



**S.A Bond Manager Watch™ Survey
for the month ending September 2016**

Research & Product Development
FINANCIAL SERVICES


ALEXANDERFORBES
Securing your financial well-being

COMMENTARY

SURVEY NOTES

The SA Bond Manager Watch™ Survey focuses on specialist fixed income mandates invested in South African denominated interest rate/ debt/ inflation linked instruments with an effective modified duration mandate of +/- 2 years around the All Bond Index (ALBI) benchmark. The SA Bond Manager Watch™ Survey is made up of 2 categories.

It should be noted that historic performance is not indication of future performance nor is it a direct indicator of skill. Although all specialist bond funds use the ALBI as its benchmark, a manager may have different mandates allowing exposure to unlisted instruments, derivatives or even exposure to lower credit ratings. The current positioning and exposure of a fund is more relevant to an investment strategy than its historic performance. Please use all information within this survey and interpretations therefrom cautiously. Use an asset consultant or professional advisor when matching your liabilities to appropriate assets and fund strategies.

SOURCES OF PERFORMANCE: BOND FUNDS

The main sources of performance for Bond funds are:

- Portfolio positioning: Choosing the term structures across the yield curve that you wish to be exposed to, based on the expected interest rate changes to the yield curve. You would want to be exposed more to parts of the curve that is expected to have declining yields and less to rising yields. (Money market instruments being an exception).
- Credit yield pick-up: Purchasing instruments issued by parties with a credit spread over government based issuance. Issuers with lower credit ratings offer similar term instruments at better interest rates to offset the possible risk of default.
- Managing the portfolio term (duration): Adjusting the overall portfolio term (duration) to be longer or shorter than the ALBI benchmark based on interest rate forecasts. Usually longer term instruments provide additional return to compensate for the term risk.
- Trading: Taking advantage of short term mispricing; or using alternate instruments such as derivatives, FRA's and swaps for yield enhancement.

COMMENTARY

MARKET DYNAMICS THAT INFLUENCED PERFORMANCE AND STRATEGY OVER Q3 2016

Over the quarter the US Fed opted not to hike interest rates as they decided to wait for more evidence of inflation picking up. While volatile employment data has added uncertainty, the hawkish tone from the US Fed and further positive data reflecting an expanding US economy have seen increased market expectations for a rate hike before the end of the year. The US 10 YR bond has a significant influence on SA bond markets in two ways:

1. It is reference point to the SA 10 YR bond
2. It is the basis for the valuation of the risk premia against SA bonds

With the outlook on developed market bonds continuing to look dim as global bond yields are at all-time lows and negative in most of Europe, the quest for yield continues in emerging markets, with South Africa remaining an investment point for bonds despite the harsh economic outlook and political uncertainty. As at the end of September 2016, foreigners were net buyers of local bonds to the tune of R25 billion.

South Africa's economy grew by a better-than-expected 3.3% (seasonally adjusted and annualised) in the second quarter. Growth was primarily driven by recoveries in both the mining and manufacturing sectors with an increase in exports.

South African headline inflation slowed to 5.9% for August from 6.3% in June on the back of lower transport, water and electricity prices. The latest inflation forecast has improved with inflation now expected to peak at 6.7% in the fourth quarter of 2016, compared with the previous estimate of 7.1%. For the first time this year, the Reserve Bank upwardly revised its forecast for economic growth for 2016 from 0% to 0.4%.

Over the quarter, the Reserve Bank's Monetary Policy Committee (MPC) opted to keep the repo rate unchanged at 7% per annum. In its September statement, the Reserve Bank noted, "Should current forecasts transpire, we may be close to the end of the tightening cycle"; cautiously signaling the end of the current tightening cycle.

With the focus already shifting to the next round of credit ratings, Moody's has stated that the probability of downgrade in November is possible, citing climbing debt and heightened political risk that could impede growth.

The nominal yield curve rallied over the quarter, albeit in a volatile fashion, with yields drifting higher in August on the back of higher political risk due to Finance Minister Pravin Gordhan being summoned to appear before the Hawks. However, yields ended lower due to dovish comments from the US Federal Reserve (the Fed) after their meeting, where they kept interest rates unchanged at 0.5%, resulting in a risk-on environment benefiting emerging markets. The best-performing area of the curve over the quarter was the long end, which returned 4% to be ahead of the 7-12 year area of the curve, with a return of 3%. The worst performer was the ultra-short end of the curve, returning 2.2% for the quarter.

HOW THE MANAGERS PERFORMED OVER THE Q3 2016

The factors that contributed positively to performance over the quarter were:

- Long duration (Exposure to long dated maturity bonds)
- Low exposure to ILB's
- Floating rate assets vs fixed assets for cash holdings

The quarter saw less specialist managers underperforming the ALBI (4% or 1 out of 23 managers) relative to last quarter (17% or 4 out of 23). The Coronation Active Bond Portfolio (Composite) Fund, Argon SA Bond Fund and Futuregrowth Yield Enhanced were the top three performing specialist funds over the quarter. The bottom three specialist performers over the quarter were the Cadiz Houseview Bond Fund, MMI - SA Bond and Stanlib Core Bond Portfolio.

The average portfolio duration for the ALBI and specialist managers' were 7.37 and 6.93 respectively over the quarter, on average 0.39 lower in duration relative to the ALBI over the quarter. With the long end of the curve rallying, longer duration managers such as Absa (7.94) and SIM Institutional (7.52) should have benefitted more.

The use of credit in the specialist bond composites remains stable with the average fund having c.65% invested in AAA instruments. The one year performance dispersion among the specialist bond managers has marginally decreased to 2.63% from 2.83% in respective of the previous quarter. Only the Cadiz Houseview Bond Fund underperformed the ALBI benchmark over the quarter; whilst Futuregrowth's Core Bond Fund is the only fund to underperform the benchmark over 1 year.

COMMENTARY

Coronation Absolute Bond Portfolio has the strongest short term performance in the Inflation Linked Bond composite. This is largely due to an absolute management style as opposed to inflation linked approach. With cash and bonds outperforming; a passive 50% cash 50% ALBI portfolio would have generated 10% YTD.

It should be noted that the Absa Asset Management Bond Fund, Futuregrowth Yield Enhanced, Prescient Bond Quant, Prescient Bond Quant Plus, Coronation Absolute Bond Portfolio and Prescient Inflation Linked Bond Composite composites are not Regulation 28 compliant composites. This would allow greater flexibility in fund management which could result in significantly different performance outcomes and risk profiles.

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

GENERAL INFORMATION									
	GIPS™ (Verified/ Compliant)	Notes	Managed in terms of 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									
Absa Asset Management Bond Fund	V		N	All Bond Index	7.94	77.04%	1	1,293	07 October 2016
Aluwani Capital Partners - SA Bond Composite	C		Y	All Bond Index	7.06	76.11%	7	4,642	14 October 2016
Argon SA Bond Fund	V		Y	All Bond Index	6.80	88.10%	5	1,205	14 October 2016
Atlantic Bond Composite	C		Y	All Bond Index	6.90	40.59%	2	142	14 October 2016
Cadiz Houseview Bond Fund	V		Y	All Bond Index	6.51	61.70%	3	873	13 October 2016
Coronation Active Bond Portfolio (Composite)	C		Y	All Bond Index	7.26	77.63%	6	4,670	12 October 2016
Coronation Strategic Bond Composite	C		Y	All Bond Index	6.97	72.11%	8	4,219	12 October 2016
Futuregrowth Core Bond Composite	C		Y	All Bond Index	6.5	67.92%	4	19,350	14 October 2016
Futuregrowth Yield Enhanced	C		N	All Bond Index	6.7	31.64%	7	14,321	14 October 2016
Investec Corporate Bond Composite	V		Y	All Bond Index	7.13	30.40%	3	12,545	14 October 2016
Investec Triple Alpha	V		Y	All Bond Index	7.17	62.17%	7	3,034	14 October 2016
Investment Solutions Pure Fixed Interest Portfolio	n/a		Y	All Bond Index	5.84	-	N/A	4,459	11 October 2016
JM BUSHA BondPlus	C		Y	All Bond Index	7.16	-	3	951	07 October 2016
MMI - SA Bond	C		Y	All Bond Index	7.18	82.54%	2	4,745	14 October 2016
Momentum MoM Moderate Bond FOF			Y	All Bond Index	6.99	70.46%	1	186	14 October 2016
Pan Africa AM Segregated Domestic Bond	V		Y	All Bond Index	6.99	62.69%	3	1,638	12 October 2016
Prescient Bond Quant	V		N	All Bond Index	6.76	71.27%	2	376	14 October 2016
Prescient Bond QuantPlus	V		N	All Bond Index	6.85	76.17%	10	7,635	14 October 2016
Prudential Yield Enhanced Portfolio	V		Y	All Bond Index	7.27	2.39%	7	2,543	06 October 2016
SIM Institutional Total Return Bond Fund	V		Y	All Bond Index	7.52	77.10%	13	6,875	05 October 2016
Stanlib Core Bond Portfolio	V		Y	All Bond Index	6.83	68.00%	8	6,368	13 October 2016
STANLIB Multi-Manager Bond	n/a		Y	All Bond Index	6.32	72.60%	N/A	4,674	14 October 2016
Vunani Active Bond Fund	V		Y	All Bond Index	6.90	57.77%	7	1,141	11 October 2016
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>							
TOTAL								107,885	
INFLATION LINKED BONDS									
Aluwani Capital Partners - Inflation Linked Bond Composite	C		Y	Barclays ILB Index (ILBI)	11.86	61.32%	3	2,201	14 October 2016
Coronation Absolute Bond Portfolio	C		N	CPI + 4%pa	3.97	27.30%	2	6,719	12 October 2016
Investec Inflation Linked Bond Composite	V		Y	Barclays - BESA SA Inflation Linked Index	12.14	75.80%	3	4,332	14 October 2016
Prescient Inflation Linked Bond Composite	V		N	90 ILBI / 10 STEFI Call	12.35	72.20%	3	3,480	14 October 2016
SIM Inflation Linked Bond Fund	V		Y	Barclays BESA Govt Inflation-linked Bond Index	12.27	77.90%	2	2,540	05 October 2016
INDICES									
All Bond Index					7.37				
		<i>This includes multi-managers thus must be noted as possible "double-counting"</i>							
TOTAL								17,072	

* Characteristics are updated on a quarterly basis.

* 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 2016																										
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 2015	Calendar Year 2014	Calendar Year 2013	Calendar Year 2012	Calendar Year 2011					
	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank					
SPECIALIST BONDS																										
Absa Asset Management Bond Fund	2.89%	12	3.83%	5	15.74%	10	10.55%	1	*	*	*	*	*	*	*	*	-1.14%	3	10.27%	11	*	*				
Aluwani Capital Partners - SA Bond Composite	2.91%	10	3.52%	20	15.66%	13	8.05%	21	7.27%	15	8.67%	11	9.50%	13	9.48%	4	-3.52%	19	10.18%	13	1.38%	19	17.21%	8	9.63%	10
Argon SA Bond Fund	3.00%	7	3.85%	2	15.82%	7	8.69%	15	7.99%	5	9.76%	2	9.50%	14	9.01%	16	-2.47%	8	11.08%	5	2.69%	5	18.55%	2	6.81%	20
Atlantic Bond Composite	2.83%	14	3.72%	11	15.81%	8	8.87%	14	*	*	*	*	*	*	*	*	-2.48%	9	10.92%	6	2.32%	8	*	*	*	
Cadiz Houseview Bond Fund	2.32%	23	3.35%	23	15.30%	19	8.89%	13	7.48%	8	8.82%	9	9.51%	12	9.40%	8	-2.51%	10	9.98%	15	1.93%	11	17.14%	12	8.98%	19
Coronation Active Bond Portfolio (Composite)	2.84%	13	3.93%	1	16.03%	5	9.39%	5	8.00%	4	9.33%	4	9.97%	4	9.64%	3	-2.98%	13	11.33%	3	2.30%	9	17.66%	5	9.85%	5
Coronation Strategic Bond Composite	2.76%	20	3.84%	4	15.22%	21	9.02%	11	8.12%	2	9.59%	3	10.24%	3	*	*	-3.33%	7	11.69%	2	2.76%	4	18.25%	3	9.70%	8
Futuregrowth Core Bond Composite	2.81%	18	3.62%	17	14.93%	23	7.63%	23	7.11%	19	8.67%	10	9.52%	11	9.20%	14	-3.56%	21	10.33%	8	2.10%	10	17.30%	7	9.35%	14
Futuregrowth Yield Enhanced	2.81%	16	3.84%	3	15.68%	12	9.89%	3	9.33%	1	10.62%	1	11.56%	1	10.92%	1	-0.82%	2	12.81%	1	3.29%	1	19.59%	1	11.27%	2
Investec Corporate Bond Composite	2.90%	11	3.78%	7	16.18%	3	10.26%	2	7.79%	7	9.28%	5	10.67%	2	10.24%	2	-0.20%	1	7.08%	22	3.22%	2	17.16%	10	11.56%	1
Investec Triple Alpha	3.13%	3	3.52%	19	15.46%	16	9.04%	9	7.39%	12	8.64%	12	9.60%	9	*	*	-2.00%	5	8.83%	21	1.91%	12	16.49%	15	9.82%	6
Investment Solutions Pure Fixed Interest Portfolio	2.72%	21	3.71%	12	15.76%	9	9.35%	6	8.02%	3	8.99%	7	9.65%	8	9.41%	7	-2.56%	11	11.08%	4	2.40%	7	16.05%	17	9.27%	15
JM BUSHA BondPlus	2.96%	8	3.66%	14	15.03%	22	9.09%	7	7.35%	14	8.41%	19	8.90%	20	*	*	-2.22%	6	9.59%	20	1.28%	21	15.97%	18	9.16%	17
MMI - SA Bond	2.81%	17	3.44%	22	15.32%	18	7.73%	22	7.18%	18	8.61%	15	9.44%	16	9.44%	5	-3.53%	20	10.27%	10	1.36%	20	17.17%	9	9.58%	11
Momentum MoM Moderate Bond FOF	3.36%	1	3.52%	18	15.34%	17	8.09%	20	7.22%	16	8.53%	17	9.23%	18	9.36%	11	-3.48%	18	10.22%	12	1.63%	17	16.44%	16	9.38%	13
Pan Africa AM Segregated Domestic Bond	2.77%	19	3.76%	9	15.25%	20	8.25%	18	7.40%	11	8.56%	16	9.47%	15	9.34%	12	-3.21%	15	10.31%	9	1.72%	14	16.63%	14	9.14%	18
Prescient Bond Quant	3.01%	5	3.73%	10	15.47%	15	8.58%	16	7.39%	13	8.40%	20	9.21%	19	9.08%	15	-3.08%	14	10.12%	14	1.60%	18	15.55%	19	9.64%	12
Prescient Bond QuantPlus	2.83%	15	3.76%	8	15.71%	11	9.59%	4	7.93%	6	8.51%	18	9.26%	17	9.43%	6	-1.67%	4	9.66%	18	3.01%	3	13.54%	20	9.17%	16
Prudential Yield Enhanced Portfolio	3.01%	6	3.65%	16	15.83%	6	8.21%	19	6.94%	20	8.61%	14	9.75%	7	9.40%	9	-4.05%	22	9.86%	16	1.78%	13	17.14%	11	10.58%	4
SIM Institutional Total Return Bond Fund	3.02%	4	3.70%	13	16.20%	2	8.30%	17	7.19%	17	8.63%	13	9.56%	10	9.26%	13	-4.29%	23	10.67%	7	1.70%	15	16.69%	13	9.67%	9
Stanlib Core Bond Portfolio	2.57%	22	3.49%	21	16.26%	1	9.08%	8	7.42%	9	9.00%	6	9.84%	6	9.38%	10	-3.25%	16	9.61%	19	1.66%	16	17.77%	4	10.61%	3
STANLIB Multi-Manager Bond	3.20%	2	3.65%	15	15.65%	14	9.04%	10	*	*	*	*	*	*	*	*	-2.67%	12	*	*	*	*	*	*	*	
Vunani Active Bond Fund	2.96%	9	3.79%	6	16.16%	4	8.97%	12	7.40%	10	8.97%	8	9.87%	5	*	*	-3.25%	17	9.69%	17	2.41%	6	17.56%	6	9.74%	7
SPECIALIST BONDS STATISTICS																										
Highest	3.36%		3.93%		16.26%		10.26%		9.33%		10.62%		11.56%		10.92%		-0.20%		12.81%		3.29%		19.59%		11.56%	
Upper Quartile	3.00%		3.78%		15.82%		9.09%		7.96%		9.14%		9.85%		9.43%		-2.27%		10.85%		2.41%		17.59%		9.83%	
Median	2.89%		3.71%		15.68%		8.89%		7.40%		8.64%		9.52%		9.39%		-2.67%		10.25%		1.93%		17.15%		9.61%	
Average	2.89%		3.68%		15.64%		8.82%		7.56%		8.88%		9.68%		9.49%		-2.67%		10.25%		2.12%		16.99%		9.64%	
Lower Quartile	2.81%		3.57%		15.33%		8.30%		7.28%		8.59%		9.46%		9.30%		-3.37%		9.74%		1.66%		16.48%		9.25%	
Lowest	2.32%		3.35%		14.93%		7.63%		6.94%		8.40%		8.90%		9.01%		-4.29%		7.08%		1.28%		13.54%		6.81%	
Range	1.04%		0.58%		1.32%		2.63%		2.39%		2.21%		2.66%		1.91%		4.09%		5.73%		2.01%		6.05%		4.75%	
Number of participants	23		23		23		23		20		20		20		16		23		22		21		20		20	
INFLATION LINKED BONDS																										
Aluwani Capital Partners - Inflation Linked Bond Composite	1.04%		0.97%		7.85%		8.81%		*		*		*		*		4.11%		*		*		*		*	
Coronation Absolute Bond Portfolio	1.16%		2.45%		8.84%		9.18%		8.12%		8.87%		10.31%		10.62%		4.98%		8.51%		4.56%		13.44%		13.88%	
Investec Inflation Linked Bond Composite	0.58%		0.50%		7.13%		8.12%		8.12%		9.23%		*		*		3.88%		10.91%		1.11%		18.81%		13.56%	
Prescient Inflation Linked Bond Composite	0.56%		0.96%		7.32%		7.99%		7.94%		8.28%		8.72%		*		3.66%		10.22%		1.35%		*		*	
SIM Inflation Linked Bond Fund	0.52%		0.50%		7.45%		8.28%		8.32%		9.28%		*		*		3.73%		10.87%		1.12%		19.39%		*	
INFLATION LINKED BONDS STATISTICS																										
Highest	1.16%		2.45%		8.84%		9.18%		8.32%		9.28%		10.31%		*		4.98%		10.91%		4.56%		19.39%		13.88%	
Upper Quartile	0.73%		1.33%		7.80%		8.50%		8.17%		9.24%		9.91%		*		4.16%		10.88%		2.15%		19.10%		13.80%	
Median	0.57%		1.03%		7.39%		8.20%		8.12%		9.05%		9.52%		*		3.81%		10.55%		1.23%		18.81%		13.72%	
Average	0.71%		1.10%		7.69%		8.39%		8.13%		8.92%		9.52%		*		4.06%		10.13%		2.03%		17.21%		13.72%	
Lower Quartile	0.55%		0.50%		7.27%		8.09%		8.07%		8.72%		9.12%		*		3.72%		9.80%		1.12%		16.12%		13.64%	
Lowest	0.52%		0.50%		7.13%		7.99%		7.94%		8.28%		8.72%		*		3.66%		8.51%		1.11%		13.44%		13.56%	
Range	0.65%		1.95%		1.72%		1.19%		0.38%		1.00%		1.59%		*		1.32%		2.40%		3.44%		5.95%		0.32%	
Number of participants	5		5		5		5		4		4		2		1		5		4		4		3		2	
INDICES																										
All Bond Index	2.98%		3.42%		15.05%		7.65%		6.82%		8.02%		8.73%		8.52%		-3.93%		10.15%		0.64%		15.99%		8.82%	
1-3 Year Bond Index	1.35%		2.21%		8.52%		7.98%		6.79%		6.76%		7.31%		7.92%		4.10%		6.23%		4.42%		8.30%		8.90%	
3-7 Year Bond Index	2.12%		2.89%		12.23%		9.16%		7.20%		7.79%		8.60%		8.54%		0.93%		7.90%		1.46%		13.65%		10.18%	
7-12 Year Bond Index	2.95%		3.17%		14.60%		7.92%		6.31%		8.17%		9.02%		8.79%		-3.19%		8.30%		-0.21%		18.40%		10.20%	
12+ Year Bond Index	3.36%		3.98%		17.51%		7.19%		7.01%		8.48%		8.72%		8.17%		-7.04%		12.91%		-0.69%		18.81%		6.00%	
Barclays - BESA SA Inflation Linked Index	0.92%		0.42%		7.41%		8.38%		8.36%		9.24%		9.37%		9.84%		3.68%		11.15%		0.79%		19.37%		13.05%	
BESA Standard Bank Credit Index	1.51%		1.50%		2.07%		-1.87%		1.48%		3.66%		6.75%		7.18%		-7.85%		9.14%		-2.29%		15.74%		10.95%	
GOVI	2.89%		3.37%		14.53%		7.90%		6.75%		7.88%		8.44%		8.14%		-3.44%		9.81%		0.52%		15.64%		7.84%	
OTHI	3.22%		3.50%		16.34%		6.90%		7.24%		8.88%		9.53%		8.79%		-5.08%		11.81%		1.49%		17.98%		8.10%	

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 2016																		
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 SA Bond Fund	7.99%	5	8.23%	12	1.17%	5	0.81%	1.44	3	9.76%	2	7.59%	13	1.74%	2	0.74%	2.35	1
Aluwani Capital Partners - SA Bond Composite	7.27%	15	8.32%	14	0.44%	15	0.57%	0.78	10	8.67%	11	7.68%	16	0.64%	11	0.51%	1.26	6
Cadiz Houseview Bond Fund	7.48%	8	7.58%	1	0.65%	8	1.36%	0.48	15	8.82%	9	7.21%	4	0.79%	9	1.11%	0.71	15
Coronation Active Bond Portfolio (Composite)	8.00%	4	8.13%	10	1.18%	4	0.60%	1.97	2	9.33%	4	7.48%	9	1.31%	4	0.64%	2.05	3
Coronation Strategic Bond Composite	8.12%	2	7.77%	2	1.30%	2	1.08%	1.20	6	9.59%	3	7.30%	6	1.57%	3	0.96%	1.63	4
Futuregrowth Core Bond Composite	7.11%	19	8.53%	18	0.29%	19	0.63%	0.46	16	8.67%	10	7.71%	17	0.64%	10	0.76%	0.84	13
Futuregrowth Yield Enhanced	9.33%	1	8.21%	11	2.50%	1	0.95%	2.63	1	10.62%	1	7.44%	8	2.59%	1	1.15%	2.26	2
Investec Corporate Bond Composite	7.79%	7	8.01%	5	0.96%	7	2.72%	0.35	19	9.28%	5	7.19%	3	1.26%	5	2.24%	0.56	17
Investec Triple Alpha	7.39%	12	8.12%	9	0.57%	12	1.47%	0.39	18	8.64%	12	7.41%	7	0.61%	12	1.25%	0.49	18
Investment Solutions Pure Fixed Interest Portfolio	8.02%	3	7.81%	3	1.20%	3	0.95%	1.26	5	8.99%	7	7.09%	2	0.96%	7	0.98%	0.98	11
JM BUSHA BondPlus	7.35%	14	7.97%	4	0.52%	14	0.82%	0.63	13	8.41%	19	7.26%	5	0.39%	19	0.83%	0.47	19
MMI - SA Bond	7.18%	18	8.32%	13	0.36%	18	0.50%	0.72	11	8.61%	15	7.68%	15	0.58%	15	0.46%	1.26	7
Momentum MoM Moderate Bond FOF	7.22%	16	8.42%	17	0.39%	16	0.99%	0.40	17	8.53%	17	7.67%	14	0.50%	17	0.84%	0.60	16
Pan Africa AM Segregated Domestic Bond	7.40%	11	8.08%	7	0.57%	11	0.66%	0.86	8	8.56%	16	7.49%	11	0.54%	16	0.61%	0.88	12
Prescient Bond Quant	7.39%	13	8.34%	15	0.56%	13	0.40%	1.41	4	8.40%	20	7.57%	12	0.38%	20	0.50%	0.75	14
Prescient Bond QuantPlus	7.93%	6	8.03%	6	1.11%	6	1.05%	1.05	7	8.51%	18	6.91%	1	0.48%	18	1.58%	0.31	20
Prudential Yield Enhanced Portfolio	6.94%	20	8.62%	19	0.12%	20	0.65%	0.18	20	8.61%	14	7.95%	19	0.59%	14	0.55%	1.06	9
SIM Institutional Total Return Bond Fund	7.19%	17	8.93%	20	0.36%	17	0.52%	0.69	12	8.63%	13	8.05%	20	0.60%	13	0.56%	1.08	8
Stanlib Core Bond Portfolio	7.42%	9	8.38%	16	0.59%	9	0.71%	0.83	9	9.00%	6	7.76%	18	0.97%	6	0.67%	1.45	5
Vunani Active Bond Fund	7.40%	10	8.10%	8	0.58%	10	1.08%	0.54	14	8.97%	8	7.49%	10	0.95%	8	0.91%	1.04	10
			Lower volatility = higher ranking									Lower volatility = higher ranking						
STATISTICS																		
Highest	9.33%		8.93%		2.50%		2.72%	2.63		10.62%		8.05%		2.59%		2.24%	2.35	
Upper Quartile	7.95%		8.35%		1.12%		1.06%	1.21		9.07%		7.68%		1.04%		1.02%	1.31	
Median	7.40%		8.17%		0.58%		0.82%	0.75		8.67%		7.49%		0.64%		0.80%	1.01	
Average	7.60%		8.19%		0.77%		0.93%	0.91		8.93%		7.50%		0.90%		0.89%	1.10	
Lower Quartile	7.25%		8.03%		0.43%		0.63%	0.48		8.60%		7.29%		0.57%		0.60%	0.68	
Lowest	6.94%		7.58%		0.12%		0.40%	0.18		8.40%		6.91%		0.38%		0.46%	0.31	
Number of participants	20		20		20		20	20		20		20		20		20	20	
INFLATION LINKED BONDS																		
Coronation Absolute Bond Portfolio	8.12%		2.52%							8.87%		2.81%						
Investec Inflation Linked Bond Composite	8.12%		5.15%							9.23%		5.95%						
Prescient Inflation Linked Bond Composite	7.94%		4.55%							8.28%		5.05%						
SIM Inflation Linked Bond Fund	8.32%		5.16%							9.28%		6.03%						
STATISTICS																		
Highest	8.32%		5.16%							9.28%		6.03%						
Upper Quartile	8.17%		5.15%							9.24%		5.97%						
Median	8.12%		4.85%							9.05%		5.50%						
Average	8.13%		4.35%							8.92%		4.96%						
Lower Quartile	8.07%		4.04%							8.72%		4.49%						
Lowest	7.94%		2.52%							8.28%		2.81%						
Number of participants	4		4							4		4						
INDICES																		
All Bond Index	6.82%		8.52%							8.02%		7.89%						
Barclays - BESA SA Inflation Linked Index	8.36%		5.21%							9.24%		6.16%						
BESA Standard Bank Credit Index	1.48%		7.74%							3.66%		7.79%						

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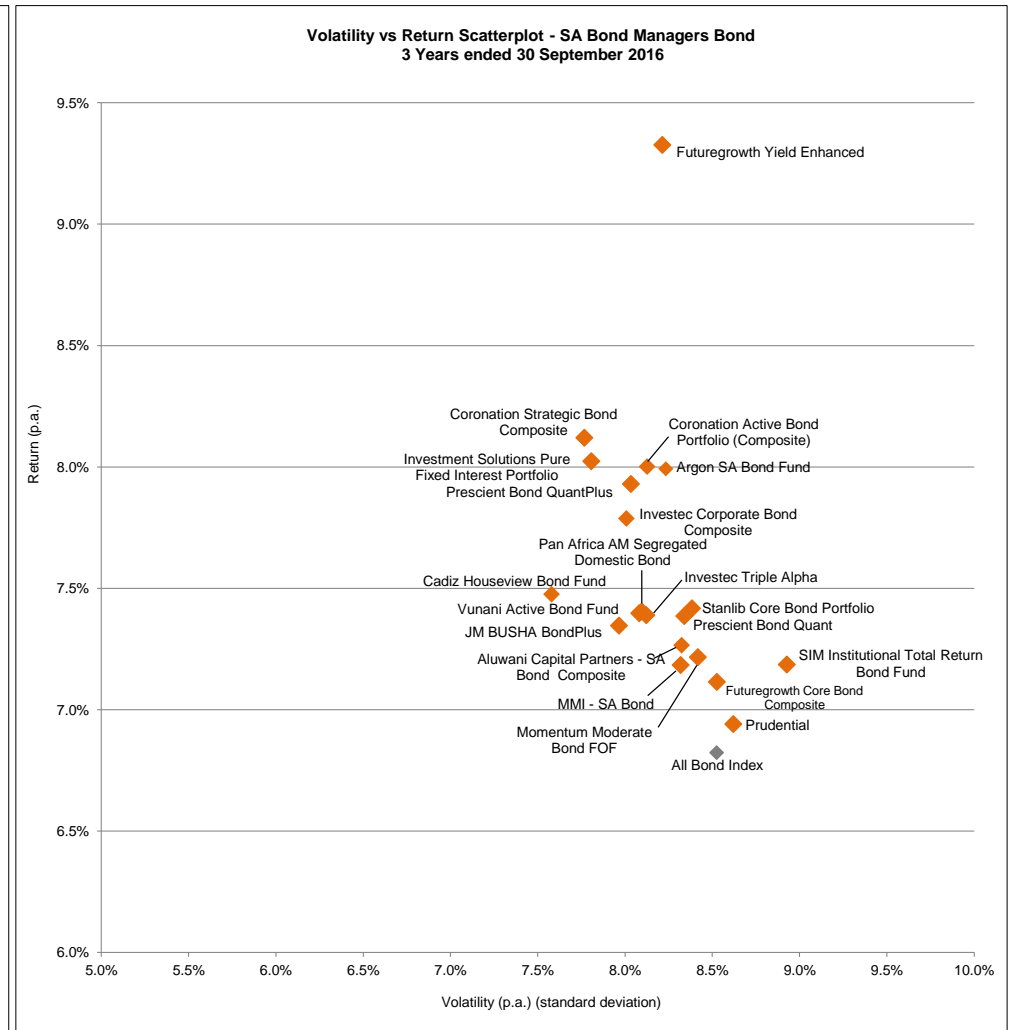
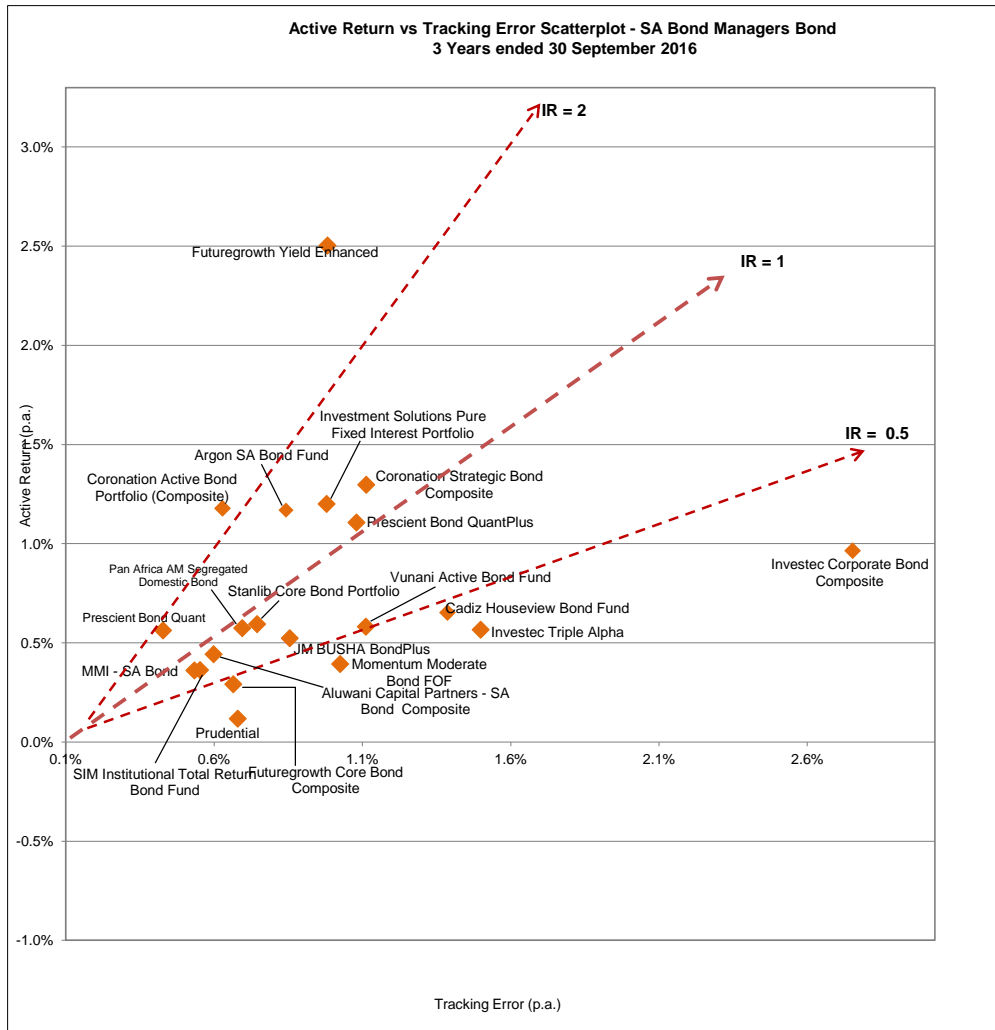
Objective - The portfolios included in this Survey represent specialist bond portfolios with ALBI as their benchmark and have an effective modified duration mandate of +/- 2 years around the ALBI

SECTOR ALLOCATION								
	1-3 Years	3-7 Years	7-12 Years	12+ Years	Other	Cash	Inflation Linked Bonds	Total
INVESTMENT MANAGERS SPECIALIST BONDS								
Absa Asset Management Bond Fund	0.48%	26.64%	48.06%	41.84%	0.00%	-17.02%	0.00%	100.00%
Aluwani Capital Partners - SA Bond (Specialist Bond) C	3.06%	12.45%	19.77%	64.69%	0.00%	0.03%	0.00%	100.00%
Argon SA Bond Fund	3.95%	15.10%	14.48%	59.57%	0.00%	6.90%	0.00%	100.00%
Atlantic Bond Composite	3.33%	12.07%	14.07%	48.80%	6.37%	15.36%	0.00%	100.00%
Cadiz Houseview Bond Fund	16.76%	14.47%	8.69%	54.68%	0.19%	5.22%	0.00%	100.00%
				19.59%	2.66%			
Coronation Active Bond Portfolio (Composite)	6.80%	12.47%	17.52%	58.80%	3.65%	0.75%	0.00%	100.00%
Coronation Strategic Bond Composite	5.88%	10.22%	18.99%	47.51%	11.70%	5.70%	0.00%	100.00%
Futuregrowth Core Bond Composite	6.04%	23.98%	20.38%	48.85%	0.59%	0.16%	0.00%	100.00%
Futuregrowth Yield Enhanced	17.82%	22.48%	13.25%	22.65%	19.99%	3.81%	0.00%	100.00%
Investec Corporate Bond Composite	17.48%	27.30%	35.54%	22.65%	0.00%	-2.97%	0.00%	100.00%
Investec Triple Alpha	10.67%	19.22%	34.76%	35.71%	0.00%	-0.35%	0.00%	100.00%
Investment Solutions Pure Fixed Interest Portfolio	19.86%	14.36%	17.25%	49.69%	1.96%	-3.14%	0.00%	100.00%
JM BUSHA BondPlus	2.76%	18.22%	18.69%	58.17%	0.00%	2.18%	0.00%	100.00%
MMI - SA Bond	3.32%	7.85%	6.97%	69.15%	0.42%	12.28%	0.00%	100.00%
Momentum MoM Moderate Bond FOF	2.99%	14.16%	20.16%	59.00%	0.00%	3.69%	0.00%	100.00%
Pan Africa AM Segregated Domestic Bond	6.02%	9.20%	17.37%	61.46%	3.99%	1.96%	0.00%	100.00%
Prescient Bond Quant	4.98%	15.84%	24.21%	26.77%	28.20%	0.00%	0.00%	100.00%
Prescient Bond QuantPlus	5.23%	16.82%	24.94%	28.50%	24.50%	0.00%	0.00%	99.99%
Prudential Yield Enhanced Portfolio	0.84%	2.49%	10.17%	51.79%	30.71%	4.00%	0.00%	100.00%
SIM Institutional Total Return Bond Fund	5.90%	14.38%	15.21%	62.84%	0.01%	1.66%	0.00%	100.00%
Stanlib Core Bond Portfolio	5.47%	12.11%	20.86%	58.52%	0.00%	3.04%	0.00%	100.00%
STANLIB Multi-Manager Bond	2.79%	14.61%	20.39%	54.46%	5.59%	2.15%	0.00%	100.00%
Vunani Active Bond Fund	10.02%	15.25%	20.02%	53.68%	0.00%	1.03%	0.00%	100.00%
INFLATION LINKED BONDS								
Aluwani Capital Partners - Inflation Linked Bond Comp	1.49%	7.24%	40.88%	50.04%	0.00%	0.35%	0.00%	100.00%
Coronation Absolute Bond Portfolio	16.49%	21.16%	19.22%	6.49%	35.79%	0.85%	0.00%	100.00%
Investec Inflation Linked Bond Composite	1.12%	11.67%	33.00%	46.01%	6.84%	1.36%	0.00%	100.00%
Prescient Inflation Linked Bond Composite	0.05%	9.67%	45.14%	34.37%	10.76%	0.00%	0.00%	99.99%
SIM Inflation Linked Bond Fund	0.00%	0.00%	0.00%	0.00%	93.03%	6.97%	0.00%	100.00%
Indices								
All Bond Index	0.00%	30.42%	16.74%	44.00%	0.00%	8.83%	0.00%	100.00%

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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.

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