



Key Market Performance Drivers Monthly Charts

April 2010

Please note that Advantage Asset Managers has moved to a new premises in Sandton. Our new address is as follows: 2nd Floor; 6 Merchant Place; Cnr Fredman Drive and Bute Avenue; Sandton; 2196. Also note that our new reception number is 086 153 8732 and our new Client Service Desk number is 086 123 8238.



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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 April 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.

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Market performance concentration – three months to April 2010

The struggle of Resource shares is evident in the table, while the number of mid cap shares in the top ranks confirms the strength of this area of the market

3 months to Apr 2010																	
1	MTA	47.2%	30	MPC	19.1%	59	EOH	12.6%	87	REM	9.5%	116	NHM	6.5%	146	LBT	0.2%
2	MRF	42.5%	31	ARI	18.9%	60	RDF	12.5%	88	BAW	9.5%	117	MUR	6.1%	147	HAR	0.1%
3	PET	36.2%	32	DTC	18.8%	61	ZED	12.3%	89	Small Cap	9.5%	118	ASA	5.9%	148	PHM	0.0%
4	HVL	35.7%	33	MND	18.5%	62	RES	12.2%	90	AIP	9.4%	119	SOL	5.9%	149	BAT	-1.0%
5	BRN	35.6%	34	GRF	18.3%	63	SA Listed Propert	12.2%	91	SNU	9.0%	120	CMP	5.9%	150	PPC	-1.2%
6	CMH	32.1%	35	LEW	17.9%	64	INP	12.2%	92	MDC	8.8%	121	ILA	5.3%	151	ATNP	-1.3%
7	MET	31.7%	36	LBH	17.8%	65	ANG	12.0%	93	Financial 15	8.7%	122	CAT	5.3%	152	GDF	-1.7%
8	WHL	30.5%	37	HDC	17.6%	66	AGL	11.8%	94	SWIX	8.6%	123	CFR	5.1%	153	GPL	-2.0%
9	MSM	29.2%	38	EXX	17.5%	67	TKG	11.7%	95	OCE	8.4%	124	AEG	4.8%	154	HPB	-2.0%
10	CML	28.7%	39	VKE	17.2%	68	ARL	11.6%	96	OMN	8.4%	125	TON	4.8%	155	ATN	-2.1%
11	JSE	28.0%	40	HYP	17.1%	69	NED	11.6%	97	All Share	8.2%	126	NTC	4.2%	156	WEZ	-2.2%
12	TRU	27.9%	41	CLS	16.8%	70	SYC	11.6%	98	Industrial 25	8.0%	127	AFX	4.2%	157	LON	-2.6%
13	PAM	26.5%	42	DSY	16.7%	71	GFI	11.4%	99	SPP	7.9%	128	SHF	4.2%	158	MTX	-3.0%
14	TRE	25.4%	43	IVT	16.6%	72	ACP	11.4%	100	HPA	7.9%	129	OML	4.2%	159	CLH	-3.4%
15	IPL	24.8%	44	MNP	16.3%	73	FSR	11.4%	101	CRM	7.9%	130	VOD	4.0%	160	ESR	-3.7%
16	APN	23.9%	45	GRT	15.6%	74	NPN	11.1%	102	SBK	7.6%	131	Fledgling	3.7%	161	SAP	-4.6%
17	WBO	23.6%	46	NPK	15.4%	75	GND	11.1%	103	SWIX Top 40	7.6%	132	PIK	3.5%	162	EQS	-4.8%
18	SUR	23.6%	47	AVI	15.3%	76	SAB	11.0%	104	ART	7.5%	133	BLU	3.4%	163	REI	-5.7%
19	BEL	22.5%	48	BSR	14.8%	77	RMH	10.8%	105	Top 40	7.4%	134	RLO	3.2%	164	ALT	-7.4%
20	PGR	22.4%	49	AMS	14.7%	78	DDT	10.7%	106	KGM	7.4%	135	RBX	2.7%	165	COM	-7.4%
21	FWD	22.1%	50	INL	14.6%	79	PAP	10.7%	107	IMP	7.3%	136	ADR	2.6%	166	CBH	-8.9%
22	FOS	22.0%	51	SSK	14.5%	80	SLM	10.6%	108	Resource 20	7.3%	137	CSB	2.4%	167	DRD	-11.1%
23	ADH	20.6%	52	AFE	14.4%	81	KIO	10.5%	109	EMI	7.2%	138	FFA	2.0%	168	KEH	-11.3%
24	FBR	20.1%	53	SHP	14.3%	51% of total market cap			110	CPL	6.8%	139	BIL	1.9%	169	DCT	-12.6%
25	HCI	20.0%	54	AFR	14.3%	82	SAC	10.4%	111	BVT	6.8%	140	PFG	1.8%	170	ILV	-12.7%
26	ABL	19.7%	55	BCX	14.3%	83	DAW	10.4%	112	FPT	6.8%	141	MTN	1.6%	171	GIJ	-14.5%
27	SPG	19.4%	56	CDZ	14.0%	84	OCT	10.2%	113	TBS	6.7%	142	KAP	1.6%	172	HLM	-18.9%
28	MVG	19.3%	57	PMM	13.9%	85	SFN	9.7%	114	SNT	6.5%	143	SUI	1.5%	173	ACL	-19.3%
29	MML	19.2%	58	Mid Cap	13.1%	86	AVU	9.6%	115	DGC	6.5%	144	JDG	0.9%	174	SIM	-25.6%
												145	RBW	0.4%	175	BDM	-32.9%

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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 April 2010

One top Financial stock, Brimstone, clearly dominates over the 12 months, contributing to the Financials dominance over the other sectors

12 months to April 2010																	
1	BRN	213.2%	30	CDZ	80.0%	59	SNU	56.7%	87	ESR	42.4%	116	RES	32.2%	146	AEG	17.7%
2	MTX	154.9%	31	FWD	78.6%	60	LEW	56.0%	88	All Share	41.8%	117	DCT	31.8%	147	ART	17.7%
3	SPG	148.2%	32	CFR	78.3%	61	COM	55.8%	89	IVT	41.6%	118	ACP	31.5%	148	CLH	17.5%
4	MRF	134.5%	33	KAP	77.9%	62	MSM	55.5%	90	Small Cap	41.5%	119	BIL	31.3%	149	GRT	17.0%
5	MNP	126.7%	34	CRM	75.7%	63	RMH	55.2%	91	Top 40	41.2%	120	IMP	30.9%	150	SUI	16.7%
6	KIO	126.3%	35	ARI	75.0%	64	CBH	53.5%	92	BAW	41.1%	121	ALT	30.7%	151	CSB	16.5%
7	GIJ	125.2%	36	NPN	74.0%	65	ZED	53.3%	93	PAP	41.0%	122	JDG	29.5%	152	TKG	14.7%
8	PAM	124.6%	37	MTA	72.2%	66	SSK	53.0%	94	SWIX	40.7%	123	SAC	28.7%	153	AVU	14.1%
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12	BEL	110.8%	41	WEZ	67.9%	70	TBS	48.7%	98	TON	39.7%	127	HPA	27.5%	157	RBX	9.8%
13	WHL	105.3%	42	PFG	67.1%	50% of total market cap		99	OCE	39.7%	128	ATNP	26.9%	158	GDF	8.2%	
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21	TRE	91.2%	50	SHP	59.7%	78	KGM	45.4%	107	SAP	37.3%	136	GND	22.1%	166	EQS	0.0%
22	BAT	90.0%	51	FOS	59.5%	79	RLO	44.6%	108	ILA	36.9%	137	BLU	21.9%	167	VOD *	-3.6%
23	BCX	89.8%	52	NED	59.3%	80	AIP	44.2%	109	PMM	35.8%	138	GRF	20.9%	168	DGC	-7.1%
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									145	MLL	18.3%	175	SIM	-50.9%			

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

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Source: Barra, Deutsche Securities and Advantage Asset Managers

Key	
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Small Cap	Industrials

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Styles – Periods to end March* 2010

Value continues to dominate over the longer term, while Momentum is better performing style over the longer term. Growth is moderate over most periods

		1m to Mar 10	3m to Mar 10	12m to Mar 10	36m to Mar 10	20 years to Mar 10
Value	Dividend Yield	2.8%	3.8%	42.9%	19.6%	9.4%
	Earnings to Price	-2.4%	-1.6%	14.9%	4.2%	8.6%
	CF to Price	2.4%	1.0%	28.9%	11.6%	10.6%
	Sales to Price	-2.2%	-6.1%	10.2%	-0.5%	13.0%
	BV to Price	-1.5%	0.5%	-8.4%	-6.4%	10.0%
	EBITDA to EV	1.9%	3.0%	13.4%	3.1%	14.9%
	EBITDA to Price	-0.6%	-5.2%	4.5%	-0.1%	-9.5%
	Composite Value	-1.6%	-2.0%	26.3%	6.0%	12.8%
Growth	Earnings Growth	-2.0%	0.2%	-13.8%	6.0%	1.1%
	Sales Growth	0.8%	2.1%	-0.4%	6.2%	-0.2%
	R o E	3.1%	3.0%	20.6%	7.3%	-2.1%
	IBES 12m Growth	0.0%	-1.8%	-46.1%	-6.4%	-0.5%
	Composite Growth	0.9%	0.8%	0.5%	6.9%	0.8%
Momentum	M 6mth ST	4.3%	8.6%	18.6%	13.2%	2.1%
	M 6mth	6.8%	8.0%	7.2%	9.5%	5.5%
	M 12mth	6.9%	11.1%	4.7%	7.4%	6.1%
	FY1 Revisions	4.0%	1.2%	-8.0%	5.5%	19.0%
	FY2 Revisions	2.6%	1.6%	-25.5%	2.4%	4.9%
Misc	Market Cap	3.3%	-0.9%	9.2%	7.8%	-4.7%
	Beta	2.6%	4.4%	39.6%	2.0%	-3.1%
	Debt to Equity	-1.3%	-1.9%	-0.9%	-0.3%	0.5%
	Income to Sales	1.7%	2.9%	7.6%	13.0%	-5.1%
	Stability of EG	0.6%	0.4%	3.1%	4.6%	-3.2%
	Foreign Exposure	1.9%	1.1%	-6.0%	5.3%	-2.0%

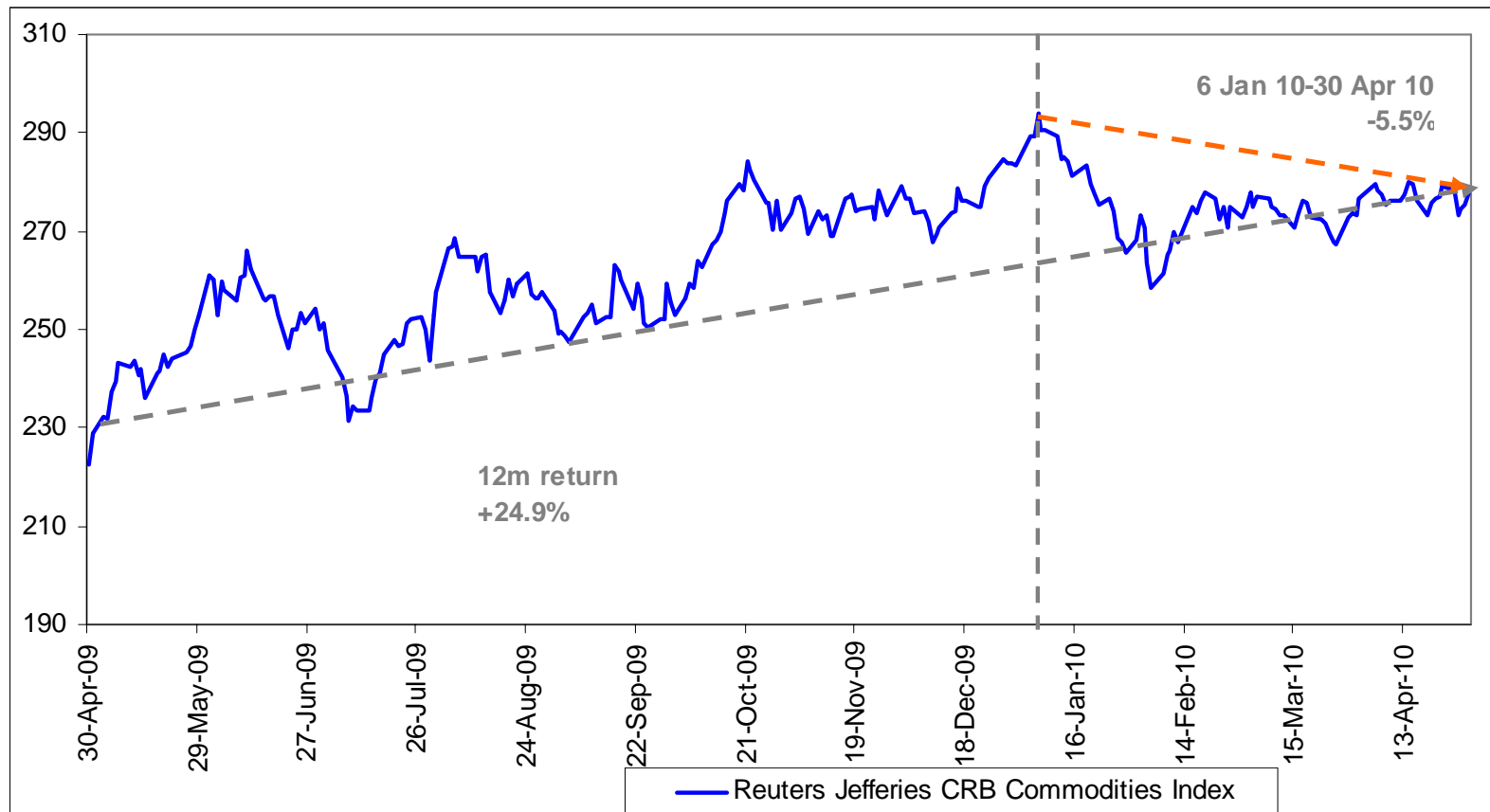
Source: Style Research

* Data lagged by a month

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Reuters Jefferies CRB Commodities index

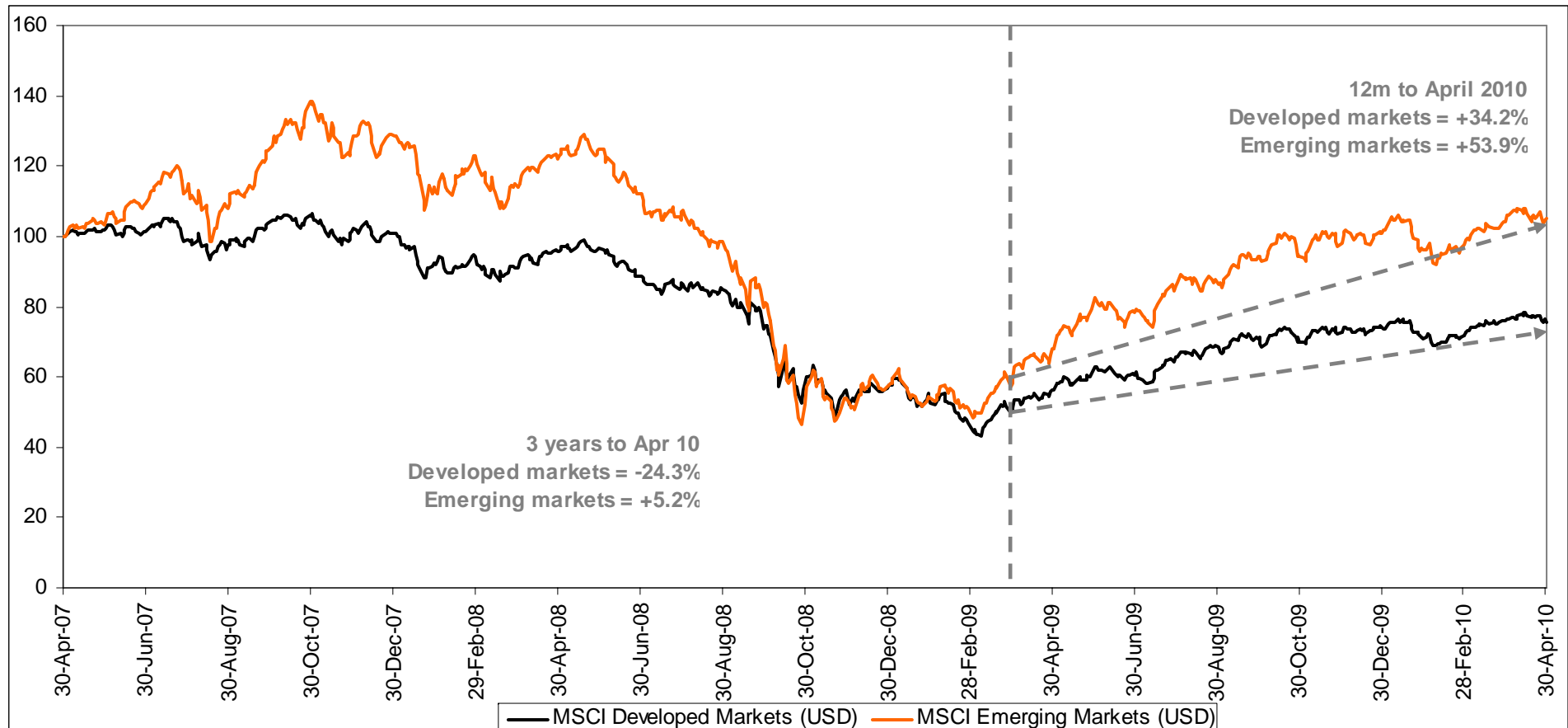
The index peaked in January 2010 over the 12 months, yet lost 5.5% from this peak to the end of the period (April 2010)



Source: Inet and Advantage Asset Managers

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MSCI developed and emerging markets – 36 months to April 2010

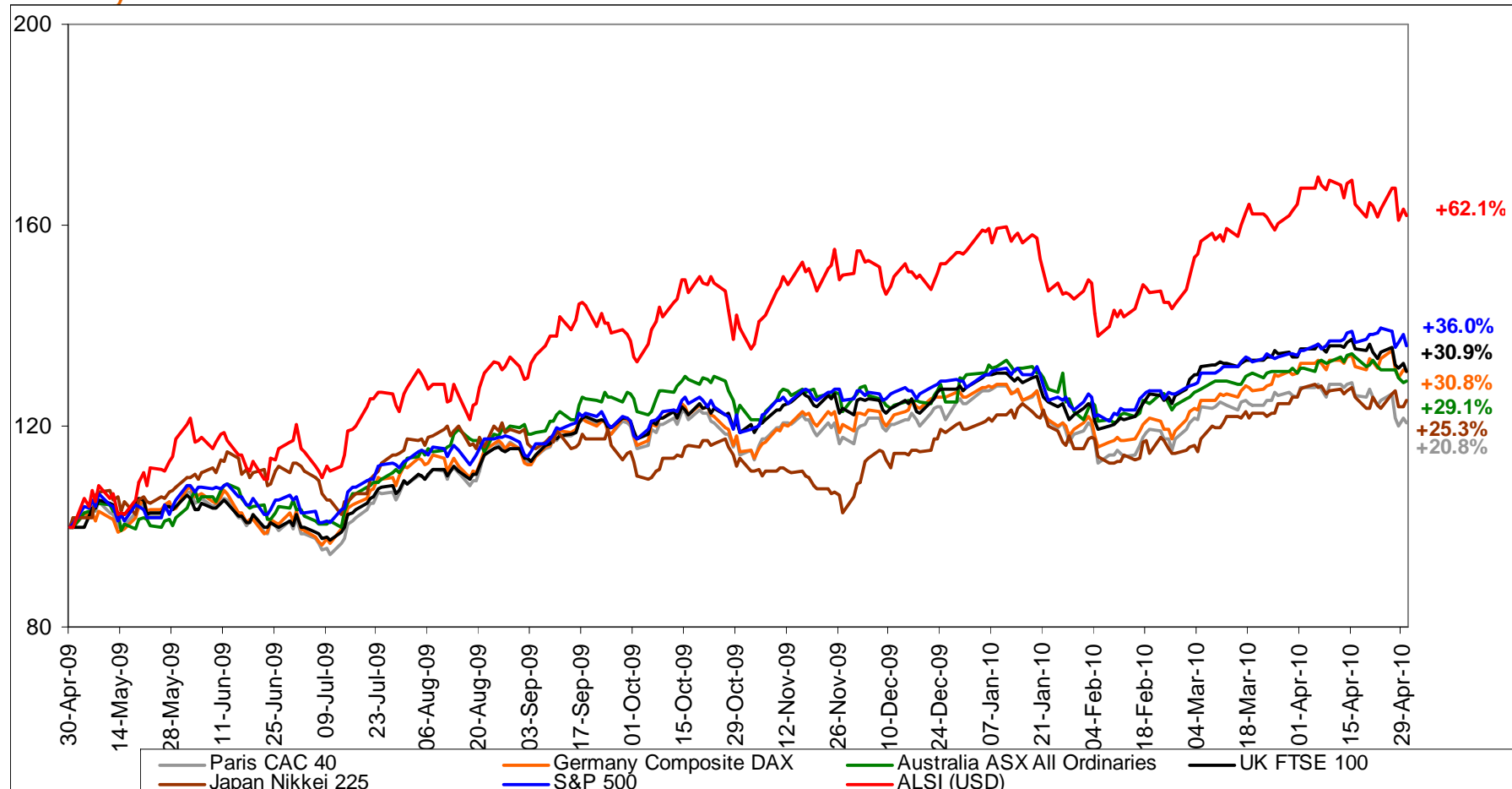


Source: MSCI Barra and Advantage Asset Managers

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Developed equity – 12 months to April 2010

South Africa still a stronger performer in USD terms, although the depicted developed equity markets have managed to retain their good returns over the year

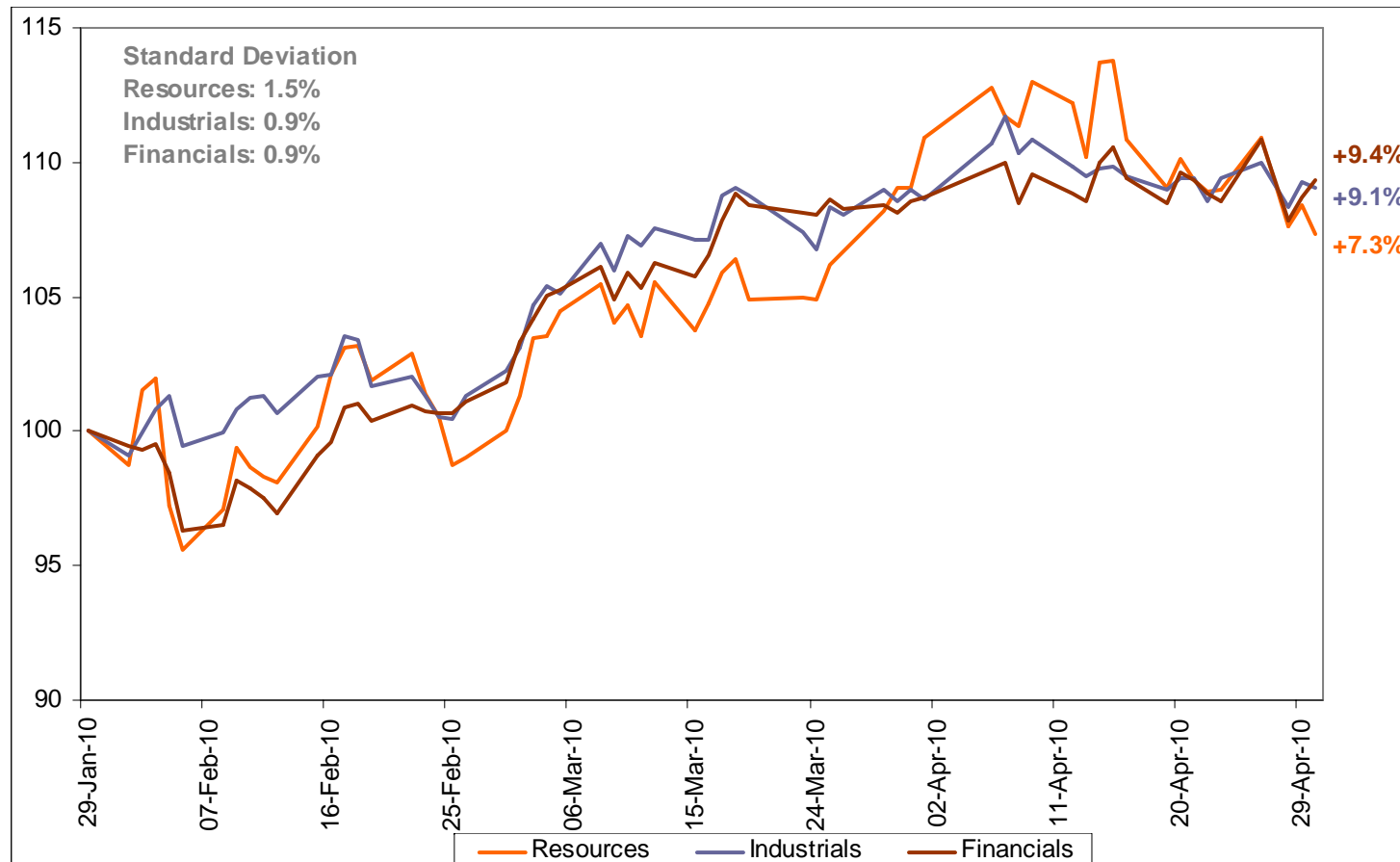


Source: Inet and Advantage Asset Managers

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Sectors – three months to April 2010

While resources recovered during April, they still ended behind the other two sectors. Financials remained ahead again over the period, driven mainly by general financial and real estate investment and services sectors

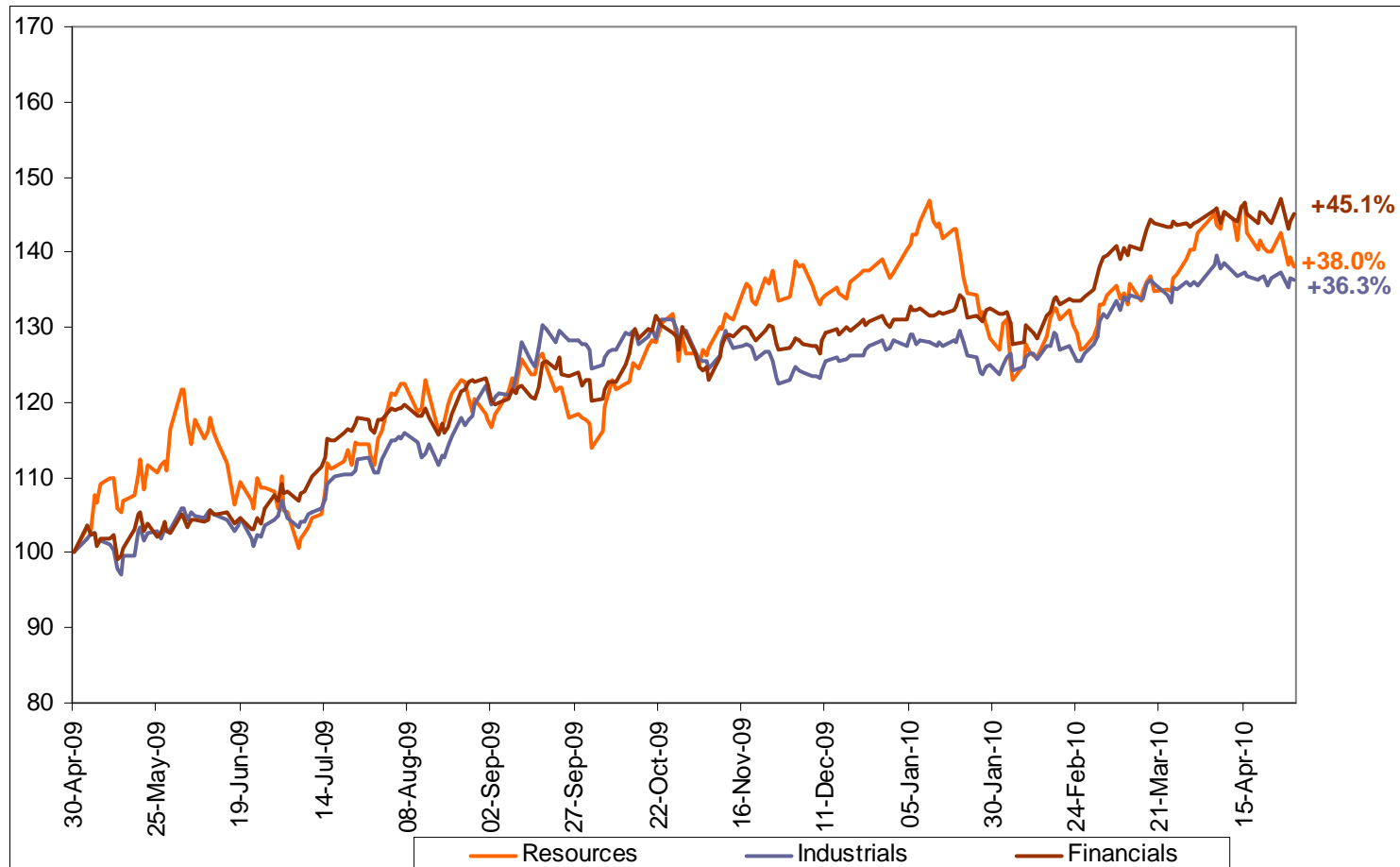


Source: Inet and Advantage Asset Managers

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Sectors – 12 months to April 2010

Financials remain ahead over the year, with life insurance the top performing sector within financials

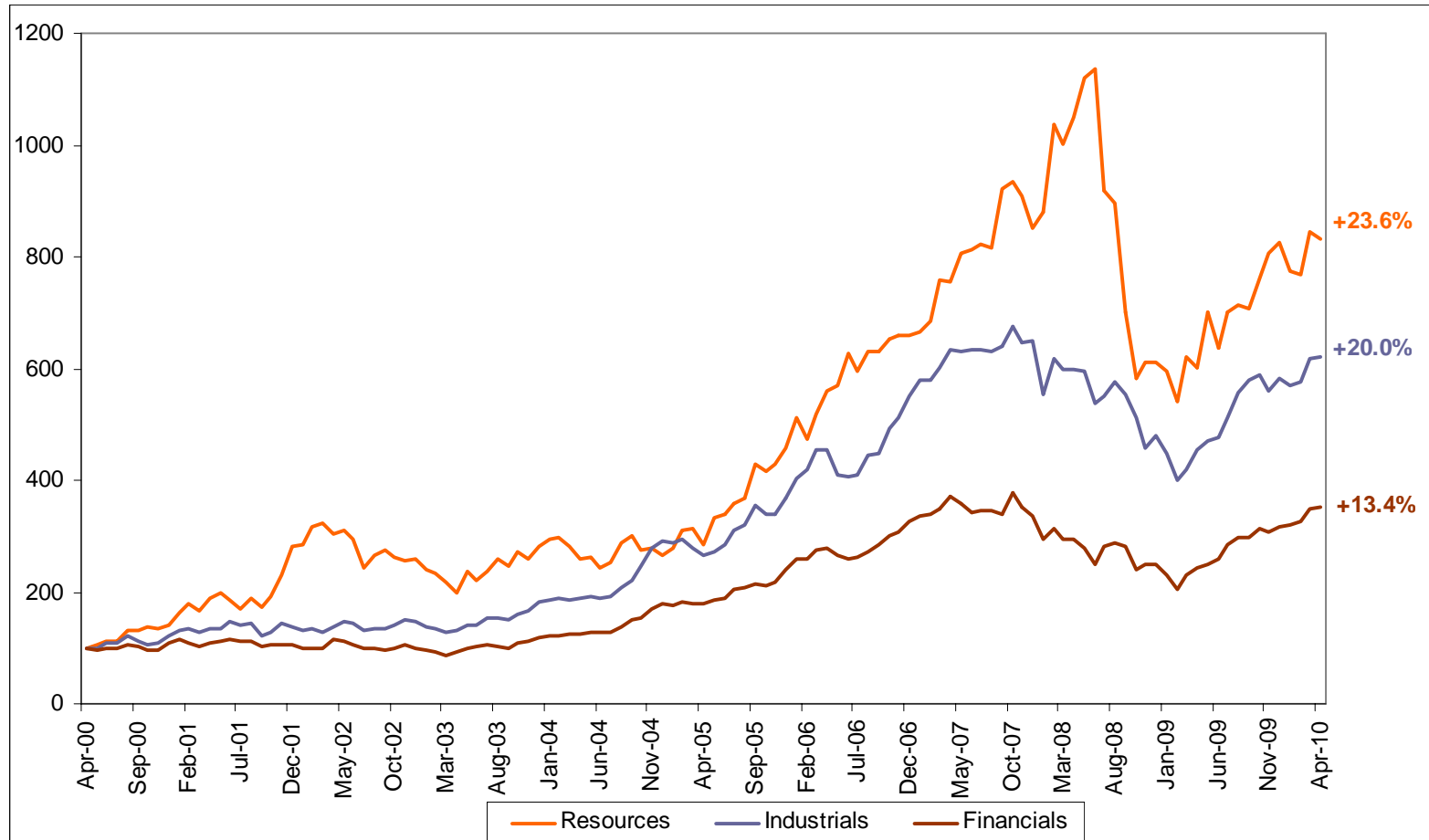


Source: Inet and Advantage Asset Managers

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Sectors – ten years to April 2010

Over the longer term, financials struggle to match the returns of resources and Industrials.

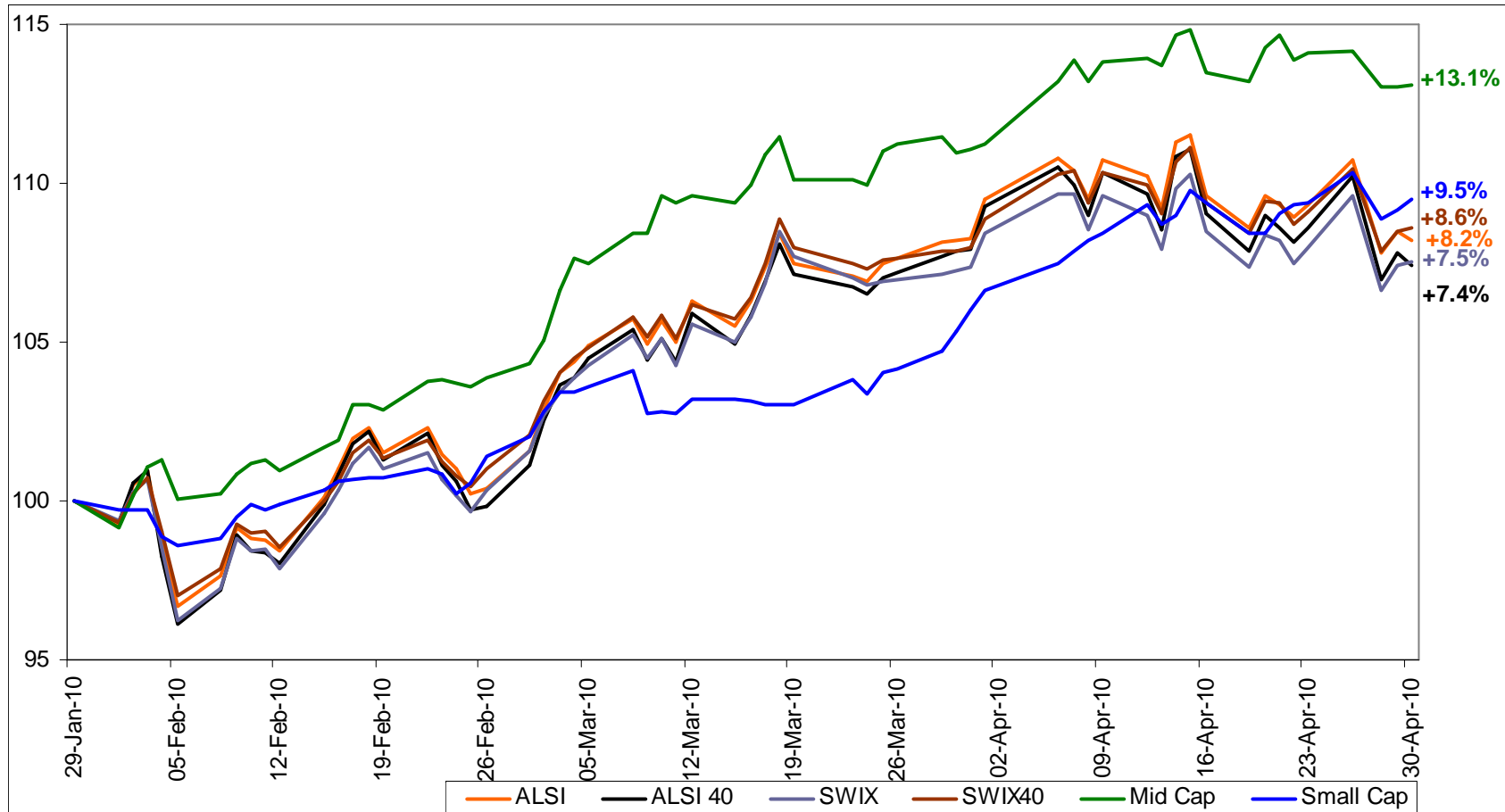


Source: Inet and Advantage Asset Managers

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Size – three months to April 2010

Mid caps are still in the lead and have widened the gap, with Highveld, Met Ltd, Woolies and Massmart in the lead

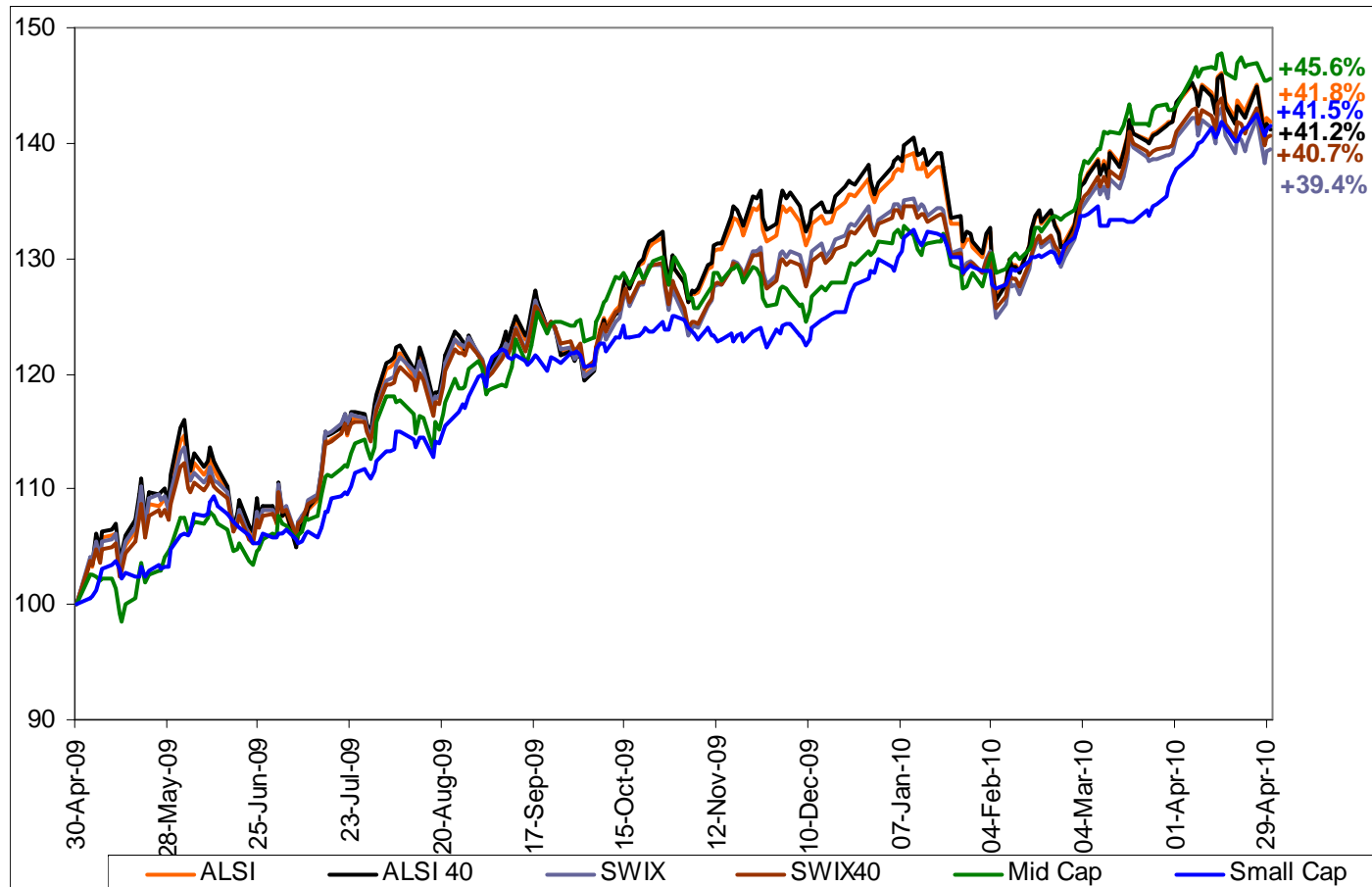


Source: Inet and Advantage Asset Managers

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Size – 12 months to April 2010

While the four top performing shares over the period were Small Cap shares, the five worst performing shares were also Small Caps. Driving the return of the Mid Caps were the likes of Palamin, Datatec, Woolies and Clicks

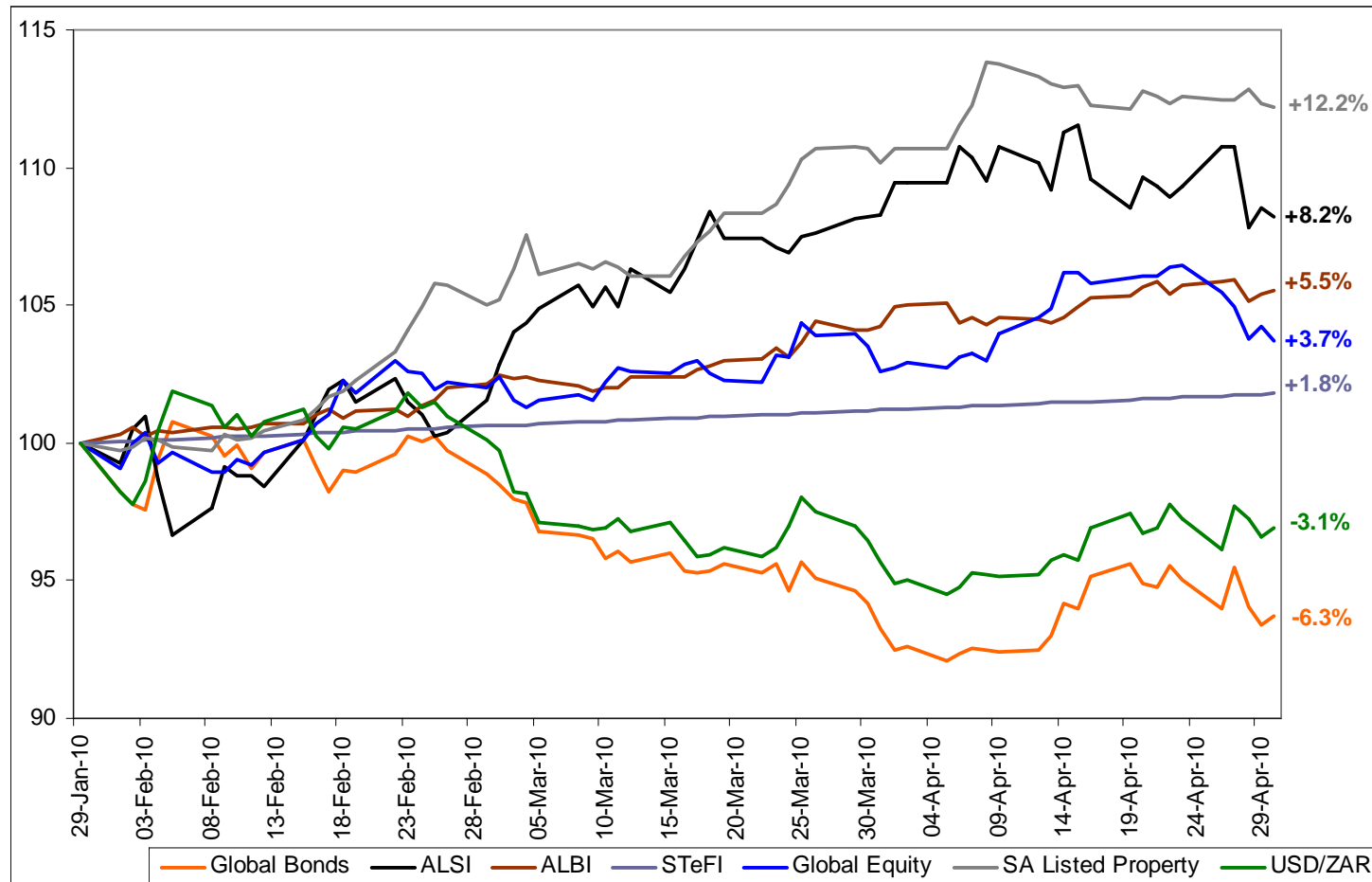


Source: Inet and Advantage Asset Managers

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Asset classes – three months to April 2010

A diverse set of results, although all the depicted local asset classes remain in positive territory. Drivers of listed property included Vukile (small cap), Hyprop (mid cap) and Growthpoint (large cap)

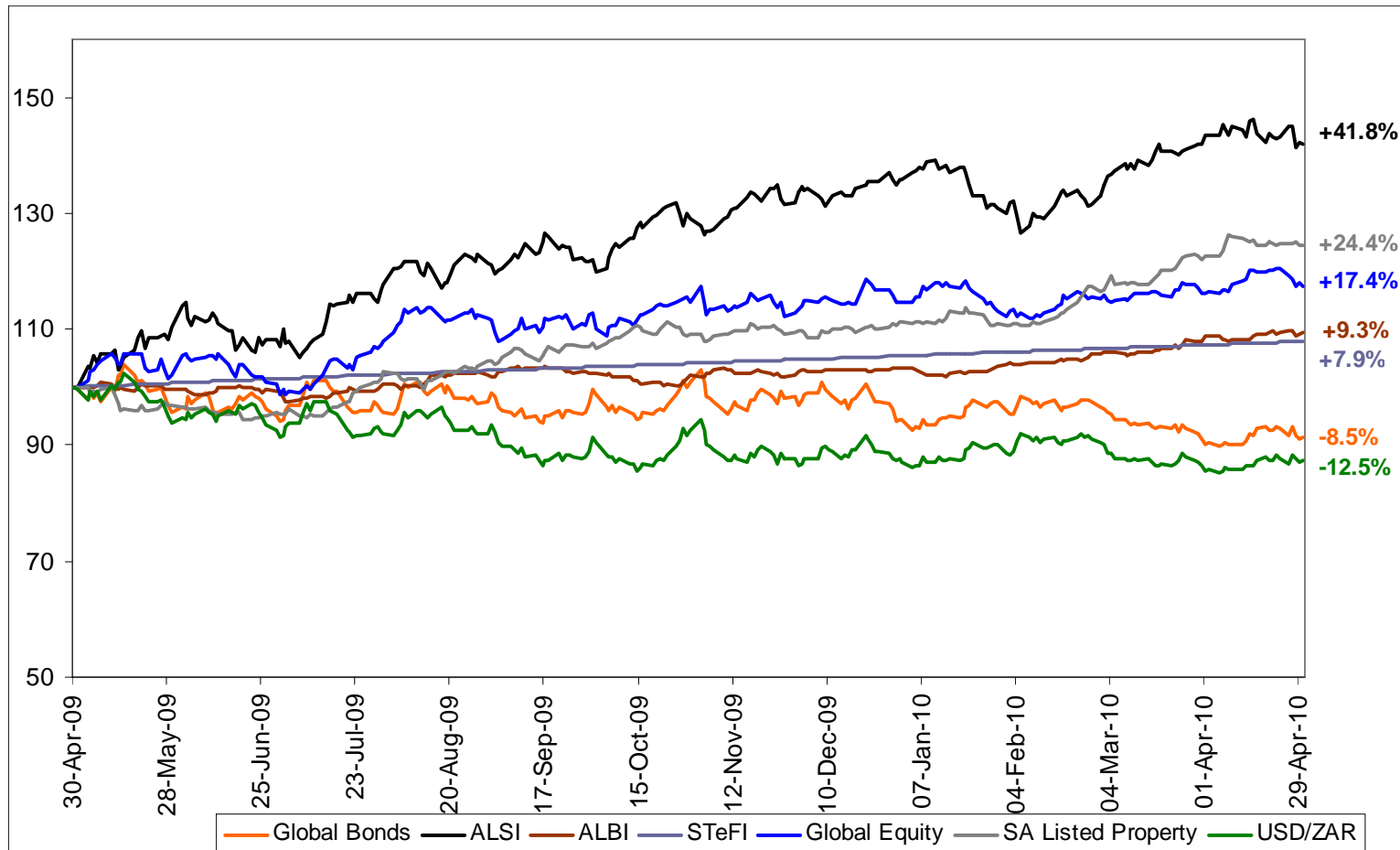


Source: Inet and Advantage Asset Managers

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Asset classes – 12 months to April 2010

Domestic equities far ahead. The rise in listed property towards the end of the period is evident. Global equity in ZAR terms remained attractive

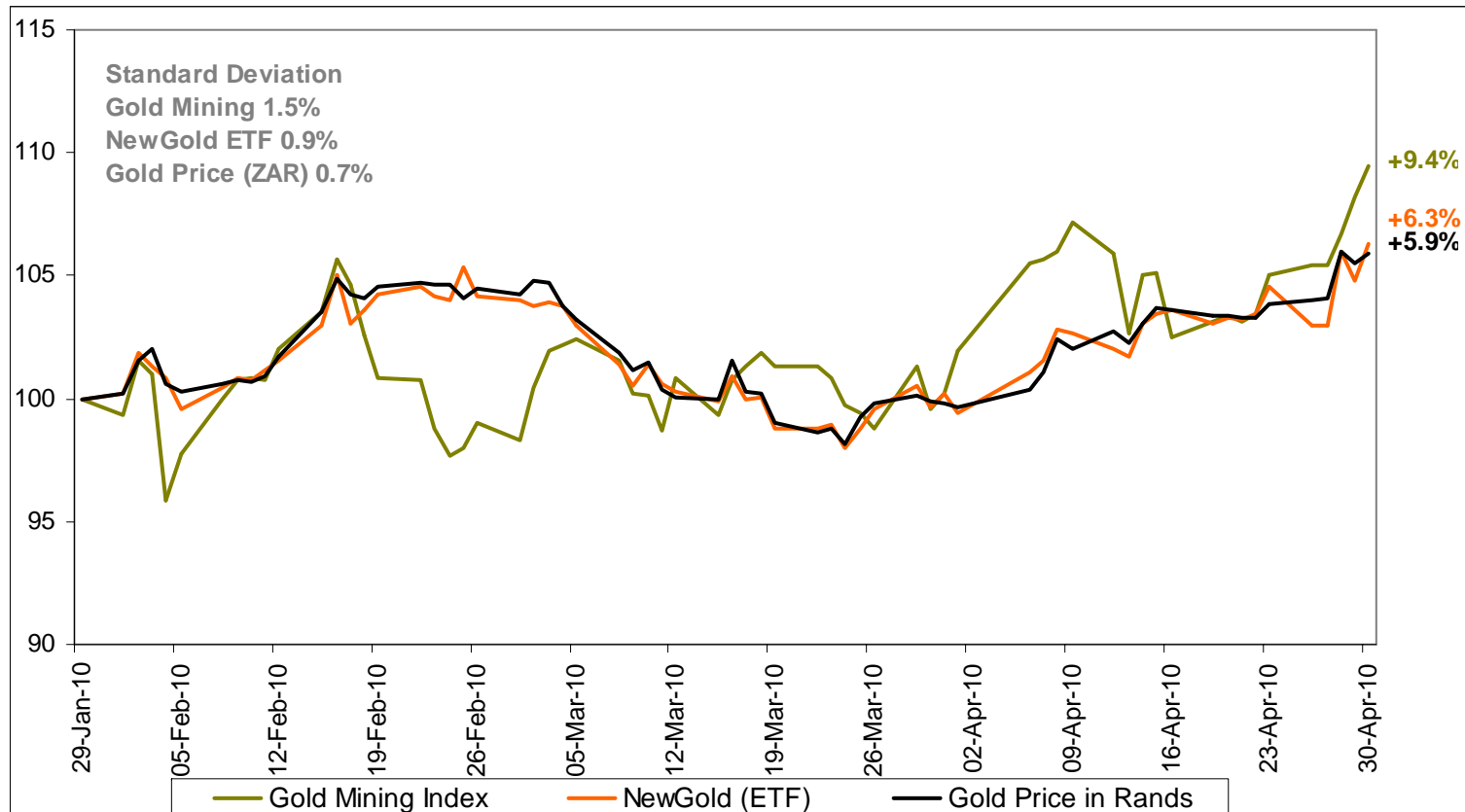


Source: Inet and Advantage Asset Managers

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Gold – three months to April 2010

April was a good month for the gold miners, helping this sector to outperform the gold price for the first time in months. AngloGold and Goldfields were the two top gold mining performers over the three months

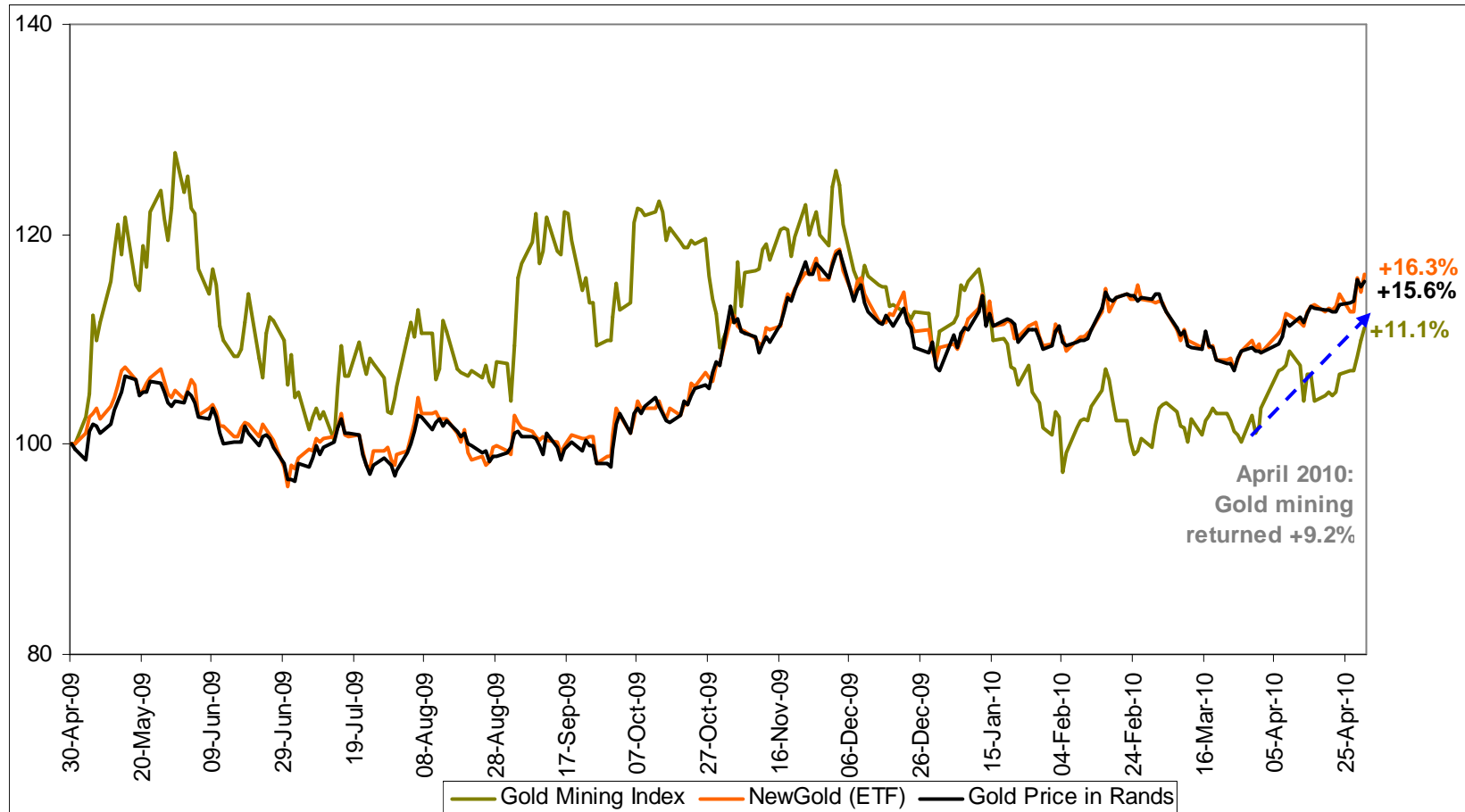


Source: Inet and Advantage Asset Managers

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Gold – 12 months to April 2010

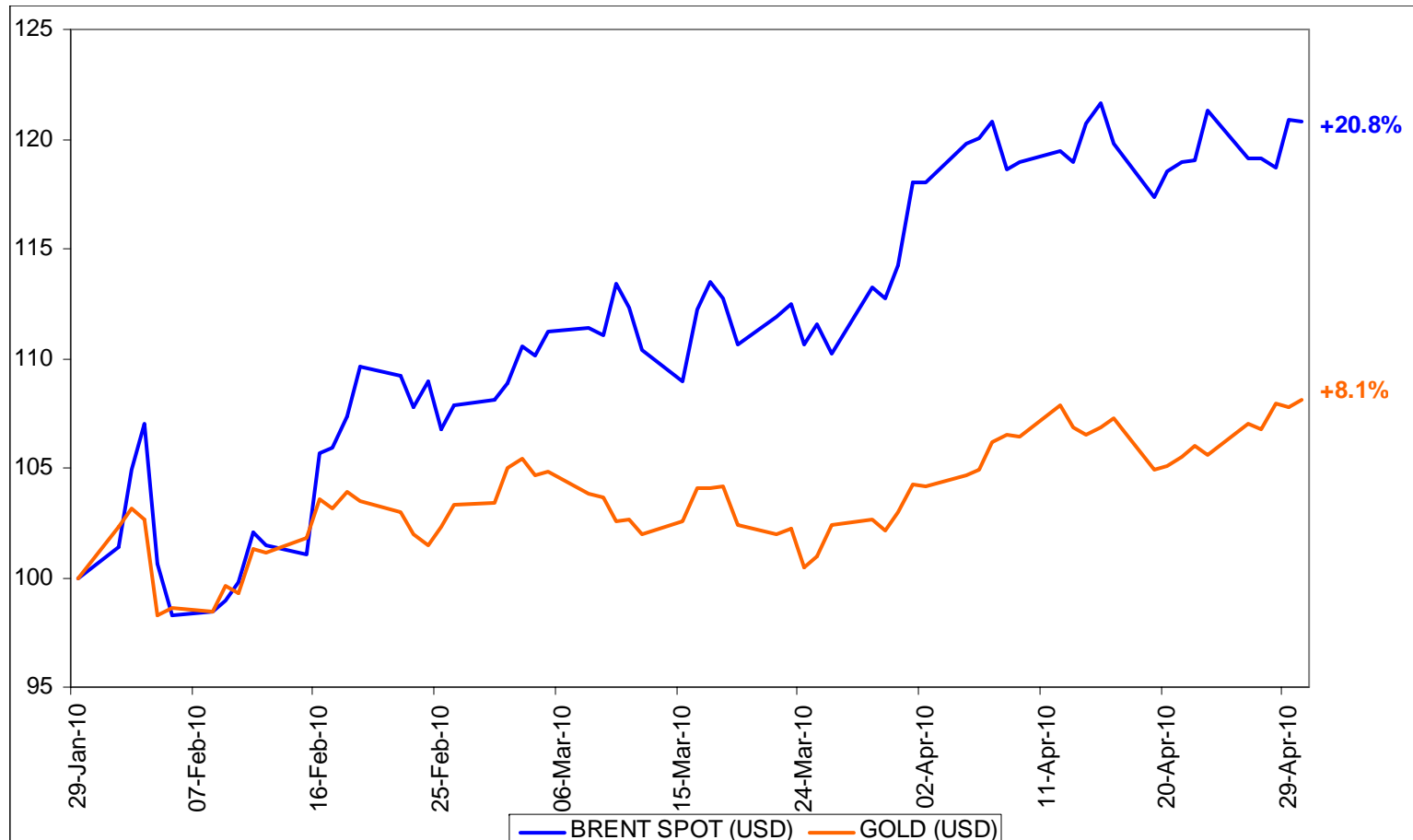
Significant volatility experienced by the Gold Mining index over the year to end April 2010



Source: Inet and Advantage Asset Managers

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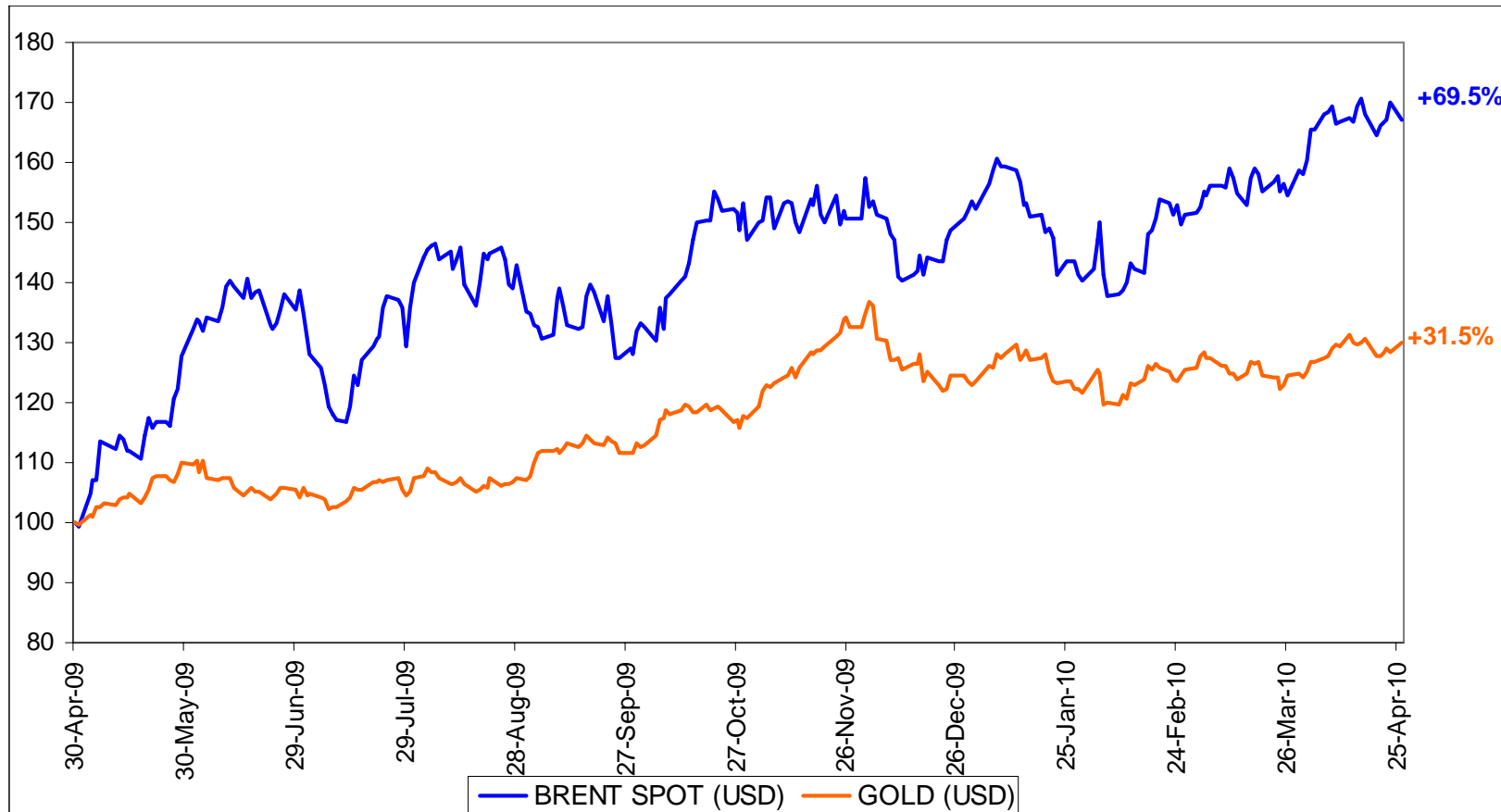
Gold vs. oil – three months to April 2010



Source: Inet and Advantage Asset Managers

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Gold vs. oil – 12 months to April 2010

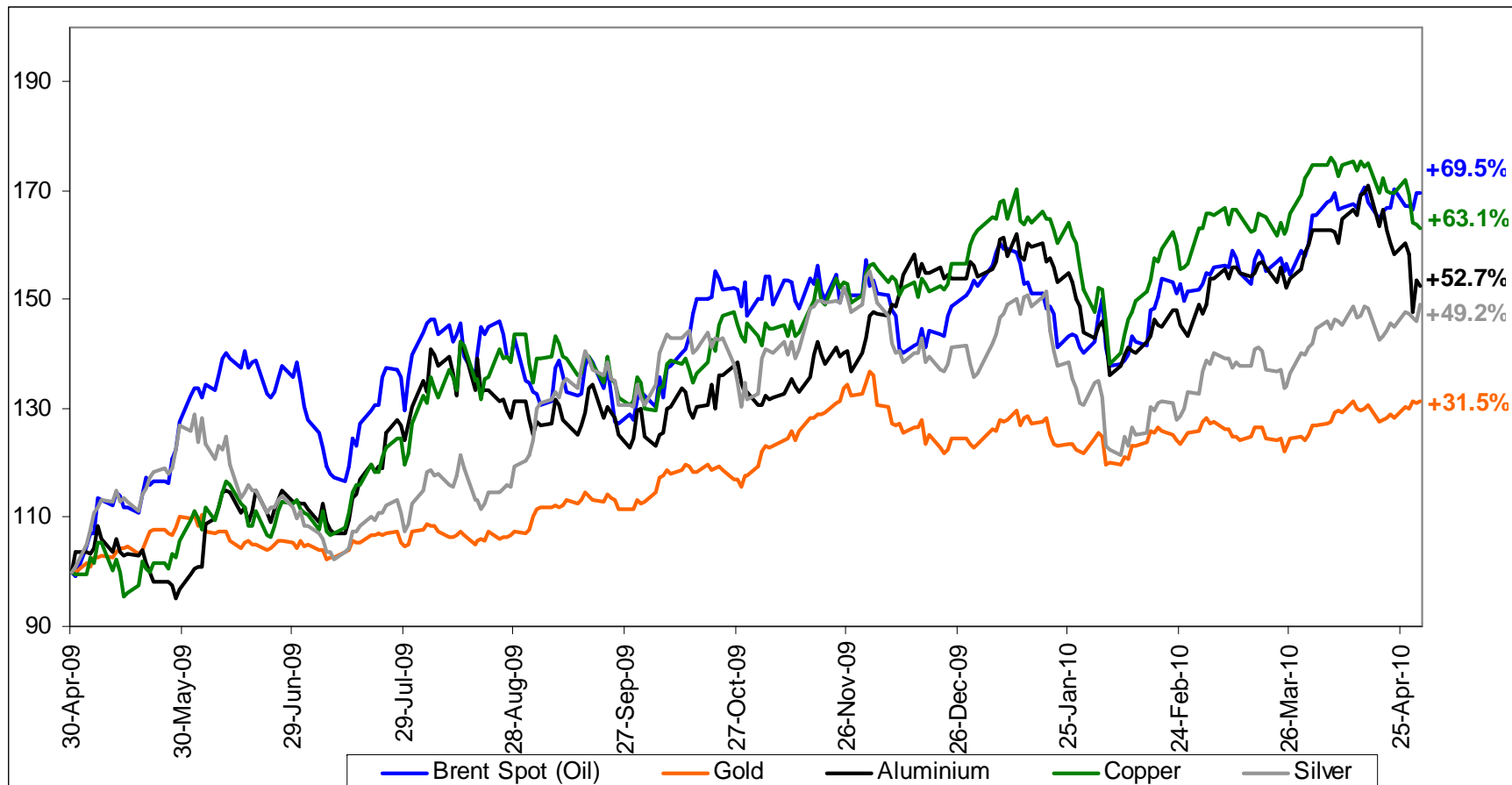


Source: Inet and Advantage Asset Managers

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Commodities – 12 months to April 2010

Gold offers the lowest return, although this has been most consistent and stable over the period

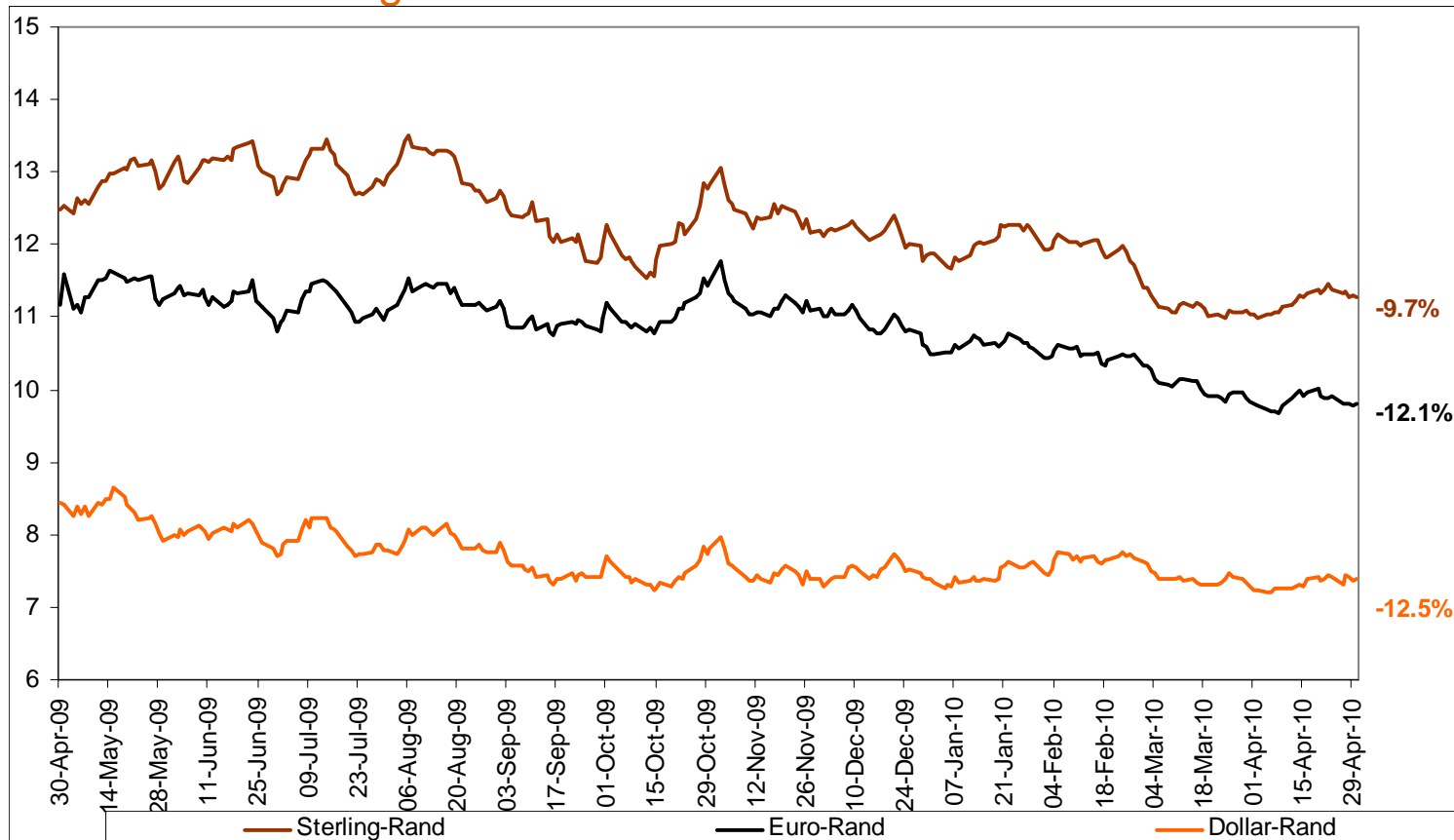


Source: Inet and Advantage Asset Managers

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Exchange rate – 12 months to April 2010

While the rand strengthened over the 12 months, the magnitude of this strength has reduced significantly compared to the 12 months to end March, when rand strength was at 24% to the USD, with similar strength experienced relative to the EURO and Sterling

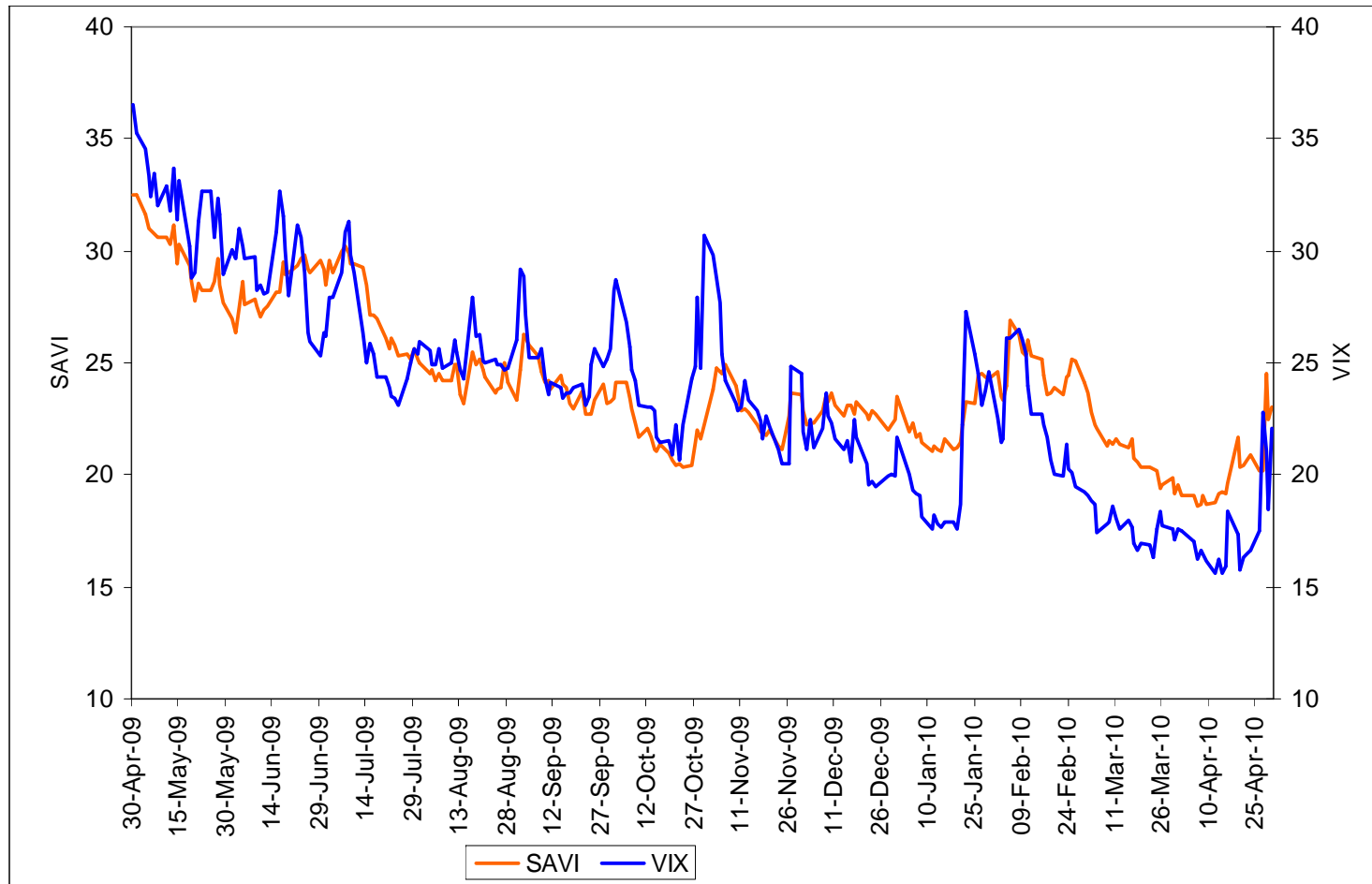


Source: Inet and Advantage Asset Managers

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SAVI-VIX – 12 months to April 2010

Even though mid to end April 2010 saw volatility rise again, it remains at low levels relative to the beginning of the analysis period

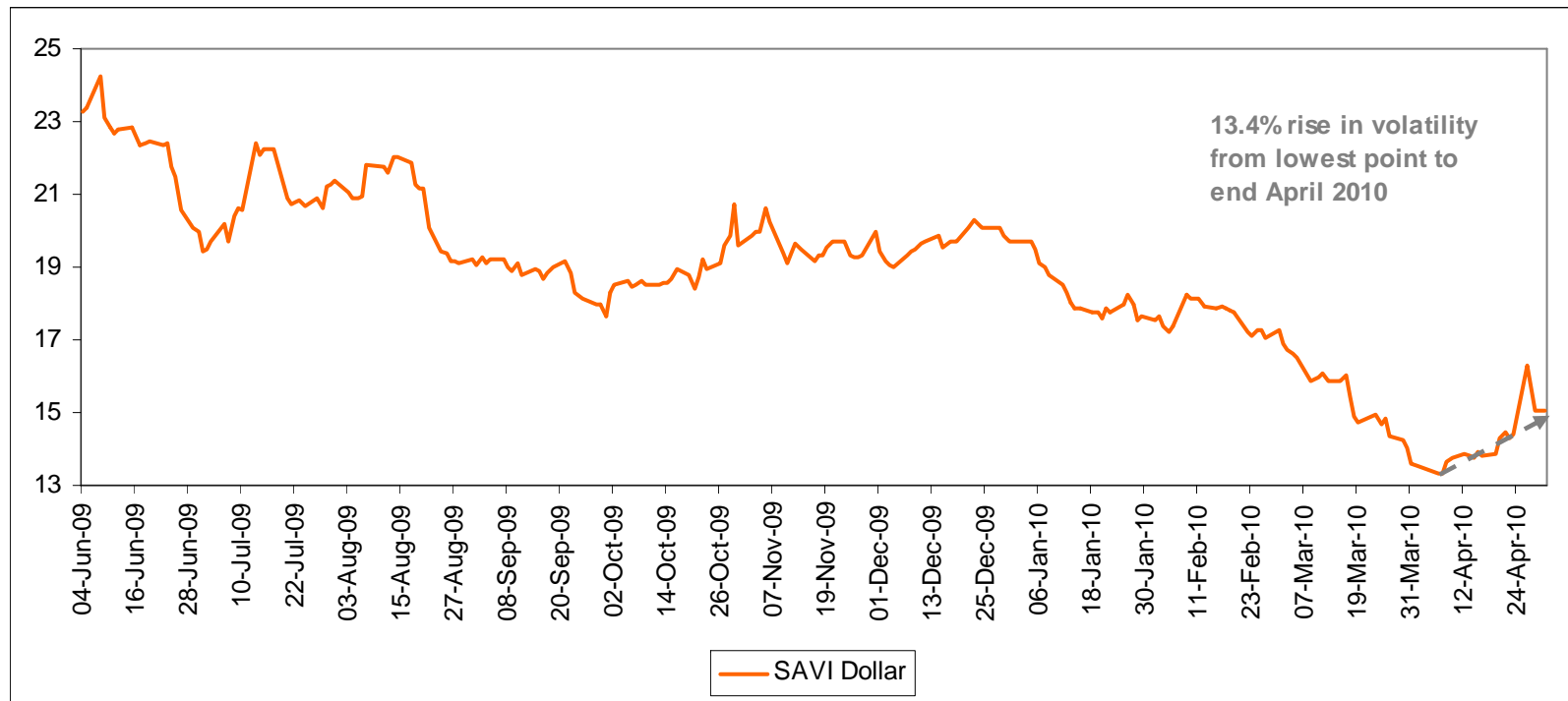


Source: Inet and Advantage Asset Managers

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SAVI dollar – Since inception to April 2010

The SAVI dollar reaches its lowest point since its inception on 6 April 2010 – this is followed by a 13.4% rise to end April 2010, yet levels remain low compared to historic levels



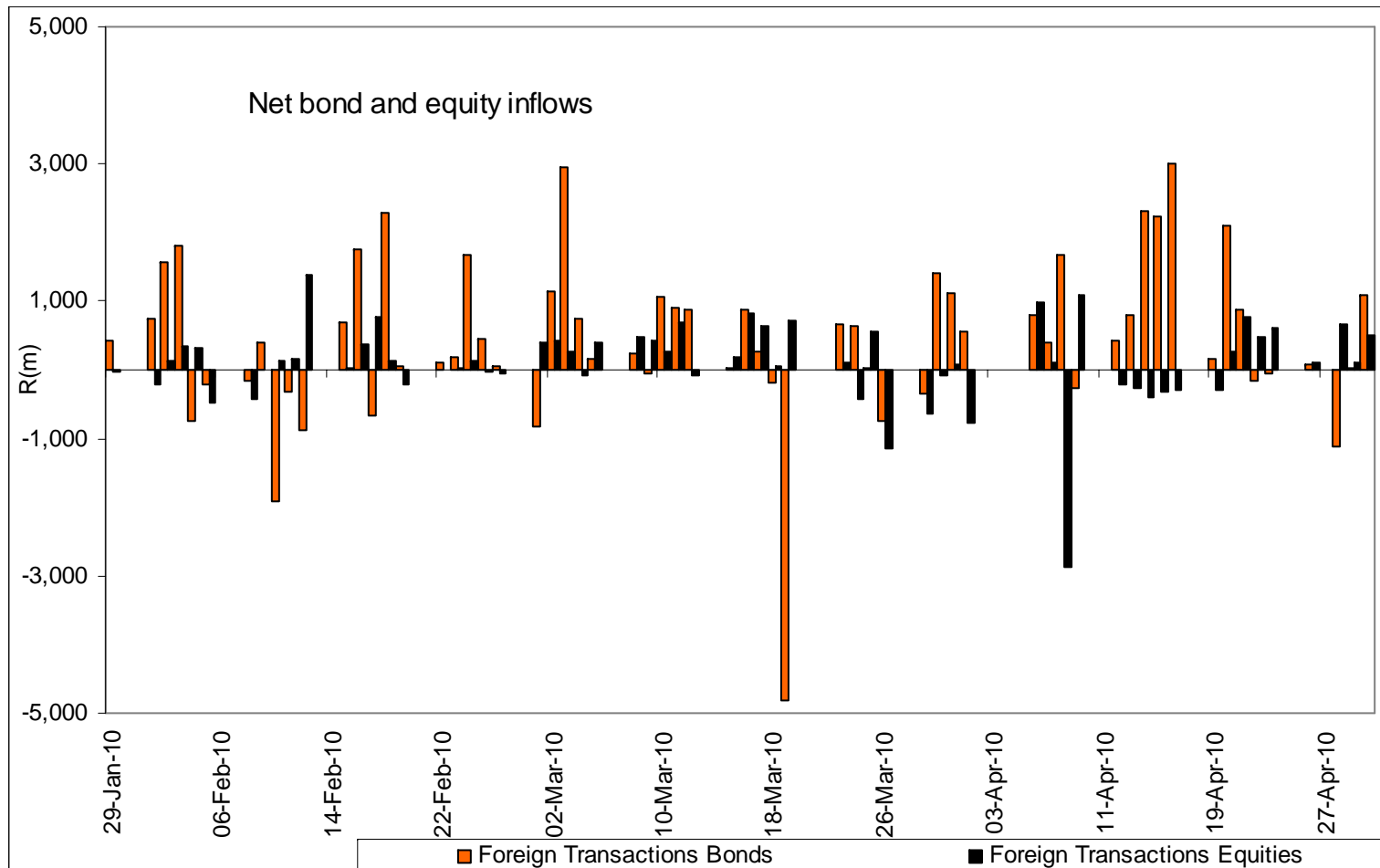
90 day forward looking implied volatility index based on the dollar-rand exchange rate. Interpretation: the higher the index, the more fear in the market. Index can be used in conjunction with the SAVI.

Source: Inet and Advantage Asset Managers

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Foreign transactions – three months to April 2010

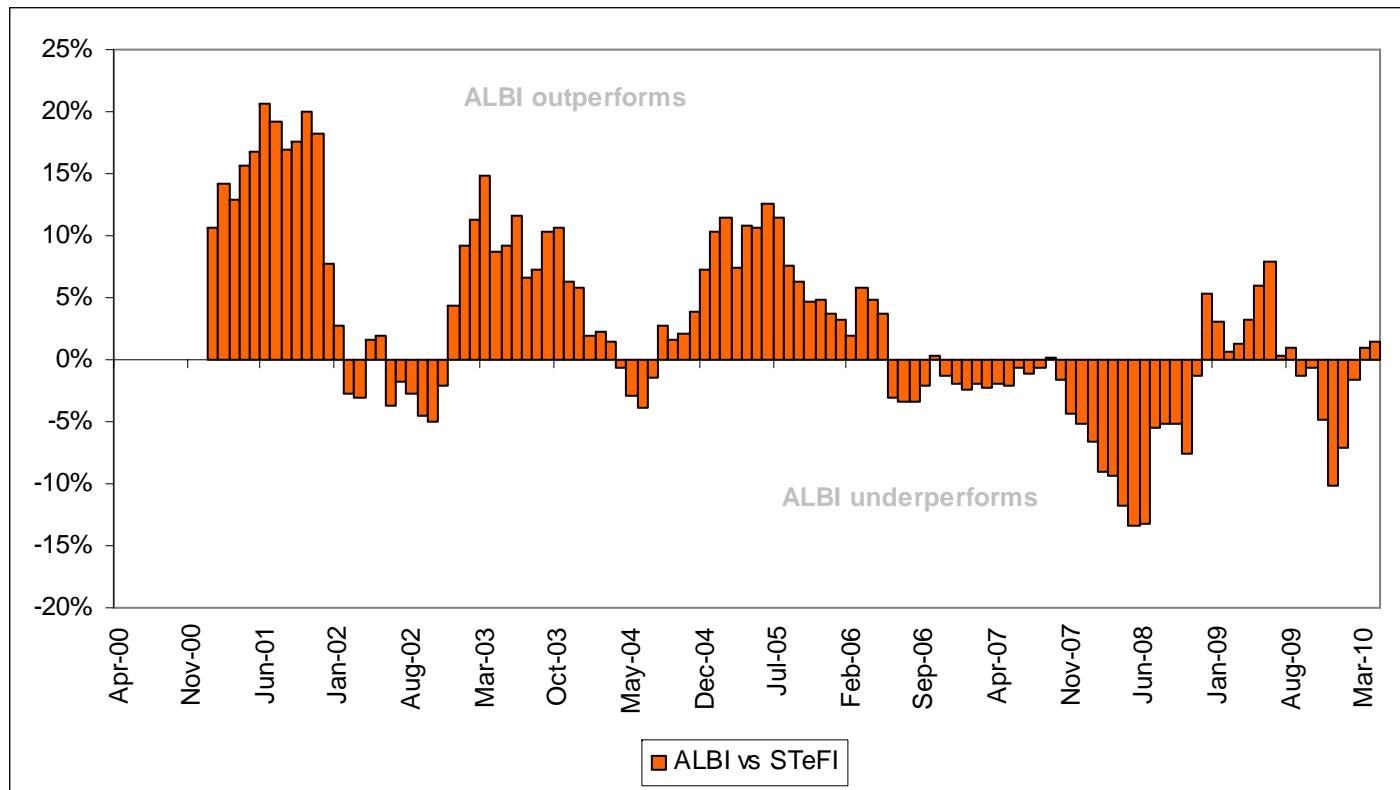
Net equity and bond inflows over the three months to end April



Source: Inet and Advantage Asset Managers
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Bonds vs. Cash – 12 months rolling active Apr 00 – Apr 10

12 months rolling active return of the ALBI vs. STeFI – bonds have overtaken cash again for two consecutive 12 months rolling periods to end April 2010



Source: Inet and Advantage Asset Managers
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End of Key Market Performance Drivers monthly charts for April 2010

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