
FVV CAPITAL

FVV

MODEL PORTFOLIO

February 2018 Review

February saw US stocks fall after US Federal Reserve Chairman Jerome Powell suggested that rate hikes may be more aggressive than expected. Bond yields soared after this statement which sent stock markets tumbling. Locally, positive sentiment surrounding Cyril Ramaphosa's election saw SA Inc stocks outperform while the strengthening Rand led to the large, multi-national companies' underperformance. Both local and global property stock prices declined considerably (although the reasons for their decline differed). Global property stocks fell victim to rising global bond yields while the SA Listed Property sector's fall could be attributed mostly to the plummet of three large shares (Resilient, Fortress Income Fund B and NEPI Rockcastle).

The FTSE/JSE All Share Index is down 2.0% for the month. Large-cap shares struggled (down 2.3%) while Small-cap (0.3%) and Mid-cap (-0.1%) stocks remained relatively flat. Resource stocks (down 4.8%) struggled the most. Industrial shares (down 3.0%) also had a tough month. Financial shares (up 2.6%) were the Top performers in February on the back of increasing positive sentiment surrounding the South African economic and political landscapes.

Both Developed and Emerging Market equities struggled in February. The MSCI Emerging Market Index ended the month 4.6% down in US Dollar terms while the MSCI World Index ended the month 4.1% down in US Dollar terms.

South African bonds (up 3.9%) were once again the top performing asset class this month. South African Listed Property (down 9.9%) was the worst performing asset class, with Fortress Income Fund B (-46.8%), NEPI Rockcastle (-40.4%) and Resilient (-25.9%) being the bottom performing stocks in the Top 60.

The Rand appreciated 0.6% against the US Dollar, 2.7% against the Euro and 3.7% against the Pound Sterling.

The US Dollar Gold Price declined 1.8% in February while the US Dollar Platinum Price declined 1.5%. The Brent Crude Oil Price ended the month 4.7% down in US Dollar terms.

MARKET INDICES RETURNS IN RANDS* %

	1 MONTH	3 MONTHS	YTD	1 YEAR	3 YEARS	5 YEARS
SA Equities (JSE All Share Index)	-1.97%	-2.20%	-1.87%	17.44%	6.08%	11.23%
SA Property (South African Listed Property Index)	-9.90%	-15.41%	-18.83%	-6.09%	0.71%	8.01%
SA Bonds (SA All Bond Index)	3.93%	11.85%	5.91%	14.33%	7.72%	7.33%
SA Cash (STeFI)	0.57%	1.78%	1.21%	7.50%	7.17%	6.55%
Developed Market Equities (MSCI World Index, $)	-4.10%	2.38%	0.98%	18.00%	8.81%	11.31%
Emerging Market Equities (MSCI Emerging Market Index, $)	-4.60%	7.12%	3.36%	30.97%	9.37%	5.39%
Oil Price (BRSPOT)	-4.74%	3.48%	-1.63%	18.33%	1.68%	-10.00%
Gold Price (DGLDS)	-1.76%	3.32%	0.70%	5.02%	2.75%	-3.57%

Data Source: Factset

/ RISK WEIGHTING

LOW	LOW TO MEDIUM	MEDIUM	MEDIUM TO HIGH	HIGH

FVV CONSERVATIVE
February 2018

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

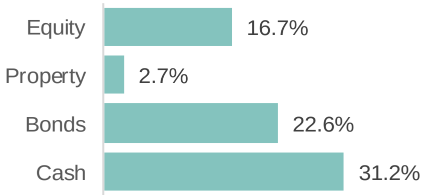
Latest available top 10 holdings as disclosed by Morningstar

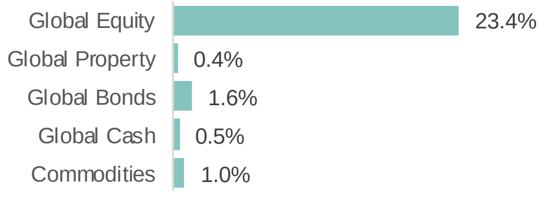
FVV CONSERVATIVE* / LOW EQUITY

	FVV CONSERVATIVE*	LOW EQUITY
Return	7.55	6.49
Std Dev	3.85	3.16
Sharpe Ratio	0.17	-0.12
Max Draw dow n	-2.51	-1.66

Time period: From 01/04/2014 to 28/02/2018

ASSET ALLOCATION





Please note: Asset allocation is one month lagged.

ANNUAL FEES

Weighted average cost of funds**	0.79%
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	-0.95											**-0.36**
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 an 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.

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FVV Capital (Pty) Ltd is an authorised Financial Services Provider, FSP No. 45040.

/ RISK WEIGHTING

LOW | LOW TO MEDIUM | MEDIUM | MEDIUM TO HIGH | HIGH

FVV MODERATE
February 2018

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

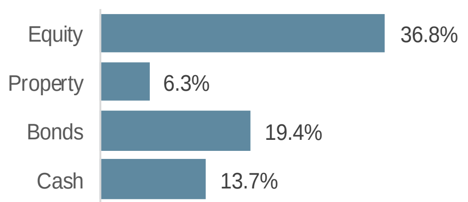
Latest available top 10 holdings as disclosed by Morningstar

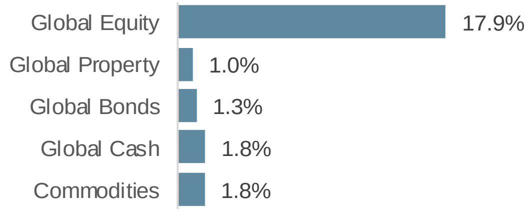
FVV MODERATE* / MEDIUM EQUITY

Return	7.02	6.08
Std Dev	5.13	4.69
Sharpe Ratio	0.04	-0.15
Max Draw down	-3.96	-3.37

Time period: From 01/04/2014 to 28/02/2018

ASSET ALLOCATION





Please note: Asset allocation is one month lagged.

ANNUAL FEES

Weighted average cost of funds**	1.12%
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	-1.13											**-0.99**
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 an 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.

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LOW | LOW TO MEDIUM | MEDIUM | MEDIUM TO HIGH | HIGH

FVV GROWTH
February 2018

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

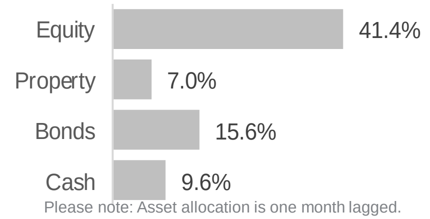
Latest available top 10 holdings as disclosed by Morningstar

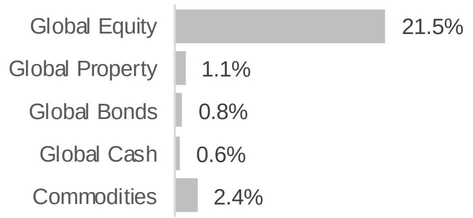
FVV GROWTH* / HIGH EQUITY

	FVV GROWTH*	HIGH EQUITY
Return	7.63	6.20
Std Dev	6.10	5.75
Sharpe Ratio	0.14	-0.09
Max Draw dow n	-4.36	-4.13

Time period: From 01/04/2014 to 28/02/2018

ASSET ALLOCATION





Please note: Asset allocation is one month lagged.

ANNUAL FEES

Weighted average cost of funds**	1.04%
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	-1.67											**-1.44**
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**