

## VUNANI ENHANCED FUNDAMENTAL INDEX PRODUCT

February 2011

**Inception date** 31 December 2002

**Benchmark** FTSE/JSE Shareholder Weighted All Share Index (SWIX)

**Risk profile**

cons

mod

aggr

### FUND INFORMATION

#### OBJECTIVE

To provide investors with exposure to the South African Equity market via price-indifferent index construction techniques.

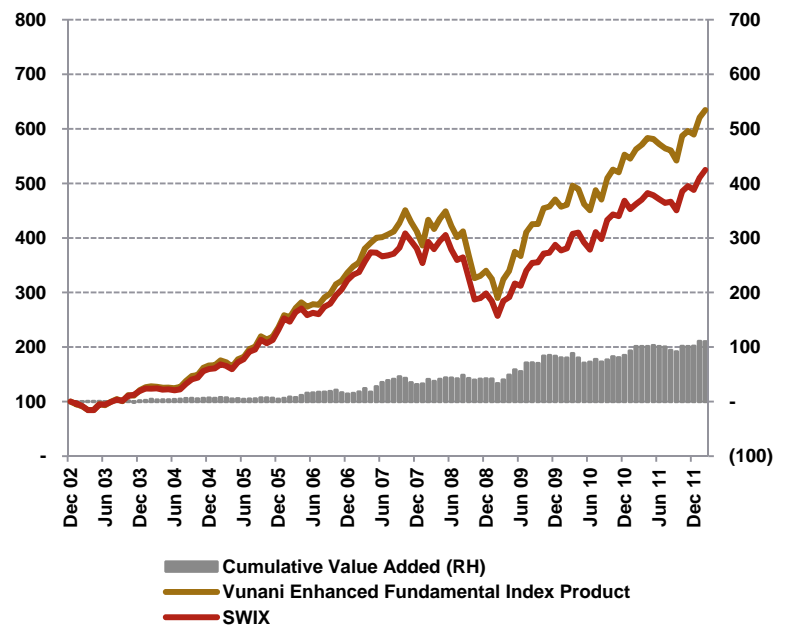
#### APPLICATION

This product is suitable for investors who desire systematic exposure to the South African Equity market other than through weighting methodologies based on price, including market capitalization, equal weighting or weighting by risk (for example variance).

#### DESCRIPTION

This product is created using fundamental indexation principles. Through thorough research, we have found that a combination of turnover, headline earnings, operating assets, dividends and free cash flow characteristics, provides a substantially improved measure of a company's economic worth. The fundamental portfolios obtained from each of these factors are then optimally combined to deliver the Vunani Fundamental Index. We further enhance this by overlaying our proprietary sector rotation process to create the Vunani Enhanced Fundamental Index Product.

#### GROWTH OF YOUR INVESTMENT



### FUND MANAGEMENT



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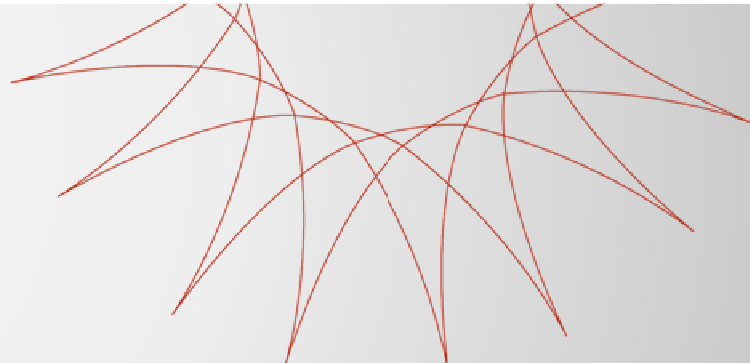
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### FUND MANAGEMENT COMMENT

After a blistering rally from late December to early February, the domestic equity market has largely tracked sideways. Part of the reason for this is simply the need to pause, in line with global equity markets. Whilst value is still very evident in the equity market, many of the deep value situations that existed in late 2011 have moderated. We are pleased to report that this portfolio has benefitted fully from the rally in equities for the year to date. Whilst the macroeconomic environment has unquestionably become more supportive of a rally in equities during the latter part of the first half of 2012, we see a pause ahead. Growing tension in the Middle East between Iran and neighbouring states as well as ongoing stresses in the Eurozone financial system suggest that risk may hit the pause button for a while. This view is of course pure supposition on our part, as there is no way of telling the market which way it should go.

This fund delivered a return of 2.0% for the month, behind the SWIX by 0.8%. This was driven mainly by our underweight positions in Industrials and Financials when these outperformed the SWIX. On an individual stock basis, the bulk of the underperformance was due to the overweight in BHP Billiton and Telkom and underweight in Naspers. The fund has an important rebalance that will take place this month, as the 2011 financial-year end results are available for 85% of companies and the resulting 15% of financial reports will be processed over the next 3 months, which we shall closely monitor.



## RISK AND RETURN STATISTICS to 29 February 2012

### PERFORMANCE

	PRODUCT	BENCHMARK
Month	2.2%	2.8%
1 Year	12.7%	13.6%
3 Years*	29.8%	26.8%
Since inception*	22.3%	19.8%
Year to date	7.6%	7.5%

\*annualised

### CALENDAR YEAR RETURNS

Year	PRODUCT	BENCHMARK
2010	6.7%	4.3%
2009	17.5%	20.9%
2008	38.4%	29.9%
2007	-17.5%	-21.7%
2006	22.5%	18.1%

### RISK MEASURES & FUND SUMMARY

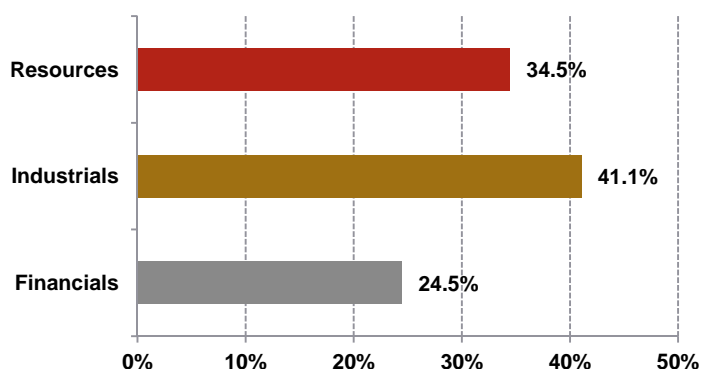
	PRODUCT
Tracking Error	3.5%
Downside Risk	1.8%
Sharpe Ratio	0.8
Sortino Ratio	1.1
Information Ratio	0.6
% Positive Months	64.5%
% Negative Months	35.5%
Best Month	12.4%
Worst Month	-11.4%
Maximum Drawdown	-35.7%
Maximum Drawdown Period (months)	16
Annualised Active Returns	2.1%

### MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	5.3%	2.2%										
2011	-1.3%	3.2%	1.5%	2.2%	-0.3%	-1.6%	-1.4%	-0.7%	-3.3%	8.3%	1.6%	-1.7%
2010	-2.8%	0.8%	7.5%	-1.2%	-5.6%	-2.4%	8.1%	-3.5%	8.2%	3.2%	-1.0%	6.2%
2009	-4.3%	-10.9%	11.8%	4.8%	10.3%	-2.1%	12.0%	3.5%	0.1%	6.8%	0.6%	2.8%
2008	-6.2%	12.2%	-3.9%	4.4%	3.2%	-5.9%	-4.9%	2.7%	-10.6%	-11.4%	1.3%	2.8%
2007	3.4%	2.0%	7.3%	2.7%	2.4%	0.3%	1.2%	1.3%	3.9%	5.4%	-4.8%	-4.0%

## PORTFOLIO STRUCTURE as at 29 February 2012

### SECTOR ALLOCATION



### TOP 10 HOLDINGS

	PRODUCT
BHP BILLITON PLC	12.6%
MTN GROUP LIMITED	7.5%
ANGLO AMERICAN PLC	7.0%
OLD MUTUAL PLC	5.3%
BRITISH AM TOBACCO	4.9%
SABMILLER PLC	4.9%
SASOL LIMITED	3.6%
STANDARD BANK GROUP LTD	3.3%
KUMBA IRON ORE	2.8%
VODACOM	2.4%