



# OPULENCE BALANCED PORTFOLIO

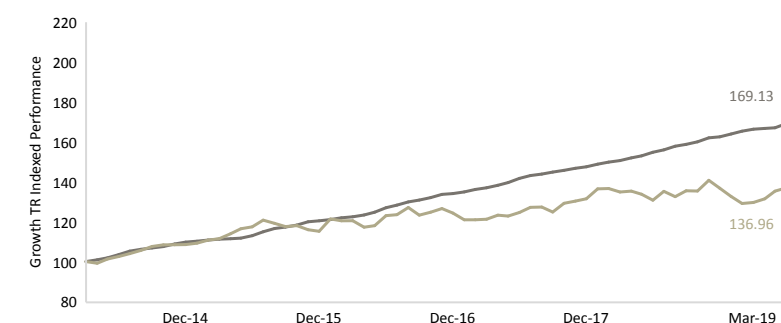
WRAP PORTFOLIO INFORMATION DOCUMENT

31 MARCH 2019

## INVESTMENT OBJECTIVE

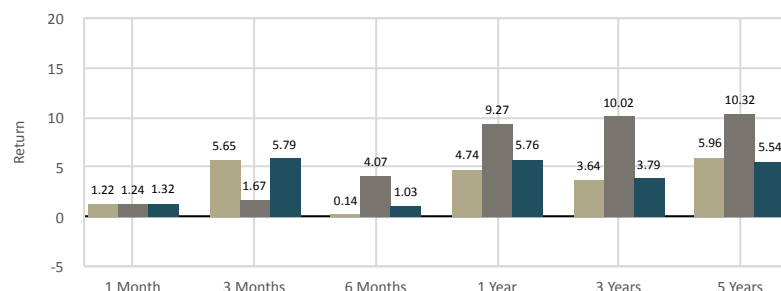
The Opulence Balanced Model Portfolio's strategy is to provide investors with a well-diversified multi-managed prudential portfolio that aims to produce high long-term total return through diversification of asset managers and investment styles. The portfolio's equity exposure is limited to a maximum of 75% of the portfolio's net asset value. This fund complies to Regulation 28

## PERFORMANCE (Net of Fees)



Opulence Balanced  
CPI + 5%

## TRAILING RETURNS



Opulence Balanced  
CPI + 5%  
SA - MA - High Equity

Performance numbers before fund start date are back tested.

## HIGHEST AND LOWEST MONTHLY RETURNS PER CALENDAR YEAR

Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High	3.97	3.78	4.25	5.37	2.13	6.68	3.37	6.07	-	-
Low	-3.02	-1.96	-3.01	-1.75	-0.84	-3.38	-1.18	-1.14	-	-

## PORTFOLIO HOLDINGS

Asset Allocation	Top Holdings
SA Equity 42.82	Investec Managed H 11.79
Offshore Equity 18.73	Foord Balanced B2 11.26
SA Bond 17.14	Prudential Balanced B 11.23
SA Cash 7.19	Satrix Balanced Index B2 11.22
SA Property 5.14	Coronation Balanced Plus P 11.16
Offshore Bond 2.48	Allan Gray Balanced C 11.15
Offshore Property 1.69	Nedgroup Inv Core Diversified B 11.04
Offshore Cash 1.54	BCI Best Blend Balanced C 10.71
SA Other 1.52	PSG Balanced E 10.45
Offshore Unit Trust 1.27	
Offshore Other 0.36	
SA Unit Trust 0.12	

## FUND INFORMATION

Portfolio Manager: Opulence Asset Management  
Launch date: 01 May 2015  
Benchmark: CPI + 5%  
Category: SA Multi-Asset High Equity  
Regulation 28: This portfolio is managed in accordance with Regulation 28.

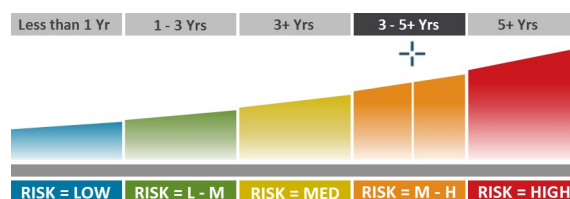
Portfolio management fee: 0.50% (Excl. VAT)

The TER's of the underlying funds may differ from platform to platform and can be obtained from the particular LISP's quote.

## PLATFORM AVAILABILITY

Glacier  
Momentum Wealth

## RISK PROFILE



### Low | Low - Medium

- This portfolio has low or no equity exposure, resulting in far less volatility than more aggressive mandated portfolios and in turn the probability of a long-term capital loss is much less likely. However, expected potential long term investment returns could be lower over the medium to long term.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for short to medium term investment horizons.

### Medium | Medium - High

- This portfolio holds more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a low risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be lower than a high-risk portfolio due to lower equity exposure, but higher than a low risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.

### High

- This portfolio holds more equity exposure than any other risk profiled portfolio and therefore tend to carry higher volatility due to high exposure to equity markets.
- Expected potential long term returns could be higher than other risk profiles and in turn the risk of potential capital losses is higher.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- Therefore, it is suitable for long term investment horizons.

## Opulence Balanced

Risk - 1 Year

Time Period: 01/4/2018 to 31/03/2019

Annualised Return	4.74
Max Draw Down	-8.26
Information Ratio	-0.51
Sharpe Ratio	-0.21
Best Month	05-2013
Worst Month	06-2013
Max Draw Down Recovery	0



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## MARKET COMMENTARY

Despite the continued resilient returns from the US equity market, from a news headline perspective, US equities were outshined by events within the US bond market. This was largely driven the Fed which lowered its projections for US growth and inflation, and consequently reduced its expectations for future interest rates hikes. The growth concerns embedded within this FED communication led to a 'flight to safety' in long-term U.S. Treasury's thus pushing them lower than short-term yields - a signal historically associated with a pre-recessionary environment). Because we are late in the cycle, where fears of an economic recession are unusually heightened, this bond market development in March remains the center of most global investment strategy research pieces in the current market environment. Emerging equity markets posted a return 0.86%, uplifted mainly by the Asia Pacific. Within East Asia, Chinese equities led the herd with the MSCI China A Onshore and Shanghai SE A Share posting gains of 6.13% and 4.57% respectively. This was largely due to the combination of very attractive starting valuations as well as a supportive policy stance. Chinese authorities have taken measures to stimulate domestic demand with several packages like tax cuts, fast tracking of infrastructure investment projects and adoption of more accommodative monetary policy. Across the divide, South Asia that is, the stand-out performer was the Indian equity generating 10.70%. This was largely the outcome of investors taking a more positive view with regards to the chances of Modi winning the upcoming elections. A Modi victory is expected to support deeper economic reforms, monetary policy easing and overall a stronger economic growth underpin to the India equity market. Within commodities, a rally in the price of crude oil was beneficial for net exporter countries such as Russia and Colombia. Outside of recovering oil prices, this global asset class has thus far continued to reap the rewards of the renewed risk-on sentiment coupled with the China reflation story. This has filtered through to the domestic equity market where the biggest driver of performance has been the Resources sector which gained 4.61% in March. The Industrials 25 also registered a positive of 3.49%, largely to the rand weakening by 2.89% against the dollar. Financials which a typical a geared play on the underlying macro-economic-dynamics were the laggards for the second month running – down 5.0%.

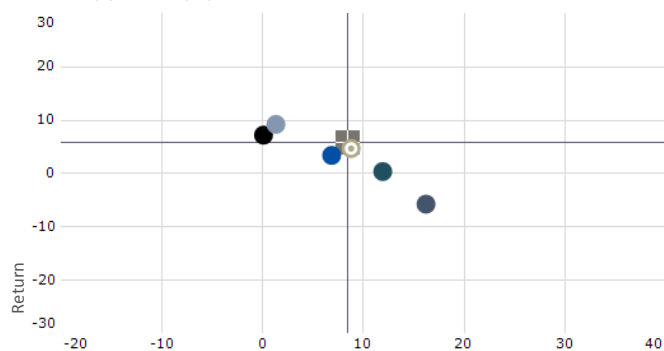
## MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
<b>2019</b>	1.40	2.93	1.22	-	-	-	-	-	-	-	-	-	-
<b>2018</b>	0.33	-1.15	-2.24	3.40	-1.98	2.23	-0.09	3.97	-2.82	-3.02	-2.65	0.41	-3.88
<b>2017</b>	1.69	-0.37	1.46	2.07	0.11	-1.96	3.50	0.85	0.90	3.78	0.12	-1.28	11.26
<b>2016</b>	-2.69	0.66	4.25	0.40	2.90	-3.01	1.20	1.47	-1.79	-2.70	0.01	0.22	0.61
<b>2015</b>	2.21	2.18	0.82	2.86	-1.32	-1.37	0.41	-1.75	-0.68	5.37	-0.76	0.03	8.06
<b>2014</b>	-0.84	2.13	1.26	1.41	1.57	1.84	0.76	0.04	0.08	0.65	1.38	0.68	11.49

## RISK REWARD - 1 YEAR

Peer group average: SA - MA - High Equity

Time Period: 01/4/2018 to 31/03/2019



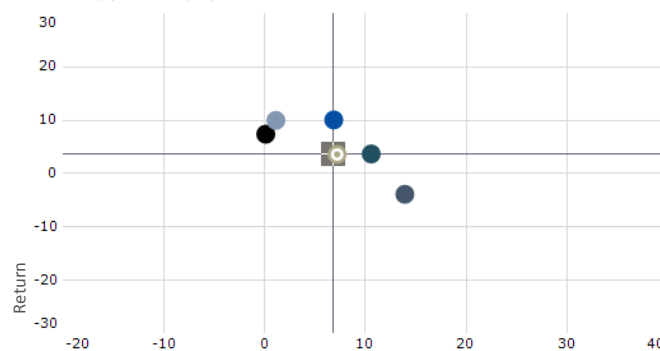
Standard Deviation

- Opulence Balanced
- STeFI Composite ZAR
- FTSE/JSE All Share SWIX TR ZAR
- SA - MA - High Equity
- Beassa ALBI TR ZAR
- FTSE/JSE SA Listed Property TR ZAR
- CPI + 5%

## RISK REWARD - 3 YEAR

Peer group average: SA - MA - High Equity

Time Period: 01/4/2016 to 31/03/2019



Standard Deviation

- Opulence Balanced
- STeFI Composite ZAR
- FTSE/JSE All Share SWIX TR ZAR
- SA - MA - High Equity
- Beassa ALBI TR ZAR
- FTSE/JSE SA Listed Property TR ZAR
- CPI + 5%

## DISCLAIMER

Managed by: Opulence Asset Management. Authorised Financial Service Provider, FSP Number 48738.

The fund allocation (above) indicates the holdings of the model portfolio, also referred to as wrap portfolios. The portfolio holdings are quantitatively and qualitatively assessed on a quarterly basis by the independent investment committee. Where any of the above funds are not available on any particular Linked Investment Service Provider (LISP) platform, an appropriately comparable replacement fund is selected by the investment committee. Due to the possible fund composition variations resulting from such comparable replacements, the actual overall asset allocation, fees and returns may differ across platforms. Periodic portfolio rebalancing is initiated by the investment committee to realign strategic allocations whilst taking specific account of the intended risk and return profiles of the portfolios as well as capital gains tax and cost effects. Past performance is not indicative of future performance and for the historical return purposes above it was assumed that before the launch date of the portfolio, the portfolio's holdings and asset allocation remained static during the entire back tested period. The capital or the return of a portfolio is not guaranteed. A wrap fund is a portfolio consisting of a number of underlying investments wrapped into a single product. Wrap funds are not legal CIS funds of funds as the wrap fund itself is not a collective investment portfolio, but is simply a collection of separate collective investment portfolios and money market accounts. With a wrap fund the investor has direct ownership of the underlying investments. Wrap funds are not regulated by the Collective Investment Schemes Control Act and do not have a separate legal status. They are regulated by the same legislation that applies to Linked Investment Services Providers (LISPs), namely the Stock Exchanges Control Act and the Financial Markets Control Act. Investors should take note that any changes made within a wrap fund can trigger capital gains tax.

The portfolio's performance numbers are based on a master portfolio tracked in the Morningstar Direct system. These performance numbers are net of all underlying managers TER's, but gross of the portfolio management, LISP and advice fees.

## FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that your financial advisor has to disclose any conflict of interest as well as all fees received relating to your investment in writing to you.

