

VUNANI DOMESTIC TARGET RETURN FUND [CPI +5%]

April 2012

Inception date 30 September 2002

Benchmark CPI +5%

Fund Size R918,676,350

Risk profile

cons

mod

aggr

FUND INFORMATION

OBJECTIVE

To achieve returns of at least 5% annualised in excess of inflation (CPI) over rolling 3 year periods whilst simultaneously controlling the risk of underperforming CPI over any rolling 12 month period.

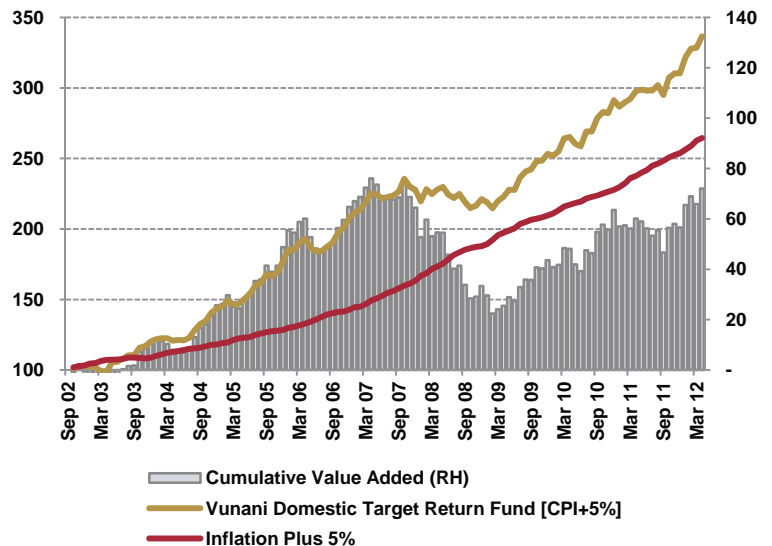
APPLICATION

This fund is suitable for investors with an investment time horizon of between 3 and 5 years who wish to have their fund managed to a specified real return target with appropriate risk controls.

DESCRIPTION

The Vunani Domestic Target Return Fund [CPI+5%] is a risk-managed balanced portfolio comprising a range of domestic asset classes. The fund can at times use derivative instruments to manage downside risk. It is one of a series of risk-profiled building block funds designed to implement the Vunani Fund Managers time-based risk management process.

GROWTH OF YOUR INVESTMENT



FUND MANAGEMENT



Tony Bell
BCom (Hons), MBA
 Head: Multi-Asset
 Fund Management

T: (021) 670 4994
 E: tonyb@vunanifm.co.za



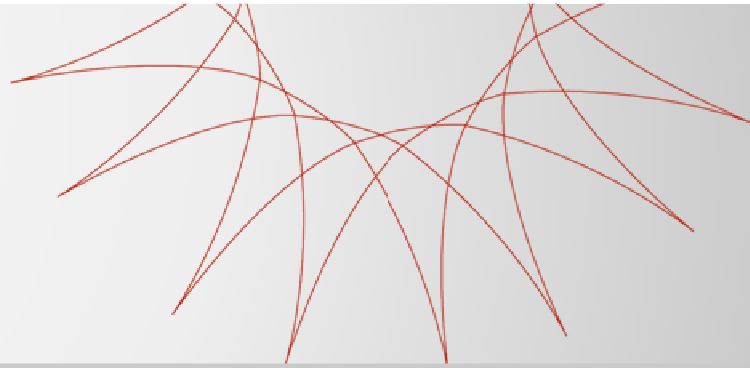
Kayaletu Nodada
BCom (Hons)
 Equity Analyst

T: (021) 670 4972
 E: kayaletun@vunanifm.co.za

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

	FUND	BENCHMARK
Month	2.4%	0.7%
1 Year	13.0%	11.3%
3 Years*	14.7%	10.3%
Since inception*	13.5%	10.7%
Year to date	8.5%	4.2%

* annualised

CALENDAR YEAR RETURNS

Year	FUND	BENCHMARK
2011	6.5%	11.4%
2010	15.0%	8.7%
2009	14.5%	11.6%
2008	-2.9%	15.0%
2007	9.8%	14.4%

RISK MEASURES & FUND SUMMARY

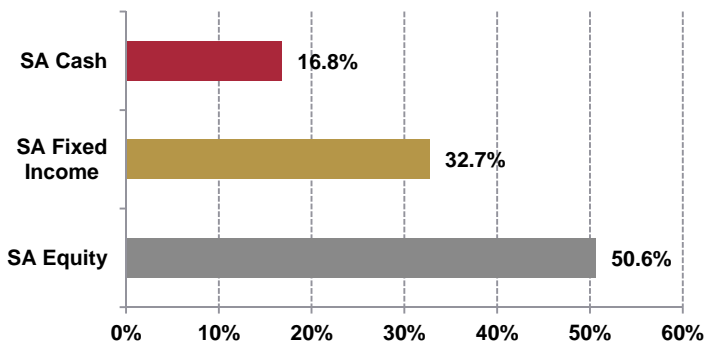
	FUND
Tracking Error	7.3%
Downside Risk	4.1%
Sharpe Ratio	0.7
Sortino Ratio	0.6
Information Ratio	0.3
% Positive Months	71.3%
% Negative Months	28.7%
Best Month	6.4%
Worst Month	-3.6%
Maximum Drawdown	-8.9%
Maximum Drawdown Period (months)	16
Annualised Active Returns	2.5%

MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	3.7%	1.9%	0.2%	2.4%								
2011	-1.6%	1.0%	0.9%	1.9%	0.4%	-0.2%	0.0%	1.2%	-2.3%	4.1%	1.0%	0.0%
2010	-0.5%	1.2%	3.6%	0.4%	-1.8%	-0.7%	4.1%	0.0%	3.5%	1.5%	-0.2%	3.2%
2009	-1.0%	-1.9%	2.4%	1.4%	2.2%	0.0%	3.8%	1.9%	0.6%	2.4%	0.2%	1.9%
2008	-3.6%	3.9%	-1.5%	1.5%	0.8%	-2.4%	-1.1%	1.4%	-2.6%	-2.0%	0.8%	2.1%
2007	2.0%	1.0%	2.5%	2.9%	-0.4%	-1.3%	0.5%	0.5%	1.2%	4.0%	-2.4%	-0.9%

PORTFOLIO STRUCTURE as at 30 April 2012

EFFECTIVE ASSET ALLOCATION



TOP 10 SA EQUITY HOLDINGS

Company	% OF EQUITY
BHP Billiton	8.0%
Sasol	6.1%
Anglo American	5.8%
SABMiller	4.3%
Firststrand Limited	3.8%
Compagnie Financiere Richemont AG	3.7%
Coronation Fund Managers	3.5%
Naspers	3.2%
Old Mutual	3.1%
Woolworths Holdings	2.9%