



15/04/2010

<i>Unaudited results for 3 month period ending 31 Mar 2010</i>						
		Other currency equivalent				
		USD	EUR	GBP	BWP	ZAR
12 months	Net to investors	2.2%	8.0%	8.7%	4.2%	0.4%
	MSCI AC World Index	2.7%				
12.8 years compounded (22 Apr 1997-31 Mar 2010)	Investment officer (full service track record - net to investors)	10.7%	9.7%	11.3%	15.9%	14.6%
	MSCI AC World Index	3.0%				
	NAV	\$168.88				

"The world is going crazy"

- Edna Viljoen (On her 100th birthday on 25 Mar 2010)

Letter to investors:

My grandmother turned 100 on 25 March and of course I am elated, sharing the same gene pool and all. Compounding is the way to riches and for it to work its magic you need to start early and compound at a steady rate. Living to be a 100 sure does help.

However, what I always find most fascinating is discussing business and politics with my grandmother. She is still in good mental shape and you will not be surprised to learn that she has seen it all.

She lived through two world wars, several civil wars and she experienced the 1918 *Influenza Epidemic*. She suffered during the *Great Depression*, countless recessions and has seen more market crashes and bubbles than she cares to remember. However, what she has not seen is the craziness of the world we live in today.

When I send out my annual letter in a couple of weeks I end it with a several pages on Mrs Rose Blumkin who passed away in 1998 at the age of 104. When you read her story and you speak to people like my grandmother then you realise that a) our generation has no idea of what it took to lay the foundation of the economies of which we are enjoying the fruits today and b) we do not appreciate the burdens we are passing on to our children. We are too far removed from the lives that they lived, the frugality they observed and the general concern for saving for a rainy day, which they had.

The very idea that you can save a half bankrupt economic system by spending yet more money smacks of ignorance on a grand scale, a generation out of touch and governments that truly do not appreciate where it all came from in the first place.

You can either look at the spread on the swap rate and the 10 year bond or you can speak to my grandmother and both will tell you, "The world is going crazy"!

God Speed,

Martin van Blerk

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