

# Wealth Accumulator Fund of Funds

28 February 2015

## 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

## Risk Profile of the Fund

High Risk

## Fund facts

Multi manager:	GTC
Investment manager:	Coronation, Prudential and Prescient
Inception date:	1 October 2009
Classification:	South African General Equity
Fund size:	<b>R 148 731 927</b>
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      Class B R 1.723      R 1.763
Valuation:	Priced a day in arrears

<b>Fees</b>	Class A	Class B
Annual management fee	1.14%	1.14%
General expenses	1.27%	0.63%

## Performance fees

Performance fees are absolute return based, which implies that performance fees are only accrued on positive performances above an adjusted cash benchmark.

## Fund Base Fee

Base fees were 2.31% (Class A) and 1.79% (Class B)

## Equity performance fees

Absolute based performance fee – 20% of outperformance of Alexander Forbes MM +3% (Capped at 2%). Performance fees of 1.95% (Class A) and 1.85% (Class B) were levied on the fund due to outperformance of the benchmark.

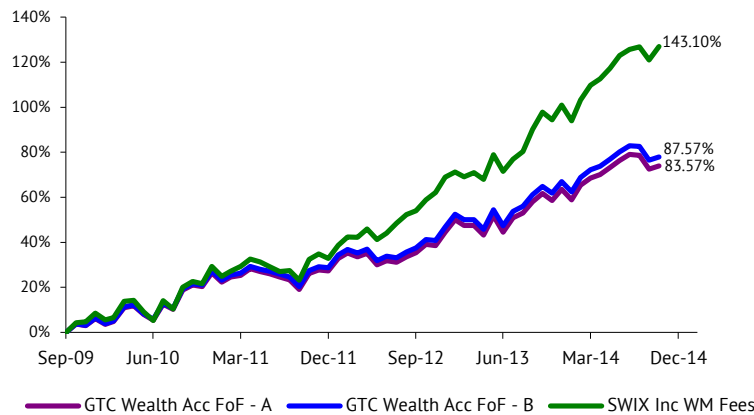
## Total expense ratio (TER)

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<sup>1</sup> was therefore 4.26% (Class A) and 3.64% (Class B).

TERs shown include VAT

<sup>1</sup>as at September 2014

## Cumulative performance since inception (%)



## Performance since inception (%)

	1 Year*	2 Year*	3Year*	Since Inception
Wealth Accumulator FoF Class A <sup>1</sup>	11.01	11.54	10.73	11.87
Wealth Accumulator FoF Class B <sup>1</sup>	11.08	11.81	11.09	12.31
Benchmark – FTSE/JSE SWIX <sup>1</sup>	19.62	19.89	19.53	17.82

<sup>1</sup> The stated performance is after fees have been deducted

\*Annualised

## Fund performance history (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cumulative
Class B 2015 <sup>1</sup>	2.26	3.10											5.42
Class B 2014 <sup>1</sup>	-2.72	3.94	1.97	0.95	1.81	1.81	1.56	-0.18	-3.35	0.80	0.12	-0.12	6.55
Class B 2013 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	-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 <sup>1</sup>	-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

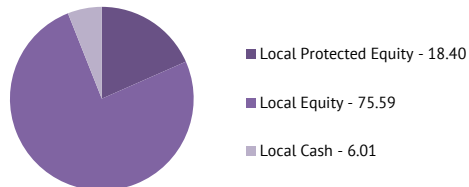
<sup>1</sup> The stated performance is after fees have been deducted

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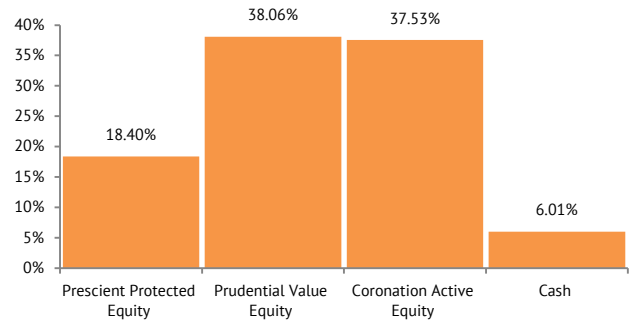
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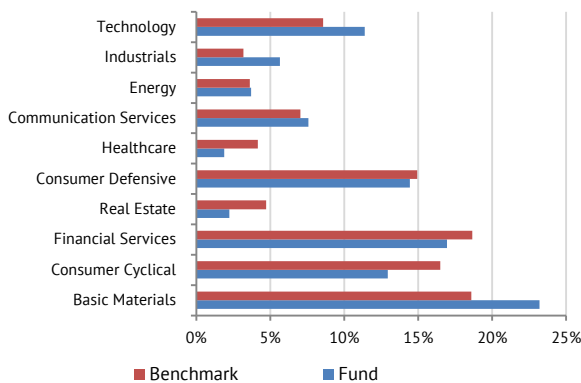
## Asset class exposure – physical (%)



## Investment manager weighting (%)



## Equity Industry breakdown (%)



## Top 10 equity holdings (%)

	% of Equity
NASPERS LIMITED	9.30
BRITISH AMERICAN TOBACCO PLC	6.20
MTN GROUP LTD	6.03
STANDARD BANK GROUP LIMITED	4.46
ANGLO AMERICAN PLC	4.31
MONDI PLC	3.29
SASOL LTD	3.20
COMPAGNIE FINANCIERE RICHMONT SA	2.57
FIRSTRAND LTD	2.37
Old Mutual	2.19
<b>TOTAL</b>	<b>43.93</b>

## Fund statistics (%):

Tracking Error	3.40
Portfolio Volatility	9.67

## Portfolio Commentary

Global markets reflected significant volatility over Q4 2014 on the back of a rapidly declining oil price coupled with US Dollar strength and a blowout of the Russian rouble. The global fall in oil prices continues to exert substantial downward pressure on global inflation with the price down more than 50% from June's peak of just above \$115 per barrel. The US maintained its strong growth with economic data indicating that the U.S. recovery has outpaced the rest of the developed world as third quarter real GDP was revised 1.1% higher to an annualised growth rate of 5.0%. In the Eurozone the hoped for economic stimulus measures from the European Central Bank failed to materialise with the Euro having declined some 12% versus the U.S. dollar in 2014.

Locally the JSE ALSI SWIX returned 1.36% over the quarter despite a 19.81% sell off in the Resources sector with the bond market as measured by the ALBI posting 4.85%. Property proved resilient, returning 11.08% over the quarter making it the best performing asset class over the year (26.64%).