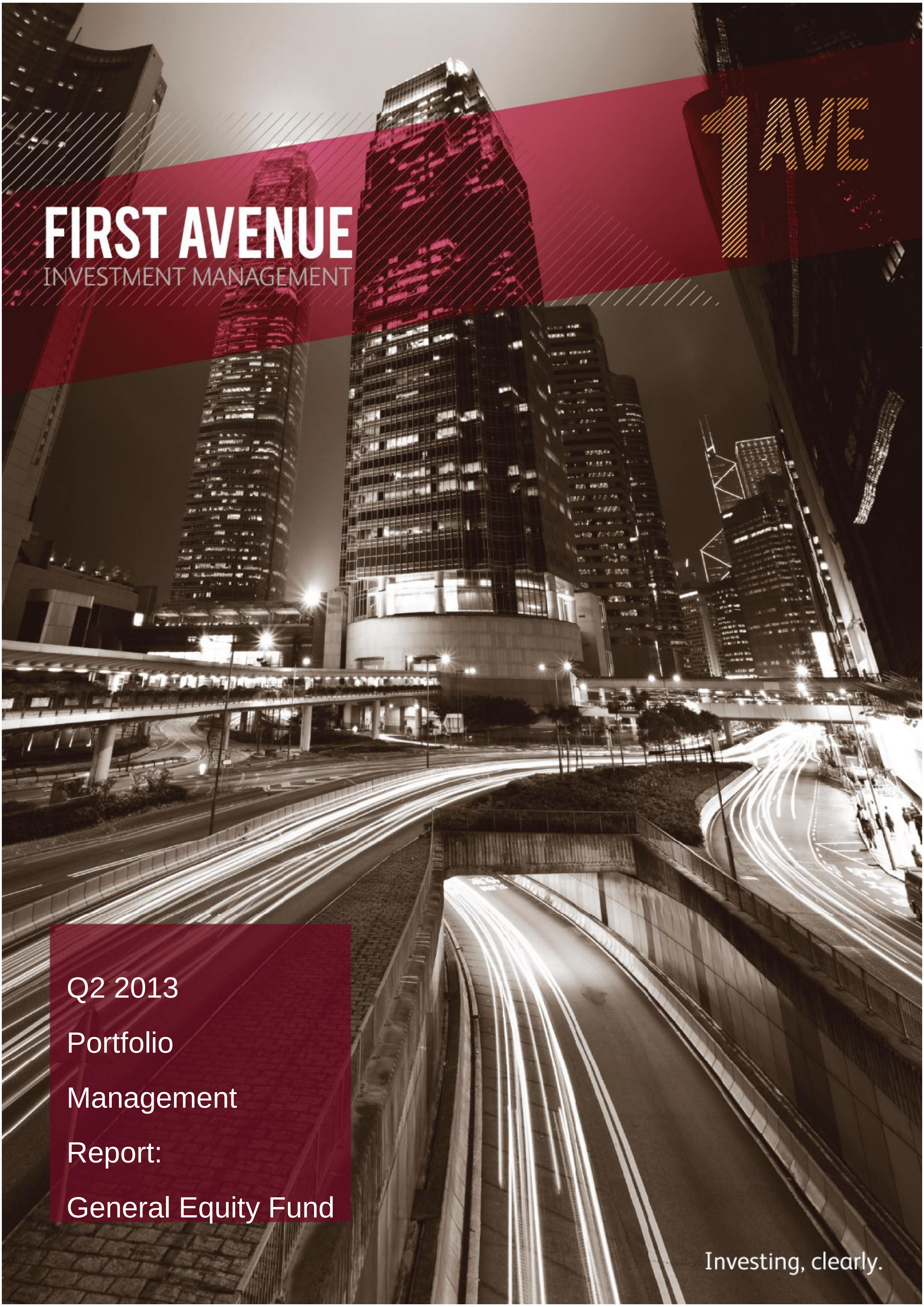


FIRST AVENUE
INVESTMENT MANAGEMENT

Q2 2013 Portfolio Management Report: General Equity Fund

Investing, clearly.

Business Update

The business continues to perform well commercially, organizationally, and functionally. While there are no material developments to report on this quarter, we are delighted to share with you that we have interacted with a significant number of US pension and endowment funds interested in accessing investment opportunities in Africa through South African equities using our proprietary capability. Our efforts to geographically diversify our client base received a major shot in the arm with invitations to present our capability at prestigious forums. We have engaged with funds holding over a combined US$1tr in assets under management. These efforts will stand the solidity of our business in good stead over time.

Investing Clearly

First Avenue is a valuation-driven equity manager. The objective of our investment style is to grow our clients' wealth through the consistent application of our investment philosophy and process over long periods of time. We list below the simultaneous conditions necessary for this outcome to materialize.

1. *We forgo opportunity to outperform the market during periods of over-valuation (momentum):*

These are periods when: (i) most securities on the market do not reflect sufficient margins of safety, and (ii) the psychological and emotional make-up of investors who dominate market activity is one of valuing one's gains more than one's losses. We refer to our results during this period as our pain trade.

2. *Our clients stay with us for extended periods of time:*

By foregoing momentum related returns, investors in our funds appreciate our ability to: (i) avoid significant capital losses when the stock market corrects from over-valuation (momentum), and (ii) continue to grow from a higher base than a market-corrected level. This phenomenon is referred to as compounding.

Investment Outcome

Our results for the quarter continued to be driven by a confluence of market returns and company fundamentals. This is in distinct contrast to momentum investing where movements in share prices are not justified by company fundamentals (commensurate value creation and cash flow growth). As you will notice later on, the alpha of 1.81% for the quarter was driven overwhelmingly driven by stock selection of 1.20% compared to sector allocation of 0.61%.

Figure 1: Overall Investment Outcome including Q2 2013

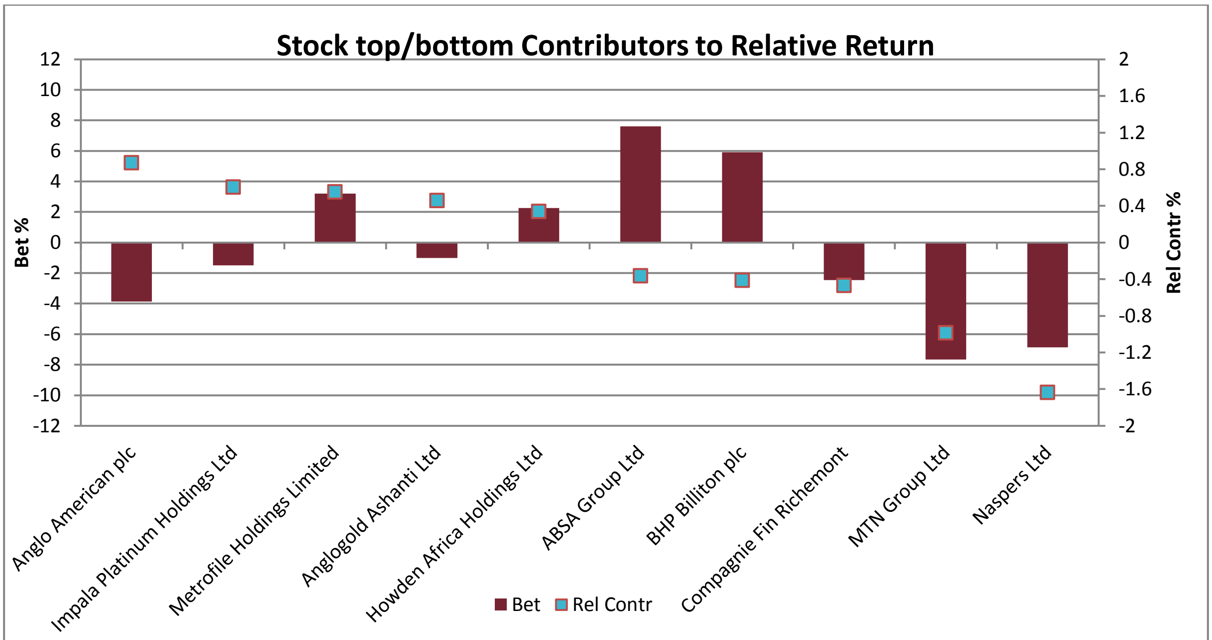
Risk/Return period	General Equity Composite	SWIX	Relative
Performance since Inception*	53.7%	42.4%	11.3%
2012	31.2%	29.1%	2.1%
2013 YTD	6.6%	2.3%	4.2%
Q2 2013	2.5%	0.7%	1.8%
Annualised Performance since Inception*	19.5%	15.8%	3.7%
Annualised Volatility since Inception*	12.4%	14.4%	-13.7%
Annualised Risk Adjusted Return since Inception*	157.2%	109.7%	47.4%

Inception Feb 2011

Source: First Avenue and Curo Fund Administration

That we are able to outperform the market with such magnitude both over time and in such a volatile quarter is testament to one of the three inefficiencies we exploit in the market, namely, that high returns are NOT linearly related to high risk. In other words, you do not have to take on a lot of risk to earn high returns. Quite the contrary, high quality companies have materially lower fundamental risk, yet they outperform the market substantially over time with less volatility. We detailed this inefficiency, commonly referred to as "free lunch", in a thought piece entitled "The Evolution of Valuation".(http://www.firstavenue.co.za/sites/default/files/downloads/the_evolution_of_valuation_22112011.pdf) It requires of an investor what a "free throw" demands of a basketball player – supreme command of both the fundamentals of the game and your temperament – to successfully execute it. Compare how the annualized volatility of our returns since inception rose 1.72% from 12.19% in Q1 to 12.40% in Q2 with 4.6% of the market from 13.77% in Q1 to 14.40% in Q2. This way, we are able to outperform both on a relative and risk adjusted basis.

Figure 2: Q2 2013 Attribution Analysis: Top 5 Contributors and Bottom 5 Contributors

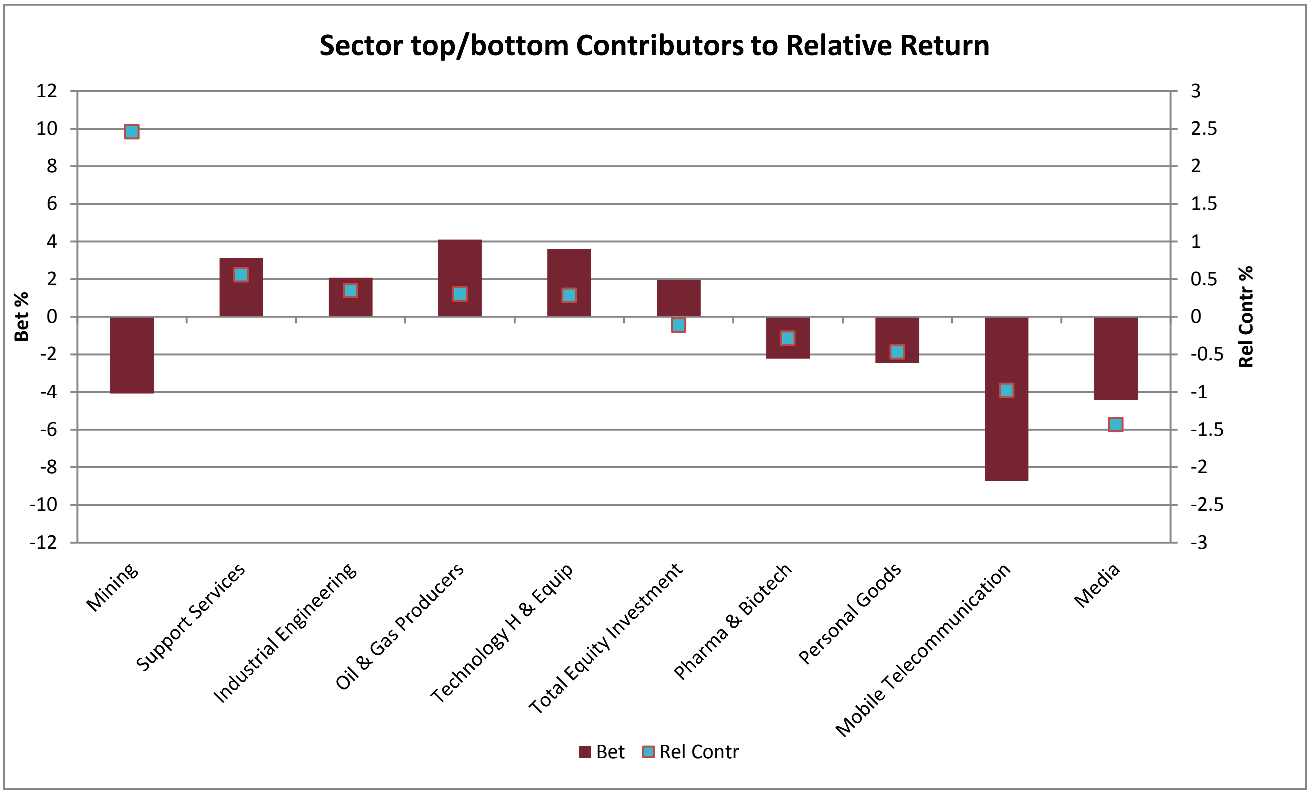


Source: First Avenue and Curo Fund Administration

The above attribution analysis demonstrates that we have faced head on the challenge of portfolio construction and stock selection as follows:

(i) We take significant bets against the benchmark
(ii) Positive contributors outweigh negative contributors by a wide margin.

Figure 3: Q2 2013 Sector Attribution: Top 5 and Bottom 5 Contributors by Sector



Source: First Avenue and Curo Fund Administration
Note: Total Equity Investments refer to Investment Holding Companies

Figures 3, 4 and 5 further demonstrate our focus on intrinsic valuation at the expense of thematic perspectives (e.g. sector, size, and macro).

Figure 4: Top Ten Bets for the quarter

Stocks	General Equity Fund	SWIX	Relative Bet
Tiger Brands Ltd	10.0%	1.1%	9.0%
ABSA Group Ltd	8.9%	1.3%	7.6%
BHP Billiton plc	9.3%	3.4%	5.9%
City Lodge Hotels Ltd	5.4%	0.1%	5.3%
Clover Industries Ltd	5.2%	0.1%	5.1%
Sasol Ltd	9.9%	5.8%	4.1%
Pinnacle Technology Holdings	3.7%	0.1%	3.6%
Rand Merch Ins Hldgs Ltd	3.7%	0.4%	3.2%
Metrofile Holdings Limited	3.2%	0.0%	3.2%
Wilson Bayly Holmes- Ovcon Ltd	2.9%	0.2%	2.7%
Total	**62.12%**	**12.37%**	**49.74%**

Source: First Avenue and Curo Fund Administration

Our portfolio continues to reflect the quality and conviction of our research as follows:

- Number of stocks in the portfolio: 22
- Percentage of top 10 holdings: 67.4%

Figure 5: Sector Allocation for the quarter

Sector	Portfolio Weight	SWIX	Relative
Basic Materials	9.3%	16.4%	-7.1%
Industrials	11.5%	9.2%	2.3%
Financials	21.3%	25.1%	-3.8%
Oil & Gas	9.9%	5.8%	4.1%
Technology	3.7%	0.5%	3.2%
Consumer Goods	29.2%	13.9%	15.2%
Health Care	1.9%	4.7%	-2.7%
Telecommunications	0.0%	8.8%	-8.8%
Consumer Services	8.3%	15.4%	-7.2%

Source: First Avenue and Curo Fund Administration

Portfolio Risks

The portfolio is in the midst of what should be a testing time for our investment philosophy, intrinsic value investing. We have noticed how poor quality stocks, which comprise the vast majority of companies on the stock market, are performing very well. Deep value investors should benefit greatly from this phenomenon. As high quality stocks have done very well since the trough of March 09, investors have recently turned to their poorer cousins, low quality companies, in search of returns. While in so doing, they have actually invested in risk (not value) - as evidenced by the downdraft they suffered in June as Bernanke threatened to taper down accommodative monetary policy - investors do not care as long as they are able beat the market. In the process, we may underperform deep value (or shall I say deep risk) and the market. The good news is this may prove temporary as momentum investors (always the marginal investor in whatever's working at any point in time) chase the new thing, deep value, and throw away high quality stocks. Needless to say, in such an instance, we would reload the portfolio with the highest of quality, and position the portfolio for further compounding (wealth creation) well into the future.

Outlook

We remain convinced of the shape and prospects of our portfolio. Central to our posture is vigilance toward valuations. We will continue to hold assets across sectors when growth isn't overly reflected in their share prices.

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Registration Number 2008/027511/07

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