

Investor sentiment dented

GLOBAL EQUITY: Third-worst quarter experienced due to EU debt crisis

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GLOBAL equity markets experienced their third-worst quarter of the past eight years as investor sentiment was severely dented by the unravelling of the debt crisis in the European Union.

The fall in equity prices should be seen in context, though, as on a one-year basis the FTSE/JSE All Share Index returned 21,78% in domestic terms and 22,54% in U.S. dollars, while the MSCI Emerging Markets Free Index returned 20,58%, compared to the MSCI World Index's

8,02%.

The analysis done in this survey excludes the Old Mutual Gold Fund A and the Stanlib Gold and Precious Metals Fund A from Resources and Basic Industries and places them in a separate sector, namely gold and precious metals.

The best domestic categories for the three months ended June 2010 were gold and precious metals and foreign-fixed-interest-bond gold, with 8,24% and 3,28% respectively. This was due to a weakening in the rand, accompanied by a strong increase in the gold price.

The worst sector over the period was domestic-equity-resources and basic materials, with a return of minus 10,87% as commodity prices experienced large declines.

The 12-month tables were topped by the domestic-equity-financial category with 28,85%, followed by the domestic-equity-smaller companies category with 27,21%.

The worst sector over the past year was the foreign-fixed-interest-varied specialist category with minus 5,79%.

The best category over three years was domestic-fixed-interest-money

market with 9,81% per annum.

Domestic-equity-resources and basic industries still topped the five-year figures with 18,99% per annum.

The best funds over the three-month period were the Old Mutual Gold Fund A and the Stanlib Gold and Precious Metals Fund A, with 9,11% and 7,37% respectively.

The worst fund for the past quarter was the Sanlam Pan Europe Fund with -13,53%.

Over the past 12 months, the best-performing unit trust was the RMB Small/Mid-Cap Fund A with 43,69%,

followed by the Grindrod Global Property Income Fund with 42,60%.

The worst-performing fund was the RMB Euro Income Fund A with minus 15,63%.

The best fund over three years was the Cadiz Equity Ladder Fund with 21,95% per annum, and the best fund over five years was the Old Mutual Mining and Resources Fund A with 21,95% per annum.

• **Dr Prieur Du Plessis is the chairman of Plexus Asset Management.**

