



## S.A Bond Manager Watch™ Survey or the month ending March 2013

Research & Product Development

FINANCIAL SERVICES



## S.A. BOND MANAGER WATCH™ SURVEY

### COMMENTARY

The last two meetings of South Africa's Central Bank Monetary Policy Committee (MPC) have left the repo rate unchanged at 5.0%. Concerns in January about the weak rand, rising inflation and labour conflicts continue to remain though and have been further exacerbated through the quarter by moderate economic growth, a wider current account deficit, and stubborn unemployment.

The Reserve Bank governor believes that the current policy is accommodative and is aware that the real policy rate is slightly negative. The deteriorating domestic inflation outlook, with current forecasts of an expected average of 5.9% for 2013 and a peak of 6.3% in Q3 2013 (breaching the upper end of the target range); places the short end of the yield curve in a very fragile position of sustained negative real rates.

The first quarter of 2013 has not been kind to bond investors with the All Bond Index (ALBI) returning only 0.91% for the period, underperforming cash (1.21% STeFI) by 30bps. This implies that bonds have had a negative real performance of -0.63% for the quarter (-2.5% effective pa). Inflation Linked Bonds which naturally hedges inflation risk performed strongly in March to be the best performing Fixed Income category for the quarter (1.84%).

Net foreign inflows continue to be positive but slowing significantly from last year to its lowest level since it was announced in June 2012 that SA was to be included in the World Government Bond Index. The yield curve has shifted upwards by 5-20bps across all maturities since December. However, March did see a performance correction when the 7-12 year bond category underperformed longer dated maturities (12 years+) by 67bps. This has resulted in all Yield-to-Maturity (YTM) buckets of the ALBI delivering relatively similar flat performance in the quarter. As a result the fund's YTM positioning did not impact performance materially over the quarter. All funds have outperformed the ALBI, implying that performance was generated either through credit or tactical trading.

An anomaly in performance was the FutureGrowth Yield Enhanced fund which underperformed the average fund by 50bps in the quarter. This fund is not managed to Reg. 28 principles and could have assumed unlisted or non-investment grade credit risk that has underperformed or had to be revalued in this period. Excluding this; most funds performed within 36bps of each other (Quartile 1 - second lowest) which is comparable to money market fund differences.

Almost all managers have further lowered their overall duration to the ALBI, largely driven by them commonly moving their exposure to the 3-7 year maturities from the 7-12 year. This tactical switch would have allowed them to avoid some of the losses in March in this YTM band. Coronation has managed to deliver top performance for year-to-date due to a strong March performance seeing it outperform peers by close to 40 bps in its Strategic Bond fund. This would be driven by instrument selection, trading and credit pick-up. This was not replicated in the Active Bond portfolio although it also was in the top quartile.

The outlook for bonds is not strong for 2013 as the fundamentals supporting the returns and the historic low yields become tested by inflation. This has been demonstrated by the fact that real yields, potentially up to June 2017, are being traded negatively. This implies that inflation expectations are higher than the yields that the bonds are delivering. Performance differentials between managers would be driven by quality of credit exposure and tactical trading as a large number of the fund managers have similar YTM exposures.

# S.A. BOND MANAGER WATCH™

Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

GENERAL INFORMATION									
	GIPS™ (Verified/ Compliant)	Notes	Managed Ito Regulation 28? (Y/N)	Benchmark Description	Portfolio Modified Duration	% Invested in AAA rated instruments	No.of funds in composite	Portfolio Size (R m)	Admin - efficiency : Date data submitted
<b>INVESTMENT MANAGERS</b>									
<b>SPECIALIST BONDS</b>									
Argon Domestic Core Bond	V		Y	All Bond Index	5.73	52.92%	3	208	15 April 2013
Cadiz Core Bond	V		Y	All Bond Index	6.01	64.80%	5	1 757	15 April 2013
Cadiz Dynamic Bond	V		Y	All Bond Index	6.04	59.83%	2	2 353	15 April 2013
Coronation Active Bond Portfolio (Composite)	V		Y	All Bond Index	6.31	55.38%	9	5 568	15 April 2013
Coronation Strategic Bond Composite	V		Y	All Bond Index	5.84	54.16%	8	3 339	15 April 2013
Futuregrowth Core Bond Composite	V		Y	All Bond Index	5.39	65.23%	6	17 879	15 April 2013
Futuregrowth Yield Enhanced	V		N	All Bond Index	5.29	31.94%	8	4 481	15 April 2013
Investec Corporate Bond Composite	V		Y	All Bond Index	5.74	13.76%	3	13 268	15 April 2013
Investec Dynamic Bond Portfolio			Y	All Bond Index	5.91	47.31%	8	5 602	15 April 2013
Investec Triple Alpha			Y	All Bond Index	6.01	48.71%	10	2 788	15 April 2013
Investment Solutions Pure Fixed Interest Portfolio	n/a		Y	All Bond Index	4.98	54.09%	n/a	6 776	15 April 2013
JM BUSHUA BondPlus			Y	All Bond Index	5.81	85.10%	3	766	10 April 2013
Momentum AM Bond Fund	V		Y	All Bond Index	5.95	64.76%	14	7 671	15 April 2013
Momentum MoM Moderate Bond FOF			Y	All Bond Index	5.7	58.11%	2	202	15 April 2013
Pan Africa AM Segregated Domestic Bond	C		Y	All Bond Index	6.05	50.00%	3	3 004	15 April 2013
Prescient Bond Quant	V		Y	All Bond Index	5.67	36.50%	2	412	15 April 2013
Prescient Bond QuantPlus	V		Y	All Bond Index	4.11	53.90%	13	6 919	15 April 2013
Prudential Yield Enhanced Portfolio	V		Y	All Bond Index	6.35	65.00%	7	1 382	04 April 2013
SIM Institutional Total Return Bond Fund	V		Y	All Bond Index	5.90	51.30%	19	8 596	11 April 2013
Stanlib Core Bond Portfolio	V		Y	All Bond Index	6.14	66.00%	10	4 628	12 April 2013
SYmmENTRY Bond Portfolio			N	All Bond Index	6.30	58.50%	n/a	215	15 April 2013
Vunani Active Bond Fund	V		N	All Bond Index	6.09	36.92%	5	752	15 April 2013
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>		<b>TOTAL</b>				98 358	
<b>INFLATION LINKED BONDS</b>									
Coronation Absolute Bond Portfolio			N	CPI + 4%p.a	4.20	10.60%	2	7 603	15 April 2013
Investec Inflation Linked Bond Composite				Barclays - BESA SA Inflation Linked Index	9.65	86.00%	3	1 048	15 April 2013
Momentum AM Inflation Linked Bond Fund			Y	Barclays - BESA SA Inflation Linked Index	11.13	82.81%	3	1 679	15 April 2013
Prescient Inflation Linked Bond Composite			Y	90 ILBI / 10 STEFI Call	9.46	74.40%	4	2 992	15 April 2013
Prudential Inflation Linked Bond Fund			Y	Barclays South Africa Inflation Linked Index	11.36	78.00%	1	279	04 April 2013
SIM Inflation Linked Bond Fund			Y	Barclays BESA Govt Inflation-linked Bond Index	10.71	82.00%	4	11 080	11 April 2013
<b>INDICES</b>									
All Bond Index					6.30				
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>		<b>TOTAL</b>				24 681	

\* 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.

# S.A. BOND MANAGER WATCH™ SURVEY

Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

INVESTMENT DATA TO THE END OF MARCH 2013																										
PERFORMANCE DATA																										
	Month		Quarter		Year to Date		1 Year		3 Years (p.a.)		5 Years (p.a.)		7 Years (p.a.)		10 Years (p.a.)		Calendar Year 2012	Calendar Year 2011	Calendar Year 2010	Calendar Year 2009	Calendar Year 2008					
	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank					
<b>SPECIALIST BONDS</b>																										
Argon Domestic Core Bond	0.35%	11	1.51%	3	1.51%	3	17.09%	1	11.84%	20	11.49%	18	9.12%	15	*	18.55%	2	6.81%	21	13.81%	20	-1.04%	20	16.98%	18	
Cadiz Core Bond	0.43%	7	1.21%	10	1.21%	10	15.01%	16	12.60%	15	12.25%	12	9.85%	9	11.18%	7	16.70%	14	8.82%	20	16.13%	11	-0.33%	18	17.56%	14
Cadiz Dynamic Bond	0.39%	8	1.33%	8	1.33%	8	15.47%	13	12.81%	13	*	*	*	*	*	17.14%	12	8.98%	18	16.07%	12	*	*	*	*	
Coronation Active Bond Portfolio (Composite)	0.51%	3	1.39%	4	1.39%	4	16.08%	5	13.34%	5	12.74%	7	10.19%	4	11.26%	5	17.66%	5	9.85%	4	15.86%	13	0.00%	14	17.78%	7
Coronation Strategic Bond Composite	0.73%	1	1.61%	1	1.61%	1	16.72%	3	13.64%	3	13.26%	2	*	*	*	18.25%	3	9.70%	7	16.34%	8	1.14%	7	18.54%	2	
Futuregrowth Core Bond Composite	0.36%	9	1.13%	14	1.13%	14	15.69%	8	12.86%	10	12.48%	11	9.83%	11	11.09%	8	17.30%	8	9.35%	12	16.39%	7	-0.27%	17	17.64%	10
Futuregrowth Yield Enhanced	0.55%	2	0.70%	22	0.70%	22	16.93%	2	14.67%	1	14.01%	1	11.24%	1	12.17%	1	19.59%	1	11.27%	1	18.44%	1	1.06%	8	18.70%	1
Investec Corporate Bond Composite	0.26%	16	1.52%	2	1.52%	2	15.76%	7	*	*	*	*	*	*	*	17.16%	10	*	*	*	*	*	*	*	*	*
Investec Dynamic Bond Portfolio	0.18%	19	1.18%	11	1.18%	11	14.72%	18	12.26%	17	12.08%	15	9.76%	13	10.98%	13	16.17%	18	8.92%	19	15.53%	15	-0.24%	16	18.12%	4
Investec Triple Alpha	0.09%	22	1.10%	16	1.10%	16	14.90%	17	12.85%	11	*	*	*	*	*	16.49%	16	9.82%	5	16.48%	6	0.60%	12	18.05%	5	
Investment Solutions Pure Fixed Interest Portfolio	0.26%	17	1.10%	17	1.10%	17	14.44%	19	12.32%	16	12.18%	14	9.79%	12	11.00%	12	16.05%	19	9.27%	13	15.52%	16	0.75%	10	17.65%	9
JM BUNSA BondPlus	0.31%	12	1.12%	15	1.12%	15	14.39%	20	11.89%	19	*	*	*	*	*	15.97%	20	9.16%	16	13.64%	21	1.88%	5	13.71%	20	
Momentum AM Bond Fund	0.27%	15	1.22%	9	1.22%	9	15.64%	9	12.97%	9	13.02%	3	10.29%	2	11.41%	4	17.17%	9	9.58%	9	16.30%	9	1.35%	6	18.53%	3
Momentum MoM Moderate Bond FOF	0.19%	18	1.07%	19	1.07%	19	15.04%	15	12.72%	14	12.57%	10	10.17%	5	11.19%	6	16.44%	17	9.38%	11	15.82%	14	2.14%	4	17.18%	16
Pan Africa AM Segregated Domestic Bond	0.35%	10	1.39%	5	1.39%	5	15.49%	12	13.01%	8	12.61%	8	10.10%	6	11.03%	11	16.83%	13	9.07%	17	16.72%	4	0.65%	11	17.61%	11
Prescient Bond Quant	0.14%	20	1.01%	21	1.01%	21	14.18%	21	12.10%	18	12.07%	16	9.63%	14	10.87%	14	15.55%	21	9.46%	10	15.40%	17	0.96%	9	17.33%	15
Prescient Bond QuantPlus	0.13%	21	1.02%	20	1.02%	20	12.46%	22	11.21%	21	11.90%	17	9.84%	10	11.05%	10	13.54%	22	9.17%	15	14.91%	19	3.59%	1	17.58%	13
Prudential Yield Enhanced Portfolio	0.29%	13	1.15%	13	1.15%	13	15.50%	11	13.67%	2	12.97%	5	10.28%	3	11.50%	3	17.14%	11	10.58%	3	17.30%	2	0.03%	13	17.59%	12
SIM Institutional Total Return Bond Fund	0.43%	6	1.17%	12	1.17%	12	15.10%	14	13.04%	7	12.60%	9	9.88%	8	11.06%	9	16.69%	15	9.67%	8	16.82%	3	-0.78%	19	17.72%	8
Stanlib Core Bond Portfolio	0.28%	14	1.38%	6	1.38%	6	16.33%	4	13.46%	4	12.80%	6	10.02%	7	11.65%	2	17.77%	4	10.61%	2	16.26%	10	-0.19%	15	17.01%	17
SYmmETRY Bond Portfolio	0.50%	4	1.08%	18	1.08%	18	15.57%	10	12.81%	12	12.23%	13	*	*	*	17.31%	7	9.26%	14	15.39%	18	2.37%	2	15.39%	19	
Vunani Active Bond Fund	0.48%	5	1.36%	7	1.36%	7	15.98%	6	13.23%	6	12.97%	4	*	*	*	17.56%	6	9.74%	6	16.72%	5	2.33%	3	17.81%	6	
<b>SPECIALIST BONDS STATISTICS</b>																										
Highest	0.73%		1.61%		1.61%		17.09%		14.67%		14.01%		11.24%		12.17%		19.59%		11.27%		18.44%		3.59%		18.70%	
Upper Quartile	0.43%		1.37%		1.37%		15.93%		13.23%		12.93%		10.18%		11.38%		17.50%		9.74%		16.48%		1.48%		17.87%	
Median	0.33%		1.17%		1.17%		15.49%		12.85%		12.58%		9.88%		11.13%		17.14%		9.38%		16.13%		0.70%		17.63%	
Average	0.34%		1.21%		1.21%		15.39%		12.82%		12.57%		10.00%		11.24%		16.96%		9.45%		15.99%		0.80%		17.42%	
Lower Quartile	0.26%		1.10%		1.10%		14.93%		12.32%		12.19%		9.81%		11.03%		16.46%		9.16%		15.52%		-0.20%		17.30%	
Lowest	0.09%		0.70%		0.70%		12.46%		11.21%		11.49%		9.12%		10.87%		13.54%		6.81%		13.64%		-1.04%		13.71%	
Range	0.63%		0.90%		0.90%		4.64%		3.46%		2.51%		2.12%		1.30%											
Number of participants	22		22		22		22		21		18		15		14		22		21		21		20		20	
<b>INFLATION LINKED BONDS</b>																										
Coronation Absolute Bond Portfolio	0.86%		1.78%		1.78%		12.52%		14.12%		13.64%		12.18%		11.79%		13.44%		13.88%		15.66%		12.34%		13.29%	
Investec Inflation Linked Bond Composite	1.62%		1.97%		1.97%		18.07%		*		*		*		*		18.81%		*		*		*		*	
Momentum AM Inflation Linked Bond Fund	1.73%		2.04%		2.04%		18.84%		15.34%		*		*		*		19.73%		13.48%		12.00%		*		*	
Prescient Inflation Linked Bond Composite	1.19%		1.64%		1.64%		14.58%		*		*		*		*		15.63%		11.45%		*		*		*	
Prudential Inflation Linked Bond Fund	1.60%		1.91%		1.91%		18.85%		15.48%		12.42%		11.92%		*		19.98%		13.25%		11.56%		7.29%		13.96%	
SIM Inflation Linked Bond Fund	1.61%		1.92%		1.92%		18.23%		*		*		*		*		19.39%		*		*		*		*	
<b>INFLATION LINKED BONDS STATISTICS</b>																										
Highest	1.73%		2.04%		2.04%		18.85%		15.48%		13.64%		12.18%		*		19.98%		13.88%		15.66%		12.34%		13.96%	
Upper Quartile	1.62%		1.96%		1.96%		18.69%		15.41%		13.34%		12.12%		*		19.64%		13.58%		13.83%		11.07%		13.79%	
Median	1.61%		1.91%		1.91%		18.15%		15.34%		13.03%		12.05%		*		19.10%		13.37%		12.00%		9.81%		13.63%	
Average	1.44%		1.88%		1.88%		16.85%		14.98%		13.03%		12.05%		*		17.83%		13.01%		13.08%		9.81%		13.63%	
Lower Quartile	1.29%		1.81%		1.81%		15.45%		14.73%		12.72%		11.99%		*		16.42%		12.80%		11.78%		8.55%		13.46%	
Lowest	0.86%		1.64%		1.64%		12.52%		14.12%		12.42%		11.92%		*		13.44%		11.45%		11.56%		7.29%		13.29%	
Range	0.87%		0.41%		0.41%		6.33%		1.36%		1.23%		0.26%		*		6.55%		2.43%		4.10%		5.05%		0.67%	
Number of participants	6		6		6		6		3		2		2		*		6		4		3		2		2	
<b>INDICES</b>																										
All Bond Index	0.18%		0.91%		0.91%		14.35%		11.92%		11.57%		9.07%		10.37%		15.99%		8.82%		14.96%		-0.99%		16.97%	
1-3 Year Bond Index	0.00%		0.92%		0.92%		7.14%		8.06%		9.16%		8.31%		8.97%		8.90%		8.90%		8.75%		7.74%		12.90%	
3-7 Year Bond Index	0.01%		0.87%		0.87%		12.34%		11.07%		11.39%		9.10%		10.26%		13.65%		10.18%		12.79%		2.80%		15.72%	
7-12 Year Bond Index	-0.14%		0.99%		0.99%		16.65%		13.11%		12.45%		9.65%		11.33%		18.40%		10.20%		16.00%		-2.19%		17.43%	
12+ Year Bond Index	0.53%		0.84%		0.84%		16.60%		12.40%		11.60%		7.95%		10.15%		18.81%		6.00%		15.86%		-7.47%		18.83%	
Barclays - BESA SA Inflation Linked Index	1.57%		1.84%		1.84%		18.35%		15.11%		12.09%		11.76%		11.19%		19.37%		13.05%		10.97%		7.66%		13.62%	
BESA Standard Bank Credit Index	0.14%		-5.83%		-5.83%		6.25%		10.45%		11.61%		9.31%		*		15.74%		10.95%		20.50%		2.51%		14.82%	
GOVI	0.20%		0.87%		0.87%		14.04%		11.36%		10.71%		8.56%		10.00%		15.64%		7.84%		14.58%		-0.44%		14.17%	
OTHI	0.41%		1.45%		1.45%		16.64%		13.06%																	

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Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

INVESTMENT DATA TO THE END OF MARCH 2013																		
RISK VS RETURN																		
	Calculated on 3 year performance returns									Calculated on 5 year performance returns								
	3 Year Return (p.a.)	Rank	Volatility (Risk)	Rank	Active Return	Rank	Tracking Error	Information Ratio	Rank	5 Year Return (p.a.)	Rank	Volatility (Risk)	Rank	Active Return	Rank	Tracking Error	Information Ratio	Rank
<b>SPECIALIST BONDS</b>																		
Argon Domestic Core Bond	11.84%	20	5.79%	21	-0.08%	20	1.26%	-0.06	20	11.49%	18	7.23%	17	-0.07%	17	1.12%	-0.07	17
Cadiz Core Bond	12.60%	15	5.15%	11	0.67%	15	0.56%	1.20	13	12.25%	12	6.94%	9	0.69%	11	0.54%	1.28	9
Cadiz Dynamic Bond	12.81%	13	5.29%	18	0.88%	13	0.49%	1.82	11	*	*	*	*	*	*	*	*	*
Coronation Active Bond Portfolio (Composite)	13.34%	5	5.28%	17	1.42%	5	0.51%	2.76	4	12.74%	7	6.95%	10	1.17%	6	0.65%	1.80	7
Coronation Strategic Bond Composite	13.64%	3	5.18%	12	1.72%	3	0.67%	2.58	5	13.26%	2	*	*	*	*	0.70%	*	*
Futuregrowth Core Bond Composite	12.86%	10	5.24%	15	0.94%	10	0.46%	2.04	9	12.48%	11	6.96%	12	0.92%	10	0.53%	1.72	8
Futuregrowth Yield Enhanced	14.67%	1	4.84%	2	2.74%	1	1.46%	1.88	10	14.01%	1	6.67%	7	2.44%	1	1.30%	1.88	4
Investec Dynamic Bond Portfolio	12.26%	17	5.09%	8	0.34%	17	0.59%	0.57	17	12.08%	15	7.15%	15	0.51%	14	0.68%	0.75	11
Investec Triple Alpha	12.85%	11	5.10%	9	0.93%	11	0.62%	1.50	12	*	*	*	*	*	*	*	*	*
Investment Solutions Pure Fixed Interest Portfolio	12.32%	16	4.87%	4	0.39%	16	0.62%	0.63	16	12.18%	14	6.40%	5	0.61%	13	0.86%	0.71	12
JM BUSHA BondPlus	11.89%	19	4.85%	3	-0.03%	19	0.62%	-0.05	19	*	*	*	*	*	*	*	*	*
Momentum AM Bond Fund	12.97%	9	5.06%	7	1.05%	9	0.46%	2.26	8	13.02%	3	6.72%	8	1.45%	2	0.67%	2.16	3
Momentum MoM Moderate Bond FOF	12.72%	14	5.13%	10	0.80%	14	0.73%	1.10	14	12.57%	10	6.38%	4	1.00%	9	1.74%	0.57	14
Pan Africa AM Segregated Domestic Bond	13.01%	8	5.34%	20	1.09%	8	0.48%	2.26	7	12.61%	8	6.96%	11	1.05%	7	0.57%	1.83	6
Prescient Bond Quant	12.10%	18	4.98%	6	0.18%	18	0.47%	0.37	18	12.07%	16	6.44%	6	0.51%	15	0.84%	0.60	13
Prescient Bond QuantPlus	11.21%	21	4.21%	1	-0.72%	21	1.29%	-0.56	21	11.90%	17	5.28%	1	0.33%	16	2.08%	0.16	16
Prudential Yield Enhanced Portfolio	13.67%	2	5.30%	19	1.75%	2	0.30%	5.82	1	12.97%	5	7.21%	16	1.40%	4	0.53%	2.64	1
SIM Institutional Total Return Bond Fund	13.04%	7	5.27%	16	1.12%	7	0.44%	2.56	6	12.60%	9	7.08%	14	1.04%	8	0.56%	1.84	5
Stanlib Core Bond Portfolio	13.46%	4	5.22%	14	1.54%	4	0.44%	3.49	2	12.80%	6	7.05%	13	1.24%	5	0.50%	2.46	2
SYmmETRY Bond Portfolio	12.81%	12	4.87%	5	0.88%	12	0.89%	1.00	15	12.23%	13	5.82%	2	0.66%	12	1.62%	0.41	15
Vunani Active Bond Fund	13.23%	6	5.22%	13	1.31%	6	0.41%	3.17	3	12.97%	4	5.96%	3	1.41%	3	1.70%	0.83	10
<i>Lower volatility = higher ranking</i>																		
<b>STATISTICS</b>																		
Highest	14.67%		5.79%		2.74%		1.46%	5.82		14.01%		7.23%		2.44%		2.08%	2.64	
Upper Quartile	13.23%		5.27%		1.31%		0.67%	2.56		12.93%		7.05%		1.24%		1.25%	1.84	
Median	12.85%		5.15%		0.93%		0.56%	1.82		12.58%		6.94%		1.00%		0.69%	1.28	
Average	12.82%		5.11%		0.90%		0.66%	1.73		12.57%		6.66%		0.96%		0.96%	1.27	
Lower Quartile	12.32%		4.98%		0.39%		0.46%	0.63		12.19%		6.40%		0.61%		0.57%	0.60	
Lowest	11.21%		4.21%		-0.72%		0.30%	-0.56		11.49%		5.28%		-0.07%		0.50%	-0.07	
Number of participants	21		21		21		21	21		18		17		17		18	17	
<b>INFLATION LINKED BONDS</b>																		
Coronation Absolute Bond Portfolio	14.12%		3.12%							13.64%		2.73%						
Investec Inflation Linked Bond Composite	*		*							*		*						
Momentum AM Inflation Linked Bond Fund	15.34%		4.90%							*		*						
Prescient Inflation Linked Bond Composite	*		3.18%							*		*						
Prudential Inflation Linked Bond Fund	15.48%		4.66%							12.42%		4.95%						
SIM Inflation Linked Bond Fund	*		*							*		*						
<b>STATISTICS</b>																		
Highest	15.48%		4.90%							13.64%		4.95%						
Upper Quartile	15.41%		4.72%							13.34%		4.40%						
Median	15.34%		3.92%							13.03%		3.84%						
Average	14.98%		3.96%							13.03%		3.84%						
Lower Quartile	14.73%		3.17%							12.72%		3.29%						
Lowest	14.12%		3.12%							12.42%		2.73%						
Number of participants	3		4							2		2						
<b>INDICES</b>																		
All Bond Index	11.92%		5.39%							11.57%		7.17%						
Barclays - BESA SA Inflation Linked Index	15.11%		4.65%							12.09%		4.92%						
BESA Standard Bank Credit Index	10.45%		6.71%							11.61%		7.19%						

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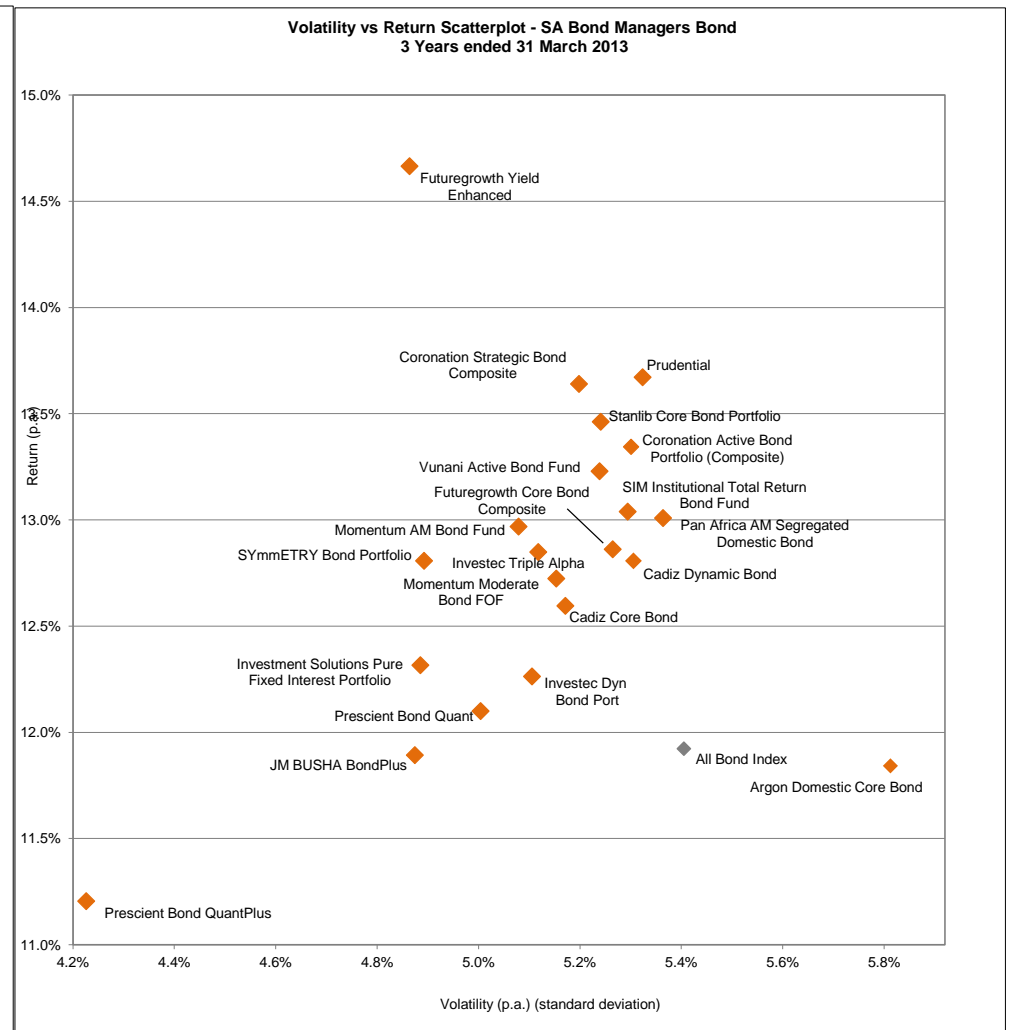
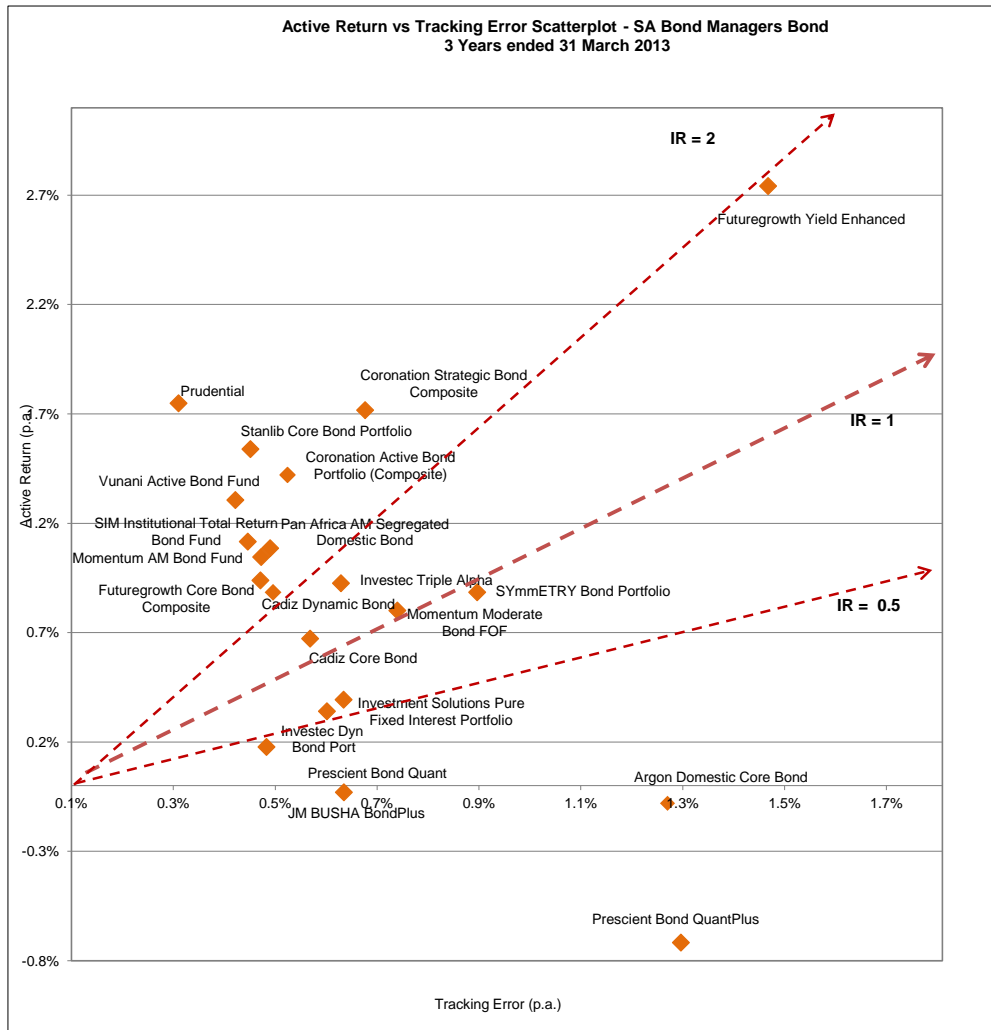
Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

SECTOR ALLOCATION								
	1-3 Years	3-7 Years	7-12 Years	12+ Years	Other	Cash	Inflation Linked Bonds	Total
INVESTMENT MANAGERS								
SPECIALIST BONDS								
Argon Domestic Core Bond	9.60%	23.50%	30.00%	35.10%	0.00%	1.80%	0.00%	100.00%
Cadiz Core Bond	13.89%	23.52%	18.42%	35.63%	3.28%	5.26%	0.00%	100.00%
Cadiz Dynamic Bond	19.17%	26.07%	16.24%	31.25%	0.97%	6.29%	0.00%	100.00%
Coronation Active Bond Portfolio (Composite)	9.53%	27.82%	19.65%	29.23%	11.58%	2.19%	0.00%	100.00%
Coronation Strategic Bond Composite	8.91%	27.13%	17.33%	32.24%	7.23%	7.17%	0.00%	100.00%
Futuregrowth Core Bond Composite	16.99%	23.70%	20.95%	30.83%	7.53%	0.00%	0.00%	100.00%
Futuregrowth Yield Enhanced	26.70%	26.30%	9.11%	9.90%	10.65%	17.33%	0.00%	100.00%
Investec Corporate Bond Composite	1.69%	39.83%	31.99%	26.08%	0.00%	0.40%	0.00%	100.00%
Investec Dynamic Bond Portfolio	4.81%	26.08%	15.67%	19.36%	33.11%	0.97%	0.00%	100.00%
Investec Triple Alpha	6.33%	15.88%	7.31%	12.57%	57.37%	0.55%	0.00%	100.00%
Investment Solutions Pure Fixed Interest Portfolio	20.55%	24.97%	22.34%	27.97%	5.11%	-0.94%	0.00%	100.00%
JM BUSHA BondPlus	15.55%	24.30%	25.01%	31.56%	0.00%	3.58%	0.00%	100.00%
Momentum AM Bond Fund	8.71%	25.02%	22.85%	36.53%	1.27%	5.62%	0.00%	100.00%
Momentum MoM Moderate Bond FOF	5.32%	11.51%	31.96%	19.41%	31.79%	0.00%	0.00%	100.00%
Pan Africa AM Segregated Domestic Bond	9.12%	25.80%	27.60%	34.92%	0.00%	2.56%	0.00%	100.00%
Prescient Bond Quant	1.98%	12.21%	25.93%	25.08%	34.80%	0.00%	0.00%	100.00%
Prescient Bond QuantPlus	15.45%	17.46%	22.39%	22.94%	21.76%	0.00%	0.00%	100.00%
Prudential Yield Enhanced Portfolio	11.94%	22.05%	19.61%	38.38%	0.16%	7.87%	0.00%	100.00%
SIM Institutional Total Return Bond Fund	14.95%	25.63%	10.11%	41.83%	0.00%	7.47%	0.00%	100.00%
Stanlib Core Bond Portfolio	0.69%	15.95%	37.52%	34.13%	8.30%	3.40%	0.00%	100.00%
SYmmETRY Bond Portfolio	9.17%	22.20%	20.46%	33.46%	0.00%	14.71%	0.00%	100.00%
Vunani Active Bond Fund	11.57%	31.19%	21.74%	34.98%	0.00%	0.52%	0.00%	100.00%
INFLATION LINKED BONDS								
Coronation Absolute Bond Portfolio	14.86%	20.47%	6.37%	5.55%	47.21%	5.55%	0.00%	100.00%
Investec Inflation Linked Bond Composite	0.00%	4.15%	52.66%	37.32%	0.00%	5.87%	0.00%	100.00%
Momentum AM Inflation Linked Bond Fund	3.26%	6.38%	45.77%	44.25%	0.00%	0.34%	0.00%	100.00%
Prescient Inflation Linked Bond Composite	11.54%	0.37%	23.73%	31.11%	33.25%	0.00%	0.00%	100.00%
Prudential Inflation Linked Bond Fund	0.00%	0.00%	0.00%	0.00%	78.52%	21.48%	0.00%	100.00%
SIM Inflation Linked Bond Fund	1.63%	8.53%	41.19%	44.64%	0.00%	4.00%	0.00%	100.00%
Indices								
All Bond Index	11.53%	33.37%	16.94%	38.16%	0.00%	0.00%	0.00%	100.00%

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Quantitative figures are calculated on 3 year performance returns.

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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.

### 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

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