

**March 2012**

## **The Quest for Alpha**



**An Analysis of the Performances of Collective Investments  
Actively-managed Equity Funds versus Benchmarks**

**Quarter ended March 2012**

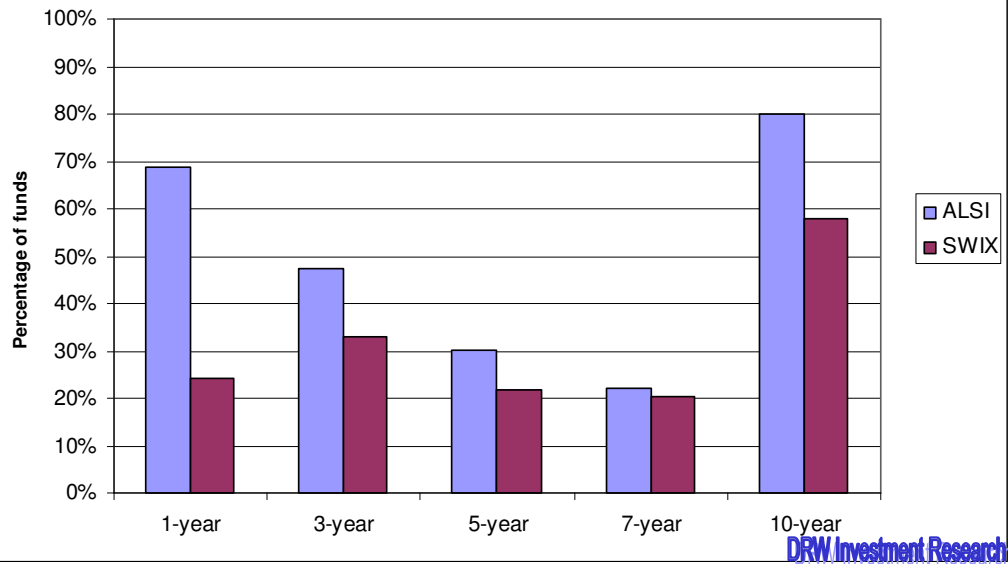
**DRW Investment Research**

## 1. Outperformance

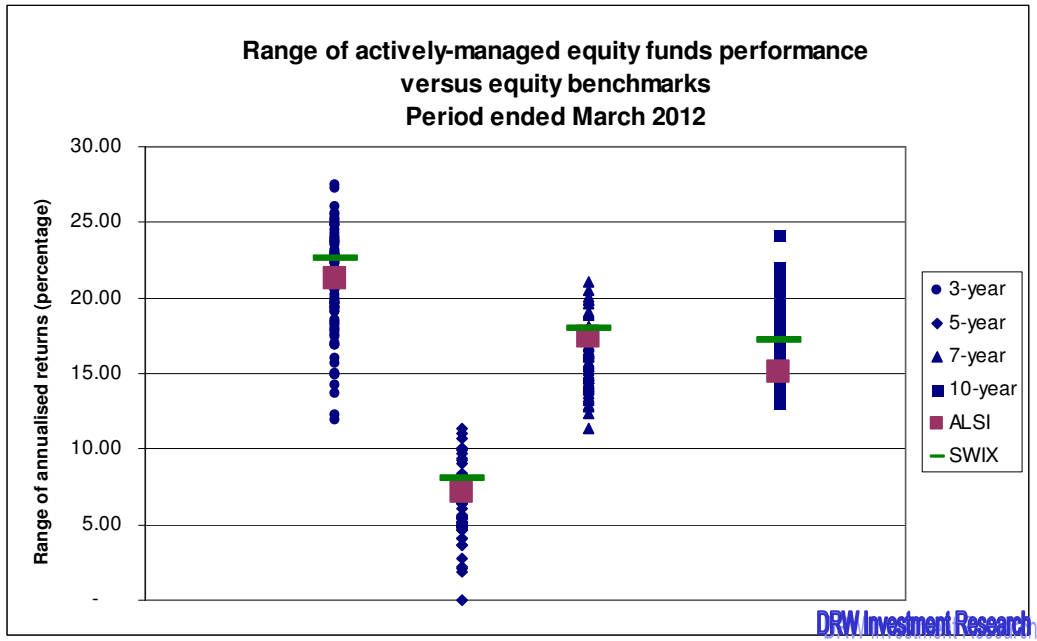
- 1) Equity funds categorised under *General*, *Growth* and *Value* funds. In addition, *Coronation Top 20* equity fund – categorised under *Large Cap* – is included in the analysis because of its general popularity among investors and fund advisors.
- 2) Only actively-managed funds evaluated, index tracker funds excluded.
- 3) The analysis does not account for *survivorship bias*, meaning the performance of funds that ceased to exist in its original format or name is not part of the performance database. Typically, such an exclusion of terminated funds inflates the average fund performance over time.
- 4) The performance data were collected from the *Morningstar* fund performance database for the quarter ended 31 March 2012.
- 5) Annualised returns for 3-year, 5-year, 7-year and 10-year holding periods

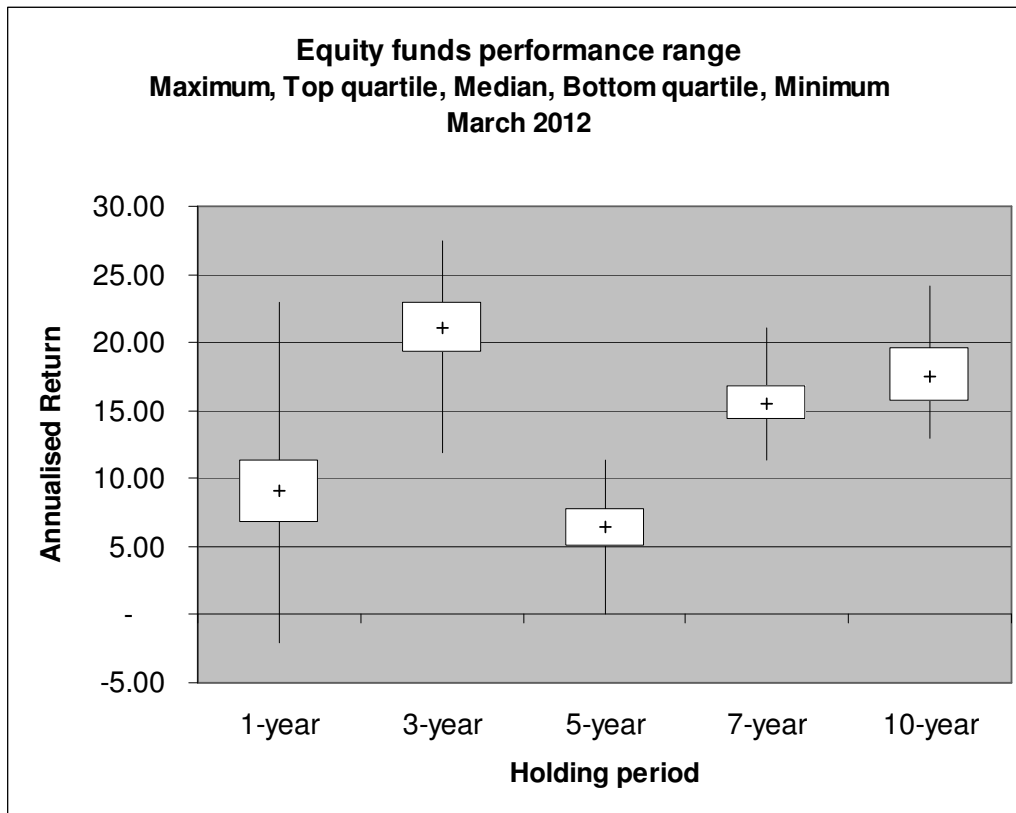
Equity Funds	1-year	3-year	5-year	7-year	10-year
Number of funds	99	91	73	54	45
Best performing fund	22.9%	27.5%	11.4%	21.1%	24.1%
Worst performing fund	-2.1%	11.9%	0.0%	11.3%	13.0%
Top quartile	11.4%	22.9%	7.7%	16.8%	19.7%
Median	9.2%	21.0%	6.4%	15.5%	17.6%
Bottom quartile	6.8%	19.2%	5.0%	14.2%	15.6%
Average	9.6%	20.8%	6.4%	15.9%	17.6%
Benchmark: ALSI	7.5%	21.3%	7.2%	17.4%	15.1%
% Funds outperforming ALSI	69%	47%	30%	22%	80%
Benchmark: SWIX	11.6%	22.6%	8.0%	18.0%	17.2%
% Funds outperforming SWIX	24%	33%	22%	20%	58%

**Percentage of actively-managed equity funds outperforming equity benchmarks  
Period ended March 2012**



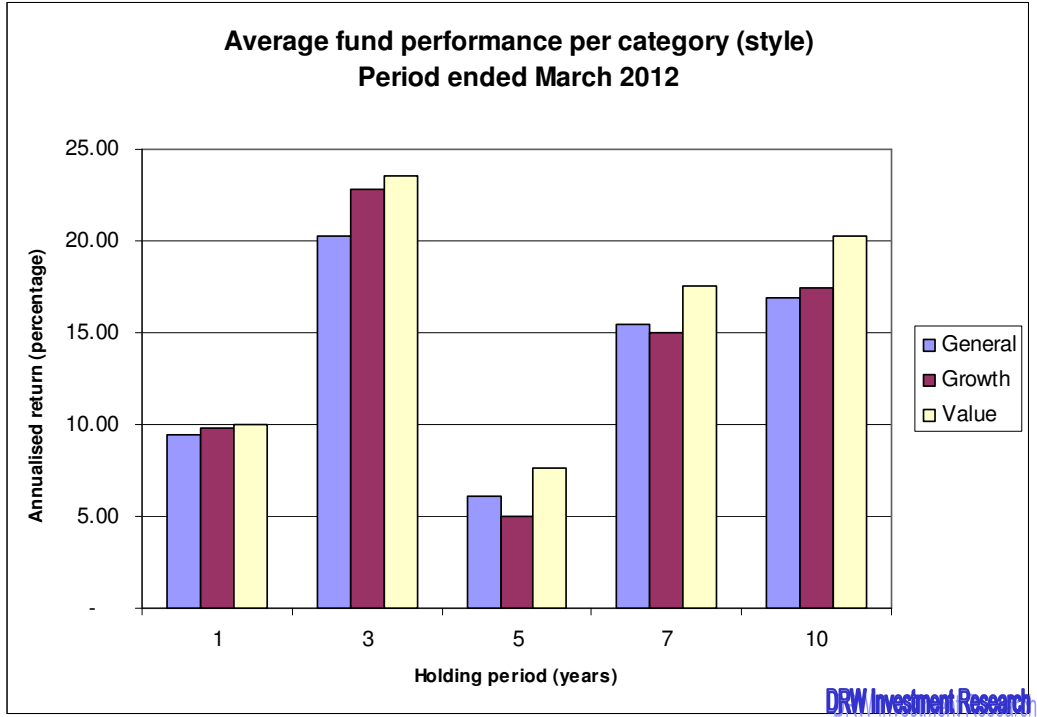
## 2. Performance range





- |  |                       |
|--|-----------------------|
| Top-end of vertical line stretching above box: | Top-performing fund   |
| Upper boundary of box:                         | Top-quartile range    |
| Bottom boundary of box:                        | Bottom-quartile range |
| Bottom-end of vertical line below box:         | Worst-performing fund |

### 3. Style



#### 4. Top Performing Equity Funds (Top Quartile Performers)

One-year period

Sasfin Value	22.95
Foord Equity R	19.89
Marriott Dividend Growth R	19.38
Truffle General Equity A	19.05
Imara Equity	18.47
Momentum Best Blend Specialist Eq A	17.96
Harvard House General Equity	17.72
FG Mercury Equity FoF A1	16.61
STANLIB Nationbuilder A	15.83
BJM Multi-Manager Equity B1	15.68
STANLIB Equity R	15.51
Investec Active Quants A	15.07
Dynamic Wealth Value	14.92
Melville Douglas High Alpha	14.84
Stewart Macro Equity FoF A	14.60
STANLIB SA Equity R	14.07
Old Mutual Albaraka Equity	13.77
ABSA Select Equity	12.67
Sasfin Equity	12.26
Nedgroup Inv Value R	12.13
ABSA General R	12.11
Efficient Equity	12.07
STANLIB Growth R	12.02
Investec Growth R	11.75
Prudential Equity A	11.44

Three-year period (annualised)

Foord Equity R	27.49
Sasfin Value	27.29
Momentum Best Blend Specialist Eq A	26.07
Imara Equity	25.53
PSG Equity A	25.43
Nedgroup Inv Value R	25.23
Kagiso Equity Alpha	25.12
Cadiz Mastermind A	25.04
Marriott Dividend Growth R	24.86
Dynamic Wealth Value	24.83
Old Mutual High Yield Opp A	24.82
Coronation Top 20 A	24.53
Coronation Equity R	24.23
SIM Value R	24.04
Momentum Strategic Opportunities R	23.98
Investec Active Quants A	23.82
Discovery Equity	23.75
Harvard House General Equity	23.68
Momentum Value A	23.64
Nedgroup Inv Growth R	23.46
Investec Value R	23.13
STANLIB SA Equity R	23.05
Old Mutual Value R	22.90

Five-year period (annualised)

Coronation Top 20 A	11.36
ABSA Select Equity	11.07
Nedgroup Inv Value R	10.72
Aylett Equity A3	10.07
ABSA Rand Protector	10.07
Kagiso Equity Alpha	9.99
Foord Equity R	9.98
Marriott Dividend Growth R	9.69
Coronation Equity R	9.41
Prudential Dividend Maximiser A	9.25
Prudential Equity A	9.07
SIM Value R	8.42
SIM Top Choice Equity A1	8.28
SIM General Equity R	8.26
Momentum Value A	8.09
Investec Active Quants A	8.02
Allan Gray Equity A	7.87
ABSA General R	7.74
Prescient Eqty Active Quant A1	7.71

Seven-year period (annualised)

Coronation Top 20 A	21.11
ABSA Select Equity	20.53
Nedgroup Inv Value R	20.07
Kagiso Equity Alpha	19.91
Foord Equity R	19.90
ABSA Rand Protector	19.68
Prudential Equity A	19.10
Prudential Dividend Maximiser A	18.98
Allan Gray Equity A	18.81
Coronation Equity R	18.10
SIM General Equity R	18.09
SIM Value R	17.81
Marriott Dividend Growth R	16.85
Efficient Equity	16.83

Ten-year period (annualised)

Investec Value R	24.12
Nedgroup Inv Value R	22.03
SIM Value R	21.65
Allan Gray Equity A	20.93
Momentum Value A	20.87
Nedgroup Inv Rainmaker A	20.83
STANLIB Value A	20.56
Prudential Equity A	20.09
Nedgroup Inv Growth R	19.95
PSG Equity A	19.84
Prudential Dividend Maximiser A	19.79
Old Mutual High Yield Opp A	19.67

## 5. Persistence of Fund Performance (annualised returns)

### KEY:

	Top Quartile
	Middle
	Bottom Quartile

Fund	10-year	7-year	5-year	3-year	1-year
Investec Value R	24.12	16.80	6.63	23.13	0.60
Nedgroup Inv Value R	22.03	20.07	10.72	25.23	12.13
SIM Value R	21.65	17.81	8.42	24.04	9.89
Allan Gray Equity A	20.93	18.81	7.87	19.30	11.20
Momentum Value A	20.87	16.42	8.09	23.64	7.81
Nedgroup Inv Rainmaker A	20.83	16.49	7.59	20.47	7.96
STANLIB Value A	20.56	16.26	6.99	21.34	11.07
Prudential Equity A	20.09	19.10	9.07	20.92	11.44
Nedgroup Inv Growth R	19.95	15.68	5.55	23.46	6.75
PSG Equity A	19.84	15.60	5.12	25.43	7.95
Prudential Dividend Maximiser A	19.79	18.98	9.25	20.79	10.66
Old Mutual High Yield Opp A	19.67	13.95	4.81	24.82	6.96
Coronation Equity R	19.32	18.10	9.41	24.23	9.18
Element Earth Equity A	19.31	14.84	5.52	14.90	4.27
Oasis General Equity	19.30	16.30	7.39	19.66	8.10
Old Mutual Growth R	18.92	16.10	6.68	22.25	5.40
Coronation Top 20 A	18.56	21.11	11.36	24.53	10.33
Momentum Equity R	18.05	14.38	5.56	22.71	10.98
SIM General Equity R	17.88	18.09	8.26	22.88	10.04
Old Mutual Value R	17.87	14.08	5.22	22.90	3.94
FNB Growth	17.85	14.22	5.42	22.82	8.54
Investec Equity R	17.76	14.95	5.35	17.77	9.56
Investec Growth R	17.55	15.79	5.55	22.68	11.75
STANLIB Growth R	17.39	13.34	1.83	21.23	12.02
Old Mutual Top Companies R	17.33	14.90	6.49	21.98	5.73
Marriott Dividend Growth R	17.28	16.85	9.69	24.86	19.38
ABSA General R	16.93	16.46	7.74	20.62	12.11
Nedgroup Inv Quants Core Eq A	16.78	16.27	7.24	21.23	8.82
Old Mutual Investors R	16.31	15.39	6.50	21.90	8.67

<b>Fund</b>	<b>10-year</b>	<b>7-year</b>	<b>5-year</b>	<b>3-year</b>	<b>1-year</b>
Old Mutual Active Quant Equity A	16.28	16.06	6.80	21.88	11.39
Oasis Crescent Equity	16.28	14.35	4.66	15.62	5.04
Community Growth Equity	15.97	14.06	4.80	16.90	2.45
Old Mutual Albaraka Equity	15.87	12.35	2.08	18.44	13.77
Analytics Managed Equity A	15.63	15.48	6.39	21.56	7.06
ABSA Rand Protector	15.52	19.68	10.07	21.01	6.31
Momentum MultiFocus FoF	15.36	13.68	4.98	20.60	8.28
Inv Solutions MM Equity A	15.07	14.64	5.52	19.26	9.08
Momentum Strategic Opportunities R	15.00	15.27	6.89	23.98	8.92
STANLIB SA Equity R	14.64	12.77	2.71	23.05	14.07
SYmmETRY Equity FoF A	14.08	14.68	5.08	19.04	6.12
ABSA Growth FoF	14.08	11.32	2.19	13.68	2.74
STANLIB MM Equity A1	14.07	13.97	4.89	19.99	8.26
Metropolitan General Equity	13.75	14.50	4.95	20.71	10.93
Coris Capital General Equity	13.37	13.48	4.10	16.92	- 2.06
STANLIB Equity R	13.01	13.24	4.12	21.68	15.51

ALSI	15.12	17.38	7.22	21.29	7.53
SWIX	17.21	17.95	8.01	22.64	11.62



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