



S.A Bond Manager Watch™ Survey for the month ending September 2013

Research & Product Development
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S.A. BOND MANAGER WATCH™ SURVEY

COMMENTARY

If one simply compared the yield curve at the end of September to where it was 3 months earlier, there seemed little reason for any concern. Yet, like surveys, the snapshot needs to be expounded to reflect the passage of time. The curve shifted by 50 basis points upwards through the quarter before reverting to almost the same position from its start. July and August performance for nominal and ILB fixed income markets epitomized a volatile negative period.

Coming of the back of a flat first quarter, bond investors have had a torrid performance period; with the ALBI benchmark delivering 3.11% over the last year, all of that performance due to the 3.92% delivered in September. This implies that bonds have had a negative real performance of -2.9% for the last year. Inflation Linked Bonds which naturally hedges inflation risk was equally weak with the Barclays ILB Index at 3.46% for the same period.

The South Africa's Central Bank Monetary Policy Committee (MPC) has left the repo rate unchanged at 5.0% over the course of the last 12 months. The themes affecting the interest rate policy have remained consistent: concerns about the weak rand at R10.00 to the US Dollar was exacerbated as the currency traded to R10.40 to the USD during the quarter; rising inflation; labour conflicts and wage increases; moderate to weak economic growth, a wider current account deficit, and stubborn unemployment. The deteriorating domestic inflation outlook, places the short end of the yield curve in a very fragile position of sustained negative real rates.

The change over 1 year is dramatic; 6.3% currently versus 14.3% in March. This is not only because of the weak quarter but the dropping of a strong quarter from the calculation. Net foreign flows have been negative over the past two months with R16bn in outflows.

The yield curve has shifted upwards by over 50bps across all maturities since the end of March. Unlike the previous quarter which saw not much effect across durations, these changes have impacted all Yield-to-Maturity (YTM) buckets differently and a fund's positioning in each duration bucket would have had a material effect on performance. Short dated instrument (1-3 years) actually had a positive return.

As with the previous quarter, almost all managers had lowered their overall duration to the ALBI, commonly moving their exposure to maturities less than 5 years. This tactical positioning allowed all Specialist bond funds to outperform the ALBI index. Funds continue to demonstrate large performance differences between the best and worst fund (0.98% over 1 month); and 2.5% over 1 year, while the 2nd and 3rd quartile dispersion is at only 70bps.

With a discontinuous market over the quarter, duration positioning, portfolio adjustments and trading were large drivers of performance with credit playing a lessor role relative to previous quarters. The use of credit in the portfolios is well proliferated with the average fund only 55% invested in AAA instruments. In particular, the Top 2 funds over 3 years (FutureGrowth Yield Enhanced and Investec Corporate Bond Funds) use high levels of credit in their portfolios.

Stanlib, traditionally quite strong at trading changes in curves were unable to take advantage of the volatile market while Prudential seemed to be quit perfect in timing the cycle shift.

ILB products produced an interesting set of results with only one fund beating the Barclays SA ILB Index over one month and only one fund being unable to beat the sector benchmark over one year. Coronation's Absolute Bond Portfolio's persistent low duration in its Absolute fund paid off again this quarter, as yields rose in the first two months and then retraced its position. The extremely low duration of 0.57 makes it less sensitive to the yield movements. This would give it strong protective qualities in weak interest rate markets but reciprocally it will not respond to yield changes that work in its favour. This low risk view is countered by the manager investing more than 75% of the fund in more risky non-AAA investments for yield pickup. Prescient which has a 90% ILB, 10% STEFI benchmark has struggled to outperform its benchmark over periods 1 year also where its relatively lower duration strategy has not paid off.

Futuregrowth's Yield Enhanced fund which recovered its performance from the previous quarter is not managed to Reg. 28 principles and assumes unlisted credit which is convertible to equity.

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	
INVESTMENT MANAGERS										
SPECIALIST BONDS										
Argon Domestic Core Bond	V		Y	All Bond Index	5.37	50.83%	3	211	14 October 2013	
Cadiz Core Bond	V		Y	All Bond Index	5.80	63.89%	5	1,904	14 October 2013	
Cadiz Dynamic Bond	V		Y	All Bond Index	5.78	60.16%	2	2,908	14 October 2013	
Coronation Active Bond Portfolio (Composite)	V		Y	All Bond Index	5.99	67.42%	9	6,611	13 October 2013	
Coronation Strategic Bond Composite	V		Y	All Bond Index	5.64	57.89%	8	3,582	13 October 2013	
Futuregrowth Core Bond Composite	V		Y	All Bond Index	5.45	64.99%	4	1,031	14 October 2013	
Futuregrowth Yield Enhanced	V		N	All Bond Index	5.37	25.63%	8	4,536	14 October 2013	
Investec Corporate Bond Composite	V		Y	All Bond Index	5.89	20.89%	3	12,945	10 October 2013	
Investec Dynamic Bond Portfolio			Y	All Bond Index	5.79	47.09%	6	5,511	10 October 2013	
Investec Triple Alpha			Y	All Bond Index	5.74	47.98%	14	3,113	10 October 2013	
Investment Solutions Pure Fixed Interest Portfolio	n/a		Y	All Bond Index	5.12	64.93%	n/a	8,975	11 October 2013	
JM BUSHUA BondPlus			Y	All Bond Index	5.70	59.54%	3	766	11 October 2013	
Momentum AM Bond Fund	V		Y	All Bond Index	5.75	64.47%	13	7,635	14 October 2013	
Momentum MoM Moderate Bond FOF			Y	All Bond Index	5.82	62.10%	n/a	201	14 October 2013	
Pan Africa AM Segregated Domestic Bond	C		Y	All Bond Index	5.56	54.27%	5	3,022	15 October 2013	
Prescient Bond Quant	V		Y	All Bond Index	5.69	72.68%	2	444	13 October 2013	
Prescient Bond QuantPlus	V		Y	All Bond Index	4.41	48.42%	13	7,835	13 October 2013	
Prudential Yield Enhanced Portfolio	V		Y	All Bond Index	6.23	61.00%	8	1,988	03 October 2013	
SIM Institutional Total Return Bond Fund	V		Y	All Bond Index	6.62	62.48%	19	8,535	07 October 2013	
Stanlib Core Bond Portfolio	V		Y	All Bond Index	5.32	53.00%	11	4,842	11 October 2013	
SYmmENTRY Bond Portfolio			N	All Bond Index	5.94	56.40%	n/a	1,727	14 October 2013	
Vunani Active Bond Fund	V		N	All Bond Index	5.90	40.91%	6	739	10 October 2013	
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>		TOTAL				88,850		
INFLATION LINKED BONDS										
Coronation Absolute Bond Portfolio			N	CPI + 4%pa	0.57	22.94%	2	7,591	13 October 2013	
Investec Inflation Linked Bond Composite				Barclays - BESA SA Inflation Linked Index	9.85	70.15%	3	1,251	10 October 2013	
Momentum AM Inflation Linked Bond Fund			Y	Barclays - BESA SA Inflation Linked Index	11.11	80.01%	4	1,809	14 October 2013	
Prescient Inflation Linked Bond Composite			Y	90 ILBI / 10 STEFI Call	9.10	78.38%	4	3,513	13 October 2013	
Prudential Inflation Linked Bond Fund			Y	Barclays South Africa Inflation Linked Index	11.15	73.00%	1	242	03 October 2013	
SIM Inflation Linked Bond Fund			Y	Barclays BESA Govt Inflation-linked Bond Index	10.58	77.00%	3	10,719	07 October 2013	
INDICES										
All Bond Index					6.16					
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>		TOTAL				25,124		

* Characteristics are updated on a quarterly basis. Last update June 2013

* 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 SEPTEMBER 2013																			
PERFORMANCE DATA																			
	Calendar Year 2012		Calendar Year 2011		Calendar Year 2010		Calendar Year 2009		Calendar Year 2008										
	Month	Rank	Quarter	Rank	Year to Date	Rank	1 Year	Rank	3 Years (p.a.)	Rank	5 Years (p.a.)	Rank	7 Years (p.a.)	Rank	10 Years (p.a.)	Rank	Rank	Rank	
SPECIALIST BONDS																			
Argon Domestic Core Bond	3.71%	14	2.29%	3	2.31%	3	5.58%	2	8.96%	18	10.14%	21	9.45%	18	*	18.55%	2	6.81%	21
Cadiz Core Bond	3.71%	13	1.94%	17	1.50%	12	4.59%	11	9.18%	15	10.74%	17	9.95%	15	10.15%	10	16.70%	14	8.82%
Cadiz Dynamic Bond	3.84%	5	1.94%	18	1.50%	13	4.62%	10	9.32%	13	11.01%	13	10.23%	7	10.24%	7	17.14%	12	8.98%
Coronation Active Bond Portfolio (Composite)	3.76%	11	2.01%	13	1.78%	8	4.98%	6	9.87%	6	11.29%	6	10.35%	5	10.31%	5	17.66%	5	9.85%
Coronation Strategic Bond Composite	3.74%	12	1.93%	20	2.19%	5	5.56%	3	10.19%	3	11.70%	3	*	*	*	18.25%	3	9.70%	7
Futuregrowth Core Bond Composite	3.64%	17	2.06%	8	1.60%	11	4.81%	8	9.60%	8	11.08%	11	10.10%	12	10.12%	11	17.30%	8	9.35%
Futuregrowth Yield Enhanced	3.54%	21	2.37%	1	2.31%	2	5.97%	1	11.54%	1	12.66%	2	11.61%	1	11.21%	1	19.59%	1	11.27%
Investec Corporate Bond Composite	3.68%	15	2.34%	2	2.33%	1	5.26%	4	10.71%	2	12.75%	1	11.31%	2	*	*	17.16%	10	*
Investec Dynamic Bond Portfolio	3.77%	10	2.01%	12	1.38%	15	4.23%	17	8.91%	19	10.38%	20	9.90%	16	9.95%	15	18.92%	19	15.53%
Investec Triple Alpha	3.85%	4	2.11%	6	1.33%	16	4.26%	16	9.34%	12	11.07%	12	*	*	*	16.49%	16	9.82%	5
Investment Solutions Pure Fixed Interest Portfolio	3.59%	19	2.10%	7	1.79%	7	4.81%	7	9.18%	14	10.79%	16	10.01%	14	10.04%	13	16.05%	19	9.27%
JM BUSHBA BondPlus	3.55%	20	2.01%	11	0.92%	22	3.51%	22	8.84%	21	9.77%	22	9.15%	19	*	*	15.97%	20	9.16%
Momentum AM Bond Fund	3.81%	8	1.98%	14	0.98%	21	4.20%	18	9.41%	11	11.23%	8	10.41%	4	10.32%	4	17.17%	9	9.58%
Momentum MoM Moderate Bond FOF	3.81%	7	2.03%	10	1.18%	17	4.30%	15	9.16%	16	11.11%	9	10.30%	6	10.23%	8	16.44%	17	9.38%
Pan Africa AM Segregated Domestic Bond	3.60%	18	1.55%	22	1.03%	20	4.10%	20	9.08%	17	10.95%	14	10.19%	9	9.97%	14	16.83%	13	9.07%
Prescient Bond Quant	3.82%	6	1.98%	15	1.11%	19	3.79%	21	8.84%	20	10.58%	18	9.81%	17	9.85%	16	15.55%	21	9.46%
Prescient Bond QuantPlus	3.21%	22	1.97%	16	2.23%	4	4.57%	12	8.53%	22	10.57%	19	10.08%	13	10.16%	9	13.54%	22	9.17%
Prudential Yield Enhanced Portfolio	4.19%	1	2.16%	4	1.61%	10	4.77%	9	10.08%	4	11.44%	5	10.47%	3	10.47%	3	17.14%	11	10.58%
SIM Institutional Total Return Bond Fund	4.19%	2	1.91%	21	1.64%	9	4.50%	14	9.49%	10	11.09%	10	10.16%	10	10.07%	12	16.69%	15	9.67%
Stanlib Core Bond Portfolio	3.66%	16	1.94%	19	1.13%	18	4.18%	19	10.01%	5	11.25%	7	10.23%	8	10.50%	2	17.77%	4	10.61%
SYmmETRY Bond Portfolio	3.98%	3	2.05%	9	1.46%	14	4.51%	13	9.52%	9	10.86%	15	10.12%	11	10.26%	6	17.31%	7	9.26%
Vunani Active Bond Fund	3.80%	9	2.12%	5	1.90%	6	5.05%	5	9.86%	7	11.45%	4	*	*	*	17.56%	6	9.74%	
SPECIALIST BONDS STATISTICS																			
Highest	4.19%		2.37%		2.33%		5.97%		11.54%		12.75%		11.61%		11.21%		19.59%		11.27%
Upper Quartile	3.82%		2.10%		1.87%		4.94%		9.87%		11.28%		10.33%		10.31%		17.50%		9.74%
Median	3.75%		2.01%		1.55%		4.58%		9.38%		11.08%		10.16%		10.20%		17.14%		9.38%
Average	3.75%		2.04%		1.60%		4.64%		9.53%		11.09%		10.20%		10.24%		16.96%		9.45%
Lower Quartile	3.65%		1.95%		1.22%		4.24%		9.10%		10.75%		9.98%		10.06%		16.46%		9.16%
Lowest	3.21%		1.55%		0.92%		3.51%		8.53%		9.77%		9.15%		9.85%		13.54%		6.81%
Range	0.98%		0.82%		1.41%		2.46%		3.01%		2.98%		2.46%		1.36%				6.81%
Number of participants	22		22		22		22		22		22		19		16		22		21
INFLATION LINKED BONDS																			
Coronation Absolute Bond Portfolio	1.80%		1.79%		2.57%		6.09%		10.39%		12.34%		11.71%		10.97%		13.44%		13.88%
Investec Inflation Linked Bond Composite	2.79%		1.10%		-1.12%		3.93%		*		*		*		*		18.81%		*
Momentum AM Inflation Linked Bond Fund	2.82%		1.16%		-1.57%		3.99%		10.63%		*		*		*		19.73%		12.00%
Prescient Inflation Linked Bond Composite	2.64%		1.13%		-1.20%		3.37%		8.87%		*		*		*		15.63%		*
Prudential Inflation Linked Bond Fund	3.03%		1.29%		-1.73%		3.85%		10.46%		10.51%		10.71%		*		19.98%		13.25%
SIM Inflation Linked Bond Fund	2.87%		1.27%		-1.68%		3.72%		*		*		*		*		19.39%		*
INFLATION LINKED BONDS STATISTICS																			
Highest	3.03%		1.79%		2.57%		6.09%		10.63%		12.34%		11.71%		*		19.98%		13.88%
Upper Quartile	2.86%		1.28%		-1.14%		3.97%		10.51%		11.89%		11.46%		*		19.64%		13.58%
Median	2.81%		1.21%		-1.38%		3.89%		10.43%		11.43%		11.21%		*		19.10%		13.37%
Average	2.86%		1.29%		-0.79%		4.16%		10.09%		11.43%		11.21%		*		17.83%		13.01%
Lower Quartile	2.68%		1.13%		-1.65%		3.76%		10.01%		10.97%		10.96%		*		16.42%		12.80%
Lowest	1.80%		1.10%		-1.73%		3.37%		8.87%		10.51%		10.71%		*		13.44%		11.45%
Range	1.23%		0.69%		4.30%		2.72%		1.76%		1.83%		1.00%		*		6.55%		2.43%
Number of participants	6		6		6		6		4		2		2		*		6		4
INDICES																			
All Bond Index	3.92%		1.91%		0.51%		3.11%		8.53%		9.96%		9.25%		9.32%		15.99%		8.82%
1-3 Year Bond Index	1.11%		1.59%		2.90%		7.31%		8.45%		8.24%		8.30%		8.24%		8.30%		8.90%
3-7 Year Bond Index	3.15%		2.25%		0.67%		2.49%		8.67%		9.99%		9.12%		9.17%		13.65%		10.18%
7-12 Year Bond Index	4.28%		2.17%		-0.21%		2.48%		9.51%		10.68%		9.88%		10.09%		18.40%		10.20%
12+ Year Bond Index	5.13%		1.56%		-0.03%		3.28%		7.75%		9.36%		8.67%		9.01%		18.81%		6.00%
Barclays - BESA SA Inflation Linked Index	2.91%		1.20%		-1.96%		3.46%		10.11%		10.25%		10.49%		10.62%		19.37%		13.05%
BESA Standard Bank Credit Index	3.13%		3.03%		-4.01%		-2.30%		7.76%		10.74%		9.72%		*		15.74%		20.50%
GOVI	3.89%		1.92%		0.35%		8.05%		9.14%		8.74%		8.74%		8.94%		15.64%		7.84%
OTHI	4.12%		1.87%		1.60%		4.39%		9.18%		10.95%		9.46%		9.58%		17.98%		8.10%
STeFI	0.43%		1.31%		3.84%		5.21%		5.58%		6.84%		7.73%		7.70%		5.55%		5.73%

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

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INVESTMENT DATA TO THE END OF SEPTEMBER 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	
SPECIALIST BONDS																			
Argon Domestic Core Bond	8.96%	17	6.79%	21	0.44%	17	1.25%	0.35	20	10.14%	20	6.91%	19	0.18%	19	1.17%	0.15	19	
Cadiz Core Bond	9.18%	14	6.28%	11	0.65%	14	0.62%	1.05	14	10.74%	16	6.63%	14	0.77%	15	0.57%	1.37	12	
Cadiz Dynamic Bond	9.32%	12	6.47%	18	0.80%	12	0.55%	1.45	9	11.01%	12	6.56%	10	1.05%	12	0.66%	1.58	11	
Coronation Active Bond Portfolio (Composite)	9.87%	5	6.34%	13	1.35%	5	0.66%	2.04	5	11.29%	5	6.69%	15	1.32%	5	0.67%	1.98	6	
Coronation Strategic Bond Composite	10.19%	2	6.30%	12	1.66%	2	0.75%	2.23	4	11.70%	2	6.62%	13	1.74%	2	0.72%	2.43	2	
Futuregrowth Core Bond Composite	9.60%	7	6.15%	7	1.08%	7	0.80%	1.34	10	11.08%	10	6.59%	11	1.12%	10	0.68%	1.63	10	
Futuregrowth Yield Enhanced	11.54%	1	5.74%	2	3.02%	1	1.68%	1.80	8	12.66%	1	6.13%	4	2.69%	1	1.45%	1.85	7	
Investec Dynamic Bond Portfolio	8.91%	18	6.10%	5	0.39%	18	0.76%	0.51	18	10.38%	19	6.53%	7	0.42%	18	0.66%	0.64	17	
Investec Triple Alpha	9.34%	11	6.17%	8	0.82%	11	0.72%	1.14	11	11.07%	11	6.55%	9	1.11%	11	0.64%	1.74	8	
Investment Solutions Pure Fixed Interest Portfolio	9.18%	13	5.82%	3	0.65%	13	0.93%	0.70	16	10.79%	15	6.14%	5	0.83%	14	0.87%	0.95	14	
JM BUSHA BondPlus	8.84%	20	6.00%	4	0.32%	20	0.76%	0.42	19	9.77%	21	5.61%	2	-0.20%	20	1.65%	-0.12	20	
Momentum AM Bond Fund	9.41%	10	6.36%	15	0.89%	10	0.48%	1.85	6	11.23%	7	6.55%	8	1.27%	7	0.57%	2.24	4	
Momentum MoM Moderate Bond FOF	9.16%	15	6.20%	9	0.63%	15	0.72%	0.88	15	11.11%	8	6.61%	12	1.15%	8	1.28%	0.89	15	
Pan Africa AM Segregated Domestic Bond	9.08%	16	6.44%	17	0.55%	16	0.50%	1.11	13	10.95%	13	6.73%	16	0.98%	13	0.57%	1.72	9	
Prescient Bond Quant	8.84%	19	6.13%	6	0.32%	19	0.60%	0.53	17	10.58%	17	6.31%	6	0.81%	16	0.71%	0.86	16	
Prescient Bond QuantPlus	8.53%	21	4.84%	1	0.01%	21	1.92%	0.00	21	10.57%	18	5.00%	1	0.61%	17	2.09%	0.29	18	
Prudential Yield Enhanced Portfolio	10.08%	3	6.61%	20	1.56%	3	0.29%	5.30	1	11.44%	4	6.85%	18	1.48%	4	0.49%	2.99	1	
SIM Institutional Total Return Bond Fund	9.49%	9	6.42%	16	0.96%	9	0.53%	1.80	7	11.09%	9	6.94%	20	1.13%	9	0.53%	2.12	5	
Stanlib Core Bond Portfolio	10.01%	4	6.51%	19	1.48%	4	0.52%	2.83	2	11.25%	6	6.81%	17	1.28%	6	0.54%	2.39	3	
SYmmETRY Bond Portfolio	9.52%	8	6.21%	10	0.99%	8	0.89%	1.12	12	10.86%	14								
Vunani Active Bond Fund	9.86%	6	6.35%	14	1.33%	6	0.50%	2.66	3	11.45%	3	6.10%	3	1.48%	3	1.41%	1.05	13	
			<i>Lower volatility = higher ranking</i>									<i>Lower volatility = higher ranking</i>							
STATISTICS																			
Highest	11.54%		6.79%		3.02%		1.92%	5.30		12.66%		6.94%		2.69%		2.09%		2.99	
Upper Quartile	9.86%		6.42%		1.33%		0.80%	1.85		11.25%		6.70%		1.29%		1.20%		2.02	
Median	9.34%		6.28%		0.82%		0.72%	1.14		11.07%		6.58%		1.11%		0.68%		1.61	
Average	9.47%		6.20%		0.95%		0.78%	1.48		11.01%		6.44%		1.05%		0.90%		1.44	
Lower Quartile	9.08%		6.13%		0.55%		0.53%	0.70		10.74%		6.27%		0.73%		0.57%		0.89	
Lowest	8.53%		4.84%		0.01%		0.29%	0.00		9.77%		5.00%		-0.20%		0.49%		-0.12	
Number of participants	21		21		21		21	21		21		20		20		20		20	
INFLATION LINKED BONDS																			
Coronation Absolute Bond Portfolio	10.39%		3.40%							12.34%		3.07%							
Investec Inflation Linked Bond Composite	*		*							*		*							
Momentum AM Inflation Linked Bond Fund	10.63%		6.45%							*		*							
Prescient Inflation Linked Bond Composite	8.87%		5.02%							*		*							
Prudential Inflation Linked Bond Fund	10.46%		6.56%							10.51%		5.86%							
SIM Inflation Linked Bond Fund	*		*							*		*							
STATISTICS																			
Highest	10.63%		6.56%							12.34%		5.86%							
Upper Quartile	10.51%		6.48%							11.89%		5.16%							
Median	10.43%		5.73%							11.43%		4.46%							
Average	10.09%		5.36%							11.43%		4.46%							
Lower Quartile	10.01%		4.61%							10.97%		3.76%							
Lowest	8.87%		3.40%							10.51%		3.07%							
Number of participants	4		4							2		2							
INDICES																			
All Bond Index	8.53%		6.67%							9.96%		6.91%							
Barclays - BESA SA Inflation Linked Index	10.11%		6.58%							10.25%		5.80%							
BESA Standard Bank Credit Index	7.76%		7.13%							10.74%		6.84%							

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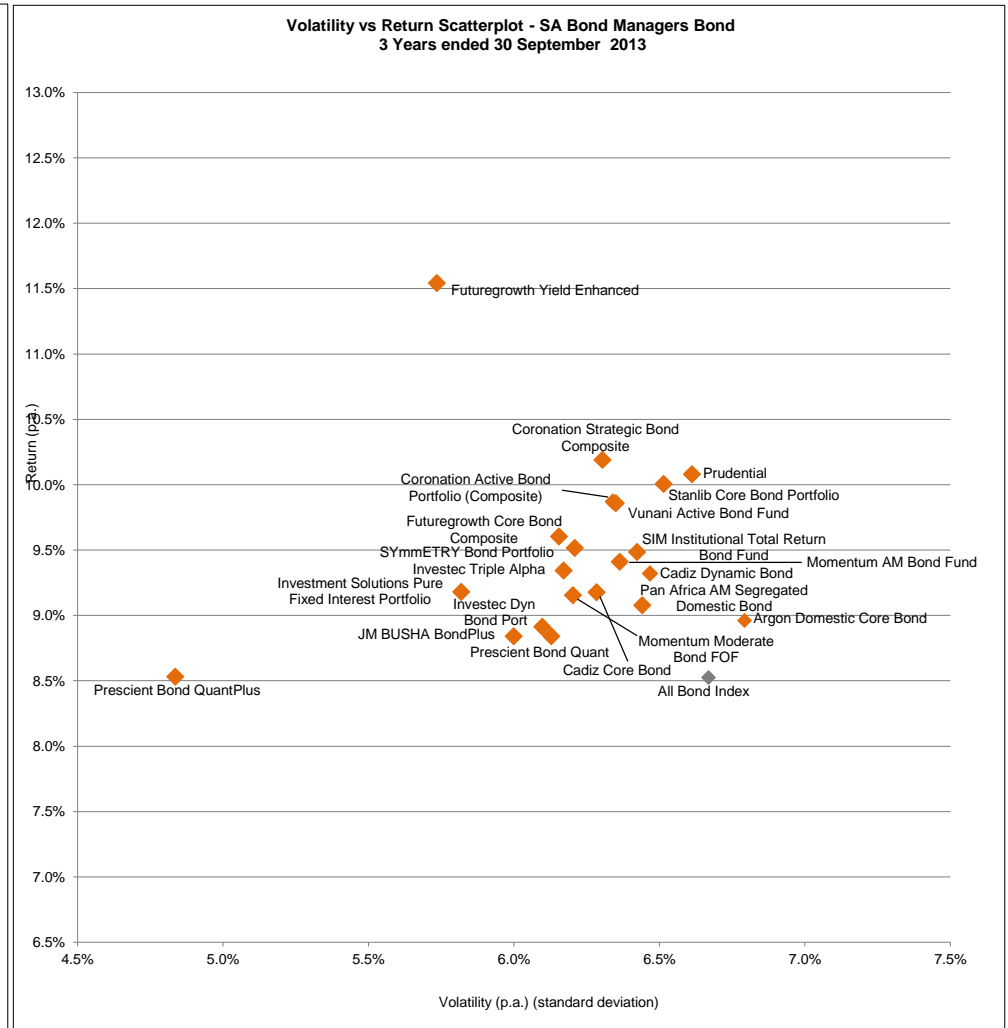
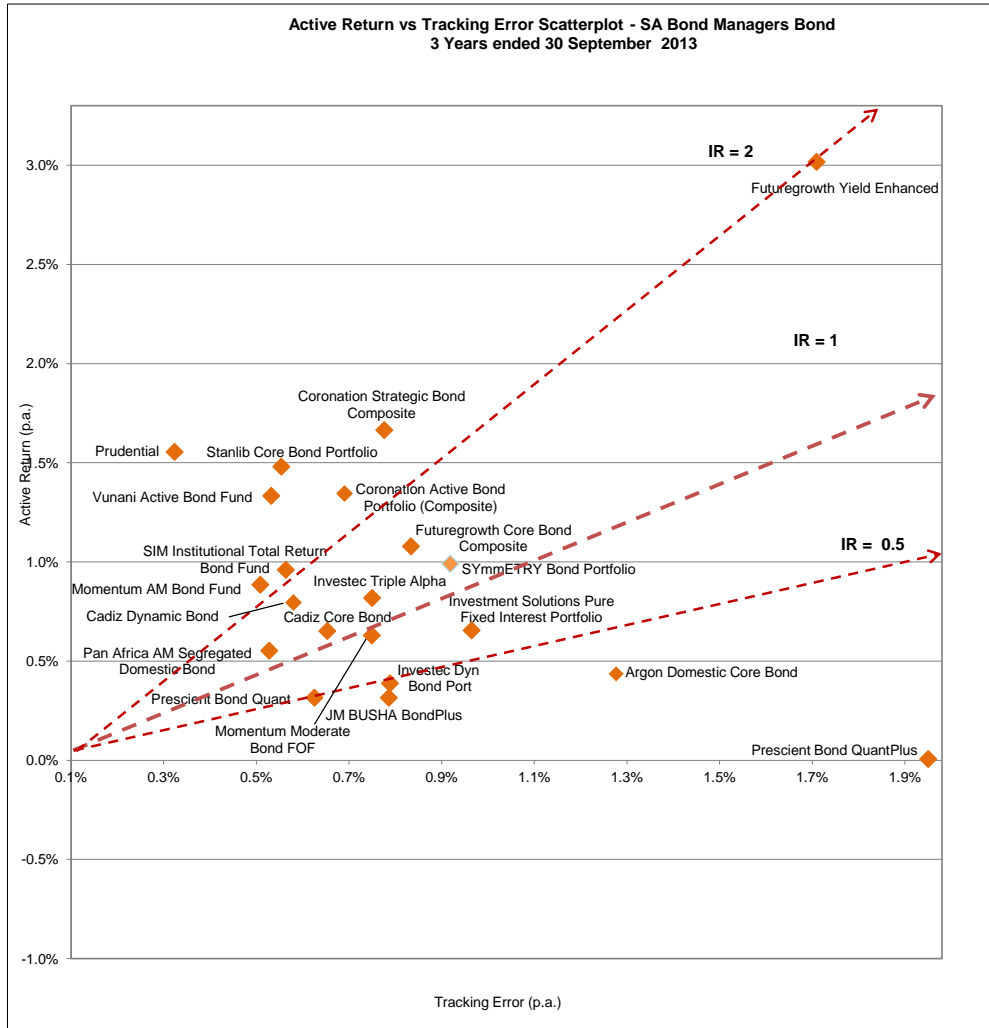
Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

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	9.52%	24.96%	19.72%	40.19%	0.00%	5.61%	0.00%	100.00%
Cadiz Core Bond	12.37%	24.44%	19.63%	37.45%	0.00%	6.11%	0.00%	100.00%
Cadiz Dynamic Bond	18.10%	24.29%	18.19%	32.55%	1.45%	5.43%	0.00%	100.00%
Coronation Active Bond Portfolio (Composite)	14.96%	24.91%	14.81%	27.93%	9.01%	8.38%	0.00%	100.00%
Coronation Strategic Bond Composite	16.64%	20.99%	15.82%	29.51%	11.96%	5.08%	0.00%	100.00%
Futuregrowth Core Bond Composite	14.58%	39.47%	10.71%	29.48%	2.42%	3.34%	0.00%	100.00%
Futuregrowth Yield Enhanced	22.37%	27.97%	11.58%	9.79%	6.41%	21.87%	0.00%	100.00%
Investec Corporate Bond Composite	2.72%	35.42%	28.32%	31.76%	0.00%	1.78%	0.00%	100.00%
Investec Dynamic Bond Portfolio	1.60%	12.70%	11.00%	33.52%	29.94%	11.24%	0.00%	100.00%
Investec Triple Alpha	7.94%	10.07%	7.82%	17.17%	54.73%	2.28%	0.00%	100.00%
Investment Solutions Pure Fixed Interest Portfolio	13.89%	28.32%	18.01%	32.02%	4.36%	3.40%	0.00%	100.00%
JM BUSHA BondPlus	14.31%	34.14%	14.00%	35.14%	0.00%	2.42%	0.00%	100.00%
Momentum AM Bond Fund	0.20%	25.82%	21.95%	36.90%	2.19%	12.94%	0.00%	100.00%
Momentum MoM Moderate Bond FOF	4.21%	33.27%	18.41%	32.39%	1.47%	10.26%	0.00%	100.00%
Pan Africa AM Segregated Domestic Bond	13.18%	23.97%	21.93%	32.70%	4.26%	3.96%	0.00%	100.00%
Prescient Bond Quant	7.81%	7.80%	30.75%	17.26%	36.39%	0.00%	0.00%	100.01%
Prescient Bond QuantPlus	9.28%	15.87%	35.24%	15.50%	24.11%	0.00%	0.00%	100.00%
Prudential Yield Enhanced Portfolio	7.70%	26.94%	14.39%	44.55%	0.00%	6.42%	0.00%	100.00%
SIM Institutional Total Return Bond Fund	10.78%	21.73%	12.36%	53.28%	0.00%	1.85%	0.00%	100.00%
Stanlib Core Bond Portfolio	2.39%	20.93%	34.71%	25.04%	4.31%	12.62%	0.00%	100.00%
SYmmETRY Bond Portfolio	7.34%	20.45%	16.52%	41.03%	0.00%	14.65%	0.00%	100.00%
Vunani Active Bond Fund	10.31%	32.07%	17.09%	38.38%	0.00%	2.15%	0.00%	100.00%
INFLATION LINKED BONDS								
Coronation Absolute Bond Portfolio	18.53%	15.64%	6.76%	5.10%	39.26%	14.72%	0.00%	100.00%
Investec Inflation Linked Bond Composite	0.00%	3.62%	49.06%	41.71%	0.00%	5.61%	0.00%	100.00%
Momentum AM Inflation Linked Bond Fund	2.58%	3.96%	48.19%	45.00%	0.00%	0.27%	0.00%	100.00%
Prescient Inflation Linked Bond Composite	4.43%	11.96%	45.54%	38.07%	0.00%	0.00%	0.00%	100.00%
Prudential Inflation Linked Bond Fund	2.46%	4.97%	27.36%	40.24%	0.00%	24.96%	0.00%	100.00%
SIM Inflation Linked Bond Fund	1.70%	7.77%	40.42%	45.99%	0.00%	4.11%	0.00%	100.00%
Indices								
All Bond Index	1.81%	31.04%	16.89%	41.41%	0.00%	8.84%	0.00%	100.00%

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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

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