

# Finding Performance Persistence Among South African Equity Unit Trusts

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## 1. Introduction

Measuring the persistence of equity unit trusts performance has been the objective of many academic studies in recent decades. Fund managers are expected to outperform a certain benchmark and they rely on their past performances to show off their management skills. Investors, investment advisors and market analysts too rely profoundly on managers' past performances to formulate their investment decisions and opinions about them. Overall the financial industry spends considerable resources on measuring and ranking the performances of actively managed funds.

The important question is whether past performance records have predictive powers about future performance. If they do, then a portfolio of the top performing managers should consistently outperform a randomly constructed portfolio of managers. If they do not, investors should find alternative strategies and sources of information to aid their decision-making.

The good news is that historical evidence points to the existence of such persistent fund performances among the universe of equity funds available to investors. The bad news, however, is to identify *a priori* which funds will deliver these persistent returns. In other words, is historical evidence a reliable indicator of what to expect in future? Alternatively, should an investor only invest in these funds that exhibited persistent performance in the recent past?

## 2. Objectives and Methodology

What kind of investment returns would most investors prefer over a reasonable period of time, say, at least five to seven years? Would investors prefer to be invested in a fund that might yield in one year one of the highest returns followed by one of the worst fund performances in the very next year or a fund that consistently yields average-ranked performances against its peers?

In the example below an investor will do better over time with a relatively average-performing fund compared to a fund which has no recognisable performance pattern besides the inconsistency of relative performances.

Performance and rank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Fund A 12-month performance	-8%	22%	13%	4%	18%	22%
Fund B 12-month performance	4%	16%	25%	2%	27%	15%
Relative rank Fund A	Bottom quartile	Top quartile	Bottom quartile	Top quartile	Bottom quartile	Top quartile
Relative rank Fund B	Second quartile	Second quartile	Second quartile	Second quartile	Second quartile	Second quartile

Final Value after 6 years	Fund A	Fund B
R100 initial investment	R190	R225
Annualised return	13.7%	17.6%

Thus investors should endeavour to invest in persistent performers. Simply choosing last year's winner without the fund exhibiting any performance persistence might eventually lead to suboptimal results compared with "average" performers. Ideally, investors should invest in those funds that achieved persistently above-average performances against their peers. However, while it may be easy to identify these persistent performers *after the fact* will investments in these funds lead to similar outperformance in the future? We simply do not know; all we know is the historical performance

persistence of funds and in the absence of any other reliable information it should be a helpful and reassuring guide to our investment decisions, but *alas* this is not necessarily an infallible methodology.

The objective of the study is to identify those equity funds that exhibited persistence in relative performances over the past five to seven years. All equity funds categorised under the general, growth and value equity sub-categories were evaluated for the period 31 March 2002 to 31 March 2009. Fund performance data were collected from *Morningstar*.

Fund performances were ranked for each 12-month period (1 April to 31 March of the following year) over the past seven years. Relative fund performances were analysed to identify the typical behaviour of performance persistence among equity funds.

Subsequently a scoring system was introduced whereby a score was allocated to each fund's performance for every year under review. The aggregate scores over a five year and seven year period were then used to allocate a persistence rating towards each fund. The fund(s) with the highest persistence scores over these periods received a five star rating; funds with a top quartile ranked score received four stars; three stars were awarded to funds with second quartile ranked scores; two stars to third quartile ranked scores and one star to bottom quartile ranked scores.

Finally, while an analysis of relative fund performances would reveal the persistent winners, further analysis using simulated portfolio returns indicated that it is nonetheless not an easy task to know beforehand in which funds to invest. For this purpose different backtesting methodologies were used to demonstrate the difficulties in choosing the winning funds.

### 3. Results

#### 3.1 Ranking fund performances

Equity fund performances for each year were categorised into four quartiles, namely top or first quartile which represent fund performances better than the 75<sup>th</sup> percentile fund performance (100<sup>th</sup> percentile represents the best performing equity fund for a particular year). Second quartile performance represents all fund performances better than the median (50<sup>th</sup> percentile), but below the 75<sup>th</sup> percentile. Likewise, the third quartile represents fund performances between the 25<sup>th</sup> percentile and median. The bottom (fourth) quartile represents fund performances below the 25<sup>th</sup> percentile for each period.

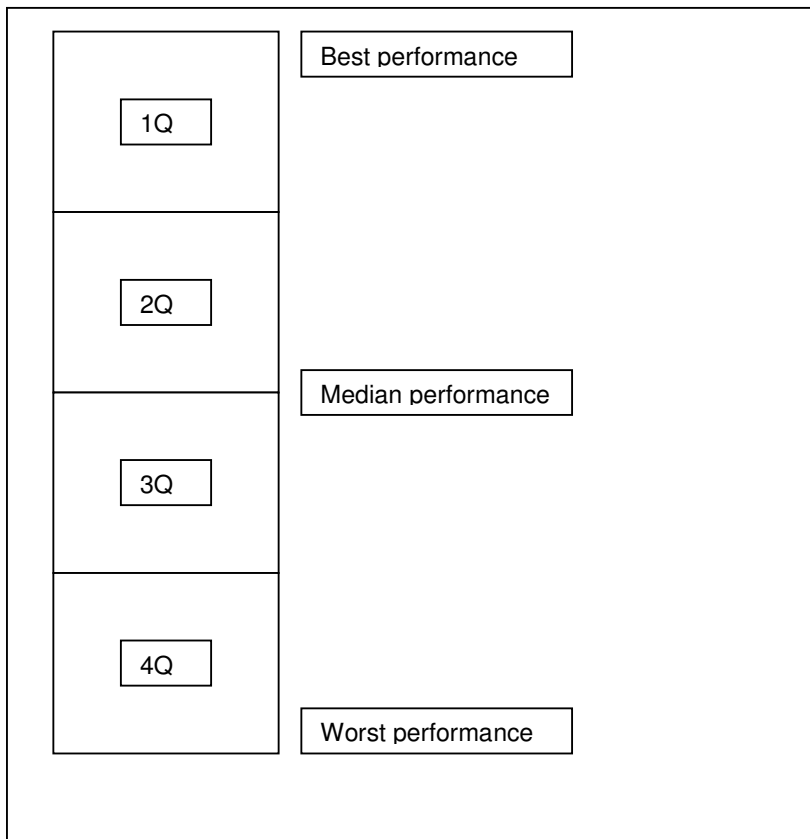


Figure 1: Explanation of ranking methodology

Table 1 displays a summary of the range of fund performances delivered by equity funds for each year of the seven year period under review together with the performances of two appropriate performance benchmarks, namely the All Share Index (ALSI) and Shareholder Weighted Index (SWIX).

Table 1: An overview of equity fund performances 2002 – 2009

Criteria	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3
Worst performance	-54.6%	-13.9%	18.4%	43.4%	25.2%	37.8%	-28.36%
Bottom quartile	-29.8%	-0.2%	29.4%	50.7%	32.7%	42.6%	-17.03%
Median	-26.5%	3.1%	31.6%	53.0%	36.3%	46.1%	-12.03%
Top quartile	-22.3%	6.6%	35.6%	57.0%	40.1%	53.3%	-4.61%
Best performance	-9.8%	28.6%	44.2%	69.3%	55.4%	62.7%	25.32%
ALSI benchmark	-28.5%	11.1%	37.6%	57.4%	28.2%	43.7%	-27.7%
SWIX benchmark	-25.0%	6.3%	35.3%	59.6%	33.2%	47.2%	-21.4%

Table 2 shows a complete list of relative fund performances for each year (12 months) over the past seven years. The top quartile ranked performances are denoted by “1”, “2” for second quartile, “3” for third quartile and “4” for bottom quartile performances.

Table 2: Ranking of equity funds for the period March 2002 to March 2009

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3
ABSA General R	1	2	2	3	3	2	4
ABSA Growth FoF	4	1	4	4	2	2	3
ABSA Select Equity	1	2	1	1	2	N/A	N/A
Allan Gray Equity A	1	3	1	1	4	2	1
Analytics Managed Equity A	2	3	3	3	2	3	4
Aylett Equity A3	1	4	N/A	N/A	N/A	N/A	N/A
BJM Core Equity A1	2	N/A	N/A	N/A	N/A	N/A	N/A
Cadiz Mastermind A	3	4	1	N/A	N/A	N/A	N/A
Cannon Equity	4	2	1	N/A	N/A	N/A	N/A
Capstone Active Equity FoF	1	2	4	4	N/A	N/A	N/A
Community Growth Equity	2	2	2	4	2	2	3

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3
Coris Capital General Equity	1	4	4	2	4	4	4
Coronation Equity R	1	3	2	2	1	2	3
De Fay Equity A	1	1	2	N/A	N/A	N/A	N/A
Discovery Equity	1	N/A	N/A	N/A	N/A	N/A	N/A
Dynamic Wealth Value	4	3	N/A	N/A	N/A	N/A	N/A
FG Mercury Equity FoF A1	3	3	4	N/A	N/A	N/A	N/A
FNB Growth	4	3	4	3	2	1	2
Foord Equity	2	3	3	1	4	4	N/A
Fraters Earth Equity A	1	2	3	2	3	2	1
Fraters Islamic Equity A	1	1	3	N/A	N/A	N/A	N/A
Futuregrowth Active Quant Eqty R	2	2	3	2	4	3	3
Futuregrowth Albaraka Equity	4	4	2	3	4	3	1
Futuregrowth Core Growth	2	2	4	2	2	2	2
Gryphon All Share Tracker	4	1	2	2	4	4	4
Harvard House General Equity	3	2	N/A	N/A	N/A	N/A	N/A
Hermes Equity A	2	2	1	N/A	N/A	N/A	N/A
Huysamer Equity A1	2	1	N/A	N/A	N/A	N/A	N/A
Interneuron Equity	4	1	4	4	4	N/A	N/A
Inv Solutions MM Equity A	1	4	3	2	3	3	4
Investec Active Quants A	4	1	2	1	N/A	N/A	N/A
Investec Equity R	3	1	3	2	1	1	3
Investec Growth R	4	2	2	1	4	1	3
Investec Value R	1	4	1	2	1	1	1
Kagiso Equity Alpha	2	1	1	1	N/A	N/A	N/A
Lion of Africa General Equity	2	N/A	N/A	N/A	N/A	N/A	N/A
Maestro Equity A	3	1	4	N/A	N/A	N/A	N/A
Metropolitan Emerg Mgrs Equity	2	N/A	N/A	N/A	N/A	N/A	N/A
Metropolitan General Equity	3	4	3	2	4	4	4
Metropolitan High Dividend	2	4	4	4	2	N/A	N/A
Momentum Mod Equity FoF B1	3	3	3	4	3	4	2
Momentum MultiFocus FoF	3	3	4	4	3	4	2
Nedgroup Inv Equity R	2	4	3	3	2	4	3
Nedgroup Inv Growth R	3	4	2	2	1	2	2
Nedgroup Inv Quants Core Eq A	1	3	2	2	3	3	3
Nedgroup Inv Rainmaker A	1	2	2	3	1	1	1
Nedgroup Inv Value R	1	4	3	1	4	2	1
NFB Equity A2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oasis Crescent Equity	3	1	1	4	4	4	1
Oasis General Equity	2	1	1	4	3	3	1
Old Mutual Growth R	3	2	1	3	2	2	2
Old Mutual High Yield Opp A	2	4	4	2	1	1	1
Old Mutual Investors R	3	3	2	3	2	3	3
Old Mutual Top Companies R	3	2	3	4	2	1	2
Old Mutual Umbono RAFI40Tr A	3	N/A	N/A	N/A	N/A	N/A	N/A
Old Mutual Value R	4	4	4	2	2	1	2
Osborne Equity A1	4	3	N/A	N/A	N/A	N/A	N/A
Peregrine Beta Equity B2	2	3	2	N/A	N/A	N/A	N/A
Plexus RAFI@ Enh SA Strat A1	1	N/A	N/A	N/A	N/A	N/A	N/A
Prudential Dividend Maximiser A	1	3	1	1	1	3	3
Prudential Equity A	1	3	1	1	1	1	4
PSG Alphen Equity FoF A	3	4	4	1	1	3	N/A

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3
PSG Alphen Growth A	3	4	4	1	1	1	1
RE:CM Core Equity B	1	4	1	1	N/A	N/A	N/A
RMB Equity R	3	3	4	3	2	1	2
RMB Strategic Opportunities R	3	3	3	4	3	3	4
RMB Value	4	1	3	3	1	1	1
Sanlam General Equity R	2	2	2	1	3	3	3
Sanlam Growth R	4	1	1	4	3	3	2
Sanlam Value R	2	2	4	1	1	2	1
Sasfin Equity	3	2	4	N/A	N/A	N/A	N/A
Sasfin Twenty Ten	4	3	1	N/A	N/A	N/A	N/A
SIM Top Choice Equity A1	1	2	N/A	N/A	N/A	N/A	N/A
SMMI Equity FoF A	2	3	3	4	3	4	N/A
STANLIB Capital Growth R	4	4	1	1	1	1	2
STANLIB Index R	3	1	1	3	4	4	4
STANLIB MM All Stars Eq FoF A	1	4	N/A	N/A	N/A	N/A	N/A
STANLIB MM Equity FF A1	2	4	4	3	4	2	4
STANLIB Nationbuilder A	4	1	N/A	N/A	N/A	N/A	N/A
STANLIB Prosperity R	4	1	2	3	3	4	2
STANLIB Shari'ah Equity A	4	N/A	N/A	N/A	N/A	N/A	N/A
STANLIB Value A	4	1	2	3	1	2	1
STANLIB Wealthbuilder R	4	1	3	4	3	4	4
Stewart Macro Equity FoF A	4	N/A	N/A	N/A	N/A	N/A	N/A
SYmmETRY Equity FoF A	2	4	3	2	4	3	4
Tri-Linear Equity	4	2	2	4	2	4	3
ValuGro General Equity	3	1	1	3	N/A	N/A	N/A
Vega General Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Number of funds</b>	<b>86</b>	<b>78</b>	<b>70</b>	<b>60</b>	<b>55</b>	<b>52</b>	<b>49</b>

The twenty equity funds that achieved the highest average ranking over at least a five year period are shown in Table 3. A complete list of funds and their relative rankings are available in Appendix 1.

Table 3: Top twenty quartile-ranked equity fund performances

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3	Average Quartile Ranking	# Periods	# Top Q	# Bottom Q
ABSA Select Equity	1	2	1	1	2	N/A	N/A	1.40	5	3	0
Investec Value R	1	4	1	2	1	1	1	1.57	7	5	1
Nedgroup Inv Rainmaker A	1	2	2	3	1	1	1	1.57	7	4	0
Prudential Equity A	1	3	1	1	1	1	4	1.71	7	5	1
Allan Gray Equity A	1	3	1	1	4	2	1	1.86	7	4	1
Prudential Dividend Maximiser A	1	3	1	1	1	3	3	1.86	7	4	0
Sanlam Value R	2	2	4	1	1	2	1	1.86	7	3	1
Coronation Equity R	1	3	2	2	1	2	3	2.00	7	2	0
Fraters Earth Equity A	1	2	3	2	3	2	1	2.00	7	2	0
Investec Equity R	3	1	3	2	1	1	3	2.00	7	3	0
RMB Value	4	1	3	3	1	1	1	2.00	7	4	1
STANLIB Capital Growth R	4	4	1	1	1	1	2	2.00	7	4	2
STANLIB Value A	4	1	2	3	1	2	1	2.00	7	3	1
Oasis General Equity	2	1	1	4	3	3	1	2.14	7	3	1
Old Mutual Growth R	3	2	1	3	2	2	2	2.14	7	1	0
Old Mutual High Yield Opp A	2	4	4	2	1	1	1	2.14	7	3	2
PSG Alphen Growth A	3	4	4	1	1	1	1	2.14	7	4	2
Futuregrowth Core Growth	2	2	4	2	2	2	2	2.29	7	0	1
Nedgroup Inv Growth R	3	4	2	2	1	2	2	2.29	7	1	1
Nedgroup Inv Value R	1	4	3	1	4	2	1	2.29	7	3	2

KEY	Ranking
Top quartile fund performance	1
Second quartile fund performance	2
Third quartile fund performance	3
Bottom quartile fund performance	4



### 3.2 Analysis of relative fund performances

Do funds maintain their relative ranking against their peers or is it merely a *random walk* across the ranking categories?

When analysing fund performances on a year-on-year basis it was found that relative fund performances *on average* tended to follow a random pattern; i.e. a fund had an equal chance to maintain its rank position or to *improve* or *worsen* its relative ranking in the following year (about 33% probability in any direction).

Table 4: Persistence of fund performances: year-on-year movement

Position	Average	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
Same position	<b>32%</b>	22%	34%	32%	22%	46%	37%
Worsen position	<b>34%</b>	41%	33%	33%	31%	29%	35%
Better position	<b>34%</b>	37%	33%	35%	47%	25%	29%

A symmetric distribution *on average* is found around the movement (improvement or worsening) of funds' relative ranking from year to year. For example, it was found there was a 40% chance that a fund would either improve or worsen its relative ranking by *one rank position* over the following year, 20% chance in moving up or down *two rank positions* and 10% chance moving *three rank positions* in either direction. Table 5 and Figure 1 depict the symmetrical distribution of the movement of relative performances among equity funds.

Table 5: Movement of relative fund performances between quartiles

Move	Average	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004
Worse 3 positions	<b>5%</b>	9%	4%	5%	7%	0%	2%
Worse 2 positions	<b>10%</b>	13%	11%	8%	11%	8%	8%
Worse 1 position	<b>19%</b>	19%	17%	20%	13%	21%	24%
Same position	<b>32%</b>	22%	34%	32%	22%	46%	37%
Better 1 position	<b>20%</b>	14%	19%	20%	33%	17%	16%
Better 2 positions	<b>10%</b>	10%	9%	10%	15%	6%	10%
Better 3 positions	<b>5%</b>	13%	6%	5%	0%	2%	2%

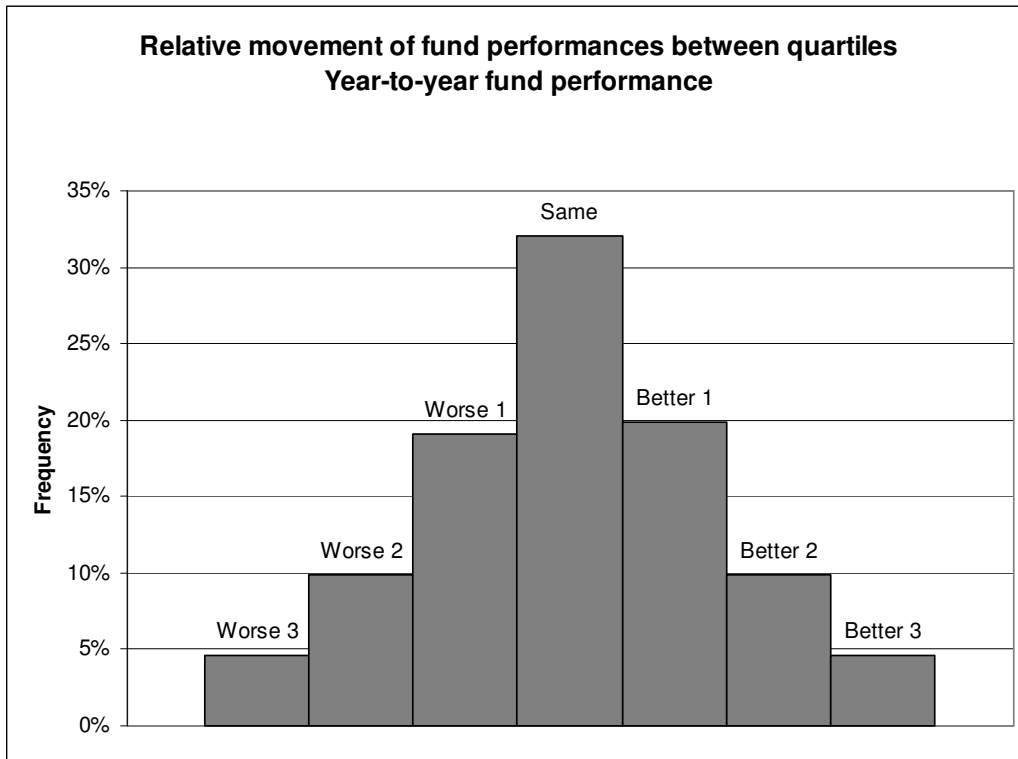


Figure 1: Symmetric distribution of changes to equity funds relative ranking year-on-year

Furthermore, top quartile ranked funds *on average* exhibited a markedly greater resilience than funds ranked in the other three quartiles to maintain their relative ranking year-on-year (see Figure 2). In other words, an investor in a top quartile fund tended to have a higher likelihood than investors in other rank categories that similar top quartile performances would have been repeated the following year.

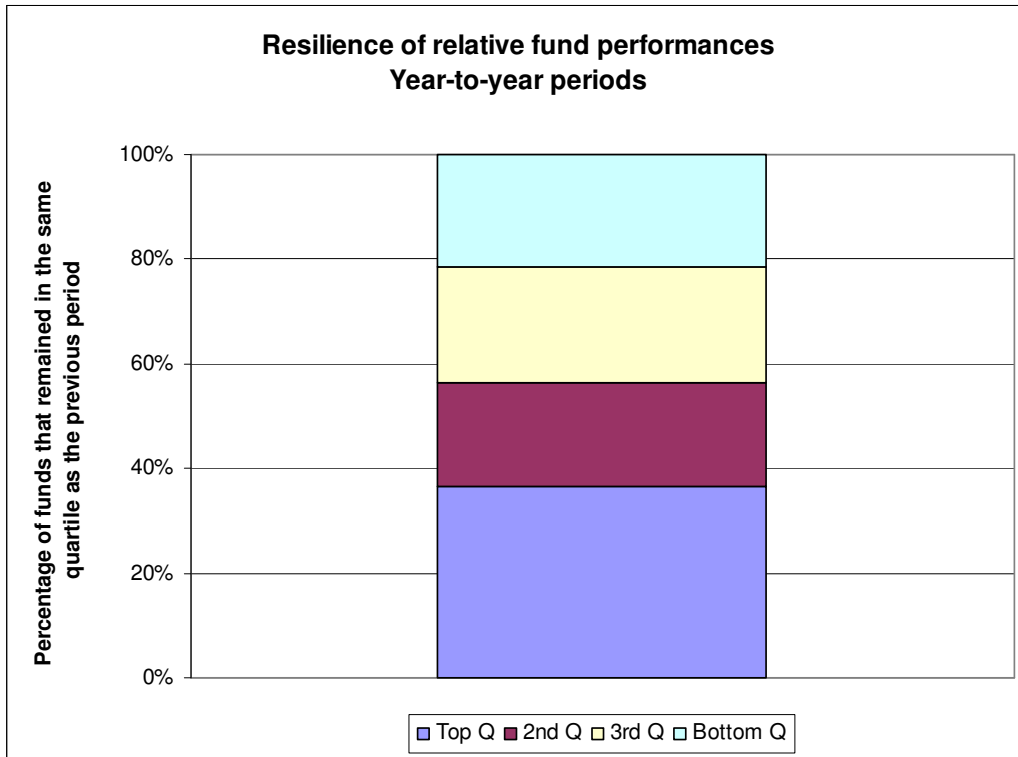


Figure 2: Tendencies of equity funds' rank categories to repeat relative performances in the next period

### 3.3 Persistence in outperforming benchmarks

Fund performances were measured against two equity market indices, namely the FTSE/JSE All Share Index (ALSI) and FTSE/JSE Shareholder Weighted Index (SWIX). In essence actively managed equity funds endeavour to outperform these equity benchmarks for which investment management fees are charged.

The results from Table 6 below typify the “active versus passive investing” debate in South Africa. The mining and resources sector constitutes a significant share in both indexes, especially in the ALSI, while actively managed funds typically underweight this sector and individual large market capitalisation holdings, such as *BHP Billiton* and *Anglo American*, in their portfolios.

Hence, it is no surprise that most actively managed funds underperformed these market indexes during the period 2005 – 2008 when the resources sector specifically did very well. Likewise, in the years that the resources sector performed relatively poor against the financial and industrial sectors, most active-managed funds outperformed the market indexes (2002 – 2004 and 2008 – 2009) and a relatively large percentage of funds did so by considerable margins.

Table 6: Percentage of equity funds outperforming stock market benchmarks

Criteria	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3
% Funds > ALSI	66%	15%	14%	23%	87%	71%	98%
% Funds > SWIX	40%	26%	29%	15%	71%	44%	84%
% Funds > ALSI + 5%	34%	3%	3%	10%	71%	38%	88%
% Funds > SWIX + 5%	17%	14%	6%	7%	35%	31%	69%
% Funds > ALSI + 10%	13%	1%	0%	2%	35%	23%	76%
% Funds > SWIX + 10%	8%	3%	0%	0%	13%	19%	47%

Tables 7 and 8 show the number of periods (years) that equity funds were able to outperform both market indexes over the past five year and seven year periods respectively. In most cases the equity funds were able to outperform

the ALSI benchmark more regularly than the SWIX benchmark. Given the moderated (less concentrated) nature of the SWIX index *vis-à-vis* the ALSI index, it should serve as a more appropriate benchmark for actively managed funds. Only a relatively small portion of funds, especially over the past five years, achieved a “success rate” of more than 50% (three out of five years or four out of seven years) in outperforming the SWIX index.

Table 7: The number of periods equity funds outperformed market indexes over the past five year period

<b>Fund</b>	<b>ALSI</b>	<b>SWIX</b>
ABSA Select Equity	4	3
Prudential Equity A	3	4
Allan Gray Equity A	3	3
Prudential Dividend Maximiser A	3	3
Sanlam Value R	3	3
Foord Equity	3	2
Sanlam General Equity R	3	2
STANLIB Capital Growth R	3	2
Oasis General Equity	2	4
Investec Value R	2	3
Sanlam Growth R	2	3
ABSA General R	2	2
Coronation Equity R	2	2
Fraters Earth Equity A	2	2
Futuregrowth Core Growth	2	2
Investec Equity R	2	2
Metropolitan High Dividend	2	2
Nedgroup Inv Quants Core Eq A	2	2
Nedgroup Inv Rainmaker A	2	2
Nedgroup Inv Value R	2	2
Oasis Crescent Equity	2	2
Old Mutual Growth R	2	2
Old Mutual High Yield Opp A	2	2
PSG Alphen Growth A	2	2
RMB Value	2	2
STANLIB Index R	2	2
STANLIB Prosperity R	2	2
STANLIB Value A	2	2
Analytics Managed Equity A	2	1
Community Growth Equity	2	1
Coris Capital General Equity	2	1
Inv Solutions MM Equity A	2	1
Investec Growth R	2	1
Momentum Mod Equity FoF B1	2	1
Nedgroup Inv Equity R	2	1
Old Mutual Investors R	2	1

<b>Fund</b>	<b>ALSI</b>	<b>SWIX</b>
Old Mutual Top Companies R	2	1
PSG Alphen Equity FoF A	2	1
RMB Strategic Opportunities R	2	1
SMMI Equity FoF A	2	1
Futuregrowth Active Quant Eqty R	2	0
Metropolitan General Equity	2	0
STANLIB MM Equity FF A1	2	0
ABSA Growth FoF	1	2
Nedgroup Inv Growth R	1	2
FNB Growth	1	1
Gryphon All Share Tracker	1	1
Interneuron Equity	1	1
Momentum MultiFocus FoF	1	1
Old Mutual Value R	1	1
RMB Equity R	1	1
STANLIB Wealthbuilder R	1	1
SYmmETRY Equity FoF A	1	1
Tri-Linear Equity	1	1
Futuregrowth Albaraka Equity	0	0

Table 8: The number of periods equity funds outperformed market indexes over the past seven year period

<b>Fund</b>	<b>ALSI</b>	<b>SWIX</b>
Prudential Equity A	5	6
Allan Gray Equity A	5	5
Sanlam Value R	5	5
Prudential Dividend Maximiser A	5	4
STANLIB Capital Growth R	5	4
Sanlam General Equity R	5	3
Investec Value R	4	5
Oasis General Equity	4	5
Coronation Equity R	4	4
Fraters Earth Equity A	4	4
Futuregrowth Core Growth	4	4
Investec Equity R	4	4
Nedgroup Inv Rainmaker A	4	4
Nedgroup Inv Value R	4	4
Old Mutual Growth R	4	4
Old Mutual High Yield Opp A	4	4
PSG Alphen Growth A	4	4
RMB Value	4	4
STANLIB Value A	4	4
ABSA General R	4	3
Community Growth Equity	4	3
Investec Growth R	4	3
Nedgroup Inv Quants Core Eq A	4	3
Old Mutual Top Companies R	4	3
Analytics Managed Equity A	4	2

<b>Fund</b>	<b>ALSI</b>	<b>SWIX</b>
Inv Solutions MM Equity A	4	2
Old Mutual Investors R	4	2
Futuregrowth Active Quant Eqty R	4	1
RMB Strategic Opportunities R	4	1
STANLIB MM Equity FF A1	4	0
Nedgroup Inv Growth R	3	4
Sanlam Growth R	3	4
ABSA Growth FoF	3	3
FNB Growth	3	3
Oasis Crescent Equity	3	3
Old Mutual Value R	3	3
RMB Equity R	3	3
STANLIB Prosperity R	3	3
Momentum Mod Equity FoF B1	3	2
Nedgroup Inv Equity R	3	2
Coris Capital General Equity	3	1
SYmmETRY Equity FoF A	3	1
Metropolitan General Equity	3	0
Momentum MultiFocus FoF	2	2
STANLIB Index R	2	2
Tri-Linear Equity	2	2
Futuregrowth Albaraka Equity	2	1
Gryphon All Share Tracker	2	1
STANLIB Wealthbuilder R	2	1

### **3.4 Introducing a persistence scorecard**

In Table 9 a scoring system for fund performance persistence is introduced. For every 12-month period a score between 1 to 5 points was allocated to a fund's relative performance. A fund that was the best performer for a particular year would be credited with five points; a top quartile performer with four points, second quartile with three points, third quartile with two points and bottom quartile with one point.

A fund's persistence score over a five year or seven year period would then be aggregated and the scores of all funds were categorised into four quartiles. Overall, the fund(s) with the best aggregate persistence score over a five year or seven year period would be credited with a five-star rating, while a fund with a top quartile persistence score would be allocated a four-star rating. Likewise, a fund with a bottom quartile persistence score will be one-star rated.



Table 9: Explanation of the persistence scorecard

Position	Score
Best performance over one-year period	5
Top quartile (1Q) performance over one-year period	4
Second quartile (2Q) performance over one-year period	3
Third quartile (3Q) performance over one-year period	2
Bottom quartile (4Q) performance over one-year period	1

Score	Over five-year period	Over seven-year period
Maximum score	25 points	35 points
Minimum score	5 points	7 points

Aggregate score over five or seven year period	Rating
Best score	5-star
Top quartile score	4-star
Second quartile score	3-star
Third quartile score	2-star
Bottom quartile score	1-star

Following the above methodology the persistence scores of all the equity funds over five year and seven year periods are shown in Tables 10 and 11 respectively.

Table 10: Five-year performance persistence rating

Fund	Rank Score	Persistence Rating
ABSA Select Equity	18	5*
Prudential Dividend Maximiser A	18	5*
Prudential Equity A	18	5*
Coronation Equity R	16	4*
Investec Value R	16	4*
Nedgroup Inv Rainmaker A	16	4*
Sanlam Value R	16	4*
Allan Gray Equity A	15	4*
Investec Equity R	15	4*
Sanlam General Equity R	15	4*
ABSA General R	14	4*
Fraters Earth Equity A	14	4*
Nedgroup Inv Quants Core Eq A	14	4*
Oasis General Equity	14	4*
Old Mutual Growth R	14	4*
STANLIB Capital Growth R	14	4*
STANLIB Value A	14	4*
Community Growth Equity	13	3*
Foord Equity	13	3*
Futuregrowth Core Growth	13	3*
Nedgroup Inv Growth R	13	3*
RMB Value	13	3*
STANLIB Index R	13	3*
Analytics Managed Equity A	12	3*
Futuregrowth Active Quant Eqty R	12	3*
Gryphon All Share Tracker	12	3*
Inv Solutions MM Equity A	12	3*
Investec Growth R	12	3*
Nedgroup Inv Value R	12	3*
Oasis Crescent Equity	12	3*
Old Mutual High Yield Opp A	12	3*
Old Mutual Investors R	12	3*
PSG Alphen Equity FoF A	12	3*
PSG Alphen Growth A	12	3*
Sanlam Growth R	12	3*
STANLIB Prosperity R	12	3*
Nedgroup Inv Equity R	11	2*
Old Mutual Top Companies R	11	2*
Tri-Linear Equity	11	2*
ABSA Growth FoF	10	2*
Coris Capital General Equity	10	2*
RMB Equity R	10	2*
SMMI Equity FoF A	10	2*
STANLIB Wealthbuilder R	10	2*
SYmmETRY Equity FoF A	10	2*
FNB Growth	9	1*
Metropolitan General Equity	9	1*

Fund	Rank Score	Persistence Rating
Metropolitan High Dividend	9	1*
Momentum Mod Equity FoF B1	9	1*
Old Mutual Value R	9	1*
RMB Strategic Opportunities R	9	1*
Futuregrowth Albaraka Equity	8	1*
Interneuron Equity	8	1*
Momentum MultiFocus FoF	8	1*
STANLIB MM Equity FF A1	8	1*

Table 11: Seven-year performance persistence rating

Fund	Rank Score	Persistence Rating
Investec Value R	25	5*
Nedgroup Inv Rainmaker A	24	4*
Prudential Equity A	23	4*
Sanlam Value R	23	4*
Allan Gray Equity A	22	4*
Prudential Dividend Maximiser A	22	4*
Coronation Equity R	21	4*
Fraters Earth Equity A	21	4*
Investec Equity R	21	4*
PSG Alphen Growth A	21	4*
RMB Value	21	4*
STANLIB Capital Growth R	21	4*
STANLIB Value A	21	4*
Oasis General Equity	20	3*
Old Mutual Growth R	20	3*
Old Mutual High Yield Opp A	20	3*
Futuregrowth Core Growth	19	3*
Nedgroup Inv Growth R	19	3*
Nedgroup Inv Value R	19	3*
Sanlam General Equity R	19	3*
ABSA General R	18	3*
Community Growth Equity	18	3*
Investec Growth R	18	3*
Nedgroup Inv Quants Core Eq A	18	3*
Old Mutual Top Companies R	18	3*
Oasis Crescent Equity	17	2*
RMB Equity R	17	2*
Sanlam Growth R	17	2*
FNB Growth	16	2*
Futuregrowth Active Quant Eqty R	16	2*
Old Mutual Investors R	16	2*
Old Mutual Value R	16	2*
STANLIB Prosperity R	16	2*
ABSA Growth FoF	15	2*
Analytics Managed Equity A	15	2*
Inv Solutions MM Equity A	15	2*
STANLIB Index R	15	2*
Futuregrowth Albaraka Equity	14	1*

Fund	Rank Score	Persistence Rating
Gryphon All Share Tracker	14	1*
Nedgroup Inv Equity R	14	1*
Tri-Linear Equity	14	1*
Momentum Mod Equity FoF B1	13	1*
SYmmETRY Equity FoF A	13	1*
Coris Capital General Equity	12	1*
Momentum MultiFocus FoF	12	1*
RMB Strategic Opportunities R	12	1*
STANLIB MM Equity FF A1	12	1*
STANLIB Wealthbuilder R	12	1*
Metropolitan General Equity	11	1*

Please note that funds with the highest persistence score are not necessarily the same funds with the highest annualised returns, but a very high correlation should nonetheless exist. Tables 12 and 13 illustrate both the equity funds' annualised returns and persistence scores together with the equity market benchmarks for the periods under review.

Table 12: Five-year performance and persistence rating

Fund	Annualised Performance (%)	Persistence Rating
Prudential Equity A	22.7	5*
Prudential Dividend Maximiser A	22.6	5*
ABSA Select Equity	22.4	5*
Sanlam Value R	20.7	4*
Allan Gray Equity A	20.0	4*
Nedgroup Inv Rainmaker A	19.1	4*
Coronation Equity R	18.7	4*
Investec Value R	18.4	4*
Nedgroup Inv Value R	18.4	3*
Fraters Earth Equity A	18.4	4*
Sanlam General Equity R	18.1	4*
Investec Equity R	17.9	4*
STANLIB Value A	17.8	4*
ABSA General R	17.6	4*
Nedgroup Inv Growth R	17.6	3*
Foord Equity	17.6	3*
Oasis General Equity	17.5	4*
RMB Value	16.8	3*
Old Mutual Growth R	16.7	4*
Futuregrowth Core Growth	16.7	3*
Nedgroup Inv Quants Core Eq A	16.6	4*
STANLIB Index R	16.6	3*
Community Growth Equity	16.5	3*
Oasis Crescent Equity	16.2	3*
Analytics Managed Equity A	15.8	3*
Old Mutual Investors R	15.7	3*

Fund	Annualised Performance (%)	Persistence Rating
Futuregrowth Active Quant Eqty R	15.6	3*
Inv Solutions MM Equity A	15.3	3*
Gryphon All Share Tracker	15.2	3*
Sanlam Growth R	15.0	3*
Coris Capital General Equity	15.0	2*
Old Mutual Top Companies R	15.0	2*
Tri-Linear Equity	14.9	2*
ABSA Growth FoF	14.5	2*
PSG Alphen Growth A	14.5	3*
SMMI Equity FoF A	14.5	2*
SYmmETRY Equity FoF A	14.5	2*
Investec Growth R	14.5	3*
STANLIB Capital Growth R	14.1	4*
RMB Equity R	14.1	2*
Nedgroup Inv Equity R	14.0	2*
PSG Alphen Equity FoF A	14.0	3*
Momentum Mod Equity FoF B1	13.9	1*
RMB Strategic Opportunities R	13.9	1*
STANLIB MM Equity FF A1	13.7	1*
Metropolitan General Equity	13.6	1*
FNB Growth	13.6	1*
Old Mutual Value R	13.6	1*
Momentum MultiFocus FoF	13.4	1*
Old Mutual High Yield Opp A	12.9	3*
Interneuron Equity	12.5	1*
Metropolitan High Dividend	12.1	1*
STANLIB Wealthbuilder R	11.9	2*
Futuregrowth Albaraka Equity	11.7	1*
STANLIB Prosperity R	10.9	3*
<b>Benchmark: ALSI index</b>	<b>17.1</b>	<b>4*</b>
<b>Benchmark: SWIX index</b>	<b>18.1</b>	<b>4*</b>

Table 13: Seven-year performance and persistence rating

Fund	Annualised Performance	Persistence Rating
Investec Value R	24.5	5*
Allan Gray Equity A	21.6	4*
Fraters Earth Equity A	21.2	4*
Nedgroup Inv Rainmaker A	21.0	4*
Nedgroup Inv Value R	20.6	3*
Sanlam Value R	20.6	4*
STANLIB Value A	20.2	4*
Prudential Equity A	19.7	4*
RMB Value	19.7	4*
Prudential Dividend Maximiser A	19.3	4*
Oasis General Equity	19.1	3*
Nedgroup Inv Growth R	18.4	3*
Investec Equity R	17.7	4*
Old Mutual Growth R	17.5	3*

Fund	Annualised Performance	Persistence Rating
PSG Alphen Growth A	17.5	4*
Old Mutual High Yield Opp A	17.5	3*
Coronation Equity R	17.2	4*
Oasis Crescent Equity	16.6	2*
Futuregrowth Core Growth	16.3	3*
RMB Equity R	16.1	2*
FNB Growth	15.8	2*
Sanlam General Equity R	15.8	3*
Old Mutual Value R	15.7	2*
STANLIB Capital Growth R	15.7	4*
Community Growth Equity	15.5	3*
Investec Growth R	15.4	3*
Old Mutual Top Companies R	15.4	3*
ABSA General R	15.3	3*
Nedgroup Inv Quants Core Eq A	14.9	3*
Futuregrowth Albaraka Equity	14.7	1*
Sanlam Growth R	14.7	2*
ABSA Growth FoF	14.2	2*
Old Mutual Investors R	14.0	2*
Futuregrowth Active Quant Eqty R	13.9	2*
Momentum Mod Equity FoF B1	13.6	1*
Inv Solutions MM Equity A	13.3	2*
Momentum MultiFocus FoF	13.2	1*
Analytics Managed Equity A	13.2	2*
Tri-Linear Equity	12.9	1*
Nedgroup Inv Equity R	12.7	1*
SYmmETRY Equity FoF A	12.0	1*
Coris Capital General Equity	11.9	1*
STANLIB MM Equity FF A1	11.6	1*
STANLIB Index R	11.5	2*
Gryphon All Share Tracker	11.5	1*
RMB Strategic Opportunities R	11.3	1*
STANLIB Prosperity R	11.2	2*
Metropolitan General Equity	10.9	1*
STANLIB Wealthbuilder R	9.4	1*
<b>Benchmark: ALSI index</b>	<b>12.6</b>	<b>3*</b>
<b>Benchmark: SWIX index</b>	<b>15.0</b>	<b>3*</b>

## 4. Choosing the winners

While it is comforting for a prospective investor to know which funds have a high performance persistence rating, it is nevertheless not an absolute guarantee that similar performance success will be repeated in the future.

In this section I will explore the difficulties in identifying *in advance* in which funds to invest. It is not the intention to nullify the value of selecting persistent performers, but rather to point out that relative fund performances are much more random in nature than most managers/advisers would readily agree to. For this purpose two broad strategies are evaluated, namely to base one's selection criteria on past performances or simply to choose funds at random irrespective of past performances. Both strategies are compared on a) actively switching funds each year and b) a *choose-and-hold* measure.

### 4.1 Selection criteria based on previous year's performances

In this scenario funds are switched each subsequent year according to the fund's relative ranking in the previous year. For example, each year switches are made into the previous year's top or second or third or bottom quartile ranked funds. The average fund performances for every year the switches have been made are shown in Table 14. These performances are compared with the actual performances for the four different performance quartiles that transpired during that specific year.

Table 14: Average fund performance and active switching

Criteria	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	Ann. Return
Previous year 1Q funds selected	-30.6%	3.8%	33.7%	56.7%	41.1%	51.8%	21.6%
Previous year 2Q funds selected	-24.4%	5.5%	31.0%	51.4%	38.1%	51.2%	22.0%
Previous year 3Q funds selected	-25.5%	3.1%	32.6%	51.3%	34.5%	47.7%	20.5%
Previous year 4Q funds selected	-23.9%	1.0%	31.1%	56.2%	32.6%	44.2%	20.1%
1Q fund performance on average	-17.6%	12.2%	38.5%	61.6%	44.4%	58.9%	29.6%
2Q fund performance on average	-24.5%	4.2%	33.6%	54.7%	38.0%	49.3%	22.3%
3Q fund performance on average	-27.9%	1.7%	30.3%	51.9%	34.1%	44.4%	18.8%
4Q fund performance on average	-34.1%	-4.0%	26.5%	48.6%	28.9%	40.4%	13.7%
ALSI benchmark	-28.5%	11.1%	37.6%	57.4%	28.2%	43.7%	21.2%
SWIX benchmark	-25.0%	6.3%	35.3%	59.6%	33.2%	47.2%	22.5%

Notably a strategy of switching each year into the previous year's top quartile funds did not fare materially better than any other selection criteria, in fact it did *on average* worse than basing one's switching decision on selecting second quartile funds. More importantly, such a strategy performed significantly worse than the actual annualised return of the average top quartile fund performances for the period 2003 – 2009. Also, this strategy only slightly outperformed the ALSI index, but lagged the SWIX index, which incidentally no selection strategy could outperform.

In the following exercise funds are selected according the relative rank at the start of the investment period (2003) and the selection of funds is kept unchanged till the end of the review period. The results are shown in Table 15.

Table 15: Choose funds according rank performance at start of investment

Criteria	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	Ann. Return
1Q ranked funds selected at start	-23.6%	2.0%	33.0%	55.8%	37.7%	51.8%	22.5%
2Q ranked funds selected at start	-30.8%	2.6%	32.0%	52.3%	39.0%	51.2%	20.1%
3Q ranked funds selected at start	-25.3%	3.9%	32.2%	54.0%	36.9%	47.7%	21.4%
4Q ranked funds selected at start	-25.4%	3.3%	31.8%	53.1%	32.9%	44.2%	19.9%
1Q fund performance on average	-17.6%	12.2%	38.5%	61.6%	44.4%	58.9%	29.6%
2Q fund performance on average	-24.5%	4.2%	33.6%	54.7%	38.0%	49.3%	22.3%
3Q fund performance on average	-27.9%	1.7%	30.3%	51.9%	34.1%	44.4%	18.8%
4Q fund performance on average	-34.1%	-4.0%	26.5%	48.6%	28.9%	40.4%	13.7%
ALSI benchmark	-28.5%	11.1%	37.6%	57.4%	28.2%	43.7%	21.2%
SWIX benchmark	-25.0%	6.3%	35.3%	59.6%	33.2%	47.2%	22.5%



Here the selection of top quartile funds at the start of the investment period fared better than any other selection criteria and overall did the same as the SWIX index over the review period. Yet, the annualised average performance of this strategy was still significantly behind the actual average top quartile fund performances for the period.

#### 4.2 Choosing funds at random

In the next scenario I used a simulation technique whereby I allow the model to select up to three different equity funds, irrespective of past performances, to construct a portfolio of equity funds. A portfolio could consist out of one or two but not more than three equity funds. At least one the funds selected should have had a seven year performance record. Then I repeated the simulation exercise 5,000 times, thereby making provision for many possible combinations and permutations how an investor could have constructed a portfolio.

Table 16 shows the simulated results of portfolio performances if investors selected funds irrespective of past performances and switched regularly on a yearly basis for the period 2003 – 2009.

Table 16: Choose-and-switch funds on a yearly basis

Simulation results	Annualised Return
Average annualised portfolio return	21.4%
Minimum annualised portfolio return	13.1%
Maximum annualised portfolio return	28.4%
1Q fund performance on average	29.6%
2Q fund performance on average	22.3%
3Q fund performance on average	18.8%
4Q fund performance on average	13.7%
ALSI benchmark	21.2%
SWIX benchmark	22.5%

The average portfolio return would have been very similar to the ALSI index, but lagging the SWIX index. Moreover, it does not differ very much from the average portfolio returns when making use of selection criteria as described earlier. The highest possible portfolio return would have been 28.4% per

annum, which is still below the average top quartile fund performance for the review period. The range and frequency of possible portfolio returns are depicted in Figure 3.

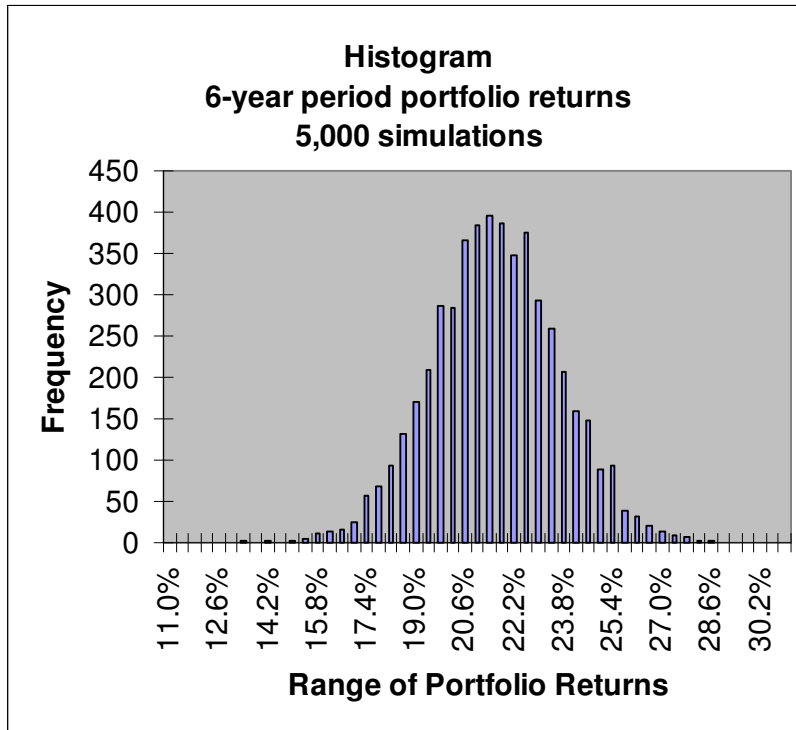


Figure 3: Range of simulated portfolio returns when randomly selecting and switching equity funds every year for the period 2003 – 2009.

Table 17 presents the same analysis as above but without any switching activity from year to year, i.e. the initial selection of funds is maintained regardless of subsequent performances until the end of the period in March 2009. The sample of funds to be selected was limited to funds that existed in March 2002.

Table 17: Choose funds at start and held until end of period

Simulation results	Annualised Return
Average annualised portfolio return	21.4%
Minimum annualised portfolio return	15.3%
Maximum annualised portfolio return	27.3%
1Q fund performance on average	29.6%
2Q fund performance on average	22.3%
3Q fund performance on average	18.8%
4Q fund performance on average	13.7%
ALSI benchmark	21.2%
SWIX benchmark	22.5%

Interestingly, no difference in average portfolio returns was found between the two options simulated (switching or no switching). Again, the highest possible portfolio return (27.3% per annum) would have been below the average annualised top quartile fund performance for the review period. The range and frequency of possible portfolio returns are depicted in Figure 4.

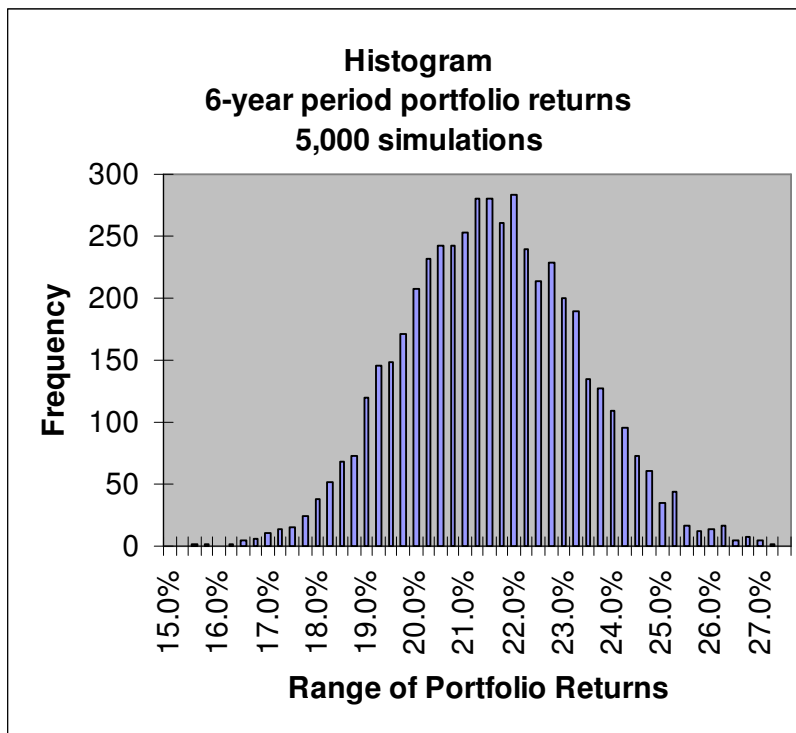


Figure 4: Range of simulated portfolio returns when randomly selecting and holding equity funds for the period 2003 – 2009.

## 5. Summary and Conclusions

1. The relative performances and ranking of equity funds exhibited randomness year-on-year and *on average* a fund had an equal chance of remaining in the same quartile of relative performance or improving or worsening its relative ranking. Moreover, the relative change of equity funds' ranking assumed a symmetrical distribution around the current rank position. Top quartile funds *on average* showed a greater resilience than other quartile-ranked funds to maintain their relative ranking.
2. Only a minority of equity funds outperformed the ALSI and SWIX indexes during the periods when the mining and resources sector did particularly well (2005 – 2008). Conversely, the majority of equity funds outperformed the market indexes when the resources sector lagged other sectors (2002 – 2004 and 2008 – 2009) and some funds did so by considerable margins. The more equally-weighted composition of the SWIX index presents a fairer reflection of the actual capabilities of fund managers to outperform the benchmark. Notably, for the period under review (2002 – 2009), most equity funds underperformed the SWIX index.
3. Some equity funds, albeit a small minority, exhibited exceptional performance persistence over the past five and seven years respectively. By introducing a persistence scorecard these funds were allocated a five star or four star rating. These persistence ratings should add considerable weight towards motivating prospective investors to invest in these “winning” funds.

4. A basic understanding of probability distributions, however, should make it obvious that are bound to be a small percentage of funds over a five to seven year period that should be highly successful in maintaining their performance persistence. Thus statistical conformity rather than absolute manager skill may influence (skew) actual results over time.
5. A further caveat for investors is that future performance persistence is difficult to predict despite certain funds' compelling persistence track records. By using different methodologies (selection of funds based on past performances or random selection) it was shown that investors are most likely to earn average performances over time, perhaps well below the actual top quartile performances that will materialise over that period. Also, a strategy of actively switching one's fund selection according recent performances, are not likely to add value.
6. Given the aforementioned, investors should do well to allocate a significant portion (25% – 50%) of their total equity allocation to low-cost passive funds (index unit trusts or exchange traded funds). In addition, the SWIX index, which is not so heavily dependent on the outcome of the resources sector as the ALSI index, might be a more appropriate benchmark for most investors.
7. With a passive equity strategy one is definitely not geared towards outperforming the stock market. Not surprisingly, not many investors would opt for an index strategy. However, it might prove in reality a very difficult feat in any event. The acceptance of this reality should lead us to control what we can control, namely the cost of investing over time. *Alas*, equity fund selection, like individual stock selection, depends on the application of skill and a vast knowledge base, but perhaps more luck is involved in the actual outcome of selections than most of us are willing to concede.

8. The decision to invest with actively-managed equity funds should rest more upon our belief that those managers would act as prudent guardians of our investments than simply investing according to past performances. Obviously, persistence of fund performance will install confidence in our decision-making, but investors should equip themselves with an understanding of the active manager's investment process and philosophies. Also, the manager's underperformance of the market or its peers from time to time should not be a sufficient reason to fire such a manager, unless fundamental changes to the management process contradicting the reasons why the manager was appointed, took place.

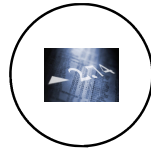
## APPENDIX 1

### Quartile ranking of equity fund performances

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3	Avg Quartile	# Periods	# Top Q	# Bottom Q
ABSA Select Equity	1	2	1	1	2	N/A	N/A	1.40	5	3	0
Investec Value R	1	4	1	2	1	1	1	1.57	7	5	1
Nedgroup Inv Rainmaker A	1	2	2	3	1	1	1	1.57	7	4	0
Prudential Equity A	1	3	1	1	1	1	4	1.71	7	5	1
Allan Gray Equity A	1	3	1	1	4	2	1	1.86	7	4	1
Prudential Dividend Maximiser A	1	3	1	1	1	3	3	1.86	7	4	0
Sanlam Value R	2	2	4	1	1	2	1	1.86	7	3	1
Coronation Equity R	1	3	2	2	1	2	3	2.00	7	2	0
Fraters Earth Equity A	1	2	3	2	3	2	1	2.00	7	2	0
Investec Equity R	3	1	3	2	1	1	3	2.00	7	3	0
RMB Value	4	1	3	3	1	1	1	2.00	7	4	1
STANLIB Capital Growth R	4	4	1	1	1	1	2	2.00	7	4	2
STANLIB Value A	4	1	2	3	1	2	1	2.00	7	3	1
Oasis General Equity	2	1	1	4	3	3	1	2.14	7	3	1
Old Mutual Growth R	3	2	1	3	2	2	2	2.14	7	1	0
Old Mutual High Yield Opp A	2	4	4	2	1	1	1	2.14	7	3	2
PSG Alphen Growth A	3	4	4	1	1	1	1	2.14	7	4	2
Futuregrowth Core Growth	2	2	4	2	2	2	2	2.29	7	0	1
Nedgroup Inv Growth R	3	4	2	2	1	2	2	2.29	7	1	1
Nedgroup Inv Value R	1	4	3	1	4	2	1	2.29	7	3	2
Sanlam General Equity R	2	2	2	1	3	3	3	2.29	7	1	0
ABSA General R	1	2	2	3	3	2	4	2.43	7	1	1
Community Growth Equity	2	2	2	4	2	2	3	2.43	7	0	1
Investec Growth R	4	2	2	1	4	1	3	2.43	7	2	2
Nedgroup Inv Quants Core Eq A	1	3	2	2	3	3	3	2.43	7	1	0
Old Mutual Top Companies R	3	2	3	4	2	1	2	2.43	7	1	1

Fund	2008/9	2007/8	2006/7	2005/6	2004/5	2003/4	2002/3	Avg Quartile	# Periods	# Top Q	# Bottom Q
Oasis Crescent Equity	3	1	1	4	4	4	1	2.57	7	3	3
RMB Equity R	3	3	4	3	2	1	2	2.57	7	1	1
Sanlam Growth R	4	1	1	4	3	3	2	2.57	7	2	2
PSG Alphen Equity FoF A	3	4	4	1	1	3	N/A	2.67	6	2	2
FNB Growth	4	3	4	3	2	1	2	2.71	7	1	2
Futuregrowth Active Quant Eqty R	2	2	3	2	4	3	3	2.71	7	0	1
Old Mutual Investors R	3	3	2	3	2	3	3	2.71	7	0	0
Old Mutual Value R	4	4	4	2	2	1	2	2.71	7	1	3
STANLIB Prosperity R	4	1	2	3	3	4	2	2.71	7	1	2
Foord Equity	2	3	3	1	4	4	N/A	2.83	6	1	2
ABSA Growth FoF	4	1	4	4	2	2	3	2.86	7	1	3
Analytics Managed Equity A	2	3	3	3	2	3	4	2.86	7	0	1
Inv Solutions MM Equity A	1	4	3	2	3	3	4	2.86	7	1	2
STANLIB Index R	3	1	1	3	4	4	4	2.86	7	2	3
Futuregrowth Albaraka Equity	4	4	2	3	4	3	1	3.00	7	1	3
Gryphon All Share Tracker	4	1	2	2	4	4	4	3.00	7	1	4
Nedgroup Inv Equity R	2	4	3	3	2	4	3	3.00	7	0	2
Tri-Linear Equity	4	2	2	4	2	4	3	3.00	7	0	3
Momentum Mod Equity FoF B1	3	3	3	4	3	4	2	3.14	7	0	2
SYmmENTRY Equity FoF A	2	4	3	2	4	3	4	3.14	7	0	3
SMMI Equity FoF A	2	3	3	4	3	4	N/A	3.17	6	0	2
Metropolitan High Dividend	2	4	4	4	2	N/A	N/A	3.20	5	0	3
Coris Capital General Equity	1	4	4	2	4	4	4	3.29	7	1	5
Momentum MultiFocus FoF	3	3	4	4	3	4	2	3.29	7	0	3
RMB Strategic Opportunities R	3	3	3	4	3	3	4	3.29	7	0	2
STANLIB MM Equity FF A1	2	4	4	3	4	2	4	3.29	7	0	4
STANLIB Wealthbuilder R	4	1	3	4	3	4	4	3.29	7	1	4
Interneuron Equity	4	1	4	4	4	N/A	N/A	3.40	5	1	4
Metropolitan General Equity	3	4	3	2	4	4	4	3.43	7	0	4
Number of funds and Average Rank	86	78	70	60	55	52	49	2.54	7	2	2





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