	Interest
30/09/2005	01/10/2005	43.09	37.01	6.08
31/03/2005	01/04/2005	38.06	30.33	7.73
30/09/2004	01/10/2004	30.39	24.57	5.82
31/03/2004	01/04/2004	17.72	11.70	6.02

**ANNUAL RETURNS SINCE INCEPTION**

	Fund	Benchmark	Active Return
2005	60.04%	55.63%	4.40%
2004	13.37%	6.94%	6.42%
2003	9.23%	6.09%	3.14%
2002	23.18%	16.02%	7.16%
2001	55.61%	70.68%	-15.07%
2000	20.09%	17.94%	2.15%
1999	10.92%	12.76%	-1.84%

**PERFORMANCE RETURNS**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Fund 2005	3.00%	8.37%	0.67%	-5.79%	12.94%	2.93%	6.16%	1.88%	10.92%	-3.04%	5.56%	5.91%	60.04%
B'mark 2005	2.39%	9.27%	-0.16%	-6.31%	10.93%	0.58%	6.69%	2.37%	13.30%	-2.24%	4.56%	5.37%	55.63%
Fund 2004	4.06%	0.40%	-2.70%	-4.08%	-0.55%	-2.77%	2.06%	13.19%	2.76%	-1.06%	2.98%	-0.59%	13.37%
B'mark 2004	3.64%	0.54%	-3.21%	-4.74%	-1.80%	-3.53%	1.59%	12.10%	2.57%	-2.45%	4.00%	-0.85%	6.94%