

## VUNANI ABSOLUTE RETURN PRODUCT

April 2012

**Inception date** 31 March 2002

**Risk profile**

cons

mod

aggr

**Benchmark** SA Cash

### FUND INFORMATION

#### OBJECTIVE

To achieve returns of at least 2% in excess of cash over rolling 1 year periods whilst rigorously controlling the risk of capital loss.

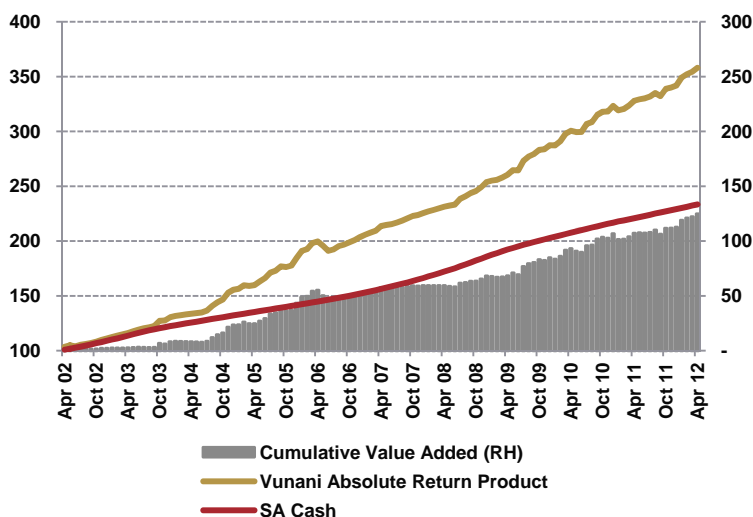
#### APPLICATION

This fund is suitable for conservative investors who seek to generate returns in excess of cash, but who do not want to take any undue risk in exposing their portfolio to loss of investment capital.

#### DESCRIPTION

The Vunani Absolute Return Product is a risk-managed absolute return portfolio comprising a range of domestic asset classes. Investments are made into high yielding asset classes that are grouped into three risk categories. Depending on where we are in the economic cycle, exposure to these asset categories is varied to maximize return and yield whilst not adding undue downside risk.

#### GROWTH OF YOUR INVESTMENT



### FUND MANAGEMENT



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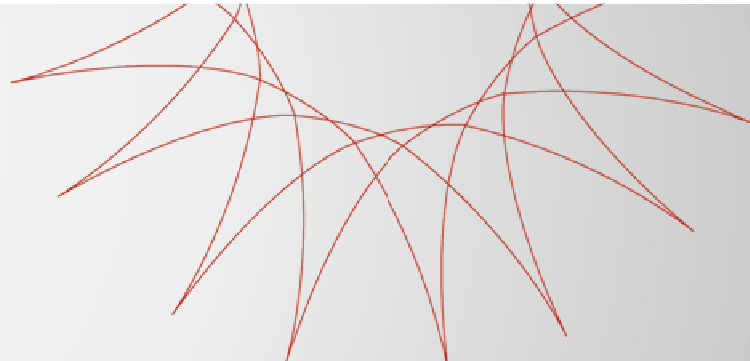
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### FUND MANAGEMENT COMMENT

The global economy continues to reflect a state of desynchronisation. With the US continuing to grow at a tepid pace, investors are waiting to see how aggressive China will be in reflating whilst the Eurozone grapples with an escalation of challenges. Even though the US recovery is now some 34 months old, it feels like many parts of the country are still in recession. On the domestic front, clear evidence of a more robust recovery is emerging. Credit demand is surging to a level of 16% yoy if mortgages are eliminated from the mix, whilst unsecured credit continues to expand at levels in excess of 30% yoy. Inflation, for now, remains subdued as the ZAR USD exchange rate stays relatively firm and food prices decline. Domestic equity and bond markets reflect this picture, with the overall JSE All Share Index up 2.8% for the month and 9.0% for the year to date. Bond yields improved during the month, primarily as a result of the announcement of the inclusion of South African government bonds in the City Bank World Government Bond Index later this year.

We are pleased to report that this portfolio has enjoyed another positive month, with the year-to-date performance ahead of benchmark. Our stance going forward is to exercise caution by maintaining a high proportion of bond and yield enhancement exposure with emphasis on limiting exposure to high beta equity exposure.



## RISK AND RETURN STATISTICS to 30 April 2012

### PERFORMANCE

	PRODUCT	BENCHMARK
Month	1.0%	0.4%
1 Year	9.2%	5.3%
3 Years*	11.2%	6.1%
Since inception*	13.5%	8.4%
Year to date	4.8%	1.7%

\* annualised

### CALENDAR YEAR RETURNS

Year	PRODUCT	BENCHMARK
2011	5.7%	5.3%
2010	12.5%	6.3%
2009	13.2%	8.4%
2008	12.6%	11.3%
2007	10.7%	9.1%

### RISK MEASURES & FUND SUMMARY

	PRODUCT
Tracking Error	3.6%
Downside Risk	1.6%
Sharpe Ratio	1.3
Sortino Ratio	3.0
Information Ratio	1.3
% Positive Months	91.7%
% Negative Months	8.3%
Best Month	4.2%
Worst Month	-2.4%
Maximum Drawdown	-4.3%
Maximum Drawdown Period (months)	2
Annualised Active Returns	4.7%

### MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	1.7%	0.8%	0.6%	1.0%								
2011	-0.9%	0.5%	0.8%	1.3%	0.5%	0.3%	0.7%	1.2%	-0.6%	1.8%	0.5%	0.6%
2010	0.2%	1.5%	2.0%	0.9%	-0.2%	0.4%	2.2%	1.1%	1.4%	0.9%	0.1%	1.3%
2009	0.5%	0.3%	0.8%	1.0%	0.2%	0.0%	2.3%	1.1%	0.7%	1.0%	0.5%	1.0%
2008	0.7%	0.6%	0.7%	0.6%	0.4%	0.3%	2.2%	1.4%	1.4%	0.8%	1.4%	1.9%
2007	2.2%	1.2%	1.3%	2.2%	-0.4%	0.1%	0.7%	0.7%	0.9%	1.0%	0.4%	0.8%

## PORTFOLIO STRUCTURE as at 30 April 2012

### CONSTITUENTS

	%
Cash	43.8%
Inflation linked bonds	6.0%
Short dated bonds	12.8%
Long dated bonds	2.6%
Protected equity	16.1%
Listed property	10.4%
High dividend yield equity	8.3%