



Absolute Return Manager Watch™ Survey for the month ending June 2013

Research & Product Development
FINANCIAL SERVICES


ALEXANDERFORBES
Securing your financial well-being

COMMENTARY

This was a quarter of profound activity, which started with the bailout of Cyprus and ended with raised concerns over a credit crunch in China. The quarter saw global commodity prices plummet, the Fed announce that the pace of bond purchases will slow later this year, only for Bernanke to make a restatement to the market as investors panicked.

Mixed performances, monetary policy panics, high volatility and bond yield shifts summarized the quarter, both locally and globally. However, all local asset classes (except cash) were negative over the quarter. Despite the South African equity market losing its momentum this quarter (The All Share Index down 0.2%), with June in particular ending very negative (5.7% down), foreign investors remain net positive buyers of equity for the third straight month since a partial withdrawal from Emerging markets in March; when Cypriot banks defaulted.

The South Africa's Central Bank Monetary Policy Committee (MPC) has left the repo rate unchanged at 5.0% over the course of the last 12 months. The themes affecting the interest rate policy has remained consistent: concerns about the weak rand at R9.00 to the US Dollar has exacerbated as the currency depreciated closer to R9.90 to the USD; rising inflation; labour conflicts and wage increases; moderate to weak economic growth, a wider current account deficit, and stubborn unemployment.

Increasingly inflationary pressures dashed expectations of any rate cuts; and an upward parallel shift seen across the entire curve cut bond prices. The other prevailing theme was the sell-off in local bonds, which was in line with their emerging and developed market counterparts. The Reserve Bank governor believes that the current policy is accommodative and is aware that the real policy rate is slightly negative. Real growth targets will be severely tested over the short to medium term.

The end of June saw global equities and bonds give up some of their luster (in Rand terms); but were the only positive returning broad asset category, with Rand returns greater than 7% for the quarter; and remains over 40% for equities and 30% for bonds over one year.

This was a quarter when the absolute return strategies should demonstrate their mettle in protecting capital. 1/3rd of all the funds did not protect capital over the quarter. This was largely due to bonds both nominal (ALBI Index) and inflation linked (Barclays ILB Index) delivering returns of -2.27% and -4.86%. Funds that held high allocations to domestic fixed income were the underperforming fund types.

More significantly though, on the upside, global asset exposure was the biggest driver of performance as almost all domestic only funds have underperformed their peer group funds that had global mandates over the quarter and one year. Domestic funds that performed well over 1 year were the Prudential Domestic Inflation + 6%, Cadiz Inflation + 5% fund and JM Busha Absolute Allclass portfolios. These funds use an aggressive asset allocation. Both Prudential and Cadiz was relatively overweight equities and property, which was the strongest performing local asset.

The Cadiz Equity Ladder Fund is the only fund in the survey to not capital preserve over one year. It has lost over 9% for the quarter and down -5.3% over 1 year in markets; whilst its peers in the CPI+6% category on average delivered 5.4% and 17.7% respectively. This is particularly unusual as its strategy is to be almost fully invested in equities (simultaneously using options to protect it on the downside); and as per its submission in the equity survey; their equity strategy delivered 13.64% for the same period over 1 year. It is highly unlikely that the cost of protection or a mismatch in hedging strategy caused the fund to be 19% behind on a relative basis. Prescient Positive Return Fund which adopts a similar strategy also underperformed but was positive at 2.3% and 9.0% for the same periods.

The Momentum Multi-manager offering was another anomalous performance delivering 5.21% over one year; more than 5% less than the CPI + 4% peer group. This performance is more aligned to bond behaviour than absolute return strategies. Bond yields continuing to move upwards would see this strategy underperform.

With cross-sectional asset class volatility increasing; asset allocation is becoming a key determinant for returns. The past 18 months have been a period where almost all assets performed positively, making capital preservation a default outcome for managers. This should no longer be the case; as it is expected that market conditions will be more volatile over the short term. While asset allocation decisions will dominate, those funds that have strong underlying security selection decisions can significantly impact performance; both on the upside and downside.

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	968	11 July 2013
Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		6	2 539	12 July 2013
Coronation Inflation Plus Fund	Oct-09	V	Global	Headline CPI + 3.5%	N	Headline CPI + 3.5%	Preserve capital over a rolling 12m period	n/a	1 793	10 July 2013
Momentum MoM Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		1	311	12 July 2013
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	464	10 July 2013
SIM Absolute Return Income Fund	May-04	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	3	5 118	10 July 2013
Prescient Positive Return Medical Aid Fund	May-02	V	Domestic		Y	Headline CPI + 3%		7	764	10 July 2013
Taqaunta Absolute	Jun-01	C	Domestic			Headline CPI + 3%		7	1 389	12 July 2013
Vunani Fund Managers CPI+ 3 %	Mar-05	V	Domestic		Y	Headline CPI + 3%		2	235	09 July 2013
Headline CPI + 4%										
Absa Asset Management Absolute Global CPI +4%	Dec-06	V	Global		Y	Headline CPI + 4%		3	20 499	11 July 2013
Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		9	8 340	11 July 2013
Investment Solutions Stable Focus	Apr-05		Domestic		N	Headline CPI + 4%	No negative returns over rolling 12 month period	n/a	1 736	12 July 2013
Momentum MoM Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		1	1 514	12 July 2013
OMIGSA 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	1 602	12 July 2013
OMIGSA MacroSolutions Stable Growth Fund	Jul-07	V	Global	Entered the October 2012 Survey	Y	Headline CPI + 4%		1	3 015	12 July 2013
Argon Absolute Return	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period.	3	716	12 July 2013
Headline CPI + 5%										
Foord Absolute	Dec-00	C	Global		Y	Headline CPI + 5%		4	1 234	12 July 2013
Investment Solutions Real Return Focus Local	Oct-02		Domestic		N	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	6 592	12 July 2013
Investment Solutions Real Return Focus Portfolio	May-03		Global		N	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	3 948	12 July 2013
Mergerence CPI +5% Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	2	1 444	15 July 2013
Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	1	16 181	04 July 2013
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	9	8 574	10 July 2013
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	9	1 705	10 July 2013
STANLIB AM Absolute	Jul-01	V	Global		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	3 578	12 July 2013
STANLIB Domestic Absolute Return	Mar-04	V	Domestic		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	465	12 July 2013
SMM Absolute Return	May-03		Global			Headline CPI + 5%		1	531	11 July 2013
Cadiz Inflation + 5%	Feb-06	V	Domestic		Y	Headline CPI + 5%		1	359	12 July 2013
Coronation Absolute	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period	10	8 311	10 July 2013
JM BUSHUA Absolute AllClass	Oct-06	C	Domestic			Headline CPI + 5%		3	966	09 July 2013
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.	3	546	15 July 2013
Prescient Positive Return Fund	Jan-99	V	Domestic		Y	Headline CPI + 5%		14	7 207	10 July 2013
SymmETRY Absolute Defensive Fund	Sep-02		Global		Y	Headline CPI + 5%	Non-negative returns over rolling 1-year periods	n/a	1 118	11 July 2013
Vunani Fund Managers CPI+ 5	Mar-05	V	Domestic		Y	Headline CPI + 5%		2	1 185	09 July 2013
Headline CPI + 6%										
Cadiz Equity Ladder Fund	Aug-01	V	Domestic		Y	Headline CPI + 6%		1	736	12 July 2013
Coronation Absolute	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	1	7 840	10 July 2013
Investec Opportunity	Aug-99	V	Global			Headline CPI + 6%		11	43 279	09 July 2013
Prudential Domestic Inflation + 6%	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	3	1 904	15 July 2013
Prudential Global Inflation Plus 6%	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	2	422	10 July 2013
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	2	411	11 July 2013
STANLIB Dynamic Return Fund	Dec-05	V	Domestic		Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	673	09 July 2013
				This includes multi-managers thus must be noted as possible "double-counting"						
TOTAL									170 211	

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 JUNE 2013													
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%	-1.43%	-0.28%	1.70%	11.74%	8.52%	10.85%	8.25%	*	*	*	*	*	*
Cadiz Inflation Plus 3	-0.57%	1.10%	3.01%	12.99%	8.52%	12.99%	8.25%	*	*	*	*	*	*
Coronation Inflation Plus Fund	-2.28%	0.71%	4.49%	13.67%	9.02%	*	*	*	*	*	*	*	*
Momentum MoM Real Return	-2.55%	0.16%	2.49%	9.89%	8.52%	*	*	*	*	*	*	*	*
SIM Absolute	-0.26%	1.50%	3.82%	9.78%	8.52%	11.29%	8.25%	10.85%	8.49%	10.86%	9.56%	12.49%	8.36%
SIM Absolute Return Income Fund	0.50%	1.54%	3.25%	7.59%	8.52%	8.67%	8.25%	*	*	*	*	*	*
Prescient Positive Return Medical Aid Fund	-2.06%	1.17%	2.36%	9.45%	8.52%	6.88%	8.25%	8.44%	8.66%	10.26%	9.50%	12.97%	8.79%
Taquantia Absolute	-0.09%	0.25%	1.00%	3.82%	8.52%	6.18%	8.25%	8.69%	8.66%	8.98%	9.50%	9.29%	8.79%
Vunani Fund Managers CPI +3	-2.84%	-1.41%	0.80%	10.25%	8.52%	10.48%	8.25%	9.23%	8.66%	9.44%	9.50%	*	*
Headline CPI + 4%													
Absa Asset Management Absolute Global CPI +4%	-1.68%	0.65%	3.37%	13.01%	N/A	12.99%	9.25%	12.29%	9.49%	*	*	*	*
Absa Asset Management Absolute Domestic CPI+4%	-1.58%	0.34%	2.78%	12.83%	N/A	*	*	*	*	*	*	*	*
Investment Solutions Stable Focus	-2.32%	-0.03%	1.48%	9.56%	N/A	8.85%	9.25%	10.63%	9.49%	10.73%	10.56%	*	*
Momentum MoM Absolute Strategies	-3.36%	-2.53%	-0.71%	5.21%	N/A	*	*	*	*	*	*	*	*
OMIGSA Capital Builder	-1.94%	-0.07%	2.06%	9.61%	N/A	7.49%	9.25%	6.88%	9.49%	*	*	*	*
OMIGSA MacroSolutions Stable Growth Fund	-2.23%	1.27%	5.98%	16.51%	N/A	*	*	*	*	*	*	*	*
Argon Absolute Return	-1.80%	-1.16%	0.81%	10.01%	N/A	10.88%	9.25%	8.54%	9.66%	*	*	*	*
Headline CPI + 5%													
Foord Absolute	-3.72%	2.30%	8.98%	23.05%	N/A	18.96%	10.25%	13.22%	10.49%	14.02%	11.56%	19.57%	10.36%
Investment Solutions Real Return Focus Local	-2.53%	0.06%	2.57%	12.16%	N/A	10.05%	10.25%	11.16%	10.49%	11.26%	11.56%	14.14%	10.36%
Investment Solutions Real Return Focus Portfolio	-2.94%	0.86%	4.99%	14.78%	N/A	10.89%	10.25%	10.46%	10.49%	10.75%	11.56%	13.11%	10.36%
Mergence CPI +5% Fund	-2.56%	-0.88%	1.06%	11.73%	N/A	11.62%	10.25%	8.58%	10.49%	*	*	*	*
Prudential Global Inflation Plus 5%	-3.57%	1.06%	6.28%	20.17%	N/A	*	*	*	*	*	*	*	*
SIM CPI + 5% Global	-1.36%	2.64%	6.88%	14.95%	N/A	13.11%	10.25%	10.58%	10.49%	10.96%	11.56%	13.21%	10.36%
SIM CPI + 5%	-1.03%	1.31%	3.98%	11.85%	N/A	12.24%	10.25%	11.03%	10.49%	*	*	*	*
STANLIB AM Absolute	-1.56%	-0.10%	1.45%	11.26%	N/A	10.74%	10.25%	7.56%	10.49%	8.58%	11.56%	11.62%	10.36%
STANLIB Domestic Absolute Return	-0.83%	0.09%	1.05%	10.12%	N/A	11.07%	10.25%	7.93%	10.49%	9.47%	11.56%	*	*
SMM Absolute Return	-2.29%	3.25%	8.58%	18.42%	N/A	11.60%	10.25%	*	*	*	*	*	*
Cadiz Inflation + 5%	-1.86%	-0.02%	1.73%	15.33%	N/A	15.31%	10.25%	13.77%	10.66%	12.94%	11.50%	*	*
Coronation Absolute	-2.99%	-0.24%	3.13%	13.61%	N/A	12.91%	10.25%	14.54%	10.66%	14.01%	11.50%	18.29%	10.79%
JM BUSH A Absolute AllClass	-1.98%	-0.97%	2.39%	19.02%	N/A	16.05%	10.25%	11.17%	10.66%	11.66%	11.50%	*	*
Momentum AM CPI+5% Global Fund	-2.68%	0.16%	3.01%	14.37%	N/A	13.33%	10.25%	10.67%	10.66%	9.68%	11.50%	*	*
Prescient Positive Return Fund	-1.94%	1.10%	2.30%	8.98%	N/A	6.33%	10.25%	7.69%	10.66%	9.37%	11.50%	12.38%	10.79%
SYmmETRY Absolute Defensive Fund	-1.81%	2.29%	6.83%	16.82%	N/A	12.89%	10.25%	11.08%	10.66%	11.07%	11.50%	13.70%	10.79%
Vunani Fund Managers CPI+ 5	-3.61%	-1.25%	1.20%	14.76%	N/A	14.22%	10.25%	11.42%	10.66%	11.14%	11.50%	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI	-0.29%	1.28%	2.84%	5.52%		5.25%		5.66%		6.50%		5.79%	
Consumer Price Inflation (Old/New combined CPI)	-0.29%	1.28%	2.84%	5.52%		5.25%		5.49%		6.56%		5.36%	
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	-0.29%	1.28%	2.84%	5.52%		5.25%		5.66%		6.29%		4.59%	
STFI	0.39%	1.27%	2.50%	5.25%		5.71%		7.18%		7.80%		7.87%	
Number of Participants	33	33	33	33		27		23		18		11	

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.

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 JUNE 2013													
	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%													
Cadiz Equity Ladder Fund	-5.81%	-9.19%	-9.25%	-5.33%	N/A	3.50%	11.25%	9.54%	11.49%	*	*	*	*
Coronation Absolute	-3.58%	1.60%	7.30%	19.68%	N/A	15.20%	11.25%	14.89%	11.66%	14.14%	12.50%	18.18%	11.79%
Investec Opportunity	-3.05%	1.90%	5.64%	18.92%	N/A	17.01%	11.25%	13.38%	11.66%	14.24%	12.50%	18.90%	11.79%
Prudential Domestic Inflation + 6%	-3.37%	-0.09%	3.04%	18.68%	N/A	17.95%	11.25%	14.43%	11.49%	14.34%	12.56%	17.70%	11.79%
Prudential Global Inflation Plus 6%	-3.40%	1.98%	7.82%	22.00%	N/A	17.66%	11.25%	13.59%	11.49%	13.55%	12.56%	15.74%	11.36%
SIM CPI + 6%	-1.44%	1.34%	4.21%	12.96%	N/A	13.26%	11.25%	11.66%	11.49%	*	*	*	*
STANLIB Dynamic Return Fund	-1.20%	2.58%	4.65%	13.99%	N/A	*	*	*	*	*	*	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI*	-0.29%	1.28%	2.84%	5.52%		5.25%		5.66%		6.50%		5.79%	
Consumer Price Inflation (Old/New combined CPI)	-0.29%	1.28%	2.84%	5.52%		5.25%		5.49%		6.56%		5.36%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	-0.29%	1.28%	2.84%	5.52%		5.25%		5.66%		6.29%		4.59%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	-0.39%	1.18%	2.66%	5.31%		5.28%		5.58%		6.44%		5.75%	
STEFI	0.39%	1.27%	2.50%	5.25%		5.71%		7.18%		7.80%		7.87%	
Number of Participants	7	7	7	7		6		6		4		4	

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

Benchmark Methodology CPI-X The benchmark numbers prior to January 2009 reflected a compound of month to month CPI-X returns. Due to the reweighting and rebasing of the CPI and discarding of the CPI-X numbers from January 2009 the historical month to month numbers used in calculations

INVESTMENT DATA TO THE END OF JUNE 2013														
	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%	3.67%	83.33%	-1.43%	-1.47%	10.85%	2.59%	86.11%	-1.43%	-1.47%	*	*	*	*	*
Cadiz Inflation Plus 3	3.15%	83.33%	-0.57%	-0.57%	12.99%	3.79%	83.33%	-1.54%	-1.54%	*	*	*	*	*
Coronation Inflation Plus Fund	4.42%	91.67%	-2.28%	-2.28%	*	*	94.44%	-2.28%	-2.28%	*	*	*	*	*
Momentum MoM Real Return	4.74%	75.00%	-2.55%	-2.55%	*	*	*	*	*	*	*	*	*	*
SIM Absolute	1.44%	91.67%	-0.26%	-0.26%	11.29%	2.11%	88.89%	-0.33%	-0.33%	10.85%	2.78%	86.67%	-1.42%	-2.30%
SIM Absolute Return Income Fund	0.72%	100.00%	0.18%	0.00%	8.67%	1.06%	97.22%	-0.06%	-0.06%	*	*	*	*	*
Prescient Positive Return Medical Aid Fund	5.43%	75.00%	-2.06%	-2.06%	6.88%	3.87%	72.22%	-2.06%	-2.06%	8.44%	3.56%	76.67%	-2.06%	-2.06%
Taquantia Absolute	1.09%	83.33%	-0.25%	-0.25%	6.18%	0.93%	94.44%	-0.25%	-0.25%	8.69%	1.48%	95.00%	-0.27%	-0.27%
Vunani Fund Managers CPI +3	4.43%	91.67%	-2.84%	-2.84%	10.48%	3.98%	86.11%	-2.84%	-2.84%	9.23%	4.11%	76.67%	-2.84%	-4.49%
Headline CPI + 4%														
Absa Asset Management Absolute Global CPI +4%	3.83%	91.67%	-1.68%	-1.68%	12.99%	3.12%	91.67%	-1.68%	-1.68%	12.29%	3.49%	88.33%	-2.12%	-2.12%
Absa Asset Management Absolute Domestic CPI+4%	3.51%	91.67%	-1.58%	-1.58%	*	*	88.89%	-1.58%	-1.58%	*	*	*	*	*
Investment Solutions Stable Focus	4.17%	83.33%	-2.32%	-2.32%	8.85%	2.93%	86.11%	-2.32%	-2.32%	10.63%	3.25%	88.33%	-2.32%	-2.32%
Momentum MoM Absolute Strategies	5.27%	75.00%	-3.36%	-3.36%	*	*	*	*	*	*	*	*	*	*
OMGSA Capital Builder	3.99%	75.00%	-1.94%	-1.94%	7.49%	3.24%	72.22%	-1.94%	-1.94%	6.88%	4.15%	70.00%	-2.72%	*
OMGSA MacroSolutions Stable Growth Fund	4.54%	91.67%	-2.23%	-2.23%	*	*	*	*	*	*	*	*	*	*
Argon Absolute Return	3.38%	83.33%	-1.60%	-1.60%	10.88%	4.26%	75.00%	-1.67%	-1.67%	8.54%	6.55%	70.00%	-5.33%	-11.15%
Headline CPI + 5%														
Foord Absolute	9.92%	75.00%	-3.72%	-3.72%	18.96%	8.29%	75.00%	-3.72%	-3.72%	13.22%	9.91%	70.00%	-6.99%	-19.00%
Investment Solutions Real Return Focus Local	4.54%	83.33%	-2.53%	-2.53%	10.05%	3.91%	80.56%	-2.53%	-2.53%	11.16%	4.14%	78.33%	-2.53%	-2.53%
Investment Solutions Real Return Focus Portfolio	6.18%	75.00%	-2.94%	-2.94%	10.89%	4.13%	80.56%	-2.94%	-2.94%	10.46%	4.21%	78.33%	-2.94%	-2.94%
Mergence CPI +5% Fund	4.75%	75.00%	-2.56%	-2.56%	11.62%	4.65%	63.89%	-2.56%	-2.56%	8.58%	4.99%	63.33%	-2.79%	-5.50%
Prudential Global Inflation Plus 5%	6.51%	91.67%	-3.57%	-3.57%	*	*	88.89%	-3.57%	-3.57%	*	*	*	*	*
SIM CPI + 5% Global	4.30%	91.67%	-1.36%	-1.36%	13.11%	3.48%	91.67%	-1.36%	-1.36%	10.58%	4.31%	80.00%	-3.11%	-3.57%
SIM CPI + 5%	2.72%	91.67%	-1.03%	-1.03%	12.24%	3.35%	86.11%	-1.03%	-1.03%	11.03%	4.44%	78.33%	-2.66%	-4.92%
STANLIB AM Absolute	5.55%	83.33%	-1.56%	-1.56%	10.74%	4.28%	80.56%	-1.56%	-1.56%	7.56%	4.62%	73.33%	-3.23%	-5.33%
STANLIB Domestic Absolute Return	3.95%	83.33%	-0.83%	-0.83%	11.07%	3.85%	77.78%	-0.83%	-1.13%	7.93%	5.82%	70.00%	-4.99%	-11.20%
SMM Absolute Return	7.11%	75.00%	-2.29%	-2.29%	11.60%	4.96%	75.00%	-2.29%	-2.29%	*	*	*	*	*
Cadiz Inflation + 5%	5.26%	75.00%	-1.86%	-1.86%	15.31%	6.22%	80.56%	-2.71%	-3.30%	13.77%	13.77%	75.00%	-6.30%	-11.07%
Coronation Absolute	6.17%	75.00%	-2.99%	-2.99%	12.91%	5.78%	72.22%	-2.99%	-2.99%	14.54%	7.02%	73.33%	-3.70%	-8.70%
JM BUSH Absolute AIClass	5.25%	83.33%	-1.98%	-1.98%	16.05%	5.76%	77.78%	-1.98%	-1.98%	11.17%	7.15%	71.67%	-5.20%	-13.01%
Momentum AM CPI+5% Global Fund	5.27%	83.33%	-2.68%	-2.68%	13.33%	4.97%	77.78%	-2.68%	-2.68%	10.67%	6.94%	71.67%	-5.16%	-18.21%
Prescient Positive Return Fund	5.26%	75.00%	-1.94%	-1.94%	6.33%	3.66%	69.44%	-1.94%	-1.94%	7.69%	3.29%	78.33%	-1.94%	-1.94%
Symmetry Absolute Defensive Fund	6.06%	75.00%	-1.81%	-1.81%	12.89%	4.17%	86.11%	-1.81%	-1.81%	11.08%	4.63%	78.33%	-3.19%	-3.19%
Vunani Fund Managers CPI+ 5	6.29%	75.00%	-3.61%	-3.61%	14.22%	6.13%	75.00%	-3.61%	-3.61%	11.42%	6.17%	70.00%	-3.61%	-8.87%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.41%				5.25%	1.19%				5.66%	1.65%			
Consumer Price Inflation (Old/New combined CPI)	1.41%				5.25%	1.19%				5.49%	1.64%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.41%				5.25%	1.19%				5.66%	1.36%			
STEFI	0.11%				5.71%	0.15%				7.18%	0.62%			

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
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

INVESTMENT DATA TO THE END OF JUNE 2013														
	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%														
Cadiz Equity Ladder Fund	9.45%	41.67%	-5.81%	-12.05%	3.50%	8.70%	52.78%	-5.81%	-12.05%	9.54%	13.58%	55.00%	-8.44%	-13.70%
Coronation Absolute	8.60%	75.00%	-3.58%	-3.58%	15.20%	6.03%	77.78%	-3.58%	-3.58%	14.89%	6.80%	76.67%	-4.00%	-7.71%
Investec Opportunity	8.42%	75.00%	-3.05%	-3.05%	17.01%	6.04%	86.11%	-3.05%	-3.05%	13.38%	8.45%	76.67%	-6.74%	-15.91%
Prudential Domestic Inflation + 6%	6.33%	91.67%	-3.37%	-3.37%	17.95%	6.35%	86.11%	-3.37%	-3.37%	14.43%	7.84%	78.33%	-4.88%	-9.12%
Prudential Global Inflation Plus 6%	6.78%	91.67%	-3.40%	-3.40%	17.66%	5.22%	83.33%	-3.40%	-3.40%	13.59%	6.92%	75.00%	-4.64%	-8.22%
SIM CPI + 6%	3.56%	91.67%	-1.44%	-1.44%	13.26%	4.38%	80.56%	-1.44%	-1.44%	11.66%	5.94%	73.33%	-3.83%	-8.52%
STANLIB Dynamic Return Fund	5.53%	75.00%	-1.20%	-1.20%	*	*	*	*	*	*	*	*	*	*
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.41%				5.25%	1.19%				5.66%	1.65%			
Consumer Price Inflation (Old/New combined CPI)	1.41%				5.25%	1.19%				5.49%	1.64%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECP]	1.41%				5.25%	1.19%				5.66%	1.36%			
STEFI	0.11%				5.71%	0.15%				7.18%	0.62%			

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 CPI-X: The benchmark numbers prior to January 2009 reflected a compound of month to month CPI-X returns. Due to the reweighting and rebasing of the CPI and discarding of the CPI-X numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPI-X prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: AECPI-X) 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 JUNE 2013					
	Calendar Year				
	2012	2011	2010	2009	2008
Headline CPI + 3%					
Absa Asset Management Absolute CPI +3%	16.13%	9.34%	10.29%	*	*
Cadiz Inflation Plus 3	16.80%	7.64%	*	*	*
Coronation Inflation Plus Fund	14.52%	*	*	*	*
Momentum MoM Real Return	9.16%	*	*	*	*
SIM Absolute	11.69%	10.05%	13.51%	13.17%	4.02%
SIM Absolute Return Income Fund	8.56%	8.63%	10.72%	8.51%	12.90%
Prescient Positive Return Medical Aid Fund	8.71%	3.44%	8.95%	12.86%	13.28%
Taquantia Absolute	6.13%	6.99%	10.13%	12.79%	11.95%
Vunani Fund Managers CPI +3	15.83%	6.67%	11.25%	11.58%	0.62%
Headline CPI + 4%					
Absa Asset Management Absolute Global CPI +4%	16.71%	10.60%	12.72%	12.04%	11.48%
Absa Asset Management Absolute Domestic CPI+4%	17.46%	*	*	*	*
Investment Solutions Stable Focus	12.63%	6.56%	10.50%	13.51%	11.04%
OMIGSA Capital Builder	10.14%	3.45%	6.31%	12.15%	*
Argon Absolute Return	17.62%	7.45%	10.32%	10.25%	-3.11%
Headline CPI + 5%					
Foord Absolute	22.82%	9.90%	15.44%	18.18%	-7.57%
Investment Solutions Real Return Focus Local	13.67%	4.61%	13.81%	16.09%	3.92%
Investment Solutions Real Return Focus Portfolio	13.48%	7.13%	10.76%	12.99%	3.05%
Mergence CPI +5% Fund	18.22%	6.53%	9.37%	12.79%	-0.22%
Prudential Global Inflation Plus 5%	21.31%	12.26%	*	*	*
SIM CPI + 5% Global	13.76%	10.72%	10.04%	10.99%	2.76%
SIM CPI + 5%	13.88%	8.59%	14.12%	15.30%	0.29%
STANLIB AM Absolute	16.31%	7.02%	7.58%	7.40%	1.10%
STANLIB Domestic Absolute Return	18.40%	6.63%	7.96%	10.66%	-1.28%
SMM Absolute Return	12.28%	4.35%	13.44%	*	*
Cadiz Inflation + 5%	21.65%	5.81%	19.70%	18.84%	2.96%
Coronation Absolute	15.18%	4.99%	21.54%	22.94%	-0.20%
JM BUSHA Absolute AllClass	24.25%	8.31%	14.48%	14.75%	-3.38%
Momentum AM CPI+5% Global Fund	17.80%	8.68%	13.41%	15.11%	-11.34%
Prescient Positive Return Fund	8.30%	3.22%	8.18%	11.83%	12.22%
SymmETRY Absolute Defensive Fund	15.05%	8.92%	10.71%	10.75%	2.59%
Vunani Fund Managers CPI+ 5	22.68%	6.55%	15.04%	14.52%	-2.93%
MARKET STATISTICS					
Combination of old CPI-X and new CPI	5.60%	6.12%	3.58%	5.09%	12.09%
Consumer Price Inflation (Old/New combined CPI)	5.60%	6.12%	3.58%	4.79%	11.76%
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	5.60%	6.12%	3.58%	5.83%	10.08%
STEFI	5.55%	5.73%	6.93%	9.13%	11.69%

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 JUNE 2013					
	Calendar Year				
	2012	2011	2010	2009	2008
Headline CPI + 6%					
Cadiz Equity Ladder Fund	7.78%	0.29%	8.50%	*	*
Coronation Absolute	17.74%	7.73%	17.45%	20.15%	-0.94%
Investec Opportunity	20.72%	12.59%	12.94%	21.84%	-3.95%
Prudential Domestic Inflation + 6%	25.04%	9.97%	18.03%	17.19%	2.21%
Prudential Global Inflation Plus 6%	21.62%	11.67%	13.59%	12.45%	2.62%
SIM CPI + 6%	14.97%	8.14%	15.52%	17.89%	-1.52%
STANLIB Dynamic Return Fund	12.67%	*	*	*	*
MARKET STATISTICS					
Combination of old CPIX and new CPI*	5.60%	6.12%	3.58%	5.09%	12.09%
Consumer Price Inflation (Old/New combined CPI)	5.60%	6.12%	3.58%	4.79%	11.76%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	5.60%	6.12%	3.58%	5.83%	10.08%
STEFI	5.55%	5.73%	6.93%	9.13%	11.69%

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.

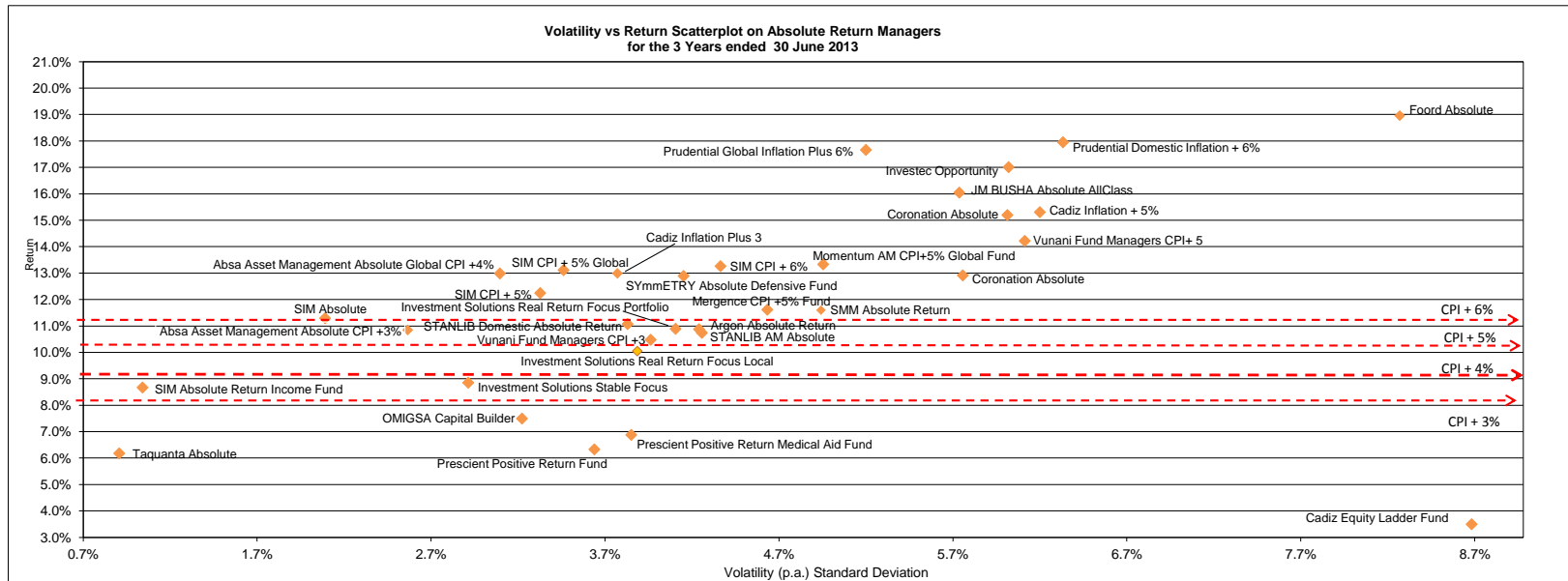
* The rankings and statistical information have been supplied for illustrative purposes only.

* 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



* 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".

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

ABSOLUTE RETURN MANAGER WATCH™

EXPLANATORY NOTES

General Disclaimers :

This document has been prepared for use by clients of the Alexander Forbes Group. Any other third party that is not a client of the Alexander Forbes Group and for whose specific use this document has not been supplied, must be aware that Alexander Forbes Group shall not be liable for any damage, loss or liability of any nature incurred by any third party and resulting from the information contained herein.

The information contained herein is supplied on an "as is" basis and has not been compiled to meet any third party's individual requirements. It is the responsibility of any third party to satisfy himself or herself, prior to relying on this information that the contents meets the third party's individual requirements.

Nothing in this document, when read in isolation and without professional advice, should be construed as solicitation, offer, advice, recommendation, or any other enticement to acquire or dispose of any financial product, advice or investment, or to engage in any financial transaction or investment. A third party should consult with an authorised financial advisor prior to making any financial decisions.

Alexander Forbes has taken all reasonable steps to ensure the quality and accuracy of the contents of this document and encourages all readers to report incorrect and untrue information, subject to the right of Alexander Forbes to determine, in its sole and absolute discretion, the contents of this document. Irrespective of the attempts by Alexander Forbes to ensure the correctness of this document, Alexander Forbes does not make any warranties or representations that the content will in all cases be true, correct or free from any errors. In particular, certain aspects of this document might rely on or be based on information supplied to Alexander Forbes by other persons or institutions.

Alexander Forbes has attempted to ensure the accuracy of such information, but shall not be liable for any damage, loss or liability of any nature incurred by any party and resulting from the errors caused by incorrect information supplied to Alexander Forbes.

Performance figures are shown gross of fees and taxes. Past history is not necessarily a guide to future performance.

Quantitative figures are calculated on 3 year performance returns.

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

FAIS Notice and Disclaimer: This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended. Alexander Forbes shall not be liable for any actions taken by any person based on the correctness of this information.

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/>