GTC Management Company

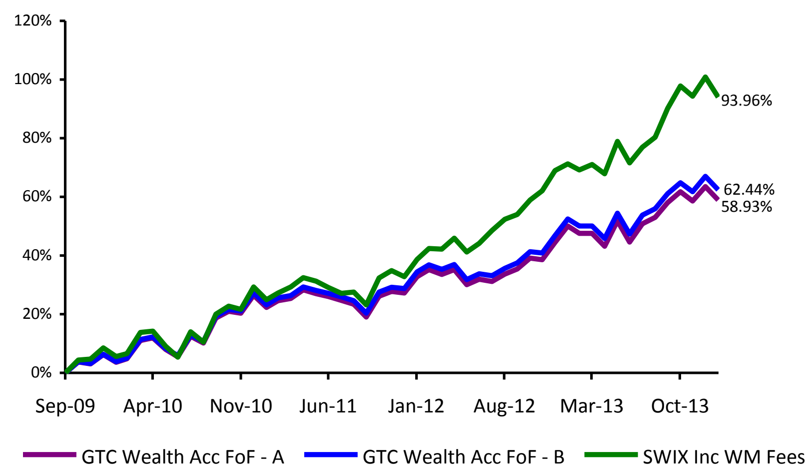
Wealth Accumulator Fund of Funds

January 2014

Investment mandate and objective
The equity based portfolio incorporates deep value and core equity investment managers within a multi-manager solution that aims to outperform the FTSE/JSE Shareholders Weighted Index (SWIX) over a three year period. The value bias implies the use of qualitative and quantitative techniques to identify and invest into good quality companies trading at discounted prices. This combination of investment managers integrates risk management strategies to provide consistent returns with reduced volatility during all market conditions.

Investment features: Value equity strategy
Down-weighted resource sector exposure (SWIX benchmark)
Manager allocations based on risk adjusted investment strategy

Since inception cumulative performance history (%)



Performance history (%)

	1 Year*	2 Year*	3Year*	Since Inception
Wealth Accumulator FoF Class A [1]	5.93	9.38	9.12	11.28
Wealth Accumulator FoF Class B [1]	6.56	9.94	9.67	11.85
Benchmark – FTSE/JSE SWIX [1]	13.26	18.28	15.81	18.26

[1] The stated performance is after fees have been deducted
*Annualised

Risk profile of the fund

High risk

Fund facts

Multi manager:	GTC
Investment manager:	Coronation & Prudential
Inception date:	1 October 2009
Classification:	South African General Equity Fund
Fund size:	**R 121 499 112**
Benchmark:	FTSE/JSE Shareholder Weighted Index
Trustee:	ABSA Bank
Auditors:	KPMG Inc
Administrators:	Global Independent Administrators
Management company:	GTC Management Company
Income declarations:	28 February & 31 August
Income distribution:	First day of following month
Minimum initial investment:	R20 000
Initial fees:	0-5% excl VAT
NAV & dealing prices:	Class A R 1.6180 / Class B R 1.6524
Valuation:	Priced a day in arrears

Fees

	Class A	Class B
Annual management fee	1.14%	1.14%
General expenses	1.14%	0.53%

Performance fees
Performance fees are absolute return based, which implies that performance fees are only accrued on positive performances above an adjusted cash benchmark.
Equity performance fees
Absolute based performance fee – 20 % of outperformance of Alexander Forbes MM +3% (Capped at 2%).
Performance fees of 1.74% (Class A) and 1.71% (Class B) were levied on the fund due to outperformance of the benchmark.

Total expense ratio (TER)
A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio. Included in the TER is the proportion of costs that are incurred by the performance component, fee at target, trading costs (including brokerage, VAT, STT, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The total TER* was therefore 4.02% (Class A) and 3.38% (Class B).

TERs shown include VAT
*as at September 2013

Fund performance history (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cumulative
Class B 2014	-2.72												**-2.72**
Class B 2013	3.82	-1.58	0.01	-2.82	5.94	-4.61	4.34	1.46	3.28	2.33	-1.87	3.21	**13.73**
Class B 2012	4.39	1.82	-1.14	1.21	-3.71	1.49	-0.49	1.88	1.35	2.77	-0.33	4.26	**14.05**
Class B 2011	-3.23	1.92	0.63	2.37	-0.97	-0.74	-0.98	-0.99	-3.44	6.00	1.32	-0.36	**1.17**
Class B 2010 [1]	-2.37	1.20	5.95	0.81	-3.48	-2.25	6.67	-1.97	7.75	1.95	-0.49	5.13	**19.66**
Class B 2009 [1]										3.79	-0.62	3.11	**6.35**

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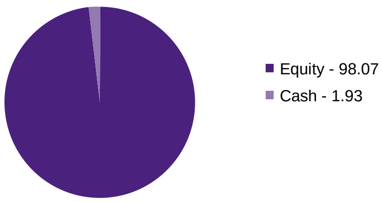
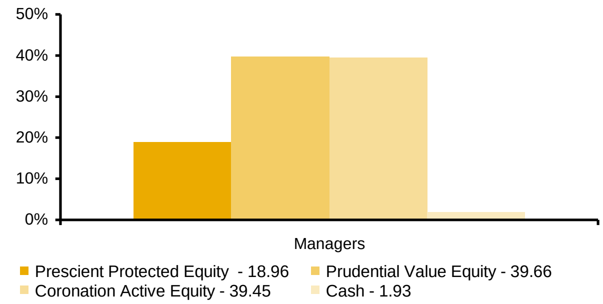
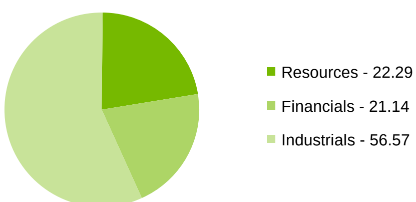
Asset class exposure (%)



Investment manager weighting (%)



Equity industry breakdown (%)



Top 10 equity holdings (%)

	% of Equity
NASPERS-N-	8.17
MTN GROUP	7.26
ANGLO	5.94
BRITISH AMERICAN TOBACCO	5.38
SASOL	4.91
STANDARD BANK GP	4.11
MONDI PLC	2.97
SABMILLER PLC	2.86
BHPBILL	2.11
OLDMUTUAL	1.72
Total	**45.43**

Fund statistics (%)

Tracking Error	2.16
Portfolio Volatility (equity portion only)	13.90

Portfolio Comment

Over the quarter, the Re:CM portfolio was closed and transitioned into the Prescient Protected Equity portfolio. This decision was strategy based as Re:CM operated on a fundamental process while Prescient has a quantitative process.

Over the past 12 months, the Re:CM overweight exposure to resources has contributed to lower performances on the back of a value investment strategy. Although we agree with Re:CM that the resource sector is undervalued, we also believe that macro economic conditions resulted in a protracted growth phase, which ignored the resource sector.

The Prescient portfolio is designed to track the Top40 shares of the ALSI index through call options, which enables the fund to limit the downside and maximise returns on the upside. This portfolio will have a 20% allocation, while the Coronation and Prudential portfolios will have 40% each.

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