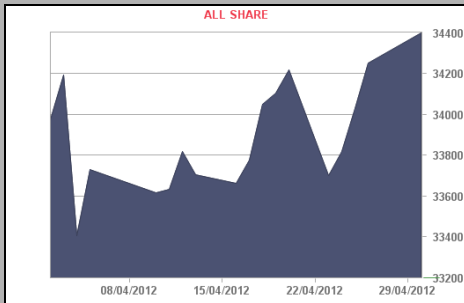
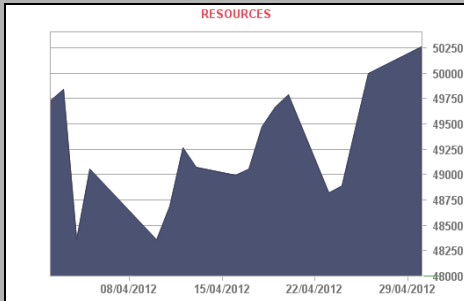


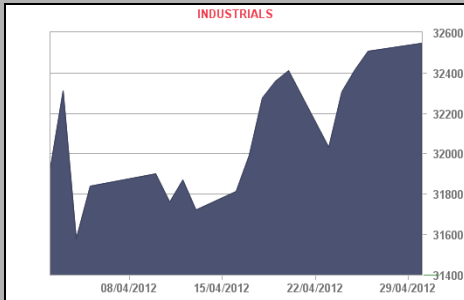
All Share



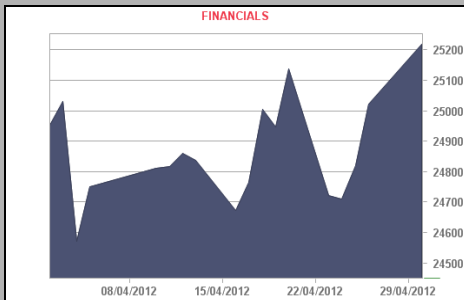
Resources



Industrials



Financials



Market Indicators 30 April 2012

Index	Value	Monthly Move (%)	Year to Date (%)
All Share	34399	▲ 2.52%	▲ 7.55%
Resources	50260	▲ 2.57%	▼ 1.99%
Industrials	32547	▲ 3.41%	▲ 13.17%
Financials	25218	▲ 1.98%	▲ 13.42%
S&P 500	1403	▲ 0.01%	▲ 11.59%
FTSE	5741	▼ 0.58%	▲ 3.02%
Rand/USD	7.75	▼ 0.42%	▲ 5.06%
Rand/GBP	12.58	▼ 2.5%	▼ 0.2%
USD/Euro	1.32	▲ 0.45%	▼ 2.25%
Gold (\$)	1664	▲ 0.08%	▲ 7.58%
Platinum (\$)	1570	▼ 4.27%	▲ 14.95%
Brent Oil (\$)	119.6	▼ 3.49%	▲ 10.39%

Market Report

The IMF probably said it best when they summarised the current economic and market environment as one of "uneasy calm". An improving economic environment in the US; a revival of manufacturing activity in China; as well as oil prices slipping off their highs; has kept markets calm(ish) and has allowed some more confidence in the prospects for the global economy. Yet the constant threat of the Euro-zone crisis escalating further, with Spain coming under some severe market scrutiny recently, has instilled an uneasiness in markets. Like a house of cards, it still feels like any moment a stiff breeze can come by and cause everything to collapse. The IMF raised its global growth forecast to 3.5% this year, from 3.3% in January, citing improved economic activity in the US and better policies in the Euro-area in response to its deepening crisis as being the greatest contributors to the more sanguine outlook. The report also stated that a weak recovery will likely resume in the major advanced economies while activity is expected to remain relatively solid in most emerging and developing economies. The Euro area is expected to decline by 0.3%, while the US and Japan will grow at roughly 2% each in 2012 and China is projected to grow 8.2% this year.

Spain, Europe's fifth largest economy, is the current focus of attempts to contain the region's sovereign debt crisis, as Prime Minister Mariano Rajoy struggles to quell speculation that it will become the region's next bailout recipient. Bond markets raised concerns about whether Spain may be both too big to allow to fail and too big to save. These concerns may be somewhat drastic as the ECB has some scope in ensuring market functionality remains preserved, plus policymakers have increased the size of their common lifeboat to nearly €1 trillion by allowing the old European Financial Stability Facility (EFSF) to run parallel for a while with the new and permanent European Stability Mechanism (ESM) over the next two years. Also, the IMF has collected \$430bn in new capital pledges, taking its firepower to nearly \$1trn. These can all buy Spain the precious time it needs. Unlike Ireland, who went about dealing with a similar real estate boom/bust hangover in a much more direct and hastened manner, Spain is trying to smooth out the pace of activity rather than face the shock, as Ireland did, but with construction making up over 20% of economic activity it's probably understandable as to why they're a bit tentative. This has meant that Spanish house prices (down 22%) have not fallen by nearly the same extent as the likes of Ireland, the US and UK and will certainly continue to feel some downward pressure for a while still. The concern with Spain and the rest of 'Peripheral Europe' is that the single-currency has caused massive imbalances as the unit labour costs of these nations are not nearly as competitive as the likes of Germany and the rest of the Euro-zone. So wages have to be cut by between 15-30% to raise competitiveness; which will put even further pressure on house prices as homeowners struggle to meet mortgage payments; stifle GDP growth as consumption makes up a large chunk of these economies; increase unemployment (Spain's unemployment rate currently sits at around 24%); reduce tax revenues and hamper efforts to reign in deficits. This process will be slow and painful, but with a concerted effort from local politicians and some assistance from the likes of the ECB, IMF and other sovereigns it should get them back on the path of sustainable and balanced growth.

Our local inflation slowed in March to within the central bank's target range for the first time in four months, suggesting inflation may undercut the bank's forecasts and allow the Governor to take her finger off the trigger with regards to raising interest rates. Annual inflation braked to 6% in the last quarter, from 6.1% in February. The Reserve bank has kept rates steady at a historical low of 5.5% for the past 16 months in an attempt to lighten the load on households and businesses and revive economic activity. Although February retail sales figures did surprise on the upside with a 7.2% jump, high administered prices is expected to put some strain on retail sales figures in the second quarter, and thus still warrants an accommodative stance by policymakers. A strong Rand has helped keep inflation at bay over the last two years and the prospect of major foreign inflows to domestic debt should South Africa become part of an influential Citigroup bond index makes for a bullish Rand outlook and should continue to help contain inflation levels. On that note, it is important to remember though, that our exposure to global events on every front (growth, rand, interest rates and asset markets) is traditionally (disconcertingly) high. We have an open economy with foreign trade amounting to close to 30% of demand and supply, and a low savings rate which makes us dependent on high capital inflows to fund fixed investment fully.

Company results

Bell Equipment Ltd (Year-end):

HEPS 285.0c ; PE 8.6 ; Dividend yield 0.0% ; details hereunder...

Datacentrix Hld Ltd (Interim):

HEPS 46.1c ; PE 10.5 ; Dividend yield 6.8% ; details hereunder...

Trading updates

Share	Price	Increase / Decrease	Expected change in HEPS
Invicta	6580	Increase	25%
Value	530	Increase	20%
Altron	2521	Decrease	13-19%
LifeHC	2700	Increase	20-25%
Altech	5380	Decrease	24-30%

Snippets

Should listed property be part of your retirement savings?...

Corporate Cash Management Rates

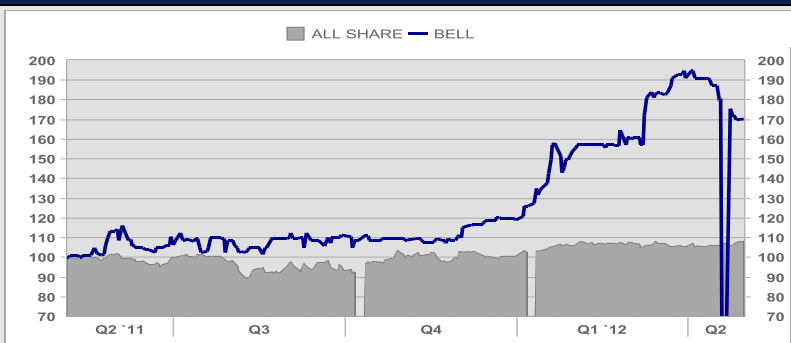
Up to 5.29% net – Call Deposits

Effective rates from 4.70% to 6.10% - Fixed Deposits

Company Results

Bell Equipment Ltd – Year-end results for the period ended December 2011

Headline EPS	285.0c
Historical PE	8.6
HEPS growth	955.6%
Turnover growth	48.7%
ROE	18.4%
NAV per share	1836.6c
Dividend yield	0.0%
Share price	R23.00



Nature of Business

The group manufactures and distributes a wide range of materials handling equipment such as articulated dump trucks, front end loaders, tractor loader backhoes, timber and sugar cane harvesting and loading machines, haulage tractors, graders and excavators. Through an extensive network of customer service centres and distributors, the group is able to meet the requirements of customers in the mining, construction, forestry and agriculture industries and is regarded as a leading force in these markets.

Latest Results

Revenue came in 49% higher at R5bn due to increased sales volumes, whilst gross profit jumped 65% resulting in an improved gross margin of 23.6% (2010: 21.3%). EBIT improved from R125m to R430m, supported by increased foreign exchange gains. Ultimately, headline earnings improved from R26m to R271m, further supported by a significantly lower effective tax rate of 26.4% (2010: 44.5%).

Dividend

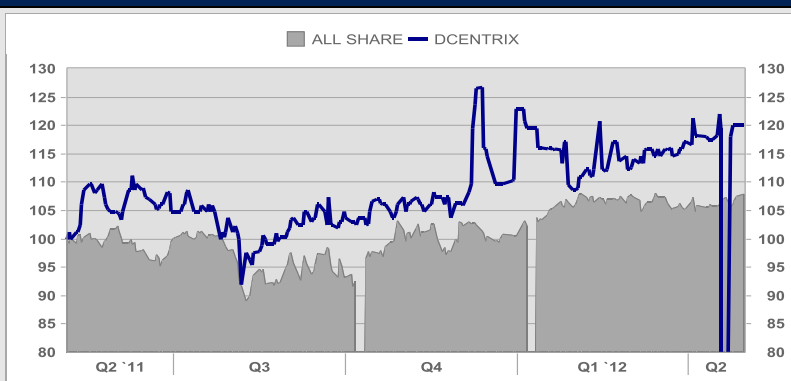
Cash generation remained poor and an area that the group will continue to focus on. No dividend was declared.

Prospects

Bell's significantly improved results were supported by the steady economic recovery. This resulted in a significant improvement in volumes and economies of scale. However, the cyclical operations to which the group are exposed and its sensitivity to exchange rate increases its risk profile. Management stated that the outlook for the year ahead is encouraging. A record order book bodes well for the first half of 2012. The group feels there are obstacles in the face of the Eurozone turnaround, but are encouraged by the many economies which are showing signs of growth. Although China is downgrading its estimates of growth for the immediate future, the levels projected remain enormous in a global context. In South Africa the projected increase in infrastructure spending is expected to have a positive impact on the group. Management feels prospects for the rest of Africa continue to look good particularly with the prices of commodities such as copper and coal holding up well.

Datacentrix Holdings Ltd – Interim results for the period ended December 2011

Headline EPS	46.1c
Historical PE	10.5
HEPS growth	1.3%
Turnover Growth	11.6%
ROE	21.3%
NAV per share	240.6c
Dividend yield	6.8%
Share price	R4.85



Nature of Business

Datacentrix is a South Africa-based black empowered company that provides full high performing and secure ICT (information and communication technology) solutions to the country's corporate and public services sectors.

Latest Results

The group reported a subdued set of results for the year ended February 2012. Revenue came in 12% higher at R1.7bn, whilst adjusted operating profit remained flat at R124m, affected by governments continued lack of IT expenditure, as well as higher expenditure relating to additional resource investments in new competencies. Net finance income fell 6%, resulting in EBT declining by 1% to R136m. Ultimately, headline earnings increased marginally by 1% to R92m, and diluted HEPS increased by 1% from 45.5 cents to 46.1 cents, of which the first half contributed 57% or 26.2 cents. The group's change in the cash conversion ratio was attributable to the transition in the business model up the value chain.

Dividend

Cash generation was poor for the period due to increased working capital. A final dividend of 19.53cps was declared (before taking into account the individual tax rate of 15%) bringing the total dividend up to 32.93cps (2010: 13.9cps).

Prospects

Datacentrix remains a quality company with a solid balance sheet, good ROE and historically strong cash flows. Management expects market consolidation to continue, driven primarily by one or two listed companies. BMI Research expects the South African ICT industry to reach around R75bn in the coming period. However, South African businesses are expected to remain cautious when it comes to investment in technology. The local IT market's five year compound annual growth rate (CAGR) is anticipated to remain within the high single to low double digit range. The group's transition to a 'service-led solutions' provider will continue over the coming period, with the group's cloud infrastructure offering already being recognised in the market. As cloud technology matures, the group will continue to make the necessary investment in both "white label" cloud solutions and building their own cloud infrastructure.

Craig Gradidge looks at the benefits of adding it to you portfolio.

Proponents of equity investing over the long term point to the fact that it is the best performing asset class after tax and inflation. This is certainly true for discretionary investments, but lacks substance when it comes to investments within a retirement product such as a retirement annuity, preservation fund or living annuity fund. Local property returns are NOT taxed in these vehicles, and as a result have delivered equity beating returns (at significantly lower levels of risk) over the long term.

When it comes to structuring a portfolio for retirement savings we believe that investors can benefit from a higher exposure to listed property. However, it must be noted that Regulation 28 limits the exposure that one can have to listed property to a maximum of 25%. We do not believe that this is a serious issue though. A Cadiz research report in 2010 (SA Property – Missing the love?) showed that the optimal property exposure needed to achieve an inflation linked target ranged between 10% and 21%. So investors seeking higher returns would have been well served by listed property exposures under the 25% limit.

Industry statistics show that unit trust investors (a good proxy for investors in general) are significantly underweight in this asset class. Stats to March 31 2012 show that only 4% of unit trust assets are invested in listed property. Multi-asset class funds such as balanced funds, flexible funds, real return funds, and flexible income funds had a 2% exposure to listed property on average. A cursory glance at these numbers over the long term shows this to be an asset class that is repeatedly ignored by asset allocation and fixed interest managers.

Research by leading listed property specialists Catalyst Fund Managers showed that the bulk of property returns (60%) for the 16 years to 2010 came from rental income, and the remaining 40% from capital growth. This is despite the phenomenal capital returns delivered by the sector in the mid 2000s. This is encouraging for prospective retirement investors as there is little volatility around the income component of listed property funds. The rate of growth of income returns have dropped, but they are still growing despite tough economic conditions since 2008.

The compounding effects of reinvesting a growing income stream can be significant over time. R1m invested in a certain property fund in September 2003 – when the fund was launched – would have yielded rental income of over R1.2m by the end of March 2012. The capital growth would have been in the order of 90% over the same period. Had the investor simply re-invested dividends, the capital value of that investments would have been close on R4m by end March 2012.

We are not forecasting listed property to continue outperforming equity going forward, but we believe that its ability to deliver a growing income stream over time and its lower risk profile makes it an attractive option for inclusion in retirement portfolios in particular. We continue to combine these funds with dividend yielding equities (also a source of growing income streams which are re-invested), and other assets, to provide investors with a portfolio that strikes a balance between risk management and growth.

UNIT TRUST SECTOR PERFORMANCE FOR LUMP SUM INVESTMENTS TO 31 MARCH 2012					
SECTOR & INDICES	NUMBER OF YEARS (% Annual Growth)				
	1	3	5	7	10
CPI (estimated for March 2012)	6.37	5.30	7.10	6.41	6.20
DOMESTIC FUNDS (680)					
EQUITY FUNDS - General Funds (99)					
*FTSE/JSE All Share Index	7.51	21.28	7.22	17.38	15.12
Arithmetic Average	9.42	20.29	6.15	15.53	16.77
EQUITY - Value Funds (11)					
*FTSE/JSE All Share Index	7.51	21.28	7.22	17.38	15.12
Arithmetic Average	10.37	23.82	7.38	17.20	20.98
REAL ESTATE - General Funds (24)					
*FTSE/JSE SA Listed Property Index	20.27	20.83	12.69	21.21	
Arithmetic Average	17.51	17.73	10.29	17.60	19.36

The opinion and comment in this newsletter is opinion and comment only and does not in any way constitute financial advice. For any financial decision please consult one of our PCH professional financial advisers.

Corporate Cash Manager Rates

Cash Manager Rates at 01 May 2012				
FUND	BALANCE	RATE	FEE	NET RATE
CALL ACCOUNT	0.00 - 9.999.99	5.15	1.60	3.55
	10.000 - 24.999.99	5.15	1.10	4.05
	25.000 - 49.999.99	5.15	0.85	4.30
	50.000 - 99.999.99	5.15	0.60	4.55
	100.000 - 249.999.99	5.15	0.45	4.70
CALL MONEY FUND	250.000 - 499.999.99	5.47	0.35	5.12
	500.000 - 999.999.99	5.47	0.25	5.22
	1.000.000 - 9.999.999.99	5.47	0.15	5.32
	10.000.000 upwards	5.47	0.10	5.37

Dividends payable

Dividends in LDT order					
Company	Decl	LDT	Pay	Amt	Curr
Capital & Counties Properties PLC (CAPCO)	29-Feb	11-May	21-Jun	1	GBPp
Datacentrix Holdings Ltd. (DCENTRIX)	17-Apr	11-May	21-May	19.53	ZARc
Octodec Investments Ltd. (OCTODEC)	19-Apr	11-May	21-May	71.2	ZARc
PBT Group Ltd. (PBT)	25-Apr	11-May	21-May	3.45	ZARc
Premium Properties Ltd. (PREMIUM)	19-Apr	11-May	21-May	60	ZARc
Rebosis Property Fund Ltd. (REBOSIS)	25-Apr	11-May	21-May	43	ZARc
Hospitality Property Fund Ltd. (HOSP-A)	30-Apr	18-May	28-May	63.34	ZARc
Hospitality Property Fund Ltd. (HOSP-B)	30-Apr	18-May	28-May	7.91	ZARc
JSE Ltd. (JSE)	13-Mar	18-May	28-May	250	ZARc
Phumelela Gaming and Leisure Ltd. (PHUMELELA)	19-Apr	18-May	28-May	25	ZARc
Redefine Properties Ltd. (REDEFINE)	03-May	18-May	28-May	31.5	ZARc
Redefine Properties International Ltd. (REDEFINTL)	30-Apr	18-May	28-May	2.09	GBPp
Spanjaard Ltd. (SPANJAARD)	29-Feb	18-May	28-May	18	ZARc
Capital Shopping Centres Group PLC (CAPSHOP)	23-Feb	25-May	03-Jul	10	GBPp
Pick n Pay Stores Ltd. (PICKNPAY)	18-Apr	01-Jun	11-Jun	108.4	ZARc
Pick n Pay Holdings Ltd. (PIKWIK)	18-Apr	01-Jun	11-Jun	52.57	ZARc
Combined Motor Holdings Ltd. (CMH)	25-Apr	08-Jun	18-Jun	36	ZARc
Verimark Holdings Ltd. (VERIMARK)	30-Mar	08-Jun	18-Jun	13.5	ZARc
Allied Technologies Ltd. (ALTECH)	25-Apr	15-Jun	25-Jun	248	ZARc
Metmar Ltd. (METMAR)	30-Mar	15-Jun	25-Jun	16.5	ZARc
Clicks Group Ltd. (CLICKS)	26-Apr	22-Jun	02-Jul	44.1	ZARc
Value Group Ltd. (VALUE)	29-Mar	22-Jun	02-Jul	14	ZARc

FULL CONTACT DETAILS			
CAPE TOWN		PRETORIA	
46 Main Road Claremont 7708	PO Box 24033 Claremont 7735	142 Gillies Road, Glenwood Village Lynnwood Glen 0081	PO Box 74924 Lynnwood Ridge 0040
Tel: +27 21 671 1220	Fax: +27 21 671 1149	Tel: +27 12 361 1929	Fax: +27 12 361 1929
E-MAIL: info@privateclient.co.za		WEB: www.privateclient.co.za	

Disclaimer

This document does not constitute an offer or the solicitation of an offer for the sale or purchase of any security. While every care has been taken in preparing this document, no representation, warranty or undertaking (express or implied) is given and neither responsibility nor liability is accepted by any member of the Private Client Group (PCH), its employees and agents, as to the accuracy of the information contained herein. Any member of PCH cannot be held liable for the use of and reliance on the opinions, estimates and findings. All opinions, estimates and findings contained in this document may be changed after distribution at any time without notice. This document has been prepared by PCH from resources believed reliable. PCH is an Investment Manager registered with the Financial Services Board. The company is a Licensed Financial Services Provider in terms of FAIS (registration number 613). The recipients of this document are urged to seek independent advice from their Private Client Holdings Wealth Manager or other independent advice with regard to the securities and investments referred to in this document.

AS MEMBERS OF:

