



FVV CAPITAL

FVW MODEL PORTFOLIO

January 2018 Review

January saw local markets off to a slow start as they wait patiently to see what the new change in ANC leadership will bring. The US Dollar continued to weaken. The US is unlikely to prevent further weakness as the Trump administration is in favour of a softer greenback in order to support US growth. Emerging market stocks had a strong start to the year as the stock market delivered its best January in six years. Equity markets around the globe saw solid returns this month with most of the indices reaching new heights even though rising bond yields in developed markets caused some volatility.

The FTSE/JSE All Share Index (up 0.1%) had a relatively flat month. Mid-cap stocks (down 0.1%) and small cap stocks (down 0.3%) had a slightly negative January while large cap shares (up 0.2%) managed to deliver slightly positive returns. The Financials sector (down 3.0%) struggled the most this month while Industrials (up 0.4%) remained relatively flat. Resource stocks (up 3.2%) were the top performers in January with Anglo American (up 13.3%) and Impala Platinum (up 12.1%) the top performing stocks in the Top 60.

Emerging markets once again outperformed developed markets this month. The MSCI Emerging Markets Index returned 8.3% in US Dollar terms while the MSCI World returned 5.3% in US Dollar terms.

South African Bonds (up 1.9%) was the top performing broad asset class for the month. South African Listed property (down 9.9%) was the worst performing asset class in January, mostly as a result of various rumours surrounding further Viceroy reports on select South African companies. Fortress Income Fund B (-28.7%), NEPI Rockcastle (-24.7%) and Resilient (-23.0%) were some of the large property shares that took the brunt of the negative sentiment.

The Rand appreciated 4.1% against the US Dollar and 0.5% against the Euro while depreciating 0.8% against the Pound Sterling.

The US Dollar Gold Price (up 2.5%) as well as the US Dollar Platinum Price (up 7.2%) performed ended the month higher. Brent Crude Oil (up 3.3% in US Dollar terms) also performed well this month.

MARKET INDICES RETURNS IN RANDS* %

| | <i>1 MONTH</i> | <i>3 MONTHS</i> | <i>YTD</i> | <i>1 YEAR</i> | <i>3 YEARS</i> | <i>5 YEARS</i> |
|---|----------------|-----------------|------------|---------------|----------------|----------------|
| SA Equities (JSE All Share Index) | 0.10% | 1.21% | 0.10% | 16.07% | 8.22% | 11.25% |
| SA Property | -9.91% | -4.31% | -9.91% | 3.85% | 5.37% | 11.29% |
| SA Bonds (SA All Bond Index) | 1.91% | 6.57% | 1.91% | 10.79% | 5.36% | 6.64% |
| SA Cash (STeFI) | 0.63% | 1.81% | 0.63% | 7.52% | 7.14% | 6.51% |
| Developed Market Equities (MSCI World Index, \$) | 5.30% | 9.13% | 5.30% | 26.52% | 12.47% | 12.30% |
| Emerging Market Equities (MSCI Emerging Market Index, \$) | 8.34% | 12.52% | 8.34% | 41.49% | 12.24% | 6.13% |
| Oil Price (BRSPOT) | 3.26% | 12.51% | 3.26% | 23.97% | 9.23% | -9.79% |
| Gold Price (DGLDS) | 2.50% | 5.68% | 2.50% | 10.79% | 1.55% | -4.21% |





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 BHP Billiton |
| 2 Naspers | 7 Cie Financiere Richemont |
| 3 Standard Bank | 8 RMB |
| 4 Capital & Counties | 9 Santam |
| 5 Sasol | 10 Anglo American |

Latest available top 10 holdings as disclosed by Morningstar

FVV CONSERVATIVE* / LOW EQUITY

| | | |
|---------------|-------|-------|
| Return | 7.99 | 6.81 |
| Std Dev | 3.81 | 3.14 |
| Sharpe Ratio | 0.28 | -0.02 |
| Max Draw down | -2.51 | -1.66 |

Time period: From 01/04/2014 to 31/01/2018

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 |
|------|-------|-------|------|------|-------|-------|------|------|-------|-------|-------|-------|--------------|
| 2018 | 0.60 | | | | | | | | | | | | 0.60 |
| 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 | 8.22 |
| 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 | 2.94 |
| 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 | 10.41 |
| 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 | 10.36 |

*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.





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 Assore |
| 2 British American Tobacco | 7 Cie Financiere Richemont |
| 3 Sasol | 8 Intu Properties |
| 4 Standard Bank | 9 Firstrand |
| 5 MTN Group | 10 RMB |

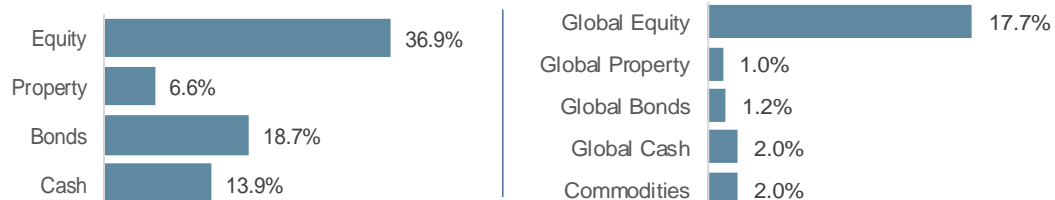
FVV MODERATE* / MEDIUM EQUITY

| | | |
|---------------|-------|-------|
| Return | 7.50 | 6.55 |
| Std Dev | 5.11 | 4.66 |
| Sharpe Ratio | 0.13 | -0.05 |
| Max Draw down | -3.96 | -3.37 |

Latest available top 10 holdings as disclosed by Morningstar

Time period: From 01/04/2014 to 31/01/2018

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 |
|------|-------|-------|------|------|-------|-------|------|-------|-------|-------|-------|-------|-------|
| 2018 | 0.14 | | | | | | | | | | | | 0.14 |
| 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 | 10.18 |
| 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 |

*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 Aspen Pharmacare |
| 2 Naspers | 7 Sasol |
| 3 Cie Financiere Richemont | 8 Capital & Counties |
| 4 Standard Bank | 9 BHP Billiton |
| 5 MTN Group | 10 Assore |

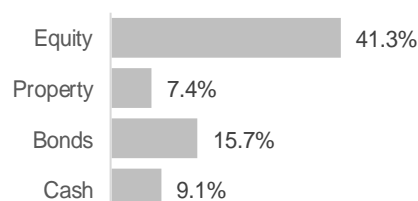
FVV GROWTH* / HIGH EQUITY

| | | |
|---------------|-------|-------|
| Return | 8.28 | 6.75 |
| Std Dev | 6.05 | 5.72 |
| Sharpe Ratio | 0.24 | 0.00 |
| Max Draw down | -4.36 | -4.13 |

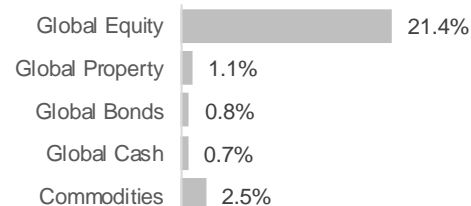
Latest available top 10 holdings as disclosed by Morningstar

Time period: From 01/04/2014 to 31/01/2018

ASSET ALLOCATION



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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 |
|------|-------|-------|------|------|-------|-------|------|-------|-------|-------|-------|-------|--------------|
| 2018 | 0.23 | | | | | | | | | | | | 0.23 |
| 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 | 9.70 |
| 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 | 11.89 |

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