



# OPULENCE BALANCED PORTFOLIO

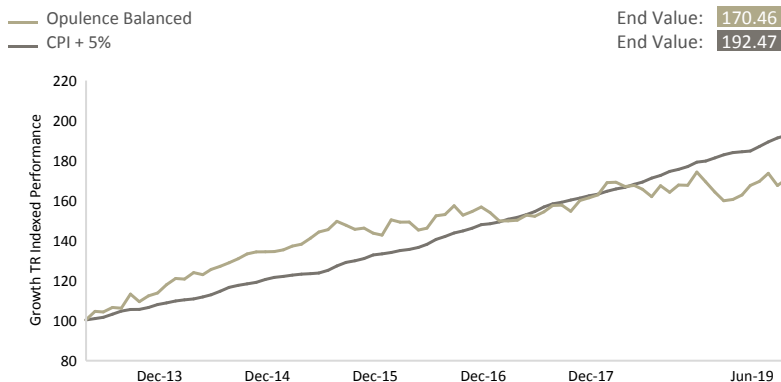
WRAP PORTFOLIO INFORMATION DOCUMENT

30 JUNE 2019

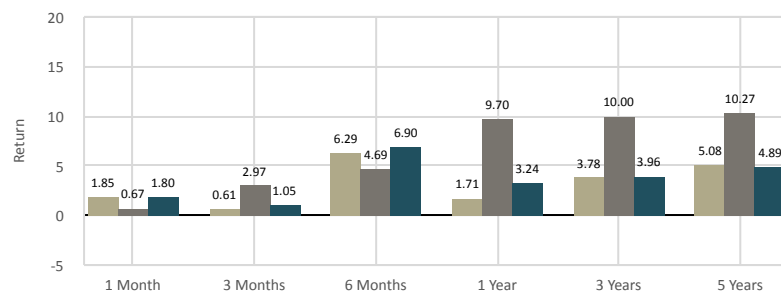
## INVESTMENT OBJECTIVE

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)



## 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	3.96	3.78	4.25	5.38	2.13	6.68	3.36	6.06	-	-
Low	-3.02	-1.96	-3.00	-1.75	-0.84	-3.38	-1.18	-1.14	-	-

## PORTFOLIO HOLDINGS

Asset Allocation	Top Holdings
SA Equity 42.84	Investec Managed H 11.85
Offshore Equity 18.74	Satrix Balanced Index B2 11.62
SA Bond 15.53	Prudential Balanced B 11.30
SA Cash 7.63	Foord Balanced B2 11.23
SA Property 5.22	Nedgroup Inv Core Diversified B 11.21
Offshore Bond 2.91	Coronation Balanced Plus P 11.03
Offshore Property 1.85	BCI Best Blend Balanced C 10.82
Offshore Cash 1.55	Allan Gray Balanced C 10.80
SA Other 1.49	PSG Balanced E 10.14
Offshore Unit Trust 1.41	
SA Unit Trust 0.51	
Offshore Other 0.34	

## FUND INFORMATION

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

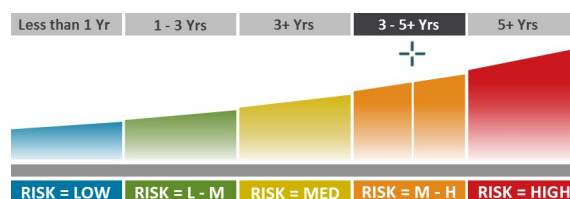
Portfolio management fee: 0.50% (Excl. VAT)

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: 01/7/2018 to 30/06/2019

Annualised Return	1.71
Max Draw Down	-8.26
Information Ratio	-0.89
Sharpe Ratio	-0.54
Best Month	05-2013
Worst Month	05-2019
Max Draw Down Recovery	0



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## MARKET COMMENTARY

\*South African index returns are quoted in rands, while all other return figures are quoted in USD terms\*

June was a good month for risk assets and bonds alike as the change to a more dovish stance by global central banks (especially the Fed and the ECB) took effect amidst a slower pace of global growth. Despite earnings growth being lower, the MSCI World Index returned 6.63%. The uncertainty around the outcome of the Sino-US trade war negotiations prior to the G20 meeting was a key driver of the gold price, which rose above \$1,400 providing investors with an almost 7% return on the metal, while Brent Crude Oil rose 3.2% in dollars. U.S stocks made all time highs in the month, with the tech rich NASDAQ100 up 7.70%, the DJ Industrial up 7.21% and the S&P 100 up 7.05%. All in US dollar terms. Other developed markets followed the U.S market, rebounding to post stellar performances for the month. In Europe the Euro Stoxx 50 rose by 7.34%, the Paris CAC 40 was up 9.17% and the German Dax up 5.75%. Japan's Nikkei 225 also posted a strong positive return of 4.32%. All measured in dollars. Emerging market equities also posted strong returns in June, as expectations around a trade war truce rose. The Chinese government has actively taken steps to reflate the economy using multi-policy stimulus packages. The rebound in the credit impulse (a technical measure of credit extension change) is a sign of the reflation efforts starting to gain momentum. In dollar terms, the MSCI EM Index returned 6.32%, while the MSCI AC Asia Pacific ex-Japan Index also returned 6.32%. The laggard amongst emerging markets was India which had a stellar month in May, but registered a marginal decline in June of -0.27%. With the rand strengthening against the dollar by 3.3%, local markets delivered superior returns in rand terms against most offshore markets. South Africa's Equities benefited from the global risk-on sentiment, and in rand terms, the JSE ALSI returned 4.8% led by resources which were up 10.28% followed by industrials with the broader Industrials 25 Index rising 4.44% and the Financials 15 returning 1.38%. Large caps were the clear winners for the month with a return of 5.4%, while mid caps returned 2.5% and small caps were with a return of (-0.16%). Within the local fixed income space, the All Bond Index was up 2.3% while the SAPY Property index was up 2.2%.

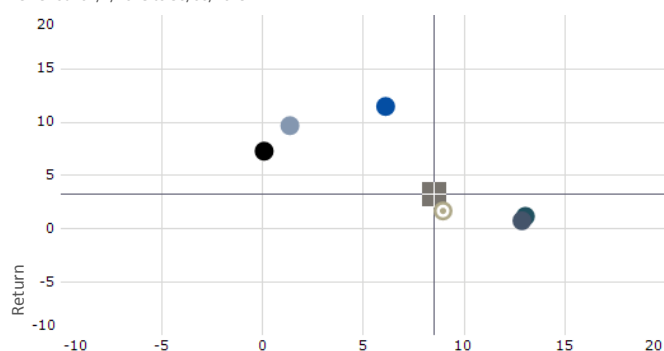
## MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD/YEAR
<b>2019</b>	1.40	2.93	1.23	2.39	-3.53	1.85	-	-	-	-	-	-	6.29
<b>2018</b>	0.33	-1.15	-2.23	3.39	-1.98	2.22	-0.09	3.96	-2.82	-3.02	-2.65	0.41	-3.88
<b>2017</b>	1.69	-0.36	1.46	2.07	0.12	-1.96	3.50	0.85	0.90	3.78	0.12	-1.28	11.26
<b>2016</b>	-2.70	0.66	4.25	0.40	2.90	-3.00	1.19	1.47	-1.80	-2.70	0.01	0.22	0.61
<b>2015</b>	2.21	2.18	0.82	2.87	-1.32	-1.38	0.42	-1.75	-0.68	5.38	-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	0.69	11.50

## RISK REWARD - 1 YEAR

Peer group average: SA - MA - High Equity

Time Period: 01/7/2018 to 30/06/2019



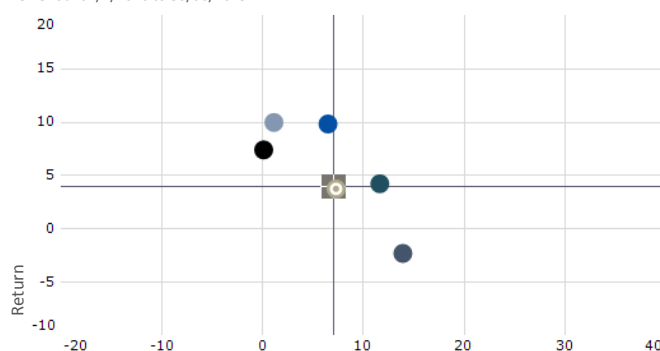
Standard Deviation

- 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: 01/7/2016 to 30/06/2019



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.

