

## VUNANI HIGH YIELD EQUITY PRODUCT

April 2012

**Inception date** 31 December 2003

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

**Risk profile**

cons mod **aggr**

### PRODUCT INFORMATION

#### OBJECTIVE

To consistently outperform the SWIX by seeking exposure to shares with high dividend yields.

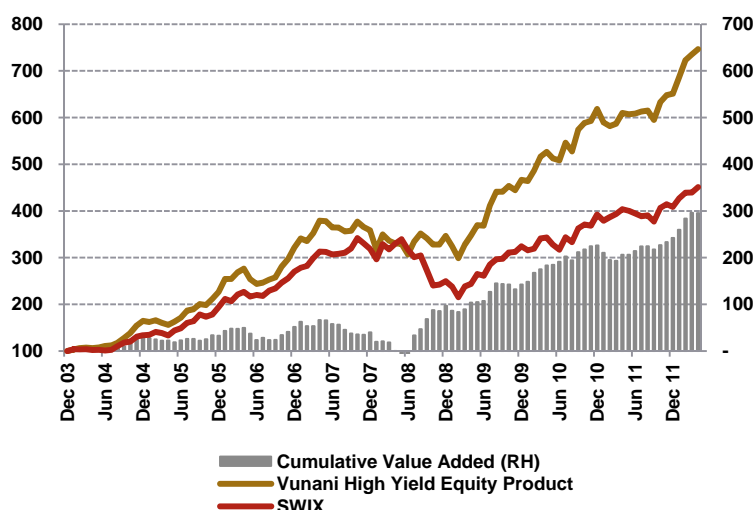
#### APPLICATION

This product is suitable for aggressive long-term value investors who wish to take advantage of opportunities that high-yielding shares create in the South African equity market.

#### DESCRIPTION

Vunani Fund Managers implements an active investment process that primarily invests in shares with high dividend yields. We also take into account the sustainability of cash flow generation. We continuously assess the valuation of these shares to assess whether and when the value has been released using price and earnings momentum as well as earnings surprise.

#### INVESTMENT GROWTH



### FUND MANAGEMENT



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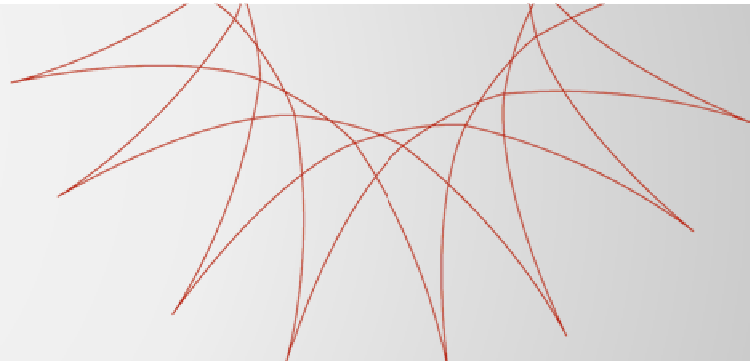
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### FUND MANAGEMENT COMMENT

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. The US economy continues its grind towards some level of normalised growth. Even though the 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.

This product delivered a return of 1.6% for the month and 14.7% year-to-date (ytd), compared to the SWIX 2.7% and 10.4%, and FTSE/JSE RAFI of 1.5% and 12.2% respectively for the month and ytd. The April underperformance was driven mainly by our underweight position in Resources and overweight in Financials, and value-detracting stock selection within Financials and Industrials.



## RISK AND RETURN STATISTICS to 30 April 2012

### PERFORMANCE

	PRODUCT	BENCHMARK
Month	1.5%	2.7%
1 Year	22.4%	11.8%
3 Years*	29.0%	22.8%
Since inception*	27.3%	19.8%
Year to date	14.7%	10.4%

\*annualised

### CALENDAR YEAR RETURNS

Year	PRODUCT	BENCHMARK
2011	5.3%	4.3%
2010	32.5%	20.9%
2009	34.7%	29.9%
2008	-3.4%	-21.7%
2007	11.5%	18.1%

### RISK MEASURES & FUND SUMMARY

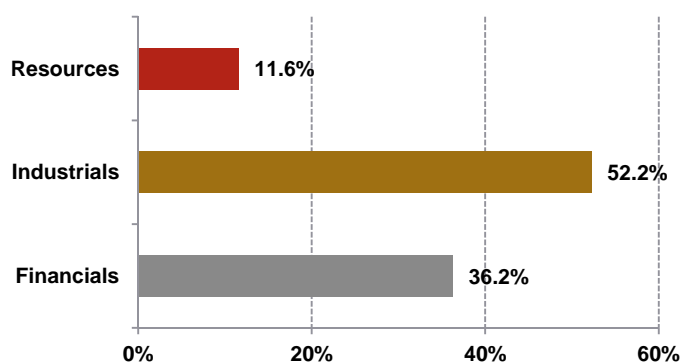
	PRODUCT
Tracking Error	10.2%
Downside Risk	4.5%
Sharpe Ratio	1.2
Sortino Ratio	1.4
Information Ratio	0.6
% Positive Active Months	65.0%
% Negative Active Months	35.0%
Best Active Month	12.2%
Worst Active Month	-11.8%
Maximum Drawdown	-21.1%
Maximum Drawdown Period (months)	22
Annualised Active Returns	6.2%

### MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2012	5.5%	5.3%	1.7%	1.5%								
2011	-4.7%	-1.3%	0.9%	4.0%	-0.5%	0.4%	0.7%	0.3%	-3.2%	6.4%	2.3%	0.5%
2010	-0.6%	4.8%	6.1%	2.0%	-2.7%	-0.8%	7.4%	-3.4%	8.9%	2.5%	0.7%	4.4%
2009	-6.4%	-7.8%	9.6%	6.1%	6.3%	-0.3%	11.7%	7.2%	0.0%	2.8%	-2.0%	5.0%
2008	-11.8%	10.5%	-3.9%	-1.7%	-0.3%	-6.8%	8.9%	5.3%	-3.0%	-4.0%	0.0%	5.4%
2007	5.9%	-1.0%	4.8%	7.2%	-0.3%	-3.5%	-0.2%	-1.8%	0.5%	5.5%	-3.1%	-1.8%

## PORTFOLIO STRUCTURE as at 30 April 2012

### SECTOR ALLOCATION



### TOP 10 HOLDINGS

	PRODUCT
Coronation Fund Managers	6.6%
Reunert	5.6%
Astral Foods Ltd	4.8%
Imperial Holdings	4.7%
African Bank Invest	4.7%
The Foschini Group Ltd	4.5%
Kumba Iron Ore	4.0%
Rand Merchant Insurance Holdings Ltd	3.8%
Vodacom Group	3.8%
Woolworths Holdings	3.6%