



FVV CAPITAL

FVW MODEL PORTFOLIO

March 2018 Review

In March 2002 Naspers traded around R12 per share, and over the next 15 years grew to R3 845 on 17 November 2017. Over the last few years this company, which has by some margin the largest market capitalization on the JSE, has contributed to around half the growth of the total bourse. It was therefore no surprise to see the JSE All Share Index pull back by over 4% in March as Naspers shed a little over 11% during the month. From the share's high in November 2017 it has retracted by nearly 22%. Interestingly enough the total return of the JSE ALSI is about flat during the same time, which illustrates just how well locally focused companies (financials and retailers in particular) have done as the political sentiment turned positive ahead of, and certainly after, the ANC elective conference in December.

The three months from the start of 2018 has been a rocky ride for South African investors and lead to a decline of 6% in local equities. Property securities in particular weighed on market returns as the broad index ended the quarter nearly 20% lower. Much of this was driven by the performance of Resilient and its related companies which more than halved during this time. The bond markets performed well in the light of an improved outlook from Moody's as well as lower interest rates and ended the quarter 8% higher.

Global equities came under pressure in March as a result of uncertainty surrounding the impact of trade wars and US protectionist policies on the large, multi-national tech companies. It lead to a decline of a little over 5% for the quarter when measured in Rand terms. Growth assets (equity and property) underperformed defensive assets (bonds and property) since the start of the year, but over the year ending 31 March local and emerging market equities were still outperformed cash, with bonds leading the ranking tables as the All Bond Index (ALBI) added over 16% for the year.

The vast difference in investment returns of the different asset classes, both over the last quarter as well as the last year, illustrates the value of well diversified multi-asset portfolios that provides a relatively smoother ride through turbulent markets.

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)	-4.18%	-5.97%	-5.97%	9.60%	5.05%	10.02%
SA Property (South African Listed Property Index)	-0.96%	-19.61%	-19.61%	-7.09%	-0.48%	7.11%
SA Bonds (SA All Bond Index)	2.02%	8.06%	8.06%	16.18%	8.63%	7.72%
SA Cash (STeFI)	0.55%	1.76%	1.76%	7.45%	7.19%	6.58%
Developed Market Equities (MSCI World Index, \$)	-2.18%	-1.21%	-1.21%	14.13%	8.56%	10.30%
Emerging Market Equities (MSCI Emerging Market Index, \$)	-1.97%	1.33%	1.33%	25.20%	9.16%	5.38%
Oil Price (BRSPOT)	6.83%	5.08%	5.08%	33.01%	8.44%	-8.58%
Gold Price (DGLDS)	0.55%	1.26%	1.26%	6.05%	3.79%	-3.67%





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

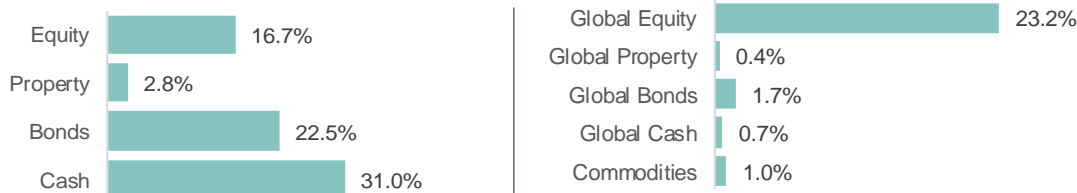
Latest available top 10 holdings as disclosed by Morningstar

FVV CONSERVATIVE* / LOW EQUITY

Return	7.14	6.19
Std Dev	3.88	3.18
Sharpe Ratio	0.07	-0.21
Max Draw down	-3.23	-1.90

Time period: From 01/04/2014 to 31/03/2018

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	-0.92										-1.27
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. Portfolio Analytics Consulting (Pty) Ltd is an authorised Financial Services Provider, FSP No. 18490. FVV Capital (Pty) Ltd is an authorised Financial Services Provider, FSP No. 45040.





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

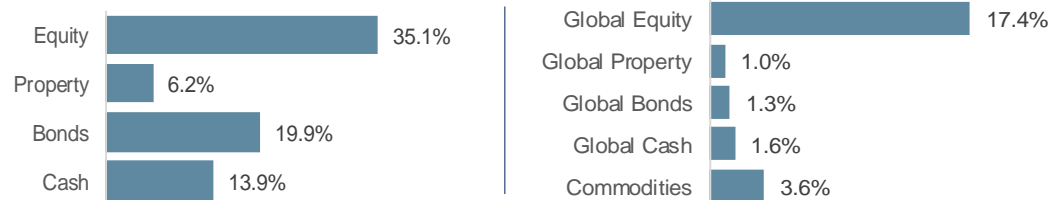
FVV MODERATE* / MEDIUM EQUITY

Return	6.59	5.49
Std Dev	5.14	4.77
Sharpe Ratio	-0.04	-0.26
Max Draw down	-4.49	-4.34

Latest available top 10 holdings as disclosed by Morningstar

Time period: From 01/04/2014 to 31/03/2018

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	-1.06										-2.03
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.

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/ 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

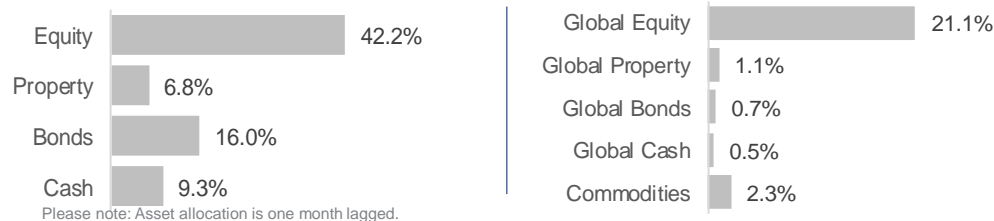
FVV GROWTH* / HIGH EQUITY

Return	7.03	5.48
Std Dev	6.14	5.85
Sharpe Ratio	0.04	-0.21
Max Draw down	-5.16	-5.28

Latest available top 10 holdings as disclosed by Morningstar

Time period: From 01/04/2014 to 31/03/2018

ASSET ALLOCATION



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	-1.61										-3.02
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

*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. Portfolio Analytics Consulting (Pty) Ltd is an authorised Financial Services Provider, FSP No. 18490. FVV Capital (Pty) Ltd is an authorised Financial Services Provider, FSP No. 45040.

