



## Absolute Return Manager Watch™ Survey for the month ending March 2013

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# ABSOLUTE RETURN MANAGER WATCH™ SURVEY

## COMMENTARY

With the JSE reaching new highs over the quarter; a number of the managers used it as an opportunity to take profits and increase their exposure to cash.

There have been three winning strategies that balanced managers (and subsequently also absolute managers) had to get right over the last year to remain a leading performer:

1. You had to get the right market themes – this quarter was about market sectors. Consumer and health sectors vs. mainstream mining houses.
2. You had to formulate an appropriate appreciation of the role that foreign investors are now beginning to play in our markets – both the equity and bond markets. You needed to understand their investment strategy in our markets.
3. And, the most, you finally had to start picking the right shares/ instruments.

In fact, as regards this last point, some managers could still be in the wrong sector – like resources, but pick the right shares, like Mondi or Sasol, and end up holding a winning hand.

What *didn't* guarantee you a starring role was asset allocation. You could have had the maximum exposure to equities, or to property, or to global securities and still not come out on top. For those absolute managers targeting higher CPI + objectives, a large exposure to equities would have seemed logical but could well have been prejudicial if stock selection was weak. Asset managers that did the exact opposite and had all their holdings in bonds, such as SIM, would have battled to create any notable performance. This was due to the fact that the first quarter of 2013 was not kind to bond investors. The All Bond Index (ALBI) returned only 0.91% for the period, underperforming cash (1.21% STEFI) by 30bps. This implies that bonds have had a negative real performance of -0.63% for the quarter (-2.5% effective pa).

By comparison, some asset managers like Coronation, managed to get all three strategies right – in their local equity portfolios, their bond portfolios and their global portfolios. Their CPI + 6 domestic actually slightly out-performed their SA LMW houseview portfolio – testament to the fact that this slightly more aggressive stance was not been unduly whittled away by the cost of protection. Furthermore their conservative CPI + 3 global portfolio was the best performer in this category over the quarter in line with the expectations of a more conservative absolute approach.

Essentially those managers who maintained high exposures to growth assets (equity and property), corporate bonds, off-shore, and oil and gas, while reducing their exposure to gold shares managed to lead the pack.

Besides one or two exceptions, all the global absolute portfolios outperformed those without any international exposure. The MSCI world Index returned 16.65% for the quarter (in rand terms) with US markets delivering as much as 21% (also in Rand terms). Prudential, SMM and Foord benefitted handsomely from a large international exposure within the CPI + 5 category with Foord having drifted over the regulatory 25% limit due to market movement (including rand devaluation) – a position allowed by regulation for a maximum period of 12 months. Besides this contribution to performance from offshore assets, Foord continues to be the best performer with their sector selection continuing to work positively for them. Within the CPI + 6 bracket all the global absolute managers are also over the required 25% - a position which has provided stellar performance for Coronation and Prudential.

Another winning strategy for Prudential was their large exposure to property. Property also provided strong returns of over 9% for the quarter adding to its performance over the longer periods, despite sentiment that the property run was over. Many of the property companies reported positive growth in February, boosting the asset class with certain listed property shares returning double digit returns over the quarter. It has been suggested that this is an anomaly which seems to have outlived its expectations but Coronation, Cadiz and ABSA were other players that would reaped the rewards from this unexpected performance while possibly having held this asset class more for risk diversification than return.

While cash outperformed bonds over the quarter, it still proved very disappointing for those managers who have held large cash positions with the view of not being able to see value anywhere else. This would have been particularly true under the constraints of a CPI + 3 portfolio where cash allocations were at the highest in an attempt to preserve capital. Taquanta is such a manager where the majority of their portfolio is invested in cash.

Thus in asking what differentiated one manager from another, the answer seems to lie within equities. However with SWIX only delivering 1.6% over the quarter, it wasn't the asset class by itself that delivered, but rather, the different sectors and, more specifically, individual stocks that produced very high performance differentials. Resources continued on their downward slide returning -5.6% over the quarter while Industrials steamed ahead at 6.6% over the period, closely followed by financials at 5.4%. However, within the poorly performing resource super-sector, Oil and Gas produced 12.3% driven primarily by superior returns for SASOL, largely due to currency depreciation.

Conversely, within the outperforming industrial super-sector, Telecomms and Consumer Services lost value to the tune of -7.2% and -3.8% respectively. Similarly, while certain large cap shares provided remarkable returns eg BAT at 18%, small caps tended to be the strongest performers delivering over 8% over the quarter.

While it does then seem that sector biases could well have been offset by stock picking with markets currently rewarding good stock selectors, it does create a tricky environment for absolute players who are distinctly aware of their obligations around capital protection. Managers with quantitative strategies underperformed due to these capital protection costs. Many managers within the CPI + 5 category have however managed to produce performance that is not remarkably lagging their counterparts in the balanced survey. While one would expect performance to be eroded due to capital protection costs, it does seem that certain managers are indeed managing to find alpha whilst being aware of their obligations.

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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%	ABSA Inflation Beater Fund	Oct-02	V	Domestic		Y	Headline CPI + 3%		1	854	15 April 2013
Cadiz Inflation Plus 3	Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		5	1 437	15 April 2013
Coronation Inflation Plus Fund	Coronation Inflation Plus Fund	Oct-09	V	Global	Headline CPI + 3.5%	N	Headline CPI + 3.5%	Preserve capital over a rolling 12m period	1	1 683	15 April 2013
Momentum MoM Real Return	Advantage Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		1	381	15 April 2013
SIM Absolute	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	460	11 April 2013
SIM Absolute Return Income Fund	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	5 255	11 April 2013
Prescient Positive Return Medical Aid Fund	PRESCIENT POSITIVE RETURN MEDICAL AID FUND	May-02	V	Domestic		Y	Headline CPI + 3%		7	760	15 April 2013
Symmetry Absolute Cautious	Symmetry CPIX +3% Fund	Oct-05	V	Global	Entered the October 2012 Survey	Y	Headline CPI + 3%		n/a	143	15 April 2013
Taquantia Absolute	Taquantia Quants Absolute	Jun-01	C	Domestic		Y	Headline CPI + 3%		7	1 233	12 April 2013
Vunani Fund Managers CPI +3 %	Peregrine Quants CPIX +3	Mar-05	V	Domestic		Y	Headline CPI + 3%		2	249	15 April 2013
Headline CPI + 4%											
Absa Asset Management Absolute Global CPI +4%	ABSA Absolute Fund	Dec-06	V	Global		Y	Headline CPI + 4%		4	18 118	15 April 2013
Absa Asset Management Absolute Domestic CPI+4%	Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		6	8 595	15 April 2013
Investment Solutions Stable Focus	Investment Solution Stable Focus	Apr-05		Domestic		N	Headline CPI + 4%	No negative returns over rolling 12 month period	n/a	1 624	15 April 2013
Momentum MoM Absolute Strategies	Advantage Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		1	1 288	15 April 2013
OMIGSA Capital Builder	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	1 568	15 April 2013
OMIGSA MacroSolutions Stable Growth Fund	OMIGSA MacroSolutions Stable Growth Fund	Jul-07	V	Global	Entered the October 2012 Survey	Y	Headline CPI + 4%		1	2 799	15 April 2013
Argon Absolute Return	Argon Absolute Return	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period.	3	657	15 April 2013
Headline CPI + 5%											
Foord Absolute	Foord Absolute Return Fund	Dec-00	C	Global		Y	Headline CPI + 5%		4	1 218	15 April 2013
Investment Solutions Real Return Focus Local	Investment Solution Real Return Focus Local	Oct-02		Domestic		N	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	10 285	15 April 2013
Investment Solutions Real Return Focus Portfolio	Investment Solution Real Return Focus	May-03		Global		N	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	3 892	15 April 2013
Mergence CPI +5% Fund	Mergence Africa Absolute Return Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	2	1 459	11 April 2013
Prudential Global Inflation Plus 5%	Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	1	14 383	04 April 2013
SIM CPI + 5% Global	SIM CPI+5%G	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	1	9 147	11 April 2013
SIM CPI + 5%	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	1 693	11 April 2013
STANLIB AM Absolute	STANLIB AM Absolute Return	Jul-01	V	Global		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	9	3 561	12 April 2013
STANLIB Domestic Absolute Return	STANLIB Domestic Absolute Return	Mar-04	V	Domestic		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	454	12 April 2013
SMM Absolute Return	SMM Absolute Return	May-03		Global			Headline CPI + 5%		1	526	10 April 2013
Cadiz Inflation + 5%	CAHAM Inflation Plus 5	Feb-06	V	Domestic		Y	Headline CPI + 5%			326	15 April 2013
Coronation Absolute	CORONATION ABSOLUTE DOMESTIC	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period	1	9 658	15 April 2013
JM BUSH Absolute AIClass	JMB Absolute AIClass	Oct-06	C	Domestic			Headline CPI + 5%		11	610	10 April 2013
Momentum AM CPI+5% Global Fund	RMBAM Prominent Inflation	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	543	15 April 2013
Prescient Positive Return Fund	PRESCIENT POSITIVE RETURN FUND	Jan-99	V	Domestic		Y	Headline CPI + 5%		17	9 236	15 April 2013
Symmetry Absolute Defensive Fund	Old Mutual Symmetry Defensive Fund	Sep-02		Global		Y	Headline CPI + 5%	Non-negative returns over rolling 1-year periods	n/a	1 149	15 April 2013
Vunani Fund Managers CPI+ 5	Peregrine Quants CPIX+ 5	Mar-05	V	Domestic		Y	Headline CPI + 5%		2	1 232	15 April 2013
Headline CPI + 6%											
Cadiz Equity Ladder Fund	CAHAM Equity Ladder	Aug-01	V	Domestic		Y	Headline CPI + 6%		2	801	15 April 2013
Coronation Absolute	CORONATION ABSOLUTE	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	1	7 499	15 April 2013
Investec Opportunity	Investec Absolute Opportunity	Aug-99	V	Global			Headline CPI + 6%		11	42 507	15 April 2013
Prudential Domestic Inflation + 6%	Prudential Inflation + 6% Domestic	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	3	2 722	04 April 2013
Prudential Global Inflation Plus 6%	Prudential Inflation Plus Global	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	2	414	04 April 2013
SIM CPI + 6%	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	391	11 April 2013
STANLIB Dynamic Return Fund	STANLIB Dynamic Return Fund	Dec-05	V	Domestic		Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	633	12 April 2013
					This includes multi-managers thus must be noted as possible "double-counting"						
TOTAL										171 045	

Inflation figures lagged by one month

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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 CPI 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 MARCH 2013											
PERFORMANCE DATA											
	Month	Quarter	Year to Date	1 Year		3 Years		5 Years		7 Years	
	Portfolio	Portfolio	Portfolio	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Headline CPI + 3%											
Absa Asset Management Absolute CPI +3%	1.25%	1.99%	1.99%	14.52%	8.81%	11.63%	8.21%	*	*	*	*
Cadiz Inflation Plus 3	1.04%	1.89%	1.89%	14.41%	8.81%	12.55%	8.21%	*	*	*	*
Coronation Inflation Plus Fund	1.39%	3.75%	3.75%	14.87%	9.31%	*	*	*	*	*	*
Momentum MoM Real Return	0.84%	2.33%	2.33%	10.44%	8.81%	*	*	*	*	*	*
SIM Absolute	0.82%	2.28%	2.28%	10.11%	8.81%	11.39%	8.21%	10.95%	9.16%	10.42%	9.61%
										12.94%	8.33%
SIM Absolute Return Income Fund	0.66%	1.68%	1.68%	8.21%	8.81%	8.93%	8.21%	*	*	*	*
Prescient Positive Return Medical Aid Fund	0.17%	1.18%	1.18%	8.68%	8.81%	6.57%	8.21%	9.01%	9.28%	10.77%	9.52%
Symmetry Absolute Cautious	0.97%	2.13%	2.13%	9.34%	8.81%	*	*	*	*	*	*
Taquantia Absolute	0.17%	0.75%	0.75%	5.17%	8.81%	7.09%	8.21%	9.18%	9.28%	9.23%	9.52%
Vunani Fund Managers CPI +3	0.81%	2.24%	2.24%	13.81%	8.81%	10.79%	8.21%	9.69%	9.28%	9.36%	9.52%
										*	*
Headline CPI + 4%											
Absa Asset Management Absolute Global CPI +4%	1.63%	2.70%	2.70%	15.33%	N/A	12.94%	9.21%	12.49%	10.16%	*	*
Absa Asset Management Absolute Domestic CPI+4%	1.52%	2.43%	2.43%	15.27%	N/A	*	*	*	*	*	*
Investment Solutions Stable Focus	0.79%	1.50%	1.50%	11.52%	N/A	9.36%	9.21%	10.75%	10.16%	10.81%	10.61%
Momentum MoM Absolute Strategies	0.39%	1.87%	1.87%	8.43%	N/A	*	*	*	*	*	*
OMIGSA Capital Builder	0.59%	2.13%	2.13%	10.65%	N/A	6.98%	9.21%	7.39%	10.16%	*	*
										*	*
OMIGSA MacroSolutions Stable Growth Fund	1.59%	4.65%	4.65%	18.05%	N/A	*	*	*	*	*	*
Argon Absolute Return	0.93%	1.99%	1.99%	14.97%	N/A	11.24%	9.21%	8.98%	10.28%	*	*
										*	*
Headline CPI + 5%											
Foord Absolute	3.59%	6.53%	6.53%	22.46%	N/A	16.38%	10.21%	12.10%	11.16%	13.74%	11.61%
Investment Solutions Real Return Focus Local	1.12%	2.51%	2.51%	13.35%	N/A	10.09%	10.21%	11.03%	11.16%	11.11%	11.61%
Investment Solutions Real Return Focus Portfolio	1.59%	4.09%	4.09%	15.55%	N/A	10.62%	10.21%	10.00%	11.16%	10.83%	11.61%
Mergence CPI +5% Fund	0.91%	1.95%	1.95%	15.32%	N/A	10.88%	10.21%	9.88%	11.16%	*	*
Prudential Global Inflation Plus 5%	1.73%	5.17%	5.17%	22.43%	N/A	*	*	*	*	*	*
										*	*
SIM CPI + 5% Global	1.31%	4.13%	4.13%	14.02%	N/A	11.98%	10.21%	10.18%	11.16%	10.19%	11.61%
SIM CPI + 5%	0.91%	2.64%	2.64%	12.03%	N/A	11.79%	10.21%	11.11%	11.16%	*	*
STANLIB AM Absolute	0.33%	1.55%	1.55%	14.01%	N/A	10.33%	10.21%	7.63%	11.16%	9.09%	11.61%
STANLIB Domestic Absolute Return	0.24%	0.96%	0.96%	14.56%	N/A	10.42%	10.21%	8.27%	11.16%	9.50%	11.61%
SMM Absolute Return	2.01%	5.16%	5.16%	15.27%	N/A	*	*	*	*	*	*
										*	*
Cadiz Inflation + 5%	0.93%	1.76%	1.76%	17.49%	N/A	14.64%	10.21%	*	*	12.53%	11.52%
Coronation Absolute	1.48%	3.38%	3.38%	14.79%	N/A	12.81%	10.21%	14.03%	11.28%	13.86%	11.52%
JM BUSH A Absolute AllClass	0.96%	3.40%	3.40%	22.74%	N/A	15.48%	10.21%	11.74%	11.28%	12.15%	11.52%
Momentum AM CPI+5% Global Fund	1.44%	2.85%	2.85%	16.47%	N/A	12.17%	10.21%	9.72%	11.28%	9.05%	11.52%
Prescient Positive Return Fund	0.14%	1.18%	1.18%	8.42%	N/A	6.13%	10.21%	8.25%	11.28%	9.78%	11.52%
										12.77%	10.80%
SYmmETRY Absolute Defensive Fund	1.82%	4.44%	4.44%	16.20%	N/A	11.99%	10.21%	10.25%	11.28%	10.59%	11.52%
Vunani Fund Managers CPI+ 5	1.00%	2.49%	2.49%	18.76%	N/A	13.87%	10.21%	11.66%	11.28%	10.79%	11.52%
										*	*
MARKET STATISTICS											
Combination of old CPIX and new CPI	1.00%	1.54%	1.54%	5.81%		5.21%		6.28%		6.52%	5.80%
Consumer Price Inflation (Old/New combined CPI)	1.00%	1.54%	1.54%	5.81%		5.21%		6.16%		6.61%	5.33%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.00%	1.54%	1.54%	5.81%		5.21%		5.98%		6.23%	4.54%
STEF	0.39%	1.21%	1.21%	5.37%		5.87%		7.48%		7.87%	8.08%
Number of Participants	34	34	34	34		26		22		18	10

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

INVESTMENT DATA TO THE END OF MARCH 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	-2.03%	-0.07%	-0.07%	2.59%	N/A	4.95%	11.21%	12.67%	12.16%	*	*	*	*
Coronation Absolute	2.05%	5.61%	5.61%	19.05%	N/A	14.37%	11.21%	13.82%	12.28%	13.97%	12.52%	18.98%	11.80%
Investec Opportunity	1.80%	3.67%	3.67%	20.28%	N/A	15.42%	11.21%	12.86%	12.28%	13.74%	12.52%	19.71%	11.80%
Prudential Domestic Inflation + 6%	1.12%	3.14%	3.14%	21.76%	N/A	16.98%	11.21%	14.60%	12.16%	14.25%	12.61%	18.41%	11.80%
Prudential Global Inflation Plus 6%	1.80%	5.73%	5.73%	22.74%	N/A	16.30%	11.21%	13.14%	12.16%	12.95%	12.61%	15.95%	11.33%
SIM CPI + 6%	0.98%	2.83%	2.83%	12.90%	N/A	12.39%	11.21%	11.65%	12.16%	*	*	*	*
STANLIB Dynamic Return Fund	0.85%	2.02%	2.02%	12.88%	N/A	*	*	*	*	*	*	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI*	1.00%	1.54%	1.54%	5.81%		5.21%		6.28%		6.52%		5.80%	
Consumer Price Inflation (Old/New combined CPI)	1.00%	1.54%	1.54%	5.81%		5.21%		6.16%		6.61%		5.33%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.00%	1.54%	1.54%	5.81%		5.21%		5.98%		6.23%		4.54%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	1.00%	1.46%	1.46%	5.87%		5.31%		5.95%		6.48%		5.77%	
STEFI	0.39%	1.21%	1.21%	5.37%		5.87%		7.48%		7.87%		8.08%	
Number of Participants	7	7	7	7		6		6		4		4	

**Inflation figures lagged by one month**

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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

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 MARCH 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%	2.79%	91.67%	-0.37%	-0.37%	11.63%	2.15%	91.67%	-0.37%	-0.37%	*	*	*	*	*
Cadiz Inflation Plus 3	3.76%	83.33%	-1.29%	-1.29%	12.55%	3.96%	80.56%	-1.54%	-1.54%	*	*	*	*	*
Coronation Inflation Plus Fund	2.14%	91.67%	-0.15%	-0.15%	*	*	97.22%	-0.15%	-0.15%	*	*	*	*	*
Momentum MoM Real Return	2.66%	83.33%	-0.62%	-0.66%	*	*	*	*	*	*	*	*	*	*
SIM Absolute	1.34%	91.67%	-0.16%	-0.16%	11.39%	2.04%	91.67%	-0.33%	-0.33%	10.95%	2.81%	86.67%	-1.42%	-0.16%
SIM Absolute Return Income Fund	0.59%	100.00%	0.45%	0.00%	8.93%	1.03%	97.22%	-0.06%	-0.06%	*	*	*	*	*
Prescient Positive Return Medical Aid Fund	2.71%	83.33%	-0.69%	-0.79%	6.57%	2.74%	75.00%	-1.06%	-1.06%	9.01%	2.88%	80.00%	-1.06%	-0.79%
Symmetry Absolute Cautious	1.74%	91.67%	-0.09%	0.00%	*	*	*	*	*	*	*	*	*	*
Taquantia Absolute	0.77%	100.00%	0.11%	0.00%	7.09%	0.83%	100.00%	0.11%	0.00%	9.18%	1.38%	98.33%	-0.27%	0.00%
Vunani Fund Managers CPI +3	3.03%	91.67%	-1.12%	-1.12%	10.79%	3.54%	83.33%	-1.39%	-1.39%	9.69%	3.87%	76.67%	-1.80%	-1.12%
Headline CPI + 4%														
Absa Asset Management Absolute Global CPI +4%	2.91%	91.67%	-0.34%	-0.34%	12.94%	2.84%	91.67%	-0.51%	-0.51%	12.49%	3.32%	88.33%	-2.12%	-0.34%
Absa Asset Management Absolute Domestic CPI+4%	3.06%	91.67%	-0.86%	-0.86%	*	*	88.89%	-0.86%	-0.86%	*	*	*	*	*
Investment Solutions Stable Focus	2.45%	83.33%	-0.58%	-0.58%	9.36%	2.13%	88.89%	-0.58%	-0.58%	10.75%	2.89%	88.33%	-1.53%	-0.58%
Momentum MoM Absolute Strategies	3.29%	83.33%	-1.51%	-1.51%	*	*	*	*	*	*	*	*	*	*
OMGSA Capital Builder	2.34%	83.33%	-0.24%	-0.24%	6.98%	2.92%	69.44%	-1.32%	-1.51%	7.39%	4.03%	70.00%	-2.72%	*
OMGSA MacroSolutions Stable Growth Fund	2.87%	91.67%	-0.18%	-0.18%	*	*	*	*	*	*	*	*	*	*
Argon Absolute Return	2.55%	83.33%	-0.33%	-0.33%	11.24%	4.20%	72.22%	-1.67%	-1.67%	8.98%	6.55%	70.00%	-5.33%	-0.33%
Headline CPI + 5%														
Foord Absolute	6.18%	83.33%	-1.97%	-1.97%	16.38%	7.61%	75.00%	-4.36%	-5.02%	12.10%	9.44%	71.67%	-6.99%	-1.97%
Investment Solutions Real Return Focus Local	2.99%	83.33%	-1.07%	-1.07%	10.09%	3.34%	77.78%	-1.07%	-1.07%	11.03%	3.99%	78.33%	-1.96%	-1.07%
Investment Solutions Real Return Focus Portfolio	3.03%	83.33%	-0.26%	-0.26%	10.62%	2.92%	80.56%	-0.44%	-0.66%	10.00%	3.71%	78.33%	-2.26%	-0.26%
Mergence CPI +5% Fund	3.13%	83.33%	-0.92%	-0.92%	10.88%	4.56%	63.89%	-1.95%	-3.00%	9.88%	4.94%	65.00%	-2.79%	-0.92%
Prudential Global Inflation Plus 5%	3.70%	91.67%	-0.11%	-0.11%	*	*	86.11%	-1.66%	-2.00%	*	*	*	*	*
SIM CPI + 5% Global	2.72%	100.00%	0.12%	0.00%	11.98%	3.16%	88.89%	-0.87%	-1.03%	10.18%	4.20%	78.33%	-3.11%	0.00%
SIM CPI + 5%	2.10%	91.67%	-0.74%	-0.74%	11.79%	3.24%	83.33%	-0.74%	-0.74%	11.11%	4.47%	78.33%	-2.66%	-0.74%
STANLIB AM Absolute	3.91%	100.00%	0.03%	0.00%	10.33%	3.90%	77.78%	-0.98%	-1.21%	7.63%	4.37%	75.00%	-3.23%	0.00%
STANLIB Domestic Absolute Return	4.30%	91.67%	-0.35%	-0.35%	10.42%	3.94%	77.78%	-1.10%	-1.74%	8.27%	5.82%	71.67%	-4.99%	-0.35%
SMM Absolute Return	3.93%	75.00%	-0.40%	-0.41%	*	*	75.00%	-0.58%	-0.94%	*	*	*	*	*
Cadiz Inflation + 5%	5.46%	83.33%	-2.29%	-2.29%	14.64%	6.37%	80.56%	-2.71%	-3.30%	*	*	*	*	*
Coronation Absolute	4.21%	83.33%	-1.66%	-1.66%	12.81%	5.16%	72.22%	-1.66%	-2.06%	14.03%	7.06%	75.00%	-4.27%	-1.66%
JM BUSH Absolute AllClass	4.74%	91.67%	-1.63%	-1.63%	15.48%	5.88%	77.78%	-1.85%	-3.07%	11.74%	7.23%	73.33%	-5.20%	-1.63%
Momentum AM CPI+5% Global Fund	3.31%	83.33%	-0.69%	-0.69%	12.17%	4.94%	75.00%	-2.49%	-3.64%	9.72%	7.08%	70.00%	-5.16%	-0.69%
Prescient Positive Return Fund	2.83%	83.33%	-0.65%	-0.73%	6.13%	2.60%	72.22%	-0.99%	-0.99%	8.25%	2.67%	81.67%	-0.99%	-0.73%
SYMMETRY Absolute Defensive Fund	3.97%	91.67%	-0.79%	-0.79%	11.99%	3.46%	86.11%	-0.79%	-1.24%	10.25%	4.37%	78.33%	-3.19%	-0.79%
Vunani Fund Managers CPI+ 5	4.57%	83.33%	-1.77%	-1.77%	13.87%	5.74%	75.00%	-2.27%	-2.50%	11.66%	5.95%	71.67%	-2.58%	-1.77%
MARKET STATISTICS														
Combination of old CPI-X and new CPI	1.17%				5.21%	1.07%				6.28%	1.75%			
Consumer Price Inflation (Old/New combined CPI)	1.17%				5.21%	1.07%				6.16%	1.78%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.17%				5.21%	1.07%				5.98%	1.35%			
STEFI	0.12%				5.87%	0.18%				7.48%	0.65%			

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

INVESTMENT DATA TO THE END OF MARCH 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	7.18%	50.00%	-3.34%	-3.75%	4.95%	7.93%	50.00%	-3.61%	-6.06%	12.67%	13.15%	56.67%	-8.44%	-13.70%	
Coronation Absolute	4.50%	83.33%	-0.52%	-0.52%	14.37%	4.54%	77.78%	-1.11%	-1.61%	13.82%	6.34%	76.67%	-4.00%	-7.85%	
Investec Opportunity	5.48%	91.67%	-2.05%	-2.05%	15.42%	5.46%	88.89%	-2.99%	-2.99%	12.86%	8.35%	78.33%	-6.74%	-15.91%	
Prudential Domestic Inflation + 6%	5.01%	91.67%	-1.62%	-1.62%	16.98%	6.24%	83.33%	-2.57%	-2.96%	14.60%	7.66%	78.33%	-4.88%	-9.12%	
Prudential Global Inflation Plus 6%	3.76%	91.67%	-0.05%	-0.05%	16.30%	4.66%	80.56%	-2.00%	-2.53%	13.14%	6.59%	75.00%	-4.64%	-8.22%	
SIM CPI + 6%	2.57%	91.67%	-1.02%	-1.02%	12.39%	4.29%	77.78%	-1.18%	-1.70%	11.65%	5.94%	73.33%	-3.83%	-8.52%	
STANLIB Dynamic Return Fund	3.63%	83.33%	-1.09%	-1.09%	*	*	*	*	*	*	*	*	*	*	
MARKET STATISTICS															
Combination of old CPIX and new CPI	1.17%				5.21%	1.07%				6.28%	1.75%				
Consumer Price Inflation (Old/New combined CPI)	1.17%				5.21%	1.07%				6.16%	1.78%				
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.17%				5.21%	1.07%				5.98%	1.35%				
STEFI	0.12%				5.87%	0.18%				7.48%	0.65%				

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 MARCH 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%
Symmetry Absolute Cautious	8.97%	*	*	*	*
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%	*	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%	*	*	*	*
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%
JIM 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%
SymmENTRY 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 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

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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 MARCH 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

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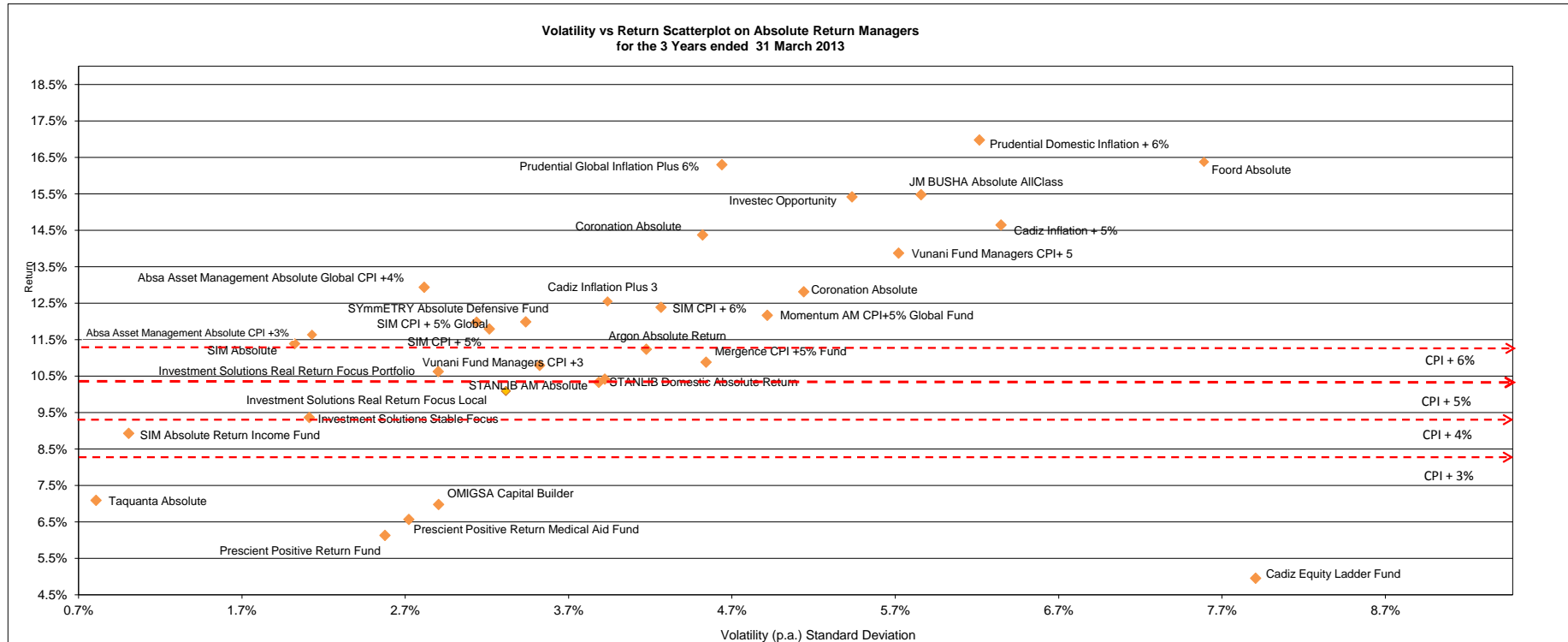
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\*\* Please see final page for Disclaimers and Glossary \*\*

# ABSOLUTE RETURN MANAGER WATCH™

## EXPLANATORY NOTES

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Quantitative figures are calculated on 3 year performance returns.

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

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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/>