



Key Market Performance Drivers Monthly charts

September 2009



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Introduction to Key Market Performance Drivers monthly charts

The Advantage Key Market Performance Drivers (KMPD) has proven to be an invaluable resource and is one of the publications that we are truly proud of. The generation of the content of KMPD has proven to be a formidable task and as such we have decided to amend the format of the publication slightly. Only on a quarterly basis will we distribute a comprehensive version of the KMPD, which covers an in-depth analysis of the economic indicators and performance drivers for global as well as local markets. For the two inter-quarter months, Advantage will prepare a shortened version of the KMPD that will set out the main charts that are a common feature of our KMPD publication together with short notes on selected charts.

Herewith is the September edition of the KMPD monthly charts. The longer quarterly version of the KMPD will be coming out towards the end of the month.

Regards
Advantage Asset Managers

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Market performance concentration – three months to September 2009

The ALSI ranks at 102 (and the SWIX at 104) over the three months to Sep – the opportunity set has remained wide for active fund managers, giving them a good chance to outperform the market.

3 months to Sep 2009																	
1	BEL	66.4%	30	NPN	27.5%	59	Fledgling	20.2%	88	ADH	15.7%	117	SA Listed Prop	12.2%	146	HLM	5.8%
2	SFN	65.7%	31	AFE	27.1%	60	EXX	20.1%	89	AFR	15.6%	118	MSM	11.8%	147	TON	5.7%
3	MRF	62.0%	32	FOS	27.0%	61	MKL	19.7%	90	MDC	15.5%	119	OCF	11.7%	148	APK	5.3%
4	ART	46.9%	33	CRM	26.5%	62	LEW	19.2%	91	Small Cap	15.2%	120	NHM	11.3%	149	SOL	4.6%
5	DTC	43.8%	34	BAT	26.4%	63	ELE	18.9%	92	SYC	15.2%	121	Resource 20	11.2%	150	TBS	4.4%
6	KIO	40.9%	35	BAW	26.3%	64	WBO	18.8%	93	SHF	15.1%	122	PMM	11.2%	151	IMP	3.8%
7	PSG	40.7%	36	CLS	26.3%	65	MUR	18.7%	94	SUI	15.0%	123	SBK	11.1%	152	MTN	3.3%
8	MNP	39.8%	37	CML	26.0%	66	SLM	18.7%	95	Financial 15	14.9%	124	ASA	11.0%	153	IVT	3.1%
9	IPL	39.0%	38	ACL	25.7%	67	BIL	18.5%	96	AVI	14.8%	125	JDG	10.3%	154	RBW	2.6%
10	INL	36.4%	39	TKG	24.8%	68	NPK	18.2%	97	OCT	14.8%	126	MTX	10.0%	155	PET	2.1%
11	MVG	35.6%	40	DAV	24.8%	69	CSB	18.2%	98	HPA	14.6%	127	TRE	9.7%	156	SAC	1.8%
12	HCI	35.0%	41	SAP	24.7%	70	OML	17.8%	99	ATNP	14.2%	128	GFI	9.5%	157	KGM	1.5%
13	PGR	34.6%	42	NED	24.0%	71	Mid Cap	17.5%	100	GND	14.1%	129	ARL	9.0%	158	BDM	1.3%
14	FWD	34.0%	43	ALT	23.6%	72	FSR	17.4%	101	SPP	14.0%	130	NTC	8.5%	159	DGC	1.1%
15	TWP	34.0%	44	AEG	23.6%	73	CPL	17.4%	102	All Share	13.9%	131	HPB	8.4%	160	HAR	0.6%
16	LON	32.9%	45	ESR	23.2%	74	EQS	17.2%	103	HYP	13.9%	132	GRT	8.3%	161	REI	0.5%
17	SPG	32.8%	46	SHF	23.1%	75	SAB	17.2%	104	SWIX	13.9%	133	SSK	8.2%	162	PHM	0.3%
18	INP	32.6%	47	BVT	22.5%	76	TRU	17.1%	105	RDF	13.5%	134	COM	8.1%	163	DDT	-0.4%
19	CFR	31.4%	48	SUR	22.4%	77	ARI	16.8%	106	ACP	13.4%	135	OMN	7.7%	164	VOD	-1.8%
20	PAM	31.1%	49	AMS	22.3%	78	PPC	16.8%	107	BLU	13.4%	136	AFX	7.6%	165	AVU	-2.8%
21	BRN	30.2%	50	ADR	22.2%	79	RMH	16.5%	108	RES	13.4%	137	MML	7.4%	166	UCS	-3.5%
22	ILA	29.5%	51	BSR	21.9%	80	HVL	16.4%	109	Top 40	13.3%	138	ATN	7.4%	167	RBX	-6.2%
23	WHL	28.8%	52	PAP	21.5%	81	CMP	16.3%	110	EMI	13.3%	139	GDF	7.2%	168	CVN	-7.6%
24	GRF	28.7%	53	ILV	21.3%	82	LBH	16.2%	111	MET	13.2%	140	FBR	7.2%	169	DRD	-12.9%
25	RLO	28.4%	54	CLH	21.1%	83	LBT	16.0%	112	FPT	13.1%	141	CAT	7.1%	170	WEZ	-17.1%
26	MTA	28.4%	55	REM	21.1%	84	HDC	16.0%	113	DSY	13.0%	142	AGL	7.0%	171	KEH	-25.1%
27	JSE	27.9%	56	MPC	21.1%	85	MND	15.9%	114	APN	13.0%	143	ANG	6.7%	172	SIM	-26.2%
28	VKE	27.8%	57	CLI	21.1%	86	ZED	15.9%	115	SWIX Top 40	12.9%	144	ABL	6.2%	173	SNU	-41.7%
29	BCX	27.6%	58	PIK	20.9%	87	Industrial 25	15.8%	116	AIP	12.6%	145	SNT	6.1%			

Source: Barra, Deutsche Securities and Advantage Asset Managers

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Key	
Size	Sector
Large Cap	Resources
Mid Cap	Financials
Small Cap	Industrials

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Market performance concentration – 12 months to September 2009

Opportunity set exists for managers over 12 months to September as well, with regard to both the ALSI and SWIX

12 months to September 2009																	
1	CMP	70.0%	30	PAP	37.4%	59	FPT	21.6%	88	BCX	10.2%	117	BLU	-1.0%	146	UCS	-21.9%
2	BRN	69.8%	31	TKG	36.4%	60	EMI	21.2%	89	EXX	9.8%	118	AFE	-1.2%	147	ACL	-23.5%
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Source: Barra, Deutsche Securities and Advantage Asset Managers

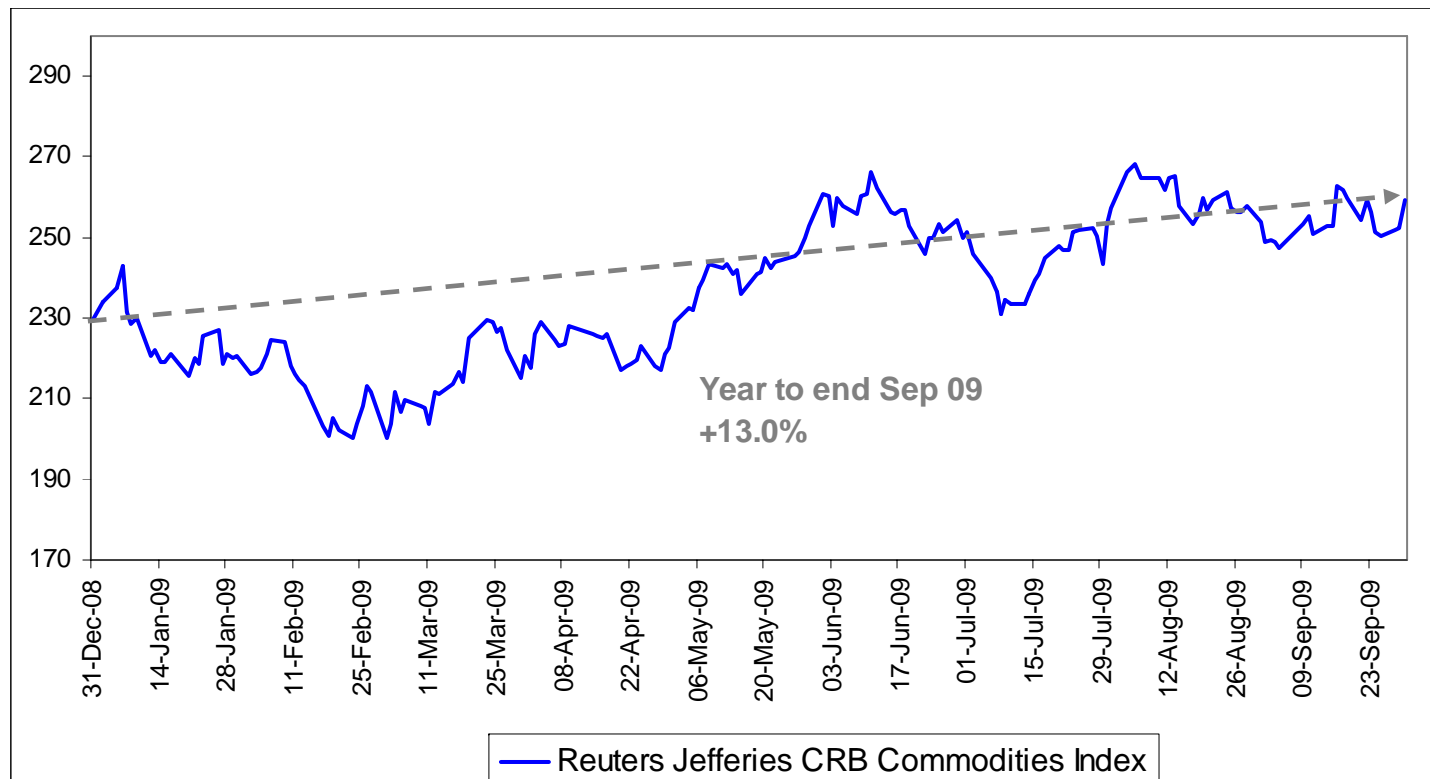
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Key	
Size	Sector
Large Cap	Resources
Mid Cap	Financials
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Reuters Jefferies CRB Commodities index

2009 to end September has seen a rise of 13% in this index. Crude oil is the largest constituent as defined by weight, and contributed to the rise in the R/J CRB index, as this commodity rose over 77% over the year to September 09

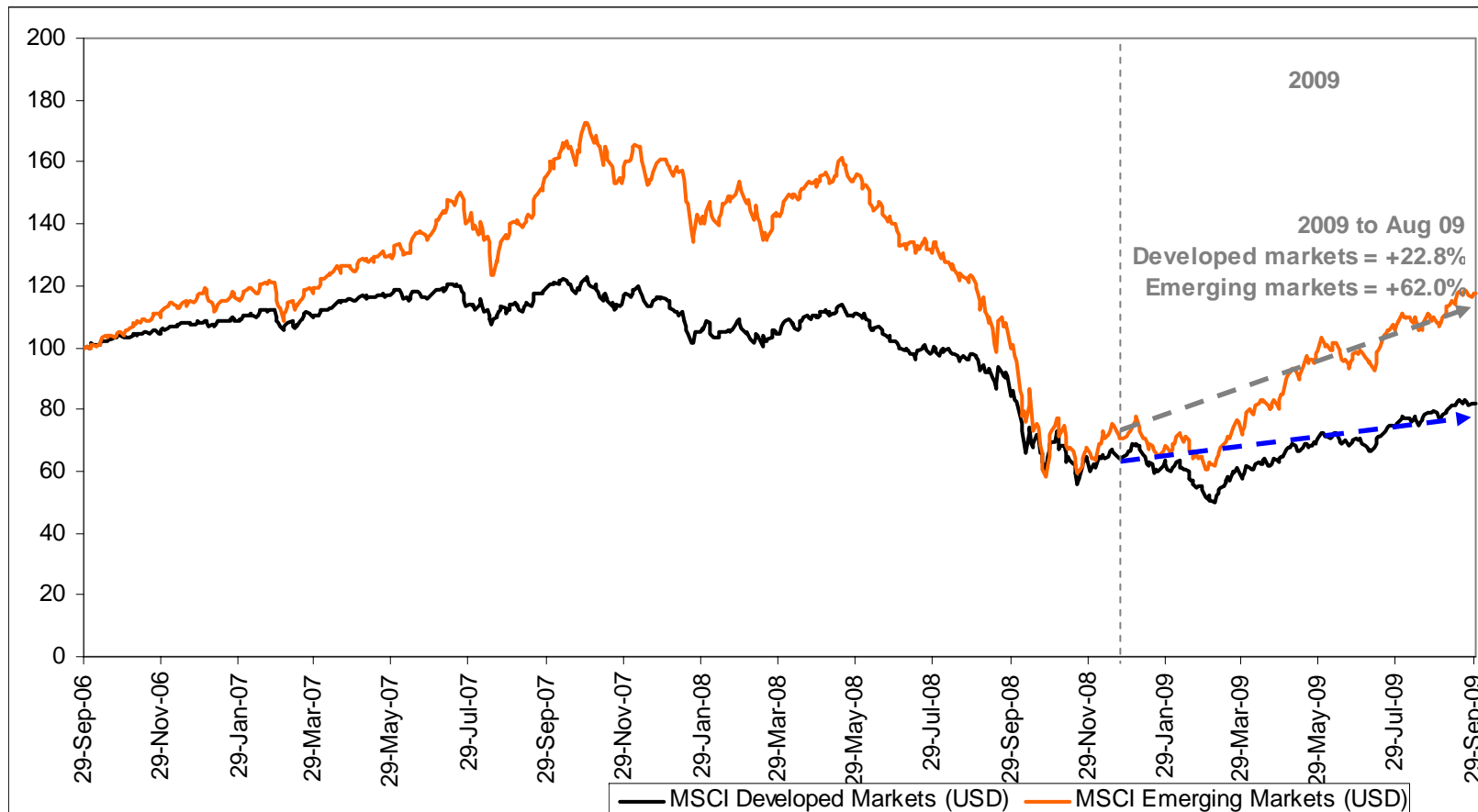


Source: Inet and Advantage Asset Managers

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MSCI developed and emerging markets – 36 months to September 2009

Emerging markets remain the darlings, with developed markets lagging close on 40% return over the year to end September 2009

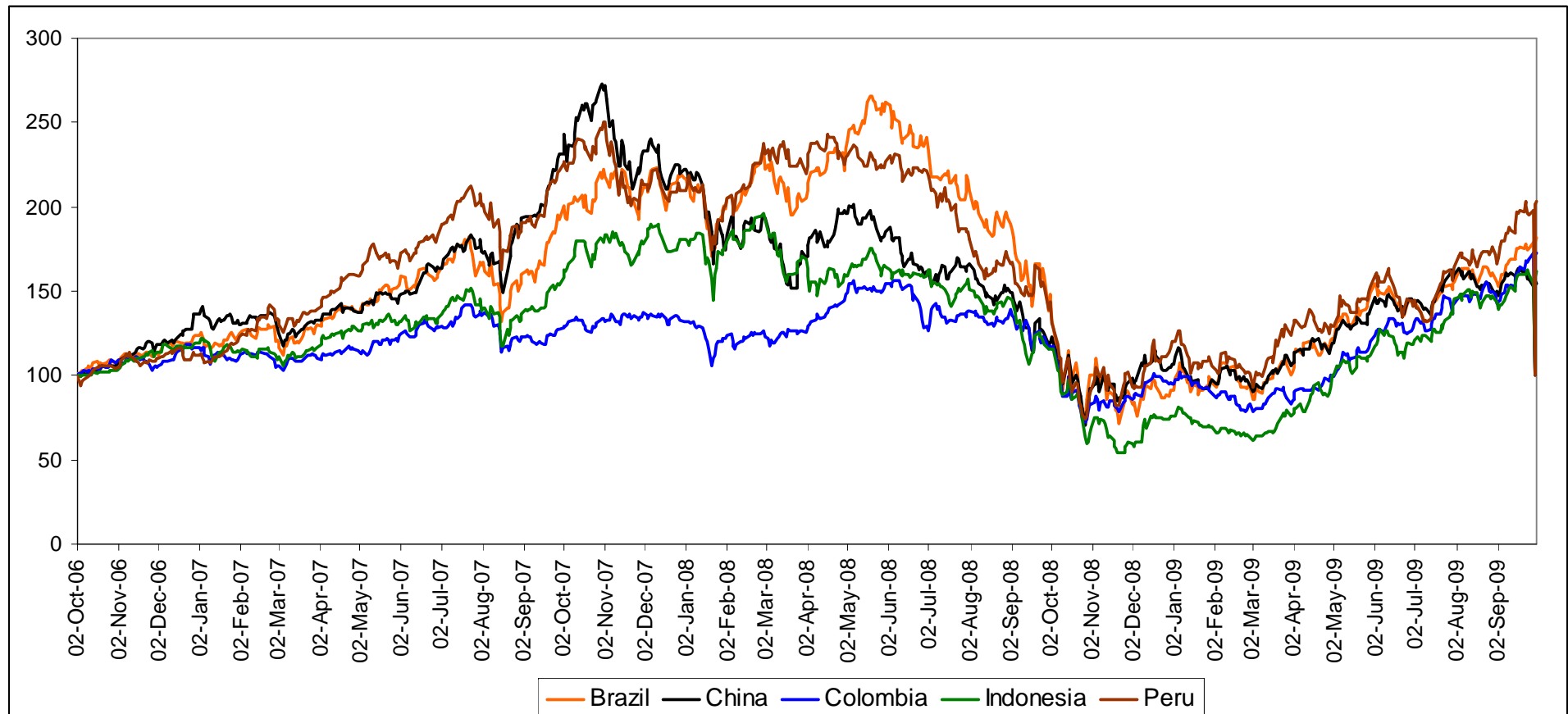


Source: MSCI Barra and Advantage Asset Managers

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MSCI emerging markets – 36 months to September 2009

Over three years to end September 2009, the top five drivers of the MSCI Emerging Markets index were Peru, Brazil, Colombia, Indonesia and China. Of 22 countries that make up the index, South Africa was ranked 12 in the largest contributors category, over the period



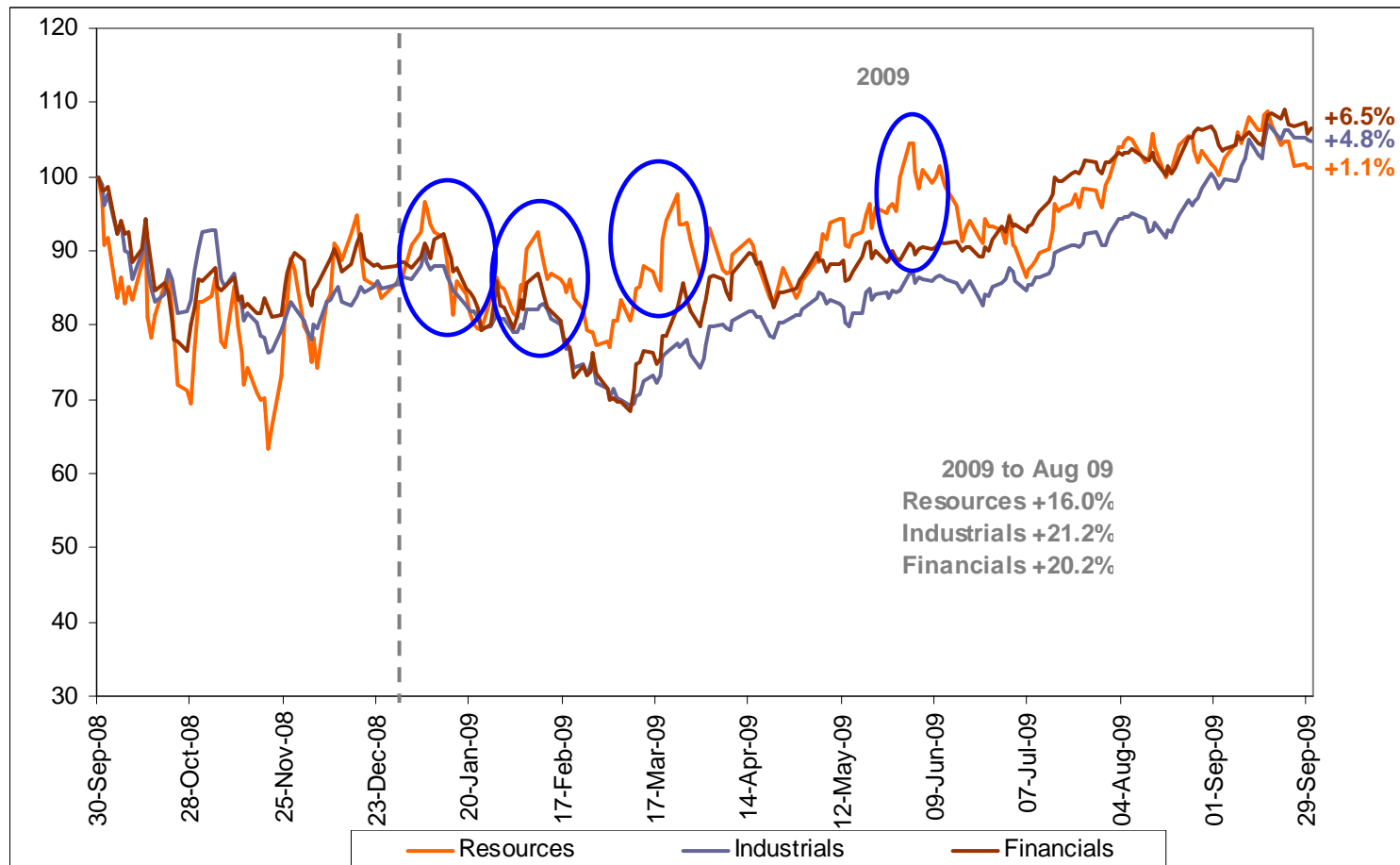
Source: MSCI Barra and Advantage Asset Managers

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Sectors – 12 months to September 2009

The sharp rises and subsequent falls seen in resources during the first half of 2009 as circled appear to have reduced in the third quarter. Financials continue to outperform the other two sectors over 12m to September 2009

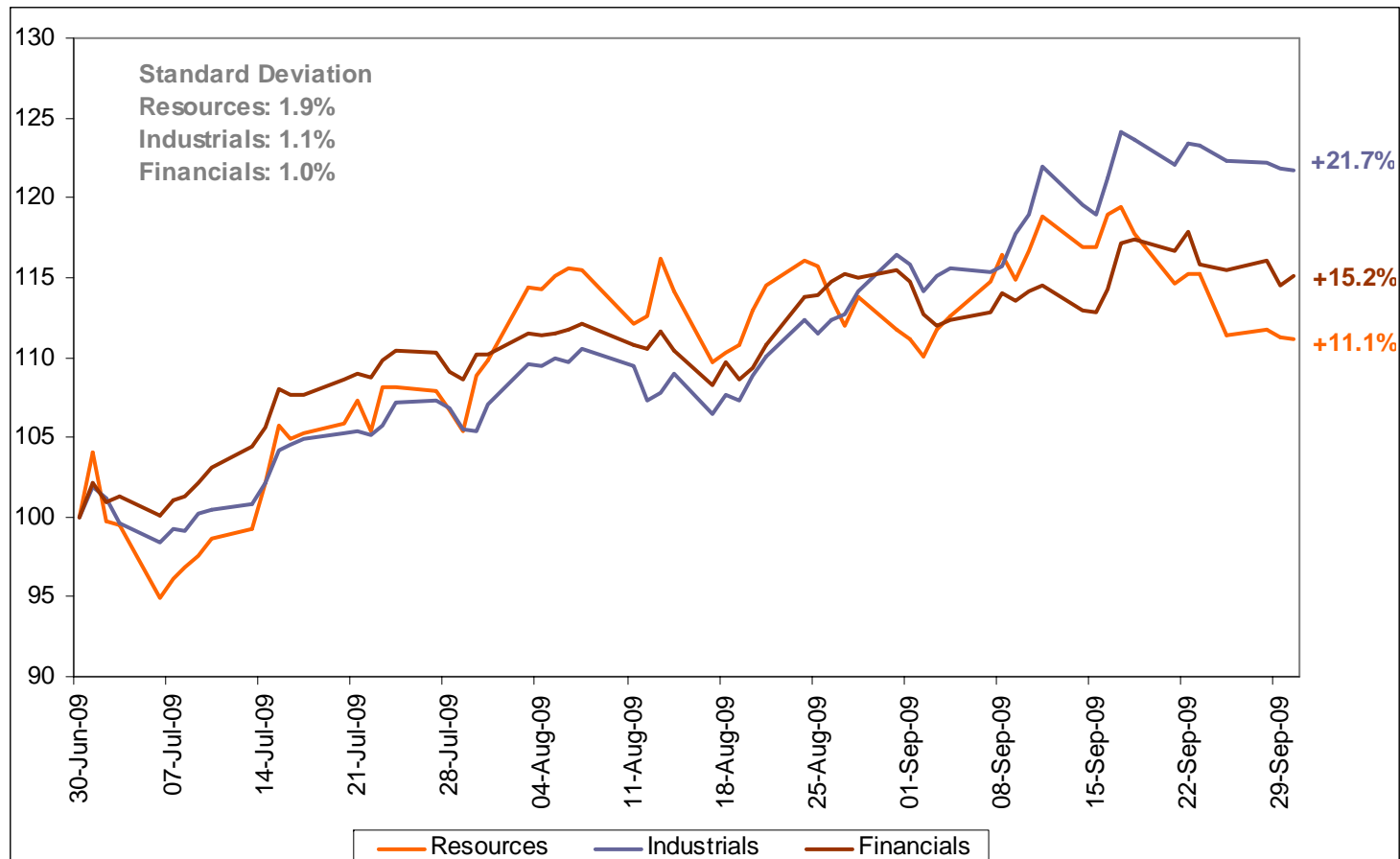


Source: Inet and Advantage Asset Managers

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Sectors – three months to September 2009

While financials trump the other two sectors over 12 months, industrials are far ahead over the three months to September 2009

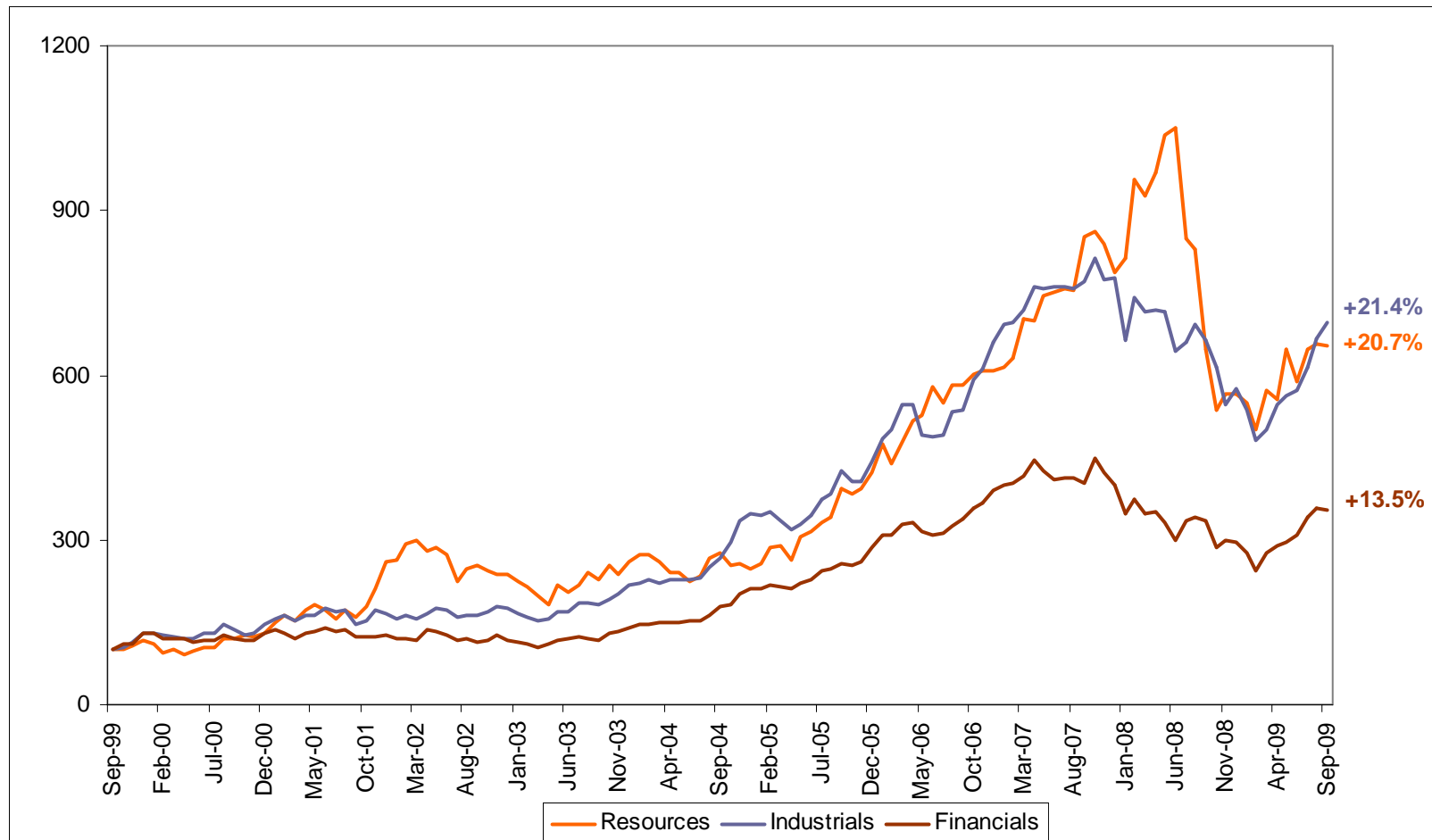


Source: Inet and Advantage Asset Managers

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Sectors - ten years to September 2009

Resources are no longer the top-performing sector and have been overtaken by industrials over ten years to September 2009



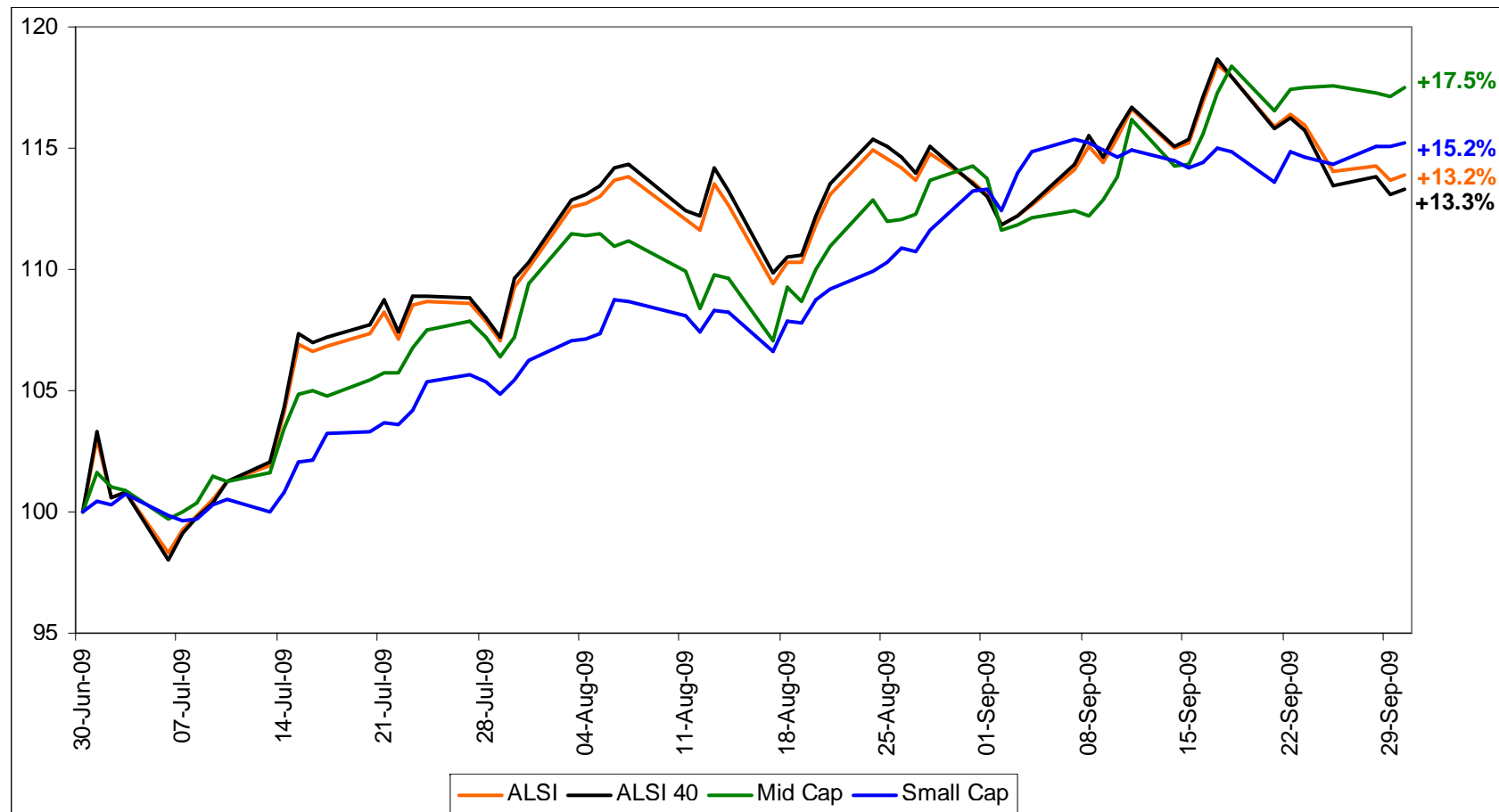
Source: Inet and Advantage Asset Managers

Note: Annualised returns shown on chart

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Size – three months to September 2009

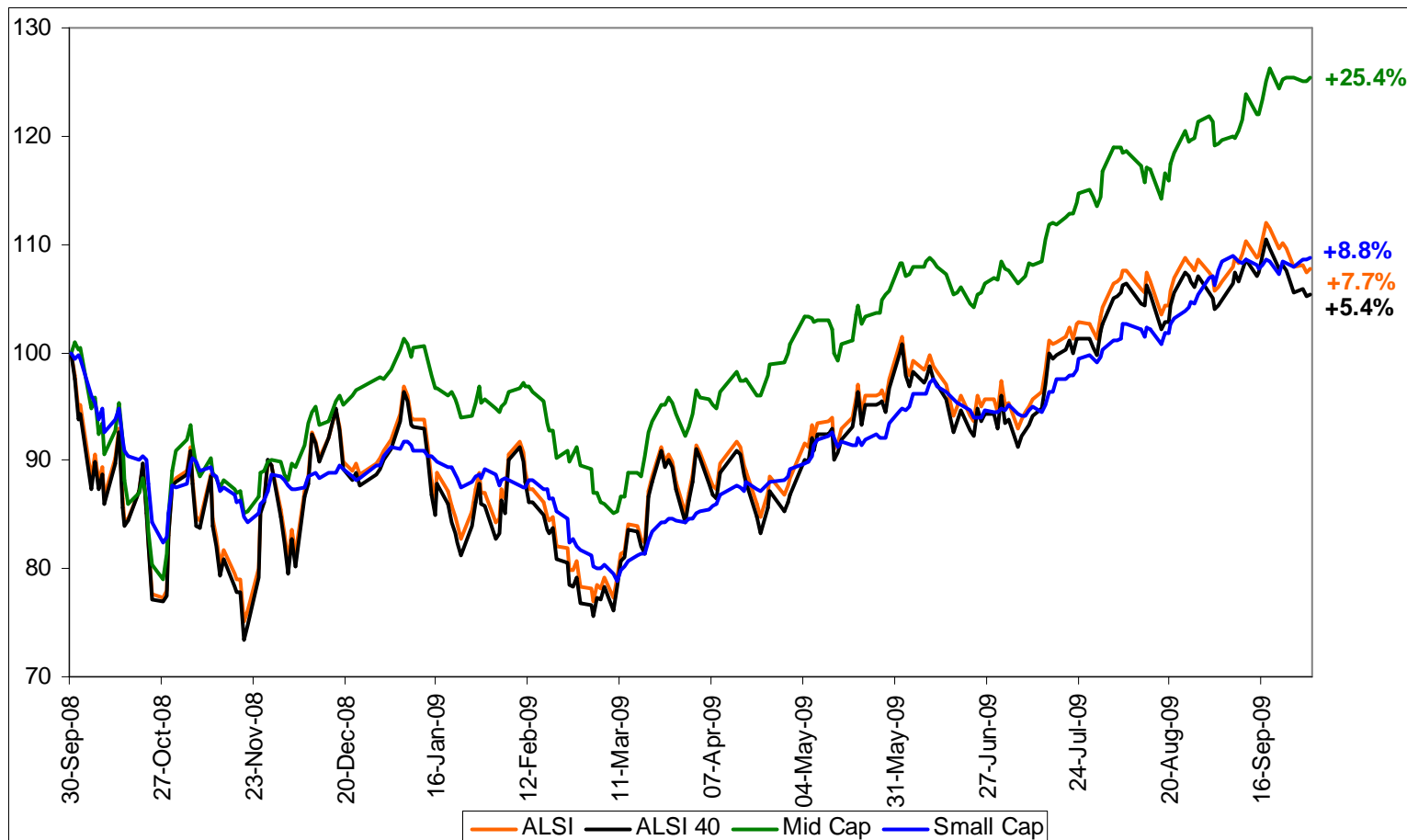
Having regained their strength in August, mid caps continue to dominate. This return was driven by shares including Datatec, PSG, Mondi and Imperial.



Source: Inet and Advantage Asset Managers
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Size – 12 months to September 2009

The mid cap return over 12m is unrivalled...Foschini, Mr Price, Woolies, PSG and Clicks where the top five mid cap performers over the period

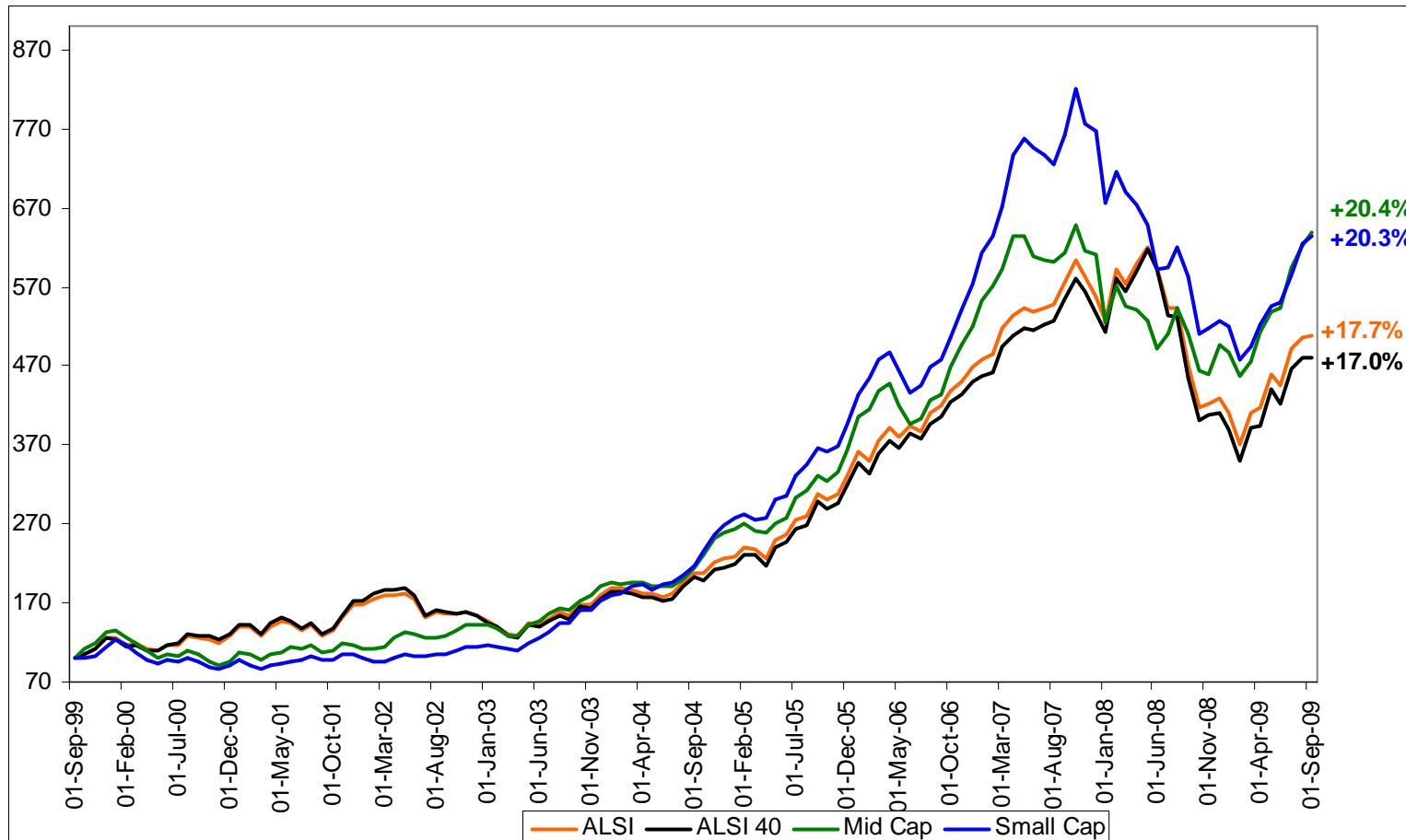


Source: Inet and Advantage Asset Managers

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Size – ten years to September 2009

The mid and small cap indices outperform significantly over the ten years to September 2009



Source: Inet and Advantage Asset Managers

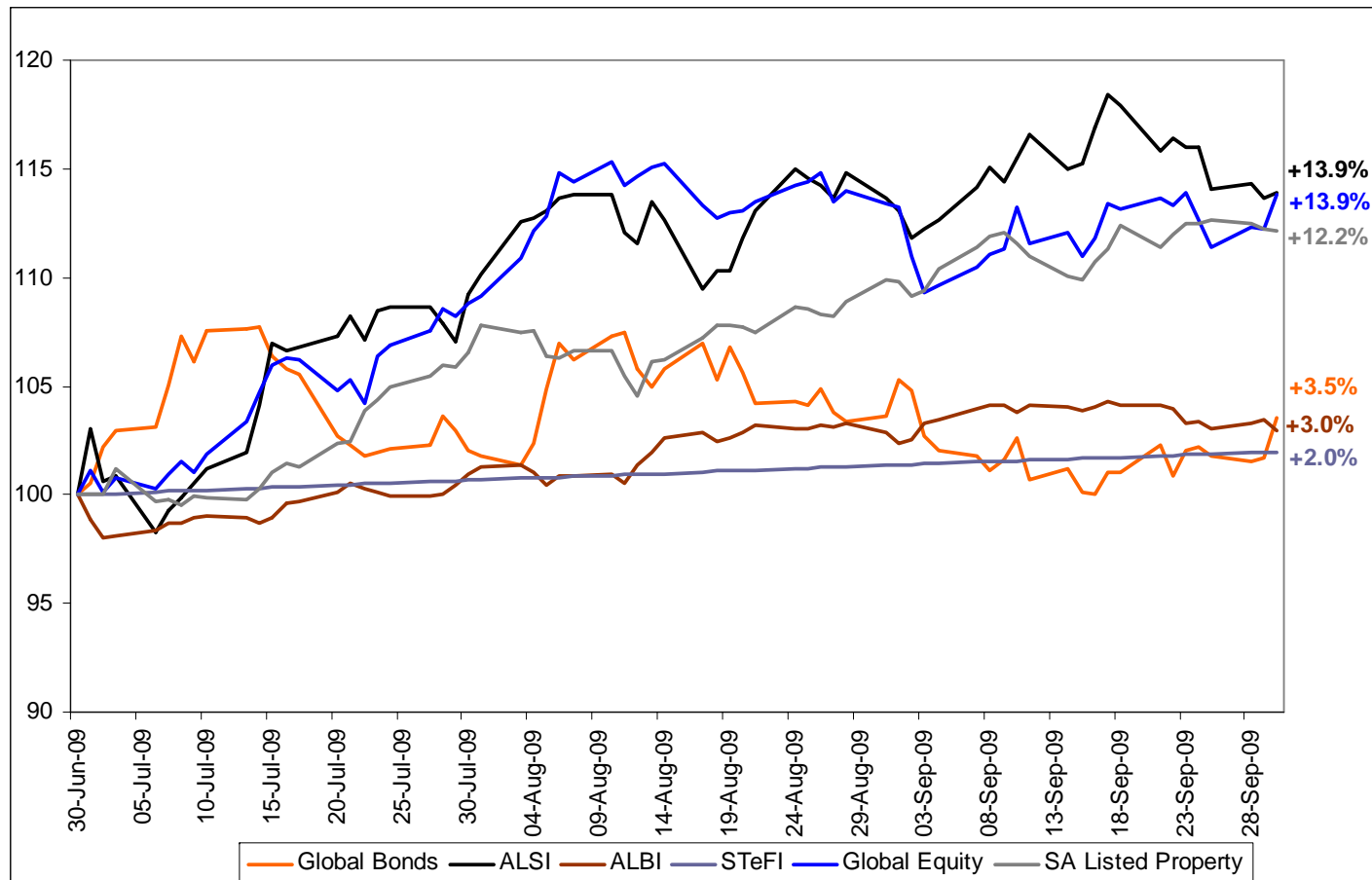
Note: Annualised returns shown on chart

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Asset classes – three months to September 2009

All asset classes are now in positive territory. The ALSI is still in the lead but ever so slightly – global equities are fractionally behind. Listed property also performed well over the three month period

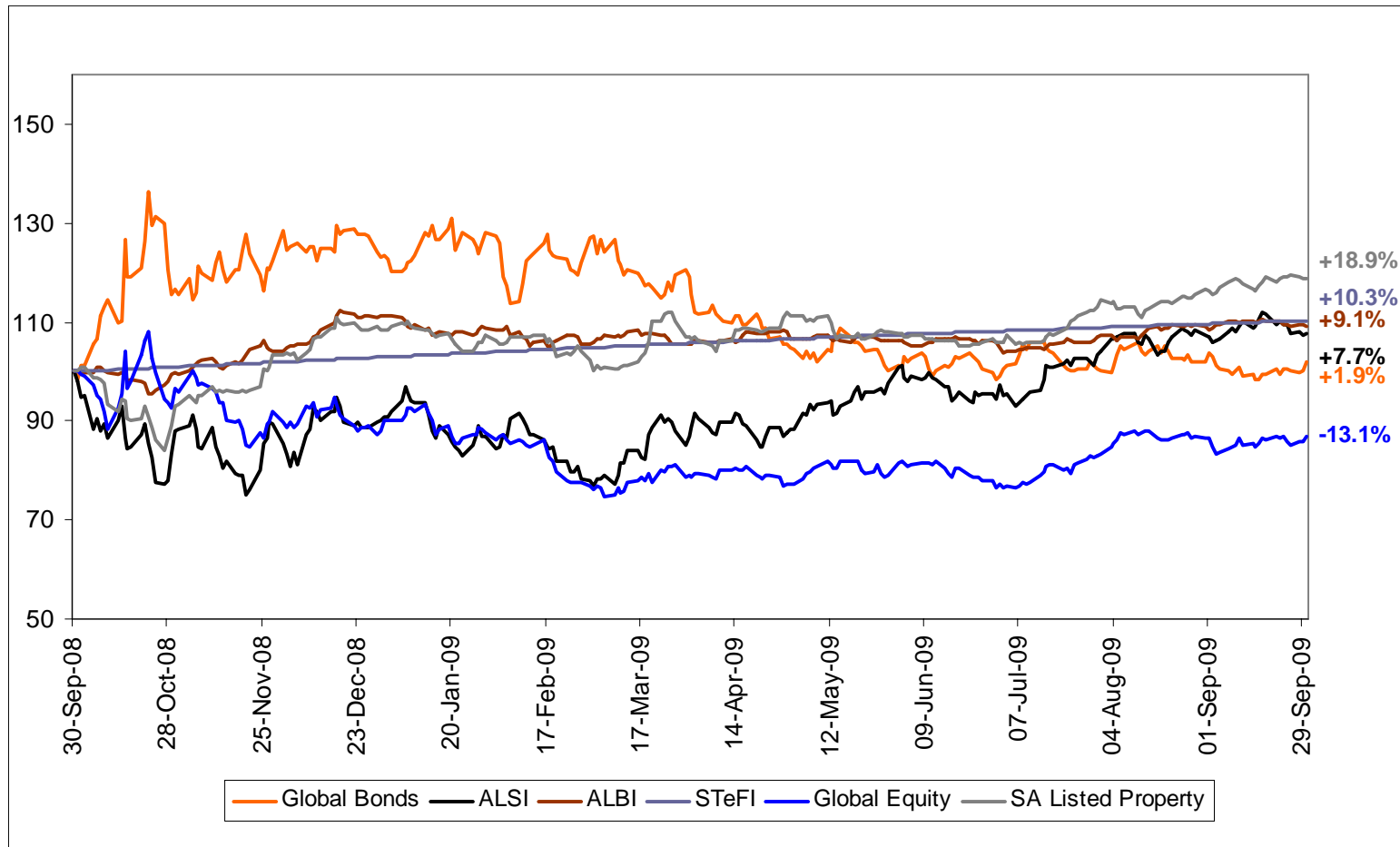


Source: Inet and Advantage Asset Managers

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Asset classes – 12 months to September 2009

Listed property remains the top performing asset class over 12 months and global equities remain the poorest performer over the period.

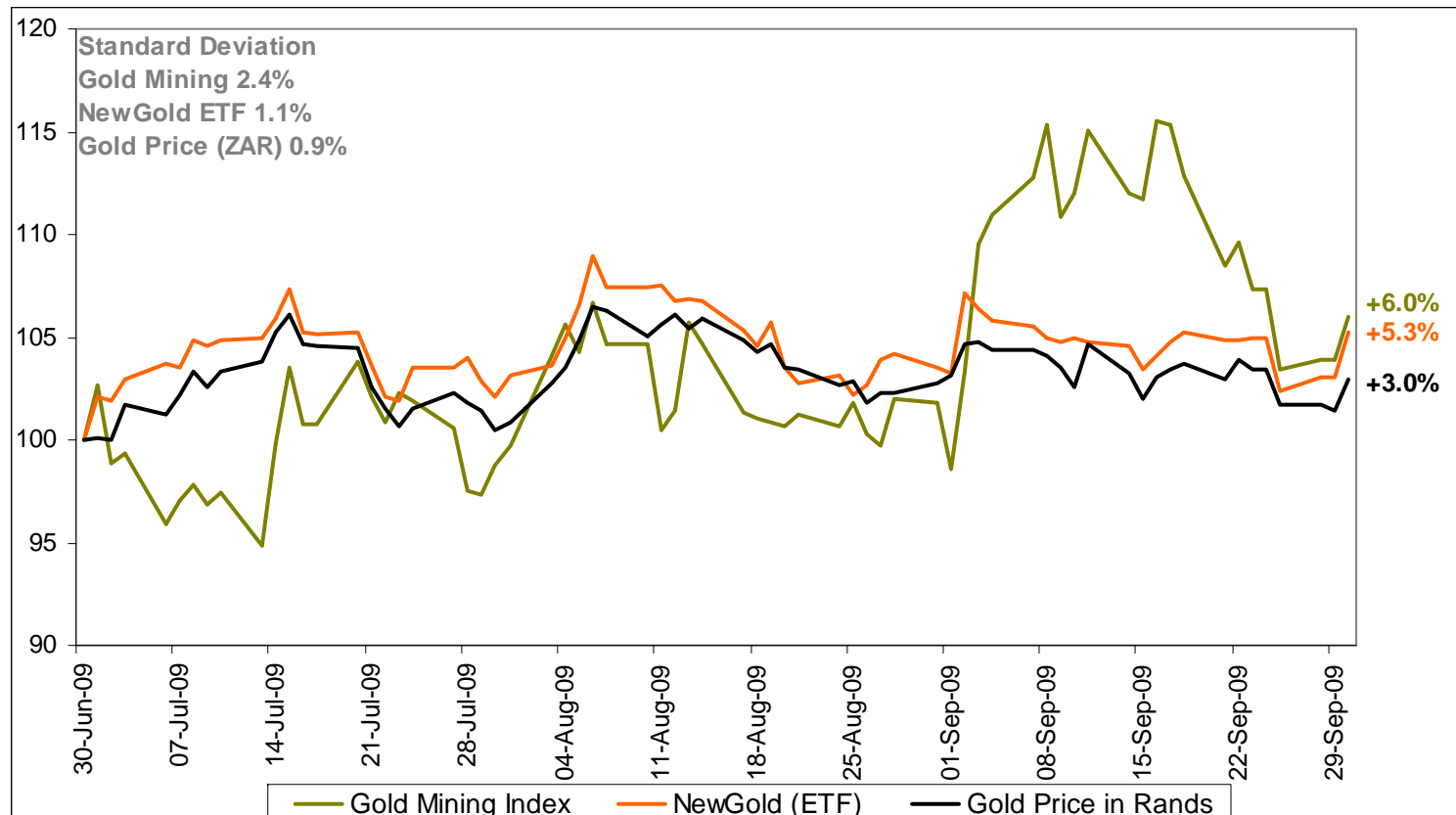


Source: Inet and Advantage Asset Managers

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Gold – three months to September 2009

Gold mining experienced a volatile September, yet it managed to pull back from August lows to end the period ahead of the gold price and the gold ETF

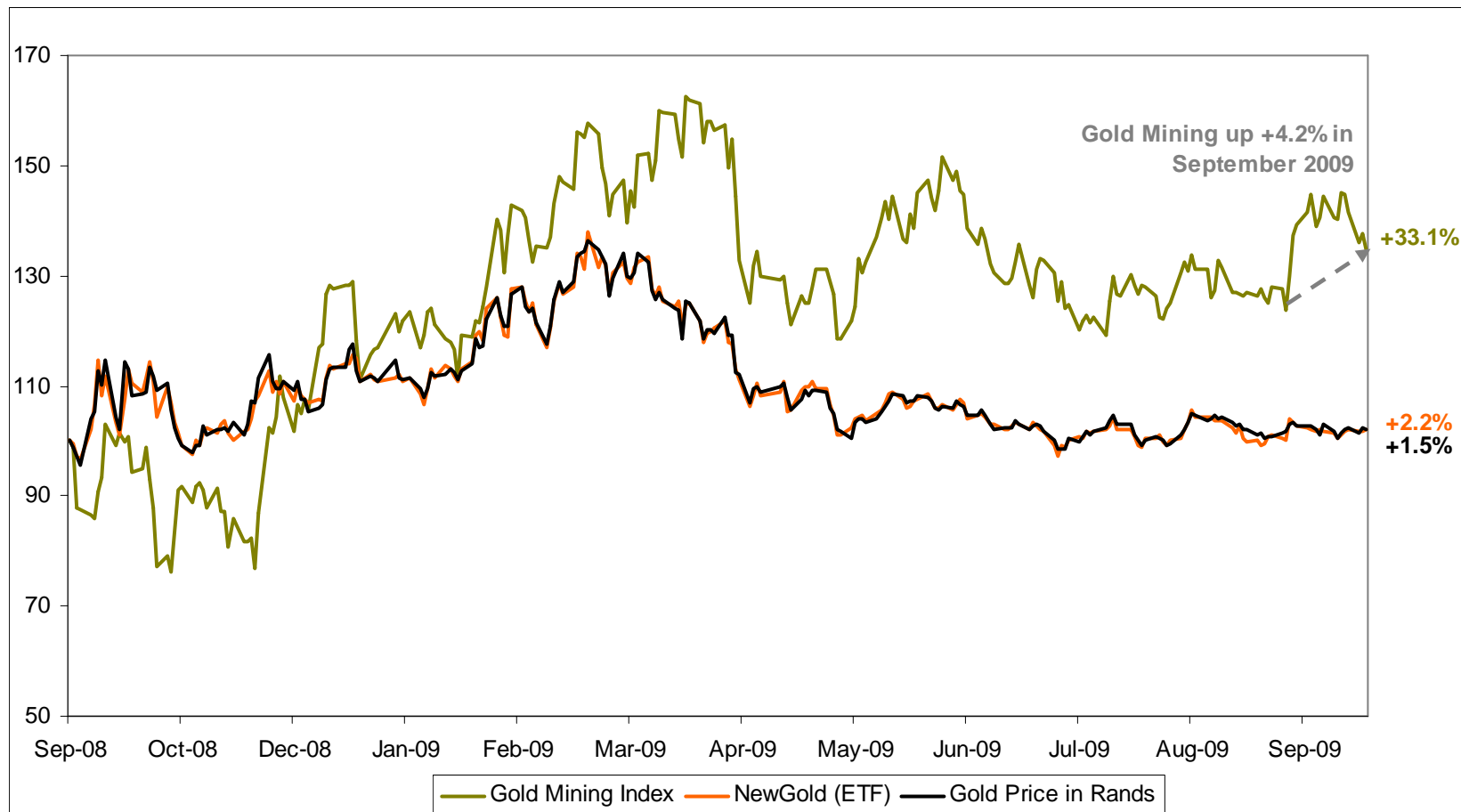


Source: Inet and Advantage Asset Managers

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Gold – 12 months to September 2009

Gold miners are shining again with a solid performance over 12 months

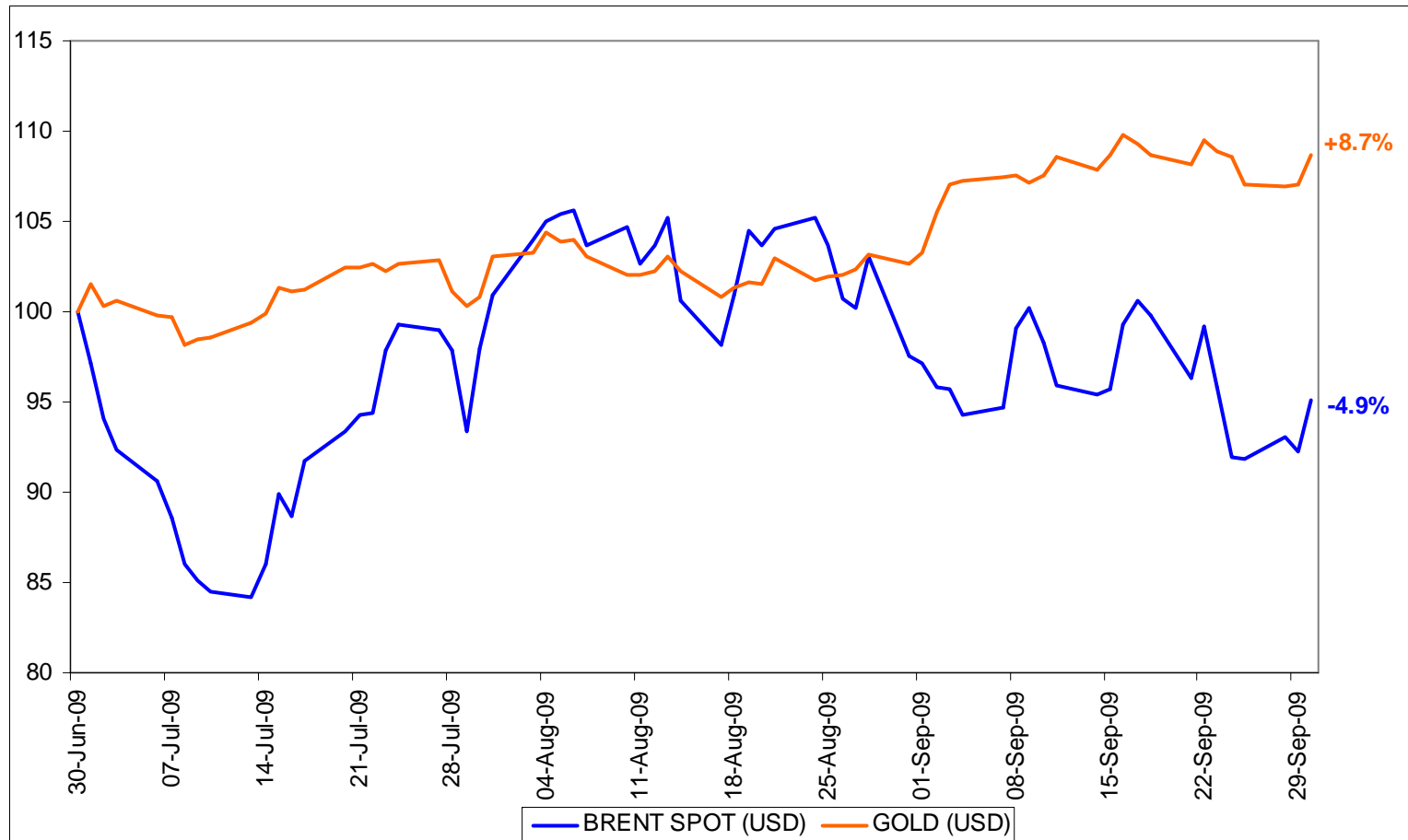


Source: Inet and Advantage Asset Managers

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Gold vs. oil – three months to September 2009

Volatility of oil continues, while gold climbs

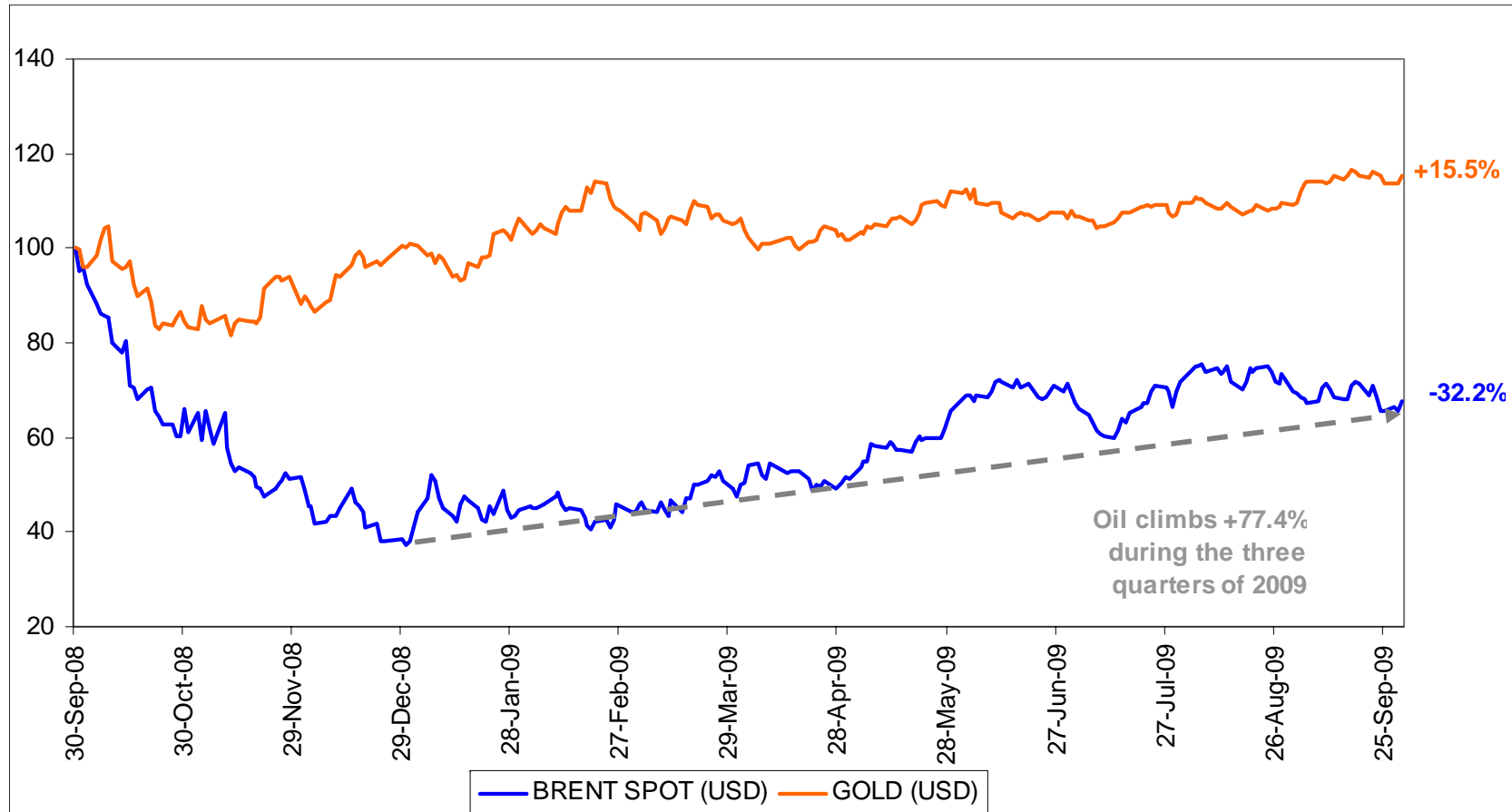


Source: Inet and Advantage Asset Managers

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Gold vs. oil – 12 months to September 2009

Oil climbs 77% during 2009 to end September, however, this is not enough to ensure a positive return over the 12 month period

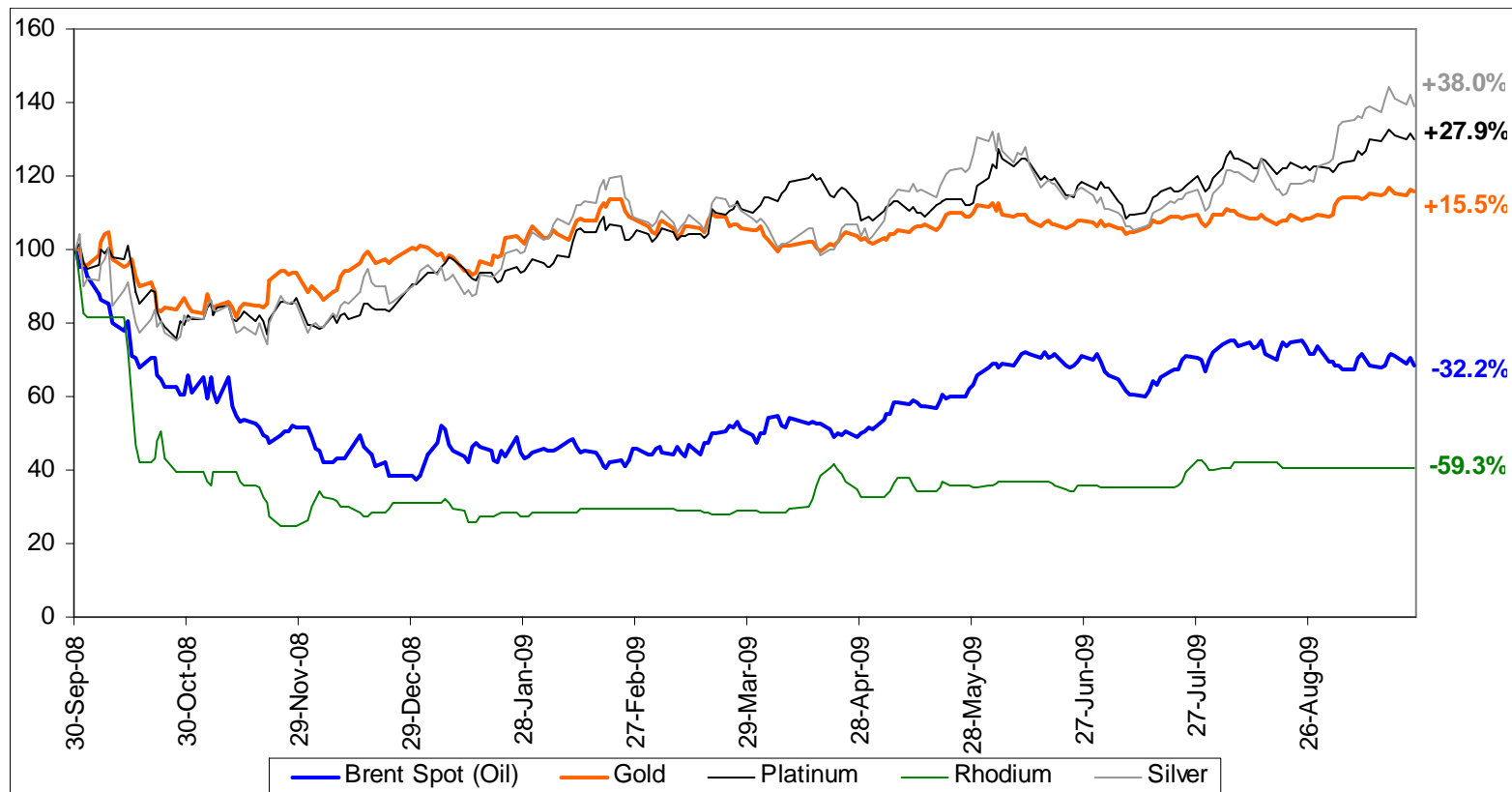


Source: Inet and Advantage Asset Managers

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Commodities – 12 months to September 2009

Silver and platinum experience a significant run, outperforming gold by a substantial margin over the period

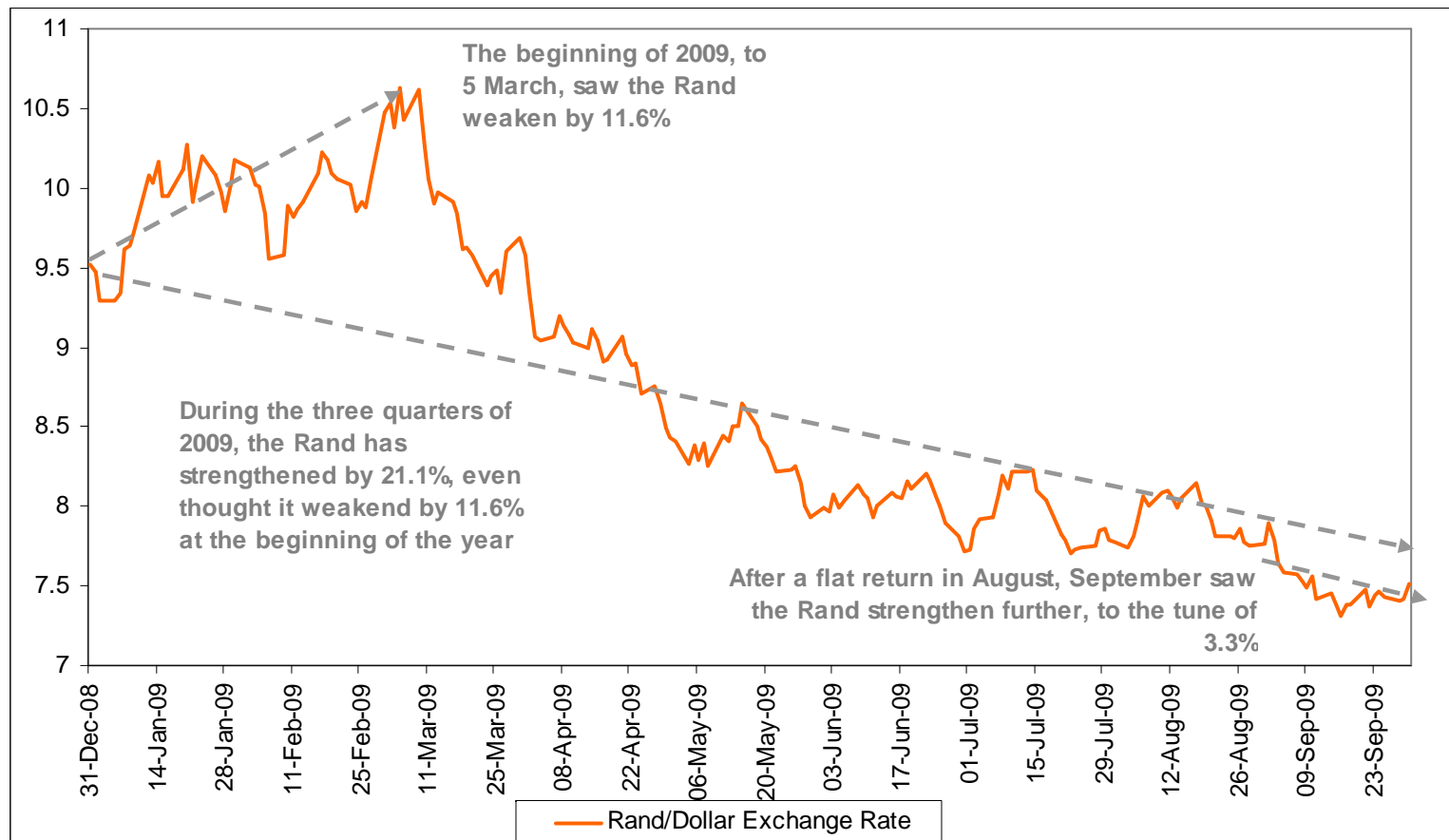


Source: Inet and Advantage Asset Managers

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Exchange rate - 2009 to September 2009

How strong can the rand get? September sees even more strength and 2009 to end September has experienced a 21.1% strengthening of the currency relative to the US dollar

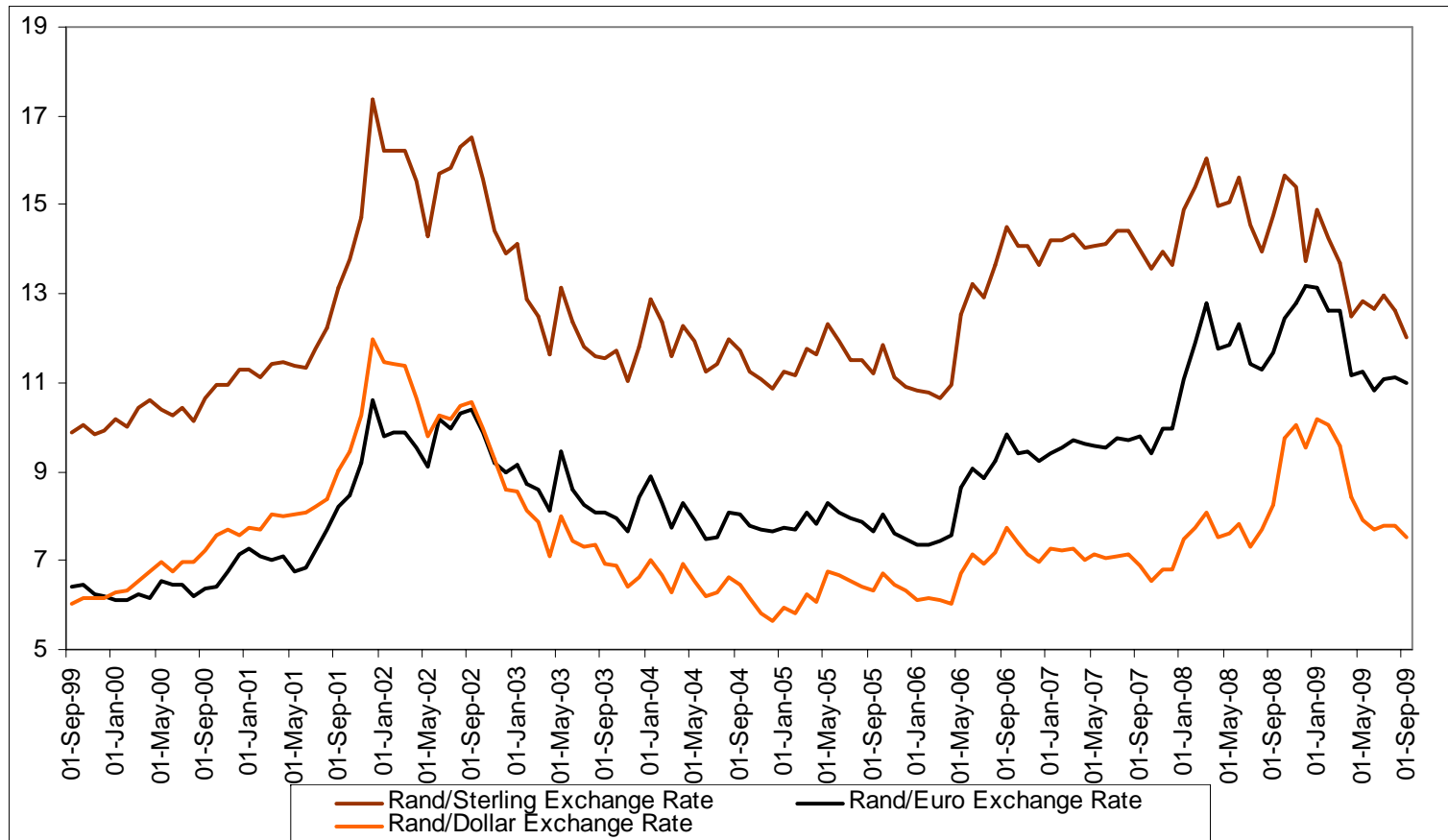


Source: Inet and Advantage Asset Managers

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Exchange rate – ten years to September 2009

The strength of the rand should be seen in context of long term levels. Recent strength is driven from a base of significant recent weakness and the rand remains at weaker levels compared to previous years

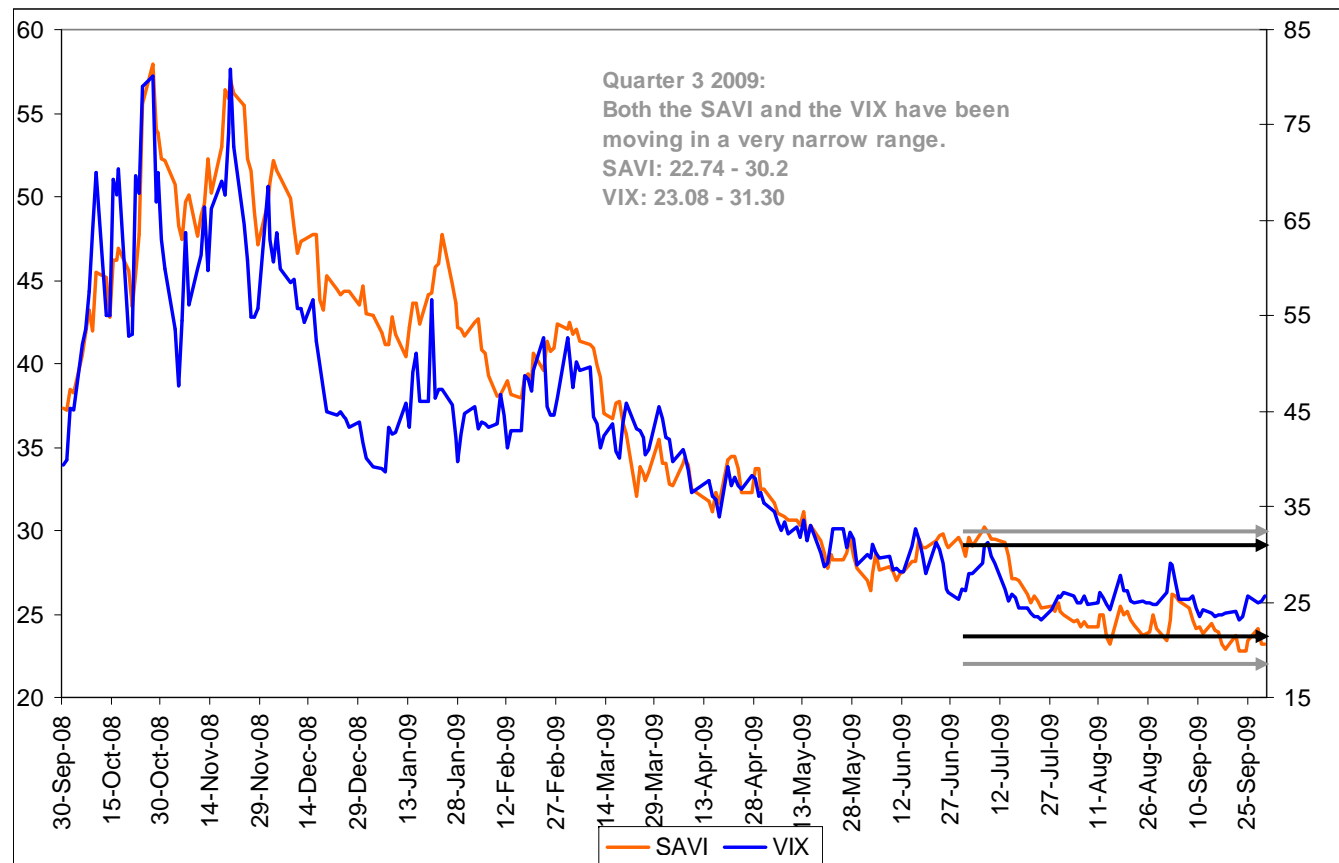


Source: Inet and Advantage Asset Managers

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SAVI-VIX – 12 months to September 09

During quarter 3, both the SAVI and the VIX moved in a narrow range as indicated by the arrows in the chart - this is indicative of low levels of volatility, which have been in place for sometime, hinting that investors' fears have been stilled (for now)

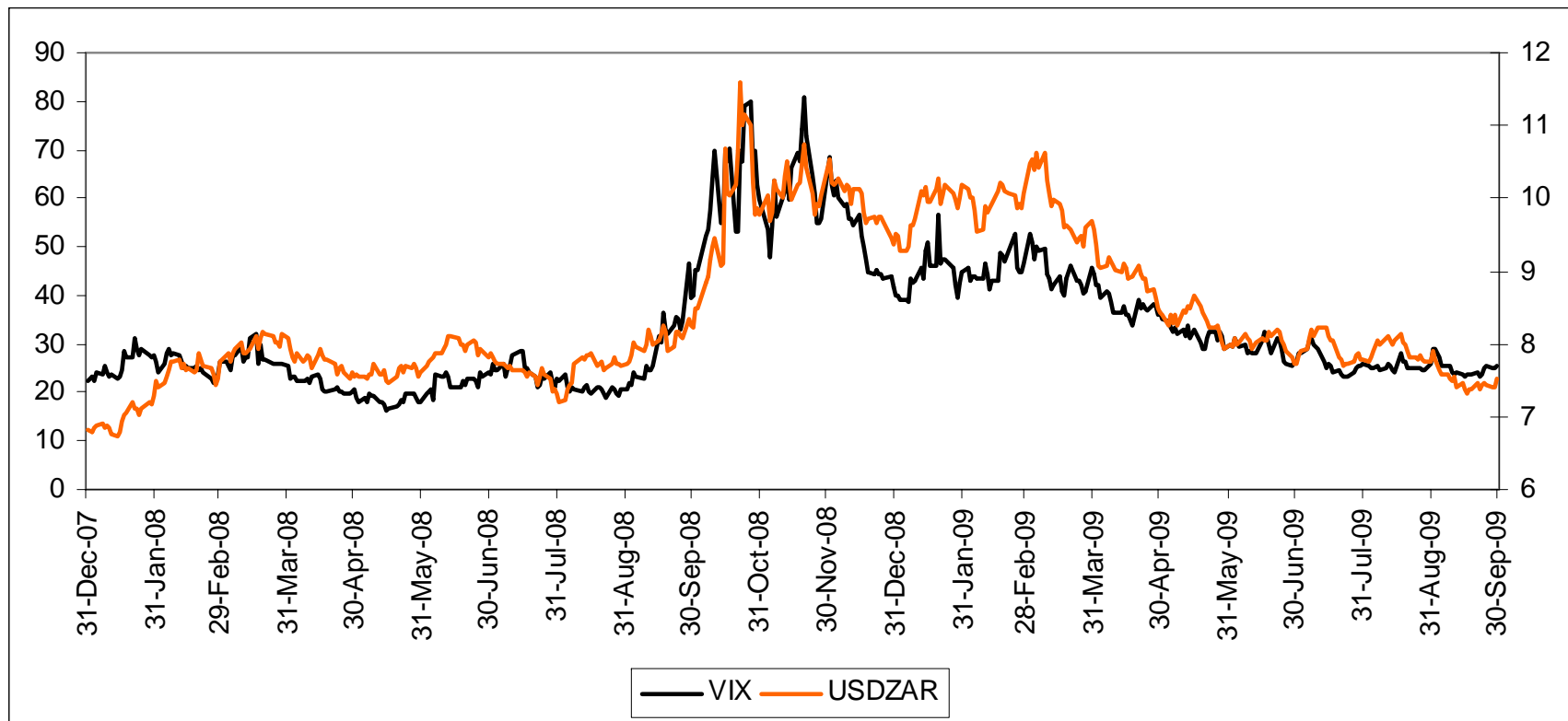


Source: Inet and Advantage Asset Managers

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VIX and rand

Strong correlation between VIX and rand – the higher risk aversion and higher expected volatility correlates to a weaker rand. As volatility expectations subside the rand is also seen to strengthen against the USD

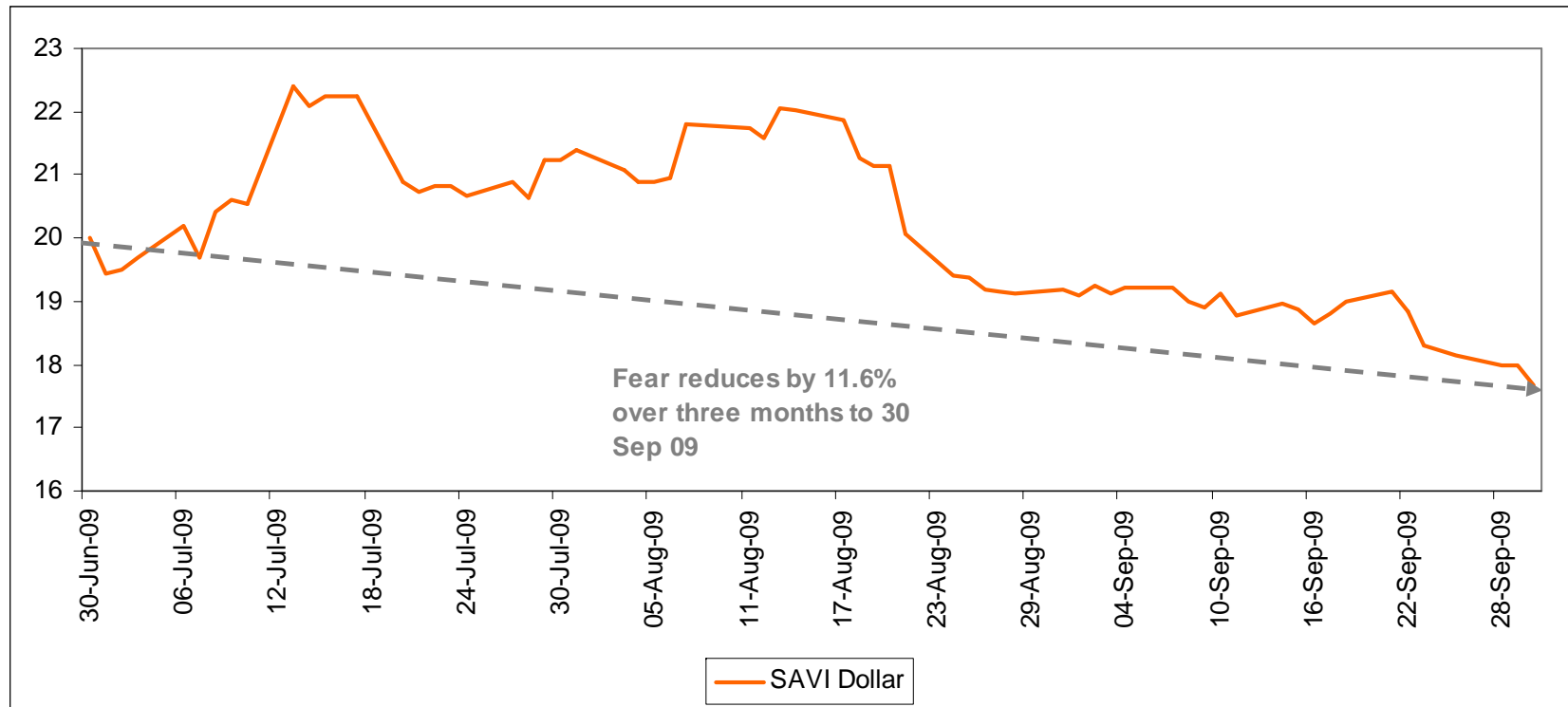


Source: Cadiz Securities, Inet and Advantage Asset Managers

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SAVI dollar – three months to September 2009

A lower level for the SAVI dollar indicates less fear. Fear has decreased during Quarter 3, 2009



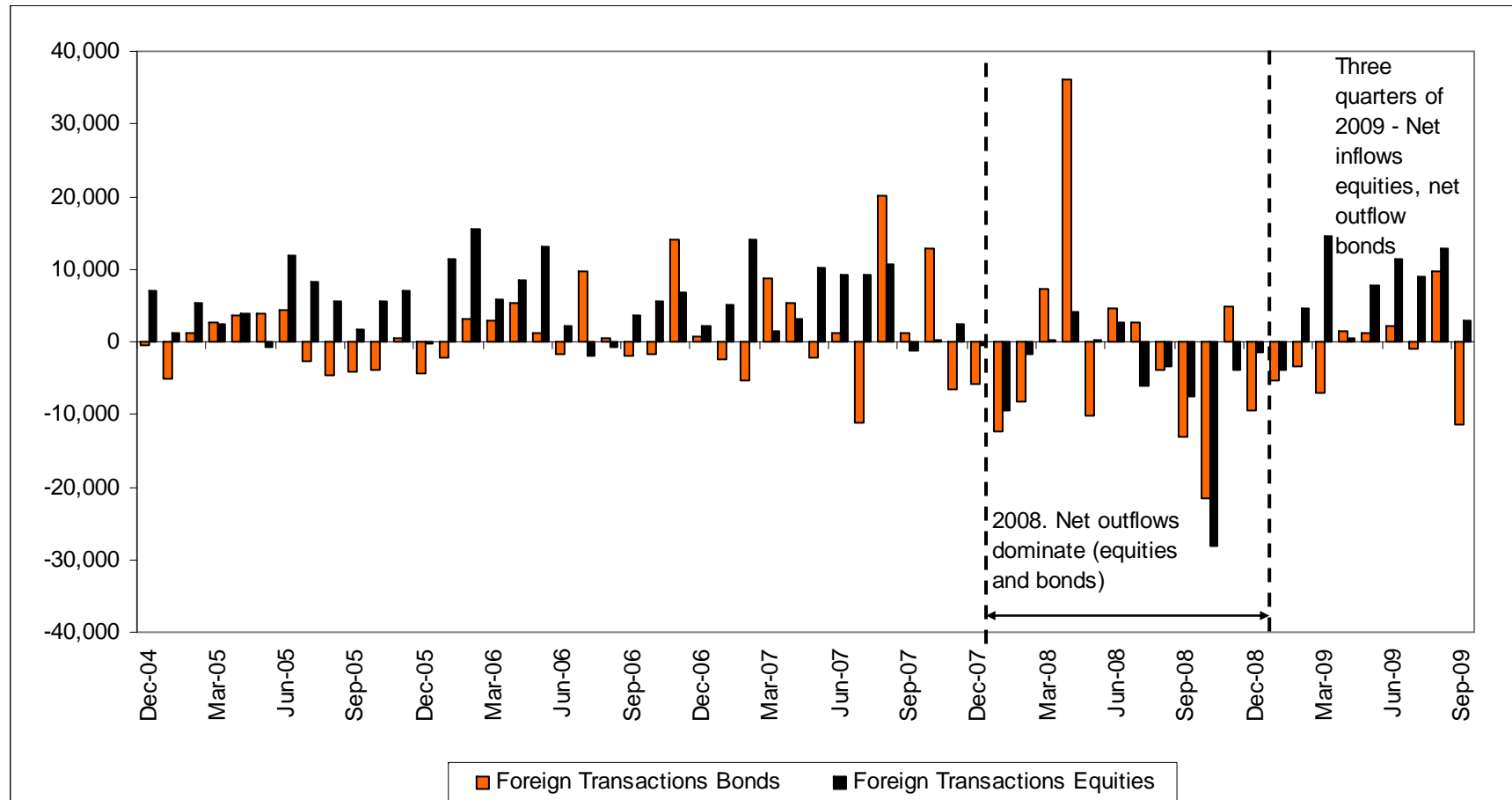
90 day forward looking implied volatility index based on the dollar-rand exchange rate. Interpretation: the higher the index, the more fear in the market. Index can be used in conjunction with the SAVI.

Source: Inet and Advantage Asset Managers

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Foreign transactions - monthly to September 09

Foreigners are avoiding bonds again and were net sellers of these assets over the three quarters of 2009

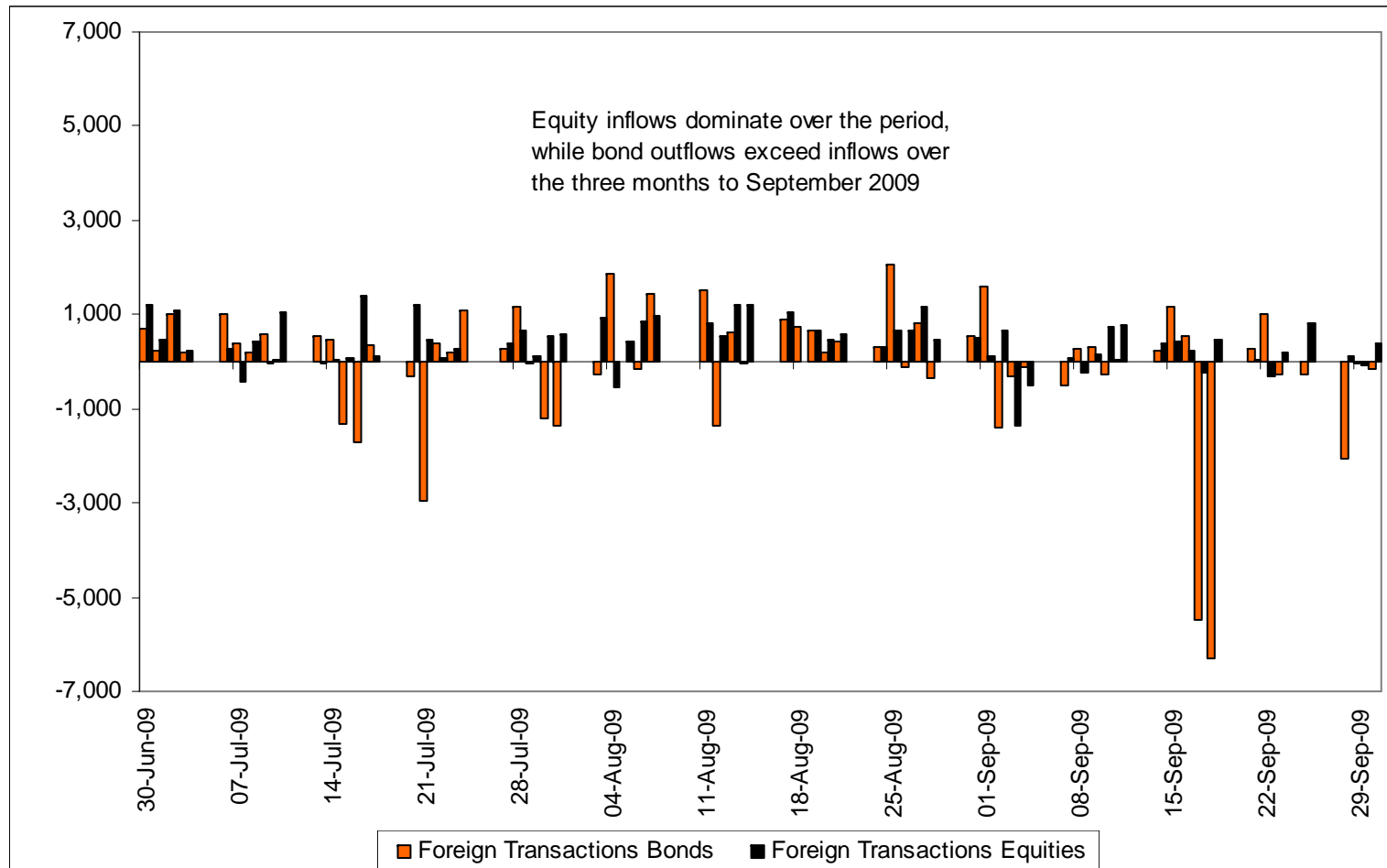


Source: Inet and Advantage Asset Managers

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Foreign transactions – three months to September 2009

Quarter 3, 2009 – Foreigners liking equities, selling off bonds

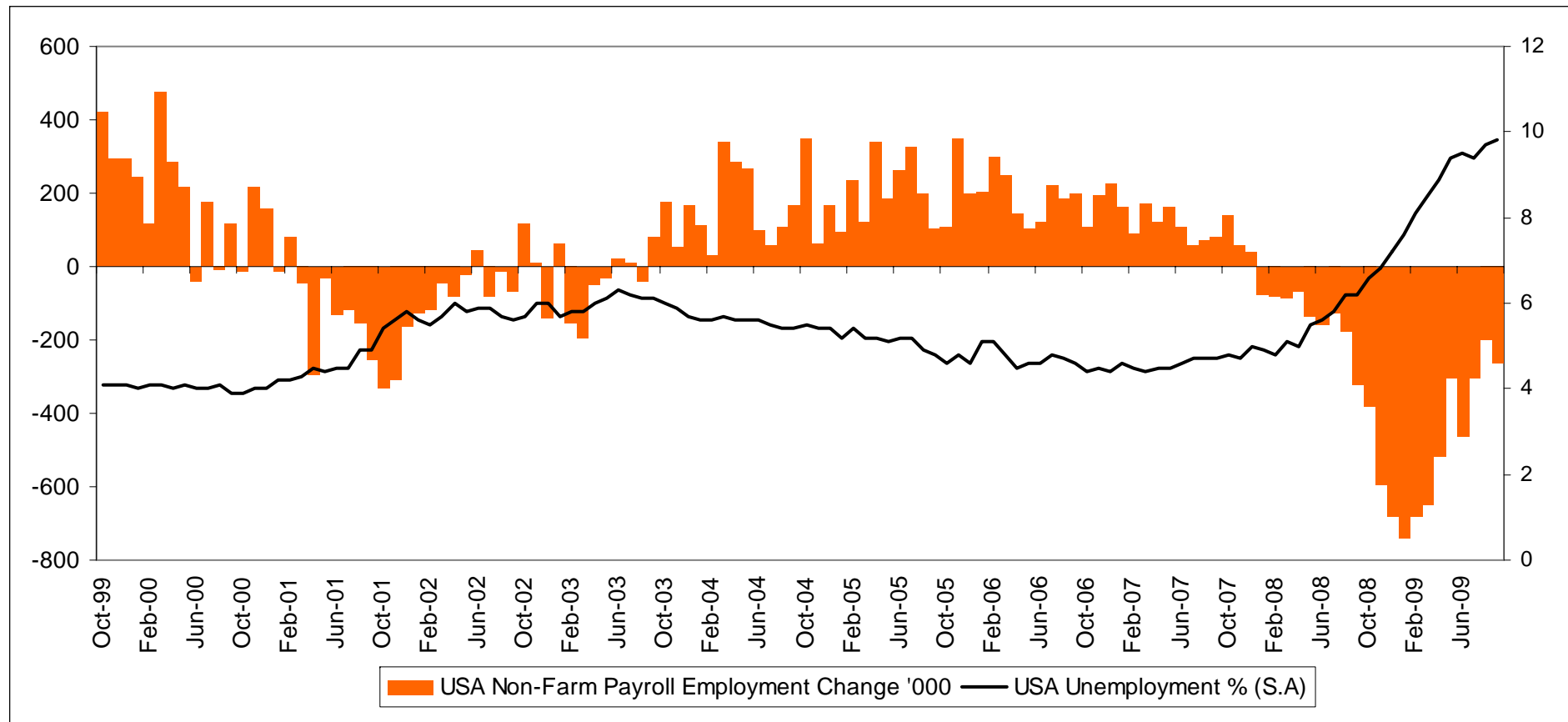


Source: Inet and Advantage Asset Managers

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USA employment - ten years to September 2009

The rising unemployment trend has not been broken and unemployment has again risen slightly

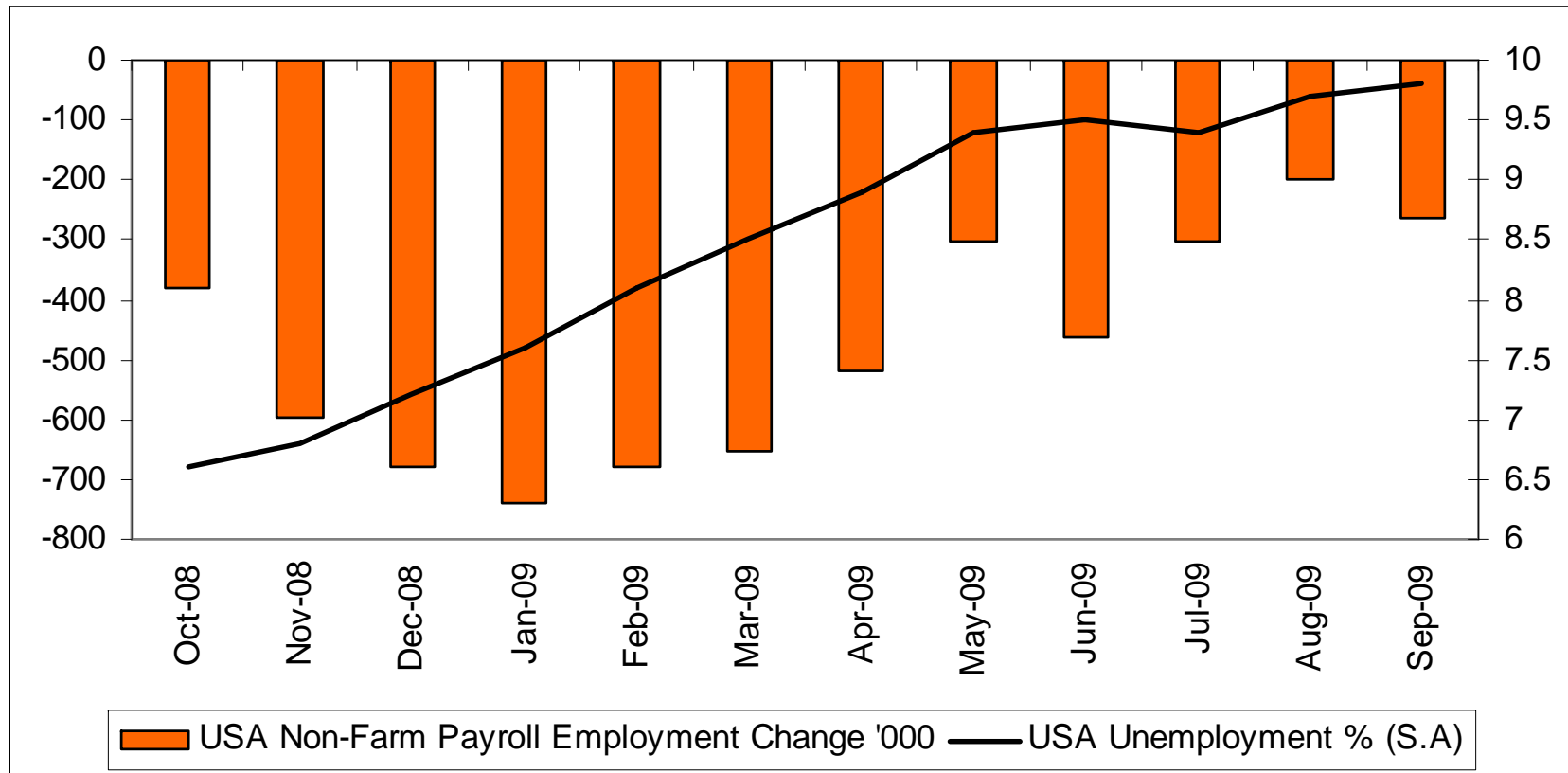


Source: Inet and Advantage Asset Managers

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USA employment 12 months to September 09

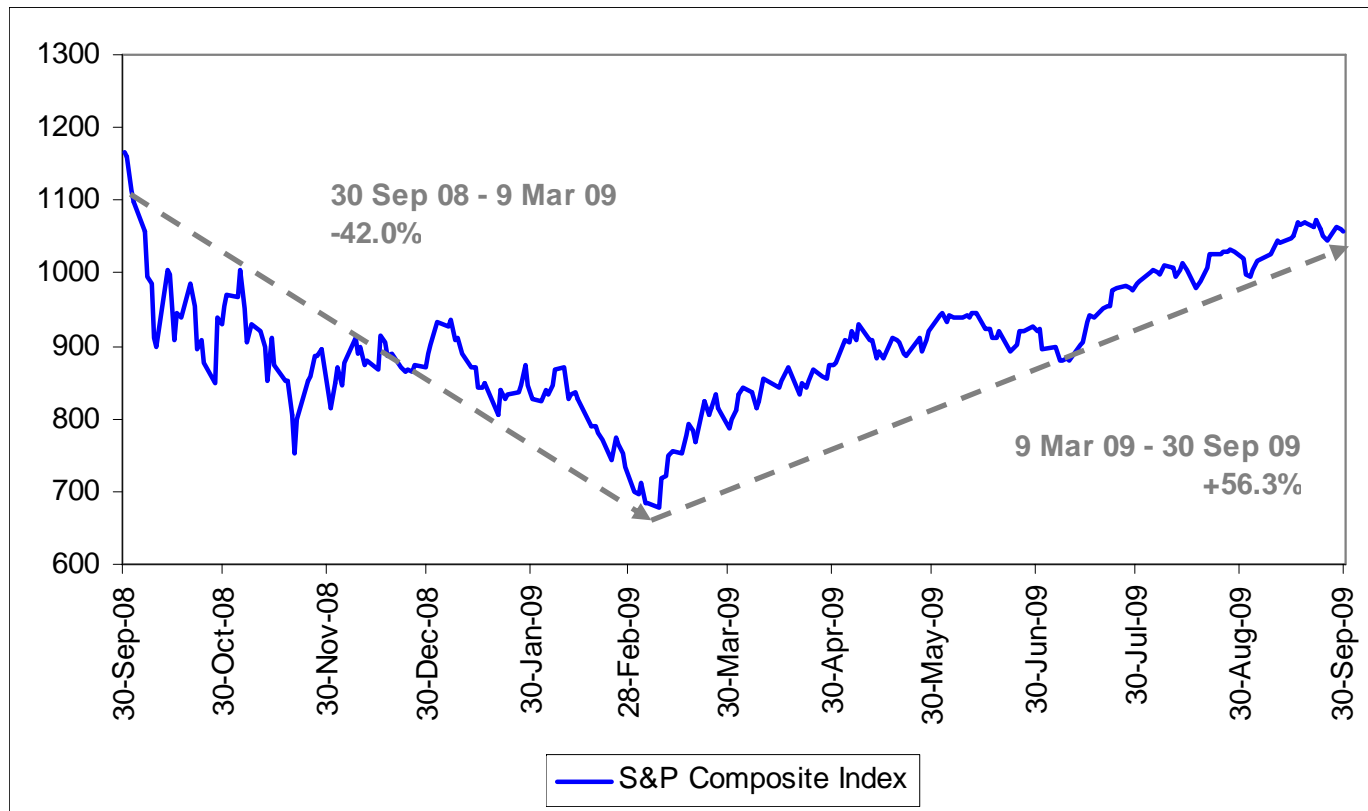
Job losses have risen again in contrast with August 09 and the suggested stabilisation in the unemployment rate has not continued



Source: Inet and Advantage Asset Managers

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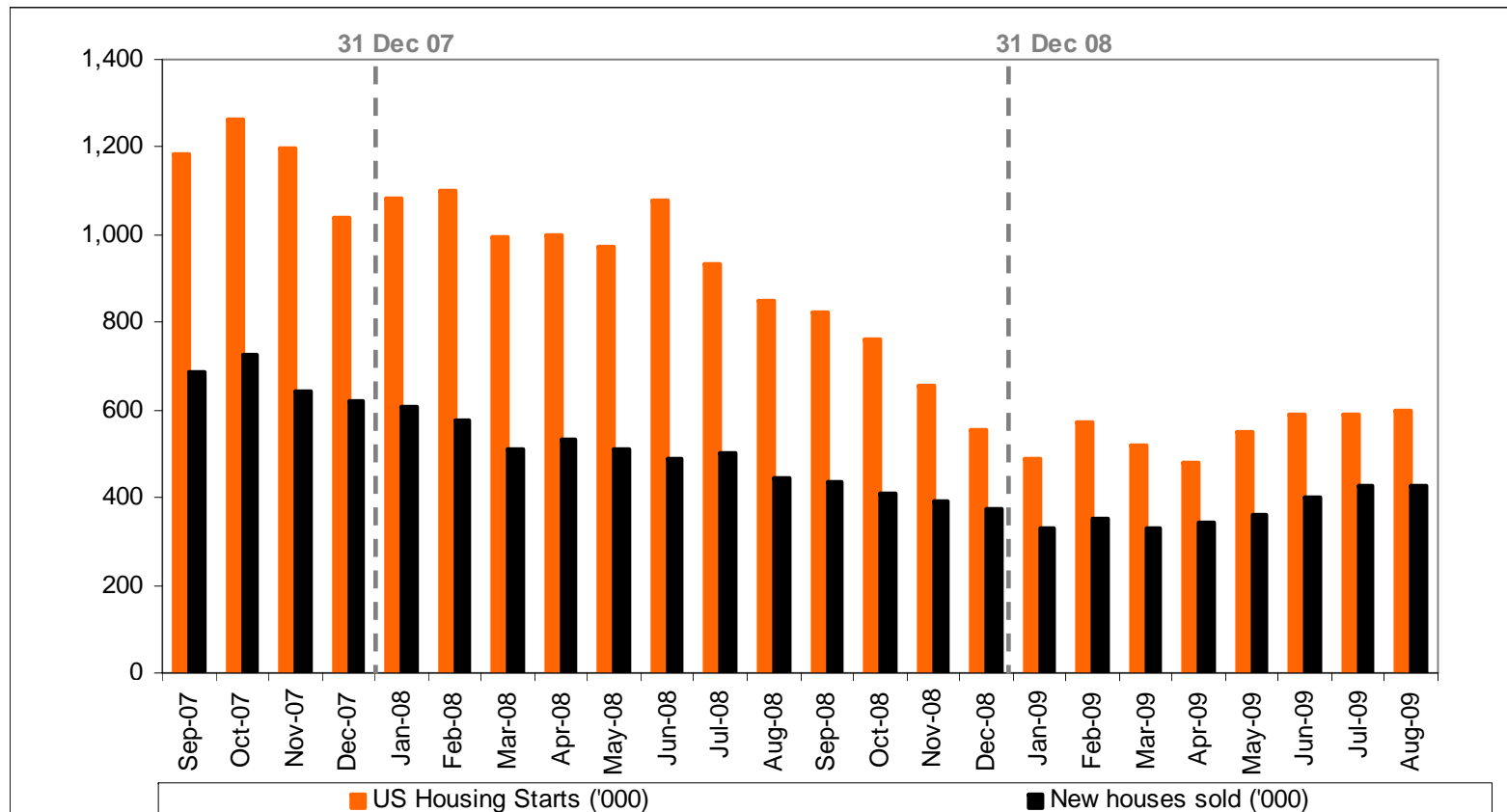
S&P 500 12 months to September 2009



Source: Inet and Advantage Asset Managers
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US housing market shows slight improvement

A state of limbo – housing starts have remained stable at low levels, while new houses sold have hardly moved.



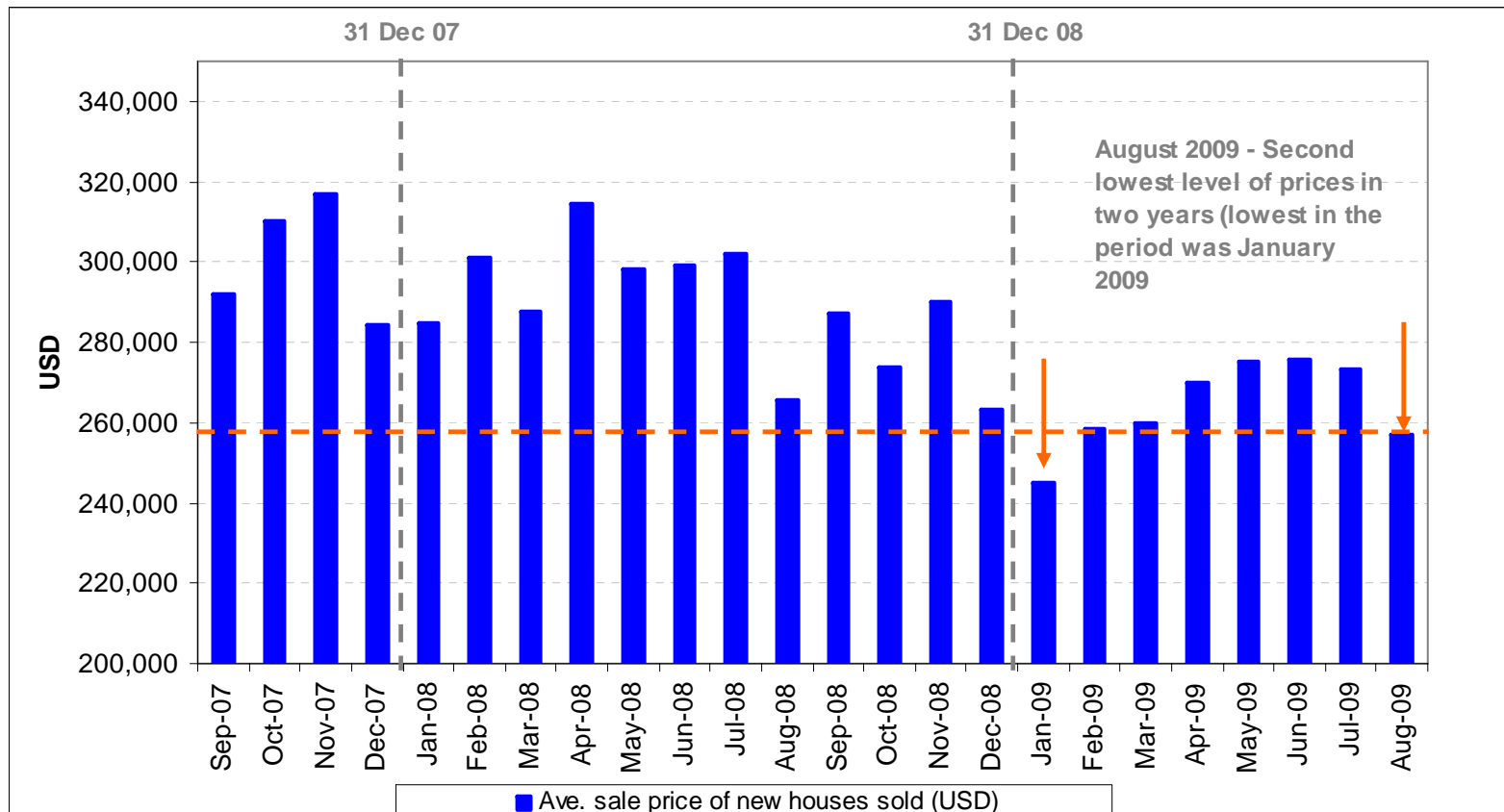
* Data is delayed by a month.

Source: Inet and Advantage Asset Managers

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Average sale price of new houses sold (USD)

Prices drop again after hopes that a continued series of price rises may be on the cards



Source: Inet and Advantage Asset Managers

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End of Key Market Performance Drivers monthly charts for September 2009

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Thank you



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