



Absolute Return Manager Watch™ Survey for the month ending March 2014

Research & Product Development
FINANCIAL SERVICES


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Securing your financial well-being

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 Q1 2014:

Absolute Return Manager Watch™: CPI +3%: No change in the participants of this survey

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

Absolute Return Manager Watch™: CPI +5%: Prudential Domestic Real Return + 5% entered the survey

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

It should be noted that historic performance is not indication of future performance nor is it a direct indicator of skill. Many of these funds use Inflation relative benchmarks and not investable benchmarks. The current positioning and exposure of funds, is more relevant to an investment strategy. Please use all information within this survey and interpretations therefrom cautiously and use an asset consultant when matching your liabilities to appropriate assets. Due to the nature of the absolute return objective relative performance is not a valid comparison over short periods.

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 Q1 2014

Mixed investor sentiment and asset price movements characterized the first quarter of 2014, as new themes emerged (i.e. geopolitical risk in Europe); underpinned by the spillover of 2013's themes (i.e. continuing developments in the quantitative easing tapering program, "Fragile Five" interest rate response and emerging market currency weakness). Suffice to say that headwinds appear to be facing the global economy in the short term, as these themes are likely to persist as the year unfolds.

Global equity markets (MSCI World Index) ended off the quarter positively (1.4%) in U.S. Dollar terms despite unstable performance in January (-3.7%), driven by the commencement of tapering of the Fed's bond-buying program. However, this risk off environment was short lived as global equity performance rebounded in February to create a risk on environment, which continued in March, as tapering became priced into equity markets.

Real U.S. GDP is expected to grow just under 2% for 2014 compared to 3% estimated at the start of the year, due to the emergence of mixed U.S. economic data towards the latter part of the quarter. The Fed would only continue to incrementally taper its bond-buying program so long as U.S economic data is not persistently weak. Otherwise, investors may see this tapering impeded; which many economists are expecting to be the case over 2014.

The start of 2014 saw global bonds (i.e. Citi WGBI) as safe haven investments amid negative investor sentiment towards equity markets. As the quarter unfolded, global bonds measured in U.S. Dollar maintained its preference as safe haven investments despite giving up some gains to equity markets in March (-0.1% vs. 0.2%) with the Citi World Government Bond Index up 2.7% for the quarter.

Concerns around investing in emerging markets surfaced during the quarter, with various economic issues such as currency depreciation, geopolitical risk and poor sovereign financial health driving investors' sentiment of emerging markets. The start of 2014 saw devaluation of emerging market currencies particularly the Rand, reminiscent of 2013. However the reason for this was driven by the deteriorating economic conditions inherent in these emerging markets (specifically India, Indonesia, Turkey, Brazil and South Africa).

This instilled fear amongst investors, driving capital outflows from emerging markets, reinforcing the performance disparity between developed markets and emerging markets. The Rand has recovered from January levels.

Local equity markets (ALSI) ended off the quarter well (4.29%) despite poor performance in January (-2.40%), due to the impact of tapering of the Fed's bond-buying program, as well as the unexpected 50 bps interest rate increase by the SARB's MPC. This created short term negative sentiment towards equity markets. In fact, not a single economist surveyed ahead of the MPC's decision saw the 50 basis point interest rate hike coming, even though some non-surveyed economists claim otherwise. As the quarter unfolded, investor sentiment towards local equity markets improved, as immediate perceived risks were unfounded with monetary policy re-priced into equity markets and positive reception by the market of the country's commitment towards fiscal consolidation, following the National Budget address in February.

Local bond markets (i.e. ALBI) ended the tumultuous quarter in a positive note (0.89%). The last MPC meeting of the quarter saw the interest rate being unchanged by the SARB, as was expected by various economists, as growth rates continued to be revised down. The quarter ended with the long end of the curve flattening and real rates improving in bond markets.

COMMENTARY

HOW THE MANAGERS PERFORMED OVER Q1 2014

The quarter saw all asset classes perform positively with local equities being the dominant theme (SWIX delivering 4.8%). The Resource sector posted a strong quarter outperforming Industrials by almost 10%. The period was also characterized by stock selection more than style attributes. Property recovered over March to post stronger returns over the quarter (1.8%) as opposed to 1.1% over one year. Fixed income markets are improving relative to the previous quarter but with the ALBI returning 0.9%, Inflation Linked Bonds (ILB's) 1.7% and Local cash 1.2%; equity exposure and global exposure continue to remain the relevant strategies.

A more stable Rand against the dollar, recovering post January muted global returns this quarter with the MSCI World index returning only 1.6% with a turnaround in bonds as the Citi World Government Bond Index returning a strong 3.1%.

Given positive asset returns absolute return funds across all categories in the survey have delivered positive returns over the quarter, with only the Coronation Inflation Plus fund unable to beat the cash (Stefi) return of 1.31%.

In 2013, funds allowed global asset exposure had a distinct performance advantage over domestic only product offerings. However, this advantage has been nullified by the manager strategies as domestic-only funds competed effectively across all categories.

Managers applying more traditional balanced type of strategies utilising asset allocation techniques will continue to perform better than the peer group as it would have allowed them higher exposures to equities which has been the best performing asset. Managers such as Prudential, Coronation, SIM, Vunani, OMIG and Momentum sit in this category. ABSA also employs asset allocation strategies but a very defensive stance towards cash prevented the manager from capturing real returns from equities during this period.

Strategies that use derivatives to hedge out equity risk, where managers can use discretion on how much effective exposure to maintain would have also successfully delivered on their objectives. With put option pricing relatively cheap (downside protection); managers should be able to capture stronger asset class returns. Prescient Positive Return Fund which adopts a similar quantitative hedging strategy captured >50% of the market upside. Stanlib Absolute Plus; which merges active asset and security selection with quantitative techniques of risk management and hedging was another strategy that was effective and competitive under the prevailing market conditions.

The Cadiz Equity Ladder Fund has had a better peer relative quarter but has not performed to objective over the past year with a highly erratic performance versus other funds in the survey. The fund's strategy to be almost fully invested in equities and simultaneously using options to protect it on the downside is not working. It would appear that the equity portfolio was mismatched to the hedge being used.

The Foord Absolute Return fund in the CPI +5% category was previously identified as a portfolio that is managed closer to a balanced strategy than an absolute strategy.

Interestingly, the performance across the categories are not 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 9.29%, 9.64%, 12.37% and 15.24% respectively. It is clear that a CPI +5% category differs significantly from a CPI+4%category from both a risk and a strategy perspective.

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 : Data date submitted
INVESTMENT MANAGERS										
Headline CPI + 3%										
Absa Asset Management Absolute CPI +3%	Oct-02	V	Domestic		Y	Headline CPI + 3%		1	863	07 April 2014
Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		5	2 514	11 April 2014
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	2 450	14 April 2014
Momentum MoM Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		n/a	1 444	14 April 2014
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	643	03 April 2014
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	5 035	03 April 2014
Prescient Positive Return Medical Aid Fund	May-02	V	Domestic		Y	Headline CPI + 3%		7	877	03 April 2014
Prescient Positive Return Fund	Jan-99	V	Domestic		Y	Headline CPI + 3%		14	6 713	03 April 2014
Taquanta Absolute	Jun-01	V	Domestic		Y	Headline CPI + 3%		6	1 000	14 April 2014
Vunani Fund Managers CPI +3 %	Mar-05	V	Domestic		Y	Headline CPI + 3%		2	211	09 April 2014
Headline CPI + 4%										
Absa Asset Management Absolute Global CPI +4%	Dec-06	V	Global		Y	Headline CPI + 4%		3	21 268	07 April 2014
Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		9	9 201	07 April 2014
Investment Solutions Stable Focus	Apr-05		Domestic		Y	Headline CPI + 4%	No negative returns over rolling 12 month period	n/a	1 979	14 April 2014
Momentum MoM Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		n/a	2 344	14 April 2014
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	1 658	11 April 2014
OMIG MacroSolutions Stable Growth Fund	Jul-07	V	Global		Y	Headline CPI + 4%		1	3 506	11 April 2014
Argon Absolute Return	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period.	3	867	14 April 2014
Headline CPI + 5%										
Cadiz Inflation + 5%	Feb-06	V	Domestic		Y	Headline CPI + 5%		1	359	11 April 2014
Coronation Absolute	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period	11	8 491	14 April 2014
Foord Absolute	Jun-02	C	Global		Y	Headline CPI + 5%		4	1 447	14 April 2014
Investment Solutions Real Return Focus Local	Oct-02		Domestic		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	6 700	14 April 2014
Investment Solutions Real Return Focus Portfolio	May-03		Global		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	455	14 April 2014
JM BUSHIA Absolute AllClass	Oct-06	C	Domestic		Y	Headline CPI + 5%		3	1 232	08 April 2014
Mergence CPI +5% Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	2	1 614	14 April 2014
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	580	14 April 2014
Prudential Domestic Real Return Plus 5%	Nov-09	V	Domestic		Y	Headline CPI + 5%		3	963	03 April 2014
Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	1	21 994	03 April 2014
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	1 593	03 April 2014
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	8	10 016	03 April 2014
SMM Absolute Return	May-03		Global		Y	Headline CPI + 5%		1	459	09 April 2014
STANLIB AM Absolute	Jul-01	V	Global		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	4 031	15 April 2014
STANLIB Domestic Absolute Return	Mar-04	V	Domestic		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	281	15 April 2014
SYmmETRY Absolute Defensive Fund	Sep-02		Global		Y	Headline CPI + 4%	Non-negative returns over rolling 1-year periods	n/a	1 157	11 April 2014
Vunani Fund Managers CPI+ 5	Mar-05	V	Domestic		Y	Headline CPI + 5%		2	1 328	09 April 2014
Headline CPI + 6%										
Cadiz Equity Ladder Fund	Aug-01	V	Domestic		Y	Headline CPI + 6%		2	720	11 April 2014
Coronation Absolute	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	11	8 491	14 April 2014
Investec Opportunity	Aug-99	V	Global		Y	Headline CPI + 6%		15	51 372	11 April 2014
Momentum AM (CPI+6% Global)	Apr-12	V	Global		Y	Headline CPI + 6%		n/a	348	14 April 2014
Prudential Domestic Inflation Plus 6%	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	3	2 130	03 April 2014
Prudential Global Inflation Plus 6%	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	2	453	03 April 2014
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	448	03 April 2014
STANLIB Absolute Plus Fund	Dec-05	V	Domestic		Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	1 066	15 April 2014
				This includes multi-managers thus must be noted as possible "double-counting"		TOTAL		190 299		

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 MARCH 2014													
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%	1.87%	1.51%	1.51%	5.03%	8.92%	9.88%	8.95%	10.10%	8.44%	9.70%	9.64%	9.86%	*
Cadiz Inflation Plus 3	1.63%	2.28%	2.28%	9.01%	8.92%	11.60%	8.95%	*	*	*	*	*	*
Coronation Inflation Plus Fund	1.50%	1.21%	1.21%	10.83%	9.42%	12.55%	8.95%	*	*	*	*	*	*
Momentum MoM Real Return	1.21%	2.47%	2.47%	10.69%	8.92%	7.63%	8.95%	8.61%	8.44%	9.25%	9.64%	12.07%	*
SIM Absolute	1.18%	2.07%	2.07%	9.57%	8.92%	10.66%	8.95%	11.88%	8.44%	10.13%	9.64%	12.04%	8.86%
Headline CPI + 4%													
SIM Absolute Return Income Fund	0.95%	1.57%	1.57%	6.53%	8.92%	8.07%	8.95%	8.70%	8.44%	9.08%	9.64%	*	*
Prescient Positive Return Medical Aid Fund	1.16%	2.08%	2.08%	12.87%	8.92%	8.08%	8.95%	9.08%	8.44%	9.91%	9.67%	12.96%	8.91%
Prescient Positive Return Fund	0.90%	1.91%	1.91%	11.94%	8.92%	7.69%	8.95%	8.37%	8.44%	9.12%	9.67%	12.32%	8.91%
Taquantia Absolute	0.68%	2.25%	2.25%	6.14%	8.92%	6.02%	8.95%	8.14%	8.44%	8.81%	9.67%	8.92%	8.91%
Vunani Fund Managers CPI +3	1.70%	2.34%	2.34%	7.66%	8.92%	10.53%	8.95%	11.01%	8.44%	8.51%	9.67%	*	*
Headline CPI + 4%													
Absa Asset Management Absolute Global CPI +4%	1.99%	1.75%	1.75%	8.69%	N/A	12.43%	9.95%	12.82%	9.44%	11.85%	10.64%	*	*
Absa Asset Management Absolute Domestic CPI+4%	2.12%	2.07%	2.07%	7.95%	N/A	12.06%	9.95%	*	*	*	*	*	*
Investment Solutions Stable Focus	1.66%	2.16%	2.16%	9.64%	N/A	9.71%	9.95%	10.64%	9.44%	10.44%	10.64%	*	*
Momentum MoM Absolute Strategies	1.09%	2.56%	2.56%	7.61%	N/A	6.51%	9.95%	8.17%	9.44%	7.36%	10.64%	11.00%	8.91%
OMIG Capital Builder	1.42%	2.72%	2.72%	10.63%	N/A	8.55%	9.95%	8.74%	9.44%	*	*	*	*
OMIG MacroSolutions Stable Growth Fund	0.85%	1.69%	1.69%	11.04%	N/A	13.62%	9.95%	13.89%	9.44%	*	*	*	*
Argon Absolute Return	1.83%	3.01%	3.01%	11.82%	N/A	12.92%	9.95%	12.83%	9.44%	9.12%	10.67%	*	*
Headline CPI + 5%													
Cadiz Inflation + 5%	2.12%	3.10%	3.10%	11.03%	N/A	13.20%	10.95%	16.29%	10.44%	13.16%	11.67%	*	*
Coronation Absolute	1.84%	2.14%	2.14%	11.41%	N/A	11.29%	10.95%	15.94%	10.44%	11.79%	11.67%	17.24%	10.91%
Ford Absolute	1.52%	1.94%	1.94%	19.45%	N/A	20.27%	10.95%	20.09%	10.44%	12.65%	11.64%	19.52%	10.86%
Investment Solutions Real Return Focus Local	2.07%	2.10%	2.10%	10.24%	N/A	9.99%	10.95%	11.96%	10.44%	10.02%	11.64%	13.66%	10.86%
Investment Solutions Real Return Focus Portfolio	1.62%	2.24%	2.24%	12.68%	N/A	11.95%	10.95%	12.19%	10.44%	9.87%	11.64%	13.12%	10.86%
Headline CPI + 5%													
JM BUSH Absolute AllClass	2.91%	2.64%	2.64%	11.34%	N/A	15.39%	10.95%	15.48%	10.44%	10.93%	11.67%	13.18%	10.91%
Mergence CPI +5% Fund	2.21%	3.28%	3.28%	11.20%	N/A	12.43%	10.95%	12.12%	10.44%	9.02%	11.64%	*	*
Momentum AM CPI+5% Global Fund	1.40%	2.10%	2.10%	12.53%	N/A	13.06%	10.95%	14.55%	10.44%	8.31%	11.67%	12.70%	10.91%
Prudential Domestic Real Return Plus 5%	2.78%	2.50%	2.50%	9.29%	N/A	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	1.67%	2.29%	2.29%	14.02%	N/A	16.91%	10.95%	16.36%	10.44%	12.36%	11.64%	*	*
Headline CPI + 5%													
SIM CPI + 5%	1.50%	2.60%	2.60%	12.37%	N/A	11.93%	10.95%	13.44%	10.44%	10.45%	11.64%	*	*
SIM CPI + 5% Global	0.57%	2.39%	2.39%	14.99%	N/A	13.76%	10.95%	13.11%	10.44%	10.54%	11.64%	12.97%	10.86%
SMI Absolute Return	1.21%	2.37%	2.37%	14.98%	N/A	11.92%	10.95%	13.79%	10.44%	10.89%	11.64%	12.66%	10.86%
STANLIB AM Absolute	1.63%	1.56%	1.56%	9.56%	N/A	11.45%	10.95%	10.08%	10.44%	7.79%	11.64%	11.32%	10.86%
STANLIB Domestic Absolute Return	1.72%	1.56%	1.56%	9.31%	N/A	11.60%	10.95%	11.27%	10.44%	8.36%	11.64%	11.63%	10.86%
Headline CPI + 5%													
SYmmETRY Absolute Defensive Fund	0.88%	2.80%	2.80%	15.55%	N/A	14.12%	10.95%	13.34%	10.44%	10.32%	11.67%	13.56%	10.91%
Vunani Fund Managers CPI+ 5	1.87%	2.53%	2.53%	12.41%	N/A	14.50%	10.95%	14.83%	10.44%	10.43%	11.67%	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.67%		5.91%	
Consumer Price Inflation (Old/New combined CPI)	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.64%		5.86%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.38%		5.34%	
STEFI	0.46%	1.31%	1.31%	5.29%		5.45%		6.20%		7.51%		7.52%	
Number of Participants	34	34	34	34		33		30		28		18	

Inflation figures lagged by one month

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* (N/A) Please note that the survey does not show benchmark returns for less than 1 year as we do not believe that these figures are relevant numbers. Likewise, reflecting a 1 year benchmark is also not appropriate for any portfolio's that target the CPI+4%-7% categories.

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 MARCH 2014													
	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	1.49%	2.32%	2.32%	3.14%	N/A	3.08%	11.95%	11.62%	11.44%	*	*	*	*
Coronation Absolute	1.17%	1.87%	1.87%	16.91%	N/A	15.69%	11.95%	17.54%	11.44%	12.53%	12.67%	17.74%	11.91%
Investec Opportunity	1.44%	3.60%	3.60%	16.16%	N/A	17.29%	11.95%	18.40%	11.44%	12.87%	12.67%	17.89%	11.91%
Momentum AM (CPI+6% Global)	1.21%	2.33%	2.33%	13.89%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Inflation Plus 6%	2.74%	2.80%	2.80%	12.74%	N/A	16.47%	11.95%	17.87%	11.44%	13.37%	12.64%	17.03%	11.91%
Prudential Global Inflation Plus 6%	1.79%	2.54%	2.54%	16.93%	N/A	18.05%	11.95%	17.16%	11.44%	12.91%	12.64%	15.81%	11.86%
SIM CPI + 6%	1.69%	2.98%	2.98%	14.33%	N/A	12.81%	11.95%	14.96%	11.44%	11.08%	12.64%	*	*
STANLIB Absolute Plus Fund	1.85%	3.36%	3.36%	16.92%	N/A	12.76%	11.95%	14.47%	11.44%	10.75%	12.64%	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI*	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.67%		5.91%	
Consumer Price Inflation (Old/New combined CPI)	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.64%		5.86%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.13%	2.09%	2.09%	5.92%		5.95%		5.44%		6.38%		5.34%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	1.22%	2.28%	2.28%	6.11%		6.19%		5.62%		6.68%		5.92%	
STEFI	0.46%	1.31%	1.31%	5.29%		5.45%		6.20%		7.51%		7.52%	
Number of Participants	8	8	8	8		7		7		6		4	

Inflation figures lagged by one month

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* (N/A) Please note that the survey does not show benchmark returns for less than 1 year as we do not believe that these figures are relevant numbers. Likewise, reflecting a 1 year benchmark is also not appropriate for any portfolio's that target the CPI+4%-7% categories.

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 MARCH 2014														
	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%	4.45%	75.00%	-1.43%	-1.88%	9.88%	3.16%	83.33%	-1.43%	-1.88%	10.10%	2.57%	88.33%	-1.43%	-1.88%
Cadiz Inflation Plus 3	3.55%	75.00%	-0.57%	-0.70%	11.60%	3.63%	80.56%	-1.54%	-1.54%	*	*	*	*	*
Coronation Inflation Plus Fund	5.31%	91.67%	-2.28%	-2.28%	12.55%	3.46%	94.44%	-2.28%	-2.28%	*	*	*	*	*
Momentum MoM Real Return	5.54%	66.67%	-2.55%	-2.55%	7.63%	3.97%	69.44%	-2.55%	-2.55%	8.61%	3.32%	76.67%	-2.55%	-2.55%
SIM Absolute	2.35%	91.67%	-0.26%	-0.26%	10.66%	2.03%	88.89%	-0.33%	-0.33%	11.88%	2.18%	90.00%	-1.29%	-1.53%
SIM Absolute Return Income Fund	1.47%	100.00%	-0.36%	-0.36%	8.07%	1.07%	97.22%	-0.06%	-0.36%	8.70%	1.18%	96.67%	-0.11%	-0.36%
Prescient Positive Return Medical Aid Fund	6.27%	66.67%	-2.06%	-2.06%	8.08%	4.35%	72.22%	-2.06%	-2.06%	9.08%	3.65%	75.00%	-2.06%	-2.06%
Prescient Positive Return Fund	5.83%	66.67%	-1.94%	-1.94%	7.69%	4.10%	69.44%	-1.94%	-1.94%	8.37%	3.40%	76.67%	-1.94%	-1.94%
Taquantia Absolute	1.47%	83.33%	-0.25%	-0.25%	6.02%	0.98%	94.44%	-0.25%	-0.25%	8.14%	1.20%	95.00%	-0.27%	-0.25%
Vunani Fund Managers CPI+3	5.56%	83.33%	-2.84%	-2.84%	10.53%	4.18%	86.11%	-2.84%	-2.84%	11.01%	3.92%	80.00%	-2.84%	-2.87%
Headline CPI + 4%														
Absa Asset Management Absolute Global CPI +4%	4.46%	83.33%	-1.68%	-1.68%	12.43%	3.43%	88.89%	-1.68%	-1.68%	12.82%	3.43%	88.33%	-2.12%	-2.12%
Absa Asset Management Absolute Domestic CPI+4%	4.99%	75.00%	-1.58%	-1.98%	12.06%	3.74%	83.33%	-1.58%	-1.98%	*	*	*	*	*
Investment Solutions Stable Focus	5.29%	75.00%	-2.32%	-2.32%	9.71%	3.50%	83.33%	-2.32%	-2.32%	10.64%	3.04%	86.67%	-2.32%	-2.32%
Momentum MoM Absolute Strategies	5.81%	66.67%	-3.36%	-3.36%	6.51%	4.56%	69.44%	-3.36%	-3.36%	8.17%	3.99%	70.00%	-3.36%	-3.36%
OMIG Capital Builder	4.54%	75.00%	-1.94%	-1.94%	8.55%	3.40%	75.00%	-1.94%	-1.94%	8.74%	3.70%	73.33%	-1.96%	-1.96%
OMIG MacroSolutions Stable Growth Fund	4.47%	91.67%	-2.23%	-2.23%	13.62%	3.40%	91.67%	-2.23%	-2.23%	13.89%	4.16%	85.00%	-3.64%	-4.68%
Argon Absolute Return	4.92%	75.00%	-1.60%	-1.60%	12.92%	4.32%	75.00%	-1.60%	-1.60%	12.83%	4.72%	73.33%	-4.42%	-11.15%
Headline CPI + 5%														
Cadiz Inflation + 5%	5.92%	66.67%	-1.86%	-1.86%	13.20%	5.79%	77.78%	-2.71%	-3.30%	16.29%	6.15%	76.67%	-6.30%	-11.07%
Coronation Absolute	6.71%	66.67%	-2.99%	-2.99%	11.29%	5.17%	69.44%	-2.99%	-2.99%	15.94%	5.87%	75.00%	-3.70%	-8.70%
Foord Absolute	10.60%	66.67%	-3.72%	-3.72%	20.27%	8.16%	77.78%	-3.72%	-3.72%	20.09%	8.34%	73.33%	-5.99%	-19.00%
Investment Solutions Real Return Focus Local	6.05%	75.00%	-2.53%	-2.53%	9.99%	4.23%	77.78%	-2.53%	-2.53%	11.96%	4.07%	80.00%	-2.53%	-2.53%
Investment Solutions Real Return Focus Portfolio	6.30%	66.67%	-2.94%	-2.94%	11.95%	4.31%	77.78%	-2.94%	-2.94%	12.19%	3.96%	80.00%	-2.94%	-2.94%
JM BUNSA Absolute AllClass	8.14%	75.00%	-1.98%	-3.62%	15.39%	6.19%	77.78%	-1.98%	-3.62%	15.48%	6.18%	75.00%	-3.19%	-3.62%
Mergence CPI +5% Fund	6.24%	66.67%	-2.56%	-2.56%	12.43%	4.75%	66.67%	-2.56%	-2.56%	12.12%	4.85%	68.33%	-2.56%	-5.41%
Momentum AM CPI+5% Global Fund	5.23%	75.00%	-2.68%	-2.68%	13.06%	4.20%	80.56%	-2.68%	-2.68%	14.55%	5.46%	75.00%	-5.16%	-18.21%
Prudential Domestic Real Return Plus 5%	8.84%	83.33%	-2.56%	-2.56%	*	*	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	7.39%	83.33%	-3.57%	-3.57%	16.91%	5.04%	86.11%	-3.57%	-3.57%	16.36%	5.26%	80.00%	-4.64%	-8.22%
SIM CPI + 5%	3.98%	91.67%	-1.03%	-1.36%	11.93%	3.20%	86.11%	-1.03%	-1.36%	13.44%	3.52%	83.33%	-2.53%	-3.57%
SIM CPI + 5% Global	4.12%	91.67%	-1.36%	-1.36%	13.76%	3.35%	91.67%	-1.36%	-1.36%	13.11%	3.60%	85.00%	-3.11%	-4.92%
SMM Absolute Return	6.84%	75.00%	-2.29%	-2.29%	11.92%	4.87%	75.00%	-2.29%	-2.29%	13.79%	4.66%	78.33%	-3.28%	-5.13%
STANLIB AM Absolute	5.11%	75.00%	-1.56%	-1.56%	11.45%	3.95%	83.33%	-1.56%	-1.56%	10.08%	4.14%	76.67%	-3.23%	-5.33%
STANLIB Domestic Absolute Return	4.79%	75.00%	-0.83%	-1.86%	11.60%	3.95%	77.78%	-0.83%	-0.83%	11.27%	4.42%	75.00%	-4.99%	-11.20%
SYmmETRY Absolute Defensive Fund	5.26%	75.00%	-1.81%	-1.81%	14.12%	4.09%	88.89%	-1.81%	-1.81%	13.34%	4.07%	83.33%	-3.19%	-3.19%
Vunani Fund Managers CPI+ 5	7.33%	66.67%	-3.61%	-3.61%	14.50%	5.96%	77.78%	-3.61%	-3.61%	14.83%	5.85%	73.33%	-3.61%	-8.87%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.57%				5.95%	1.25%				5.44%	1.23%			
Consumer Price Inflation (Old/New combined CPI)	1.57%				5.95%	1.25%				5.44%	1.23%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.57%				5.95%	1.25%				5.44%	1.23%			
STEFI	0.08%				5.45%	0.10%				6.20%	0.33%			

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 MARCH 2014														
	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	10.01%	50.00%	-5.81%	-12.05%	3.08%	8.31%	52.78%	-5.81%	-12.05%	11.62%	10.14%	55.00%	-8.20%	-8.20%
Coronation Absolute	8.51%	75.00%	-3.58%	-3.58%	15.69%	5.89%	77.78%	-3.58%	-3.58%	17.54%	6.16%	80.00%	-4.00%	-4.00%
Investec Opportunity	7.15%	66.67%	-3.05%	-3.05%	17.29%	5.72%	86.11%	-3.05%	-3.05%	18.40%	6.55%	81.67%	-6.74%	-6.74%
Momentum AM (CPI+6% Global)	6.36%	83.33%	-2.94%	0.00%										
Prudential Domestic Inflation Plus 6%	8.84%	75.00%	-3.37%	-3.54%	16.47%	6.74%	80.56%	-3.37%	-3.54%	17.87%	6.99%	78.33%	-4.88%	-4.88%
Prudential Global Inflation Plus 6%	7.50%	91.67%	-3.40%	-3.40%	18.05%	5.38%	83.33%	-3.40%	-3.40%	17.16%	5.62%	78.33%	-4.64%	-4.64%
SIM CPI + 6%	4.98%	91.67%	-1.44%	-1.44%	12.81%	3.97%	83.33%	-1.44%	-1.44%	14.96%	4.72%	78.33%	-3.83%	-3.83%
STANLIB Absolute Plus Fund	6.10%	66.67%	-1.20%	-1.20%	12.76%	4.92%	69.44%	-1.23%	-1.23%	14.47%	5.41%	70.00%	-1.68%	-1.68%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.57%				5.95%	1.25%				5.44%	1.23%			
Consumer Price Inflation (Old/New combined CPI)	1.57%				5.95%	1.25%				5.44%	1.23%			
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	1.57%				5.95%	1.25%				5.44%	1.23%			
STEFI	0.08%				5.45%	0.10%				6.20%	0.33%			

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 2014					
	Calendar Year				
	2013	2012	2011	2010	2009
Headline CPI + 3%					
Absa Asset Management Absolute CPI +3%	5.53%	14.47%	9.33%	10.27%	10.48%
Cadiz Inflation Plus 3	8.60%	16.80%	7.64%	15.08%	*
Coronation Inflation Plus Fund	13.61%	14.52%	10.32%	15.95%	*
Momentum MoM Real Return	10.53%	9.16%	3.10%	8.60%	11.67%
SIM Absolute	9.80%	11.69%	10.05%	13.51%	13.17%
SIM Absolute Return Income Fund	6.64%	8.56%	8.63%	10.72%	8.51%
Prescient Positive Return Medical Aid Fund	11.87%	8.71%	3.44%	8.95%	12.86%
Prescient Positive Return Fund	11.14%	8.30%	3.22%	8.18%	11.83%
Taquantia Absolute	4.58%	6.13%	6.99%	10.13%	12.79%
Vunani Fund Managers CPI +3	7.57%	15.83%	6.67%	11.25%	11.58%
Headline CPI + 4%					
Absa Asset Management Absolute Global CPI +4%	9.70%	16.71%	10.60%	12.72%	12.04%
Absa Asset Management Absolute Domestic CPI+4%	8.33%	17.46%	9.07%	*	*
Investment Solutions Stable Focus	8.94%	12.63%	6.56%	10.50%	13.51%
Momentum MoM Absolute Strategies	6.88%	9.44%	2.79%	9.29%	10.93%
OMIG Capital Builder	9.99%	10.14%	3.45%	6.31%	12.15%
OMIG MacroSolutions Stable Growth Fund	14.27%	17.47%	8.84%	12.04%	14.26%
Argon Absolute Return	10.72%	17.62%	7.45%	10.32%	10.25%
Headline CPI + 5%					
Cadiz Inflation + 5%	9.58%	21.65%	5.81%	19.70%	18.84%
Coronation Absolute	12.76%	15.18%	4.99%	21.54%	22.94%
Foord Absolute	24.82%	26.06%	9.90%	15.44%	18.18%
Investment Solutions Real Return Focus Local	10.69%	13.67%	4.61%	13.81%	16.09%
Investment Solutions Real Return Focus Portfolio	14.72%	13.48%	7.13%	10.76%	12.99%
JM BUSH Absolute AllClass	12.17%	24.25%	8.31%	14.48%	14.75%
Mergence CPI +5% Fund	9.78%	18.22%	6.53%	9.37%	12.79%
Momentum AM CPI+5% Global Fund	13.36%	17.80%	8.68%	13.41%	15.11%
Prudential Global Inflation Plus 5%	17.23%	21.31%	12.26%	13.18%	12.12%
SIM CPI + 5%	12.41%	13.88%	8.59%	14.12%	15.30%
SIM CPI + 5% Global	16.95%	13.76%	10.72%	10.04%	10.99%
SMM Absolute Return	18.11%	12.28%	4.35%	13.44%	18.70%
STANLIB AM Absolute	9.56%	16.31%	7.02%	7.58%	7.40%
STANLIB Domestic Absolute Return	8.67%	18.40%	6.63%	7.96%	10.66%
SYmmETRY Absolute Defensive Fund	17.39%	15.05%	8.92%	10.71%	10.75%
Vunani Fund Managers CPI+ 5	12.36%	22.68%	6.55%	15.04%	14.52%
MARKET STATISTICS					
Combination of old CPIX and new CPI	5.35%	5.60%	6.12%	3.58%	5.09%
Consumer Price Inflation (Old/New combined CPI)	5.35%	5.60%	6.12%	3.58%	4.79%
Consumer Price Inflation (Headline CPI) (I-Net code: AECPI)	5.35%	5.60%	6.12%	3.58%	5.83%
STEFI	5.18%	5.55%	5.73%	6.93%	9.13%

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 2014					
	Calendar Year				
	2013	2012	2011	2010	2009
Headline CPI + 6%					
Cadiz Equity Ladder Fund	0.73%	7.78%	0.29%	8.50%	42.63%
Coronation Absolute	21.20%	17.74%	7.73%	17.45%	20.15%
Investec Opportunity	16.23%	20.72%	12.59%	12.94%	21.84%
Prudential Domestic Inflation Plus 6%	13.11%	25.04%	9.97%	18.03%	17.19%
Prudential Global Inflation Plus 6%	20.57%	21.62%	11.67%	13.59%	12.45%
SIM CPI + 6%	14.15%	14.97%	8.14%	15.52%	17.89%
STANLIB Absolute Plus Fund	15.40%	12.67%	9.33%	14.12%	18.57%
MARKET STATISTICS					
Combination of old CPIX and new CPI*	5.35%	5.60%	6.12%	3.58%	5.09%
Consumer Price Inflation (Old/New combined CPI)	5.35%	5.60%	6.12%	3.58%	4.79%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	5.35%	5.60%	6.12%	3.58%	5.83%
STEFI	5.18%	5.55%	5.73%	6.93%	9.13%

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.

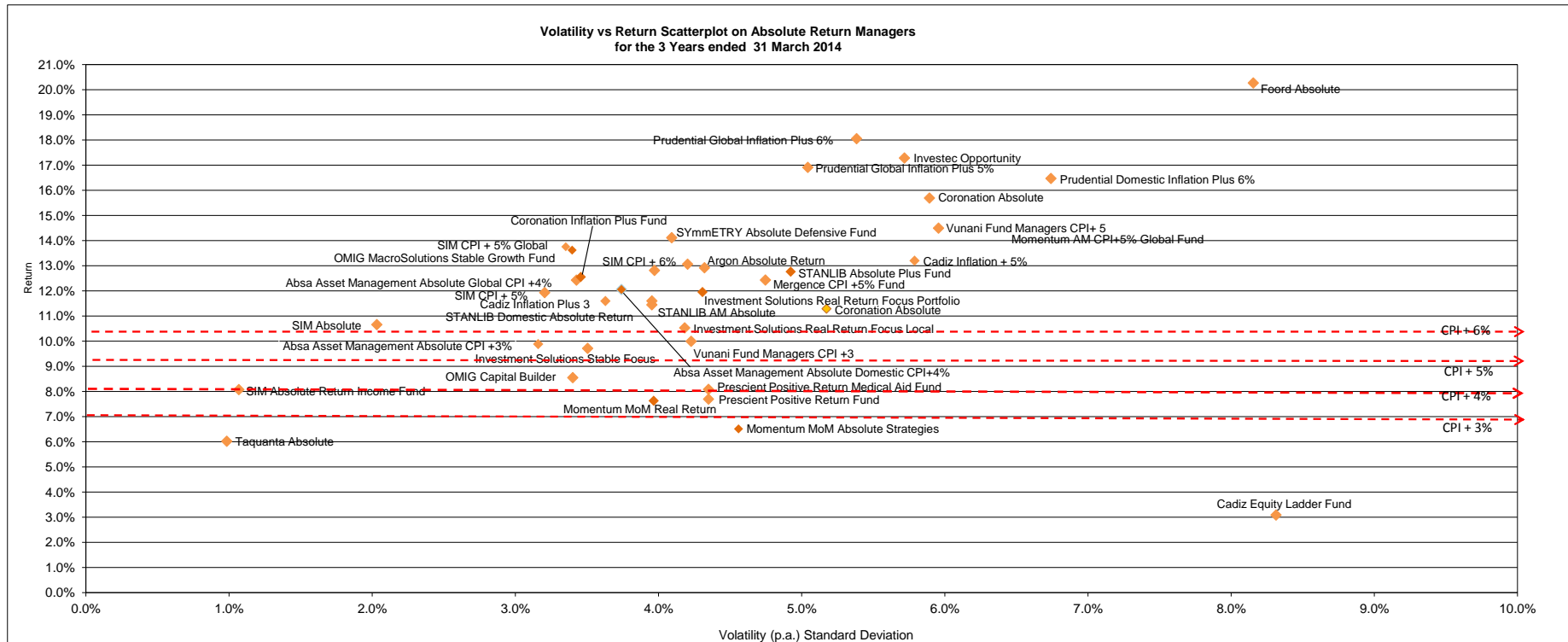
* The rankings and statistical information have been supplied for illustrative purposes only.

* 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



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

ABSOLUTE RETURN MANAGER WATCH™

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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/>