

# Equities ride on strong FTSE/JSE performance

South Africa long/short equity was the best-performing strategy in September, with the *HedgeNews Africa* Long/Short Equity Index gaining a median 2.27% for the month to sit 12.67% higher for the year.

This compares with the second-strongest month this year for South Africa's FTSE/JSE All Share Index, which gained 5.08% in September (leaving it 15.07% higher year to date).

Leading the category was the Xebec Aggressive Equity Hedge Fund, managed by Royce Long and Richard Simpson of Obsidian Capital, which gained an impressive 5.85% in September to sit 18.47% higher so far this year. The Laurium Capital Aggressive Long/Short Fund was also strong with a 4.3% return.

Three funds have added in excess of 10% for the third quarter, led by Laurium Capital Aggressive with a gain of 14.71%. Xebec Aggressive Equity delivered a 14.23% return while the Impact Fund added 10.69%.

The *HedgeNews Africa* Single-Manager Multi-Strategy Index rose 5.13% in the third quarter, including 1.82% in September. The category now sits 9.34% higher for the year. The Kaizen Strategic Opportunities Fund led the way in September, gaining a solid 4.64%, and also leads the category over three months (16.31%) and year to date (44.57%).

For the month, the Alternative Real Estate Select Opportunity Fund returned 4.36% and the Fairtree Wild Fig Multi Asset Class Fund gained 3.99%, while the Clear Horizon Multi-Strategy Fund and the Brait Multi-Strategy Fund added a respective 3.62% and 3.53%.

The *HedgeNews Africa* Market Neutral & Quantitative Strategies Index delivered a median 0.75% in September (up 7.18% year to

## HEDGENEWS AFRICA INDICES

	Median		Mean	
	Sept-13	YTD-13	Sept-13	YTD-13
<b>South Africa</b>				
Long/Short Equity	2.27%	12.67%	2.37%	15.69%
Market Neutral & Quantitative	0.75%	7.18%	0.90%	9.67%
Multi-Strategy	1.82%	9.34%	2.10%	8.21%
Fixed Income	0.95%	3.80%	1.51%	-0.05%
Event Driven	0.88%	7.62%	0.84%	7.57%
<b>Africa</b>				
Pan-Africa/AME	4.00%	11.88%	4.04%	12.96%
<b>Composites</b>				
SA Single-Manager Composite	1.39%	8.41%	1.74%	9.09%
HNA Single-Manager Composite	2.23%	9.11%	2.44%	8.97%
<b>Fund of Funds</b>	<b>Aug-13</b>	<b>YTD-13</b>	<b>Aug-13</b>	<b>YTD-13</b>
South African Composite	1.03%	5.48%	0.88%	5.06%
<i>HedgeNews Africa</i> Composite	1.01%	6.70%	0.66%	5.80%
<b>Market Indices</b>	<b>Sep-13</b>	<b>YTD-13</b>		
FTSE/JSE All Share Index (TRI)	5.08%	15.07%		
South African All Bond Index	3.90%	0.51%		
MSCI Emerging Markets Index	6.23%	-6.42%		
MSCI Frontier Mkts, Africa Index	4.68%	17.49%		

date), led by the Fairtree Acacia Fund, with a return of 3.74%, and the Investec Asset Management Active Quants Hedge Fund, which gained 3.08%. The X-Chequer Market Neutral Fund and the Peregrine Capital Pure Hedge rose a respective 1.34% and 1.25%.

Over the quarter, Investec Asset Management Active Quants was the top performer, gaining 7.08%, while X-Chequer Market Neutral and the Mazi Visio Market Neutral Fund gained a respective 6.56% and 5.18%.

Fixed income funds in the *HedgeNews Africa* universe added a median 0.95% in September (1.59% for the quarter) to sit 3.8% higher year to date. This compares with a 3.9% gain from the South Africa All Bond Index in September after four consecutive down months, leaving it 0.51% higher year to date.

Leading the category in September was the Clade Fixed Income Fund with an impressive 11.86% return, cementing its spot as

the top performer year to date with a gain of 29.58%. The Brait Matrix Fixed Income Fund had a good month, adding 4.57%, while the Proton Fund gained 2.36%.

The Atlantic Point Hedge Fund has added a net 8.74% over the quarter, followed by the Abax Fixed Interest Fund, which gained 4.46%, and the AcuityOne Hedge Fund, which added 3.95%. The Oakhaven Strategic Fixed Income Fund also performed well to rise 3.92%.

In the event-driven/credit category, the Creditsmith Enhanced Yield Fund added 0.97% in September (up 9.18% year to date) while the Creditsmith Specialised Opportunities Fund gained 0.94% for the month to sit 8.79% higher for the year.

Amongst commodities funds, the Polar Star Agricultural Commodities Fund added 6.91% for the month, while the Fairtree African Blackwood Commodity Partnership returned 2.23%.

## Sustainable, Amigo lead the way in Africa with solid gains

Africa-focused funds enjoyed a strong month with the *HedgeNews Africa* Pan-Africa/AME Index adding a median 4% in September to sit 11.88% higher year to date.

Several key African markets were strong during the month, with Egypt's EGX 30 gaining 6.7% to move it 2.98% into positive territory for the year. Ghana rose 2.08% (up 69.29% year to date) while Nigeria added 0.93% to sit 30.29% higher on the year and Kenya rose 2.03% to leave it 15.97% higher on the year. The broader MSCI Frontier Markets Africa Index climbed 4.68% and was 17.49% higher on the year by month-end.

Leading the way amongst long-only funds was the Sustainable Capital Africa Consumer Fund, which added 8.36%, followed by the Amigo Partners African Franchise Fund (up 7.04%) and the Sustainable Capital Africa

Alpha Fund (up 6.73%). More than half the category returned in excess of 4% for the month as markets rose in line with an upward movement in global asset prices as the US Federal Reserve opted against a tapering of its quantitative easing programme.

The Sustainable Capital Africa Alpha Fund was the top performer over the last quarter with a return of 13.37%. The Kura Africa BMC Fund added 11.33%, the Imara African Resources Fund gained 11.28% and the Coronation All Africa Fund rose 11.1%.

Kura Africa BMC, which focuses on the building materials and construction sector across the continent, is well ahead on a year-to-date basis with an impressive 48.31% return. The Imara East Africa Fund is some way behind despite having gained 21.02%, while the Imara African Opportunities Fund is 17.19% to the good.

Amongst multi-strategy funds, the Nubuke Africa Multi-Strategy Fund enjoyed a strong September to end the month 4.68% higher. The fund, which has hedging capabilities, is now 7.51% higher so far this year. Manager Tutu Agyare noted in his most recent newsletter that continued development and increasing liquidity of African markets was giving his team a broader range of companies and issues through which to express their views and capture appropriate risk-adjusted returns.

Zimbabwe-focused specialist funds took advantage of buoyant market conditions during September. The Laurium Capital Zambezi Fund added 8.93% while the Imara Zimbabwe Fund gained 8.3%. Both funds have returned in excess of 21% for the year while the index has been volatile, climbing 10.12% in September after a 22% drop in August.