

US Small Cap Equity Fund

Performance Review

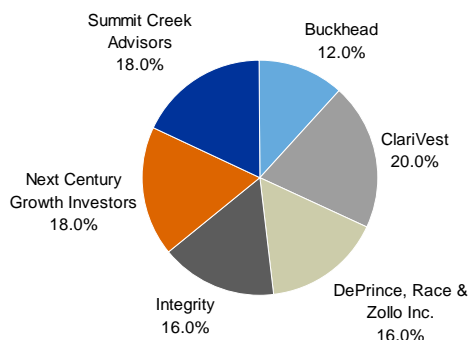
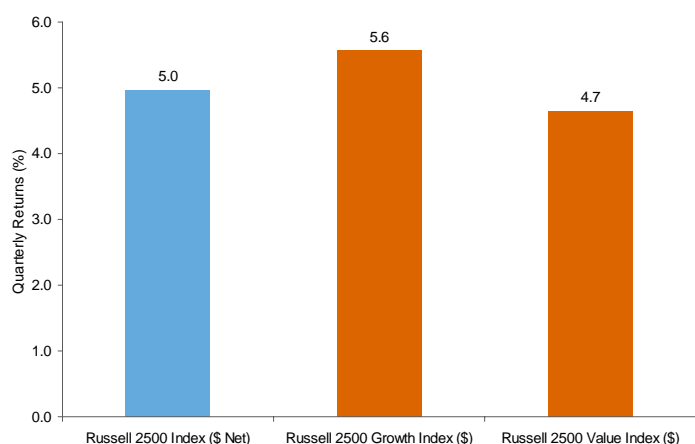
	One Month %	Three Months %	Year to Date %	One Year % ¹	Three Years %	Five Years %	Ten Years %	Since Inception % ²
US Small Cap Equity Fund (USD) Gross of fees	7.7	5.8	32.9	32.9	-4.5	1.4	5.3	6.8
Russell 2500 Index (USD) ³	7.2	5.0	33.7	33.7	-5.3	1.1	4.5	6.3
US Small Cap Equity Fund (RAND) Gross of fees	6.7	2.9	5.9	5.9	-3.2	6.9	7.2	11.0
Russell 2500 Index (RAND) ³	6.2	2.0	6.5	6.5	-3.9	6.7	6.3	10.6

¹ Returns greater than one year are annualised.

² Inception date 18/06/97. Performance is measured from 01/07/97. In order to enable accurate peer relative and total return benchmark relative performance comparisons, performance is calculated from the first full month following inception.

³ Net of non-resident withholding tax. Returns greater than one year are annualised.

Fund Highlights and Portfolio Management Activity



As at 31/12/2009

- The US Small Cap equity market advanced in the fourth quarter of 2009, with the Russell 2500 Index posting a 5.0% return driven by fresh signs of economic stability. Investors' preference for larger cap companies with more defensive traits - offering more sustainability and consistency around revenue and earnings growth – meant they outperformed their smaller-cap peers. Improving economic data, which has been largely driven by unprecedented global government stimulus spending, helped boost investor sentiment. Those companies positioned to exploit international growth and increased demand for commodities outperformed. Gains were also extended by a report stating manufacturing output in China rose at its fastest pace in five years, elevating earnings prospects for exporters. Technology companies advanced on expectations that businesses are expected to increase IT expenditure, due to equipment and software upgrade needs. Meanwhile, consumer discretionary companies performed well as investor sentiment improved on positive retail sales data. Concerns over a debt crisis in Dubai pared back returns somewhat, before the United Arab Emirates' pledge to help Dubai's banks eased investors' concerns.
- The Fund gained during the period, led by the strong performance of Summit Creek and Next Century. Stock selection within the technology and health care sectors was the main driver of performance for many managers. A more favourable market environment also proved beneficial for growth managers as they outperformed their more value-oriented peers. Over the quarter, the market favoured larger-cap stocks which proved a meaningful headwind for the value managers, who are underweight market cap.
- DePrince also gained during the period and was the best-performing value manager. Its strong performance was driven by its positive stock selection within the financial services and consumer staples sectors.

Quarterly Manager Performance

Manager	Approach / Process	*Manager Performance	Russell Analysis
Buckhead	Value	--	Buckhead struggled during the period due to negative stock selection within the producer durables and energy sectors. Its position in speciality contractor Dycom Industries was one of the main detractors after it released weak earnings results.

Quarterly Manager Performance (continued)

Manager	Approach / Process	*Manager Performance	Russell Analysis
ClariVest	Market - Oriented	-	Clarivest lagged during the quarter as the volatile market hindered its performance. The manager's process focuses on identifying sustainable trends in the market, but this struggled as many of those trends that have developed since March's low appear unsustainable. Underperformance was driven by negative stock selection, particularly within consumer discretionary and producer durables.
DePrince, Race & Zollo Inc.	Value	Flat	DePrince's marginal outperformance was driven by positive stock selection, notably within financial services where it favours small regional banks. The manager is typically underweight market cap and has recently become more defensive, following the strong run in riskier assets, which further boosted performance.
Integrity	Value	-	Integrity underperformed during the quarter due to negative stock selection across a range of sectors. Its position in specialty contracting services group Dycom Industries was one of the main detractors after releasing weak earnings results. The manager's value process further weighed on performance as they lagged their more growth-oriented peers.
Next Century Growth Investors	Growth	++	Next Century outperformed its own benchmark while finishing marginally ahead of the Fund's. Stock selection within the consumer discretionary and technology sectors were the primary drivers of positive returns. Its position in digital media services group DG FastChannel was particularly beneficial after its released strong third quarter earnings results.
Summit Creek Advisors	Growth	++	Summit Creek benefited from a more favourable market environment. Investors rewarded quality, sustainable growth stocks, and as a result performance was driven by strong stock selection across a number of sectors. Stock selection in technology was the main driver of outperformance, as several holdings rallied on better than expected quarterly earnings.

Sector Analysis

Sector Exposure	Sector Weights %		Quarterly Sector Returns
	Fund	Benchmark	
Consumer Discretionary	20.3	15.6	5.2
Consumer Staples	2.7	3.4	3.9
Energy	4.6	5.5	8.1
Financial Services	17.8	21.3	1.7
Health Care	10.4	11.8	4.5
Materials and Processing	6.2	7.9	5.5
Producer Durables	13.4	13.5	6.6
Technology	20.6	13.6	6.4
Utilities	4.0	7.4	8.7

Top Ten Holdings

Company Name	Country	Sector	Fund %	Benchmark %
ANSYS, Inc.	United States	Technology	1.2	0.2
Comstock Resources, Inc.	United States	Energy	0.9	0.1
HITTITE MICROWAVE CORP	United States	Technology	0.9	0.0
F5 Networks, Inc.	United States	Technology	0.9	0.2
SALESFORCE COM INC	United States	Technology	0.9	0.0
Equinix, Inc.	United States	Technology	0.8	0.2
HMS HOLDINGS CORP	United States	Health Care	0.8	0.1
Concur Technologies, Inc.	United States	Technology	0.8	0.1
ATHENAHEALTH INC	United States	Health Care	0.7	0.1
Alexion Pharmaceuticals, Inc.	United States	Health Care	0.7	0.2

Portfolio Profile Characteristics

Profile Characteristics	Fund	Benchmark
Sector Deviation	10.04	0.00
Market Value Weighted Nlog	-0.17	0.00
Valuation Characteristics:		
Price/Earnings (excl negative earnings)	18.97	17.73
Dividend Yield (%)	1.36	1.43
Price/Book	1.77	1.68
EPS Growth (1 Year Forecast)	9.69	1.40

	One Year		Three Years		Five Years	
	Fund	Average Manager	Fund	Average Manager	Fund	Average Manager
Tracking Error	2.4	9.1	3.4	9.2	3.1	7.8

*Manager Attribution Key	Relative Performance vs Fund Benchmark	Manager	Manager's Benchmark
++	>1.0%	Buckhead	Russell 2500 Value Index
+	0.3% to 1.0%	ClariVest	Russell 2500 Index
Flat	-0.3% to 0.3%	DePrince, Race & Zollo Inc.	Russell 2500 Value Index
-	-1.0% to -0.3%	Integrity	Russell 2500 Growth Index
--	<-1.0%	Next Century Growth Investors	Russell 2500 Value Index
		Summit Creek Advisors	Russell 2500 Growth Index

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