



Key Market Performance Drivers Monthly Charts

March 2010



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Introduction to Key Market Performance Drivers monthly charts

The Advantage Key Market Performance Drivers (KMPD) has proved 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, we 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 March 2010 edition of the KMPD monthly charts.

Regards
Advantage Asset Managers

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The logo for Advantage Asset Managers features a stylized orange Greek letter alpha (α) followed by the word "advantage" in a bold, lowercase sans-serif font. Below this, the words "asset managers" are written in a smaller, lowercase sans-serif font.

asset managers

Market performance concentration – three months to March 2010

SA Listed Property's sound return relative to the other equity indices is apparent. Both the ALSI and SWIX opportunity sets have contracted slightly compared to the three months to end February 2010.

3 months to Mar 2010																	
1	BRN	53.1%	30	EOH	15.6%	59	VKE	10.7%	88	BCX	6.2%	116	CRM	2.2%	146	AMS	-3.9%
2	MTA	46.2%	31	ADH	15.2%	60	ARI	10.3%	89	SPG	6.1%	117	Resource 20	2.1%	147	BAT	-4.1%
3	PET	36.7%	32	IPL	15.2%	61	WBO	10.3%	90	IMP	6.0%	118	FFA	2.1%	148	RBX	-4.1%
4	MNP	28.8%	33	IVT	15.2%	62	TBS	10.0%	91	OCT	6.0%	119	OCE	1.8%	149	CDZ	-4.5%
5	WHL	28.4%	34	DDT	14.8%	63	SA Listed Prop	9.9%	92	KGM	5.9%	120	SOL	1.6%	150	LBT	-4.9%
6	GIJ	28.2%	35	FBR	14.2%	64	Financial 15	9.9%	93	AFR	5.8%	121	Fledgling	1.3%	151	MTN	-5.0%
7	MND	28.1%	36	CFR	14.2%	65	GRT	9.7%	94	OMN	5.7%	122	ATN	1.1%	152	GFI	-5.4%
8	MVG	26.5%	37	MPC	13.7%	66	LEW	9.5%	95	CPL	5.6%	123	RBW	0.8%	153	AEG	-5.8%
9	MET	25.8%	38	AVU	13.4%	67	HCI	9.5%	50% of total market cap			124	ATNP	0.8%	154	GPL	-5.9%
10	MSM	24.2%	39	FOS	13.1%	68	SLM	9.3%	96	NPN	5.5%	125	NHM	0.3%	155	ILV	-6.0%
11	HVL	23.8%	40	NED	12.9%	69	ZED	9.3%	97	Small Cap	5.5%	126	COM	0.0%	156	BLU	-6.8%
12	CMH	23.6%	41	WEZ	12.8%	70	PAP	9.3%	98	SWIX	5.2%	127	KAP	0.0%	157	MUR	-6.9%
13	TRU	22.3%	42	SYC	12.8%	71	DSY	9.0%	99	MDC	5.1%	128	AGL	-0.2%	158	EQS	-7.6%
14	SUR	22.0%	43	SHP	12.7%	72	LBH	9.0%	100	CAT	5.0%	129	CLH	-0.6%	159	SAP	-8.7%
15	BEL	21.4%	44	HYP	12.5%	73	MML	8.8%	101	SPP	4.8%	130	CSB	-0.7%	160	TKG	-8.8%
16	DTC	21.0%	45	ASA	12.5%	74	Mid Cap	8.7%	102	All Share	4.5%	131	REI	-0.8%	161	ANG	-9.0%
17	PAM	21.0%	46	HDC	12.4%	75	RES	8.4%	103	SWIX Top 40	4.4%	132	SAB	-1.0%	162	HAR	-9.2%
18	EXX	20.5%	47	SBK	12.4%	76	APN	8.1%	104	AFE	4.3%	133	PFG	-1.6%	163	ACL	-10.1%
19	DAW	20.1%	48	SAC	12.4%	77	FPT	7.9%	105	TON	4.2%	134	VOD	-1.6%	164	JDG	-10.8%
20	NPK	20.1%	49	FSR	12.0%	78	BIL	7.7%	106	Top 40	3.8%	135	ALT	-1.7%	165	GND	-12.2%
21	ABL	19.5%	50	RDF	11.8%	79	PMM	7.6%	107	Industrial 25	3.6%	136	AFX	-1.7%	166	ESR	-13.2%
22	MRF	18.6%	51	HPB	11.8%	80	JSE	7.5%	108	PIK	3.4%	137	LON	-2.5%	167	ILA	-16.3%
23	CMP	18.2%	52	SSK	11.5%	81	AIP	7.5%	109	BSR	3.2%	138	SFN	-2.6%	168	MTX	-17.0%
24	KIO	18.1%	53	CML	11.3%	82	HPA	7.5%	110	RLO	3.1%	139	ART	-2.6%	169	DCT	-17.7%
25	TRE	17.5%	54	CLS	11.2%	83	BVT	7.2%	111	PPC	3.0%	140	NTC	-2.7%	170	HLM	-18.7%
26	INL	17.4%	55	RMH	11.2%	84	PGR	7.2%	112	OML	2.9%	141	GDF	-2.8%	171	BDM	-20.0%
27	INP	16.6%	56	BAW	11.0%	85	EMI	7.1%	113	SNU	2.8%	142	SNT	-2.8%	172	CBH	-23.9%
28	ARL	16.2%	57	REM	10.9%	86	KEH	6.4%	114	DGC	2.6%	143	SUI	-3.0%	173	PHM	-25.0%
29	AVI	15.7%	58	FWD	10.8%	87	ACP	6.3%	115	ADR	2.4%	144	GRF	-3.6%	174	DRD	-25.4%
												145	SHF	-3.7%	175	SIM	-29.4%

Source: Barra, Deutsche Securities and Advantage Asset Managers

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

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Market performance concentration – 12 months to March 2010

While over the quarter to end March, listed property captures a good rank, this is not the case over the year. Mid caps remain consistently strong over both measurement periods.

12 months to March 2010																			
1	BRN	200.9%	30	FWD	87.3%	59	RMH	62.3%	87	REM	48.4%	116	HYP	37.2%	146	EQS	17.3%		
2	PAM	161.4%	31	BCX	84.8%	60	MSM	62.0%	88	SHP	48.3%	117	Resource 20	36.0%	147	PPC	15.8%		
3	MNP	142.5%	32	TRE	84.5%	61	FOS	60.2%	89	SBK	46.2%	118	GRF	35.9%	148	GDF	15.7%		
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												145	MML	17.8%	175	SIM	-52.1%		

* Returns for Fortress and Vodacom are partial returns, (from 22/10/09 and 18/5/09 to end March respectively)

Source: Barra, Deutsche Securities and Advantage Asset Managers

Key	
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Styles – Periods to end February* 2010

Growth and Momentum were all the rage in February, and over the three months to February 2010

		1m to Feb 10	3m to Feb 10	12m to Feb 10	36m to Feb 10	20 years to Feb 10
Value	Dividend Yield	0.8%	4.0%	46.5%	17.4%	9.6%
	Earnings to Price	0.3%	3.1%	18.6%	5.0%	9.5%
	CF to Price	1.1%	2.9%	28.4%	10.3%	11.5%
	Sales to Price	-1.6%	-1.8%	17.4%	0.2%	13.7%
	BV to Price	0.8%	0.2%	-14.0%	-6.3%	10.2%
	EBITDA to EV	1.7%	2.6%	6.9%	2.0%	15.7%
	EBITDA to Price	-0.3%	-6.6%	9.5%	-0.3%	9.4%
	Composite Value	-0.6%	3.3%	30.1%	5.6%	13.7%
Growth	Earnings Growth	2.2%	4.3%	-1.2%	9.1%	2.6%
	Sales Growth	2.8%	3.4%	18.9%	8.7%	1.9%
	R o E	1.1%	1.0%	17.1%	5.9%	-2.2%
	IBES 12m Growth	-2.0%	-0.6%	-51.9%	-6.8%	-0.2%
	Composite Growth	2.3%	2.4%	18.6%	9.1%	2.5%
Momentum	M 6mth ST	2.4%	3.2%	2.7%	13.1%	2.3%
	M 6mth	1.4%	3.9%	-9.8%	7.7%	4.3%
	M 12mth	3.8%	5.4%	-8.1%	5.1%	5.1%
	FY1 Revisions	-1.6%	0.6%	-26.5%	4.3%	8.3%
	FY2 Revisions	0.8%	1.6%	-40.0%	2.4%	3.9%
Misc	Market Cap	-2.3%	0.3%	21.3%	7.1%	-4.6%
	Beta	2.2%	4.7%	42.7%	1.2%	-3.9%
	Debt to Equity	-2.6%	2.6%	6.7%	0.0%	1.4%
	Income to Sales	2.3%	2.6%	15.9%	11.7%	-5.4%
	Stability of EG	0.2%	-0.2%	-6.8%	4.1%	-3.7%
	Foreign Exposure	-0.9%	2.2%	6.1%	3.5%	-2.4%

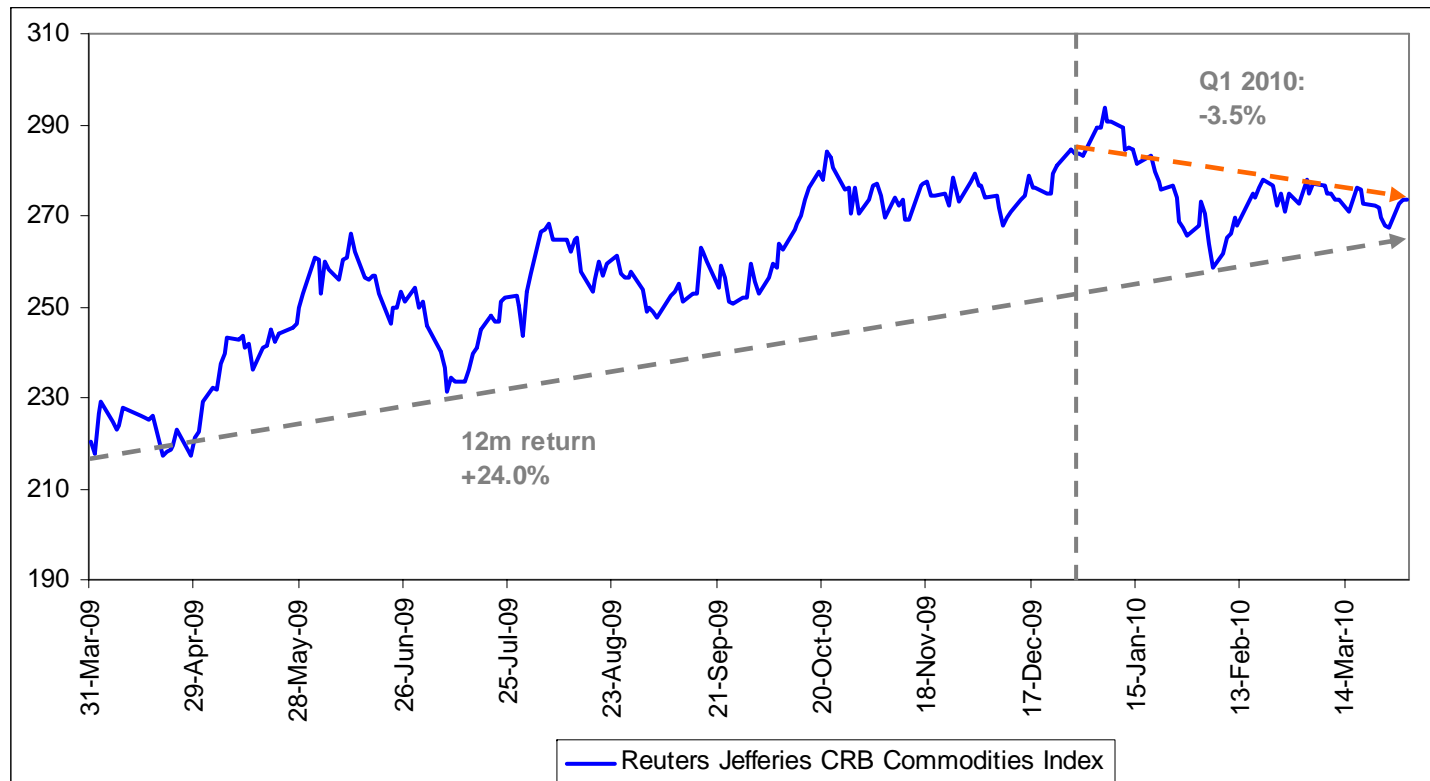
* Data lagged by a month

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Reuters Jefferies CRB Commodities index

While the index remains in solid positive territory over the year to end March 2010, Quarter 1 has seen the index fall slightly



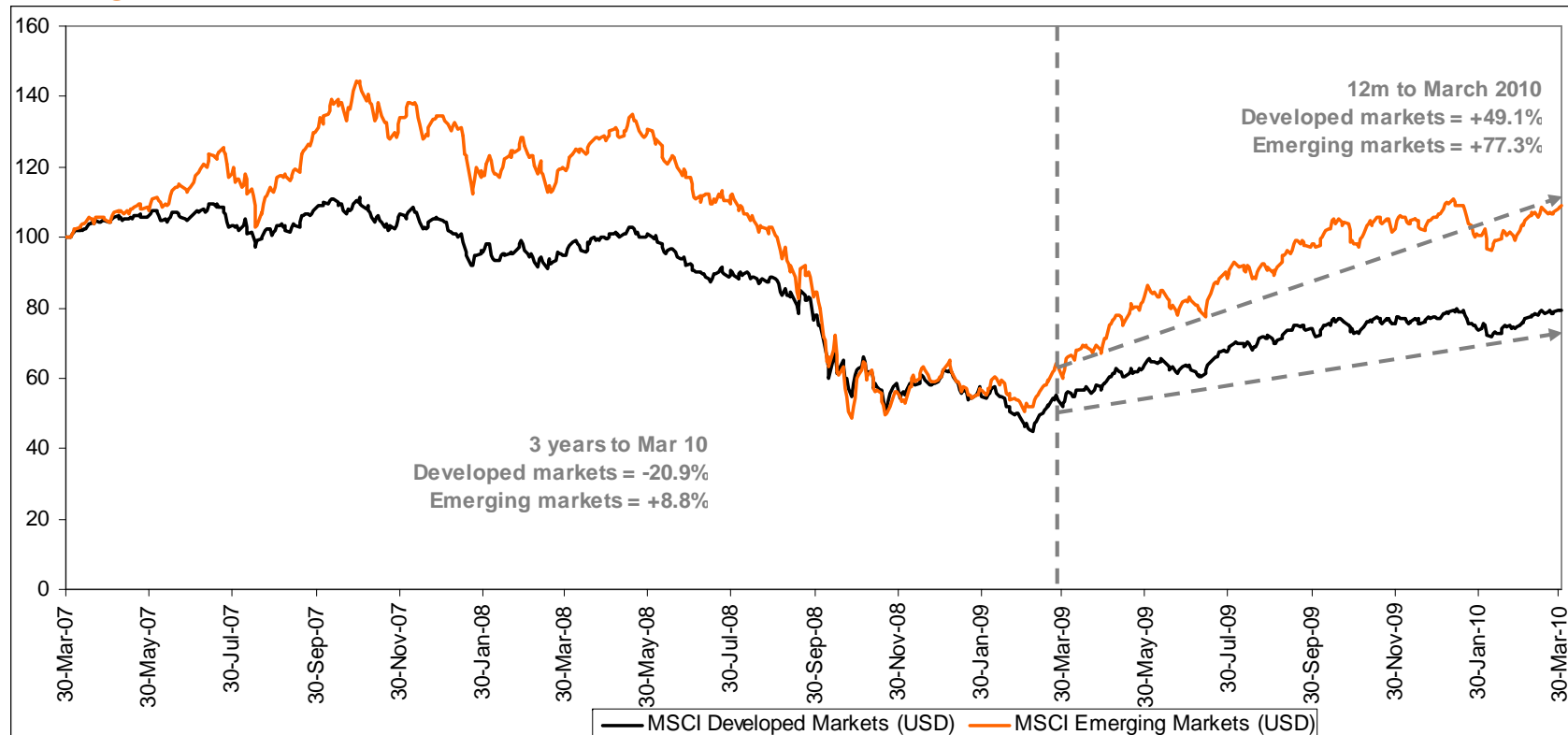
Source: Inet and Advantage Asset Managers

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MSCI developed and emerging markets – 36 months to March 2010

The year to March 2010 has seen solid returns in both the emerging and developed markets, although the emerging remain ahead by a substantial margin.



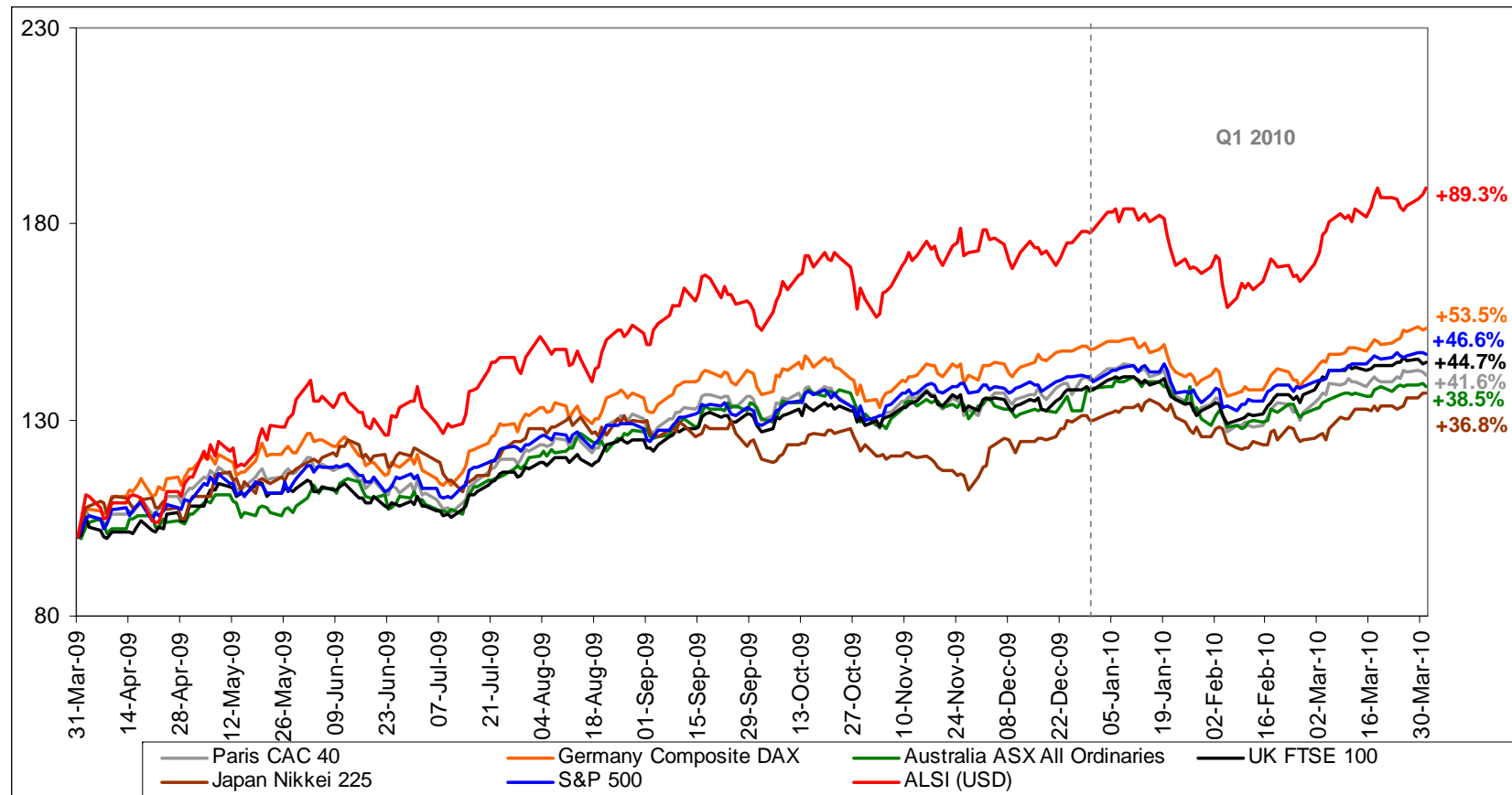
Source: MSCI Barra and Advantage Asset Managers

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Developed Equity – 12 months to March 2010

Returns remain strong over the 12 months; even though during the beginning of 2010 they experienced a dip, this was only temporary and March again saw the indices climb.



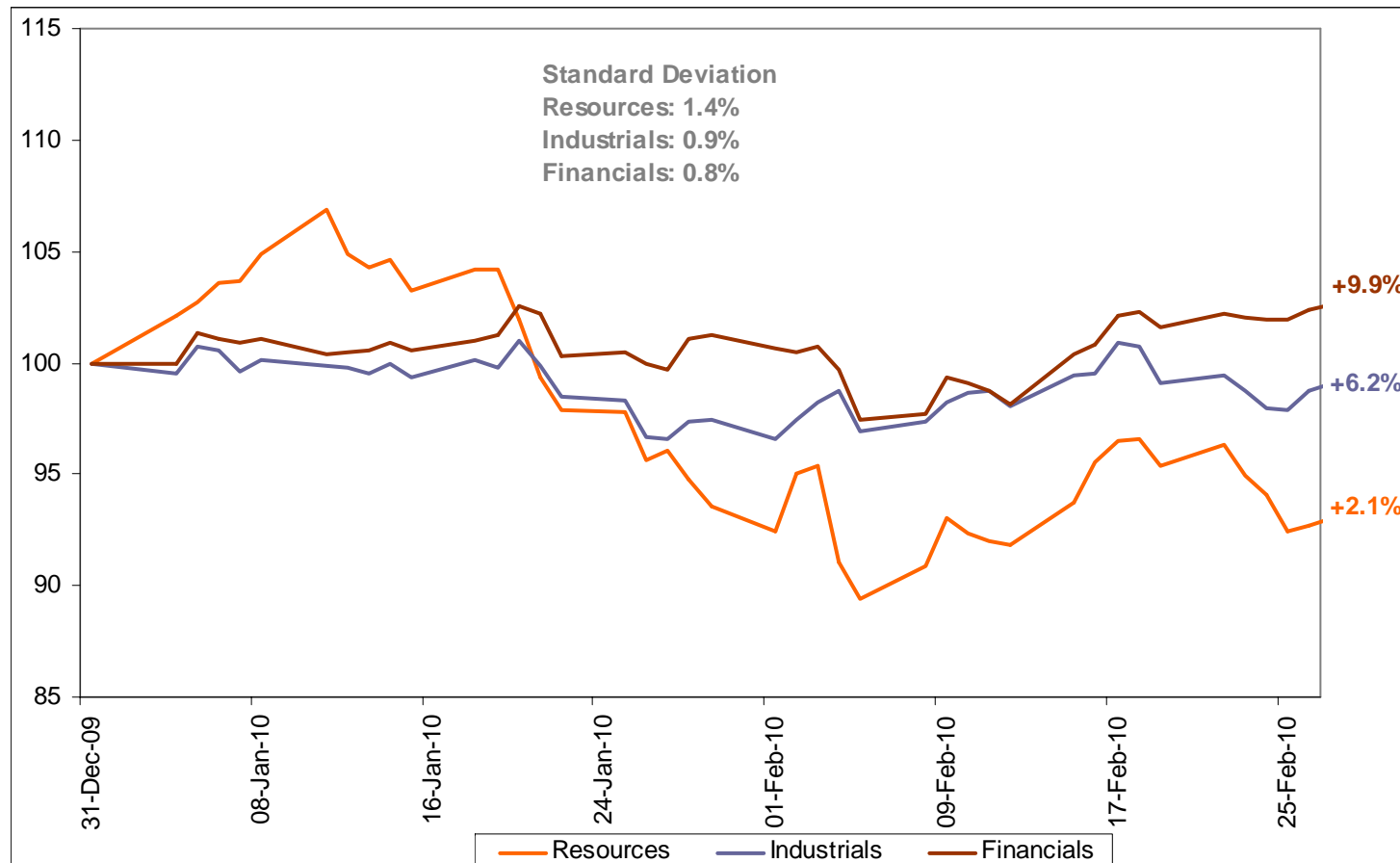
Source: Inet and Advantage Asset Managers

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Sectors – three months to March 2010

The quarter was driven by financials, while resources were the laggard. Driving the return of this sector were the life insurance and general financial sub-sectors, followed by banks.

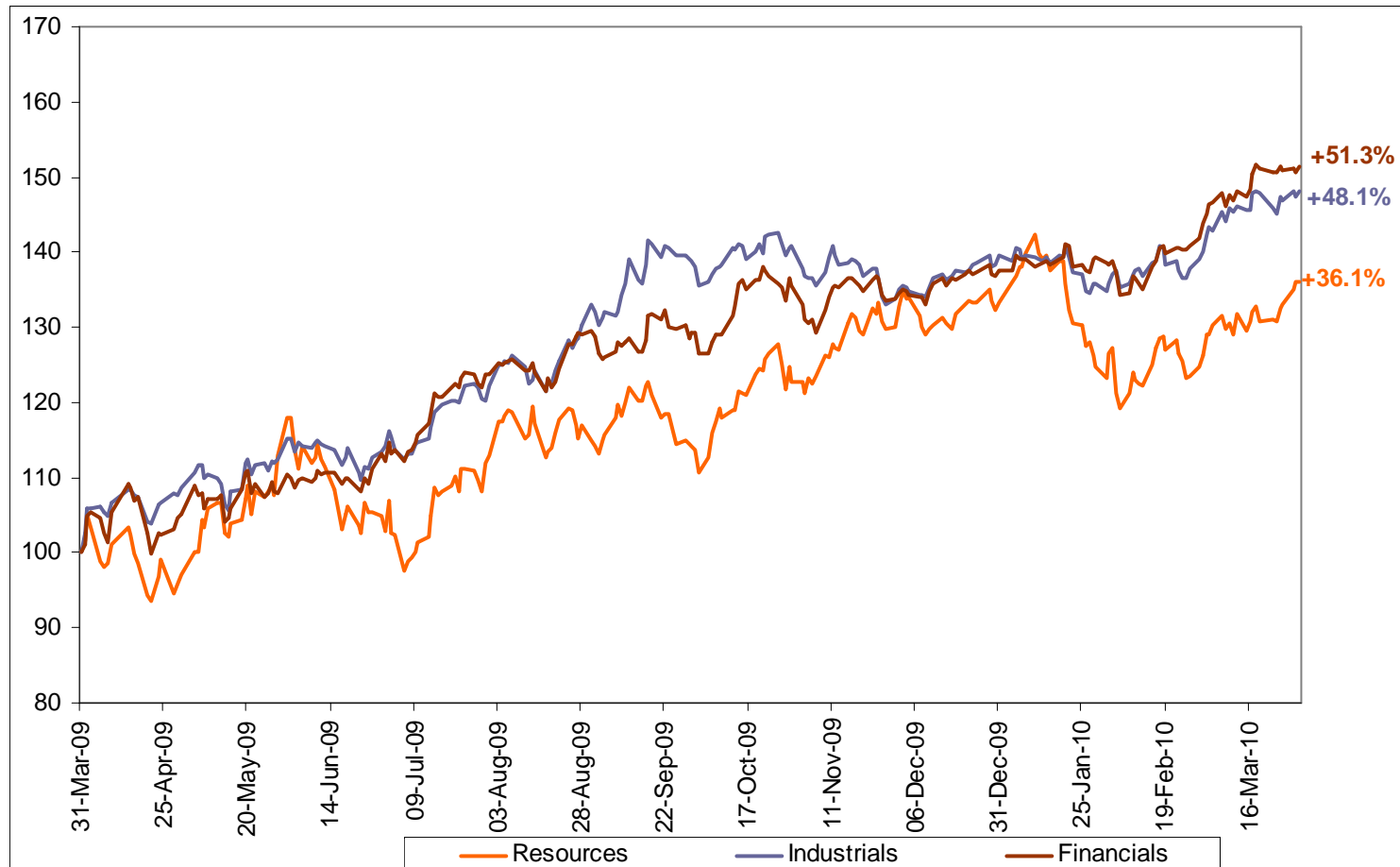


Source: Inet and Advantage Asset Managers

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Sectors – 12 months to March 2010

While all the sectors experienced solid returns over the year, the resources lagged by a notable margin.

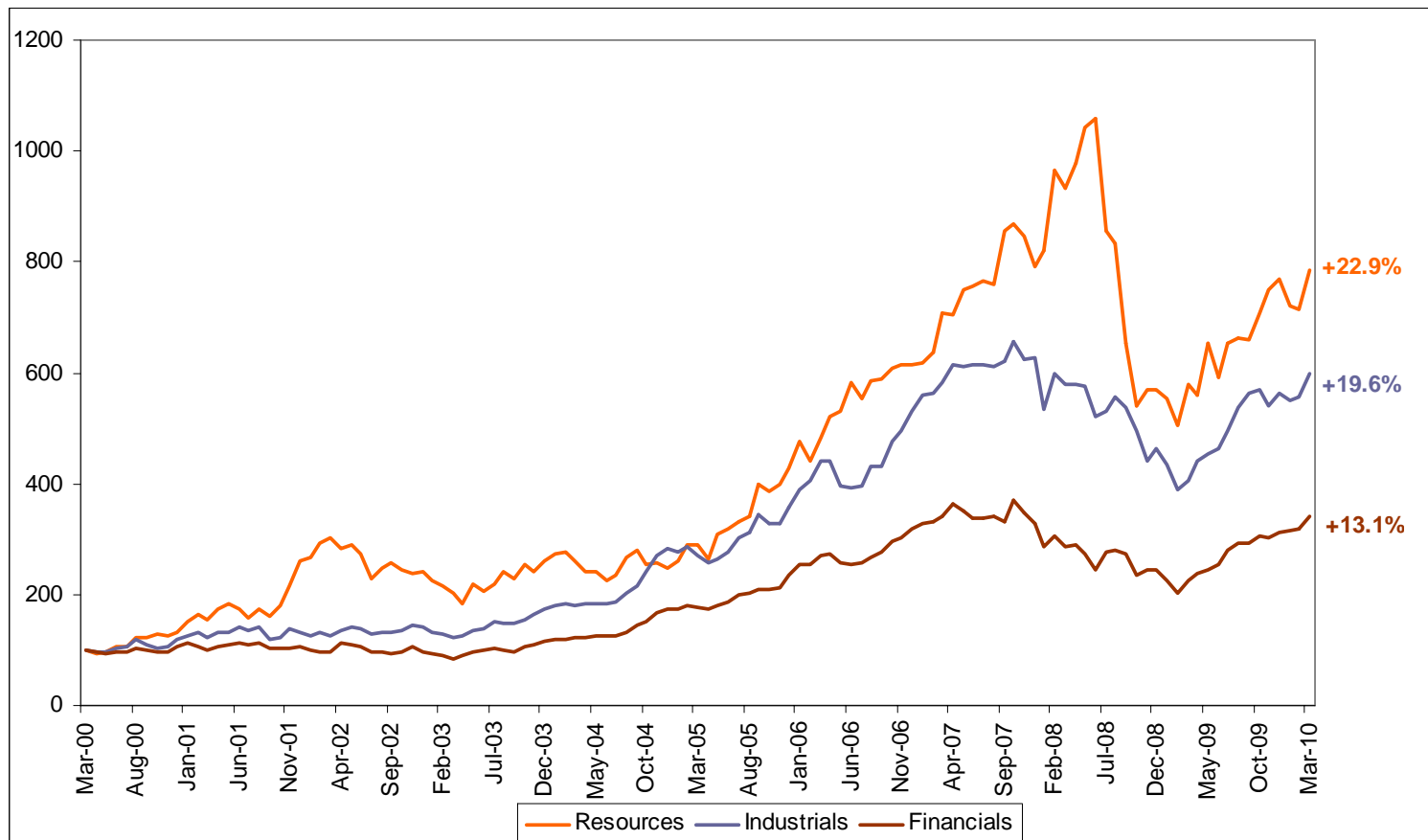


Source: Inet and Advantage Asset Managers

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Sectors – 10 years to March 2010

The recent run in financials is insufficient to bolster the 10 year returns of this sector, and it lags the resources, and industrials, quite significantly.



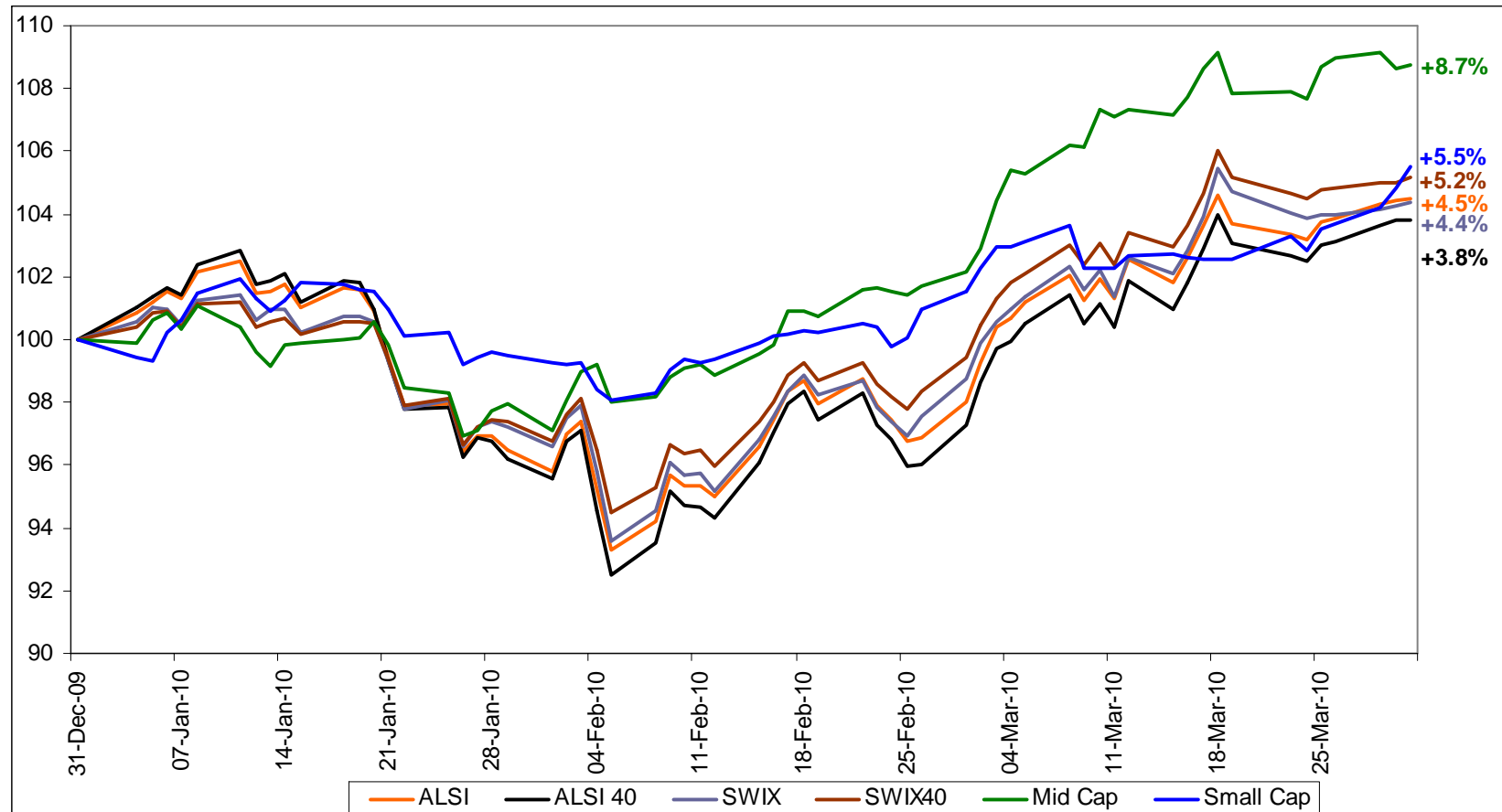
Source: Inet and Advantage Asset Managers

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Size – three months to March 2010

Mid caps continue to surge ahead, unrivalled. The ALSI40 struggled, with its heavy resource exposure detrimental to the index return, as the resources struggled relative to the other sectors during the quarter.



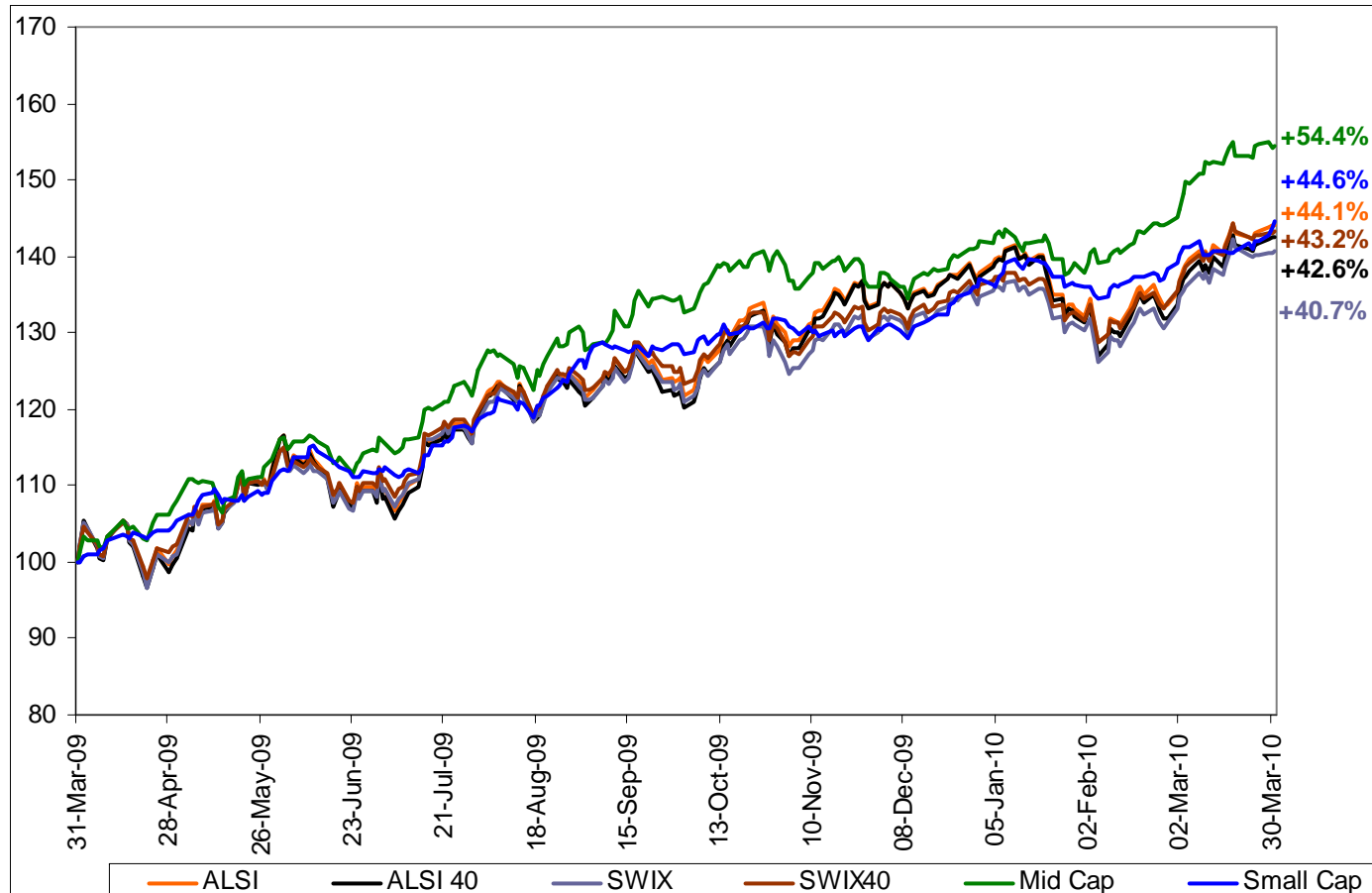
Source: Inet and Advantage Asset Managers

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Size – 12 months to March 2010

Mid caps continue to lead, with shares such as Palamin, Datatec, Woolies, Clicks Group and HCI the top performers over 12 months



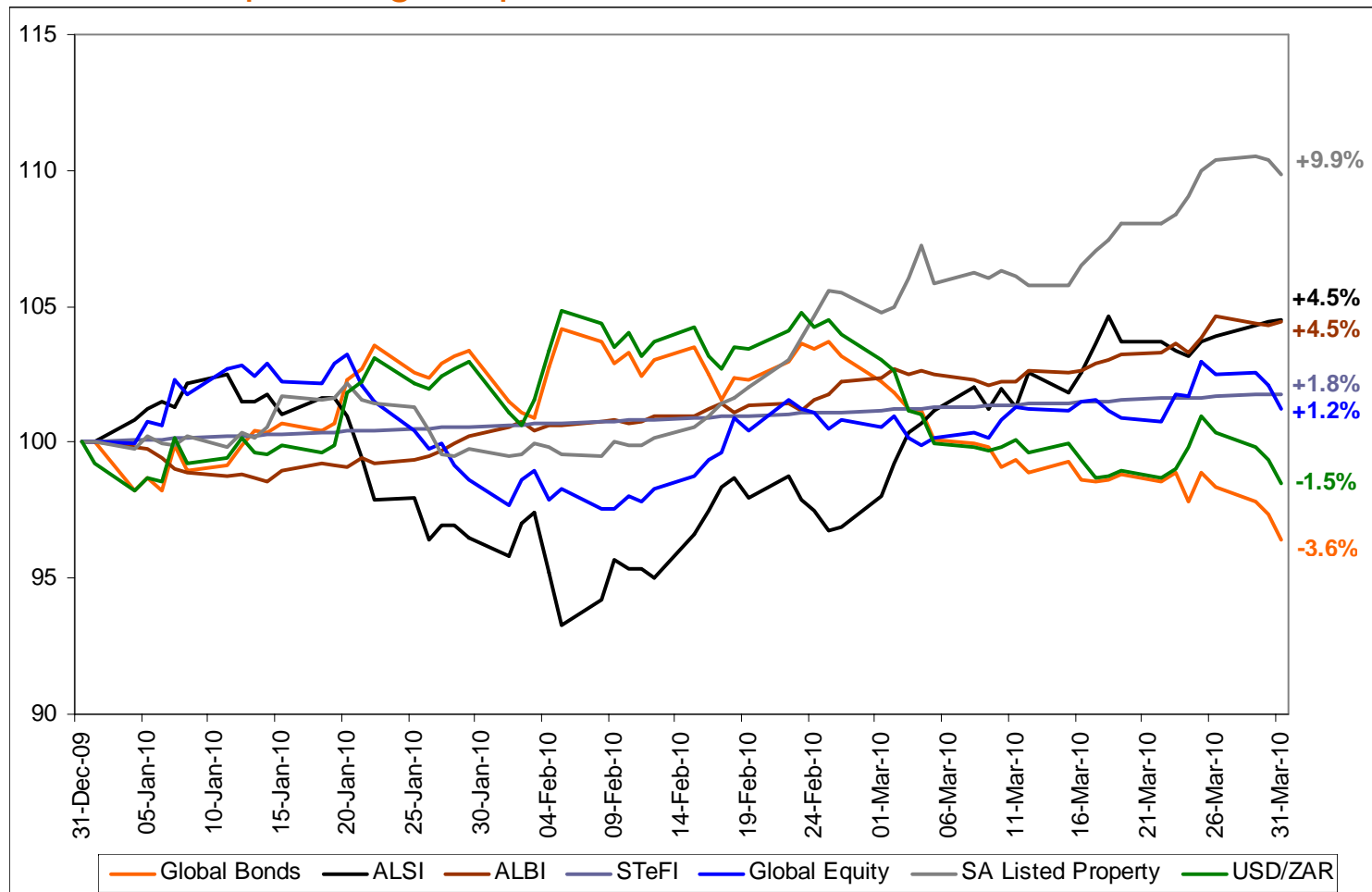
Source: Inet and Advantage Asset Managers

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Asset classes – three months to March 2010

SA listed property remains the top performing asset class, with Sycom, Hyprop and SA Corp driving the performance

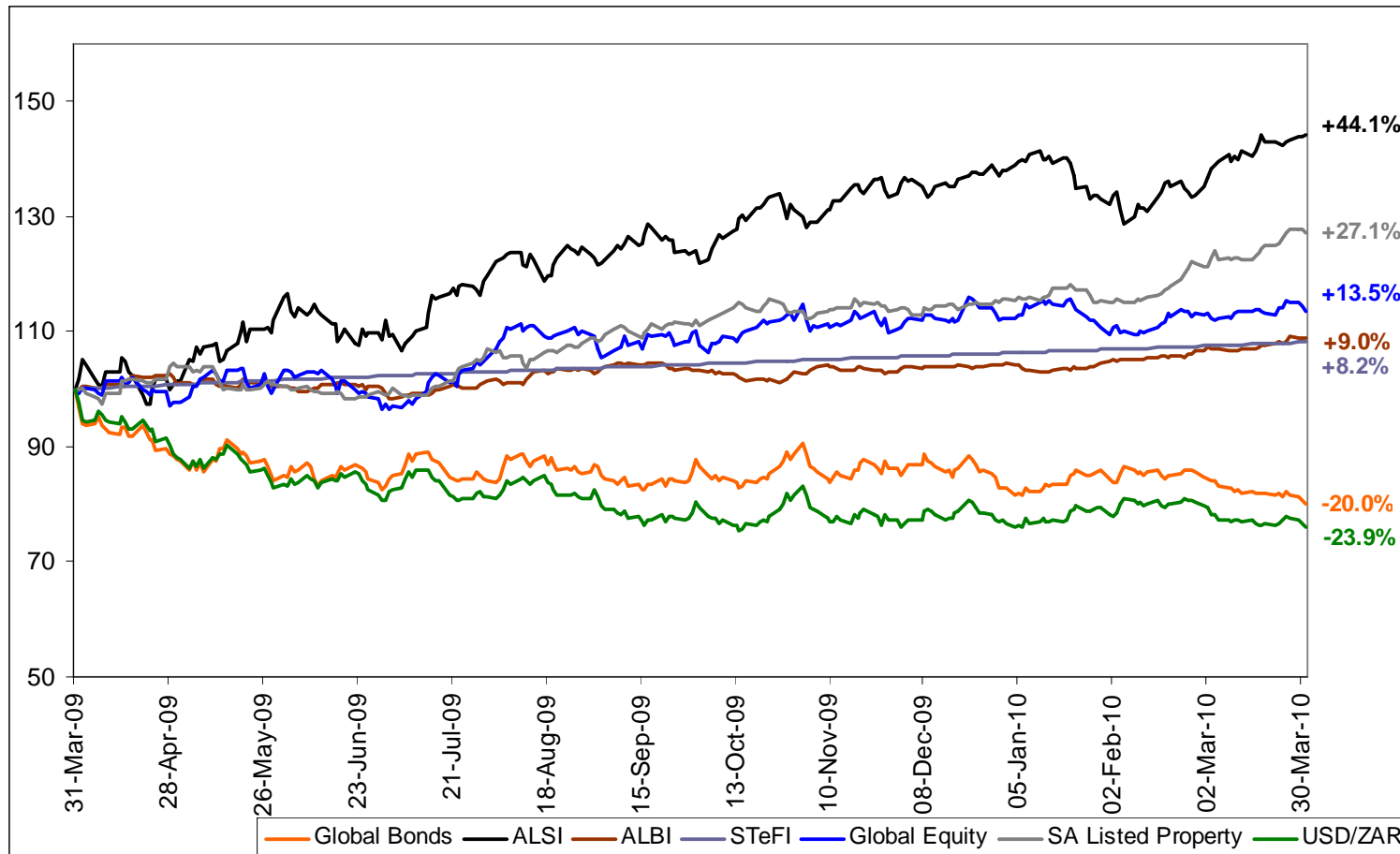


Source: Inet and Advantage Asset Managers

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Asset classes – 12 months to March 2010

Global bonds returned a small positive return in USD terms, yet this translated to a poor return in ZAR terms due to the significant strength of the rand over the year (depicted by a high negative return).

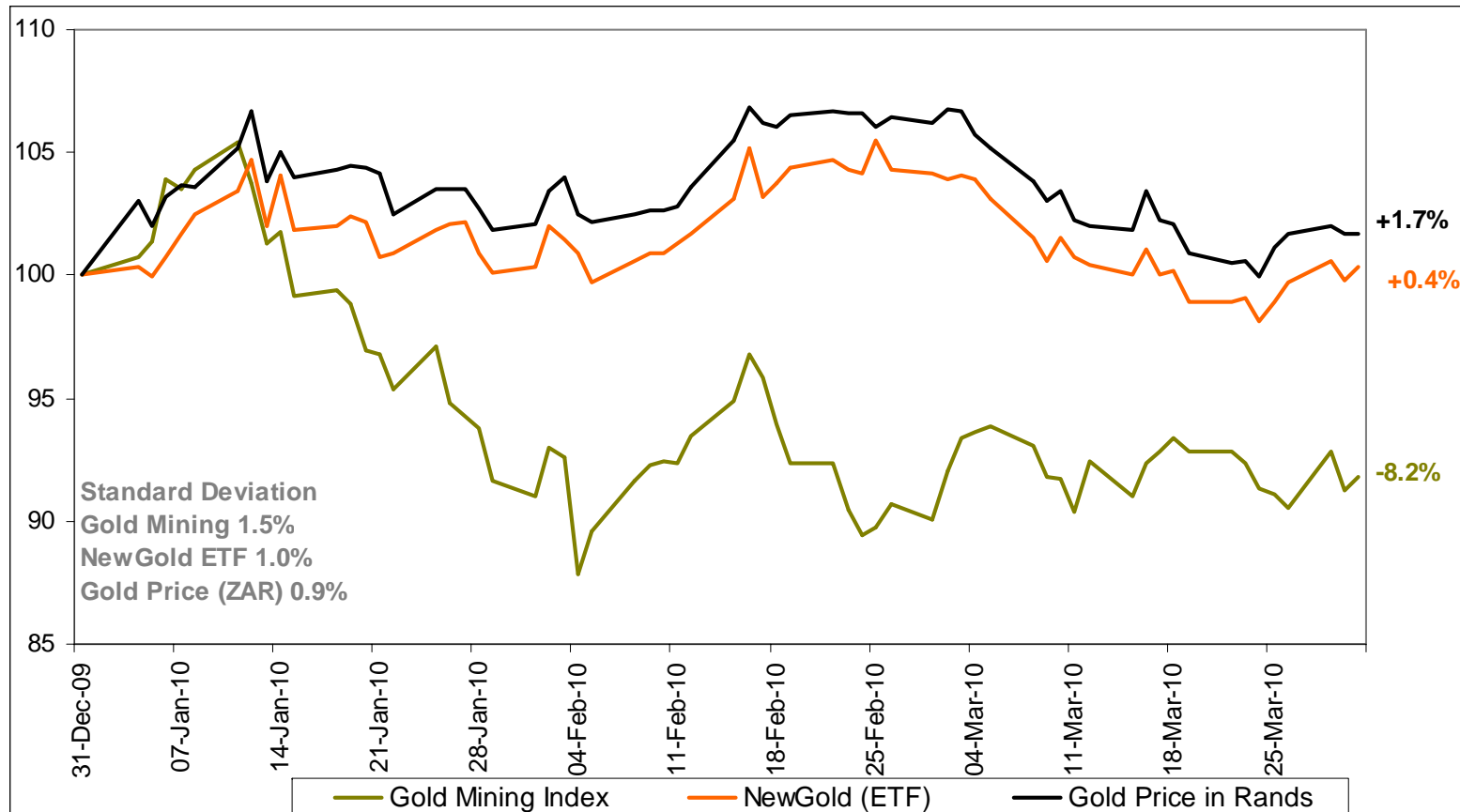


Source: Inet and Advantage Asset Managers

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Gold – three months to March 2010

Gold mining loses significantly over the quarter, and is the only negative performing resources subsector over the quarter



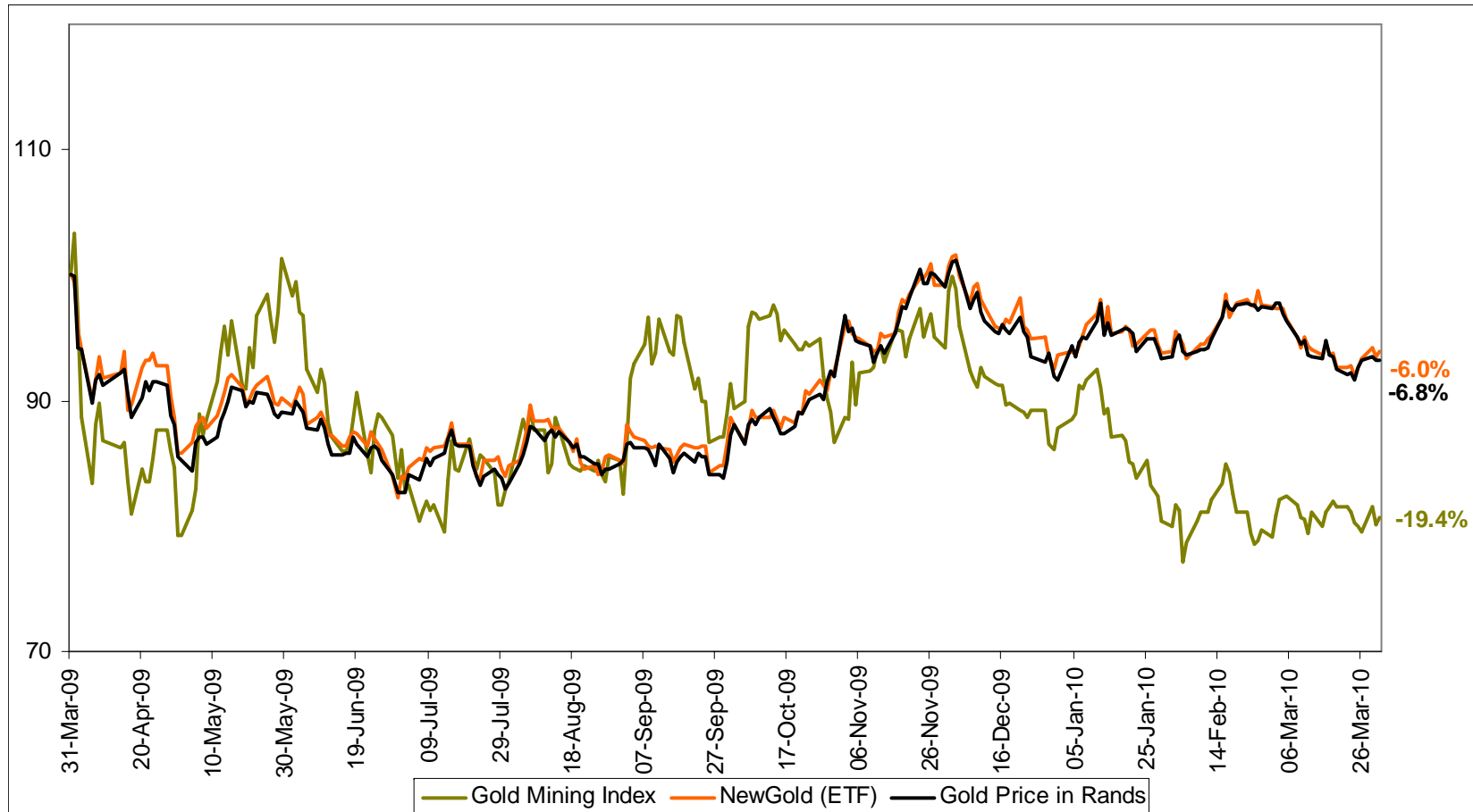
Source: Inet and Advantage Asset Managers

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Gold – 12 months to March 2010

Gold mining's struggle continues, and this sub-sector was only trumped by coal mining as the worst performer over the year to March 2010

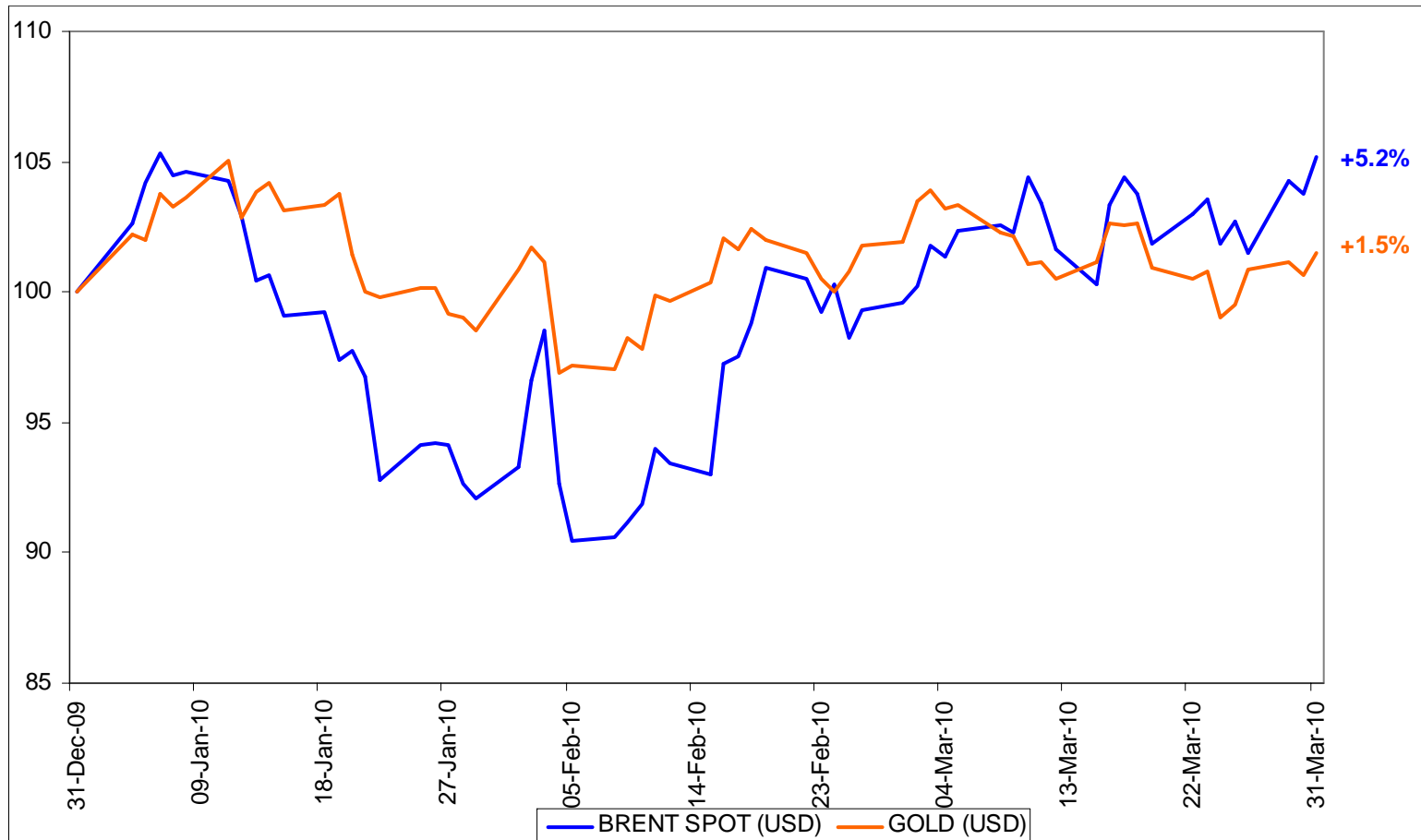


Source: Inet and Advantage Asset Managers

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Gold vs. oil – three months to March 2010



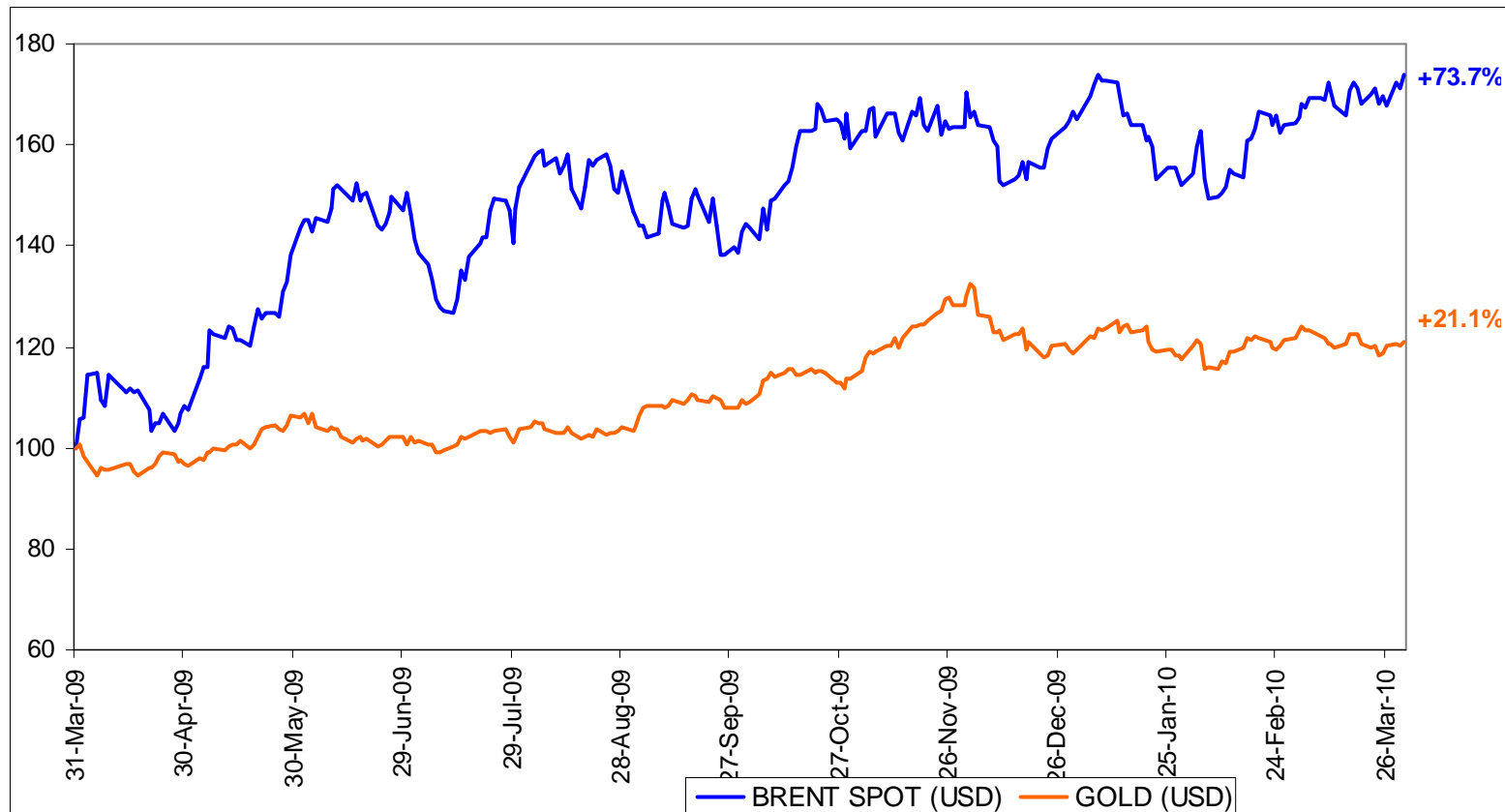
Source: Inet and Advantage Asset Managers

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Gold vs. oil – 12 months to March 2010

Oil ends March at USD81.2/barrel, the second highest closing price in 12 months

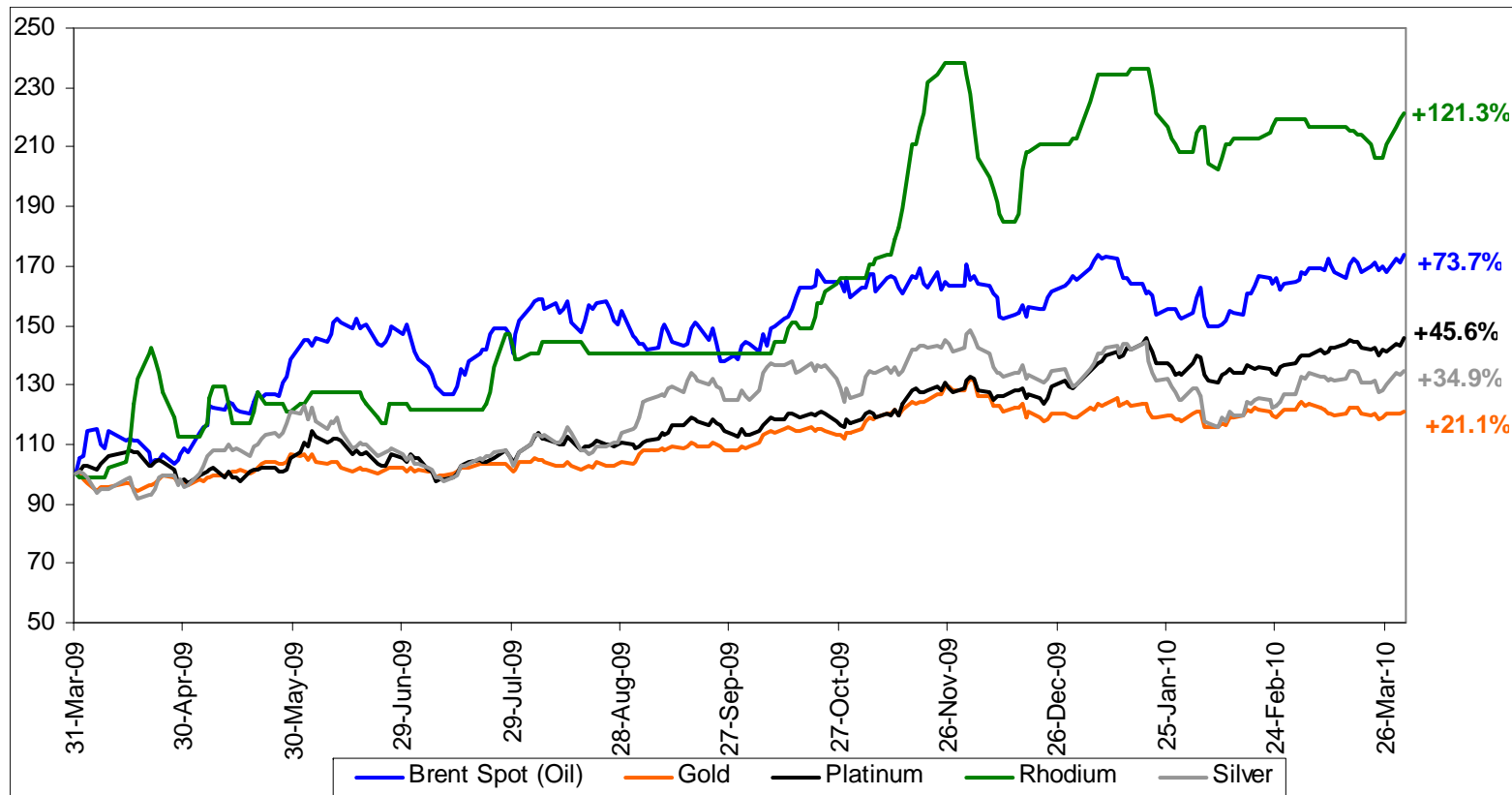


Source: Inet and Advantage Asset Managers

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Commodities – 12 months to March 2010



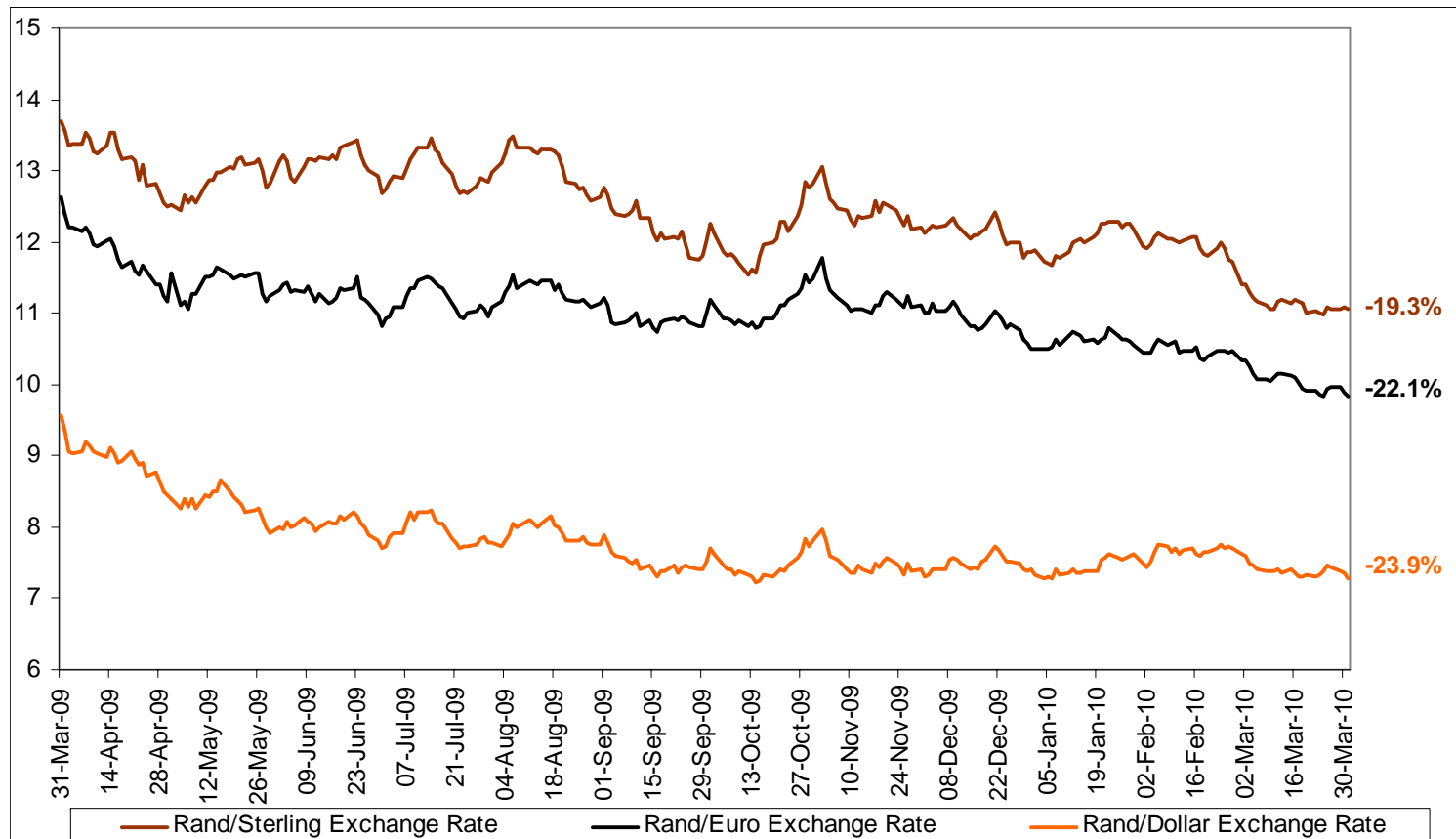
Source: Inet and Advantage Asset Managers

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Exchange rate – 12 months to March 2010

Over the 12 months, the rand strengthen significantly against the major currencies. March 2010 alone saw the currency strengthen by over 5% against the EUR, GBP and USD.



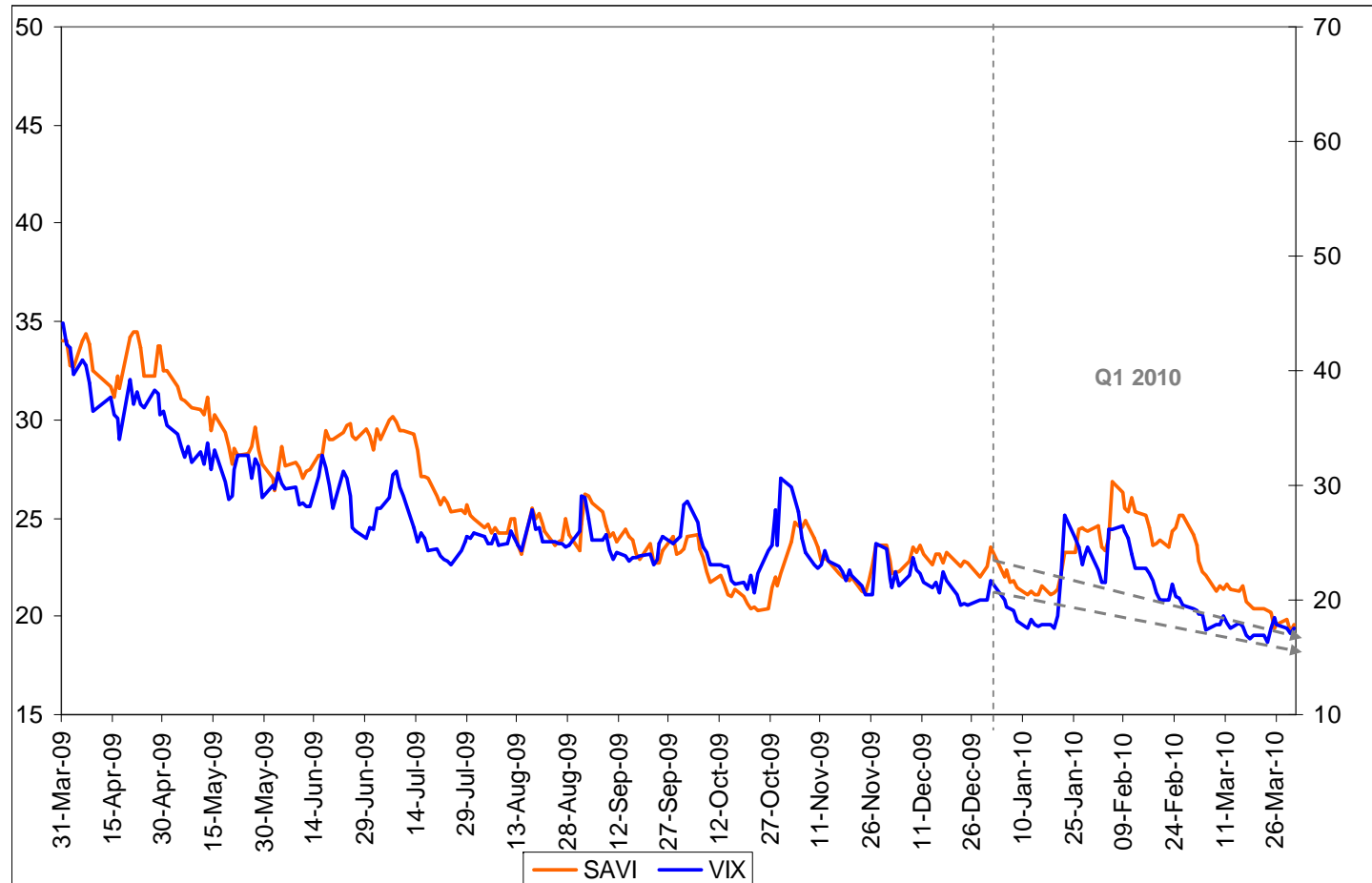
Source: Inet and Advantage Asset Managers

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SAVI-VIX – 12 months to March 2010

Q1 2010: Fear has reduced overall: while it rose during the earlier part of the quarter, it fell again to end at low levels

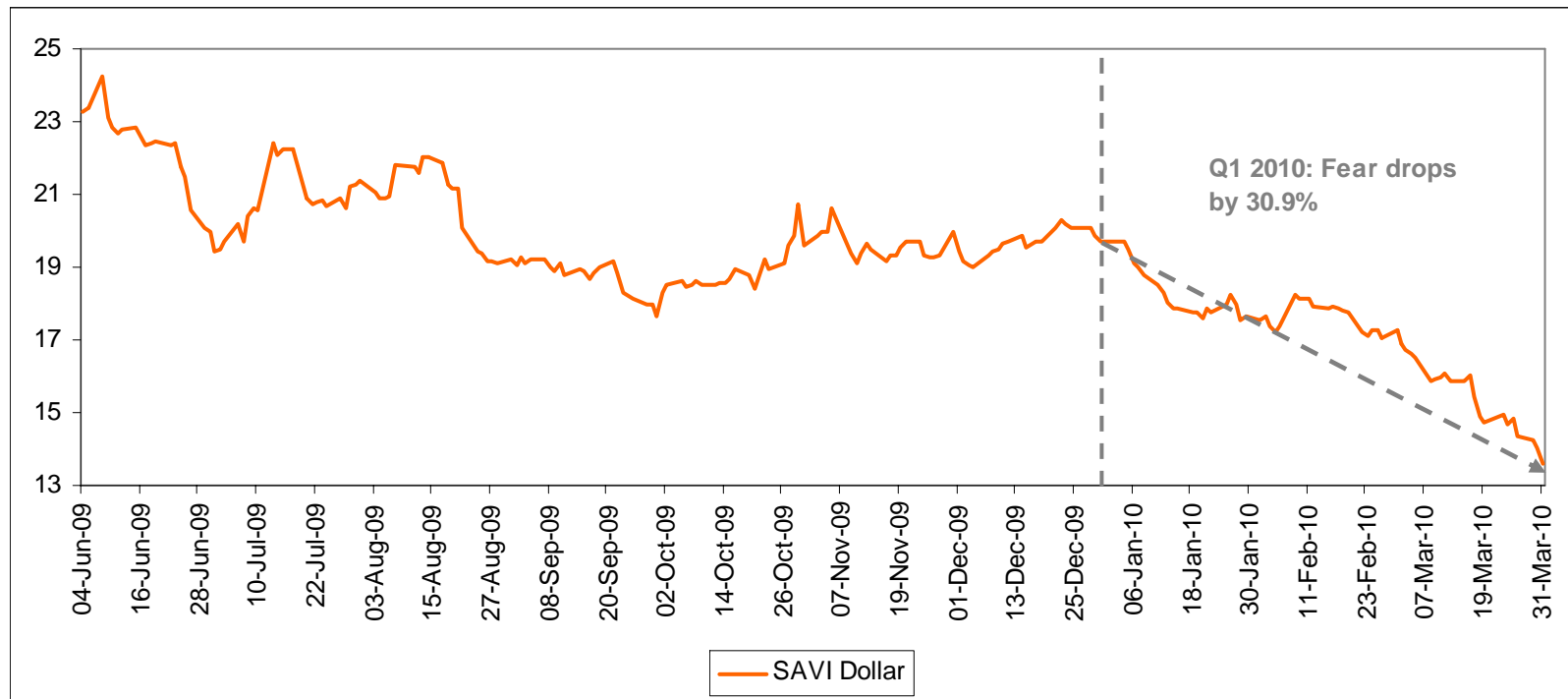


Source: Inet and Advantage Asset Managers

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SAVI dollar – Since inception to March 2010

The rand has strengthened significantly against the USD. Expectations are that the volatility of the exchange rate will continue to be low in the next 90 days, with the SAVI dollar index ending at a level of 13.6

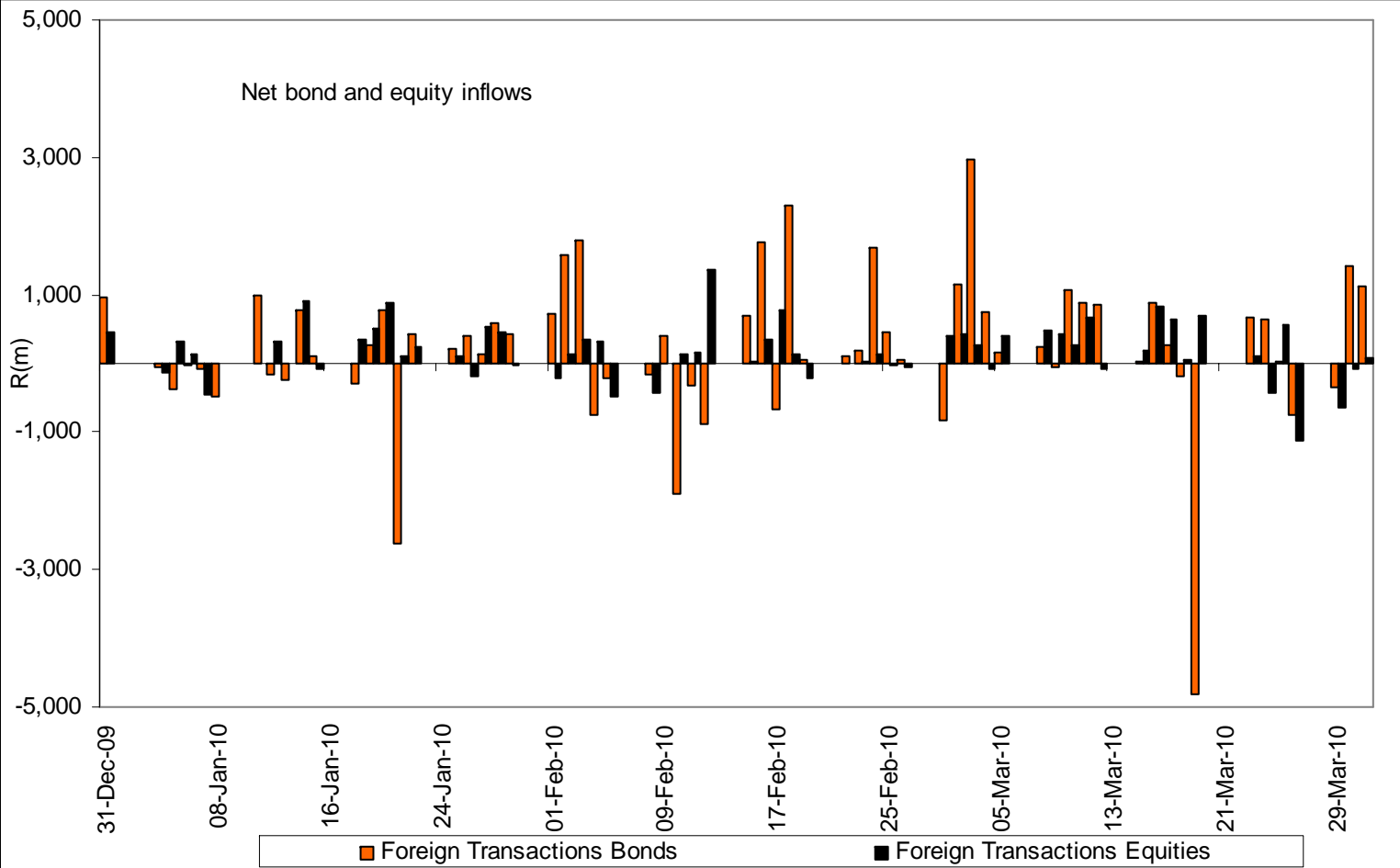


Source: Inet and Advantage Asset Managers

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.

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Foreign transactions – three months to March 2010

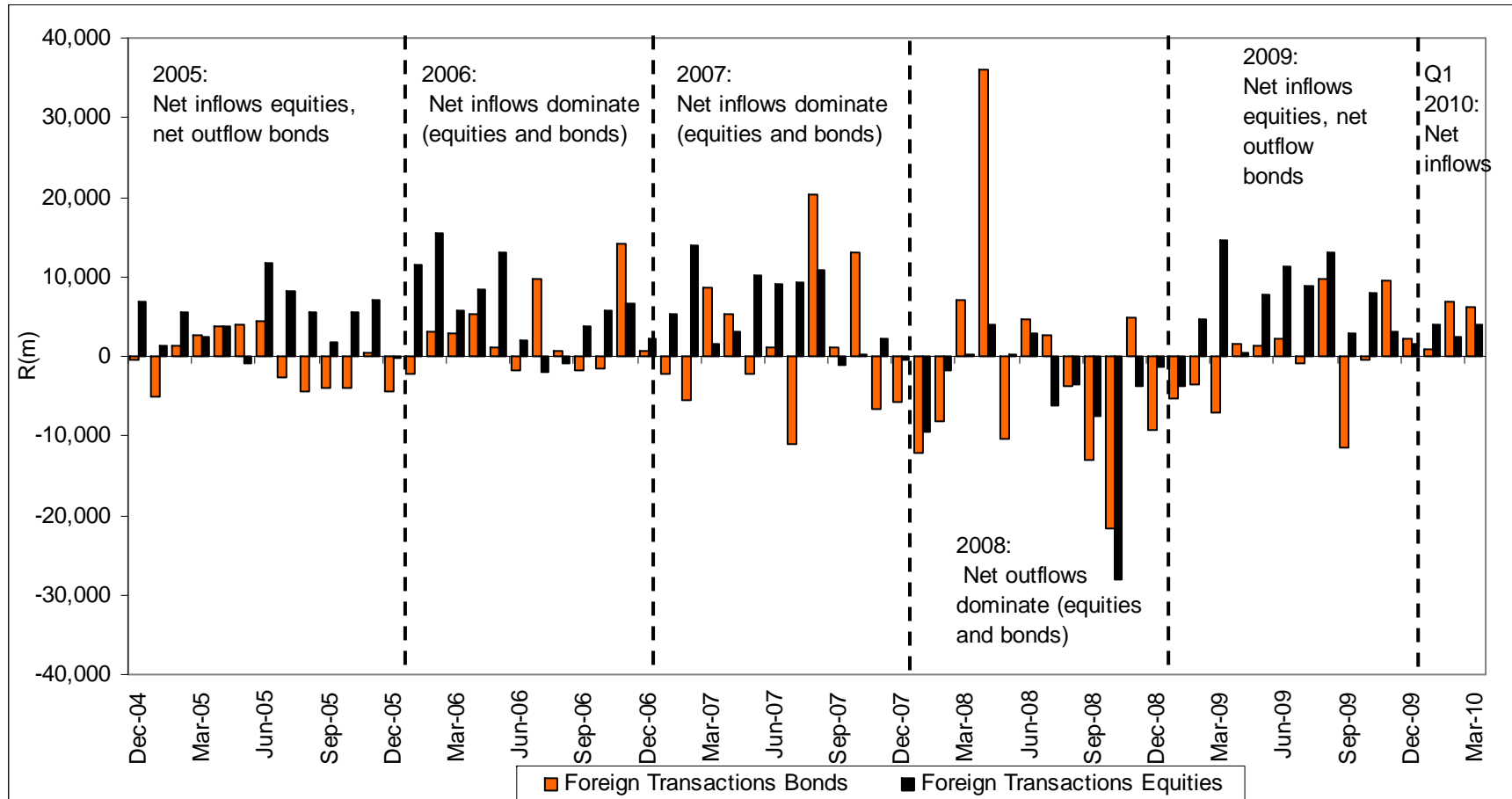


Source: Inet and Advantage Asset Managers

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Foreign transactions – Monthly: 2005 to March 2010

Net inflows for both equities and bonds dominate during Q1 2010.

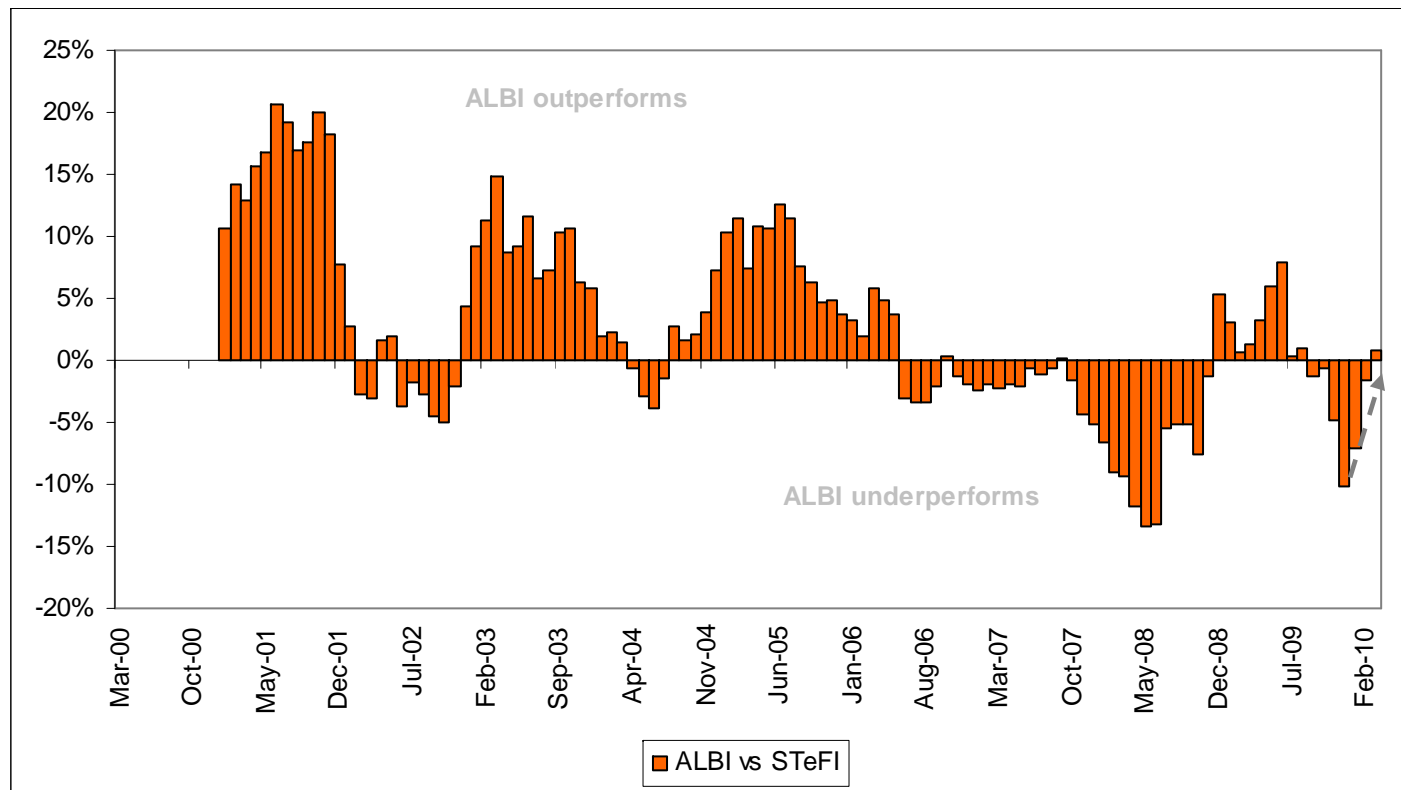


Source: Inet and Advantage Asset Managers

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Bonds vs. Cash – 12m rolling active Mar 00-Mar 10

12m rolling active return of the ALBI vs. STeFI – bonds have overtaken cash over the period to end March 2010



Source: Inet and Advantage Asset Managers

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End of Key Market Performance Drivers monthly charts for March 2010

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Thank you

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