

Inspired by your growth.

FV CAPITAL

Despite turbulent markets, we have outperformed our peers.

As a direct result of the COVID-19 outbreak and subsequent lockdown measures, SA is expected to record its worst economic performance in recent history. As a result of this, government introduced a three-phase economic response to the virus outbreak that has necessitated the release of a Supplementary Budget Review. This emergency budget deals mainly with the second phase of the government's economic response that saw the introduction of a R500 billion fiscal stimulus package to support both the household and the business sector.

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THE ECONOMIC DESTRUCTION IS CLEARLY REFLECTED IN SA'S GROSS DOMESTIC PRODUCT FORECASTS:

YEAR	FEBRUARY BUDGET	JUNE SUPPLEMENTARY BUDGET
2020	0.9%	-7.2%
2021	2.1%	2.6%
2022	1.6%	1.5%

To a large extent the investment markets reflect the economic activity and it is therefore small wonder that SA investors have been frustrated with their investment performance.

In 2014 FVV Capital implemented our risk-rated model portfolios. Initially we followed an asset allocation approach by outsourcing the exposure to the different asset classes to the fund managers. Three years ago we realised that this process inhibits our ability to clearly express our views on the asset classes in the model portfolios. We therefore radically changed our approach to one of building blocks. In other words, we now select

individual fund managers to fulfil a specific role within a specific asset class within the model portfolios.

It is now 3 years later and we are rightly bursting with pride in how well this approach has served our clients during the extremely difficult times as described above. We attach 3 graphs showing our models performances against their peer averages relative to the risk profile of each model. These make for interesting perusal and in a nutshell can be summarised as follows – at exactly the same levels of risk (horizontal axis on the graph), the **outperformance** of each model was as follows:

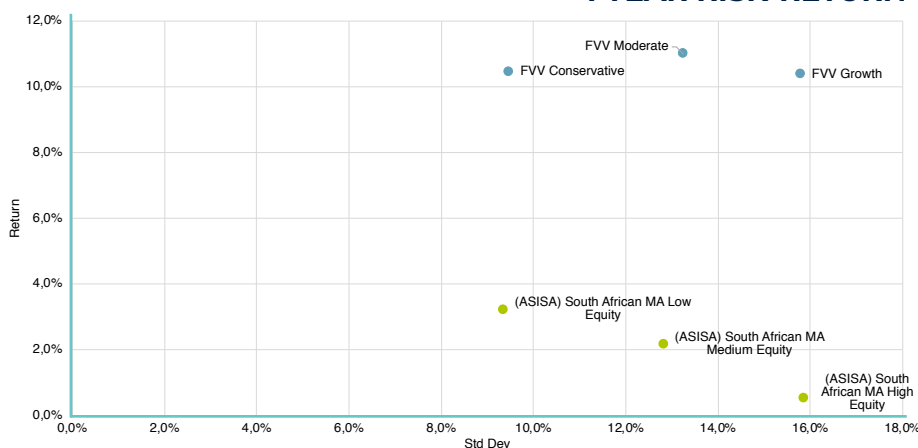
It is clear that the SA economy will take a number of years to recover and this follows a decade of weak growth in the economy.

3 years later and we are rightly bursting with pride

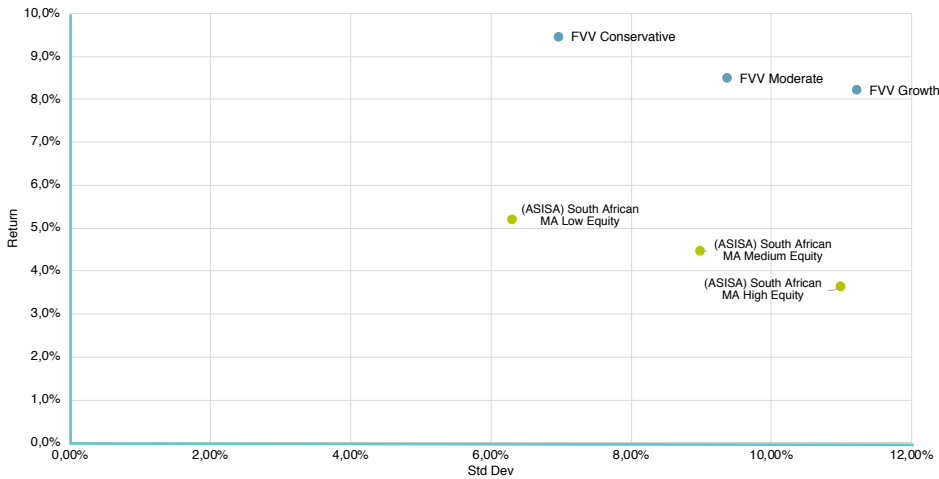
MODEL NAME	1 YEAR	3 YEARS	5 YEARS
FVV Conservative	>7%	>4%	>3%
FVV Moderate	>8%	>4%	>3%
FVV Growth	>10%	>4%	>3%

FVV PORTFOLIO COMPARISON

1 YEAR RISK-RETURN

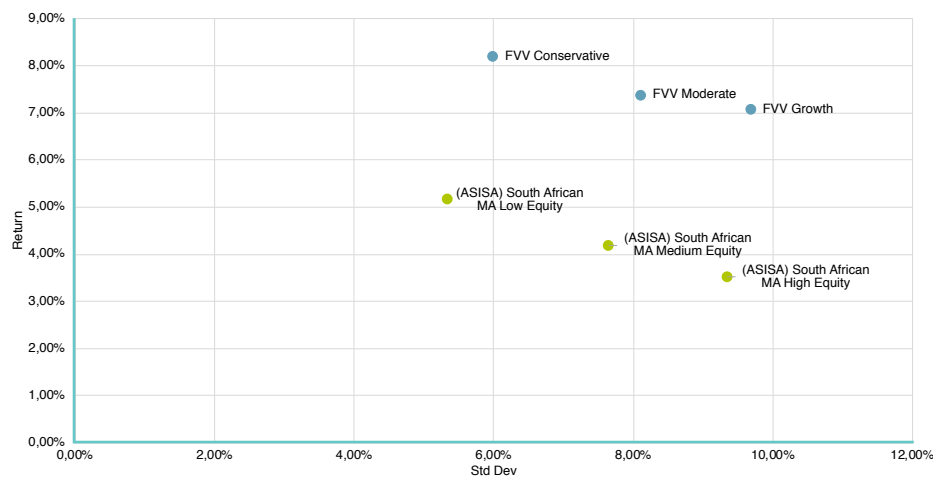


3 YEAR RISK-RETURN



It is clear that our clients in the models **achieved outstanding results** at exactly the same risk as our peers.

5 YEAR RISK-RETURN



In keeping with our philosophy we have decided to implement 2 new models with higher international exposure to provide increased capital protection. The higher international allocation will provide protection against the predicted weak SA economic conditions over the next few years.

These models are available since 1 July and we will be in contact with you. Should you require any further information feel free to contact Rian or Clint.

