



FVV CAPITAL

# FVW MODEL PORTFOLIO

December 2017 Q4 Review

*Financial shares were the top performers in the last quarter of 2017. This out-performance was mostly as a result of the optimism surrounding the outcome of the ANC election in December where Cyril Ramaphosa was elected as the new president of the ANC. The election also saw the Rand appreciating significantly against most major currencies. A synchronised global recovery along with US tax reform resulted in positive global equity returns with emerging market equities outperforming developed market equities.*

The JSE All Share Index ended quarter four up 7.4% from the previous quarter end. Financials (16.0%) were the top performers this quarter while Resource shares (4.9%) and Industrials (4.7%) also had positive quarters. SA Listed Property (up 8.3%) performed well this quarter on the back of increased optimism regarding the local political circumstances. SA Bonds (up 2.2%) also had positive returns in quarter four. SA Cash (as measured by the STEFI) was up 1.8% for the quarter. The Rand appreciated against most major currencies. It appreciated 6.9% against the Euro, 7.6% against the Pound Sterling and 8.3% against the US Dollar for the quarter. The MSCI Emerging Markets Index (up 7.5% in US Dollar terms) outperformed the MSCI World (5.6% in US Dollar terms) over the last quarter as a result of a slightly weaker Dollar combined with higher commodity prices. Global Bonds (as measured by the Bloomberg Barclays Global Aggregate Index) returned 1.1% in US Dollar terms. Oil had yet another good quarter. The Oil Price increased 16.2% in US Dollar terms for the quarter. Gold (up 1.9% in US Dollar terms) and Platinum (up 2.6% in US Dollar terms) also had a positive last quarter.

## MARKET INDICES RETURNS IN RANDS\* %

	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS
SA Equities (JSE All Share Index)	-0.34%	7.44%	20.95%	20.95%	9.28%	11.93%
SA Property	4.21%	8.32%	17.15%	17.15%	11.71%	13.86%
SA Bonds (SA All Bond Index)	5.60%	2.20%	10.19%	10.19%	6.91%	6.26%
SA Cash (STeFI)	0.56%	1.77%	7.55%	7.55%	7.12%	6.48%
Developed Market Equities (MSCI World Index, \$)	1.38%	5.62%	23.07%	23.07%	9.88%	12.26%
Emerging Market Equities (MSCI Emerging Market Index, \$)	3.64%	7.50%	37.75%	37.75%	9.50%	4.73%
Oil Price (BRSPOT)	5.19%	16.21%	17.69%	17.69%	5.26%	-9.66%
Gold Price (DGLDS)	2.60%	1.94%	13.59%	13.59%	3.33%	-4.85%





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.

### UNDERLYING HOLDINGS

Nedgroup Inv Stable	15%
Satrix MSCI World Equity Index FF	20%
Fairtree Equity Prescient	4%
Coronation Top 20	4%
Coronation Strategic Income	20%
Nedgroup Inv Core Income	11%
Nedgroup Inv Value	6%
Prescient Income Provider	20%

### TOP TEN HOLDINGS

1 British American Tobacco	6 Sasol
2 Naspers	7 BHP Billiton
3 Standard Bank	8 RMB
4 Capital & Counties	9 Santam
5 Cie Financiere Richemont	10 Old Mutual

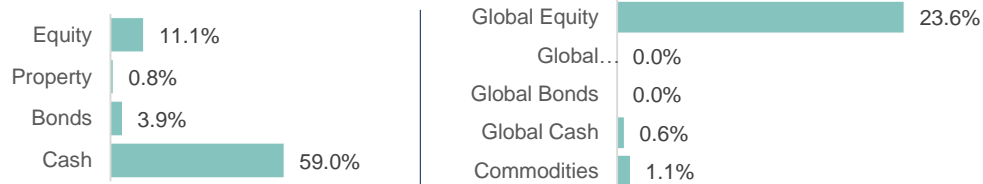
Estimated top 10 holdings as disclosed by Morningstar

### FVV CONSERVATIVE\* / LOW EQUITY

Return	8.01	6.98
Std Dev	3.85	3.16
Sharpe Ratio	0.28	0.03
Max Drawdown	-2.51	-1.66

Time Period: 06/01/2011 to 05/31/2017

### ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

### ANNUAL FEES

Weighted average cost of funds**	0.78%
FVV Annual Management fee (Incl. VAT)	0.23%
Annual Consulting fee (Incl. VAT)	0.23%

### YOUR MONTHLY RETURNS\*

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017		1.10	-0.05	1.42	1.59	0.26	-0.52	1.42	0.11	1.54	3.13	-0.17	-1.81	<b>8.22</b>
2016		-0.82	0.55	1.76	0.47	2.68	-1.71	0.47	1.37	-1.19	-1.34	0.45	0.31	<b>2.94</b>
2015		1.77	1.06	0.94	1.36	-0.55	-0.24	1.27	0.51	-0.09	3.42	0.16	0.40	<b>10.41</b>
2014		-1.02	1.47	1.25	1.04	1.39	1.34	0.73	0.54	0.30	0.79	1.26	0.84	<b>10.37</b>
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	<b>14.99</b>

\*Returns are net of Total Investment Charges (TIC) and for periods greater than one year the returns have been annualised. Returns prior to launch of the portfolio are simulated based on the returns of the underlying funds at their weightings. Post launch returns are simulated based on the current weightings of the initial investment on the selected Platform, where applicable. \*\*The weighted average cost of underlying funds is calculated using the latest available Total Investment Charges (TIC) of the underlying funds and their static weightings at month end on the selected Platform. This will vary daily as the actual weightings of the underlying fund fluctuate. The above mentioned fees include VAT but exclude Investment manager, Financial Advisor, Consulting and Platform fees. The information and opinions contained in this document are recorded and expressed in good faith and in reliance on source believed to be credible. No representation, warranty, undertaking or guarantee of whatever nature is given on the accuracy and/or completeness of such information on the correctness of such opinions. FVV Capital (Pty) Ltd ("FVV") and/or Portfolio Analytics Consulting (Pty) Ltd ("Analytics") will have no liability of whatever nature and however arising in respect of any claim, damages, loss or expenses suffered directly or indirectly by the investor or the investor's financial advisor acting on the information contained in this document. Furthermore, due to the fact that neither FVV or Analytics act as the investor's financial advisor, they have not conducted a financial needs analysis and will rely on the needs analysis conducted by the investor's financial advisor. FVV and Analytics recommend that investors and financial advisors take particular care to consider whether any information contained in this document is appropriate given the investor's objectives, financial situation and particular needs in view of the fact that there may be limitations in the appropriateness of any advice provided. No guarantee of investment performance or capital protection should be inferred from any of the information contained in this document. Data Source: Morningstar Direct. FVV Capital (Pty) Ltd is an authorised Financial Services Provider, FSP No. 45040. Portfolio Analytics Consulting (Pty) Ltd is an authorised Financial Services Provider, FSP No. 18490.



# FVV MODERATE

December 2017

## / RISK WEIGHTING



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.

### UNDERLYING HOLDINGS

Coronation Balanced Plus	23%
Investec Opportunity	25%
Nedgroup Inv Core Guarded	20%
Nedgroup Inv Opportunity	20%
Nedgroup Inv Stable	10%
Investec Money Market	2%

### TOP TEN HOLDINGS

1 Naspers	6 Intu Prop
2 British American Tobacco	7 Cie Financiere Richemont
3 Sasol	8 Assore
4 Standard Bank	9 Firstrand
5 MTN	10 Aspen

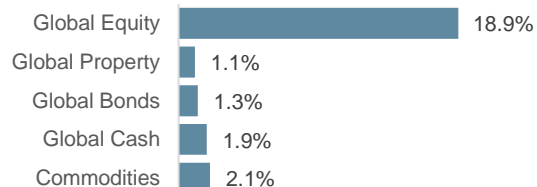
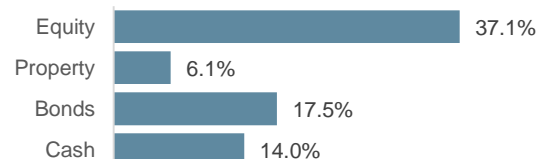
Estimated top 10 holdings as disclosed by Morningstar

### FVV MODERATE\* / MEDIUM EQUITY

Return	7.63	6.71
Std Dev	5.16	4.7
Sharpe Ratio	0.15	-0.02
Max Drawdown	-3.96	-3.37

Time Period: 06/01/2011 to 05/31/2017

### ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

### ANNUAL FEES

Weighted average cost of funds**	1.14%
FVV Annual Management fee (Incl. VAT)	0.23%
Annual Consulting fee (Incl. VAT)	0.23%

### YOUR MONTHLY RETURNS\*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017	1.60	-0.14	1.51	1.90	0.04	-1.32	2.53	0.54	0.94	3.27	-0.52	-2.00	8.53
2016	-1.61	0.82	3.05	0.62	2.88	-2.42	0.66	1.40	-1.67	-1.93	0.04	0.48	2.16
2015	2.23	1.62	0.43	1.79	-0.92	-0.95	1.85	-0.69	0.11	4.48	-0.54	0.45	10.16
2014	-0.48	1.63	1.18	1.15	1.53	1.54	0.49	0.34	0.03	0.42	1.38	0.73	10.38
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

\*Returns are net of Total Investment Charges (TIC) and for periods greater than one year the returns have been annualised. Returns prior to launch of the portfolio are simulated based on the returns of the underlying funds at their weightings. Post launch returns are simulated based on the current weightings of the initial investment on the selected Platform, where applicable. \*\*The weighted average cost of underlying funds is calculated using the latest available Total Investment Charges (TIC) of the underlying funds and their static weightings at month end on the selected Platform. This will vary daily as the actual weightings of the underlying fund fluctuate. The above mentioned fees include VAT but exclude Investment manager, Financial Advisor, Consulting and Platform fees. The information and opinions contained in this document are recorded and expressed in good faith in reliance on source believed to be credible. No representation, warranty, undertaking or guarantee of whatever nature is given on the accuracy and/or completeness of such information on the correctness of such opinions. FVV Capital (Pty) Ltd ("FVV") and/or Portfolio Analytics Consulting (Pty) Ltd ("Analytics") will have no liability of whatever nature and however arising in respect of any claim, damages, loss or expenses suffered directly or indirectly by the investor or the investor's financial advisor acting on the information contained in this document. Furthermore, due to the fact that neither FVV or Analytics act as the investor's financial advisor, they have not conducted a financial needs analysis and will rely on the needs analysis conducted by the investor's financial advisor. FVV and Analytics recommend that investors and financial advisors take particular care to consider whether any information contained in this document is appropriate given the investor's objectives, financial situation and particular needs in view of the fact that there may be limitations in the appropriateness of any advice provided. No guarantee of investment performance or capital protection should be inferred from any of the information contained in this document. Data Source: Morningstar Direct.



/ RISK WEIGHTING



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%
Foord Balanced	24%
Investec Opportunity	24%
Nedgroup Inv Core Diversified	20%
Investec Money Market	2%

**TOP TEN HOLDINGS**

1 British American Tobacco	6 MTN
2 Naspers	7 Sasol
3 Cie Financiere Richemont	8 Capital & Counties
4 Aspen	9 BHP Billiton
5 Standard Bank	10 Intu Prop

Estimated top 10 holdings as disclosed by Morningstar

**FVV GROWTH\* / HIGH EQUITY**

Return	8.40	6.89
Std Dev	6.11	5.78
Sharpe Ratio	0.26	0.02
Max Drawdown	-4.36	-4.13

Time Period: 06/01/2011 to 05/31/2017

**ASSET ALLOCATION**



Please note: Asset allocation is one month lagged.

**ANNUAL FEES**

Weighted average cost of funds**	1.07%
FVV Annual Management fee (Incl. VAT)	0.23%
Annual Consulting fee (Incl. VAT)	0.23%

**YOUR MONTHLY RETURNS\***

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2017	1.74	-0.41	1.76	2.21	0.03	-1.81	3.20	0.64	1.05	3.85	-0.40	-1.81	10.33
2016	-2.18	0.77	4.24	0.68	2.78	-2.76	1.12	1.15	-1.63	-2.25	0.04	0.90	2.64
2015	2.52	2.17	0.55	2.22	-1.63	-0.95	1.72	-1.08	-0.16	5.22	-0.93	-0.13	9.71
2014	-0.84	2.15	1.41	1.19	1.79	1.74	0.72	0.43	-0.24	0.74	1.42	0.81	11.88
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

\*Returns are net of Total Investment Charges (TIC) and for periods greater than one year the returns have been annualised. Returns prior to launch of the portfolio are simulated based on the returns of the underlying funds at their weightings. Post launch returns are simulated based on the current weightings of the initial investment on the selected Platform, where applicable. \*\*The weighted average cost of underlying funds is calculated using the latest available Total Investment Charges (TIC) of the underlying funds and their static weightings at month end on the selected Platform. This will vary daily as the actual weightings of the underlying fund fluctuate. The above mentioned fees include VAT but exclude Investment manager, Financial Advisor, Consulting and Platform fees. The information and opinions contained in this document are recorded and expressed in good faith and in reliance on source believed to be credible. No representation, warranty, undertaking or guarantee of whatever nature is given on the accuracy and/or completeness of such information on the correctness of such opinions. FVV Capital (Pty) Ltd ("FVV") and/or Portfolio Analytics Consulting (Pty) Ltd ("Analytics") will have no liability of whatever nature and however arising in respect of any claim, damages, loss or expenses suffered directly or indirectly by the investor or the investor's financial advisor acting on the information contained in this document. Furthermore, due to the fact that neither FVV or Analytics act as the investor's financial advisor, they have not conducted a financial needs analysis and will rely on the needs analysis conducted by the investor's financial advisor. FVV and Analytics recommend that investors and financial advisors take particular care to consider whether any information contained in this document is appropriate given the investor's objectives, financial situation and particular needs in view of the fact that there may be limitations in the appropriateness of any advice provided. No guarantee of investment performance or capital protection should be inferred from any of the information contained in this document. Data Source: Morningstar Direct. FVV Capital (Pty) Ltd is an authorised Financial Services Provider, FSP No. 45040. Portfolio Analytics Consulting (Pty) Ltd is an authorised Financial Services Provider, FSP No. 18490.

