Key Market Performance Drivers
Monthly Charts

May 2010

complexity simplified

αdvantage
asset managers

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 May 2010 edition of the KMPD monthly charts.

Regards
Advantage Asset Managers

Market performance concentration – three months to May 2010

Market breadth remains at acceptable levels for active managers (ALSI at 98) Resources shares were unexciting, while Mid Cap shares continued to dominate

3 months to May 2010																	
1	MTA	73.4%	30	BAT	12.5%	**59**	**Mid Cap**	**7.2%**	87	DAW	3.3%	116	SLM	0.8%	146	JDG	-4.0%
2	MSM	31.9%	31	BSR	12.3%	60	SPP	6.9%	**88**	**Small Cap**	**3.2%**	117	CPL	0.7%	147	OML	-4.0%
3	CML	26.1%	32	BLU	12.2%	61	SUR	6.9%	**89**	**Fledgling**	**3.1%**	118	MVG	0.6%	148	SUI	-4.4%
4	IVT	21.8%	33	TRU	12.1%	62	REM	6.8%	90	INL	2.9%	119	PAP	0.5%	149	ARI	-4.9%
5	GFI	21.3%	34	NPK	11.7%	63	SAB	6.7%	**91**	**Industrial 25**	**2.8%**	120	ADH	0.5%	150	RBX	-5.0%
6	FBR	20.9%	35	HAR	11.6%	64	NHM	6.6%	**92**	**SWIX**	**2.8%**	121	SHF	0.5%	151	SPG	-6.1%
7	BRN	19.9%	36	ART	11.6%	65	LEW	6.6%	93	AIP	2.8%	122	SBK	0.4%	152	CSO	-6.3%
8	AFR	19.5%	37	APN	11.6%	66	SAC	6.2%	94	ILA	2.7%	123	TON	0.3%	153	ILV	-6.6%
9	ANG	18.7%	38	AMS	10.7%	67	SNT	5.8%	95	HPA	2.6%	124	SOL	0.2%	154	OCE	-6.7%
10	CLS	17.9%	39	FWD	10.6%	68	SHP	5.6%	96	IMP	2.5%	125	RLO	0.1%	155	KIO	-7.6%
11	MML	17.5%	40	FOS	10.3%	69	BCX	5.4%	97	HYP	2.4%	126	TBS	0.0%	156	BIL	-8.8%
12	MET	17.3%	41	TKG	10.3%	70	MNP	5.4%	**98**	**All Share**	**2.3%**	127	PFG	0.0%	157	EQS	-9.2%
13	PHM	17.1%	42	PGR	10.2%	71	RES	5.3%	99	KGM	2.3%	128	ADR	0.0%	158	WEZ	-10.4%
14	RMH	16.7%	43	JSE	10.2%	72	AGL	5.2%	100	HDC	2.1%	129	KAP	0.0%	159	LON	-10.7%
15	AFE	16.3%	44	CMH	10.1%	73	DSY	5.1%	101	INP	1.9%	130	PPC	-0.2%	160	GPL	-10.8%
16	MPC	16.2%	45	OCT	10.0%	74	GND	4.7%	102	FFA	1.9%	131	DGC	-0.7%	161	REI	-10.8%
17	VOD	15.5%	46	VKE	9.9%	75	NPN	4.6%	103	BVT	1.8%	132	CFR	-0.7%	162	HPB	-10.9%
18	PET	15.4%	47	EMI	9.8%	76	EOH	4.6%	**104**	**SWIX Top 40**	**1.7%**	133	CSB	-1.4%	163	KEH	-11.3%
19	ESR	15.4%	48	GRF	9.4%	77	LBH	4.6%	**105**	**Financial 15**	**1.6%**	134	BEL	-1.4%	164	GDF	-11.4%
20	CDZ	15.3%	49	MUR	9.1%	78	ACP	4.4%	106	ABL	1.6%	135	MDC	-1.5%	165	CAT	-12.2%
21	BAW	14.9%	50	AFX	9.1%	79	NTC	4.4%	**107**	**Top 40**	**1.5%**	136	HLM	-1.7%	166	ALT	-12.6%
22	PMM	14.4%	51	CRM	9.0%	80	PIK	4.3%	108	SFN	1.5%	137	SAP	-1.7%	167	SIM	-12.7%
23	WHL	14.2%	52	FSR	8.7%	81	ARL	4.2%	109	MTX	1.4%	138	MTN	-1.8%	168	DCT	-13.2%
24	SSK	14.1%	53	MND	8.3%	**50% of total market cap**			**110**	**Resource 20**	**1.3%**	139	ATN	-1.9%	169	CBH	-16.9%
25	DTC	13.9%	54	GRT	8.3%	82	SYC	4.2%	111	ATNP	1.3%	140	RDF	-2.0%	170	COM	-19.6%
26	MRF	13.8%	55	AVI	8.2%	83	PAM	4.2%	112	FPT	1.3%	141	ASA	-2.1%	171	SNU	-21.1%
27	HVL	13.3%	56	WBO	7.9%	84	IPL	4.0%	113	AVU	1.1%	142	AEG	-2.4%	172	DRD	-25.3%
28	TRE	12.9%	57	HCI	7.8%	85	ZED	3.7%	114	RBW	1.0%	143	EXX	-2.6%	173	GIJ	-30.0%
29	NED	12.8%	58	DDT	7.7%	**86**	**SA Listed Prop**	**3.7%**	115	OMN	0.8%	144	CMP	-2.8%	174	ACL	-32.0%
												145	CLH	-3.4%	175	BDM	-46.5%

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 May 2010

Resource shares mainly scrapping the barrel over the year. The opportunity set for managers was wide, with over 100 shares outperforming the ALSI and SWIX

12 months to May 2010

1	BRN	142.1%	30	TRU	55.7%	59	PAP	39.8%	88	TON	30.9%	116	GRT	21.8%	146	ESR	6.3%
2	CML	125.4%	31	NED	54.3%	60	LEW	39.6%	**49% of total market cap**			117	VOD	21.7%	147	MML	5.7%
3	DTC	124.9%	32	SFN	54.2%	61	PET	39.2%	89	ASA	30.3%	118	ARL	21.6%	148	SAP	5.5%
4	SPG	122.3%	33	DDT	53.0%	62	NTC	39.0%	**90**	**Small Cap**	**29.1%**	119	HVL	21.4%	149	CBH	5.0%
5	MTA	94.8%	34	HDC	52.9%	63	HYP	38.9%	91	ABL	28.9%	**120**	**SWIX Top 40**	**20.6%**	150	REI	4.7%
6	WHL	94.6%	35	SHF	52.7%	64	AVI	38.7%	92	BAW	28.5%	121	SSK	20.2%	151	AVU	4.1%
7	CLS	92.4%	36	CRM	52.5%	65	JSE	38.5%	**93**	**Industrial 25**	**28.2%**	122	DAW	19.7%	152	BSR	3.9%
8	KAP	92.3%	37	AFE	52.1%	66	AIP	37.5%	94	PIK	27.9%	**123**	**Top 40**	**19.6%**	153	FFA *	3.5%
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11	HCI	86.1%	40	CDZ	48.6%	69	PFG	37.1%	97	DSY	27.5%	126	OCE	17.8%	156	IMP	0.9%
12	MVG	81.5%	41	PAM	48.5%	**70**	**Mid Cap**	**36.7%**	98	OCT	27.3%	127	SUI	16.9%	157	GND	0.6%
13	BCX	79.9%	42	FSR	46.6%	71	PMM	36.6%	99	AGL	27.0%	128	ALT	16.5%	158	RBW	-0.7%
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28	NPN	59.4%	57	ARI	40.6%	86	INL	31.8%	114	COM	22.0%	143	CLH	9.0%	173	BDM	-50.0%
29	RMH	58.0%	58	NHM	40.6%	87	SAB	31.5%	**115**	**All Share**	**21.9%**	144	CSB	8.4%	174	DRD	-55.6%
												145	AEG	8.2%	175	SIM	-60.0%

*** Return for Fortress is a partial return, (from 22/10/09 to end May)**

Key

Size	Sector
Large Cap	Resources
Mid Cap	Financials
Small Cap	Industrials

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Source: Barra, Deutsche Securities and Advantage Asset Managers

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Styles – Periods to end April* 2010

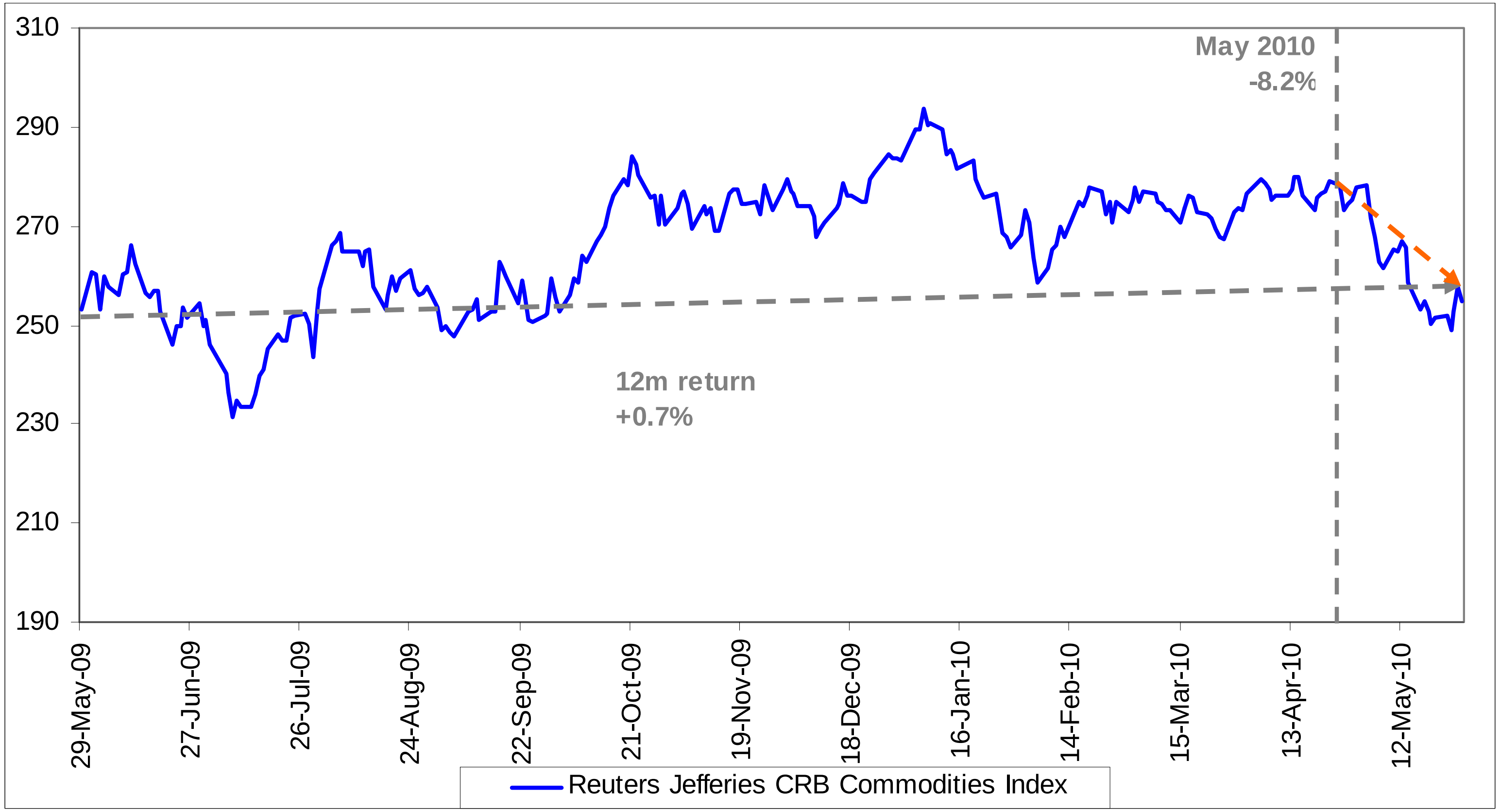
		1m to Apr 10	3m to Apr 10	12m to Apr 10	36m to Apr 10	20 years to Apr 10
Value	Dividend Yield	0.5%	4.2%	32.2%	19.9%	9.4%
	Earnings to Price	2.3%	-0.2%	6.1%	5.2%	8.7%
	CF to Price	0.5%	8.1%	28.6%	12.8%	10.8%
	Sales to Price	0.3%	-4.1%	3.4%	0.4%	13.0%
	BV to Price	-1.4%	-2.6%	-9.3%	-6.3%	9.9%
	EBITDA to EV	1.9%	5.7%	14.9%	3.5%	15.0%
	EBITDA to Price	-1.0%	-2.1%	-0.4%	-0.4%	8.2%
	Composite Value	-1.2%	-4.0%	11.9%	5.2%	12.6%
Growth	Earnings Growth	0.3%	1.0%	-10.3%	5.6%	1.1%
	Sales Growth	-0.4%	2.9%	-6.8%	4.9%	-0.2%
	R o E	0.4%	5.8%	16.1%	7.7%	-2.1%
	IBES 12m Growth	1.6%	-0.4%	-26.4%	-5.5%	-0.4%
	Composite Growth	-0.6%	2.7%	-2.6%	6.9%	0.8%
Momentum	M 6mth ST	0.7%	8.0%	28.1%	12.6%	2.2%
	M 6mth	1.7%	10.0%	18.8%	9.0%	5.5%
	M 12mth	2.1%	13.8%	19.0%	7.1%	6.2%
	FY1 Revisions	-1.7%	0.5%	0.4%	3.6%	8.7%
	FY2 Revisions	-0.1%	3.3%	-7.6%	1.6%	4.9%
Misc	Market Cap	-0.6%	0.1%	13.6%	8.3%	-4.7%
	Beta	2.9%	8.0%	32.5%	2.9%	-2.9%
	Debt to Equity	-1.0%	-5.3%	2.1%	-0.9%	0.4%
	Income to Sales	-1.1%	2.4%	7.0%	12.1%	-5.1%
	Stability of EG	0.3%	1.2%	2.2%	3.8%	-3.1%
	Foreign Exposure	-0.5%	0.2%	-1.2%	4.9%	-2.0%

*** Data lagged by a month**

Source: Style Research

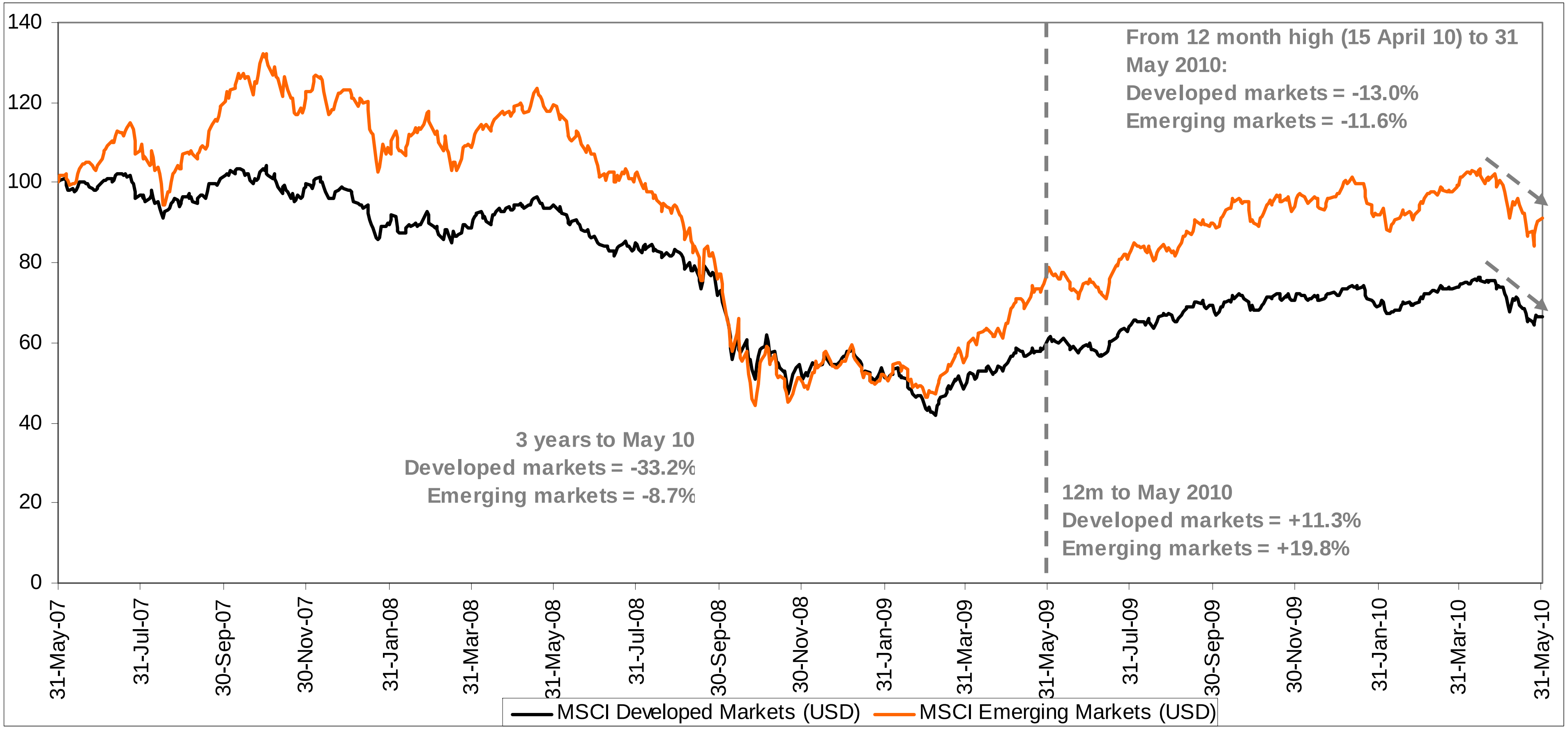
Reuters Jefferies CRB Commodities index

Over the year to end April the index was up 24.9%, yet the year to end May sees the index almost flat at 0.7%. The month of May saw the index down 8.2%, its worst monthly performance in 16 months



Source: Inet and Advantage Asset Managers

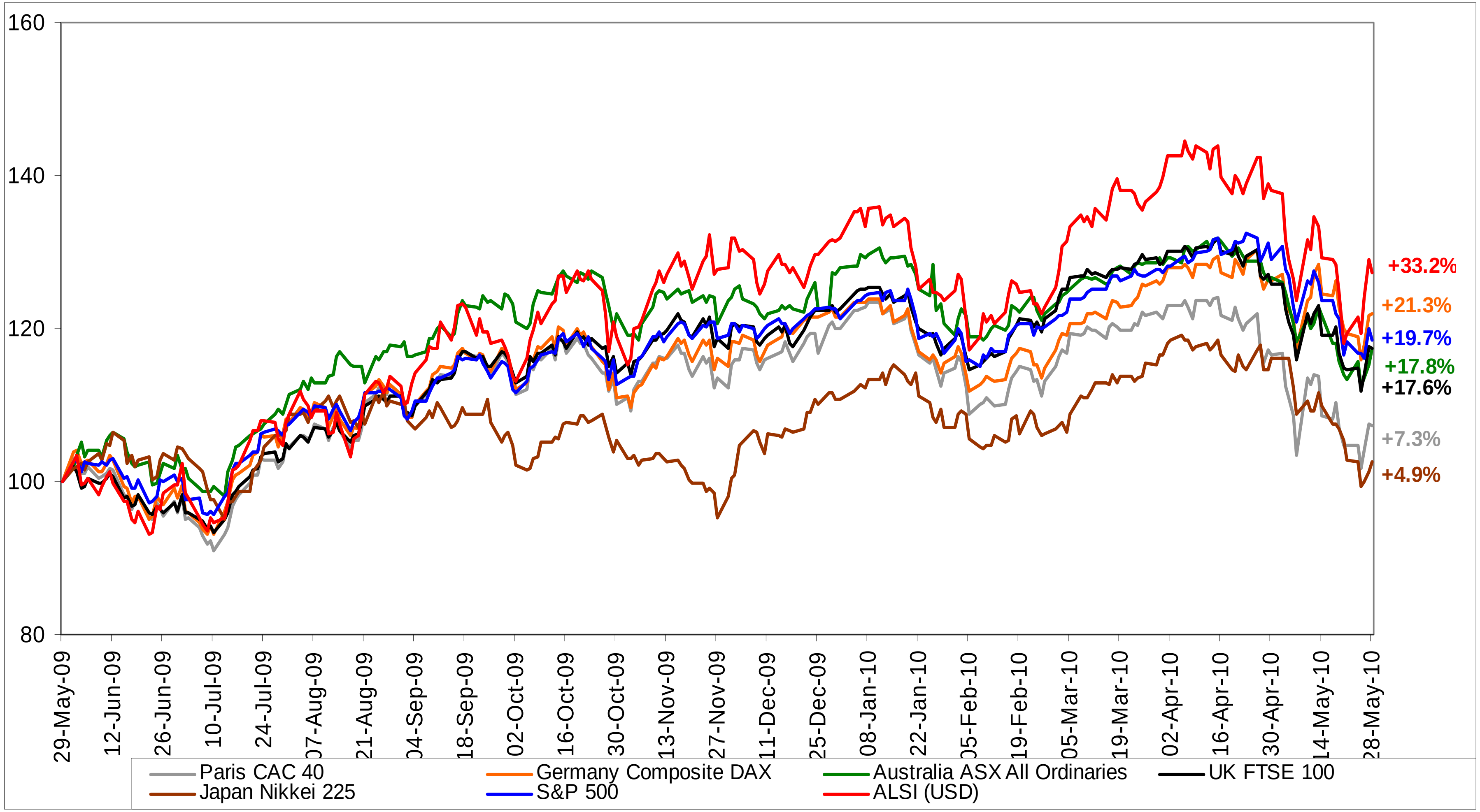
MSCI developed and emerging markets – 36 months to May 2010



Source: MSCI Barra and Advantage Asset Managers

Developed Equity – 12 months to May 2010

South Africa has lost some ground in USD. While all the depicted developed markets remain up over the period, May has seen them all suffer losses



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Source: Inet and Advantage Asset Managers

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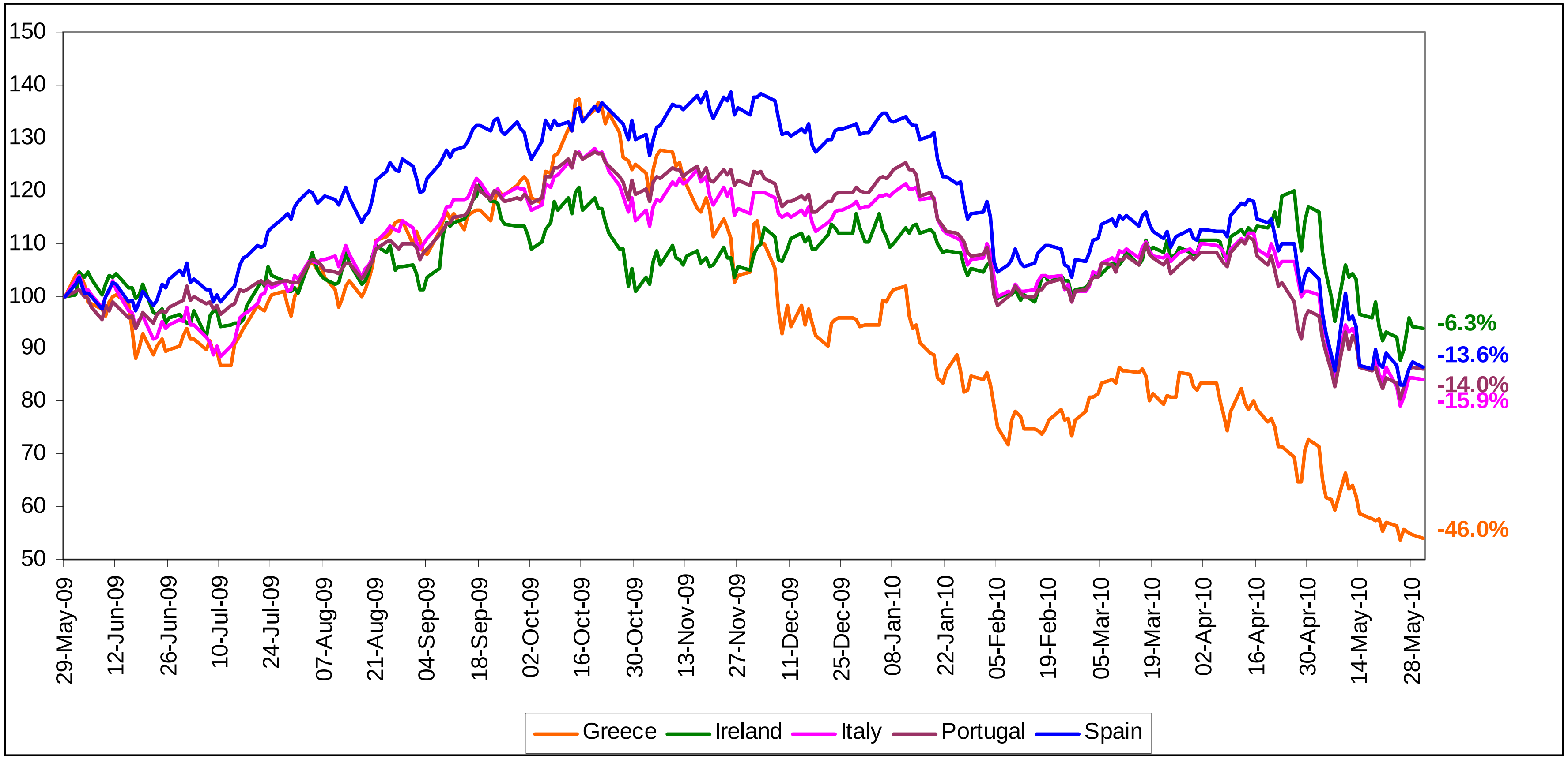
Equity indices of the PIIGS – 12 months to May 2010

The equity markets of the PIIGS are suffering in light of the economic difficulties faced by these countries



Source: Inet and Advantage Asset Managers

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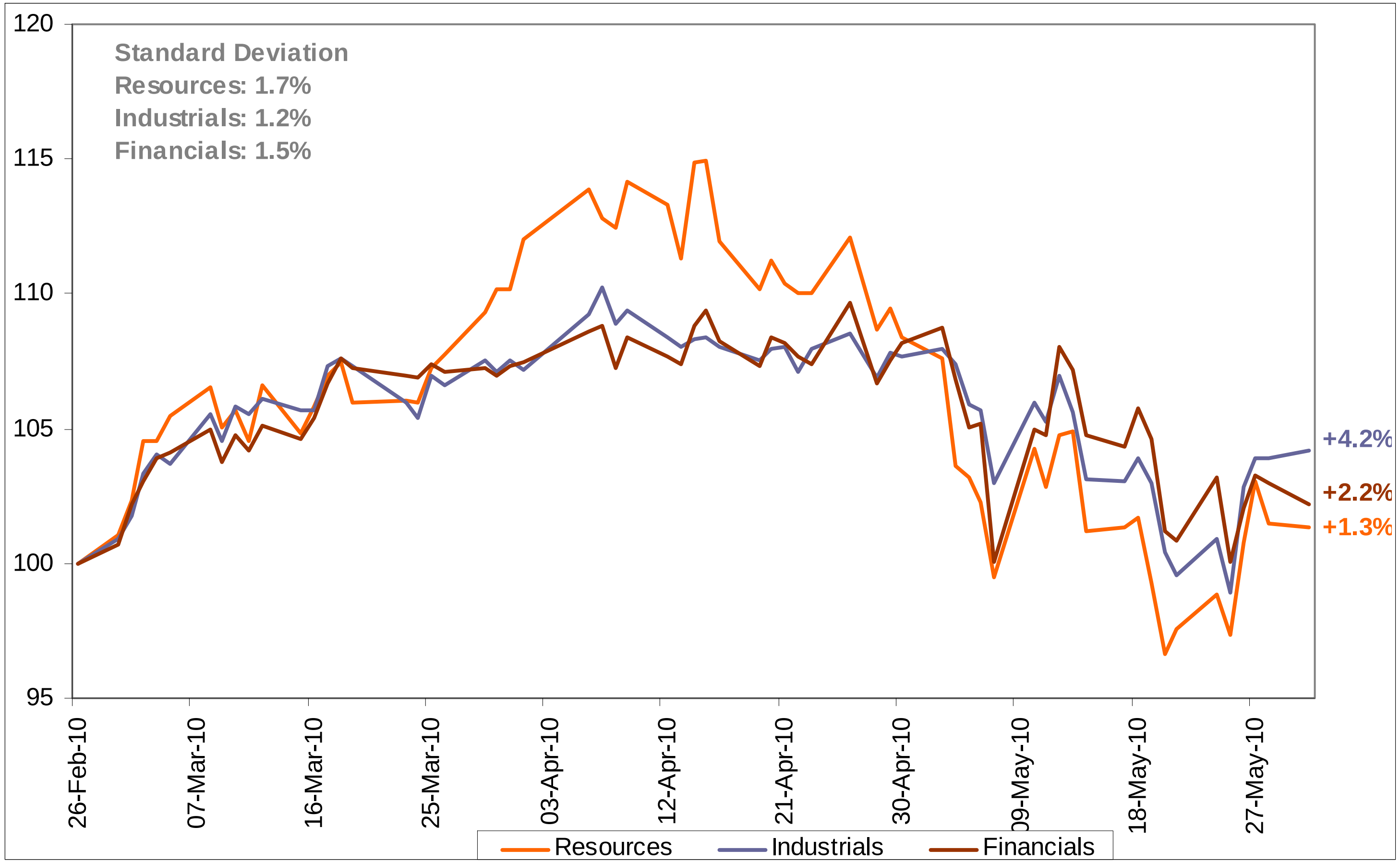
Sectors – three months to May 2010

Volatility within each of the sectors has increased. Financials, the top performer over the three months to April, was overtaken by the Industrials over the period to end May. Auto & Parts (specifically Metair, returning 73.4%) drove the return



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Source: Inet and Advantage Asset Managers

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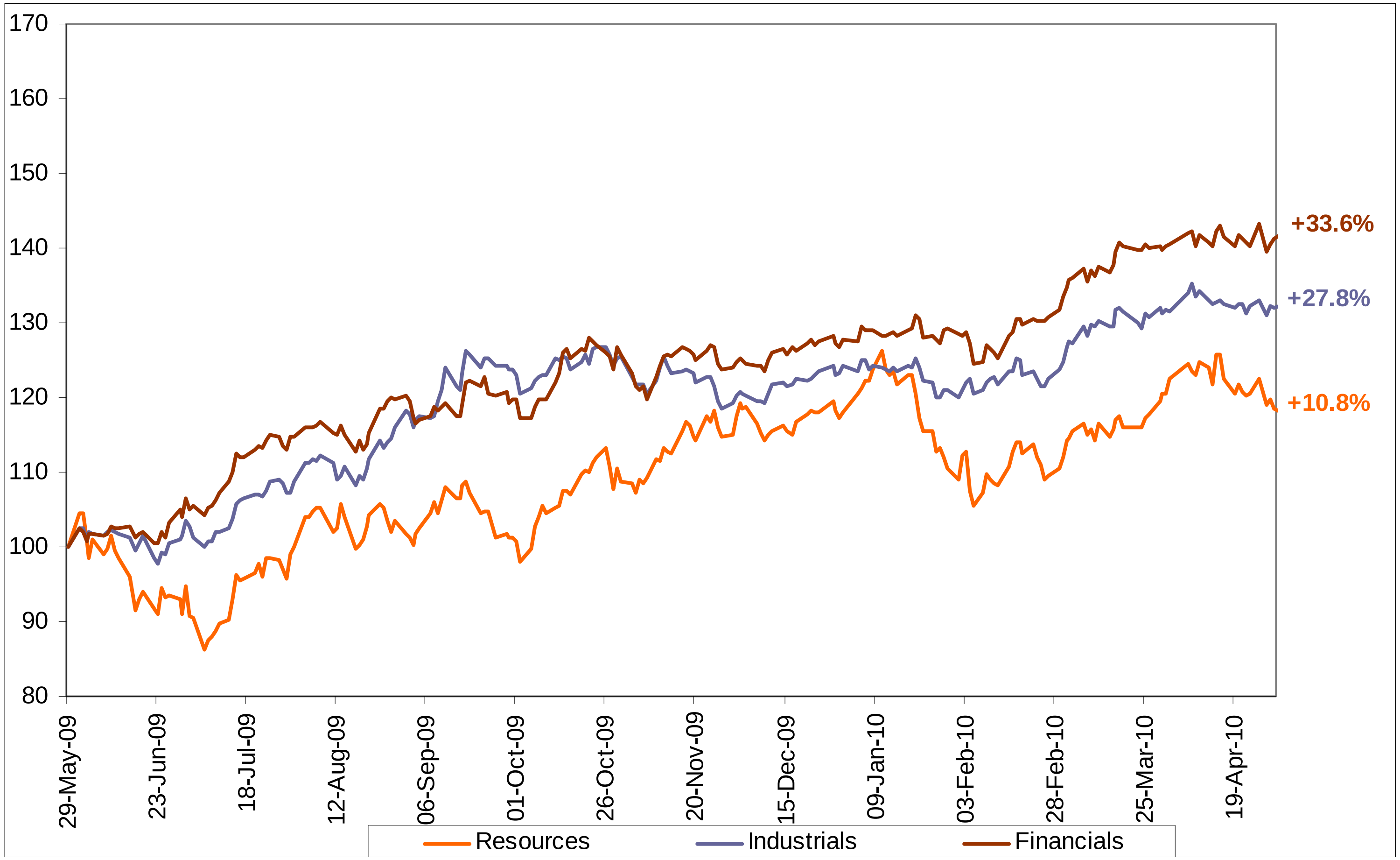
Sectors – 12 months to May 2010

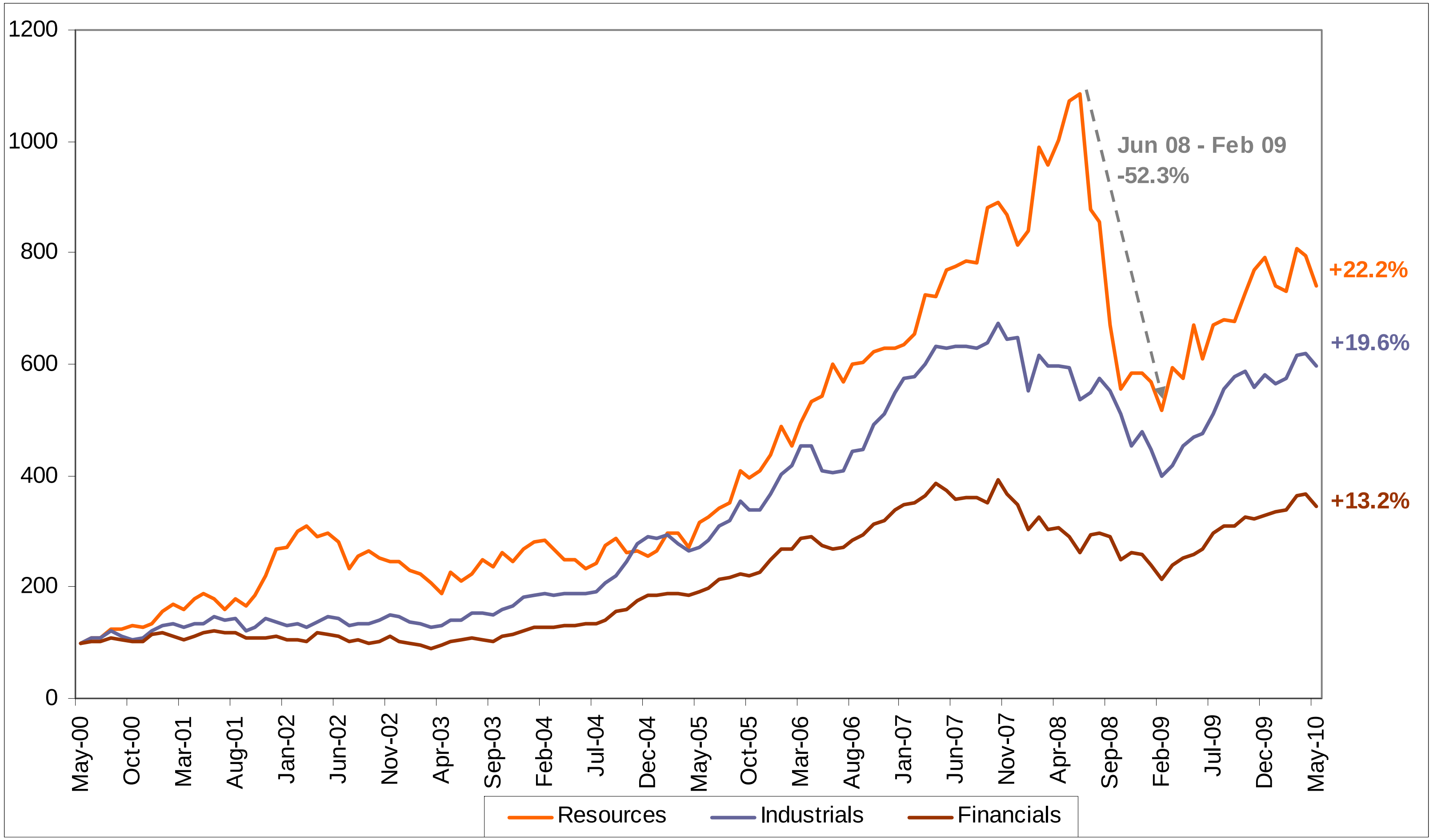
Financials remained ahead over 12 months, driven by Non-Life insurance, as well as Banks. The top performing Banks share was RMB Holdings



Source: Inet and Advantage Asset Managers

Sectors – 10 years to May 2010

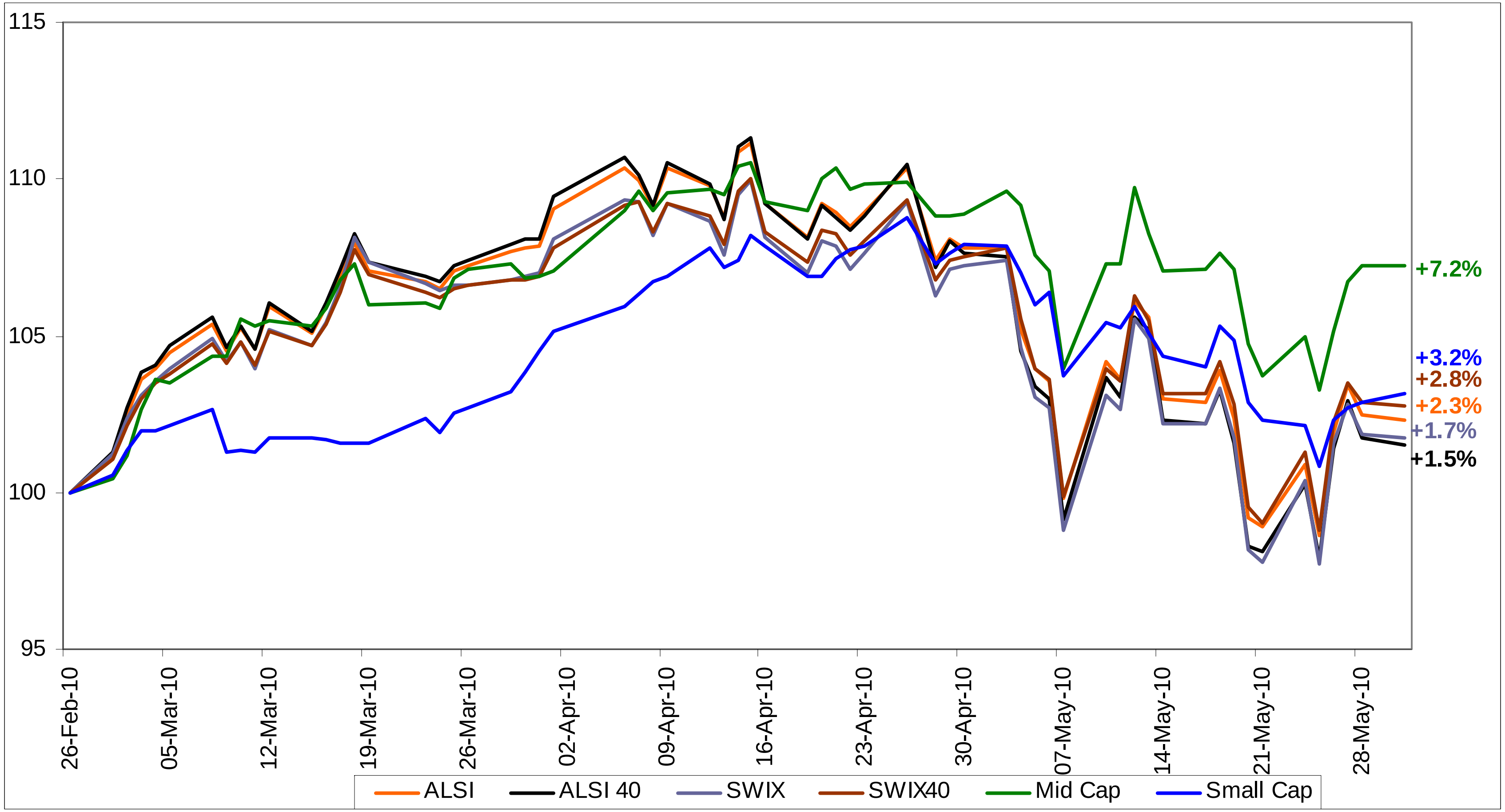
While Resources remain ahead, the severe fall between June 2008 and February 2009 eroded the gap created relative to the other two sectors



Source: Inet and Advantage Asset Managers

Size – three months to May 2010

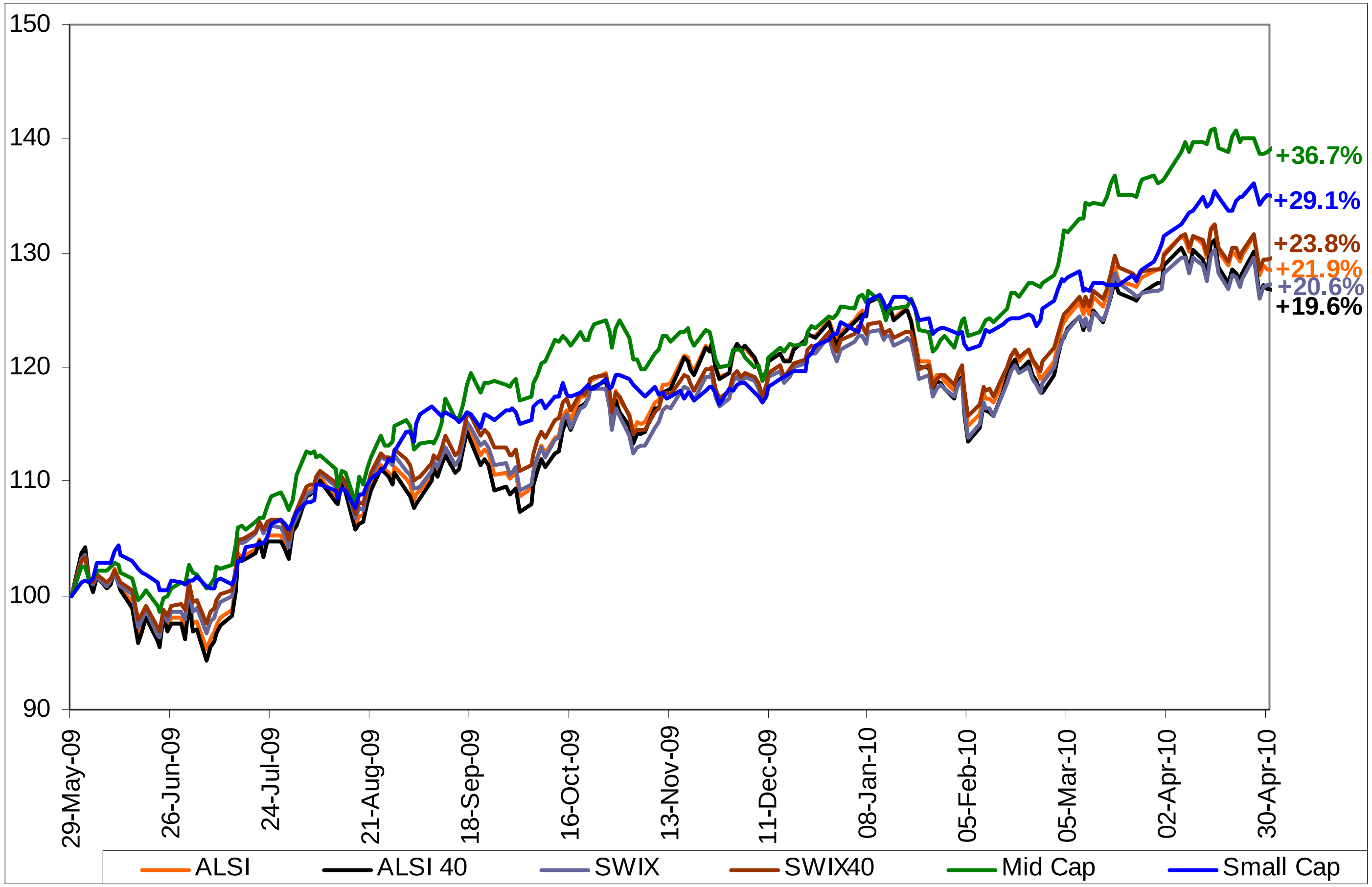
The volatility that plagued May is clear across the various areas of the market. Mid Caps remain ahead, with Massmart and Clicks top mid cap performers



Source: Inet and Advantage Asset Managers

Size – 12 months to May 2010

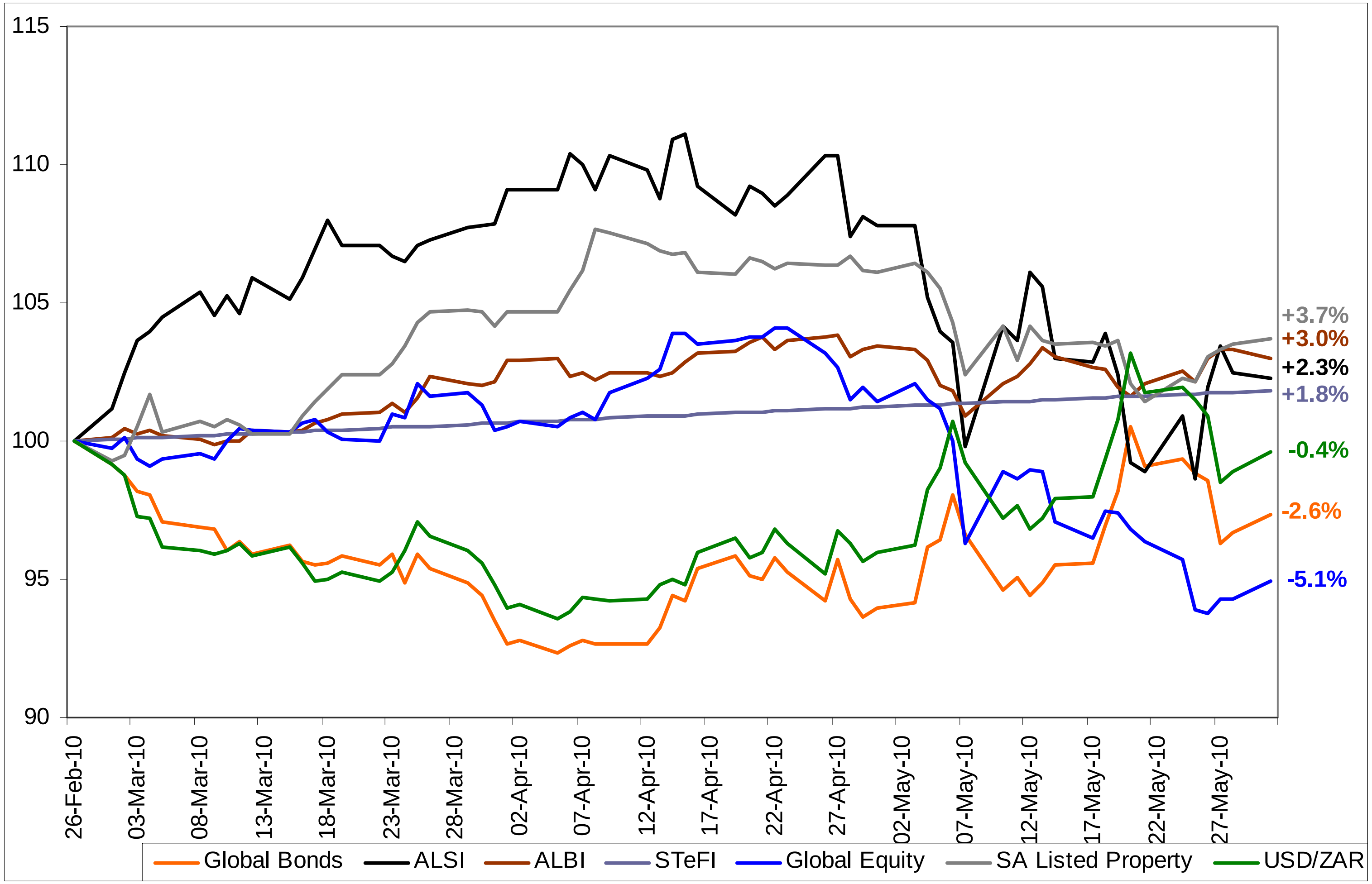
Mid cap shares Datatec (+124.9%), Woolies (+94.6%) and Clicks (92.4%) were the top performing Mid Cap shares over the year



Source: Inet and Advantage Asset Managers

Asset classes – three months to May 2010

The wide dispersion of results experienced during March and April narrows in May. Domestic asset classes remain positive, albeit at lower outcomes than over recent periods



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Source: Inet and Advantage Asset Managers

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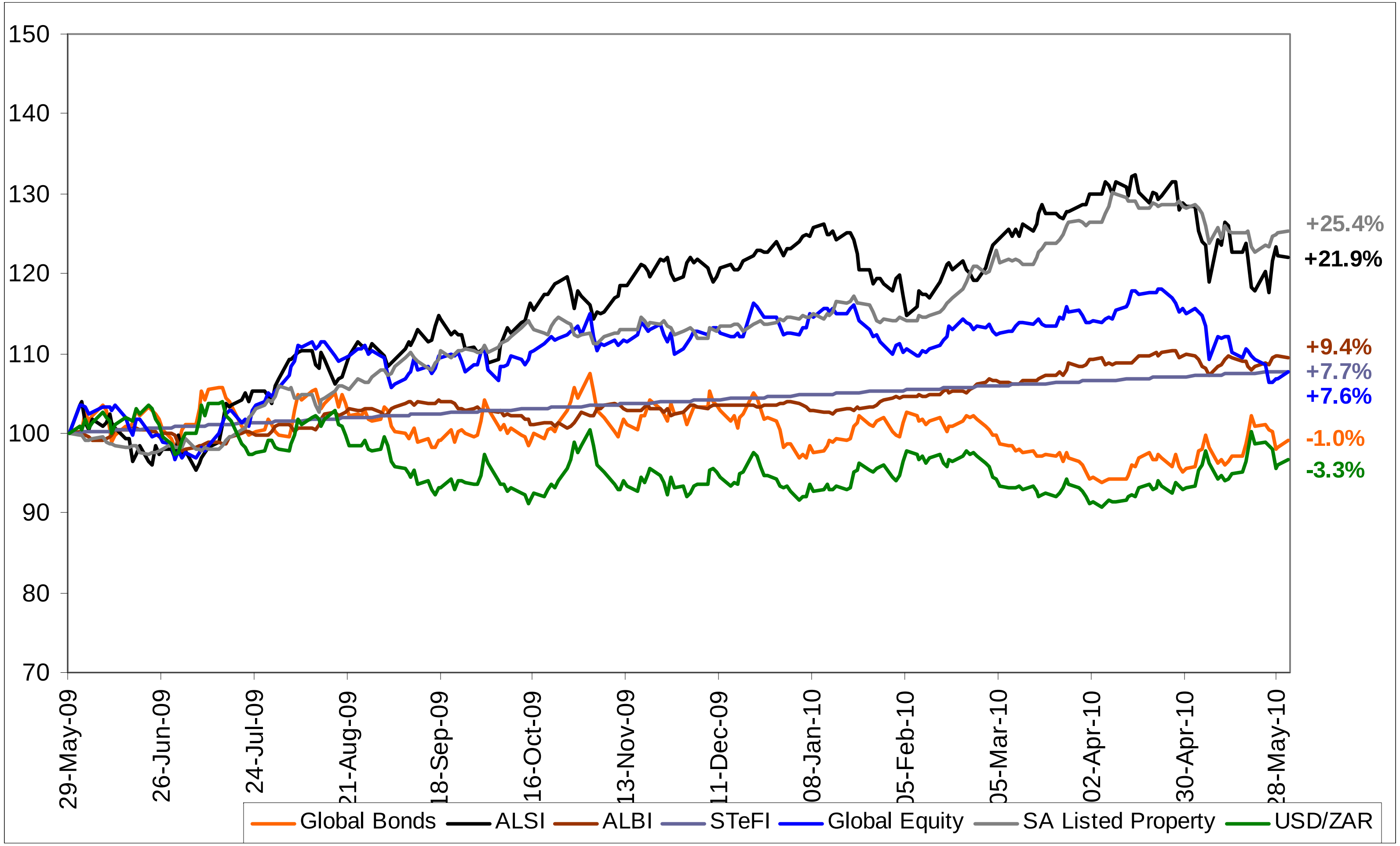
Asset classes – 12 months to May 2010

Listed property's push forward since February, inter alia on the back of low interest rates, has stood it in good stead, and it ends the 12 months to May ahead of the other asset classes



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Source: Inet and Advantage Asset Managers

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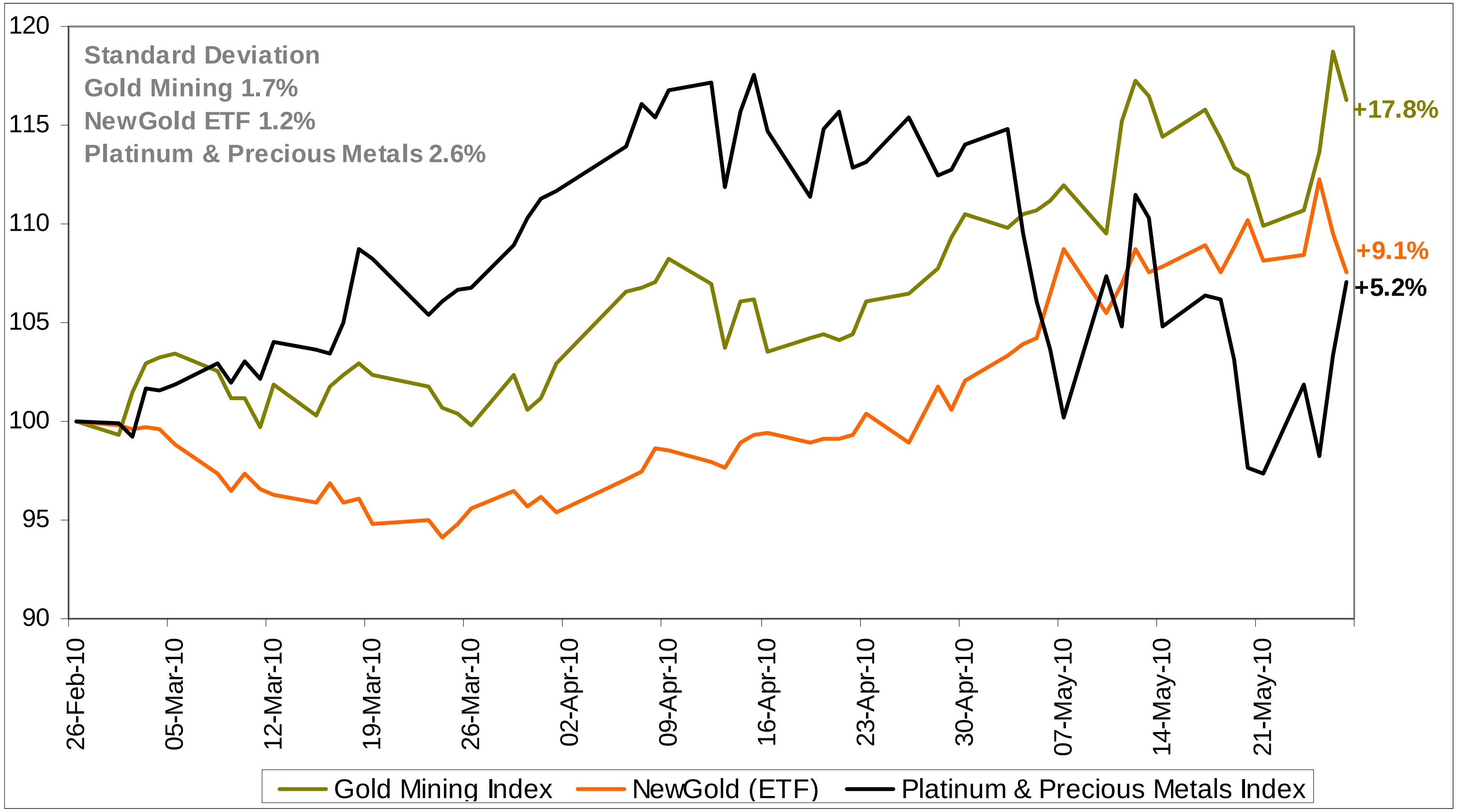
Gold – three months to May 2010

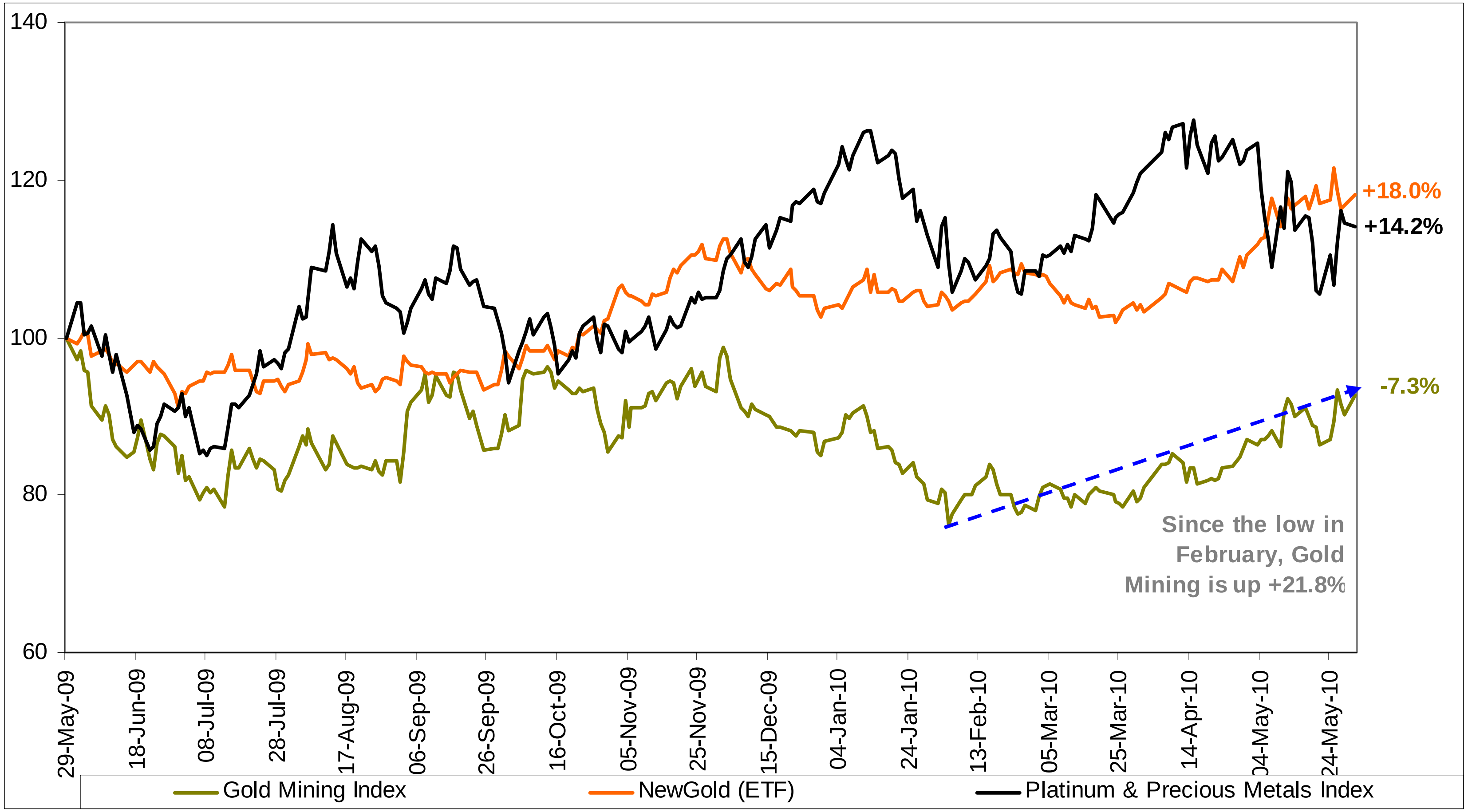
The Gold Mining index has experienced a resounding return over the three months, especially when compared to the Platinum & Precious Metals index, which has experienced significant volatility, and experienced a downward trend since April



Source: Inet and Advantage Asset Managers

Gold – 12 months to May 2010

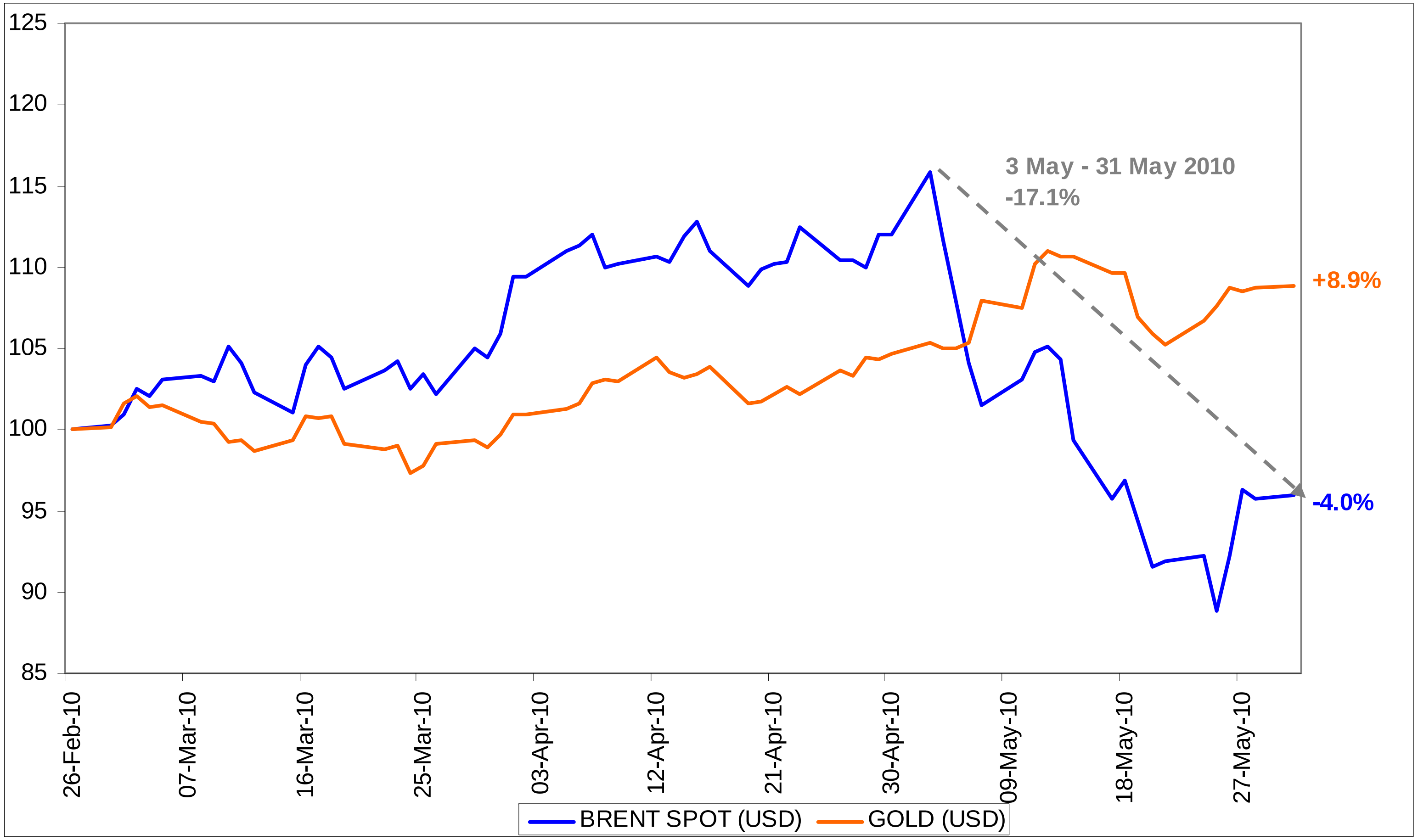
Gold mining has seen a solid claw back of late, but this has not been sufficient to bring the 12 month return into positive territory. The Platinum & Precious Metals index was up 14.2%



Source: Inet and Advantage Asset Managers

Gold vs. oil – three months to May 2010

The oil prices has dropped significantly, influenced by the shaky European economic situation



Source: Inet and Advantage Asset Managers

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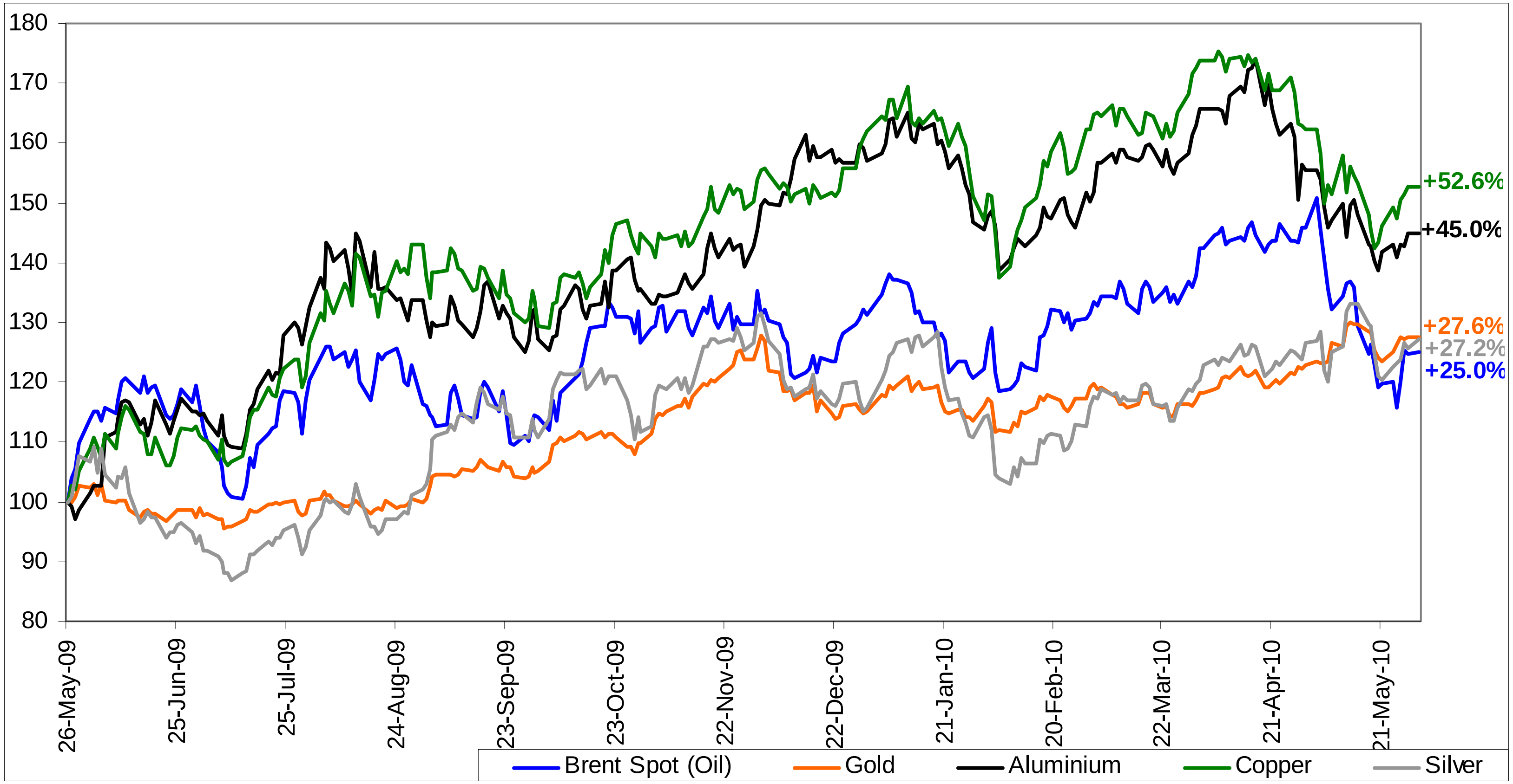
Commodities – 12 months to May 2010

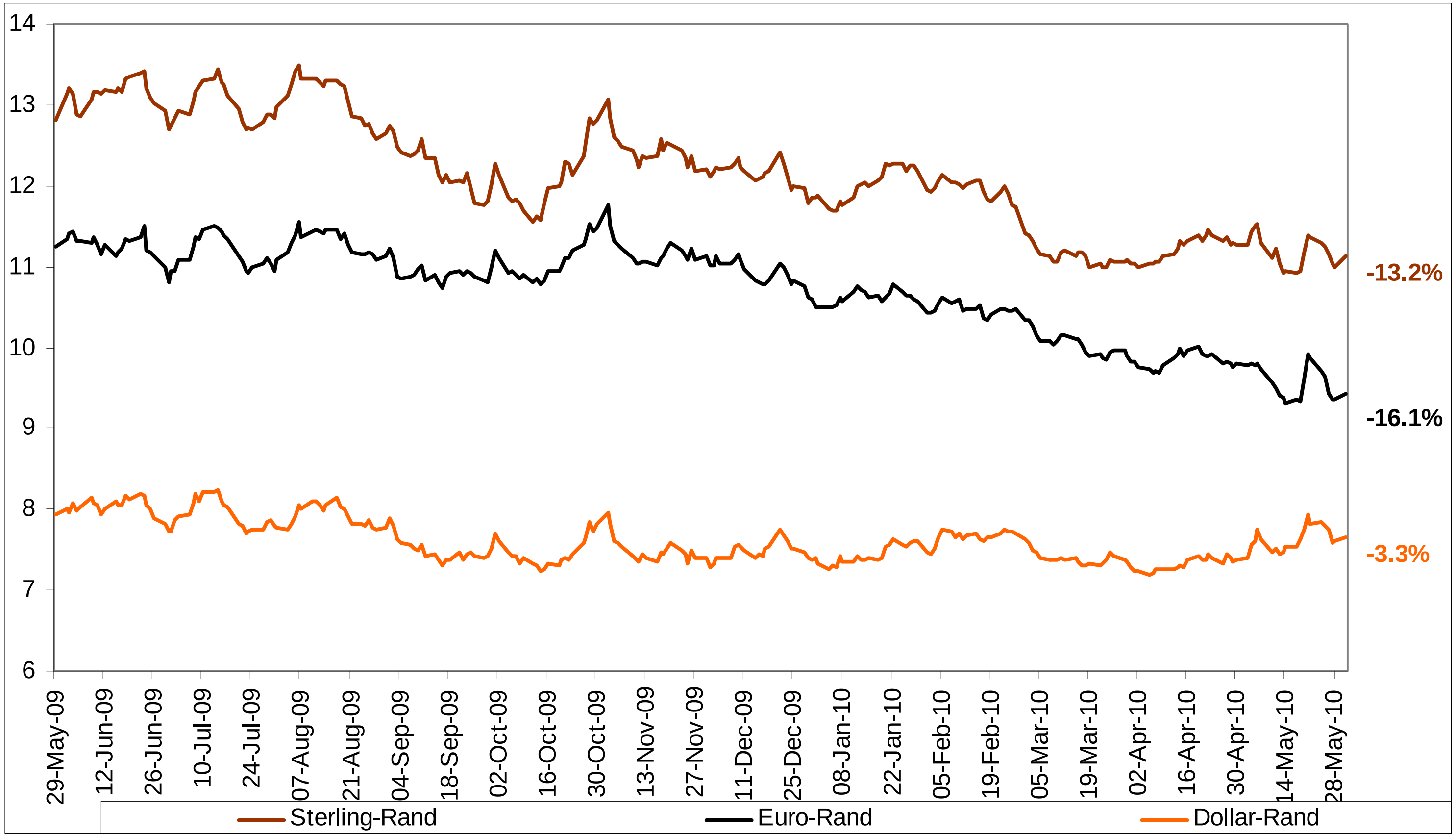
Copper and aluminium far ahead even with the recent tumble



Source: Inet and Advantage Asset Managers

Exchange rate – 12 months to May 2010

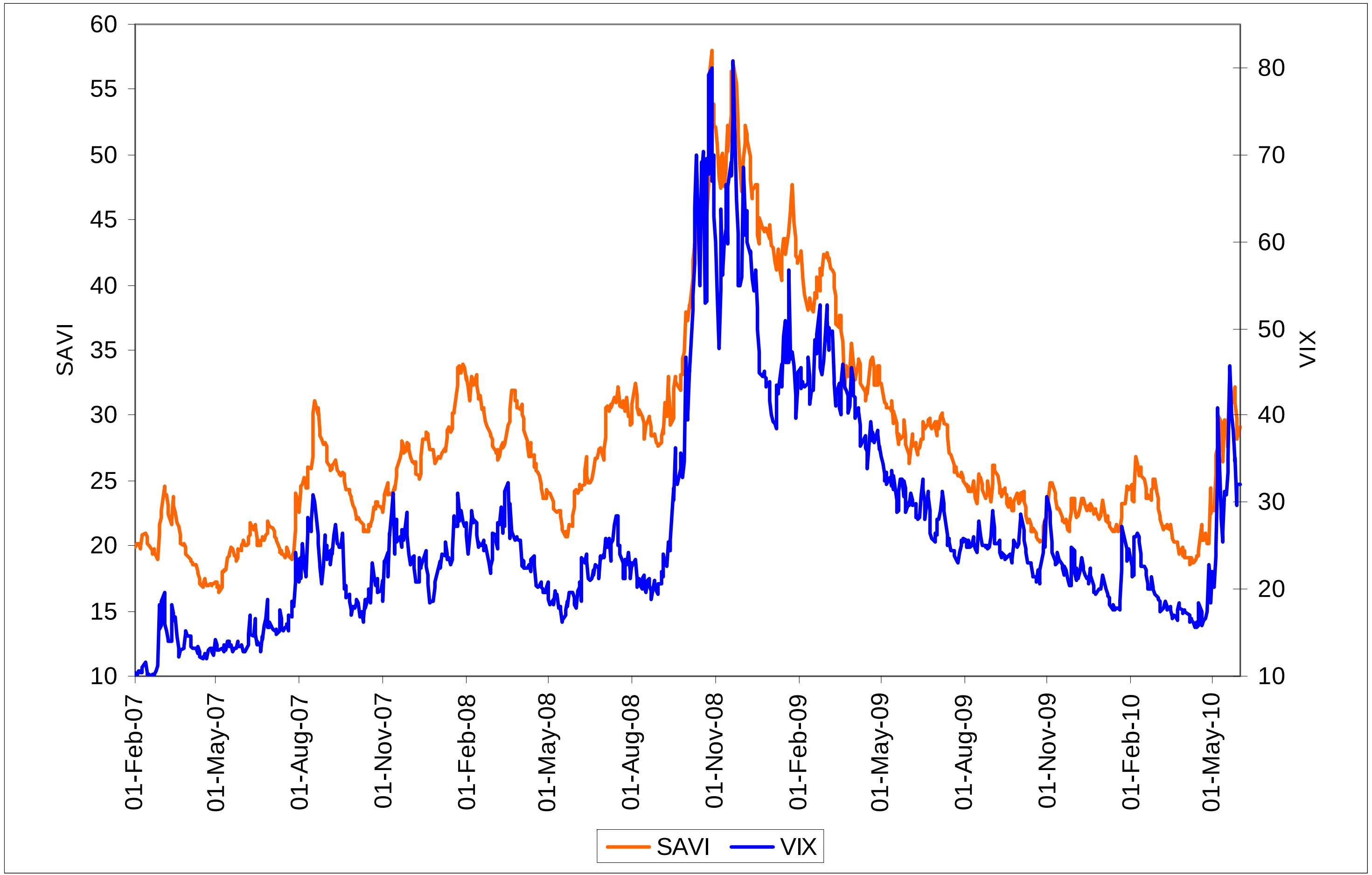
Rand strength has reduced from recent strong levels recorded over 12 and three months, yet it is still stronger than a year ago relative to the three major currencies depicted



Source: Inet and Advantage Asset Managers

SAVI-VIX – 1 Feb 07 to 31 May 10

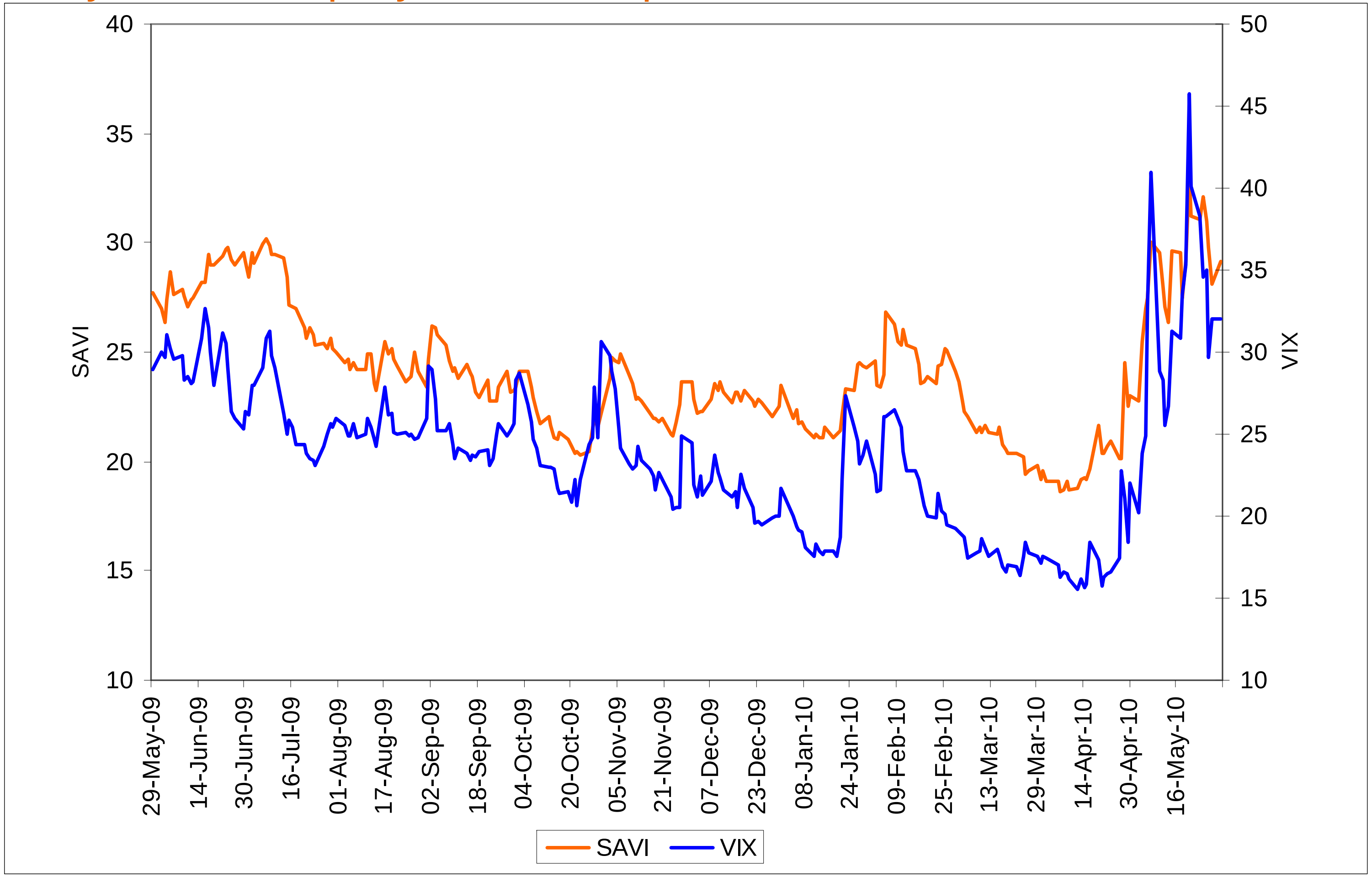
Volatility rises significantly towards the end of the period, although it remains low compared to mid-financial crisis highs



Source: Inet and Advantage Asset Managers

SAVI-VIX – 12 months to May 2010

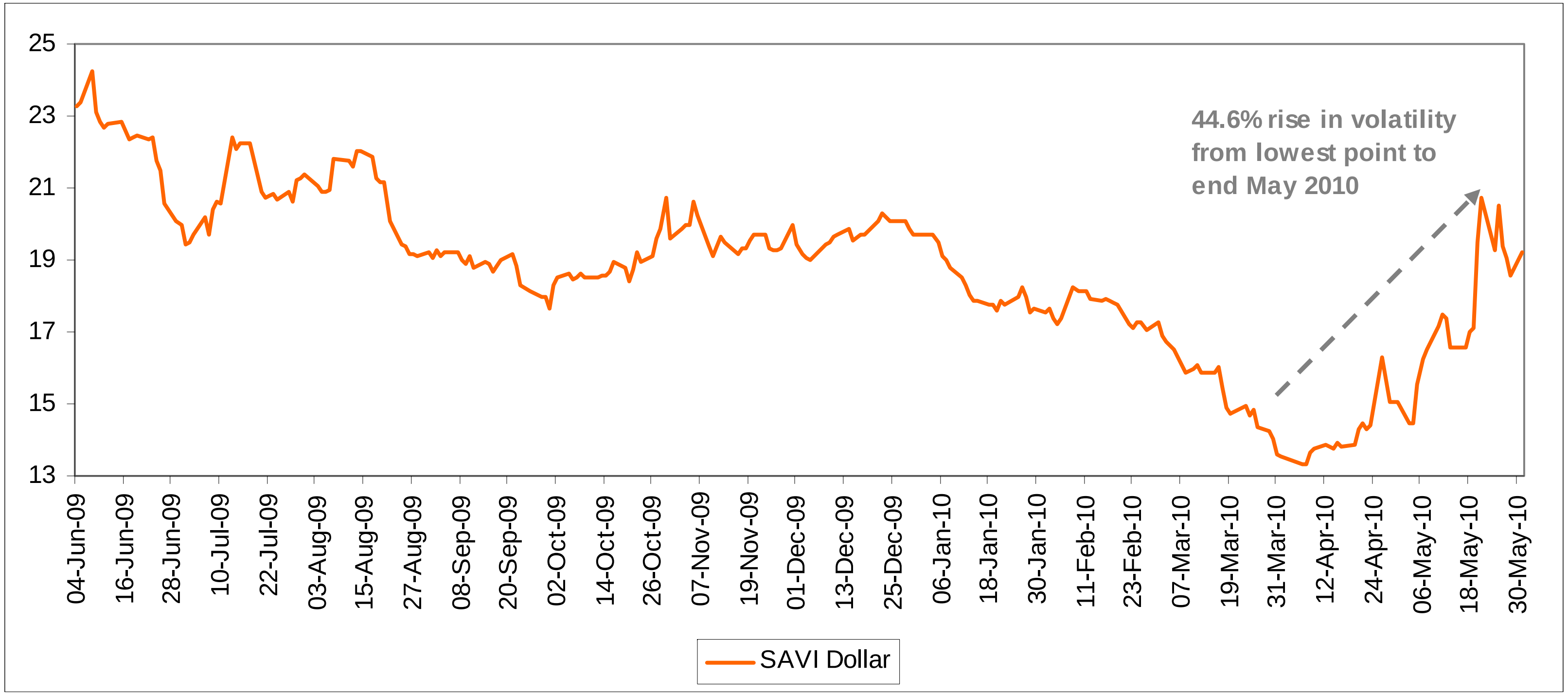
Volatility was trending down during most of the 12 months leading up to May 2010, yet it rose rapidly from mid April



Source: Inet and Advantage Asset Managers

SAVI dollar – Since inception to May 2010

The SAVI dollar reaches its lowest point since its inception on 6 April 2010 – this is followed by a 44.6% rise to end May 2010

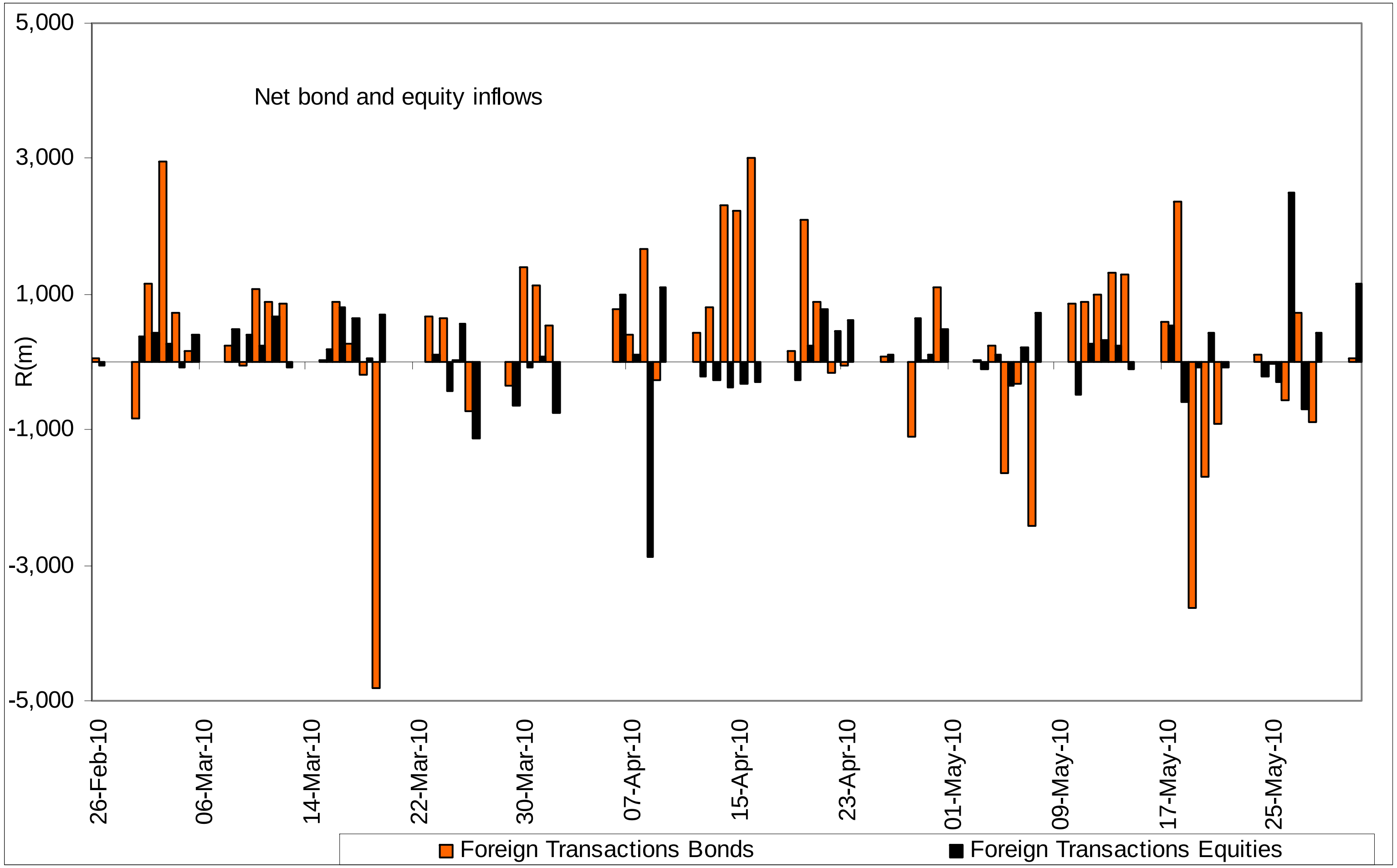


Source: Inet and Advantage Asset Managers

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.

Foreign transactions – three months to May 2010

Net inflows for both equity and bonds over the three months to May 2010



Source: Inet and Advantage Asset Managers

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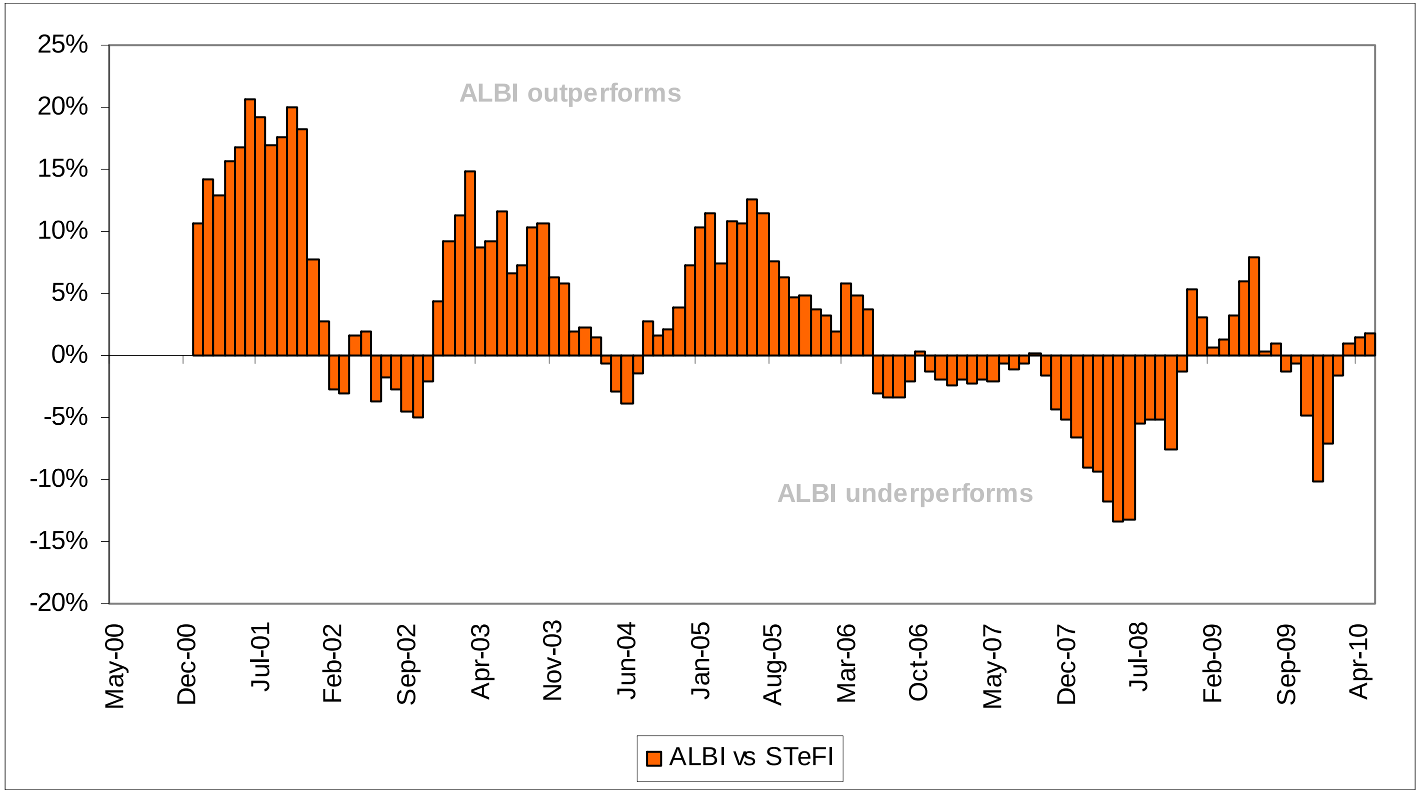
Bonds vs. Cash – 12m rolling active May 00 – May 10

12m rolling active return of the ALBI vs. STeFI – bonds have overtaken cash again steadily now for three consecutive 12m rolling periods to end May 2010



Source: Inet and Advantage Asset Managers

End of Key Market Performance Drivers monthly charts for May 2010

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Thank you

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