



# OPULENCE CAUTIOUS PORTFOLIO

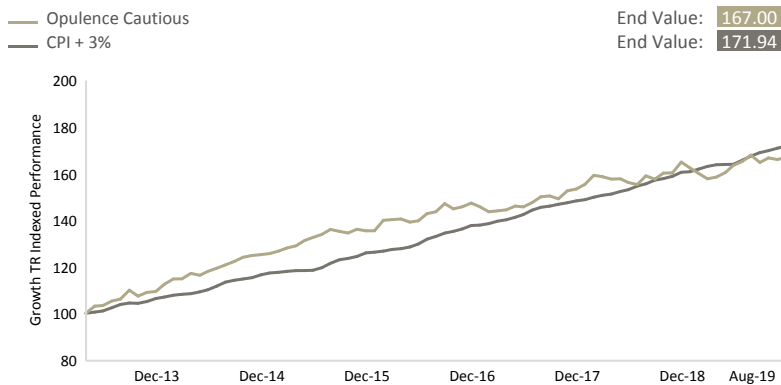
WRAP PORTFOLIO INFORMATION DOCUMENT

31 AUGUST 2019

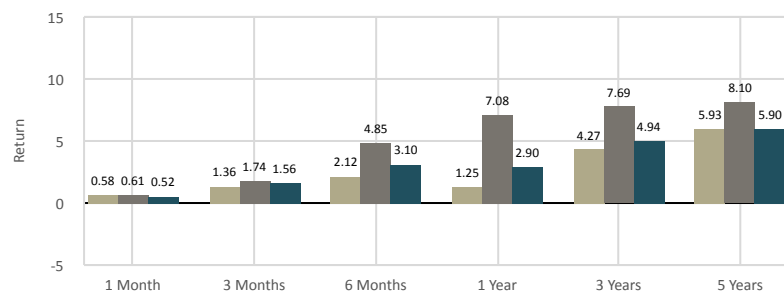
## INVESTMENT OBJECTIVE

The Opulence Cautious Model Portfolio is a specialist multi managed prudential portfolio that seeks to provide investors with income and stable capital growth. The portfolio will be managed in compliance with prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act.

## PERFORMANCE (Net of Fees)



## TRAILING RETURNS



Opulence Cautious  
CPI + 3%  
SA - MA - Low 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	2.90	2.49	2.44	3.32	1.46	3.62	2.64	3.26	-	-
Low	-1.52	-0.81	-1.52	-0.62	-0.69	-2.32	0.05	-0.27	-	-

## PORTFOLIO HOLDINGS

Asset Allocation	Top Holdings
SA Bond 34.93	Nedgroup Inv Stable A2 13.03
SA Equity 22.89	Coronation Balanced Defensive P 12.93
SA Cash 14.94	Sanlam Select Defensive Balanced B3 12.82
Offshore Equity 12.83	Nedgroup Inv Core Guarded B 12.66
SA Property 5.86	Allan Gray Stable C 12.61
Offshore Bond 3.99	BCI Best Blend Cautious C 12.25
Offshore Property 1.53	Prudential Inflation Plus B 12.08
Offshore Cash 1.14	PSG Stable E 11.62
SA Other 1.02	
Offshore Other 0.54	
Offshore Unit Trust 0.32	
SA Unit Trust 0.01	

## FUND INFORMATION

Portfolio Manager: Opulence Asset Management  
Launch date: 01 May 2015  
Benchmark: CPI + 3%  
Regulation 28: This portfolio is managed in accordance with Regulation 28.

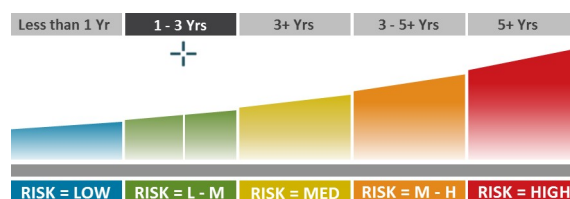
Portfolio management fee: 0.50% (Excl. VAT)

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 Cautious

Risk - 1 Year

Time Period: 01/9/2018 to 31/08/2019

Annualised Return	1.25
Max Draw Down	-4.36
Information Ratio	-1.14
Sharpe Ratio	-1.16
Best Month	05-2013
Worst Month	06-2013
Max Draw Down Recovery	4



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## MARKET COMMENTARY

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

One can take the view that the US president is not an "August" character, meaning he is not well-regarded, especially after his surprise tweet on the first day of the month announcing an intention to impose tariffs on USD 300bn of Chinese imports that were not yet subject to tariffs. This triggered a retaliation from China with its own additional tariffs on US imports, thus breaking the ceasefire agreed at the G20 summit in May. The resulting sell-off in global financial markets was also compounded with various event-driven geopolitical risks globally, that were especially pronounced across Emerging Markets currencies which bore the brunt of the negative sentiment. In dollars, the MSCI World Index fell by 2%, while the MSCI EM Index fell by 4.9%. In USD terms, both Brazil and South Africa's main boards were down 9%, followed by Hong Kong's decline of 7.6%. The geopolitical risks in Hong Kong as a result of the protests saw it decline by more than China's onshore exchanges, which also fell 5% in dollar terms. India and Russia's exchanges fell by 4% and 5% respectively. Australia and South Korea being key trade partners to China also declined 4.5% and 5% respectively. Across the EU and UK, political risks remained at the forefront with Italy's key political parties forming a last-minute coalition to avert snap elections, while Brexit uncertainties continued to weigh on the UK economy as the Q2 GDP shrunk by 0.2%, with the FTSE UK falling by 4.5%. European markets were down as well in USD terms as weak economic data out of Germany and a muted Eurozone GDP print saw the DAX fall by 3.1%, while the Paris CAC40 declined 1.7%. Monetary policies across major markets globally continue to remain accommodative with expectations in the US of a further interest rate cut before the year end, while Europe is expected to unveil new stimulus measures and lower interest rates further. In South Africa, there has been further losses in confidence of the government's ability to turnaround the struggling economy, as policies proposed to revive growth were viewed with scepticism. The introduction of the NHI and increased funding for Eskom was also in contrast to what the private sector has sought as a pro-growth policy mix. In rand terms, the All Share Index fell 2.4% with the Top 40 Index declining by 2.7%, and small-cap stocks (acting as the gauge for SA's economic health) falling by 5.8%. Mid-caps remained flat being held up somewhat by strong performances across the PGM stocks. Financials declined by 4% with Listed Property (SAPY) falling 3.5%. Resources declined by 1% overall and the Top 25 Industrials index fell 2.8%. Despite SA's economic malaise, bond yields compressed somewhat with the All Bond Index rising 1%, which was ahead of the STeFI return of 0.6% for the month. The rand weakened by 5.9% against the dollar.

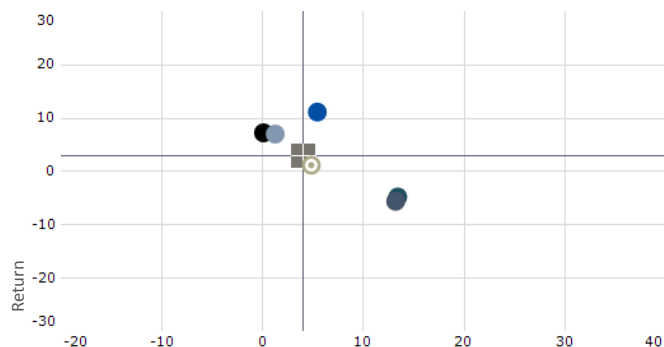
## MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD/YEAR
<b>2019</b>	1.22	1.94	1.01	1.66	-1.89	1.19	-0.41	0.58		-	-	-	5.37
<b>2018</b>	0.09	-1.02	-0.58	2.42	-0.90	1.66	0.05	2.90	-1.52	-1.48	-1.42	0.47	0.56
<b>2017</b>	1.13	-0.23	1.28	1.68	0.24	-0.81	2.31	0.49	1.32	2.49	-0.36	-0.66	9.15
<b>2016</b>	-0.95	0.40	2.22	0.54	2.44	-1.52	0.61	1.09	-1.06	-1.48	0.27	0.29	2.79
<b>2015</b>	1.81	0.96	0.99	1.59	-0.62	-0.50	1.18	-0.48	0.01	3.32	0.21	0.19	8.93
<b>2014</b>	-0.69	1.44	1.14	1.19	1.24	1.46	0.60	0.32	0.34	0.84	1.07	0.73	10.11

## RISK REWARD - 1 YEAR

Peer group average: SA - MA - Low Equity

Time Period: 01/9/2018 to 31/08/2019



Standard Deviation

Opulence Cautious

STeFI Composite ZAR

FTSE/JSE All Share SWIX TR ZAR

SA - MA - Low Equity

Beassa ALBI TR ZAR

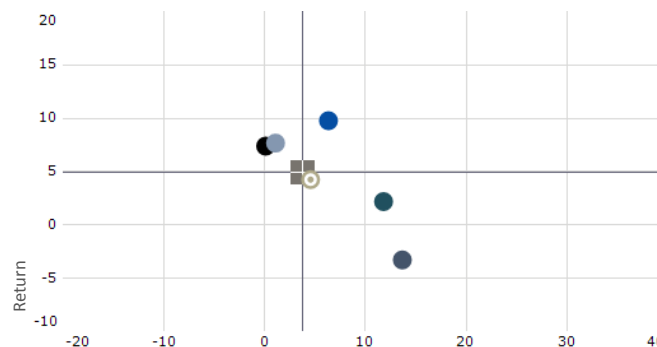
FTSE/JSE SA Listed Property TR ZAR

CPI + 3%

## RISK REWARD - 3 YEAR

Peer group average: SA - MA - Low Equity

Time Period: 01/9/2016 to 31/08/2019



Standard Deviation

Opulence Cautious

STeFI Composite ZAR

FTSE/JSE All Share SWIX TR ZAR

SA - MA - Low Equity

Beassa ALBI TR ZAR

FTSE/JSE SA Listed Property TR ZAR

CPI + 3%

## 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.

