

"I love it when a plan comes together!"

In the conclusion to our last fund comment we said: "...we have returned a par performance and are looking to start attacking the course more aggressively in the new year".

In the first quarter the fund returned 12% versus the FTSE/JSE Africa Resources Index return of 16%. Although we underperformed the sector by 4%, this comes on the back of a 10% outperformance of the sector in the prior period. The strong sectoral performance came from BHP Billiton which was up 28.41%.

The sector was assisted by a welcome 10% weakening in the rand/US dollar exchange rate over the period. There was no change in the US dollar/oz gold price but the rand gold price improved by 10% as a result of the rand weakness. We remain unexposed to the very geared gold shares like Harmony (-4%) and Goldfields (4%), preferring AngloGold (6.27%).

Our larger active positions performed well in the quarter with Sasol, Impala Platinum and AECI returning 16%, 9% and 9% respectively. Iscor, now Mittal Steel, returned 1% and we remain positive on all. Sasol and Impala Platinum in particular possess "free options". In the case of Sasol, it is their Gas to Liquids roll-out programme which one is not paying for and, in the case of Impala, a normalisation in Zimbabwe allowing a proper monetisation of their Zimbabwean resource base.

We have become even more negative on Sappi and have liquidated the small position we had started building in the prior period.

In conclusion, let us leave you with a problem to ponder: Which successful 1980s television series featured four characters thrown together when charged with a "crime they didn't commit" namely, stealing gold bullion from the "Bank of Hanoi" during the Vietnam War? Clue: The leader of this band had a catch phrase which also happens to be the title of this report.

**Hugo Nelson & Mike Lawrenson**  
Portfolio Managers

Fund category	Domestic Equity Resources & Basic Industries
Benchmark	Weighted average of Domestic Equity Resources & Basic Industrial Funds
Launch date	1 October 1999
Portfolio manager	Hugo Nelson & Mike Lawrenson
Fund size	R35.2 million
NAV	3037.44 cents
Annual management fee	1.00% (ex VAT)

**Fund description**

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 Mar 2005	31 Dec 2004
<b>Domestic Assets</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Equity</b>	<b>92.41%</b>	<b>98.43%</b>
Resources	65.48%	63.35%
Basic Industries	14.55%	25.81%
General Industrials	5.34%	7.20%
Financials	0.52%	1.22%
Specialist Securities	0.43%	0.85%
Futures	6.09%	0.00%
<b>Cash</b>	<b>7.59%</b>	<b>1.57%</b>
<b>International Assets</b>	<b>0.00%</b>	<b>0.00%</b>

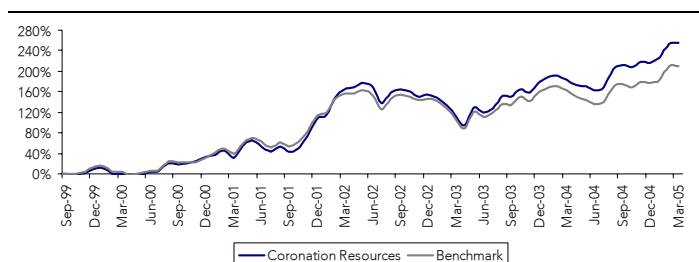
**TOP 10 SHARE HOLDINGS**

	% of Portfolio
Sasol Ltd	17.03%
BHP Billiton plc	12.57%
Impala Platinum Holdings Ltd	12.23%
Anglo American plc	11.66%
Mittal Steel South Africa Ltd	8.92%
AECI Ltd	5.63%
Anglo American Platinum Corporation Ltd	5.55%
Delta Electrical Industries Ltd	5.34%
AngloGold Ltd	5.00%
Sallies Ltd	1.86%

**RISK STATISTICS**

	Fund	Benchmark
March 2005	0.67%	-0.16%
YTD	12.37%	11.71%
Annual return since inception	25.92%	24.50%
Annual deviation since inception	24.12%	23.40%
Sharpe ratio	0.77	0.73
Maximum gain	93.37%	75.65%
Maximum drawdown	-23.81%	-23.54%
Positive months	60.61%	57.58%

**PERFORMANCE SINCE INCEPTION**



**ANNUAL RETURNS SINCE INCEPTION**

	Fund	Benchmark	Active Return
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%

**INCOME DISTRIBUTIONS**

Declaration	Payment	Amount	Dividend	Interest
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
30/09/2003	01/10/2003	42.17	24.94	17.23

**MONTHLY PERFORMANCE RETURNS FOR THE LAST THREE YEARS**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Fund 2005	3.00%	8.37%	0.67%									
B'mark 2005	2.39%	9.27%	-0.16%									
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%
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%
Fund 2003	-2.67%	-5.60%	-10.02%	-7.84%	18.06%	-4.21%	3.83%	10.20%	-0.38%	5.87%	-2.72%	7.99%
B'mark 2003	-1.43%	-5.89%	-10.30%	-8.11%	18.77%	-5.02%	3.55%	8.48%	-1.05%	6.55%	-3.54%	7.67%