



VUNANI ENHANCED INDEXATION

April 2012

Vunani Fund Managers has developed an extensive capability in indexation and related products. Our expertise also extends to the creation of "bespoke" indices against which pension funds (or multi-managers) can benchmark investment performance returns, or obtain exposure to a specific index at an attractive price. The key to managing successful index-tracking products is having a robust and comprehensive system to control the process. Vunani Fund Managers has developed proprietary software that provides our fund management team with real-time information, computes performance attribution, monitors exposure limits and tracks each portfolio's cash position. This enables us to:

- Deliver minimal tracking error
- Manage liquidity effectively
- Avoid performance slippage through effective cash flow management
- Make optimal use of technology.

Index fund management is about understanding where the risks of deviating from the benchmark can occur and developing effective strategies to combat those risks. Managing index funds is one of Vunani Fund Managers' core competencies. Proprietary technology forms the backbone of our index management capability. Apart from listed indices, we have developed a range of alternative indices and benchmarks.

Whilst indexation works for clients who are looking for vanilla indexation products, Vunani Fund Managers has further developed techniques to enhance indices depending on the tracking error budget of the client.

PERFORMANCE STATISTICS TO 30 April 2012

| | SWIX | Vunani Fundamental Index | Vunani Institutional Beta Equity |
|----------------------|-------|--------------------------|----------------------------------|
| Month | 2.7% | 2.6% | 2.6% |
| Three Months | 5.6% | 3.6% | 5.4% |
| Year-to-date | 10.4% | 9.4% | 10.9% |
| 1 Year | 11.8% | 11.5% | 13.1% |
| 3 Years* | 22.8% | 24.9% | 24.0% |
| 5 Years* | 7.6% | 9.6% | 8.2% |
| Since December 2003* | 19.8% | 21.2% | 21.0% |
| Volatility* | 16.0% | 17.0% | 15.6% |
| Alpha* | | 6.9% | 5.8% |
| Tracking Error* | | 3.3% | 2.5% |

*annualised

FUND MANAGEMENT

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