

CENTAUR FLEXIBLE FUND

MANAGER'S COMMENT

Most market indices in the developed world recovered from their October lows, whilst most Asian markets declined. The major investment theme during 2011 was the European debt crisis. Towards the latter half of 2012 global growth prospects should brighten as lower interest rates and the effects of higher oil prices are out of the system.

I expect SA inflation to breach 8% as the weaker rand and higher maize price feeds through into prices while I expect SA economic growth to be below 2.5%.

The slowing SA economy, fiscal tightening and potential for higher interest rates are headwinds to the stock market whilst lower global interest rates are a positive factor. We are pro-actively using the current volatility to enter into quality companies at discounts.

We are realistic about the economic difficulties nevertheless energised by the challenge, and are satisfied to be able to report strong outperformance in 2011.

INVESTMENT OBJECTIVE

The core of our investment methodology is to weigh up the risk and rewards inherent in the current share price of a listed company. By identifying the share valuations that exhibit the best risk reward characteristics we can construct a portfolio that will outperform the market. Our investment methodology has been distilled into a number of proprietary valuation models. These models enable us to rapidly value shares and give us the conviction to make investments when the risk reward ratio is at its most favorable.

TECHNICAL INFORMATION

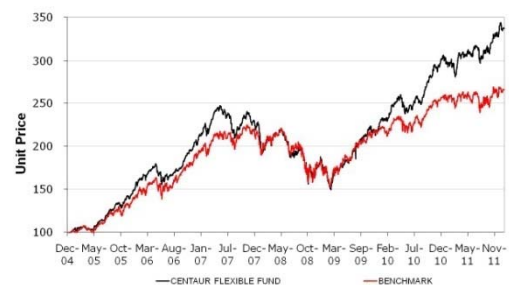
Portfolio value:	R218 m
Original buying price:	100.00 cents
Manager's upfront charge (max):	0.00% (incl. VAT)
FSP upfront comm (max):	0.86% (incl. VAT)
Annual Service fees	1.43% (incl. VAT)
Minimum Lump Sum	R100 000
Minimum monthly investment	R1000
Formation date	01/12/2004
Date of income declaration:	31 Dec / 30 Jun
2010 distribution:	3.67 cpu
2011 distribution:	1.18 cpu
Risk:	Moderate/Aggressive
Valuation & Transaction time:	15H00
Category:	Domestic-AA-Flexible
Benchmark:	15% Resi J258, 65% Findi J250, 20% Repo

Performance fee: 20% (sharing rate) of out performance above the portfolio benchmark (hurdle rate) on a high water mark principle, uncapped. The fees are accrued on a daily basis and paid out on a monthly basis. Any shortfall to the hurdle rate and high water mark is carried forward for set-off against future positive out performances.

Deposits at any ABSA Bank	Contact Details
Account Number: 4060 897 607	- Centaur: (011) 784 1026
Bank Code: 31 21 09	- Metropolitan: 0860 100 279
Bank: ABSA	- Email: roger@centaur.co.za

PERFORMANCE*

	FUND	BENCHMARK
1 year	11.2%	3.3%
3 year annualised	23.1%	14.1%
5 year annualised	10.5%	6.9%
Since inception (01/12/2004)	237.4%	165.5%
Since inception annualised	18.7%	14.8%



*As at 31/12/2011



Roger Williams
B.Econ. Sc. (Hons), CFA

RISK STATISTICS*

Average Annual Compound Return:	18.7%
Annual Standard Deviation (weekly):	14.1%
Sharpe Ratio:	0.76%
Sortino Ratio:	1.57%
Maximum Drawdown (weekly):	-37%
Positive Months:	71%

*As at 31/12/2011

ASSET ALLOCATION*

Financials	21.5%	Oil & Gas	6.2%
Consumer Services	15.9%	Industrials	5.7%
Cash & Money Market	11.3%	Offshore Equity	5.6%
Basic Materials	11.2%	Health Care	5.3%
Consumer Goods	7.9%	Property	2.0%
Offshore Cash	6.2%	Technology	1.3%

*As at 31/12/2011

TOP HOLDINGS

RMI	9.8%
Sasol	6.2%
Lewis	6.1%
Supergroup	5.7%
Coronation	4.8%
Metorex	4.5%
Vivendi	4.1%
BATS	4.0%
Discovery	3.9%
Richemont	3.8%

TOTAL EXPENSE RATIO (TER)

Portfolio ongoing fee	1.25%
Portfolio costs	<u>0.03%</u>
TER – excluding performance fees	1.28%
Performance fees	<u>1.69%</u>
Total TER – incl. VAT*	3.39%

Note: the TER has been calculated using data from 1 October 2010 until 30 September 2011. The TER is disclosed as % of the average Net Asset Value of the portfolio that were incurred as charges, levies and fees related to the management of the portfolio and underlying portfolios. The TER is adjusted for significant subsequent portfolio restructurings and/or fee changes.

FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that in most cases where the FSP is a related party to Centaur Asset Management Pty (Ltd) and/or Metropolitan, Centaur Asset Management Pty (Ltd) and/or the distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client. Such fees are paid out of the portfolio's service charge and ranges anything between (excl VAT):

MetCI	Centaur	Distributor	LISP	Service Fee (Excl. VAT)	Performance Fee
Up to 0.3%	Up to 0.95%	Up to 0.00%	Up to 0.25%	Up to 1.25%	Accrue to portfolio manager



CENTAUR
ASSET MANAGEMENT

Centaur Asset Management, Building A, Kingsley Park, 85 Protea Road, Chislehurst, Sandton, 2196, FSP No. 647. Custodian: Standard Executors & Trustees: Tel (021) 401-2286 Metropolitan Collective Investments Limited PO Box 925 Bellville 7535 Tel (021) 940-5981 Fax (021) 940-5885 Registration No 1991/03741/06

METROPOLITAN
COLLECTIVE INVESTMENTS



Custodian: Standard Executors & Trustees: Tel (021) 401-2286. Metropolitan Collective Investments Limited: Parc du Cap Mispel Road Bellville, PO Box 925 Bellville 7535 Tel (021) 940-5981 Fax (021) 940-5885 Call Centre: Tel: 0860 100 279 Registration No 1991/03741/06. Collective Investments are generally medium to long term investments. The value of participating interests may go down as well as up and past performance is not necessarily a guide to the future. Collective Investments are traded at ruling prices and can engage in scrip lending. Forward pricing is used. A schedule of fees and charges and maximum commissions is available on request from company/scheme. Commission and incentives may be paid and if so, are included in the overall cost. This fund may be closed to new investors. A fund of funds collective investments may invest in other collective investments, which levy their own charges, which could result in a higher fee structure for these portfolios. Graphs and performance figures are sourced from MoneyMate for lump sum investments including income distribution, at NAV to NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Collective Investment prices are calculated on a net asset value basis and auditor's fees, bank charges and trustee fees are levied against the portfolio. The portfolio manager may borrow up to 10% of portfolio NAV to bridge insufficient liquidity. The performance fee FAQ document is kept as a public document at Metropolitan Head office. The FSP holds professional indemnity cover and fidelity insurance cover. Metropolitan Collective Investments Ltd is an authorised Financial Services Provider and member of the Association of Savings & Investments SA (ASISA).