



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

Research & Product Development
FINANCIAL SERVICES


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COMMENTARY

SURVEY NOTES

The Absolute Return Manager Watch™ Surveys focuses on multi-asset class mandates that targets performance above the SA headline inflation rate (CPI), while simultaneously seeking to protect capital over a 12 month period. It is made up of 4 Categories; with the following being material changes over Q1 2015:

Absolute Return Manager Watch™: CPI +3%: The Old Mutual Multi-Managers Inflation Plus 1-3% entered the survey in the first quarter of 2015.

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

Absolute Return Manager Watch™: CPI +5%: The Old Mutual Multi-Managers Inflation Plus 3-5% entered the survey in the first quarter of 2015.

Absolute Return Manager Watch™: CPI +6%: The Cadiz Equity Ladder Fund exited the survey during the first quarter of 2015.

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

SOURCES OF PERFORMANCE

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

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

MARKET DYNAMICS THAT INFLUENCED PERFORMANCE AND STRATEGY OVER Q1 2015

The dominant themes of 2014 continue to evolve across global markets:

- the US economy has shown signs of economic recovery which helped to successfully close the QE program, resulting in strong performances by US equity, a strengthening dollar and the possibility of rising yields for treasuries
- Japan and Europe are forced to implement stronger stimulus programs (QE) in the face of flailing growth and fears of stagflation. Stifled earnings and even negative interest rates characterized poor asset performances in these markets
- The Chinese statistics department confirmed that their economy is slowing. China is also seeking to shift its economy towards consumption and will have a decreased demand for commodities in the future
- Oil recovers after its dramatic collapse in the second half of 2014 but now seems structurally settled
- the Rouble has collapsed in the wake of the oil price collapse; and Russian bonds flounder at junk status.
- The SA economic outlook continues to look bleak, with difficulties in the labour market and unemployment concerns. The budget was safe but did not introduce any stimulus for economic growth.

Developed equity markets continued its positive momentum from 2014, with the MSCI world index up 2.5% (U.S. Dollars), driven again by positive but slowing performance in U.S. equity markets (+1.0%), with a reversal in European markets and Japanese markets (+3.6% MSCI Europe; 10.3% MSCI Japan) after a disappointing 2014. Emerging markets were also better at +2.3% despite global US dollar strength. Global government bonds were penalized on increasing expectations of rate increases notwithstanding a delay by the US Fed to increase rates; the Citibank WGB Index losing -2.5%. The depreciation of the local currency to the dollar provided the required diversification sought in these market conditions with the MSCI All Countries returning +7.3% and the WGB Index up +2.1% in Rand terms.

Local equity markets finished the quarter up, with local indices reaching new highs into March before tapering off. The contradictory environment pervades as deteriorating local economic conditions are still disjointed from equity market performances. The FTSE JSE All Share Index (ALSI) returned +5.8% for the quarter, while the FTSE JSE Shareholder Weighted All Share Index (SWIX) returned +6.9% for the quarter.

The dispersion in performance between the two major equity benchmarks continues to widen to 5.2% over 1 year from 4.5% in 2014. At an exposure level the major difference between the two indices is that the ALSI holds only 6% more in Resources than the SWIX, and underweight to Financials (5%) and Industrials (1%). This allocation difference contributed 3.8% of the performance differential as Financial shares outperformed Resources by a staggering 56% over 12 months and Industrials were better by 45%. The early part of this year saw Resource shares lose more ending flat for the quarter.

COMMENTARY

The best performing sub sector within Financials was Banking (+12.6%); led by Standard bank (17.1%) and bringing up the rear Barclays Africa (+1.6%). Other sub sectors contributing to performance were Technology (+25.9%) and Consumer service (+17.9%). Woes in the construction sector continue (-25.9%). Oil and Gas is down -9.2%, its fate linked to the global price of the commodity, and Telecoms (-2.4%) having a difficult period as consumers tighten their belts.

An analysis of equity investment styles* proved that Price momentum, Earnings Growth and Sales Growth and low volatility continued to be rewarded by the market. What is also very clear is that Value factors (low P/E low P/B etc.), has continued to struggle - a bias for many South African managers who tend to favour this school of thought.

* BNP Paribas Cadiz Securities: Quantum Leaps April 2015

The South Africa's Central Bank Monetary Policy Committee (MPC) kept rates on hold but indicated that they would increase rates to manage inflation. Inflation was low at 3.9% y-o-y with indications of increasing over the year. The themes affecting the interest rate policy has remained consistent: concerns about the weak rand; rising inflation; labour conflicts and wage increases; moderate to weak economic growth, a wider current account deficit, and stubborn unemployment. What remains perplexing is the lack of initiatives to overcome these issues, almost as though it would miraculously disappear.

Yet Bond markets delivered stronger than cash returns; nominal bonds up 3.0%. Inflation linked bonds struggled in the low inflation environment and rising real yield spreads marginally up 0.2%. Factors that significantly drove bond market performance were instrument term (duration) and credit pick up. The long end of the SA 10 year government bond curve (bonds maturing >12 years) strengthened by almost 25bp since December as long term inflation forecasts changed and fears of imminent rate hikes were allayed. The short end of the curve (bonds maturing within 3 years) remained relatively unchanged.

The local property market continued its momentum and was again the best performing asset class (+13.7%). Cash returns were the weakest asset class with the STeFI returning +1.3%. All in all managers had positive results in all asset classes and sufficient opportunities to prove their value.

HOW THE MANAGERS PERFORMED OVER Q1 2015

After a difficult macro environment in 2014, the decision over this quarter was much simpler: Equities outperformed fixed income. As a result those managers that maintained a defensive stance in their portfolios should have underperformed. However, choosing equity and specifically property would have gotten the manager a head start. Poor local sector decisions could have critically undone good asset calls as demonstrated in the equity surveys.

All major asset classes performed positively over the quarter. Therefore, fund managers would have had an easy task of balancing risk and return for their clients while protecting their portfolios from capital losses.

Only one of forty-five absolute return composites across all categories in the survey failed to protect capital during the first quarter and over 1 year; and only two composites failed to protect the investor from inflationary erosion over 1 year.

RECM delivered further disappointing returns, again the only fund to lose value over the period. The Fund's top 5 resource stocks declined as commodity prices remained weak in the face of global growth concerns and a slowing Chinese economy. The fund held over 75% in growth assets, which from an asset allocation perspective was the correct positioning for the quarter but this unfortunately did not translate into performance.

Prudential's Real Return composites delivered very strong returns over the year, outperforming all inflation performance objectives and Prudential was the best performing manager in the CPI + 5% and 6% categories. The biggest contributor to their strong performance was their stock selection within and weighting of domestic equity. Within their higher target offerings, the larger weighting to international equity was the second biggest contributor, while their weighting to inflation-linked bonds was the second biggest contributor in the lower targeting offering. Property was also a strong contributor as they like listed property for its strong distribution growth prospects over the medium term.

The Foord Absolute Return fund in the CPI +5% category is still a statistical outlier over 3 years and has the highest downside risk attributes amongst its peers. The performance of the Foord Absolute Return fund would have made it a better offering than its own Global balanced fund over one year, and would be the fourth best Global balanced fund over 3 years. This seems inconsistent with a fund managed to a CPI + 5% target and its direct performance to its balanced offering cannot be coincidental.

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 8.5%, 11.1%, 11.7% and 12.0% respectively.

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 to 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	697	01 April 2015
Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		4	1 616	14 April 2015
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	2 655	15 April 2015
Momentum M&M Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		n/a	1 041	15 April 2015
Old Mutual Multi-Managers Inflation Plus 1-3%	Oct-99		Global		Y	Headline CPI + 3%		n/a	499	16 April 2015
Prescient Positive Return Fund	Jan-99	V	Domestic		Y	Headline CPI + 3%		14	6 147	13 April 2015
Prescient Positive Return Medical Aid Fund	May-02	V	Domestic		Y	Headline CPI + 3%		0	828	13 April 2015
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	703	08 April 2015
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	5 009	08 April 2015
Taqaaria Absolute	Jun-01	V	Domestic		Y	Headline CPI + 3%		8	761	13 April 2015
Headline CPI + 4%										
Absa Asset Management Absolute Global CPI +4%	Dec-06	V	Global		Y	Headline CPI + 4%		3	20 219	01 April 2015
Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		9	9 787	01 April 2015
Argon Absolute Return	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period	2	900	13 April 2015
Investment Solutions Stable Focus	Apr-05		Domestic		Y	Headline CPI + 4%	No negative returns over rolling 12 month period	n/a	2 345	16 April 2015
Momentum M&M Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		n/a	2 152	15 April 2015
Mergence CPI + 4% Fund	Oct-09	C	Domestic		Y	Headline CPI + 4%		4	1 350	13 April 2015
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	2 027	13 April 2015
OMIG MacroSolutions Stable Growth Fund	Jul-07	V	Global		Y	Headline CPI + 4%		1	4 210	13 April 2015
Headline CPI + 5%										
Cadiz Inflation + 5%	Feb-06	V	Domestic		Y	Headline CPI + 5%		1	299	14 April 2015
Coronation Absolute	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period	12	9 427	15 April 2015
Foord Absolute	Jun-02	C	Global		Y	Headline CPI + 5%		4	1 588	13 April 2015
Investment Solutions Real Return Focus Local	Oct-02		Domestic		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	6 051	16 April 2015
Investment Solutions Real Return Focus Portfolio	May-03		Global		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	3 763	16 April 2015
JM BUSH Absolute AllClass	Oct-06	C	Domestic		Y	Headline CPI + 5%		3	1 388	10 April 2015
Mergence CPI +5% Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	2	1 565	13 April 2015
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	908	13 April 2015
Old Mutual Multi-Managers Inflation Plus 3-5%	Jul-03		Global		Y	Headline CPI + 5%		n/a	4 447	16 April 2015
OMIG Wealth Defender	Aug-03	C	Global		Y	Headline CPI + 5%		4	6 457	13 April 2015
Prudential Domestic Real Return Plus 5%	Nov-09	V	Domestic		Y	Headline CPI + 5%		3	1 077	07 April 2015
Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	2	32 004	07 April 2015
RECM Balanced Full Discretion Composite	Jul-03	V	Global		Y	Headline CPI + 5%		4	4 437	13 April 2015
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	1 755	08 April 2015
SIM CPI + 5% Global	Dec-03	V	Global		Y	Headline CPI + 5%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	7	8 957	08 April 2015
SIMM Absolute Return	May-03		Global		Y	Headline CPI + 5%		1	473	10 April 2015
STANLIB AM Absolute	Jul-01	V	Global		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	3 994	13 April 2015
STANLIB Domestic Absolute Return	Mar-04	V	Domestic		Y	Headline CPI + 5%	Capital preservation over a rolling 12 month period	1	336	13 April 2015
Old Mutual Multi Managers Absolute Defensive Fund	Sep-02		Global		Y	Headline CPI + 4%	Non-negative returns over rolling 1-year periods	n/a	1 184	16 April 2015
Vunani Fund Managers CPI+ 5	Mar-05	V	Domestic		Y	Headline CPI + 5%		3	1 768	13 April 2015
Headline CPI + 6%										
Coronation Absolute	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	1	7 181	15 April 2015
Investec Opportunity	Aug-99	V	Global		Y	Headline CPI + 6%		15	47 395	14 April 2015
Momentum AM (CPI+6% Global)	Apr-12	V	Global		Y	Headline CPI + 6%		n/a	267	13 April 2015
Prudential Domestic Inflation Plus 6%	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	4	2 328	07 April 2015
Prudential Global Inflation Plus 6%	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	1	265	07 April 2015
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	548	08 April 2015
STANLIB Absolute Plus Fund	Dec-05	V	Domestic		Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	2 605	13 April 2015
				This includes multi-managers thus must be noted as possible "double-counting"						
TOTAL									215 431	

Inflation figures lagged by one month

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* Performance figures are shown gross of fees.

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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(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 CPDX 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 2015													
PERFORMANCE DATA													
	Month	Quarter	Year to Date	1 Year		3 Years		5 Years		7 Years		10 Years	
	Portfolio	Portfolio	Portfolio	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Headline CPI + 3%													
Absa Asset Management Absolute CPI +3%	0.31%	2.18%	2.18%	10.55%	6.91%	9.44%	8.21%	9.75%	8.09%	10.42%	8.80%	9.95%	*
Cadiz Inflation Plus 3	-0.42%	3.30%	3.30%	5.77%	6.91%	9.67%	8.21%	10.45%	8.09%	*	*	*	*
Coronation Inflation Plus Fund	0.18%	3.54%	3.54%	12.08%	7.41%	12.58%	8.21%	12.65%	8.09%	*	*	*	*
Momentum MoM Real Return	-0.47%	2.30%	2.30%	8.32%	6.91%	9.81%	8.21%	7.93%	8.09%	9.14%	8.80%	11.87%	*
Old Mutual Multi-Managers Inflation Plus 1-3%	0.87%	3.62%	3.62%	14.19%	6.91%	*	*	*	*	*	*	*	*
Prescient Positive Return Medical Aid Fund	-0.09%	2.41%	2.41%	8.59%	6.91%	10.03%	8.21%	8.20%	8.09%	9.49%	8.89%	12.46%	8.99%
Prescient Positive Return Fund	-0.09%	2.80%	2.80%	7.96%	6.91%	9.43%	8.21%	7.63%	8.09%	8.73%	8.89%	11.82%	8.99%
SIM Absolute	0.57%	3.04%	3.04%	9.69%	6.91%	9.79%	8.21%	10.68%	8.09%	10.57%	8.80%	11.29%	9.00%
SIM Absolute Return Income Fund	0.59%	2.00%	2.00%	8.03%	6.91%	7.59%	8.21%	8.26%	8.09%	9.20%	8.80%	*	*
Taqaunta Absolute	0.05%	1.06%	1.06%	2.54%	6.91%	4.61%	8.21%	5.98%	8.09%	7.77%	8.89%	8.24%	8.99%
Headline CPI + 4%													
Absa Asset Management Absolute Global CPI +4%	0.81%	4.12%	4.12%	14.20%	N/A	12.70%	9.21%	12.32%	9.09%	12.18%	9.80%	*	*
Absa Asset Management Absolute Domestic CPI+4%	0.07%	3.30%	3.30%	11.65%	N/A	11.58%	9.21%	11.62%	9.09%	*	*	*	*
Argon Absolute Return	1.08%	4.92%	4.92%	13.82%	N/A	13.53%	9.21%	11.87%	9.09%	10.06%	9.89%	*	*
Investment Solutions Stable Focus	0.18%	3.58%	3.58%	10.50%	N/A	10.55%	9.21%	9.64%	9.09%	10.55%	9.80%	12.09%	8.99%
Momentum MoM Absolute Strategies	0.12%	3.97%	3.97%	9.89%	N/A	8.64%	9.21%	7.75%	9.09%	8.10%	9.80%	10.27%	8.99%
Mergence CPI + 4% Fund	0.22%	3.96%	3.96%	9.14%	N/A	*	*	*	*	*	*	*	*
OMIG Capital Builder	0.38%	2.04%	2.04%	7.22%	N/A	9.49%	9.21%	7.75%	9.09%	7.82%	9.80%	*	*
OMIG MacroSolutions Stable Growth Fund	0.93%	4.70%	4.70%	13.60%	N/A	14.19%	9.21%	12.86%	9.09%	11.52%	9.80%	*	*
Headline CPI + 5%													
Cadiz Inflation + 5%	-1.24%	3.70%	3.70%	5.08%	N/A	11.08%	10.21%	11.95%	10.09%	12.10%	10.89%	*	*
Coronation Absolute	-1.01%	3.15%	3.15%	10.98%	N/A	12.38%	10.21%	12.16%	10.09%	13.21%	10.89%	15.38%	10.99%
Foord Absolute	0.50%	5.41%	5.41%	14.94%	N/A	19.94%	10.21%	17.30%	10.09%	13.95%	10.80%	18.22%	11.00%
Investment Solutions Real Return Focus Local	-0.07%	4.08%	4.08%	12.47%	N/A	12.09%	10.21%	10.64%	10.09%	11.15%	10.80%	13.29%	11.00%
Investment Solutions Real Return Focus Portfolio	0.42%	4.19%	4.19%	12.61%	N/A	13.44%	10.21%	11.33%	10.09%	10.68%	10.80%	12.88%	11.00%
JM BUSH Absolute AllClass	-0.40%	4.05%	4.05%	13.67%	N/A	15.81%	10.21%	14.28%	10.09%	11.96%	10.89%	12.91%	10.99%
Mergence CPI +5% Fund	0.37%	4.22%	4.22%	10.12%	N/A	12.19%	10.21%	10.79%	10.09%	10.10%	10.80%	*	*
Momentum AM CPI+5% Global Fund	0.74%	4.35%	4.35%	12.07%	N/A	13.68%	10.21%	12.22%	10.09%	10.45%	10.89%	11.37%	10.99%
Old Mutual Multi-Managers Inflation Plus 3-5%	1.09%	4.51%	4.51%	15.67%	N/A	*	*	*	*	*	*	*	*
OMIG Wealth Defender	0.68%	3.89%	3.89%	11.53%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Real Return Plus 5%	0.51%	4.48%	4.48%	15.71%	N/A	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	1.15%	4.74%	4.74%	16.07%	N/A	17.45%	10.21%	15.63%	10.09%	13.53%	10.80%	*	*
RECM Balanced Full Discretion Composite	-6.43%	-3.94%	-3.94%	-9.65%	N/A								
SIM CPI + 5%	0.53%	3.57%	3.57%	10.69%	N/A	11.69%	10.21%	11.69%	10.09%	11.23%	10.80%	*	*
SIM CPI + 5% Global	0.97%	4.04%	4.04%	11.59%	N/A	13.52%	10.21%	12.50%	10.09%	11.05%	10.80%	12.23%	11.00%
SMM Absolute Return	0.64%	4.33%	4.33%	14.84%	N/A	15.03%	10.21%	12.30%	10.09%	12.27%	10.80%	12.44%	11.00%
STANLIB AM Absolute	-0.25%	2.91%	2.91%	6.56%	N/A	10.00%	10.21%	9.41%	10.09%	7.75%	10.80%	9.99%	11.00%
STANLIB Domestic Absolute Return	-0.06%	3.27%	3.27%	8.36%	N/A	10.71%	10.21%	9.78%	10.09%	8.43%	10.80%	10.59%	11.00%
Old Mutual Multi Managers Absolute Defensive Fund	0.64%	4.29%	4.29%	11.74%	N/A	14.48%	10.21%	12.64%	10.09%	11.21%	10.89%	12.75%	10.99%
Vanani Fund Managers CPI+ 5	0.15%	4.46%	4.46%	11.51%	N/A	14.18%	10.21%	13.11%	10.09%	11.75%	10.89%	12.82%	10.99%
MARKET STATISTICS													
Combination of old CPIX and new CPI	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.89%		5.99%	
Consumer Price Inflation (Old/New combined CPI)	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.80%		6.00%	
Consumer Price Inflation (Headline CPI) I-Net code: AECPI	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.67%		5.56%	
STEPI	0.54%	1.53%	1.53%	6.13%		5.60%		5.80%		6.97%		7.35%	
Number of Participants	38	38	38	38		32		32		29		20	

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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 2015													
	Month	Quarter	Year to Date	1 Year		3 Years		5 Years		7 Years		10 Years	
	Portfolio	Portfolio	Portfolio	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Headline CPI + 6%													
Coronation Absolute	-0.41%	3.76%	3.76%	11.96%	N/A	15.93%	11.21%	14.39%	11.09%	13.99%	11.89%	16.12%	11.99%
Investec Opportunity	-0.02%	4.56%	4.56%	11.48%	N/A	15.92%	11.21%	14.76%	11.09%	13.12%	11.89%	16.17%	11.99%
Momentum AM (CPI+6% Global)	0.79%	4.89%	4.89%	12.77%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Inflation Plus 6%	0.53%	5.15%	5.15%	16.34%	N/A	16.89%	11.21%	15.99%	11.09%	14.58%	11.80%	16.24%	11.99%
Prudential Global Inflation Plus 6%	1.19%	5.49%	5.49%	17.01%	N/A	18.86%	11.21%	16.57%	11.09%	14.22%	11.80%	15.43%	12.00%
SIM CPI + 6%	0.48%	3.91%	3.91%	11.31%	N/A	12.84%	11.21%	12.55%	11.09%	11.98%	11.80%	*	*
STANLIB Absolute Plus Fund	0.04%	3.15%	3.15%	10.90%	N/A	13.54%	11.21%	12.46%	11.09%	11.58%	11.80%	*	*
MARKET STATISTICS													
Combination of old CPIX and new CPI*	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.89%		5.99%	
Consumer Price Inflation (Old/New combined CPI)	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.80%		6.00%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	0.63%	0.27%	0.27%	3.91%		5.21%		5.09%		5.67%		5.56%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	0.63%	0.27%	0.27%	3.91%		5.36%		5.23%		5.71%		6.00%	
STEFI	0.54%	1.53%	1.53%	6.13%		5.60%		5.80%		6.97%		7.35%	
Number of Participants	7	7	7	7		6		6		6		4	

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: AECPI) 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 2015														
	1 Year				3 Years					5 Years					
	Volatility	% positive months	Worst month	Maximum drawdown	3 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown	5 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown	
Headline CPI + 3%															
Absa Asset Management Absolute CPI +3%	1.82%	100.00%	0.14%	0.00%	9.44%	3.13%	86.11%	-1.88%	-1.88%	9.75%	2.63%	88.33%	-1.88%	-1.88%	
Cadiz Inflation Plus 3	4.17%	75.00%	-2.00%	-2.97%	9.67%	3.84%	77.78%	-2.00%	-2.97%	10.45%	3.93%	*	*	*	
Coronation Inflation Plus Fund	2.39%	91.67%	-0.21%	-0.21%	12.58%	3.51%	88.89%	-2.28%	-2.28%	12.65%	3.02%	*	*	*	
Momentum MoM Real Return	2.57%	83.33%	-0.55%	-0.55%	9.81%	3.75%	77.78%	-2.55%	-2.55%	7.93%	3.38%	73.33%	-2.55%	-2.55%	
Old Mutual Multi-Managers Inflation Plus 1-3%	2.31%	100.00%	0.19%	-0.86%	*	*	*	*	*	*	*	*	*	*	
Prescient Positive Return Medical Aid Fund	2.11%	75.00%	-0.78%	-0.85%	10.03%	4.05%	75.00%	-1.94%	-1.94%	8.20%	3.61%	71.67%	-1.94%	-1.94%	
Prescient Positive Return Fund	2.60%	83.33%	-0.43%	-0.43%	9.43%	3.95%	77.78%	-2.06%	-2.06%	7.63%	3.46%	75.00%	-2.06%	-2.06%	
SIM Absolute	1.38%	100.00%	0.23%	0.00%	9.79%	1.70%	91.67%	-0.59%	-0.59%	10.68%	1.98%	91.67%	-0.59%	-0.59%	
SIM Absolute Return Income Fund	1.07%	100.00%	0.09%	0.00%	7.59%	1.09%	97.22%	-0.36%	-0.36%	8.26%	1.14%	96.67%	-0.36%	-0.36%	
Taquantu Absolute	2.26%	75.00%	-1.34%	-1.53%	4.61%	1.63%	86.11%	-1.34%	-1.53%	5.98%	1.42%	91.67%	-1.34%	-1.53%	
Headline CPI + 4%															
Absa Asset Management Absolute Global CPI +4%	1.69%	91.67%	-0.07%	-0.07%	12.70%	3.22%	83.33%	-1.98%	-1.98%	12.32%	3.04%	85.00%	-1.98%	-1.98%	
Absa Asset Management Absolute Domestic CPI+4%	2.37%	100.00%	0.41%	0.00%	11.58%	3.63%	88.89%	-1.68%	-1.68%	*	3.50%	90.00%	-1.68%	-1.68%	
Argon Absolute Return	2.69%	91.67%	-0.16%	-0.16%	13.53%	3.47%	83.33%	-1.60%	-1.60%	11.87%	4.05%	78.33%	-1.67%	-1.67%	
Investment Solutions Stable Focus	2.72%	91.67%	-0.62%	-0.62%	10.55%	3.61%	83.33%	-2.32%	-2.32%	9.64%	3.05%	86.67%	-2.32%	-2.32%	
Momentum MoM Absolute Strategies	2.98%	83.33%	-0.46%	-0.85%	8.64%	4.11%	77.78%	-3.36%	-3.36%	7.75%	3.92%	71.67%	-3.36%	-3.36%	
Mergence CPI + 4% Fund	2.66%	83.33%	-0.65%	-0.65%	*	*	*	*	*	*	*	*	*	*	
OMIG Capital Builder	1.51%	91.67%	-0.32%	-0.32%	9.49%	3.02%	83.33%	-1.94%	-1.94%	7.75%	3.08%	75.00%	-1.94%	-1.94%	
OMIG MacroSolutions Stable Growth Fund	2.27%	100.00%	0.22%	0.00%	14.19%	3.32%	91.67%	-2.23%	-2.23%	12.86%	3.49%	90.00%	-2.23%	-2.23%	
Headline CPI + 5%															
Cadiz Inflation + 5%	6.17%	58.33%	-2.18%	-4.09%	11.08%	5.84%	69.44%	-2.29%	-4.09%	11.95%	6.22%	73.33%	-2.71%	-4.09%	
Coronation Absolute	4.29%	75.00%	-1.49%	-1.49%	12.38%	5.07%	75.00%	-2.99%	-2.99%	12.16%	5.26%	71.67%	-2.99%	-2.99%	
Foord Absolute	3.27%	91.67%	-0.33%	-0.33%	19.94%	7.29%	80.56%	-3.72%	-3.72%	17.30%	7.67%	76.67%	-4.36%	-5.02%	
Investment Solutions Real Return Focus Local	3.18%	83.33%	-0.82%	-0.82%	12.09%	4.20%	80.56%	-2.53%	-2.53%	10.64%	3.93%	78.33%	-2.53%	-2.53%	
Investment Solutions Real Return Focus Portfolio	2.43%	100.00%	0.02%	0.00%	13.44%	4.15%	83.33%	-2.94%	-2.94%	11.33%	3.68%	81.67%	-2.94%	-2.94%	
JM BUSHA Absolute AllClass	5.29%	75.00%	-1.77%	-1.77%	15.81%	6.18%	77.78%	-3.62%	-3.62%	14.28%	6.18%	75.00%	-3.62%	-3.62%	
Mergence CPI +5% Fund	2.84%	91.67%	-0.98%	-0.98%	12.19%	4.27%	80.56%	-2.56%	-2.56%	10.79%	4.60%	70.00%	-2.56%	-3.00%	
Momentum AM CPI+5% Global Fund	5.23%	100.00%	0.16%	0.00%	13.68%	4.20%	86.11%	-2.68%	-2.68%	12.22%	4.65%	80.00%	-2.68%	-3.64%	
Old Mutual Multi-Managers Inflation Plus 3-5%	5.23%	100.00%	0.20%	0.00%	*	*	*	*	*	*	*	*	*	*	
OMIG Wealth Defender	2.66%	91.67%	-0.86%	0.00%	*	*	*	*	*	*	*	*	*	*	
Prudential Domestic Real Return Plus 5%	3.78%	91.67%	-0.65%	0.00%	*	*	*	*	*	*	*	*	*	*	
Prudential Global Inflation Plus 5%	1.69%	100.00%	0.38%	0.00%	17.45%	4.81%	88.89%	-3.57%	-3.57%	15.63%	4.56%	86.67%	-3.57%	-3.57%	
RECM Balanced Full Discretion Composite	9.46%	33.33%	-6.43%	0.00%	*	*	*	*	*	*	*	*	*	*	
SIM CPI + 5%	1.84%	100.00%	0.32%	0.00%	11.69%	2.73%	97.22%	-1.36%	-1.36%	11.69%	3.13%	91.67%	-1.36%	-1.36%	
SIM CPI + 5% Global	1.35%	91.67%	-0.10%	-0.10%	13.52%	2.89%	88.89%	-1.03%	-1.03%	12.50%	3.09%	85.00%	-1.03%	-1.03%	
		100.00%	0.45%	0.00%			83.33%	-2.29%	-2.29%			80.00%	-2.29%	-2.29%	
SMM Absolute Return	2.03%				15.03%	4.57%				12.30%	4.15%				
STANLIB AM Absolute	3.02%	75.00%	-1.28%	-1.28%	10.00%	4.07%	80.56%	-1.56%	-1.56%	9.41%	3.97%	75.00%	-1.56%	-1.56%	
STANLIB Domestic Absolute Return	3.69%	75.00%	-1.57%	-2.39%	10.71%	4.22%	77.78%	-1.86%	-2.39%	9.78%	4.01%	75.00%	-1.86%	-2.39%	
Old Mutual Multi Managers Absolute Defensive Fund	2.20%	91.67%	-0.14%	-0.14%	14.48%	3.93%	88.89%	-1.81%	-1.81%	12.64%	3.65%	86.67%	-1.81%	-1.81%	
Vunani Fund Managers CPI+ 5	3.22%	83.33%	-0.74%	-0.81%	14.18%	5.23%	77.78%	-3.61%	-3.61%	13.11%	5.62%	75.00%	-3.61%	-3.61%	
MARKET STATISTICS															
Combination of old CPIX and new CPI	1.51%				5.21%	1.41%				5.09%	1.26%				
Consumer Price Inflation (Old/New combined CPI)	1.51%				5.21%	1.41%				5.09%	1.26%				
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.51%				5.21%	1.41%				5.09%	1.26%				
STEFI	0.11%				5.60%	0.15%				5.80%	0.17%				

Inflation figures lagged by one month

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INVESTMENT DATA TO THE END OF MARCH 2015														
	1 Year					3 Years				5 Years				
	Volatility	% positive months	Worst month	Maximum drawdown	3 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown	5 Year Return (p.a.)	Volatility	% positive months	Worst month	Maximum drawdown
Headline CPI + 6%														
Coronation Absolute	3.45%	83.33%	-0.75%	-0.75%	15.93%	5.78%	80.56%	-3.58%	-3.58%	14.39%	5.30%	78.33%	-3.58%	-3.58%
Investec Opportunity	3.75%	75.00%	-0.75%	-0.75%	15.92%	5.55%	80.56%	-3.05%	-3.05%	14.76%	5.48%	83.33%	-3.05%	-3.05%
Momentum AM (CPI+6% Global)	2.43%	100.00%	0.17%	0.00%										
Prudential Domestic Inflation Plus 6%	4.11%	91.67%	-0.86%	-0.86%	16.89%	6.21%	83.33%	-3.54%	-3.54%	15.99%	6.40%	81.67%	-3.54%	-3.54%
Prudential Global Inflation Plus 6%	2.07%	100.00%	0.23%	0.00%	18.86%	4.89%	91.67%	-3.40%	-3.40%	16.57%	4.92%	85.00%	-3.40%	-3.40%
SIM CPI + 6%	2.22%	91.67%	-0.31%	-0.31%	12.84%	3.40%	88.89%	-1.44%	-1.44%	12.55%	4.06%	81.67%	-1.44%	-1.70%
STANLIB Absolute Plus Fund	2.66%	91.67%	-0.44%	-0.44%	13.54%	4.30%	80.56%	-1.20%	-1.20%	12.46%	4.64%	73.33%	-1.23%	-1.61%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.51%				5.21%	1.41%				5.09%	1.26%			
Consumer Price Inflation (Old/New combined CPI)	1.51%				5.21%	1.41%				5.09%	1.26%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.51%				5.21%	1.41%				5.09%	1.26%			
STEFI	0.11%				5.60%	0.15%				5.80%	0.17%			

Inflation figures lagged by one month
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INVESTMENT DATA TO THE END OF MARCH 2015					
	Calendar Year				
	2014	2013	2012	2011	2010
Headline CPI + 3%					
Absa Asset Management Absolute CPI +3%	9.82%	5.53%	14.47%	9.33%	10.27%
Cadiz Inflation Plus 3	4.72%	8.60%	16.80%	7.64%	15.08%
Coronation Inflation Plus Fund	9.56%	13.61%	14.52%	10.32%	15.95%
Momentum MoM Real Return	8.51%	10.53%	9.16%	3.10%	8.60%
SIM Absolute	8.65%	9.80%	11.69%	10.05%	13.51%
SIM Absolute Return Income Fund	7.58%	6.64%	8.56%	8.63%	10.72%
Prescient Positive Return Medical Aid Fund	8.24%	11.87%	8.71%	3.44%	8.95%
Prescient Positive Return Fund	7.03%	11.14%	8.30%	3.22%	8.18%
Taquantia Absolute	3.76%	4.58%	6.13%	6.99%	10.13%
Headline CPI + 4%					
Absa Asset Management Absolute Global CPI +4%	11.59%	9.70%	16.71%	10.60%	12.72%
Absa Asset Management Absolute Domestic CPI+4%	10.32%	8.33%	17.46%	9.07%	*
Investment Solutions Stable Focus	8.98%	8.94%	12.63%	6.56%	10.50%
Momentum MoM Absolute Strategies	8.41%	6.88%	9.44%	2.79%	9.29%
OMIG Capital Builder	7.93%	9.99%	10.14%	3.45%	6.31%
OMIG MacroSolutions Stable Growth Fund	10.33%	14.27%	17.47%	8.84%	12.04%
Argon Absolute Return	11.75%	10.72%	17.62%	7.45%	10.32%
Headline CPI + 5%					
Cadiz Inflation + 5%	4.47%	9.58%	21.65%	5.81%	19.70%
Coronation Absolute	9.90%	12.76%	15.18%	4.99%	21.54%
Foord Absolute	11.15%	24.82%	26.06%	9.90%	15.44%
Investment Solutions Real Return Focus Local	10.33%	10.90%	13.67%	4.61%	13.82%
Investment Solutions Real Return Focus Portfolio	10.01%	14.72%	13.47%	7.13%	10.76%
JM BUSHA Absolute AllClass	12.12%	12.17%	24.25%	8.31%	14.48%
Mergence CPI +5% Fund	9.13%	9.78%	18.22%	6.53%	9.37%
Momentum AM CPI+5% Global Fund	9.65%	13.36%	17.80%	8.68%	13.41%
Prudential Global Inflation Plus 5%	13.36%	17.23%	21.31%	12.26%	13.18%
SIM CPI + 5%	9.65%	12.41%	13.88%	8.59%	14.12%
SIM CPI + 5% Global	9.82%	16.95%	13.76%	10.72%	10.04%
SMM Absolute Return	12.69%	18.11%	12.28%	4.35%	13.44%
STANLIB AM Absolute	5.16%	9.56%	16.31%	7.02%	7.58%
STANLIB Domestic Absolute Return	6.57%	8.67%	18.40%	6.63%	7.96%
Old Mutual Multi Managers Absolute Defensive Fund	10.14%	17.39%	15.05%	8.92%	10.71%
Vunani Fund Managers CPI+ 5	9.46%	12.36%	22.72%	6.54%	15.02%
MARKET STATISTICS					
Combination of old CPIX and new CPI	5.80%	5.35%	5.60%	6.12%	3.58%
Consumer Price Inflation (Old/New combined CPI)	5.80%	5.35%	5.60%	6.12%	3.58%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	5.80%	5.35%	5.60%	6.12%	3.58%
STEFI	5.90%	5.18%	5.55%	5.73%	6.93%

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 2015					
	Calendar Year				
	2014	2013	2012	2011	2010
Headline CPI + 6%					
Coronation Absolute	9.91%	21.20%	17.74%	7.73%	17.45%
Investec Opportunity	10.46%	16.23%	20.72%	12.59%	12.94%
Prudential Domestic Inflation Plus 6%	13.74%	13.11%	25.04%	9.97%	18.03%
Prudential Global Inflation Plus 6%	13.73%	20.57%	21.62%	11.67%	13.59%
SIM CPI + 6%	10.31%	14.15%	14.97%	8.14%	15.52%
STANLIB Absolute Plus Fund	11.13%	15.40%	12.67%	9.33%	14.12%
MARKET STATISTICS					
Combination of old CPIX and new CPI*	5.80%	5.35%	5.60%	6.12%	3.58%
Consumer Price Inflation (Old/New combined CPI)	5.80%	5.35%	5.60%	6.12%	3.58%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	5.80%	5.35%	5.60%	6.12%	3.58%
STEFI	5.90%	5.18%	5.55%	5.73%	6.93%

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.

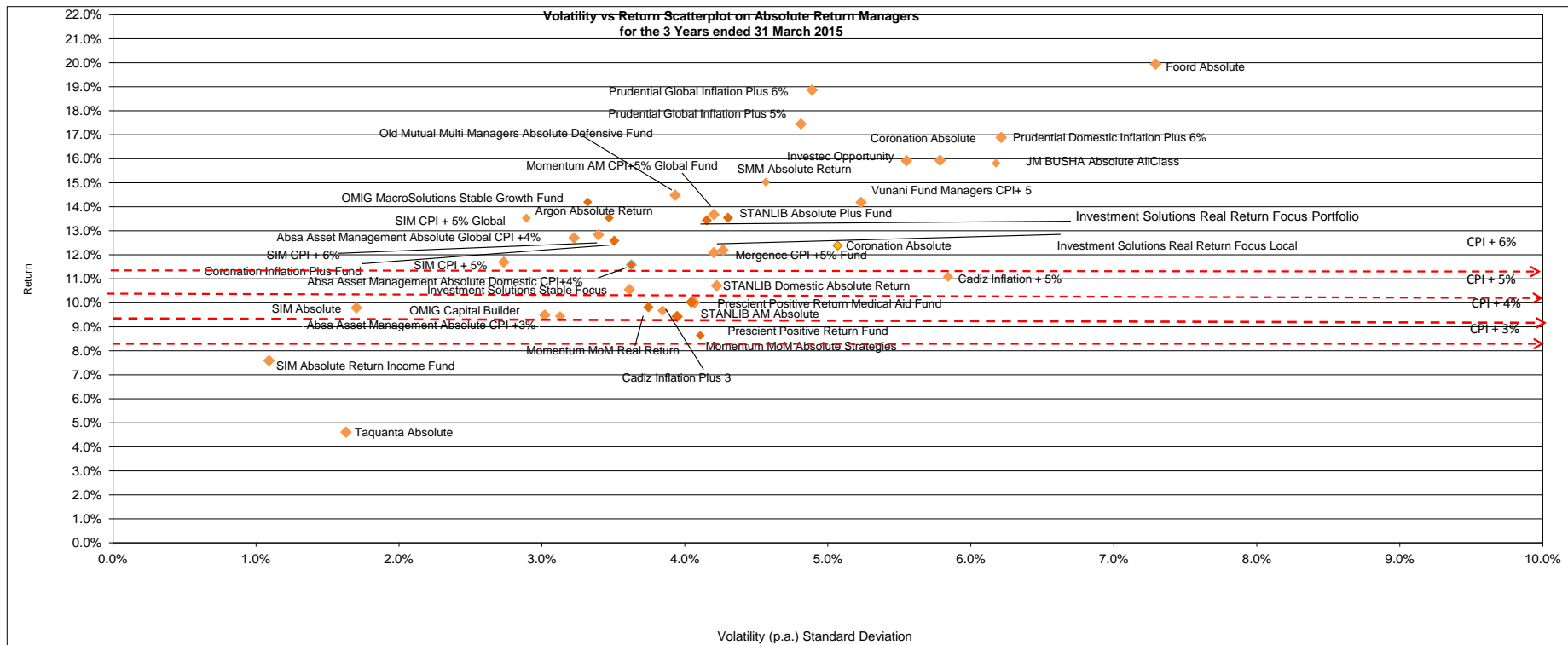
* The rankings and statistical information have been supplied for illustrative purposes only.

* 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.

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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.

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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/>