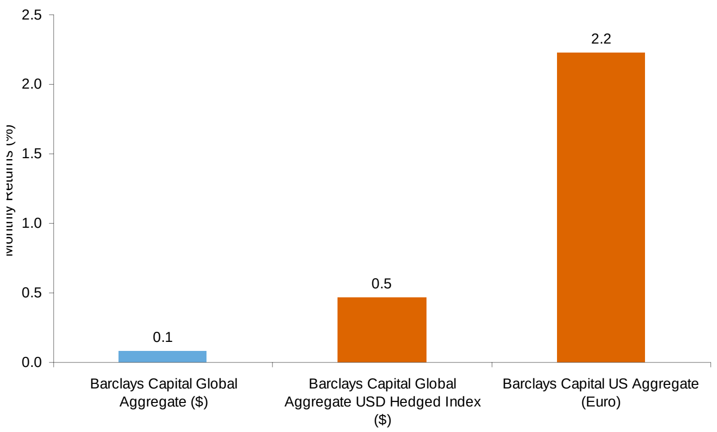
Global Bond Fund

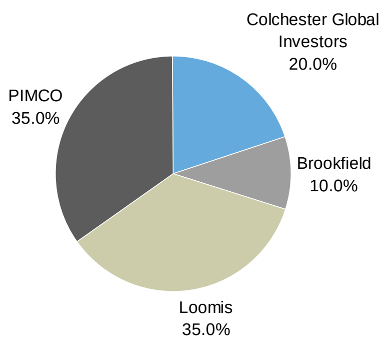
Performance Review

	One Month %	Three Months %	Year to Date %	One Year %[1]	Three Years	Five Years %	Ten Years %	Since Inception %[2]
Global Bond Fund (USD) Gross of fees	0.3	-1.7	1.3	23.9	7.3	5.2	6.8	6.4
Barclays Capital Global Aggregate Index (USD)[3]	0.1	-3.3	0.5	13.6	6.9	4.8	6.5	6.1
Global Bond Fund (RAND) Gross of fees	1.9	1.4	5.4	-5.5	9.2	11.3	8.8	11.8
Barclays Capital Global Aggregate Index (RAND)[3]	1.7	-0.3	4.6	-13.3	8.7	10.9	8.5	11.5

[1] Returns greater than one year are annualised.
[2] Inception date 30/09/94. Performance is measured from 01/10/94. 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] Global Bond Fund Benchmark prior to October 2001 was Citigroup WGBI.

Fund Highlights and Portfolio Management Activity





As at 28/02/2010

- The Barclays Capital Global Aggregate Index gained 0.1% in US dollar unhedged terms, as the dollar's continued strength against most of its major trading partners pared back gains. The index advanced 0.5% in US dollar hedged terms. Credit assets experienced a mixed month, as fresh fears over sovereign debt default among smaller European economies - notably Greece - helped reinforce suggestions that national debt burdens were reaching intolerable levels. US corporate issuance slowed to its lowest level since February 2006, as global concerns cooled the ardour for riskier assets. Spreads on high yield debt widened out as the extent of the crisis in Greece and the potential for similar developments in other "Club Med" states became apparent. However, high yield markets recovered and saw $15.8bn of new issuance as companies took advantage of the renewed confidence that attended expectations of a bailout for Greece in the latter half of the month. Rebounding equity markets and assurances from Federal Reserve Chairman Ben Bernanke that weak employment and low inflation would allow the US central bank to suppress interest rates "for an extended period" also proved beneficial. Emerging market debt inflows continued, with spreads narrowing to 2.99% by the end of February, having reached 3.27% earlier in the month after the crisis in Greece triggered a sell-off in global bond and equity markets.
- The majority of government bonds continued their positive start to the year, particularly at the shorter end, as concerns over the sustainability of economic recovery proved beneficial earlier in the month. Disappointing data from the US on existing home sales and a falling off in consumer confidence added some late support. UK government bonds advanced after Bank of England Governor Mervyn King said the country's recovery was fragile and that risks to the Monetary Policy Committee's outlook remained to the downside. European government bond returns reflected a turbulent month for the eurozone, with spreads for Greek government debt reaching 370 basis points over the German Bund as austerity measures were hampered by unrest in the country. However, two-year bund yields reached record levels after a report showed consumer prices fell in the region.
- The Fund continued its positive run to finish modestly ahead of its benchmark over the month. The active bias to credit was of less benefit than in recent months, but Colchester's country positioning - notably in Mexico and New Zealand - added good value. Brookfield's selection within asset-backed securities was again successful, while both Loomis and PIMCo derived some benefit from their currency exposures.

Monthly Manager Performance

Manager	Approach / Process	*Manager Performance	Russell Analysis
Brookfield	Sector Specialist	++	Structured finance specialist Brookfield outperformed, despite the beneficial effects of its selection within asset-backed securities being largely offset by its structural underweight to government bonds. The index overlay also added to returns.

Monthly Manager Performance (continued)

Manager	Approach / Process	*Manager Performance	Russell Analysis
Colchester Global Investors	Macro Value	++	Colchester was the best-performing manager, as its country positioning - notably in Mexico and New Zealand - drove gains. Sector positioning was largely neutral, although the structural underweight to credit did prove beneficial. The manager's gains were somewhat pared back by its currency positioning, notably the overweight to UK sterling, which slumped amid fresh concerns over the sustainability of economic recovery.
Loomis	Security Selection	+	Loomis finished in line with the benchmark as its sector (notably underweight governments, overweight high yield) and country positioning offset a modestly positive return from its currency exposures. The latter was driven largely by an overweight to the Swedish krona and an underweight to the euro.
PIMCO	Sector Specialist	+	PIMCO finished marginally ahead of the benchmark, helped by its currency positioning, where an underweight to UK sterling proved beneficial. Gains were somewhat pared back by its sector positioning, where its current bias to credit and overweight to high yield detracted modestly.

*Manager Attribution Key	Relative Performance vs Fund Benchmark
++	>0.25
+	+0.05% to +0.25%
Flat	-0.05% to +0.05
-	-0.25% to -0.05%
- -	<-0.25%