

FVV Model Portfolios

April 2014



MARKET INDICES RETURNS IN RANDS %

	1 Month	3 Months	YTD	1 Year	3 Years*	5 Years*
FTSE/JSE All Share	2.65	9.64	7.05	30.09	17.78	22.23
FTSE/JSE SA Listed Property	2.32	12.19	4.18	-3.64	18.10	19.22
All Bond Index	0.34	4.58	1.22	-3.04	8.52	8.86
STeFI (Cash)	0.46	1.33	1.78	5.30	5.45	6.13
MSCI World	0.96	-0.44	2.16	34.05	24.79	18.62
MSCI EM	0.19	0.21	-0.20	12.26	9.74	13.29
Oil Price	1.53	-4.79	-1.71	23.97	11.16	21.43
Gold Price	-0.13	-2.88	7.56	2.84	10.29	12.63

MARKET COMMENTARY

The SA equity market (**JSE All Share Index**) continued to show positive performance in April, reaching new highs during the month and posting returns of 2.65%. It was again the banking shares that lead the way, supported by the endowment effect in an early rate tightening cycle which increases the profitability of these shares. Resource shares returned almost 4% to investors, boosted by the gold and general mining stocks. Industrial stocks lagged the market (+1.5%), pulled down by Naspers (6% of the index) which lost 14.6% for investors on the back of negative returns from their major asset Tencent.

The sustained momentum in global equity markets was led by European markets in April as economic data from the region supported a recovery. US equity markets were supported by the Fed confirming that interest rates will remain low. Over the last month, we saw a rotation out of the internet stocks into defensive stocks. The **MSCI World Index** gained 1.1% in US dollars on a total return basis.

While economic data points to slowing emerging market economies in general, the **MSCI Emerging Markets Index** was marginally positive, gaining 0.4% in US dollars in April.

SA bond yields were largely unchanged with the **All Bond Index** posting a modest return of 0.34% for the month.

Our **Listed Property** sector benefitted from falling bond yields and ended the month higher, returning 2.32%.

Cash, as measured by the STeFI, provided a steady 0.46% for the month.

The **Rand** remained at similar levels to a weaker US dollar, but depreciated 1.0% against the Sterling and 0.5% against the Euro as capital outflows remain the largest threat to our trade deficit.

Gold and **Brent Crude** remained steady despite tension in Russia, with gold rising 0.6% and oil falling 0.1% during the month. **Platinum** gained 0.6% for the month.

INVESTMENT STRATEGY

The objective of this portfolio is to provide investors with income whilst maintaining a strong focus on capital preservation. The portfolio aims to generate a return of CPI + 3% p.a. over any rolling 3 year period. The portfolio maintains a low-to-moderate risk profile and is limited to a maximum of 40% exposure to equities. The portfolio adheres to the guidelines set by Regulation 28.

Risk Weighting:



UNDERLYING HOLDINGS

Coronation Balanced Defensive	29.00%
Prudential Inflation Plus	29.00%
Nedgroup Inv Core Guarded	20.00%
Nedgroup Inv Stable	20.00%
Investec Money Market	2.00%

ANNUAL FEES

Weighted average cost of funds*	0.76%
Annual Management fee - Analytics & Trivium	0.20%
Annual Consulting fee – FVV	0.20%

TOP 10 HOLDINGS

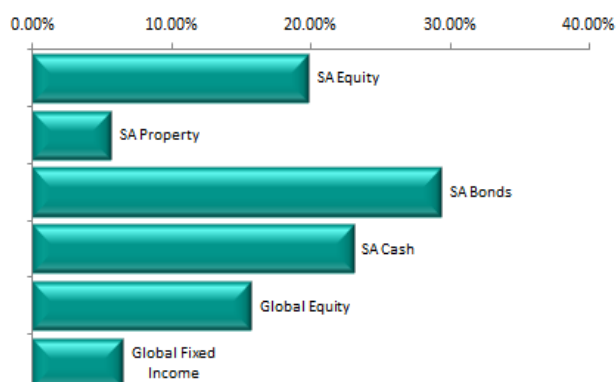
1 Naspers	6 BHP Billiton
2 Sasol	7 SABMiller
3 Mtn Group Limited	8 Anglo American
4 British American Tobacco	9 Growthpoint Properties
5 Standard Bank Group	10 Redefine Properties

Estimated top 10 holdings as disclosed by Morningstar.

MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-1.02	1.47	1.25	1.03									
2013	2.55	0.17	1.71	0.82	3.18	-2.60	1.57	0.22	2.79	1.77	0.05	1.96	14.99
2012	1.74	0.62	1.28	1.38	0.03	0.95	2.82	1.81	0.80	1.93	1.58	0.73	16.81
2011	0.75	0.52	0.31	1.39	0.86	-0.24	0.22	1.24	0.63	3.35	0.44	0.28	10.16
2010	-0.07	1.21	2.12	0.78	-1.30	-0.02	2.89	0.36	2.69	1.24	0.39	0.84	11.62
2009	-0.62	-3.31	2.89	0.77	2.03	-0.23	4.07	1.95	0.32	2.49	-0.30	1.39	11.85

ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

FVV CONSERVATIVE

Time Period: 01/05/2008 to 30/04/2014

	FVV Conservative	Low Equity
Return	11.56	9.04
Std Dev	4.82	3.61
Sharpe Ratio	0.86	0.51
Max Drawdown	-4.64	-2.69

*Please note: the average weighted cost of underlying funds is indicative as per the IMS platform and varies daily as the weightings of the funds vary. Where applicable, performance fees are included at benchmark. The abovementioned fees exclude Financial Advisor fees, platform fees and VAT.

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INVESTMENT STRATEGY

The objective of this multi-asset portfolio is to provide investors with moderate capital growth. The portfolio aims to generate a return of CPI + 4% p.a. over any rolling 5-year period and the expected level of investment risk is broadly defined as moderate. The portfolio has a maximum equity limit of 60% and adheres to the guidelines set by Regulation 28.

Risk Weighting:



UNDERLYING HOLDINGS

Coronation Balanced Plus	28.00%
Investec Opportunity	25.00%
Nedgroup Inv Core Guarded	20.00%
Prudential Inflation Plus	15.00%
Nedgroup Inv Stable	10.00%
Investec Money Market	2.00%

ANNUAL FEES

Weighted average cost of funds*	0.75%
Annual Management fee - Analytics & Trivium	0.20%
Annual Consulting fee – FVV	0.20%

TOP 10 HOLDINGS

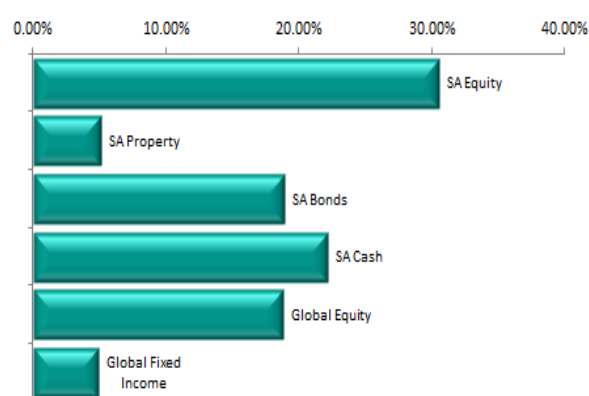
1 British American Tobacco	6 Standard Bank Group
2 Sasol	7 Steinhoff International
3 Mtn Group Limited	8 Anglo American
4 Naspers Ltd	9 RICHEMONT
5 SABMiller	10 Assore Limited

Estimated top 10 holdings as disclosed by Morningstar

MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-0.48	1.63	1.18	1.18									
2013	3.49	-0.44	1.78	0.02	4.80	-3.02	2.08	1.01	2.93	1.85	-0.07	2.08	17.55
2012	1.85	0.99	1.14	1.64	-0.23	0.65	2.54	2.17	0.98	2.46	1.90	0.83	18.27
2011	0.38	0.55	0.42	1.48	0.75	-0.75	0.01	0.94	0.45	4.08	0.58	0.13	9.31
2010	-0.49	1.10	2.91	0.72	-2.15	-0.48	3.57	-0.45	3.61	1.58	0.29	1.88	12.58
2009	-1.16	-5.38	4.35	0.86	3.67	-0.09	6.01	2.40	0.42	3.13	-0.35	2.31	16.85

ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

FVV MODERATE

Time Period: 01/05/2008 to 30/04/2014

	FVV Moderate	Medium Equity
Return	11.93	9.46
Std Dev	6.91	6.64
Sharpe Ratio	0.67	0.36
Max Drawdown	-12.24	-13.92

*Please note: the average weighted cost of underlying funds is indicative as per the IMS platform and varies daily as the weightings of the funds vary. Where applicable, performance fees are included at benchmark. The abovementioned fees exclude Financial Advisor fees, platform fees and VAT.

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INVESTMENT STRATEGY

The objective of this multi-asset portfolio is to provide investors with long-term capital growth by managing the exposure to equities, bonds, cash and offshore investments. The portfolio aims to generate a return of CPI + 5% p.a. over any rolling 5 to 7-year period with a moderate level of expected risk. The portfolio adheres to the guidelines set by Regulation 28 which, inter alia, limits equity exposure to a maximum of 75%.



UNDERLYING HOLDINGS

Coronation Balanced Plus	30.00%
Prudential Balanced	24.00%
Investec Opportunity	20.00%
Nedgroup Inv Core Diversified	20.00%
Prudential Enh SA Prop Tracker	4.00%
Investec Money Market	2.00%

ANNUAL FEES

Weighted average cost of funds*	0.70%
Annual Management fee - Analytics & Trivium	0.20%
Annual Consulting fee – FVV	0.20%

TOP 10 HOLDINGS

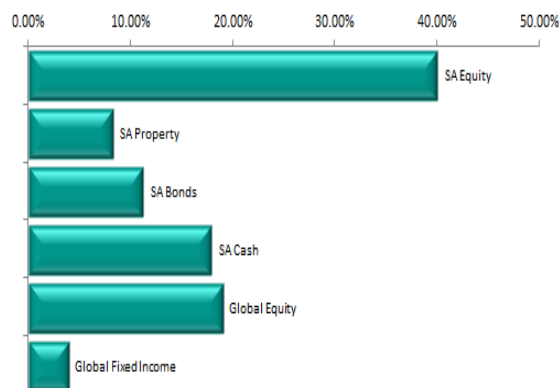
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Estimated top 10 holdings as disclosed by Morningstar

MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-0.84	2.15	1.41	1.20									
2013	3.91	-0.35	1.82	-0.11	5.50	-3.08	2.48	1.14	3.53	2.28	-0.22	2.51	20.89
2012	2.61	1.34	1.02	1.79	-0.79	0.89	2.74	2.55	0.96	2.64	2.18	1.18	20.80
2011	0.07	0.70	0.57	1.72	0.44	-0.98	-0.47	0.22	-0.17	5.11	0.15	0.20	7.69
2010	-1.05	1.31	4.05	0.54	-3.01	-1.10	4.87	-1.15	4.94	1.79	0.02	2.64	14.36
2009	-1.44	-6.94	5.30	1.22	4.81	-0.34	7.39	2.89	0.51	3.35	-0.44	2.77	19.92

ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

FVV GROWTH

Time Period: 01/05/2008 to 30/04/2014

	FVV Growth	High Equity
Return	12.47	9.77
Std Dev	8.89	7.37
Sharpe Ratio	0.59	0.37
Max Drawdown	-18.27	-15.77

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