



Absolute Return Manager Watch™ Survey for the month ending December 2015

Research & Product Development
FINANCIAL SERVICES


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COMMENTARY

SURVEY NOTES

The Absolute Return Manager Watch™ Surveys focuses on multi-asset class mandates that targets performance above the SA headline inflation rate (CPI), while simultaneously seeking to protect capital over a 12 month period. It is made up of 4 Categories; with the following being material changes over Q4 2015:

Absolute Return Manager Watch™: CPI +3%: The Prescient Positive Return Medical Aid Fund exited the survey in November 2015.

Absolute Return Manager Watch™: CPI +4%: No change in the participants of this category

Absolute Return Manager Watch™: CPI +5%: No change in the participants of this category

Absolute Return Manager Watch™: CPI +6%: No change in the participants of this category

It should be noted that historic performance is not an indication of future performance nor is it a direct indicator of skill. Many of the participating funds use peer relative performance benchmarks and not investable benchmarks. The current positioning and exposure of funds, is more relevant to an investment strategy. Please use and interpret all information within this survey cautiously and consult an expert advisor to ensure that your fund's assets and fund strategies are appropriately matched to its liabilities.

SOURCES OF PERFORMANCE

Absolute Return portfolios usually build and implement their investment strategies such that the portfolio is resilient to strong negative equity market moves and is able to capture the risk premia of the invested asset classes to deliver real returns above inflation.

They may use a multitude of methods to achieve this goal; some of the more popular strategies being asset allocation modeling (strategic and tactical), dynamic risk modeling, explicit hedging strategies; and fixed income strategies. Its primary driver of return is that over the medium term the asset classes will realise its risk premia and therefore real return.

MARKET DYNAMICS THAT INFLUENCED PERFORMANCE AND STRATEGY OVER Q4 2015

Annus Horribilis appropriately describes the course of markets and investors over 2015. Had it not been for a cruelly depreciating Rand, which brings its own economic woes for South Africa, multi-asset class strategies would have struggled to beat cash returns. The first half of the year was volatile but positive. It was the second half that brought the chickens home to roost. The dominant economic themes that influenced markets and portfolio management strategy were:

- The most significant story of 2015 had to be the declining economic growth in China, which was written in the economic statistics released through the year, and persistent commentary of a shift towards a more consumption led economy from its production driven framework. Weak manufacturing data indicated that conditions in China may be much worse than GDP numbers suggest. Growth forecasts have fallen to less than 5%, with many indicators pointing towards a hard landing of the Chinese economy, and in its wake China's many trading partners including South Africa
- Amidst this the catalyst that ignited all of this took place in late June when the Chinese stock market experienced its worst decline since the 2008 financial crisis. Despite government interventions, the Chinese equity market moved quickly into bear territory. The Chinese government's move to devalue the yuan after spending billions of dollars to hold its level against the dollar was further confirmation of a weakening economy.
- Emerging markets, especially those with strong economic ties to China and commodity driven economies were worst hit with both their equity markets down and sharp devaluations in the currency markets. Economic data from China will be closely scrutinized over the forthcoming months to provide insight as to the potential extent of the slowdown
- The second dominant theme was the expectation of the US Fed raising interest rates for the first time since 2008. With the US labour market continuing to tighten with accelerating job growth and jobless claims now at multi-year lows, it seemed inevitable. The weeks approaching the September meeting, increased expectations that interest rates would be hiked. However, despite the positive indicators; the Fed delayed the decision, to unnerve the market. A controlled communication process over the subsequent weeks saw the Fed eventually raise interest rates by 25bp in December for the first time since 2008, as the US finally moved away from its zero percent interest rate policy. This further extended the pressure on commodity prices, EM currencies, bond and equity markets.
- Despite reaching \$50 per barrel at the end of last year, the oil price continued to decline with a significant oversupply relative to global demand. The oil price tumbled towards the \$30 price per barrel as it touched eight year lows in December. This had a ripple effect across all commodities that were already weak due to China's slowdown. Gold, a traditional safe haven in risk-off markets did not perform as the usual "flight to quality" asset and was also negative through this period

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- With the outlook on the global market beginning to fragment, the risk of recession loomed large for South Africa. Local conditions deteriorated with continuing electricity shortfalls, rising inflation, increased interest rates, electricity disruptions, labour conflicts, and depressed business confidence. Global rating agencies Fitch and S&P had warned that South Africa that rating downgrades would be applied unless we could implement growth enhancing economic reforms and maintain strong fiscal consolidation. This did not materialise, and South African sovereign risk was downgraded towards junk status.
- The weakening fiscal discipline was further exposed with the surprise removal of finance minister Nhlanhla Nene by President Zuma in December. This not only exposed the frailties of the local markets but demonstrated how quickly capital can move across markets. In the short time it took to appoint Mr Pravin Gordhan back to his former post to calm the markets, R225 billion in value had been wiped off the JSE, the Rand had broken through the R16 a dollar mark and long term bond yields had increased by over a percent. This economic uncertainty on fiscal discipline and economic growth sets the primary themes for 2016.
- Many economists felt the 25 bp rate hike in July followed by a second hike in November was insufficient against prevailing Rand weakness and the threat of rising inflation. The exacerbated Rand depreciation by investors in December fueled market expectations for a 50bp rate hike in January and saw local yield curves shift upwards further weakening the bond market.
- Economic growth forecasts for 2015 continue to be revised downwards, at c. 1.8% by local forecasters, but 0.7% by the IMF which outlined ever weaker local consumption. Local earnings of companies were expected to decline, and Rand hedged earnings perceived as a material risk mitigator.

The fragile global environment exposed itself over a very volatile year. Developed equity markets were definitely better than its emerging peers, with the MSCI World Index down -0.34% (U.S. Dollars) with the MSCI EM index down -14.9% over the year. The US markets up 1.3%, was for the second year running strongest of the developed countries.

The Rand depreciation (c. -18% down against the Euro and c. -26% US Dollar over the year) provided much needed diversification for the local investor. The Rand returns of the offshore assets looked significantly better once the currency is factored in. Global bonds and equities were positive in Rand Terms, the World Government Bond Index (WGBI) up 29.0% and MSCI World up 30.6% for the year.

There was a general consensus by asset managers over the last 24 months of an overpriced local equity market, creating speculation of it heading towards asset price bubble territory. Local equity markets was resilient over the last quarter the FTSE JSE All Share Index (ALSI) up 1.7%, and returned 5.1% for the year due to the diversification of rand hedge earnings of number of South African listed companies. The FTSE JSE Shareholder Weighted All Share Index (SWIX) however only returned 3.6%. The performance differential between the indices has reversed to 1.5% over 1 year in favour of the ALSI from a high of 5.8% earlier this year in favour of the SWIX. Rand hedge shares such as (Mondi, SAB Miller, BAT, Naspers) all returned significantly more than 40% for the year.

Resource shares were hardest hit due to the significant falls in commodity prices and increasing costs of production, down -37%, red across all the sub-sectors. The Industrial sector was deceptively up due to the currency effect and buoyed by the SABMiller-ABInBev announcement. It was a mixed bag across the sub-sectors with Consumer Goods and Consumer Services up 31.3% and 27.1% respectively, whilst Construction and Telecoms were down -41.3% and -28.2% respectively. Realised market volatility was high, whilst performance dispersion between the best and worse shares in the Top 40 was over 160% for the year. This provided significant opportunities for security selection within equity.

The early part of the year saw investment styles such as Momentum and Quality being rewarded whilst Value, and Deep Value, continued to struggle. As markets became more uncertain and distressed towards the latter half of the year, investment styles became less significant driven by liquidity and risk fundamentals.

The local property market was significantly volatile over the entire the year with large monthly performance swings as yields fluctuated with changing outlooks on local interest rates and deteriorating local economic market conditions. Again rand hedge property counters buoyed the asset class. Dominant local property shares such as Growthpoint and Resilient are longer the largest shares, with Fortress and NEPI returning 103% and 62% respectively.

Interest rate markets also fluctuated significantly q-o-q, with outflows of over R37.5bn from bond markets over the last quarter and R10bn over the year reversing net inflows from the previous quarters. With two interest rate hikes, cash returns were strongest with the STeFI returning +5.6%, and ILB's up 3.7%, whilst nominal bonds were down -3.9%. All in all managers would have struggled to find returns in fixed income markets this year with cash and cash equivalents being the strongest differentiator.

All in all market direction proved difficult to call both globally and locally.

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HOW THE MANAGERS PERFORMED OVER Q4 2015

The difficult macro environment that transpired was expected by managers for the past three years (perhaps not the details but the market repricing), with most managers feeling finally justified in structuring their portfolios defensively, with lower equity exposures and higher cash exposure vs longer term averages.

Like the recent past (not 2014 though) the most influential factor on multi-asset mandates was the allocation to global assets, in particular the allocation to developed markets and currencies. The four most contributing factors and themes that led to differentiated performances amongst funds were:

1. Allocation to developed markets and currencies
2. Exposure to commodities and resource shares
3. Choosing Rand hedge stocks for local equity
4. Exposure to cash for defensive allocations

Security and sector selection decisions continued to be a big factor to many managers - consistent with outcomes for active managers in the Alexander Forbes Equity survey. Fund managers would still have had a difficult task of balancing risk and return for their clients while protecting their portfolios from capital losses.

Eight of forty-two absolute return composites across all categories in the survey failed to protect capital during the fourth quarter but only two portfolio eroded capital over 1 year. Twelve composites failed to protect the investor from inflationary erosion over 1 year.

ReCM continues to struggle through this cycle, one of 2 funds to lose value over a 1 year period. Despite a significantly positive asset allocation decision (37% local equity, 30% local cash, 26% global equity), ReCM delivered further disappointing returns (-19.24%). Its global oil and gas sector exposure coupled with UK food retailers, and select Russian counters experienced further price declines.

The Investec Opportunity takes over as the best performing manager returning 15.53% over 1 year. The primary driver of their performance was their foreign equity component which continued to perform amidst a weak rand environment. Within their foreign equity allocation, their positions in Anheuser-Busch InBev, Japan Tobacco and Microsoft were the primary contributors. Their holdings in rand-hedge stocks, such as British American Tobacco, SABMiller and Sasol, also added to performance.

Other portfolios that have had strong 1 year performance are Prudential Global Inflation Plus 6% in the CPI + 6% category; Old Mutual Multi Mangers and SIM in the CPI + 5% category and Absa in the CPI + 4% category. Notably all these portfolios achieved these robust returns with global allocations in the portfolios.

The performance across the categories are not as linear as suggested by the performance targets, reflecting that the strategies change significantly as higher real returns are targeted. The median returns over one year for the CPI + 3%, 4%, 5% and 6% are 5.8%, 5.0%, 7.0% and 7.8% respectively. Strategies that included global exposure have in general performed better than local only portfolios due to the significant depreciation of the rand over the year.

ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Objective - The portfolios in this Survey comply with Regulation 28 and represent products targeted at real returns with a CPI Objective.

GENERAL INFORMATION										
	Portfolio Inception date	GIPS™ (Verified/ Compliant)	Global / Domestic Mandate	Notes	Managed Ito Regulation 28? (Y/N)	CPI/X Target Return	Dual objective (If applicable)	No.of funds in composite	Portfolio Size (R m)	Admin - efficiency : Date data submitted
INVESTMENT MANAGERS										
Headline CPI + 3%										
Absa Asset Management Absolute CPI +3%	Oct-02	V	Domestic		Y	Headline CPI + 3%		1	543	08 January 2016
Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		1	674	14 January 2016
Coronation Inflation Plus Fund	Oct-09	V	Global	Headline CPI + 3.5%	Y	Headline CPI + 3.5%	Preserve capital over a rolling 12m period	1	3 072	13 January 2016
Momentum MoM Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		n/a	1 107	04 January 2016
Old Mutual Multi-Managers Inflation Plus 1-3%	Oct-99		Global		Y	Headline CPI + 3%		n/a	459	12 January 2016
Prescient Positive Return Fund		V	Domestic		Y	Headline CPI + 3%		11	4 617	14 January 2016
SIM Absolute	Dec-01	V	Domestic		Y	Headline CPI + 3%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	4	692	06 January 2016
Headline CPI + 4%										
Absa Asset Management Absolute Global CPI +4%	Dec-06	V	Global		Y	Headline CPI + 4%		4	19 440	08 January 2016
Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		12	9 430	08 January 2016
Argon Absolute Return Fund	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period.	3	1 010	14 January 2016
Investment Solutions Stable Focus	Apr-05		Domestic		Y	Headline CPI + 4%	No negative returns over rolling 12 month period	n/a	2 262	15 January 2016
Momentum MoM Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		n/a	2 360	04 January 2016
Mergence CPI + 4% Fund	Oct-09	C	Domestic		Y	Headline CPI + 4%		4	1 525	12 January 2016
OMIG Capital Builder	Mar-08	V	Domestic		Y	Headline CPI + 4%	Targets both positive returns every quarter and CPI+4% pa, or Cash+3% pa over rolling 3-year periods.	1	1 972	12 January 2016
OMIG MacroSolutions Stable Growth Fund	Jul-07	V	Global		Y	Headline CPI + 4%		1	4 936	12 January 2016
Headline CPI + 5%										
Cadiz Inflation + 5%	Feb-06	V	Domestic		Y	Headline CPI + 5%		1	175	14 January 2016
Coronation Absolute	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period.	11	8 558	13 January 2016
Foord Absolute	Jun-02	C	Global		Y	Headline CPI + 5%		4	1 678	12 January 2016
Investment Solutions Real Return Focus Local	Oct-02		Domestic		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	6 155	15 January 2016
Investment Solutions Real Return Focus Portfolio	May-03		Global		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	3 901	15 January 2016
JM BUSH A Absolute AllClass	Oct-06	C	Domestic		Y	Headline CPI + 5%		3	1 174	08 January 2016
Mergence CPI +5% Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	1	1 345	12 January 2016
Momentum AM CPI+5% Global Fund	Nov-03	V	Global		Y	Headline CPI + 5%	CPI +5% (gross of fees) over a rolling 3-year period, and a low probability of losing capital over a rolling 1-year period.	n/a	794	14 January 2016
Old Mutual Multi-Managers Inflation Plus 3-5%	Jul-03		Global		Y	Headline CPI + 5%		n/a	4 488	12 January 2016
OMIG Wealth Defender	Aug-03	C	Global		Y	Headline CPI + 5%		4	6 861	12 January 2016
Prudential Domestic Real Return Plus 5%	Nov-09	V	Domestic		Y	Headline CPI + 5%		4	1 279	07 January 2016
Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	2	37 660	07 January 2016
RECM Balanced Full Discretion Composite	Jul-03	V	Global		Y	Headline CPI + 5%		3	219	14 January 2016
SIM CPI + 5%	Jan-07	V	Domestic		Y	Headline CPI + 5%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	8	1 793	06 January 2016
SIM CPI + 5% Global	Dec-03	V	Global		Y	Headline CPI + 5%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	7	12 336	06 January 2016
SMM Absolute Return	May-03		Global		Y	Headline CPI + 5%		1	444	11 January 2016
STANLIB AM Absolute	Jul-01	V	Global		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	4 416	13 January 2016
STANLIB Domestic Absolute Return	Mar-04	V	Domestic		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	265	13 January 2016
Old Mutual Multi Managers Absolute Defensive Fund	Sep-02		Global		Y	Headline CPI + 4%	Non-negative returns over rolling 1-year periods	n/a	1 014	12 January 2016
Vunani Fund Managers CPI+5%	Mar-05	V	Domestic		Y	Headline CPI + 5%		3	1 846	14 January 2016
Headline CPI + 6%										
Coronation Absolute	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	1	6 438	13 January 2016
Investec Opportunity	Aug-99	V	Global		Y	Headline CPI + 6%		14	47 148	12 January 2016
Momentum AM (CPI+6% Global)	Apr-12	V	Global		Y	Headline CPI + 6%		n/a	286	14 January 2016
Prudential Domestic Inflation Plus 6%	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	3	2 152	07 January 2016
Prudential Global Inflation Plus 6%	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	1	241	07 January 2016
SIM CPI + 6%	Jan-03	V	Domestic		Y	Headline CPI + 6%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	3	653	06 January 2016
STANLIB Absolute Plus Fund	Dec-05	V	Domestic		Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	2 405	13 January 2016
				This includes multi-managers thus must be noted as possible "double-counting"					209 843	
TOTAL										

Inflation figures lagged by one month

* Reasonable use of the survey may be made for purposes of comment and study provided that full acknowledgement is made to "Alexander Forbes Research & Product Development".

* While all possible care is taken in the compilation of the Survey, reliance is placed on information received from Investment Managers.

* The rankings and statistical information have been supplied for illustrative purposes only.

* Performance figures are shown gross of fees.

* Performance should not be judged over a short period of time.

* Past performance is not necessarily a guide to future performance.

ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Objective - The portfolios in this Survey comply with Regulation 28 and represent products targeted at real returns with a CPI Objective.

Benchmark Methodology CPI - Due to the reweighting and rebasing of the CPI from January 2009 the benchmark numbers reflect a compound of month to month CPI returns. The historical month to month numbers used in calculations are the official month to month numbers based on the old basket prior to January 2009 and new basket post January 2009. The adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015													
PERFORMANCE DATA													
	Month	Quarter	Year to Date	1 Year		3 Years		5 Years		7 Years		10 Years	
	Portfolio	Portfolio	Portfolio	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Headline CPI + 3%													
Absa Asset Management Absolute CPI +3%	-0.67%	0.46%	5.13%	5.13%	7.77%	6.81%	8.31%	8.80%	8.53%	9.25%	8.14%	9.02%	*
Cadiz Inflation Plus 3	-0.81%	0.49%	4.73%	4.73%	7.77%	6.00%	8.31%	8.41%	8.53%	*	*	*	*
Coronation Inflation Plus Fund	0.78%	2.15%	7.48%	7.48%	8.27%	10.19%	8.31%	11.07%	8.53%	*	*	*	*
Momentum MoM Real Return	-0.27%	0.93%	5.34%	5.34%	7.77%	8.11%	8.31%	7.29%	8.53%	8.10%	8.14%	9.79%	*
Old Mutual Multi-Managers Inflation Plus 1-3%	-0.47%	3.79%	8.57%	8.57%	7.77%	*	*	*	*	*	*	*	*
Prescient Positive Return Fund	-0.24%	1.37%	5.82%	5.82%	7.77%	7.88%	8.31%	7.04%	8.53%	7.91%	8.18%	9.81%	9.10%
SIM Absolute	-0.98%	0.48%	6.73%	6.73%	7.77%	8.39%	8.31%	9.37%	8.53%	10.49%	8.14%	10.16%	9.14%
Headline CPI + 4%													
Absa Asset Management Absolute Global CPI +4%	0.53%	2.10%	9.54%	9.54%	N/A	10.27%	9.31%	11.60%	9.53%	11.82%	9.14%	*	*
Absa Asset Management Absolute Domestic CPI+4%	-0.69%	0.11%	4.96%	4.96%	N/A	7.82%	9.31%	9.99%	9.53%	*	*	*	*
Argon Absolute Return Fund	-2.29%	-0.07%	7.19%	7.19%	N/A	9.87%	9.31%	10.88%	9.53%	10.71%	9.18%	*	*
Investment Solutions Stable Focus	-1.21%	0.10%	4.53%	4.53%	N/A	7.46%	9.31%	8.29%	9.53%	9.34%	9.14%	10.28%	9.10%
Momentum MoM Absolute Strategies	-1.09%	1.04%	4.91%	4.91%	N/A	6.72%	9.31%	6.46%	9.53%	7.49%	9.14%	8.58%	9.10%
Mergence CPI + 4% Fund	-1.43%	1.03%	5.05%	5.05%	N/A	*	*	*	*	*	*	*	*
OMIG Capital Builder	-0.06%	0.93%	3.39%	3.39%	N/A	7.07%	9.31%	6.94%	9.53%	7.58%	9.14%	*	*
OMIG MacroSolutions Stable Growth Fund	-0.94%	2.29%	8.57%	8.57%	N/A	11.03%	9.31%	11.84%	9.53%	12.21%	9.14%	*	*
Headline CPI + 5%													
Cadiz Inflation + 5%	-3.36%	-2.40%	0.68%	0.68%	N/A	4.85%	10.31%	8.21%	10.53%	11.26%	10.18%	*	*
Coronation Absolute	-1.21%	-1.48%	0.06%	0.06%	N/A	7.43%	10.31%	8.44%	10.53%	12.22%	10.18%	12.43%	11.10%
Ford Absolute	1.07%	5.29%	11.20%	11.20%	N/A	15.55%	10.31%	16.41%	10.53%	16.52%	10.14%	15.34%	11.14%
Investment Solutions Real Return Focus Local	-1.57%	-0.38%	3.28%	3.28%	N/A	8.11%	10.31%	8.49%	10.53%	10.30%	10.14%	10.83%	11.14%
Investment Solutions Real Return Focus Portfolio	0.13%	2.63%	8.06%	8.06%	N/A	10.90%	10.31%	10.64%	10.53%	10.99%	10.14%	11.20%	11.14%
JM BUSH Absolute AllClass	-3.67%	-1.76%	-0.29%	-0.29%	N/A	7.84%	10.31%	11.04%	10.53%	12.05%	10.18%	11.04%	11.10%
Mergence CPI +5% Fund	-1.58%	0.63%	3.80%	3.80%	N/A	7.53%	10.31%	9.39%	10.53%	9.86%	10.14%	*	*
Momentum AM CPI+5% Global Fund	-0.44%	2.94%	7.63%	7.63%	N/A	10.19%	10.31%	11.36%	10.53%	12.18%	10.18%	9.94%	11.10%
Old Mutual Multi-Managers Inflation Plus 3-5%	0.16%	5.30%	10.86%	10.86%	N/A	*	*	*	*	*	*	*	*
OMIG Wealth Defender	-0.09%	2.97%	9.45%	9.45%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Real Return Plus 5%	-3.50%	-0.61%	4.08%	4.08%	N/A	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	-1.09%	3.24%	10.23%	10.23%	N/A	13.57%	10.31%	14.81%	10.53%	14.19%	10.14%	*	*
RECM Balanced Full Discretion Composite	-2.92%	-2.88%	-19.24%	-19.24%	N/A	*	*	*	*	*	*	*	*
SIM CPI + 5%	-1.27%	0.44%	6.39%	6.39%	N/A	9.46%	10.31%	10.15%	10.53%	11.44%	10.14%	*	*
SIM CPI + 5% Global	0.57%	3.86%	12.06%	12.06%	N/A	12.90%	10.31%	12.63%	10.53%	12.02%	10.14%	11.27%	11.14%
SMM Absolute Return	0.57%	5.36%	11.27%	11.27%	N/A	13.98%	10.31%	11.65%	10.53%	12.89%	10.14%	11.76%	11.14%
STANLIB AM Absolute	-1.79%	0.17%	4.61%	4.61%	N/A	6.42%	10.31%	8.45%	10.53%	8.18%	10.14%	8.70%	11.14%
STANLIB Domestic Absolute Return	-1.52%	0.30%	6.24%	6.24%	N/A	7.15%	10.31%	9.21%	10.53%	9.23%	10.14%	9.44%	11.14%
Old Mutual Multi Managers Absolute Defensive Fund	1.20%	4.51%	12.15%	12.15%	N/A	13.19%	10.31%	12.69%	10.53%	12.12%	10.18%	11.58%	11.10%
Vunani Fund Managers CPI+5%	-1.20%	2.63%	9.43%	9.43%	N/A	10.41%	10.31%	11.97%	10.53%	12.76%	10.18%	11.21%	11.10%
MARKET STATISTICS													
Combination of old CPIX and new CPI	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.18%		6.10%	
Consumer Price Inflation (Old/New combined CPI)	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.14%		6.14%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.29%		5.85%	
STEFF	0.55%	1.62%	6.49%	6.49%		5.86%		5.77%		6.41%		7.31%	
Number of Participants	35	35	35	35		29		29		26		18	

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™

Objective - The portfolios in this Survey comply with Regulation 28 and represent products targeted at real returns.

Benchmark Methodology CPI - Due to the reweighting and rebasing of the CPI from January 2009 the benchmark numbers reflect a compound of month to month CPI returns. The historical month to month numbers used in calculations are the official month to month numbers based on the old basket prior to January 2009 and new basket post January 2009. The adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015													
	Month	Quarter	Year to Date	1 Year		3 Years		5 Years		7 Years		10 Years	
	Portfolio	Portfolio	Portfolio	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Headline CPI + 6%													
Coronation Absolute	0.74%	3.17%	6.21%	6.21%	N/A	12.26%	11.31%	12.41%	11.53%	14.20%	11.18%	13.79%	12.10%
Investec Opportunity	1.16%	6.25%	15.53%	15.53%	N/A	14.04%	11.31%	15.05%	11.53%	15.69%	11.18%	14.52%	12.10%
Momentum AM (CPI+6% Global)	-0.18%	3.89%	8.40%	8.40%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Inflation Plus 6%	-3.56%	-0.41%	4.33%	4.33%	N/A	10.31%	11.31%	13.04%	11.53%	14.33%	11.14%	13.64%	12.10%
Prudential Global Inflation Plus 6%	-0.80%	3.92%	11.42%	11.42%	N/A	15.18%	11.31%	15.72%	11.53%	14.94%	11.14%	13.84%	12.14%
SIM CPI + 6%	-1.45%	0.51%	6.35%	6.35%	N/A	10.22%	11.31%	10.73%	11.53%	12.41%	11.14%	*	*
STANLIB Absolute Plus Fund	-1.47%	0.70%	7.78%	7.78%	N/A	11.02%	11.31%	11.01%	11.53%	12.50%	11.14%	10.18%	12.14%
MARKET STATISTICS													
Combination of old CPIX and new CPI*	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.18%		6.10%	
Consumer Price Inflation (Old/New combined CPI)	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.14%		6.14%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	0.09%	0.34%	4.77%	4.77%		5.31%		5.53%		5.29%		5.85%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	0.09%	0.26%	4.75%	4.75%		5.37%		5.64%		5.26%		6.10%	
STEFI	0.55%	1.62%	6.49%	6.49%		5.86%		5.77%		6.41%		7.31%	
Number of Participants	7	7	7	7		6		6		6		5	

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

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Benchmark Methodology CPI - Due to the reweighting and rebasing of the CPI from January 2009 the benchmark numbers reflect a compound of month to month CPI returns. The historical month to month numbers used in calculations are the official month to month numbers based on the old basket prior to January 2009 and new basket post January 2009. The adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015														
	1 Year				3 Years				5 Years					
	Volatility	% positive months	Worst month	Maximum drawdown	3 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown	5 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown
Headline CPI + 3%														
Absa Asset Management Absolute CPI +3%	3.88%	66.67%	-1.06%	-1.66%	6.81%	3.51%	77.78%	-1.88%	-1.88%	8.80%	3.10%	81.67%	-1.88%	-1.88%
Cadiz Inflation Plus 3	4.05%	41.67%	-0.99%	-1.30%	6.00%	3.65%	63.89%	-2.00%	-2.97%	8.41%	3.83%	*	*	*
Coronation Inflation Plus Fund	3.88%	66.67%	-1.11%	-1.11%	10.19%	3.94%	80.56%	-2.28%	-2.28%	11.07%	3.30%	*	*	*
Momentum MoM Real Return	4.87%	58.33%	-1.55%	-1.81%	8.11%	4.41%	69.44%	-2.55%	-2.55%	7.29%	3.85%	70.00%	-2.55%	-2.55%
Old Mutual Multi-Managers Inflation Plus 1-3%	4.30%	58.33%	-0.50%	-0.78%	*	*	*	*	*	*	*	*	*	*
Prescient Positive Return Fund	4.32%	58.33%	-1.32%	-1.55%	7.88%	4.34%	66.67%	-1.94%	-1.94%	7.04%	3.75%	68.33%	-1.94%	-1.94%
SIM Absolute	2.67%	83.33%	-0.98%	-1.22%	8.39%	2.12%	88.89%	-0.98%	-1.22%	9.37%	2.08%	88.33%	-0.98%	-1.22%
Headline CPI + 4%														
Absa Asset Management Absolute Global CPI +4%	4.04%	58.33%	-1.69%	-2.37%	10.27%	3.53%	72.22%	-1.98%	-2.37%	11.60%	3.25%	80.00%	-1.98%	-2.37%
Absa Asset Management Absolute Domestic CPI+4%	4.92%	58.33%	-1.69%	-2.37%	7.82%	4.12%	72.22%	-1.98%	-2.37%	9.99%	3.81%	80.00%	-1.98%	-2.37%
Argon Absolute Return Fund	4.84%	75.00%	-2.29%	-2.38%	9.87%	4.13%	77.78%	-2.29%	-2.38%	10.88%	4.25%	78.33%	-2.29%	-2.38%
Investment Solutions Stable Focus	5.03%	58.33%	-1.59%	-2.70%	7.46%	4.36%	72.22%	-2.32%	-2.70%	8.29%	3.65%	78.33%	-2.32%	-2.70%
Momentum MoM Absolute Strategies	6.07%	50.00%	-2.57%	-2.74%	6.72%	5.00%	63.89%	-3.36%	-3.36%	6.46%	4.52%	66.67%	-3.36%	-3.36%
Mergence CPI + 4% Fund	5.18%	58.33%	-1.67%	-4.03%	*	*	*	*	*	*	*	*	*	*
OMIG Capital Builder	3.30%	58.33%	-1.41%	-1.88%	7.07%	3.43%	72.22%	-1.94%	-1.94%	6.94%	3.14%	73.33%	-1.94%	-1.94%
OMIG MacroSolutions Stable Growth Fund	4.20%	66.67%	-0.94%	-0.94%	11.03%	3.72%	83.33%	-2.23%	-2.23%	11.84%	3.31%	86.67%	-2.23%	-2.23%
Headline CPI + 5%														
Cadiz Inflation + 5%	7.33%	41.67%	-3.36%	-5.21%	4.85%	6.09%	55.56%	-3.36%	-5.21%	8.21%	6.09%	66.67%	-3.36%	-5.21%
Coronation Absolute	7.19%	41.67%	-3.44%	-5.55%	7.43%	6.10%	61.11%	-3.44%	-5.55%	8.44%	5.45%	65.00%	-3.44%	-5.55%
Foord Absolute	7.60%	58.33%	-1.54%	-2.44%	15.55%	7.83%	69.44%	-3.72%	-3.72%	16.41%	7.27%	75.00%	-3.72%	-3.72%
Investment Solutions Real Return Focus Local	6.07%	41.67%	-1.96%	-3.50%	8.11%	5.13%	66.67%	-2.53%	-3.50%	8.49%	4.42%	71.67%	-2.53%	-3.50%
Investment Solutions Real Return Focus Portfolio	4.84%	58.33%	-1.25%	-1.70%	10.90%	4.78%	72.22%	-2.94%	-2.94%	10.64%	4.03%	76.67%	-2.94%	-2.94%
JM BUNSA Absolute AllClass	9.18%	50.00%	-3.67%	-6.85%	7.84%	7.46%	66.67%	-3.67%	-6.85%	11.04%	6.76%	71.67%	-3.67%	-6.85%
Mergence CPI +5% Fund	5.89%	50.00%	-1.80%	-2.93%	7.53%	5.08%	66.67%	-2.56%	-2.93%	9.39%	4.72%	66.67%	-2.56%	-2.93%
Momentum AM CPI+5% Global Fund	5.27%	50.00%	-1.58%	-1.96%	10.19%	4.20%	72.22%	-2.68%	-2.68%	11.36%	4.24%	76.67%	-2.68%	-2.68%
Old Mutual Multi-Managers Inflation Plus 3-5%	5.11%	66.67%	-0.74%	-1.32%	*	*	*	*	*	*	*	*	*	*
OMIG Wealth Defender	4.27%	58.33%	-0.75%	0.00%	*	*	77.78%	-2.55%	0.00%	*	*	*	*	*
Prudential Domestic Real Return Plus 5%	7.36%	58.33%	-3.50%	-4.03%	*	*	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	5.42%	58.33%	-1.22%	-1.63%	13.57%	5.38%	77.78%	-3.57%	-3.57%	14.81%	4.66%	81.67%	-3.57%	-3.57%
RECM Balanced Full Discretion Composite	14.45%	33.33%	-7.54%	-0.75%	*	*	*	*	*	*	*	*	*	*
SIM CPI + 5%	3.78%	66.67%	-1.27%	-1.84%	9.46%	3.28%	80.56%	-1.27%	-1.84%	10.15%	3.13%	81.67%	-1.27%	-1.84%
SIM CPI + 5% Global	3.01%	83.33%	-0.31%	-0.31%	12.90%	3.15%	91.67%	-1.36%	-1.36%	12.63%	2.97%	91.67%	-1.36%	-1.36%
SMM Absolute Return	5.08%	66.67%	-0.81%	-1.10%	13.98%	5.16%	77.78%	-2.29%	-2.29%	11.65%	4.45%	76.67%	-2.29%	-2.29%
STANLIB AM Absolute	5.20%	58.33%	-1.79%	-2.77%	6.42%	4.38%	69.44%	-1.79%	-2.77%	8.45%	4.12%	76.67%	-1.79%	-2.77%
STANLIB Domestic Absolute Return	5.02%	58.33%	-1.54%	-2.51%	7.15%	4.32%	69.44%	-1.86%	-2.51%	9.21%	4.14%	73.33%	-1.86%	-2.51%
Old Mutual Multi Managers Absolute Defensive Fund	3.51%	83.33%	-0.64%	-0.66%	13.19%	4.12%	83.33%	-1.81%	-1.81%	12.69%	3.64%	88.33%	-1.81%	-1.81%
Vunani Fund Managers CPI+5%	6.61%	66.67%	-1.61%	-1.79%	10.41%	5.74%	69.44%	-3.61%	-3.61%	11.97%	5.65%	75.00%	-3.61%	-3.61%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.78%				5.31%	1.55%				5.53%	1.36%			
Consumer Price Inflation (Old/New combined CPI)	1.78%				5.31%	1.55%				5.53%	1.36%			
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	1.78%				5.31%	1.55%				5.53%	1.36%			
STEFI	0.08%				5.86%	0.18%				5.77%	0.15%			

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Objective - The portfolios in this Survey comply with Regulation 28 and represent products targeted at real returns with a CPI Objective.
Benchmark Methodology CPI - Due to the reweighting and rebasing of the CPI from January 2009 the benchmark numbers reflect a compound of month to month CPI returns. The historical month to month numbers used in calculations are the official month to month numbers based on the old basket prior to January 2009 and new basket post January 2009. The adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015														
	1 Year					3 Years					5 Years			
	Volatility	% positive months	Worst month	Maximum drawdown	3 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown	5 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown
Headline CPI + 6%														
Coronation Absolute	6.27%	50.00%	-1.52%	-3.24%	12.26%	6.55%	69.44%	-3.58%	-3.58%	12.41%	5.53%	73.33%	-3.58%	-3.58%
Investec Opportunity	6.88%	58.33%	-1.42%	-1.95%	14.04%	6.34%	69.44%	-3.05%	-3.05%	15.05%	5.52%	80.00%	-3.05%	-3.05%
Momentum AM (CPI+6% Global)	6.18%	50.00%	-1.74%	0.00%		5.17%								
Prudential Domestic Inflation Plus 6%	8.17%	58.33%	-3.56%	-4.41%	10.31%	7.08%	72.22%	-3.56%	-4.41%	13.04%	6.64%	76.67%	-3.56%	-4.41%
Prudential Global Inflation Plus 6%	5.81%	58.33%	-1.25%	-1.80%	15.18%	5.62%	80.56%	-3.40%	-3.40%	15.72%	4.98%	80.00%	-3.40%	-3.40%
SIM CPI + 6%	4.60%	66.67%	-1.45%	-2.25%	10.22%	4.06%	80.56%	-1.45%	-2.25%	10.73%	3.84%	80.00%	-1.45%	-2.25%
STANLIB Absolute Plus Fund	4.23%	75.00%	-1.47%	-1.69%	11.02%	4.68%	72.22%	-1.47%	-1.69%	11.01%	4.42%	71.67%	-1.47%	-1.69%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.78%				5.31%	1.55%				5.53%	1.36%			
Consumer Price Inflation (Old/New combined CPI)	1.78%				5.31%	1.55%				5.53%	1.36%			
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	1.78%				5.31%	1.55%				5.53%	1.36%			
STEFI	0.08%				5.86%	0.18%				5.77%	0.15%			

Inflation figures lagged by one month
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Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015					
	Calendar Year				
	2015	2014	2013	2012	2011
Headline CPI + 3%					
Absa Asset Management Absolute CPI +3%	5.13%	9.82%	5.53%	14.47%	9.33%
Cadiz Inflation Plus 3	4.73%	4.72%	8.60%	16.80%	7.64%
Coronation Inflation Plus Fund	7.48%	9.56%	13.61%	14.52%	10.32%
Momentum MoM Real Return	5.34%	8.51%	10.53%	9.16%	3.10%
Prescient Positive Return Fund	5.82%	7.03%	10.85%	8.45%	3.19%
SIM Absolute	6.73%	8.65%	9.80%	11.69%	10.05%
Headline CPI + 4%					
Absa Asset Management Absolute Global CPI +4%	9.54%	11.59%	9.70%	16.71%	10.60%
Absa Asset Management Absolute Domestic CPI+4%	4.96%	10.26%	8.30%	17.79%	9.07%
Investment Solutions Stable Focus	4.53%	8.98%	8.94%	12.63%	6.56%
Momentum MoM Absolute Strategies	4.91%	8.41%	6.88%	9.44%	2.79%
OMIG Capital Builder	3.39%	7.93%	9.99%	10.14%	3.45%
OMIG MacroSolutions Stable Growth Fund	8.57%	10.33%	14.27%	17.47%	8.84%
Argon Absolute Return Fund	7.19%	11.75%	10.72%	17.62%	7.45%
Headline CPI + 5%					
Cadiz Inflation + 5%	0.68%	4.47%	9.58%	21.65%	5.81%
Coronation Absolute	0.06%	9.90%	12.76%	15.18%	4.99%
Foord Absolute	11.20%	11.15%	24.82%	26.06%	9.90%
Investment Solutions Real Return Focus Local	3.28%	10.33%	10.90%	13.67%	4.61%
Investment Solutions Real Return Focus Portfolio	8.06%	10.01%	14.72%	13.47%	7.13%
JM BUSHA Absolute AllClass	-0.29%	12.12%	12.17%	24.25%	8.31%
Mergence CPI +5% Fund	3.80%	9.13%	9.78%	18.22%	6.53%
Momentum AM CPI+5% Global Fund	7.63%	9.65%	13.36%	17.80%	8.68%
Prudential Global Inflation Plus 5%	10.23%	13.36%	17.23%	21.31%	12.26%
SIM CPI + 5%	6.39%	9.65%	12.41%	13.88%	8.59%
SIM CPI + 5% Global	12.06%	9.82%	16.95%	13.76%	10.72%
SMM Absolute Return	11.27%	12.69%	18.11%	12.28%	4.35%
STANLIB AM Absolute	4.61%	5.16%	9.56%	16.31%	7.02%
STANLIB Domestic Absolute Return	6.24%	6.57%	8.67%	18.40%	6.63%
Old Mutual Multi Managers Absolute Defensive Fund	12.15%	10.14%	17.39%	15.05%	8.92%
Vunani Fund Managers CPI+5%	9.43%	9.46%	12.36%	22.72%	6.54%
MARKET STATISTICS					
Combination of old CPIX and new CPI	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Old/New combined CPI)	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	4.77%	5.80%	5.35%	5.60%	6.12%
STEFI	6.49%	5.90%	5.18%	5.55%	5.73%

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Objective - The portfolios in this Survey comply with Regulation 28 and represent products targeted at real returns with a CPI Objective.

Benchmark Methodology CPI - Due to the reweighting and rebasing of the CPI from January 2009 the benchmark numbers reflect a compound of month to month CPI returns. The historical month to month numbers used in calculations are the official month to month numbers based on the old basket prior to January 2009 and new basket post January 2009. The adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

Benchmark Methodology CPIX - The benchmark numbers prior to January 2009 reflected a compound of month to month CPIX returns. Due to the reweighting and rebasing of the CPI and discarding of the CPIX numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPIX prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPIX) and adjusted CPI(I-Net code: AECPI) figures are shown together with market statistics below should these numbers be preferred for comparison purposes.

INVESTMENT DATA TO THE END OF DECEMBER 2015					
	Calendar Year				
	2015	2014	2013	2012	2011
Headline CPI + 6%					
Coronation Absolute	6.21%	9.91%	21.20%	17.74%	7.73%
Investec Opportunity	15.53%	10.46%	16.23%	20.72%	12.59%
Prudential Domestic Inflation Plus 6%	4.33%	13.74%	13.11%	25.04%	9.97%
Prudential Global Inflation Plus 6%	11.42%	13.73%	20.57%	21.62%	11.67%
SIM CPI + 6%	6.35%	10.31%	14.15%	14.97%	8.14%
STANLIB Absolute Plus Fund	7.78%	10.02%	15.40%	12.67%	9.33%
MARKET STATISTICS					
Combination of old CPIX and new CPI*	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Old/New combined CPI)	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	4.77%	5.80%	5.35%	5.60%	6.12%
STEFI	6.49%	5.90%	5.18%	5.55%	5.73%

Inflation figures lagged by one month

* Reasonable use of the survey may be made for purposes of comment and study provided that full acknowledgement is made to "Alexander Forbes Research & Product Development".

* While all possible care is taken in the compilation of the Survey, reliance is placed on information received from Investment Managers.

* The rankings and statistical information have been supplied for illustrative purposes only.

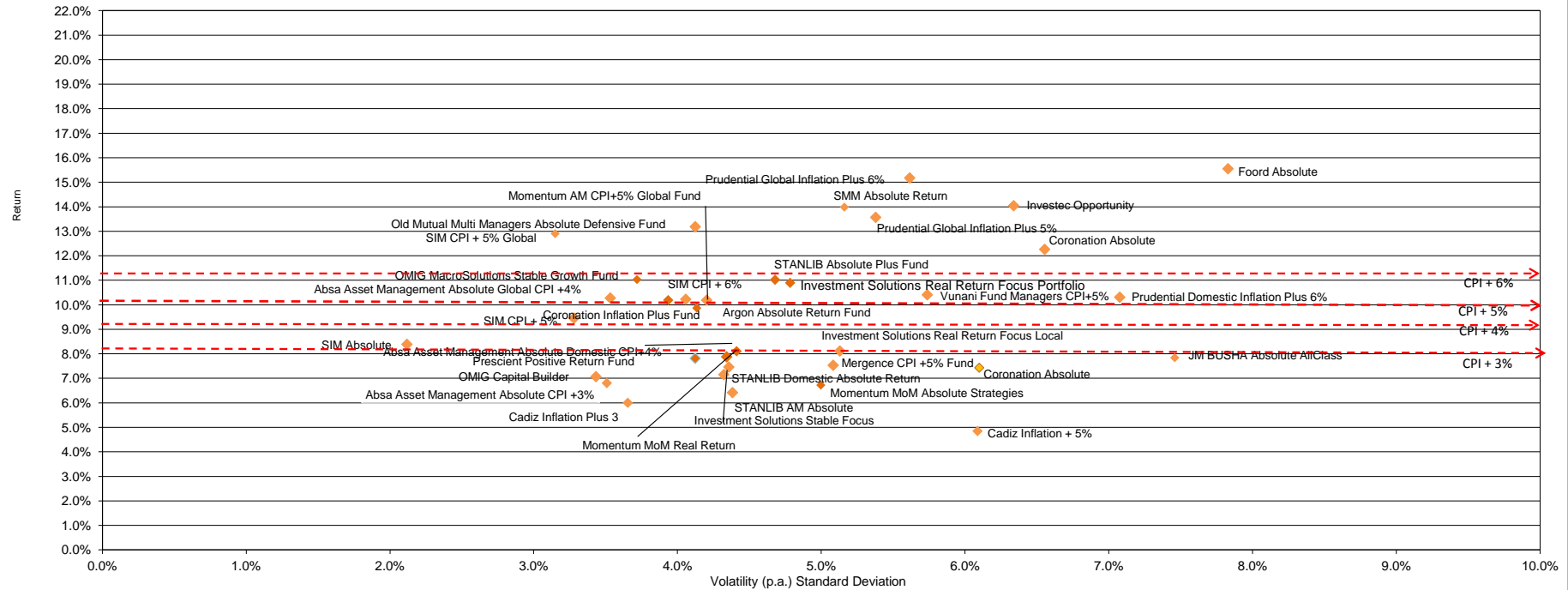
* Performance figures are shown gross of fees.

* Performance should not be judged over a short period of time.

* Past performance is not necessarily a guide to future performance.

ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Volatility vs Return Scatterplot on Absolute Return Managers
for the 3 Years ended 31 December 2015



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** Please see final page for Disclaimers and Glossary **

ABSOLUTE RETURN MANAGER WATCH™ SURVEY

EXPLANATORY NOTES

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Quantitative figures are calculated on 3 year performance returns.

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General :

Managers are ranked from highest to lowest active return. In some cases rankings may be different due to return differences disguised by the rounding. Rankings are purely for illustrative purposes.

GIPS™ is a trademark owned by the CFA Institute.

Statistical Definitions :

The Median is the value above or below which half the managers fall.

The Upper Quartile is the value above which one quarter of the managers fall.

The Lower Quartile is the value below which one quarter of the managers fall.

Risk Analysis Definitions :

"Volatility" is the annualised standard deviation of the manager's monthly returns.

"Volatility" is a measure of the variability of the manager's returns.

"Return to Risk" is the return divided by the

"Volatility"

"Return to Risk" is a measure of the return earned per unit of risk taken.

"Active return" is the return earned by the manager less the return on the benchmark.

"Active Return" is a measure of the value that the

manager has added or detracted over the

benchmark return.

"Tracking Error" is the annualised standard deviation of the monthly "Active Returns".

"Tracking Error" is a measure of the variability of the manager's returns relative to the benchmark returns.

"Information Ratio" is the "Active Return" divided by the "Tracking Error".

"Information Ratio" is a measure of the value added per unit of risk taken relative to the benchmark.

"Sortino Ratio (Capital Loss)" measures whether the return in excess of a zero benchmark was sufficient to cover the downside volatility/risk inherent in the investment ie whether capital was indeed preserved.

"Sortino Ratio (Inflation)" measures whether the return in excess of an inflationary benchmark was sufficient to cover the downside volatility/risk inherent in the investment ie whether capital was protected in real terms.

GIPS™ - Global Investment Performance Standards

Ethical principles to achieve full disclosure and fair presentation of investment performance

In South Africa GIPS™ SA requires managers to obtain a verification certificate on compliance

GIPS™ - Status:

C - Indication that manager is compliant but not verified

V - Indication that manager is verified

More information can be obtained from <http://www.gipstandards.org/>