



Absolute Return Manager Watch™ Survey for the month ending March 2016

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 2016:

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

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

Absolute Return Manager Watch™: CPI +5%: Cadiz Inflation + 5% has exited the survey

RECM Balanced Full Discretion Composite has exited the survey

STANLIB AM Absolute has exited the survey

STANLIB Domestic Absolute Return has exited the survey

Momentum AM CPI+5% Global Fund has changed its name to MMI - Absolute Return (CPI +5%)

Absolute Return Manager Watch™: CPI +6%: Momentum AM CPI+6% Global Fund has changed its name to MMI - Absolute Return (CPI +6%)

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 2016

The first quarter of 2016 saw renewed market volatility and uncertainty that had plagued the markets for the better part of 2015. Concerns over China, commodity prices and central banks undertakings look to be the primary factors of uncertainty and market risk this year.

A 13-year low oil price in January coupled with renewed fears around China's growth resulted in one of the worst starts to a new year for financial markets. The International Monetary Fund has cut its global economic forecast for 2016 by 0.2% to 3.4%, citing slower growth in emerging markets, especially in China, falling commodity prices and rising interest rates in the U.S. as potential risks to global growth.

Fast forward to end of the quarter and we see a reversal of some of the risks with higher commodity prices, dovish comments from the Fed pointing a less aggressive increasing interest rate hike and more economic stimulus from the central banks of China, Europe and Japan.

In January, the oil price sank to a 13 year low as it hit \$27 a barrel. Since then, the oil price has recovered and ended the quarter 7.5% higher. The recovery in the oil price also feeds into an overall upward commodity recovery. All of these factors contributed to a rebound in risk appetite, particularly for emerging markets assets. This increased demand coupled with stronger commodity prices; saw emerging markets outperform their developed market counterparts over the quarter.

The first quarter of 2016 saw the South African Reserve Bank aggressively raise lending rates by 75 basis points in a pre-emptive move to try to curb inflation. Inflation accelerated to a higher than anticipated 7% in February from January's 6.2% on account of previous rand weakness and the delayed impact of the currency on inflation. Inflation is predicted to remain above the 6% for the year as the electricity tariff and fuel price increases come into effect.

Downward revisions from the World Bank (down to 0.8%), International Monetary Fund (down to 0.7%) and the South African Reserve Bank (down to 0.8%) for local economic growth this year point to a weakening and slowing economy. Global rating agencies Fitch and S&P had warned that South Africa that rating downgrades would be applied, moving us closer to junk status.

COMMENTARY

Global equity markets delivered muted positive returns of 0.4% (in US Dollar terms (USD)) over the quarter. After a volatility start in January, markets recovered in late February, providing respite to investors. Emerging market equities outperformed their developed world counterparts over the quarter. The MSCI EM Index returned 5.8% (USD) compared to the 0.4% (USD) return of the MSCI All Countries World Index as higher commodity prices and a weaker dollar helped boost emerging market returns.

Global bonds were up again and the strongest major global asset, on the back of QE and a deferment of correcting the interest rate cycle. The WGBI up 6.5% for the quarter.

The Rand appreciated over the quarter, (0.6% up against the Euro and 5.2% up against the US Dollar), benefitting from overall Dollar and Euro weakness, the increased risk appetite for emerging markets, and the South African Reserve Bank hiking rates twice over the quarter. Global equity (MSCI ACWI) was down -4.7% for the quarter due to the currency effect.

While 2015 market performance was characterized by Rand weakness and strong gains in growth oriented stocks, the first quarter performance of 2016 has been quite a different story. A stronger Rand and a rally in deep value stocks were the local themes over the quarter. The domestic equity market ended the quarter on a positive note, thanks to a strong market performance in March. The FTSE JSE ALSI returned 6.4% and the FTSE JSE SWIX 8.3% in March. The domestic performance was primarily led by the positive returns in resources (particularly Gold) and Listed Property (up 10.1%).

The resources sector was buoyed by the higher commodity prices. Gold, oil and platinum were all up over the quarter, providing respite for the resource bulls. Returning 18.1% over the quarter, resources was the best performing sector, compared to financials and industrials which returned 6.2% and -0.4% respectively over the quarter.

Returns in the local fixed income space were positive over the quarter. The rally in long bonds from their oversold position in December and the 0.75% increase in the local interest rate by the South African Reserve Bank were contributing factors to the All Bond Index returning 6.6% over the quarter. All in all market direction it was a continuation of events from the latter half of 2015, helped by a late recovery and economic intervention.

HOW THE MANAGERS PERFORMED OVER Q1 2016

After a difficult and volatile start to the year, there was no easy decision in deciding asset allocation. In January, the volatility and uncertainty in the markets rewarded the defensive managers as Fixed Income and Gold returned significant positive gains relative to the negative starts made by Equity and Property asset classes.

The five most contributing factors and themes that led to differentiated performances amongst funds were:

- 1.Exposure to bonds for defensive allocations
- 2.Exposure to local property
- 3.Avoiding developed equity markets
- 4.Holding commodities and resource shares
- 5.Avoiding Rand hedge stocks

That being said, all local asset classes performed positively over the quarter allowing almost all asset allocations the ability to protect capital over the short term. Only one, MMI - Absolute Return (CPI +6%) (-0.05%), out of the 38 absolute return composites in the survey failed to protect capital during the first quarter and no funds failed over a 1 year period.

However, only 9 out of the 38 composites were able to protect the investor from inflationary erosion over the 1 year period; which is highly commendable as all major local asset classes did not outperform inflation. Rand depreciation was the largest factor that diversified risk. As such, global mandates historically outperformed its domestic peers on average by about 2% p.a. over 5 years.

SIM has provided diverse returns across its target mandates over 1 year, in particular SIM Absolute, its domestic CPI +3% which outperformed every domestic asset class and competitor absolute return funds. Only 5 aggressive global funds managed to perform better. This could have only been achieved via strong underlying security selection, which should have translated to its other funds or fortunate market timing. Investec Opportunity Fund is a performance outlier over the short term on the positive side, indicating maximal use of global assets and improved security selection.

Investment Solutions Real Return Portfolio has an abnormal short term for a multi-manager as it is the third lowest return over 1 year, unusual for a MM portfolio to be in the bottom quartile. Only Coronation Absolute and JM Busha Absolute, both CPI+5% domestic portfolios did worse at 0.73% and 0.59% over 1 year. Clearly, holding bonds (-0.6%) as a defensive asset over cash hurt performance and poor security selection over the cycle was a further detractor of performance.

Interestingly, these market conditions have seen CPI + 3 mandates perform stronger than its CPI + 4 target funds. The performance across the categories (median returns over one year) for the CPI + 3%, 4%, 5% and 6% are 5.26%, 4.42%, 6.43% and 6.82% 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	GIIPS™ (Verified/ Compliant)	Global / Domestic Mandate	Notes	Managed Ito Regulation 28? (Y/N)	CPI/X Target Return	Dual objective (if applicable)	No. of funds in composite	Portfolio Size (R m)	Admin - efficiency : Date data submitted
INVESTMENT MANAGERS										
Headline CPI + 3%										
Absa Asset Management Absolute CPI +3%	Oct-02	V	Domestic		Y	Headline CPI + 3%		0	500	07 March 2016
Cadiz Inflation Plus 3	Oct-06	V	Domestic		Y	Headline CPI + 3%		2	645	14 March 2016
Coronation Inflation Plus Fund	Oct-09	V	Global	Headline CPI + 3.5%	Y	Headline CPI + 3.5%	Preserve capital over a rolling 12m period	0	3,562	09 March 2016
Momentum MoM Real Return	Jul-03		Domestic		Y	Headline CPI + 3%		n/a	1,087	02 March 2016
Old Mutual Multi-Managers Inflation Plus 1-3%	Oct-99		Global		Y	Headline CPI + 3%		n/a	349	14 March 2016
Prescient Positive Return Fund		V	Domestic		Y	Headline CPI + 3%		0	4,571	04 March 2016
SIM Absolute	Dec-01	V	Domestic		Y	Headline CPI + 3%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	4	726	03 March 2016
Headline CPI + 4%										
Absa Asset Management Absolute Global CPI +4%	Dec-06	V	Global		Y	Headline CPI + 4%		4	19,100	07 March 2016
Absa Asset Management Absolute Domestic CPI+4%	Aug-09		Domestic		Y	Headline CPI + 4%		12	9,787	07 March 2016
Argon Absolute Return Fund	Oct-06	V	Domestic		Y	Headline CPI + 4%	Non negative returns over 1 year rolling period.	2	906	14 March 2016
Investment Solutions Stable Focus	Apr-05		Domestic		Y	Headline CPI + 4%	No neagative returns over rolling 12 month period	n/a	2,285	09 March 2016
Momentum MoM Absolute Strategies	Dec-03		Domestic		Y	Headline CPI + 4%		n/a	2,396	02 March 2016
Mergence CPI + 4% Fund	Oct-09	C	Domestic		Y	Headline CPI + 4%		4	1,608	11 March 2016
OMIG Capital Builder	Mar-08	V	Domestic		Y	Headline CPI + 4%	Targets both positive returns every quarter and CPI+4% pa, or Cash+3% pa over rolling 3-year periods.	1	2,194	09 March 2016
OMIG MacroSolutions Stable Growth Fund	Jul-07	V	Global		Y	Headline CPI + 4%		1	5,278	09 March 2016
Headline CPI + 5%										
Coronation Absolute	Jan-04	V	Domestic		Y	Headline CPI + 5%	Preserve capital over a rolling 12m period	12	9,866	09 March 2016
Foord Absolute	Jun-02	C	Global		Y	Headline CPI + 5%		4	1,679	11 March 2016
Investment Solutions Real Return Focus Local	Oct-02		Domestic		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	6,155	09 March 2016
Investment Solutions Real Return Focus Portfolio	May-03		Global		Y	Headline CPI + 5%	No negative returns over rolling 12 month period	n/a	3,770	09 March 2016
JM BUSHA Absolute AllClass	Oct-06	C	Domestic		Y	Headline CPI + 5%		3	1,255	07 March 2016
Mergence CPI +5% Fund	Jul-06	V	Domestic		Y	Headline CPI + 5%	Non-negative returns over a rolling 1-year period	0	1,398	11 March 2016
MMI - Absolute Return (CPI +5%)	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	774	14 March 2016
Old Mutual Multi-Managers Inflation Plus 3-5%	Jul-03		Global		Y	Headline CPI + 5%		n/a	4,391	14 March 2016
OMIG Wealth Defender	Aug-03	C	Global		Y	Headline CPI + 5%			6,856	09 March 2016
Prudential Domestic Real Return Plus 5%	Nov-09	V	Domestic		Y	Headline CPI + 5%		4	1,316	03 March 2016
Prudential Global Inflation Plus 5%	Dec-02	V	Global		Y	Headline CPI + 5%	N/A	2	38,881	03 March 2016
SIM CPI + 5%	Jan-07	V	Domestic		Y	Headline CPI + 5%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	0	1,883	03 March 2016
SIM CPI + 5% Global	Dec-03	V	Global		Y	Headline CPI + 5%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	8	13,196	03 March 2016
SMM Absolute Return	May-03		Global		Y	Headline CPI + 5%		1	509	07 March 2016
Old Mutual Multi Managers Absolute Defensive Fund	Sep-02		Global		Y	Headline CPI + 4%	Non-negative returns over rolling 1-year periods	n/a	1,010	14 March 2016
Vunani Fund Managers CPI+5%	Mar-05	V	Domestic		Y	Headline CPI + 5%		0	1,863	10 March 2016
Headline CPI + 6%										
Coronation Absolute	Aug-99	V	Global		Y	Headline CPI + 6%	Preserve capital over a rolling 12m period	0	6,464	12 April 2016
Investec Opportunity	Aug-99	V	Global		Y	Headline CPI + 6%		14	49,065	14 April 2016
MMI - Absolute Return (CPI +6%)	Apr-12	V	Global		Y	Headline CPI + 6%		n/a	279	11 April 2016
Prudential Domestic Inflation Plus 6%	Dec-02	V	Domestic		Y	Headline CPI + 6%	N/A	4	2,559	06 April 2016
Prudential Global Inflation Plus 6%	Dec-02	V	Global		Y	Headline CPI + 6%	N/A	1	243	06 April 2016
SIM CPI + 6%	Jan-03	V	Domestic		Y	Headline CPI + 6%	SIM targets low volatility real returns that match the upside return objective (e.g. CPI+X %) over rolling three-year periods. At the same time, they target not to lose capital over rolling one-year periods	0	659	05 April 2016
STANLIB Absolute Plus Fund	Dec-05	V	Domestic	This includes multi-managers thus must be noted as possible "double-counting"	Y	Headline CPI + 6%	Capital preservation over a rolling 12 month period	1	2,144	13 April 2016
TOTAL										
									211,211	

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 2016													
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%	2.44%	2.68%	2.68%	5.64%	10.00%	7.04%	8.60%	9.15%	8.75%	9.51%	8.44%	9.01%	*
Cadiz Inflation Plus 3	2.98%	3.75%	3.75%	5.19%	10.00%	6.64%	8.60%	9.11%	8.75%	*	*	*	*
Coronation Inflation Plus Fund	2.08%	1.19%	1.19%	5.04%	10.50%	9.27%	8.60%	10.92%	8.75%	*	*	*	*
Momentum MoM Real Return	1.82%	2.43%	2.43%	5.48%	10.00%	8.14%	8.60%	7.33%	8.75%	8.12%	8.44%	9.54%	*
Old Mutual Multi-Managers Inflation Plus 1-3%	1.37%	0.09%	0.09%	4.84%	10.00%	*	*	*	*	*	*	*	*
Prescient Positive Return Fund	1.51%	2.32%	2.32%	5.26%	10.00%	8.24%	8.60%	7.24%	8.75%	7.89%	8.44%	9.37%	9.25%
SIM Absolute	2.62%	3.67%	3.67%	7.38%	10.00%	8.88%	8.60%	9.80%	8.75%	10.91%	8.44%	9.95%	9.31%
Headline CPI + 4%													
Absa Asset Management Absolute Global CPI +4%	1.24%	1.46%	1.46%	6.73%	N/A	9.83%	9.60%	11.61%	9.75%	12.12%	9.44%	*	*
Absa Asset Management Absolute Domestic CPI+4%	2.56%	2.76%	2.76%	4.42%	N/A	7.93%	9.60%	10.44%	9.75%	*	*	*	*
Argon Absolute Return Fund	3.51%	3.21%	3.21%	5.44%	N/A	10.30%	9.60%	11.56%	9.75%	11.89%	9.44%	*	*
Investment Solutions Stable Focus	2.33%	2.92%	2.92%	3.86%	N/A	7.96%	9.60%	8.67%	9.75%	9.62%	9.44%	9.94%	9.25%
Momentum MoM Absolute Strategies	3.04%	3.49%	3.49%	4.43%	N/A	7.29%	9.60%	6.76%	9.75%	7.87%	9.44%	8.21%	9.25%
Mergence CPI + 4% Fund	3.47%	2.92%	2.92%	4.00%	N/A	*	*	*	*	*	*	*	*
OMIG Capital Builder	1.19%	1.72%	1.72%	3.06%	N/A	6.93%	9.60%	7.16%	9.75%	7.69%	9.44%	*	*
OMIG MacroSolutions Stable Growth Fund	1.57%	0.96%	0.96%	4.89%	N/A	9.71%	9.60%	11.77%	9.75%	12.49%	9.44%	*	*
Headline CPI + 5%													
Coronation Absolute	4.44%	3.85%	3.85%	0.73%	N/A	7.59%	10.60%	9.03%	10.75%	12.93%	10.44%	11.94%	11.25%
Foord Absolute	3.15%	1.43%	1.43%	7.00%	N/A	13.68%	10.60%	16.43%	10.75%	17.39%	10.44%	14.02%	11.31%
Investment Solutions Real Return Focus Local	3.73%	3.55%	3.55%	2.75%	N/A	8.48%	10.60%	9.03%	10.75%	10.70%	10.44%	10.32%	11.31%
Investment Solutions Real Return Focus Portfolio	2.31%	2.55%	2.55%	6.35%	N/A	10.34%	10.60%	10.84%	10.75%	11.32%	10.44%	10.69%	11.31%
JM BUSHIA Absolute AllClass	5.42%	4.96%	4.96%	0.59%	N/A	8.38%	10.60%	11.93%	10.75%	12.97%	10.44%	11.01%	11.25%
Mergence CPI +5% Fund	4.50%	4.03%	4.03%	3.61%	N/A	8.26%	10.60%	10.15%	10.75%	10.58%	10.44%	*	*
MMI - Absolute Return (CPI +5%)	1.50%	0.42%	0.42%	3.58%	N/A	9.32%	10.60%	10.90%	10.75%	12.57%	10.44%	9.13%	11.25%
Old Mutual Multi-Managers Inflation Plus 3-5%	2.76%	0.83%	0.83%	6.93%	N/A	*	*	*	*	*	*	*	*
OMIG Wealth Defender	1.74%	1.09%	1.09%	6.51%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Real Return Plus 5%	4.49%	4.63%	4.63%	4.23%	N/A	*	*	*	*	*	*	*	*
Prudential Global Inflation Plus 5%	2.72%	2.61%	2.61%	8.00%	N/A	12.64%	10.60%	14.91%	10.75%	15.08%	10.44%	*	*
SIM CPI + 5%	3.31%	4.08%	4.08%	6.91%	N/A	9.97%	10.60%	10.66%	10.75%	12.09%	10.44%	*	*
SIM CPI + 5% Global	1.99%	1.84%	1.84%	9.69%	N/A	12.07%	10.60%	12.50%	10.75%	12.40%	10.44%	10.75%	11.31%
SMM Absolute Return	2.06%	0.66%	0.66%	7.35%	N/A	12.33%	10.60%	11.57%	10.75%	12.99%	10.44%	11.27%	11.31%
Old Mutual Multi Managers Absolute Defensive Fund	1.42%	1.41%	1.41%	9.05%	N/A	12.08%	10.60%	12.61%	10.75%	12.49%	10.44%	11.04%	11.25%
Yunani Fund Managers CPI+5%	2.73%	1.03%	1.03%	5.84%	N/A	9.88%	10.60%	12.12%	10.75%	13.03%	10.44%	10.52%	11.25%
MARKET STATISTICS													
Combination of old CPIX and new CPI	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.25%	
Consumer Price Inflation (Old/New combined CPI)	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.31%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.04%	
STEFI	0.58%	1.68%	1.68%	6.65%		6.02%		5.83%		6.26%		7.31%	
Number of Participants	31	31	31	31		26		26		23		16	

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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 2016													
	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	3.83%	2.05%	2.05%	4.46%	N/A	10.99%	11.60%	12.61%	11.75%	14.78%	11.44%	13.07%	12.25%
Investec Opportunity	2.74%	4.03%	4.03%	14.95%	N/A	14.18%	11.60%	15.63%	11.75%	16.89%	11.44%	13.87%	12.25%
MMI - Absolute Return (CPI +6%)	1.66%	-0.05%	-0.05%	3.29%	N/A	*	*	*	*	*	*	*	*
Prudential Domestic Inflation Plus 6%	5.16%	4.80%	4.80%	3.99%	N/A	10.90%	11.60%	13.84%	11.75%	15.56%	11.44%	13.23%	12.25%
Prudential Global Inflation Plus 6%	2.93%	2.46%	2.46%	8.21%	N/A	13.97%	11.60%	15.81%	11.75%	15.81%	11.44%	13.26%	12.31%
SIM CPI + 6%	3.98%	4.38%	4.38%	6.82%	N/A	10.78%	11.60%	11.29%	11.75%	13.24%	11.44%	*	*
STANLIB Absolute Plus Fund	2.07%	2.66%	2.66%	7.27%	N/A	11.25%	11.60%	11.05%	11.75%	12.74%	11.44%	10.14%	12.31%
MARKET STATISTICS													
Combination of old CPIX and new CPI*	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.25%	
Consumer Price Inflation (Old/New combined CPI)	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.31%	
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.36%	2.40%	2.40%	7.00%		5.60%		5.75%		5.44%		6.04%	
Consumer Price Inflation excluding OER [I-Net code: AECPIXU]	1.53%	2.57%	2.57%	7.16%		5.68%		5.90%		5.57%		6.26%	
STEFI	0.58%	1.68%	1.68%	6.65%		6.02%		5.83%		6.26%		7.31%	
Number of Participants	7	7	7	7		6		6		6		5	

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

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

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

INVESTMENT DATA TO THE END OF MARCH 2016														
	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%	4.35%	58.33%	-1.06%	-2.05%	7.04%	3.69%	75.00%	-1.88%	-2.05%	9.15%	3.21%	81.67%	-1.88%	-2.05%
Cadiz Inflation Plus 3	4.22%	50.00%	-0.99%	-1.30%	6.64%	3.90%	66.67%	-2.00%	-2.97%	9.11%	3.88%	*	*	*
Coronation Inflation Plus Fund	4.14%	58.33%	-1.11%	-1.42%	9.27%	4.09%	77.78%	-2.28%	-2.28%	10.92%	3.46%	*	*	*
Momentum MoM Real Return	4.86%	58.33%	-1.55%	-2.06%	8.14%	4.42%	69.44%	-2.55%	-2.55%	7.33%	3.88%	68.33%	-2.55%	-2.55%
Old Mutual Multi-Managers Inflation Plus 1-3%	4.40%	41.67%	-1.17%	-1.73%	*	*	*	*	*	*	*	*	*	*
Prescient Positive Return Fund	4.16%	66.67%	-1.32%	-1.55%	8.24%	4.28%	69.44%	-1.94%	-1.94%	7.24%	3.76%	70.00%	-1.94%	-1.94%
SIM Absolute	3.26%	83.33%	-0.98%	-1.22%	8.88%	2.40%	88.89%	-0.98%	-1.22%	9.80%	2.21%	90.00%	-0.98%	-1.22%
Headline CPI + 4%														
Absa Asset Management Absolute Global CPI +4%	3.83%	50.00%	-1.69%	-2.85%	9.83%	3.53%	69.44%	-1.98%	-2.85%	11.61%	3.27%	78.33%	-1.98%	-2.85%
Absa Asset Management Absolute Domestic CPI+4%	5.11%	50.00%	-1.69%	-2.85%	7.93%	4.29%	69.44%	-1.98%	-2.85%	10.44%	3.86%	78.33%	-1.98%	-2.85%
Argon Absolute Return Fund	5.41%	66.67%	-2.29%	-2.66%	10.30%	4.47%	77.78%	-2.29%	-2.66%	11.56%	4.31%	78.33%	-2.29%	-2.66%
Investment Solutions Stable Focus	4.98%	58.33%	-1.59%	-2.70%	7.96%	4.42%	75.00%	-2.32%	-2.70%	8.67%	3.70%	80.00%	-2.32%	-2.70%
Momentum MoM Absolute Strategies	6.29%	41.67%	-2.57%	-2.74%	7.29%	5.12%	63.89%	-3.36%	-3.36%	6.76%	4.65%	65.00%	-3.36%	-3.36%
Mergence CPI + 4% Fund	5.84%	50.00%	-1.67%	-4.03%	*	*	*	*	*	*	*	*	*	*
OMIG Capital Builder	3.34%	58.33%	-1.41%	-1.88%	6.93%	3.38%	75.00%	-1.94%	-1.94%	7.16%	3.12%	76.67%	-1.94%	-1.94%
OMIG MacroSolutions Stable Growth Fund	3.83%	50.00%	-0.94%	-1.53%	9.71%	3.68%	77.78%	-2.23%	-2.23%	11.77%	3.38%	83.33%	-2.23%	-2.23%
Headline CPI + 5%														
Coronation Absolute	7.92%	41.67%	-3.44%	-6.42%	7.59%	6.44%	61.11%	-3.44%	-6.42%	9.03%	5.68%	65.00%	-3.44%	-6.42%
Food Absolute	8.39%	50.00%	-2.76%	-3.23%	13.68%	7.92%	69.44%	-3.72%	-3.72%	16.43%	7.51%	73.33%	-3.72%	-3.72%
Investment Solutions Real Return Focus Local	6.53%	41.67%	-1.96%	-3.81%	8.48%	5.43%	66.67%	-2.53%	-3.81%	9.03%	4.61%	71.67%	-2.53%	-3.81%
Investment Solutions Real Return Focus Portfolio	4.87%	50.00%	-1.25%	-1.70%	10.34%	4.72%	72.22%	-2.94%	-2.94%	10.84%	4.10%	75.00%	-2.94%	-2.94%
JM BUNSHA Absolute AllClass	10.05%	41.67%	-3.67%	-7.25%	8.38%	7.98%	61.11%	-3.67%	-7.25%	11.93%	7.01%	70.00%	-3.67%	-7.25%
Mergence CPI +5% Fund	7.12%	41.67%	-1.80%	-3.74%	8.26%	5.62%	66.67%	-2.56%	-3.74%	10.15%	5.02%	68.33%	-2.56%	-3.74%
MMI - Absolute Return (CPI +5%)	5.27%	33.33%	-1.58%	-1.96%	9.32%	4.20%	69.44%	-2.68%	-2.68%	10.90%	4.34%	73.33%	-2.68%	-2.68%
Old Mutual Multi-Managers Inflation Plus 3-5%	6.13%	58.33%	-2.21%	-2.21%	*	*	*	*	*	*	*	*	*	*
OMIG Wealth Defender	5.24%	50.00%	-2.22%	0.00%	*	*	75.00%	-2.55%	0.00%	*	*	*	*	*
Prudential Domestic Real Return Plus 5%	7.97%	50.00%	-3.50%	-4.03%	*	7.11%	69.44%	-3.75%	-4.03%	7.11%	7.11%	48.33%	-3.75%	-4.03%
Prudential Global Inflation Plus 5%	5.68%	50.00%	-1.22%	-1.63%	12.64%	5.39%	75.00%	-3.57%	-3.57%	14.91%	4.74%	81.67%	-3.57%	-3.57%
SIM CPI + 5%	4.55%	66.67%	-1.27%	-1.84%	9.97%	3.60%	80.56%	-1.27%	-1.84%	10.66%	3.29%	83.33%	-1.27%	-1.84%
SIM CPI + 5% Global	3.37%	75.00%	-0.31%	-0.31%	12.07%	3.13%	88.89%	-1.36%	-1.36%	12.50%	3.05%	90.00%	-1.36%	-1.36%
SMM Absolute Return	5.53%	50.00%	-1.33%	-1.37%	12.33%	5.15%	75.00%	-2.29%	-2.29%	11.57%	4.57%	75.00%	-2.29%	-2.29%
Old Mutual Multi Managers Absolute Defensive Fund	3.53%	75.00%	-0.64%	-0.66%	12.08%	3.83%	83.33%	-1.81%	-1.81%	12.61%	3.67%	86.67%	-1.81%	-1.81%
Vunani Fund Managers CPI+5%	6.90%	50.00%	-1.61%	-3.41%	9.88%	5.97%	66.67%	-3.61%	-3.61%	12.12%	5.71%	73.33%	-3.61%	-3.61%
MARKET STATISTICS														
Combination of old CPIX and new CPI	1.79%				5.60%	1.62%				5.75%	1.42%			
Consumer Price Inflation (Old/New combined CPI)	1.79%				5.60%	1.62%				5.75%	1.42%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.79%				5.60%	1.62%				5.75%	1.42%			
STEFI	0.08%				6.02%	0.18%				5.83%	0.17%			

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 CPI-X - The benchmark numbers prior to January 2009 reflected a compound of month to month CPI-X returns. Due to the reweighting and rebasing of the CPI and discarding of the CPI-X numbers from January 2009 the historical month to month numbers used in calculations are the official month to month numbers based on the old CPI-X prior to January 2009 and the new CPI basket post January 2009. The CPI excluding owners equivalent rent (I-Net code: 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 2016														
	1 Year				3 Year Return (p.a.)	3 Years				5 Year Return (p.a.)	5 Years			
	Volatility	% positive months	Worst month	Maximum drawdown		Volatility	% positive months	Worst month	Maximum drawdown		Volatility	% positive months	Worst month	Maximum drawdown
Headline CPI + 6%														
Coronation Absolute	7.27%	50.00%	-2.22%	-3.24%	10.99%	6.71%	69.44%	-3.58%	-3.58%	12.61%	5.83%	73.33%	-3.58%	-3.58%
Investec Opportunity	6.91%	58.33%	-1.42%	-1.95%	14.18%	5.98%	69.44%	-3.05%	-3.05%	15.63%	5.59%	78.33%	-3.05%	-3.05%
MMI - Absolute Return (CPI +6%)	6.30%	33.33%	-1.74%	0.00%		5.36%								
Prudential Domestic Inflation Plus 6%	8.96%	50.00%	-3.56%	-4.73%	10.90%	7.55%	69.44%	-3.56%	-4.73%	13.84%	6.84%	76.67%	-3.56%	-4.73%
Prudential Global Inflation Plus 6%	6.06%	41.67%	-1.25%	-1.80%	13.97%	5.63%	75.00%	-3.40%	-3.40%	15.81%	5.08%	78.33%	-3.40%	-3.40%
SIM CPI + 6%	5.62%	58.33%	-1.45%	-2.40%	10.78%	4.46%	77.78%	-1.45%	-2.40%	11.29%	4.07%	80.00%	-1.45%	-2.40%
STANLIB Absolute Plus Fund	4.08%	75.00%	-1.47%	-1.69%	11.25%	4.59%	75.00%	-1.47%	-1.69%	11.05%	4.42%	73.33%	-1.47%	-1.69%
MARKET STATISTICS														
Combination of old CPI-X and new CPI	1.79%				5.60%	1.62%				5.75%	1.42%			
Consumer Price Inflation (Old/New combined CPI)	1.79%				5.60%	1.62%				5.75%	1.42%			
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	1.79%				5.60%	1.62%				5.75%	1.42%			
STEFI	0.08%				6.02%	0.18%				5.83%	0.17%			

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 2016					
	Calendar Year				
	2015	2014	2013	2012	2011
Headline CPI + 3%					
Absa Asset Management Absolute CPI +3%	5.13%	9.82%	5.53%	14.47%	9.33%
Cadiz Inflation Plus 3	4.73%	4.72%	8.60%	16.80%	7.64%
Coronation Inflation Plus Fund	7.48%	9.56%	13.61%	14.52%	10.32%
Momentum MoM Real Return	5.34%	8.51%	10.53%	9.16%	3.10%
Prescient Positive Return Fund	5.82%	7.03%	10.85%	8.45%	3.19%
SIM Absolute	6.73%	8.65%	9.80%	11.69%	10.05%
Headline CPI + 4%					
Absa Asset Management Absolute Global CPI +4%	9.54%	11.59%	9.70%	16.71%	10.60%
Absa Asset Management Absolute Domestic CPI+4%	4.96%	10.26%	8.30%	17.79%	9.07%
Investment Solutions Stable Focus	4.53%	8.98%	8.94%	12.63%	6.56%
Momentum MoM Absolute Strategies	4.91%	8.41%	6.88%	9.44%	2.79%
OMIG Capital Builder	3.39%	7.93%	9.99%	10.14%	3.45%
OMIG MacroSolutions Stable Growth Fund	8.57%	10.33%	14.27%	17.47%	8.84%
Argon Absolute Return Fund	7.19%	11.75%	10.72%	17.62%	7.45%
Headline CPI + 5%					
Coronation Absolute	0.05%	9.90%	12.76%	15.18%	4.99%
Foord Absolute	11.20%	11.15%	24.82%	26.06%	9.90%
Investment Solutions Real Return Focus Local	3.28%	10.33%	10.90%	13.67%	4.61%
Investment Solutions Real Return Focus Portfolio	8.06%	10.01%	14.72%	13.47%	7.13%
JM BUSH A Absolute AllClass	-0.29%	12.12%	12.17%	24.25%	8.31%
Mergence CPI +5% Fund	3.80%	9.13%	9.78%	18.22%	6.53%
MMI - Absolute Return (CPI +5%)	7.63%	9.65%	13.36%	17.80%	8.68%
Prudential Global Inflation Plus 5%	10.23%	13.36%	17.23%	21.31%	12.26%
SIM CPI + 5%	6.39%	9.65%	12.41%	13.88%	8.59%
SIM CPI + 5% Global	12.06%	9.82%	16.95%	13.76%	10.72%
SMM Absolute Return	11.27%	12.69%	18.11%	12.28%	4.35%
Old Mutual Multi Managers Absolute Defensive Fund	12.15%	10.14%	17.39%	15.05%	8.92%
Vunani Fund Managers CPI+5%	9.43%	9.46%	12.36%	22.72%	6.54%
MARKET STATISTICS					
Combination of old CPIX and new CPI	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Old/New combined CPI)	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	4.77%	5.80%	5.35%	5.60%	6.12%
STEFI	6.49%	5.90%	5.18%	5.55%	5.73%

Inflation figures lagged by one month

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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

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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 2016					
	Calendar Year				
	2015	2014	2013	2012	2011
Headline CPI + 6%					
Coronation Absolute	6.21%	9.91%	21.20%	17.74%	7.73%
Investec Opportunity	15.53%	10.46%	16.23%	20.72%	12.59%
Prudential Domestic Inflation Plus 6%	4.33%	13.74%	13.11%	25.04%	9.97%
Prudential Global Inflation Plus 6%	11.42%	13.73%	20.57%	21.62%	11.67%
SIM CPI + 6%	6.35%	10.31%	14.15%	14.97%	8.14%
STANLIB Absolute Plus Fund	7.78%	10.02%	15.40%	12.67%	9.33%
MARKET STATISTICS					
Combination of old CPIX and new CPI*	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Old/New combined CPI)	4.77%	5.80%	5.35%	5.60%	6.12%
Consumer Price Inflation (Headline CPI) [I-Net code: AECPI]	4.77%	5.80%	5.35%	5.60%	6.12%
STEFI	6.49%	5.90%	5.18%	5.55%	5.73%

Inflation figures lagged by one month

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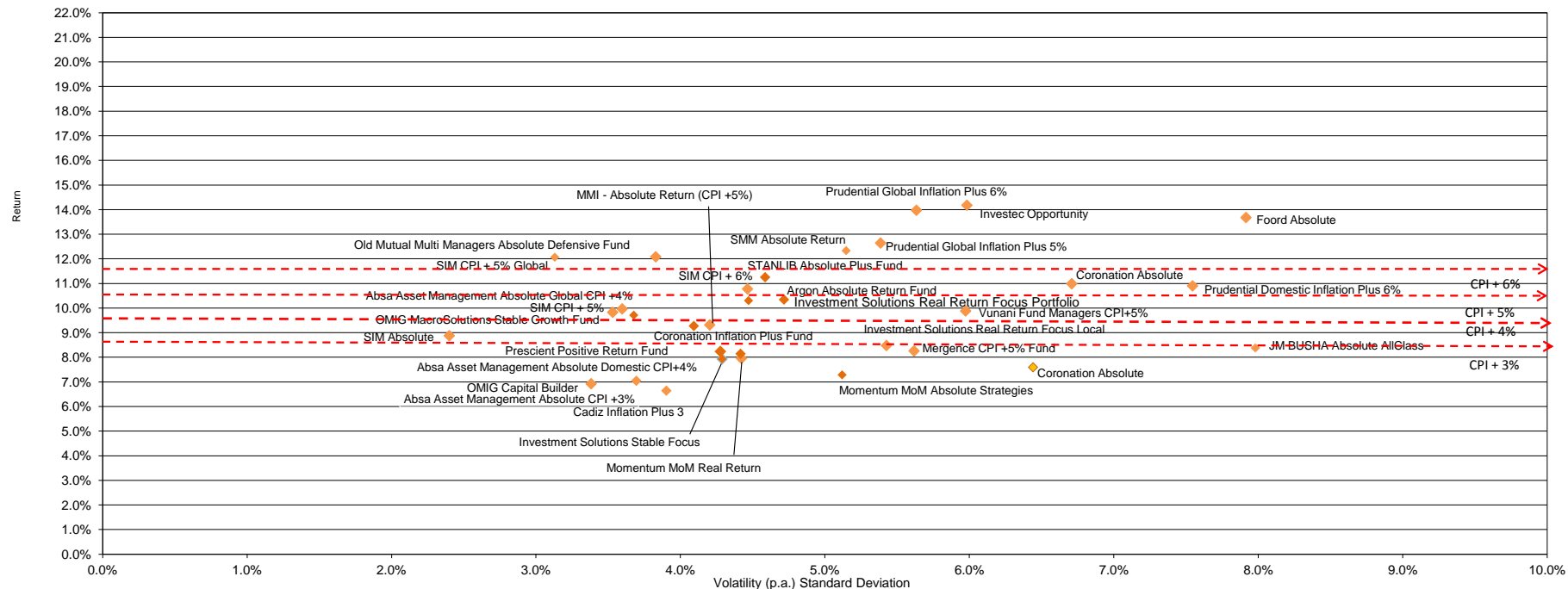
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ABSOLUTE RETURN MANAGER WATCH™ SURVEY

Volatility vs Return Scatterplot on Absolute Return Managers
for the 3 Years ended 31 March 2016



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

ABSOLUTE RETURN MANAGER WATCH™ SURVEY

EXPLANATORY NOTES

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Quantitative figures are calculated on 3 year performance returns.

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.

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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/>