



The Premier Guide
by Glacier Research

May 2019 - Review of Quarter 4 2018

Wealth

Introduction

I am pleased to present the Glacier Research Shopping List - your reference guide to superior collective investment schemes in South Africa.

When the Glacier research team selects funds for the Shopping List, we look for quality fund managers who have displayed the ability to produce consistent outperformance over meaningful time periods, and the ability to protect capital in adverse market conditions, relative to peers. We strive to ensure that the most objective and independent selections are made, always keeping our clients in mind. The process focuses on both quantitative and qualitative assessments, but the ultimate fund selection is tilted towards the latter. Please refer to our fund selection process for a better understanding of what we take into account when selecting a fund.

Twenty eighteen was certainly a year that investors would like to forget, with most assets globally (90%, according to Deutsche Bank) delivering negative returns. During times like these it is important to remember that investing is a long-term game and that when assets are cheap it might be a good opportunity to selectively increase exposure to these assets. It also serves as a reminder that diversification amongst different asset classes are crucial in helping to achieve long-term, sustainable investment outcomes.

The final quarter of 2018 saw a wide sell-off globally in risky assets. Being a small, integrated market, South African assets did not escape this sell-off. Locally, equity markets detracted 5% during Q4, while listed property delivered a negative 4%. Performances were dragged down by large caps, delivering -5%, supported by small caps which were down -7% over the quarter. Managers exposed to selected mid-cap stocks, however, would have benefited as these stocks were up 2.68% over the same period. Gold mining companies outperformed, delivering a staggering 38% over the quarter, followed by Industrials (-1.65%) and Financials (-2%). The worst performing sector was Consumer Goods, down 19% for the quarter. Notable shares in this sector include British American Tobacco and Compagnie Richemont, down 30% and 19% respectively over the quarter.

South African bond markets outperformed as the ALBI returned 2.7% during Q4. This included inflation-linked instruments which returned 0.2%. The best performing fixed income asset class was in the short end of the yield curve (1 - 3 years) which delivered 4.1%. Cash (STeFI) returned 1.8%, underperforming preference shares which returned 4.1%. Property (SAPY) continued to decline, giving up 4% during the last quarter.

Global markets weakened on concerns over slowing economic growth and global trade. Markets in all regions performed poorly as companies reported slower-than-expected earnings growth.

Developed market equities took strain in Q4, returning -13.7% in US dollar terms (-12.5% in rand) while emerging market equities delivered -7.9% in USD (-6.6% in rand). The Fed raised interest rates by 0.25% on the back of its strong labour market and economic growth. This was the fourth hike this year and takes the target range to 2.25% - 2.5%. The Bank of England held interest rates, as uncertainty around Brexit intensified. The ECB also kept interest rates unchanged at 0%.

We completed 200 interviews and due diligence meetings in 2018. We have obtained a significant amount of information, and the focus during 2019 will be to convert our insights to more tangible outputs. This will enable us to further assist you in meeting your clients' investment needs.

We'd like to thank you for your ongoing support and assure you of our commitment to meeting the investment needs of your clients. The team is available to answer any investment-related questions you may have, and offer assistance wherever possible. Please feel free to contact us.

Francis Marais
Head: Glacier Research

Q4 2018

The South African economy has grown 2.2%, emerging from its technical recession and beating market expectations. Growth was largely driven by manufacturing, agriculture and transport. Manufacturing was the biggest driver of growth (7.5%), supported by increased production of basic iron and steel, metal products and machinery, wood and paper, petroleum products, and motor vehicles. Business confidence continued its downward trajectory in Q4. The RMB/BER Business Confidence index fell to 31 points as political and policy issues remain, especially the uncertainty around land expropriation without compensation.

The global equities sell-off spilled over to the South African market. The All Share Index returned -4.9% during Q4. This underperformance was led by small and large cap shares. Small cap shares gave up 7.3% and the Top 40 returned -5.3% for the quarter. In contrast, mid-caps returned 2.7% adding to overall performance. Telecommunications and technology were the best performing sectors, returning 4.9% and 3.5%. The worst performing sector was Consumer Goods (-18.6%) followed by Healthcare (-8.2%).

The SARB surprised the market by hiking interest rates in November. The repo rate increased by 25 basis points to reach 6.75% on the back of rising inflation expectations. South Africa's headline inflation edged up slightly to 5.2%, above the desired midpoint level of 4.5%. The rand weakened by 1.4% during the quarter.

Locally, bond markets outperformed as the ALBI returned 2.7% during Q4. This included inflation-linked instruments which returned 0.2%. The best performing fixed income asset class was in the short end of the yield curve (1 - 3 years) which delivered 4.1%. Cash (STeFI) returned 1.8%, underperforming preference shares which returned 4.1%. Property (SAPY) continued to decline, giving up 4% during the last quarter.

Global markets weakened on concerns over slowing economic growth and global trade. Markets in all regions performed poorly as companies reported slower-than-expected earnings growth.

Developed market equities took strain in Q4 returning -13.7% in US dollar terms (-12.5% in rand) while emerging market equities delivered -7.9% in USD (-6.6% in rand). The Fed raised interest rates by 0.25% on the back of its strong labour market and economic growth. This was the fourth hike this year and takes the target range to 2.25% - 2.5%. The FOMC expects three rate hikes in 2019. The Bank of England held interest rates as uncertainty around Brexit intensified. The ECB also kept interest rates unchanged at 0%. This is in line with expectations. The market expects one or two rate hikes in 2019.

The Team



A'ishah Kriel

A'ishah holds a Bachelor of Commerce Degree from the University of the Western Cape. She also holds a BCom (Hons) degree in Finance from the University of the Western Cape. She's also a member of the Golden Key international Honour society. A'ishah joined Glacier in January 2019 as a research and investment intern.



Lesego Mogomotsi

Lesego holds a BCom degree in Investment Management as well as a Postgraduate Diploma in Financial Planning from the University of Stellenbosch. Lesego started her career at RisCura as an analyst in their data services team, before joining PPS as a performance analyst. Lesego joined the Glacier research team in January 2018.



Cindy Mathews-De Vries

Cindy holds a MSc (Cum Laude) degree in Computational Finance, a BSc (in Computer Science and Mathematics) and an Associate in Management (AIM) qualification. She has nine years' financial services industry experience of which seven were spent as an equity analyst. She started her career as a software developer at Tellumat and later as a quantitative analyst at Futuregrowth Asset Management. Cindy joined Glacier as a discretionary fund manager in January 2017.



Liesl-Mari de Jager

Liesl-Mari holds a BA (Hons) degree in Industrial Psychology (Cum Laude) and an MBA (Cum Laude). She has 22 years' financial services industry experience of which five years were spent as an equity analyst. Liesl-Mari joined Glacier in 2002 and was previously the head of Glacier Risk and Compliance, then head of the Glacier research team, before taking up the role as head of Discretionary Fund Management.



Darren Burns

Darren is a CFA charter holder and holds a degree in Investment Management (University of Stellenbosch) and a BCom (Hons) in Financial Analysis and Portfolio Management from the University of Cape Town. He has completed RE 1, 3 and 5 and has the relevant experience as a representative and key individual for both Category I and Category II licences. Darren joined Glacier from Secure Wealth, where he worked as a director, financial adviser and analyst for seven years. He joined Glacier as a discretionary fund manager in October 2016.



Luke McMahon

Luke holds a BCom (Accounting) degree and BCom (Hons) degree in Business Administration from the University of the Western Cape (UWC). He also holds a Master's degree in Business Management from the University of the Western Cape. Luke joined the Glacier research team in January 2016.



Dean de Nysschen

Dean holds a BComm degree in Investment and Financial Management from the University of Stellenbosch. He joined Glacier in April 2018, prior to which he was responsible for equity research, analysis and manager research at a Cape Town based private wealth manager. Dean has passed Level I and II of the CFA program, and is currently a Level III candidate.



Patrick Mathabeni

Patrick holds a BCom (Finance) degree and BCom (Hons) degree in Business Management (Finance stream) from the University of South Africa. He started his career at Old Mutual, and later joined State Street Global Services. He joined the Glacier research team in January 2018.



Francis Marais

Francis is a CFA charterholder and holds a BCom (Hons) degree in Financial Analysis from the University of Stellenbosch. He started his career at Sanlam Employee Benefits as a fund accountant and later as a review manager. He then spent four years as the operations and research manager at Nostic Asset Management (Category II Discretionary FSP). Francis joined the Glacier research team in March 2015 as an analyst and was promoted to senior analyst in November 2016. He took on the role of head of Glacier Research in October 2018.



Saleh Jamodien

Saleh holds a Business Science degree in Finance from the University of Cape Town (UCT) and has passed the CFA Level I exam. He started his career at Allan Gray as a Client Service Consultant and joined the Glacier Research team in February 2019 as a Graduate Junior Research and Investment Analyst.



Imraan Khan

Imraan holds a BCom (Finance and Economics) degree and BCom (Hons) degree specialising in Finance and Investment, from the University of the Western Cape. He joined Glacier in 2011 as a client service consultant from a graduate programme at Santam. Imraan joined the Glacier research team in November 2016.



Sanusha Gopaul

Sanusha holds a BCom degree specialising in Risk Management from the University of South Africa (UNISA). She has 12 years' experience in the financial services industry and joined Glacier in 2010 as a client service consultant. Sanusha joined the Glacier Discretionary Fund Management team in December 2015.



Leigh Köhler

Leigh joined Glacier in 2003 after completing his BCom undergraduate degree in Politics, Philosophy and Economics from the University of Cape Town. He later qualified with a BCom (Hons) in Economics from UNISA. Leigh completed his MBA (Cum Laude) through the University of Stellenbosch Business School (USB) in 2017. He was previously the head of the Investment Administration team at Glacier before taking up the role as head of Glacier Research in 2012. Leigh is now the Head of Investment Solutions at Glacier, a portfolio that includes Glacier Research, Glacier Consulting, Glacier Management Company and Glacier Invest.



Shawn Phillips

Shawn holds a BCom (Hons) degree in Financial Analysis and Portfolio Management from the University of Cape Town. He also holds a BSocSci degree in Philosophy, Politics and Economics from the University of Cape Town. He has passed Level I of the CFA programme. Shawn joined the Glacier research team in January 2016.

Contents

Fund selection process	6
Fund Index	7
Recommended Asset Bands	8
Annual Returns of Asset Classes, Sectors and Categories	9
Analyst Picks	
Fixed Interest	11
Asset Allocation	14
Equity	17
Foreign	18
User Guide (Glossary)	19

Fund Selection Process

AIM To identify funds that deliver consistent, long-term out-performance and display the ability to protect capital when markets are falling.

1

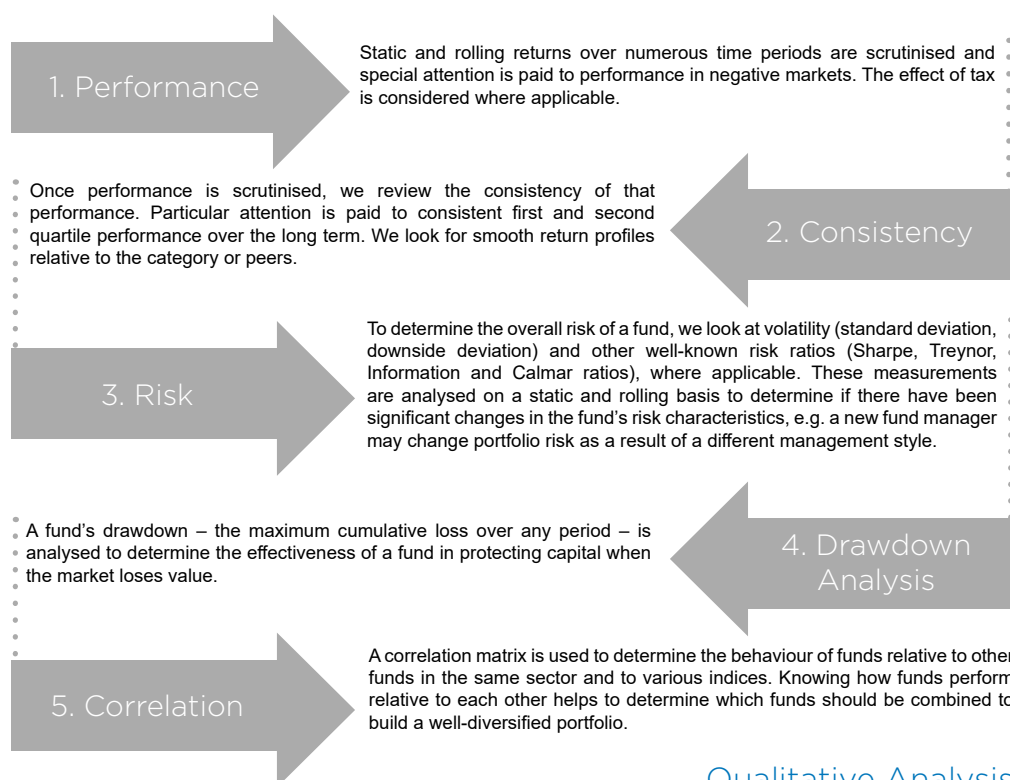
Initial screening

An initial shortlist of funds is drawn using broad screening criteria including fund size (greater than R250m), age and track record (at least three years for certain sectors), as well as the reputation and experience of the asset management house. The results of this screening are then subjected to rigorous quantitative and qualitative analysis.

2

Quantitative Analysis

Quantitative analysis looks at the performance, consistency, risk, drawdown and correlation of the funds.



3

Qualitative Analysis

Qualitative analysis looks at the asset management house, the investment team and the philosophy and process behind the management of the fund.

Asset Management House

Investment Company
Company history | Financial position | Group structure
| Management structure | Performance and risk monitoring | House-view implementation

Investment Approach

Decision-making process | Investment process | Research process

Investment Team

Education and qualifications | Length and nature of experience | Financial motivation | Alternate responsibilities | Quality and depth of team | Succession planning

4

Final Selection

The output from the research process, both quantitative and qualitative, is discussed by the Glacier Research investment committee to decide the final composition of the Shopping List. In line with the philosophy of long-term investing, the list of funds will remain fairly stable over time. Any changes will be highlighted in the fund/sector comment. The number of funds appearing per category will be proportionate to the size of the category.

Fixed Interest

Money Market	Income	Varied Specialist
Capricorn Investment Fund	Old Mutual Namibia Income	NAM Coronation Strategic Income
	Standard Bank Namibia Income	Sanlam Namibia Active
		Hangala Prescient Income Provider

Asset Allocation

Prudential Low Equity	Prudential Medium & Variable Equity	Targeted Absolute & Real Return
NAM Coronation Balanced Defensive*	Investec Namibia Managed *	NAM Coronation Capital Plus *
Allan Gray Namibia Stable Fund*	NAM Coronation Balanced Plus *	Sanlam Namibia Inflation Linked *
	Sanlam Namibia Balanced *	Prudential Namibian Inflation Plus *
	Allan Gray Namibia Balanced *	
	Prudential Namibian Balanced *	

Equity

General
Sanlam Namibia General Equity
SIM Namibia Value

Foreign

Equity
Sanlam Namibia Global

*Regulation 28 compliant

Recommended Asset Bands

Discretionary / Non-compulsory Investments

	Money Market	Bonds	Property	Equity	Foreign
Conservative	40% - 60%	15% - 35%	5% - 25%	0% - 20%	0% - 10%
Cautious	30% - 45%	15% - 35%	5% - 20%	15% - 35%	5% - 15%
Moderate	15% - 30%	15% - 30%	5% - 15%	30% - 50%	10% - 20%
Moderately aggressive	10% - 25%	10% - 25%	0% - 10%	45% - 65%	15% - 30%
Aggressive	5% - 10%	10% - 20%	0% - 10%	60% - 75%	20% - 40%

Contractual / Compulsory Investments

	Money Market	Bonds	Property	Equity	Foreign
Conservative	40% - 60%	15% - 35%	5% - 25%	0% - 20%	0% - 10%
Cautious	30% - 45%	15% - 35%	5% - 20%	15% - 35%	5% - 15%
Moderate	15% - 30%	15% - 30%	5% - 15%	30% - 50%	10% - 20%
Moderately aggressive	10% - 25%	10% - 25%	0% - 10%	45% - 65%	10% - 25%
Aggressive	5% - 20%	10% - 20%	0% - 10%	60% - 75%	10% - 25%

At Glacier, we believe that portfolio construction should follow three steps:

1. Establish the risk profile of the investor. The investor's risk profile is influenced by a number of factors that are not all subjective.
2. Decide on an appropriate asset allocation split for the investor. The investor's risk profile primarily determines the asset allocation of the portfolio. The split between asset classes significantly influences the risk of the investment.
3. The Shopping List will help you to select suitable funds within each asset class. The Recommended Asset Band tables above can be used as a guide to asset allocation splits for the five different investor risk profiles. Here follows a comprehensive description of the list of funds that have been identified by Glacier Research as being the leading funds in their respective categories.

Asset Allocation

Asset allocation serves to diversify risk through the selection of uncorrelated assets. Empirical studies show that asset allocation is the single most important decision influencing investment returns over the long term. Asset allocation should be reviewed annually. If required, portfolios must then be rebalanced to remain within asset allocation guidelines. The asset allocation within the foreign component of the portfolio should be diversified across the same asset class bands used for the local allocation.

Definition of investor risk profiles:

A **conservative investor** requires stable investment growth or a high level of income. The primary investment goal is capital protection. This investor may require access to the investment within three years.

A **cautious investor** requires stable growth in his/her investment and is uncomfortable when investment values decline. The investor may require a moderate level of income and is likely to have an investment horizon of at least three years. The primary investment goal is capital protection.

A **moderate investor** invests for the longer term (at least five years) and requires no income. The investor can tolerate fluctuations in the value of his or her investments from time to time. The primary investment goal is capital growth.

A **moderately aggressive investor** invests for the long term (at least seven years) and requires no income. Typically, this investor is prepared to accept more risk than a moderate investor, but does not want full exposure to equities. The primary investment goal is capital growth.

An **aggressive investor** invests for the long term (at least ten years) and seeks the highest possible growth. Typically, the investor is prepared to accept substantial fluctuation in the value of his or her investment. The primary investment goal is long-term capital growth.



Annual Returns of Asset Classes, Sectors and Categories

Asset Class Returns

2014	2015	2016	2017	2018
Property (26.64%)	Foreign (31.05%)	Bonds (15.42%)	Equity (20.95%)	Bonds (7.69%)
Foreign (14.63%)	Property (7.99%)	Property (10.2%)	Property (17.15%)	Cash (7.25%)
Equity (10.88%)	Cash (6.46%)	Cash (7.37%)	Foreign (12.26%)	Foreign (6.10%)
Bonds (10.15%)	Equity (5.13%)	Equity (2.63%)	Bonds (10.24%)	Equity (-8.53%)
Cash (5.9%)	Bonds (-3.93%)	Foreign (-4.34%)	Cash (7.56%)	Property (-25.26%)

Sector Returns

2014	2015	2016	2017	2018
Financials J580T (27.28%)	Top 40 J200T (7.52%)	Resources J258T (34.24%)	Top 40 J200T (23.07%)	Resources J258T (15.55%)
Small Cap J202T (20.57%)	Financials J580T (3.91%)	Mid Cap J201T (26.89%)	Financials J580T (20.61%)	Top 40 J200T (-8.31%)
Mid Cap J201T (19.62%)	Small Cap J202T (-3.92%)	Industrials J520T (21.55%)	Resources J258T (17.90%)	Financials J580T (-8.76%)
Top 40 J200T (9.17%)	Mid Cap J201T (-7.54%)	Small Cap J202T (20.9%)	Industrials J520T (14.73%)	Mid Cap J201T (-9.73%)
Industrials J520T (6.99%)	Industrials J520T (-10.07%)	Financials J580T (5.44%)	Mid Cap J201T (7.36%)	Small Cap J202T (14.59%)
Resources J258T (-14.74%)	Resources J258T (-36.99%)	Top 40 J200T (-1.6%)	Small Cap J202T (2.95%)	Industrials J520T (-15.56%)

Bond Returns

2014	2015	2016	2017	2018
12+ Years (12.91%)	1 - 3 Years (4.1%)	12+ Years (17.43%)	3 - 7 Years (11.25%)	1 - 3 Years (9.14%)
7 - 12 Years (8.3%)	3 - 7 Years (0.93%)	7 - 12 Years (15.37%)	7 - 12 Years (11.05%)	12+ Years (7.65%)
3 - 7 Years (7.9%)	7 - 12 Years (-3.19%)	3 - 7 Years (13.41%)	12+ Years (9.71%)	3 - 7 Years (7.34%)
1 - 3 Years (6.23%)	12+ Years (-7.04%)	1 - 3 Years (10.06%)	1 - 3 Years (9.64%)	7 - 12 Years (7.32%)

Category Returns

2014	2015	2016	2017	2018
Global Real Estate General (28.57%)	Global Real Estate General (32.82%)	SA - Equity - Resources (24.57%)	SA - Equity Resources (16.76%)	SA - Equity Resources (16.04%)
SA Real Estate General (25.12%)	Global Interest Bearing Short Term (30.96%)	SA - Interest Bearing Variable Term (12.79%)	SA - Equity - Financial (15.36%)	Global Interest Bearing Short Term (13.77%)
SA - Equity - Financial (22.65%)	Global Equity General (29.13%)	SA - Equity Mid & Small Cap (10.69%)	SA Real Estate General (14.10%)	Global Interest Bearing Variable Term (12.38%)
SA - Equity Industrial (16.68%)	Global Multi Asset Flexible (27.75%)	SA - Interest Bearing Short Term (8.31%)	SA - Equity - General (12.78%)	SA - Interest Bearing Short Term (8.30%)
Global Equity General (11.96%)	Global Interest Bearing Variable Term (24.64%)	SA Multi Asset - Income (7.91%)	SA - Equity Industrial (11.80%)	SA Multi Asset - Income (7.50%)
Worldwide - Multi Asset Flexible (11.17%)	Worldwide - Multi Asset Flexible (18.54%)	SA - Interest Bearing MoneyMarket (7.55%)	SA - Multi Asset - High Equity (9.97%)	SA - Interest Bearing MoneyMarket (7.43%)
SA - Equity - General (10.31%)	SA - Equity Industrial (12.88%)	SA Inflation (6.76%)	Global Equity General (9.74%)	Global Real Estate General (6.50%)
Global Multi Asset Flexible (9.94%)	SA Real Estate General (10.82%)	SA Real Estate General (5.78%)	SA - Multi Asset Medium Equity (9.28%)	SA - Interest Bearing Variable Term (6.15%)
SA - Multi Asset - Flexible (9.7%)	SA - Multi Asset High Equity (7.66%)	SA - Multi Asset Low Equity (3.59%)	SA - Interest Bearing Variable Term (8.86%)	SA Inflation (4.68%)
SA - Multi Asset High Equity (9.5%)	SA - Multi Asset Low Equity (7.6%)	SA - Equity - Financial (3.41%)	SA - Multi Asset Flexible (8.69%)	Global Multi-Asset Flexible (3.93%)
SA - Equity Mid & Small Cap (9.22%)	SA - Multi Asset Medium Equity (7.4%)	SA - Equity - General (3.12%)	SA - Interest Bearing Short Term (8.67%)	SA - Multi Asset Low Equity (1.24%)
SA - Multi Asset Medium Equity (9.14%)	SA - Interest Bearing Short Term (6.45%)	SA - Multi Asset Medium Equity (1.54%)	SA - Multi Asset Low Equity (8.39%)	Global Equity General (1.13%)
SA - Interest Bearing Variable Term (8.96%)	SA - Interest Bearing MoneyMarket (6.41%)	SA - Multi Asset - Flexible (1.41%)	Worldwide - Multi Asset Flexible (7.79%)	Worldwide - Multi Asset Flexible (-1.30%)
Global Interest Bearing Variable Term (8.3%)	SA Multi Asset - Income (6.33%)	SA - Multi Asset High Equity (1.31%)	SA Multi Asset - Income (7.97%)	SA - Multi Asset Medium Equity (-1.77%)
SA - Multi Asset Low Equity (8.2%)	SA - Multi Asset - Flexible (6.11%)	Worldwide - Multi Asset Flexible (-4.19%)	SA - Interest Bearing MoneyMarket (7.72%)	SA - Multi Asset High Equity (-3.60%)
Global Interest Bearing Short Term (7.28%)	SA Inflation (5.23%)	SA - Equity Industrial (-6.03%)	Global Multi-Asset Flexible (5.05%)	SA - Multi Asset - Flexible (-4.34%)
SA Multi Asset - Income (5.88%)	SA - Equity - Financial (1.04%)	Global Equity General (-7.43%)	SA Inflation (4.70%)	SA - Equity - Financial (-5.28%)
SA - Interest Bearing MoneyMarket (5.8%)	SA - Equity - General (1.01%)	Global Multi Asset Flexible (-8.36%)	Global Real Estate General (0.96%)	SA - Equity - General (-9.08%)
SA - Interest Bearing Short Term (5.54%)	SA - Equity Mid & Small Cap (0.32%)	Global Interest Bearing Variable Term (-10.13%)	SA - Equity Mid and Small Cap (-1.51)	SA - Equity Mid & Small Cap (-11.24%)
SA Inflation (5.31%)	SA - Interest Bearing Variable Term (-1.97%)	Global Real Estate General (-13.53%)	Global Interest Bearing Variable Term (-3.54%)	SA - Equity Industrial (-19.77%)
SA - Equity - Resources (-3.16%)	SA - Equity - Resources (-12.84%)	Global Interest Bearing Short Term (-13.82%)	Global Interest Bearing Short Term (-4.29%)	SA Real Estate General (-21.92%)

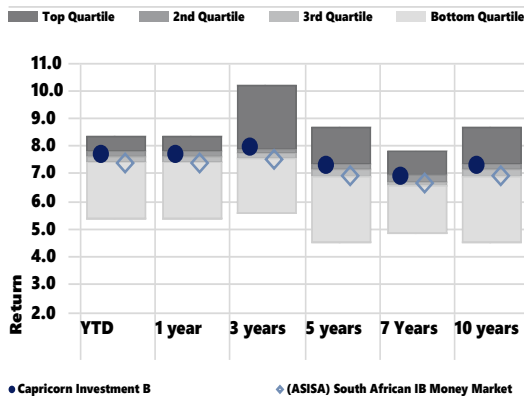
Fixed Interest - Money Market

Category Analyst: Lesego Mogomotsi

Shopping List selection: **Capricorn Investment Fund**

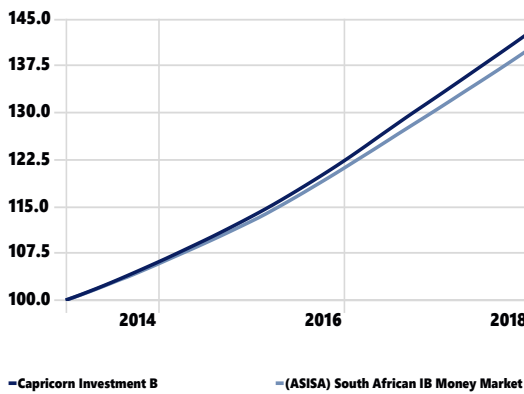
Quartile Ranking

As of Date: 31/12/2018



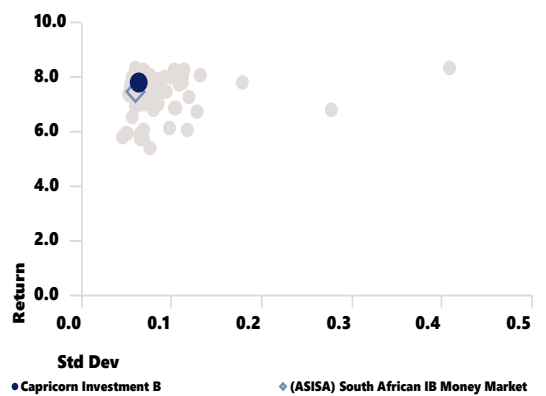
Investment Growth

Time Period: 01/01/2014 to 31/12/2018



Risk-Reward: 1 Year

Time Period: 01/01/2018 to 31/12/2018



Returns

As of Date: 31/12/2018 Source Data: Total Return

	YTD	1 year	3 years	5 years	7 years	10 years
Capricorn Investment B	7.76	7.76	8.00	7.38	6.87	7.38
(ASISA) South African IB Money Market	7.43	7.43	7.57	6.98	6.49	6.98

Risk Statistics

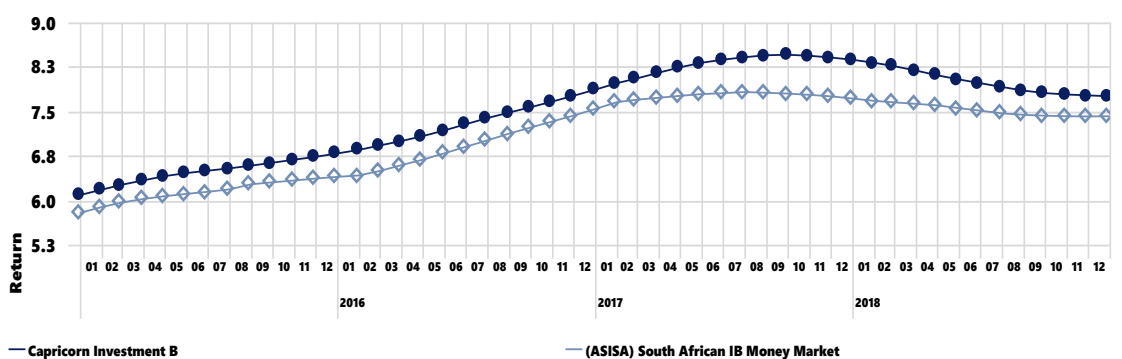
Time Period: 01/01/2018 to 31/12/2018

	Std Dev	Sharpe Ratio
Capricorn Investment B	0.06	8.11
(ASISA) South African IB Money Market	0.06	2.90

Rolling 1 Year Returns

Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 1 Year 1 Month shift



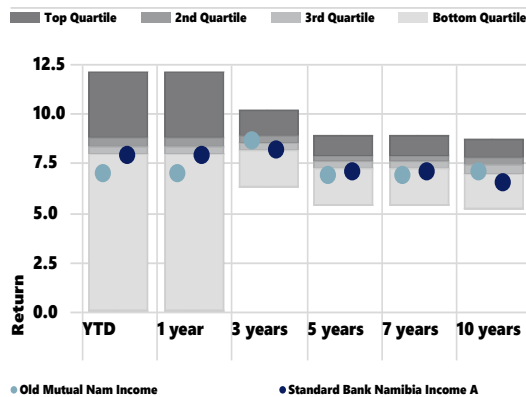
Fixed Interest - Income

Category Analyst: Imraan Khan

Shopping List selection: Old Mutual Namibia Income Fund, Standard Bank Namibia Income Fund

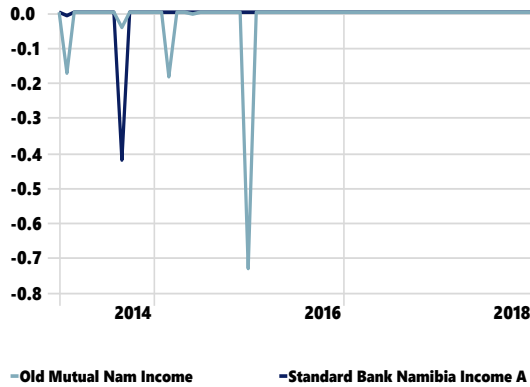
Quartile Ranking

As of Date: 31/12/2018



Maximum Drawdown: Monthly

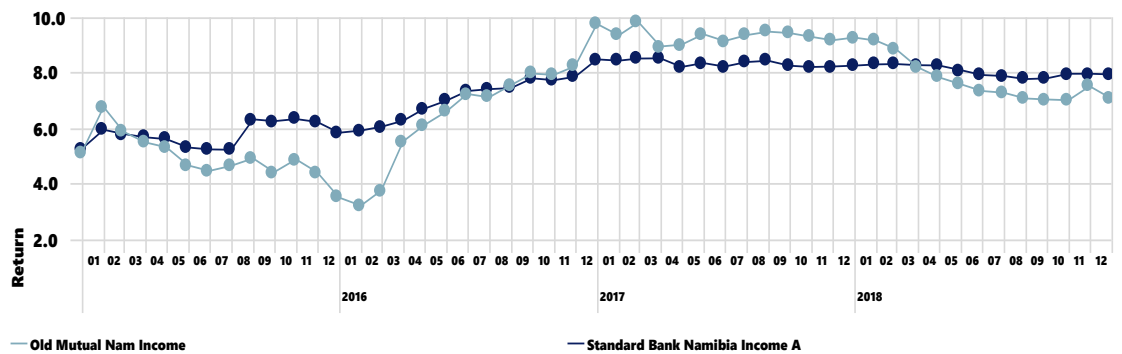
Time Period: 01/01/2014 to 31/12/2018



Rolling 1 Year Returns

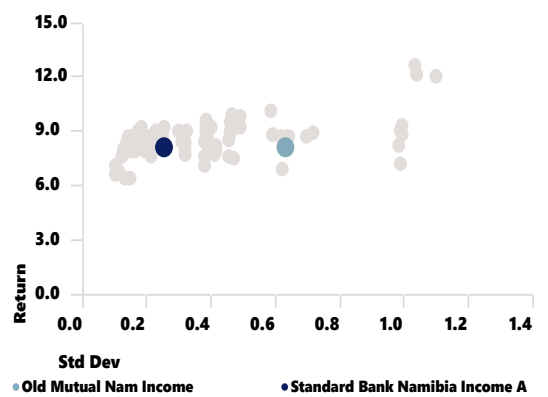
Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 1 Year 1 Month shift



Risk-Reward: 2 Years Annualised

Time Period: 01/01/2017 to 31/12/2018



Returns

As of Date: 31/12/2018 Source Data: Total Return

	YTD	1 year	3 years	5 years	7 years	10 years
Old Mutual Nam Income	7.08	7.08	8.70	6.93	6.81	6.93
Standard Bank Namibia Income A	7.95	7.95	8.23	7.16	6.89	7.16

Risk Statistics

Time Period: 01/01/2017 to 31/12/2018

	Std Dev	Max Drawdown (monthly)	Up Period Percent	Down Period Percent	Sharpe Ratio
Old Mutual Nam Income	0.63	100.00	0.00	1.23	
Standard Bank Namibia Income A	0.26	100.00	0.00	2.78	

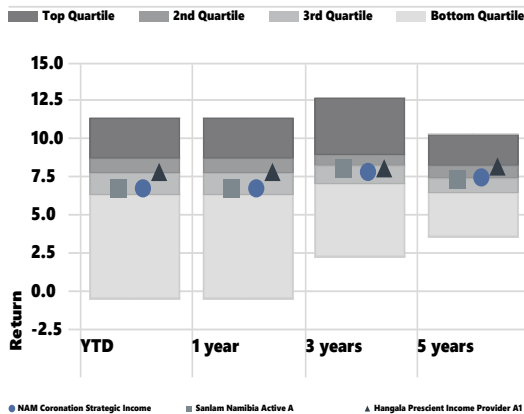
Fixed Interest - Varied Specialist

Category Analyst: Shawn Phillips

Shopping List selection: **NAM Coronation Strategic Income Fund, Sanlam Namibia Active Fund, Hangala Prescient Income Provider Fund**

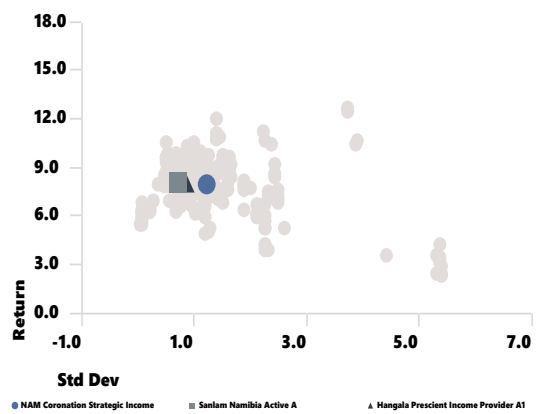
Quartile Ranking

As of Date: 31/12/2018



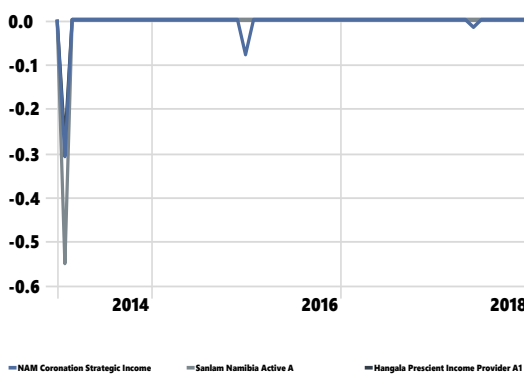
Risk-Reward: 3 Years Annualised

Time Period: 01/01/2016 to 31/12/2018



Maximum Drawdown: Monthly

Time Period: 01/01/2014 to 31/12/2018



Returns

As of Date: 31/12/2018 Source Data: Total Return

	YTD	1 year	3 years	5 years
NAM Coronation Strategic Income	6.79	6.79	7.90	7.50
Sanlam Namibia Active A	6.83	6.83	8.10	7.48
Hangala Prescient Income Provider A1	7.87	7.87	8.11	8.21

Risk Statistics

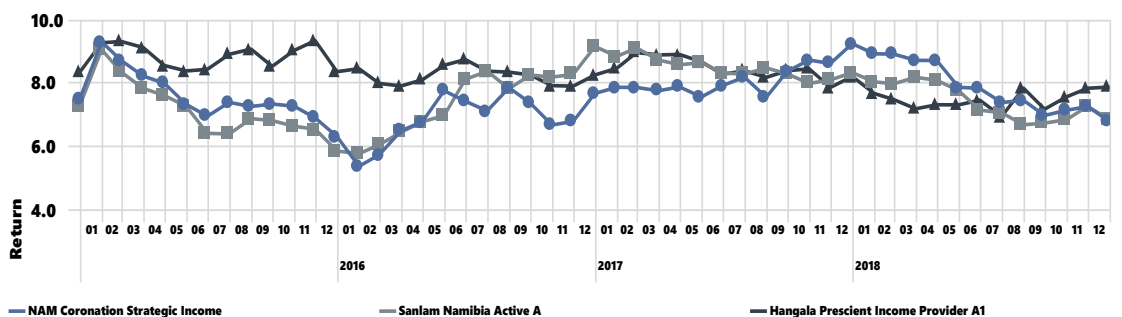
Time Period: 01/01/2016 to 31/12/2018

	Std Dev	Max Drawdown (monthly)	Up Period Percent	Down Period Percent	Sharpe Ratio
NAM Coronation Strategic Income	1.22	-0.02	97.22	2.78	0.41
Sanlam Namibia Active A	0.72	100.00	0.00	0.00	0.99
Hangala Prescient Income Provider A1	0.86	100.00	0.00	0.00	0.84

Rolling 1 Year Returns

Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 1 Year 1 Month shift



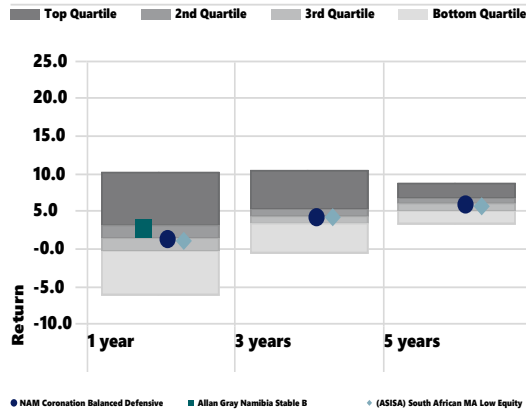
Asset Allocation - Prudential Low Equity

Category Analyst: Darren Burns

Shopping list selection: Allan Gray Namibia Stable Fund, NAM Coronation Balanced Defensive Fund

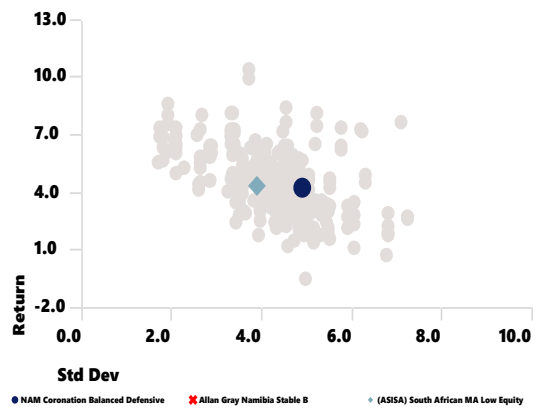
Quartile Ranking

As of Date: 31/12/2018 Currency: South African Rand



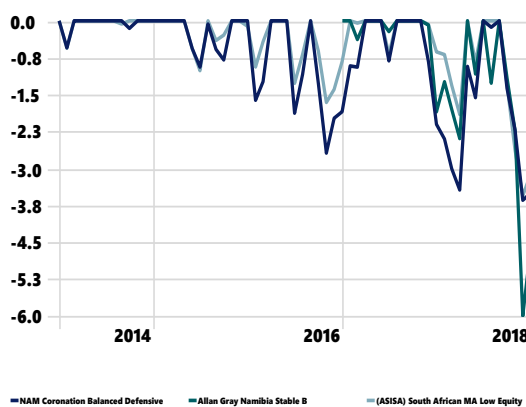
Risk-Reward: 3 Years Annualised

Time Period: 01/01/2016 to 31/12/2018



Maximum Drawdown: Monthly

Time Period: 01/01/2014 to 31/12/2018



Returns

As of Date: 31/12/2018 Currency: South African Rand

	1 year	3 years	5 years
NAM Coronation Balanced Defensive	1.34	4.25	6.00
Allan Gray Namibia Stable B	2.95		
EAA Fund ZAR/NAD Cautious Allocation	2.18	4.45	5.95

Risk Statistics

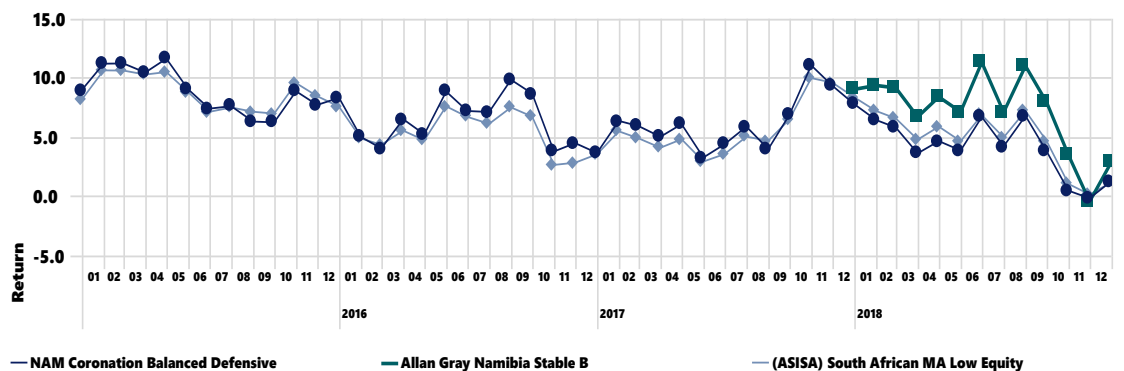
Time Period: 01/01/2018 to 31/12/2018

	Std Dev	Max Drawdown (monthly)	Up Period Percent	Down Period Percent	Sharpe Ratio
NAM Coronation Balanced Defensive	5.00	-3.64	33.33	66.67	-1.18
Allan Gray Namibia Stable B	8.16	-5.99	41.67	58.33	-0.53
EAA Fund ZAR/NAD Cautious Allocation	4.64	-3.24	41.67	58.33	-1.09

Rolling 1 Year Returns

Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 1 Year 1 Month shift

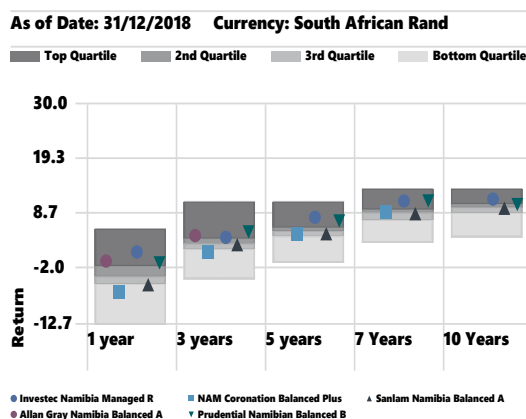


Asset Allocation - Prudential Medium & Variable Equity

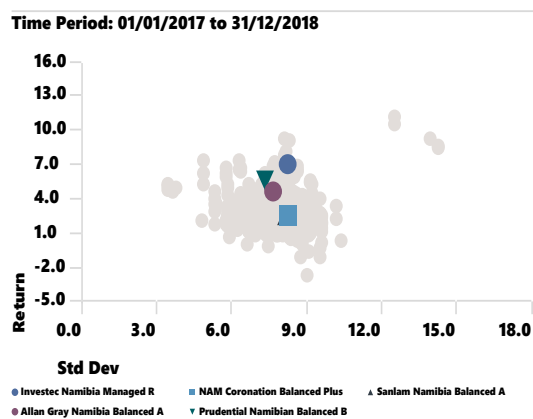
Category Analyst: Luke McMahon

Shopping list selection: Investec Namibia Managed Fund, NAM Coronation Balanced Plus Fund, Sanlam Namibia Balanced Fund, Allan Gray Namibia Balanced Fund, Prudential Namibian Balanced Fund

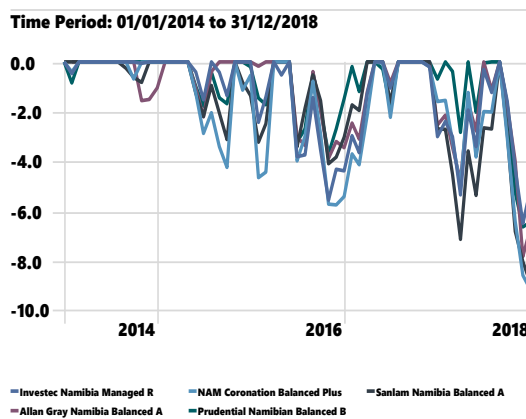
Quartile Ranking



Risk-Reward: 2 Years Annualised



Maximum Drawdown: Monthly



Returns

As of Date: 31/12/2018 Currency: South African Rand

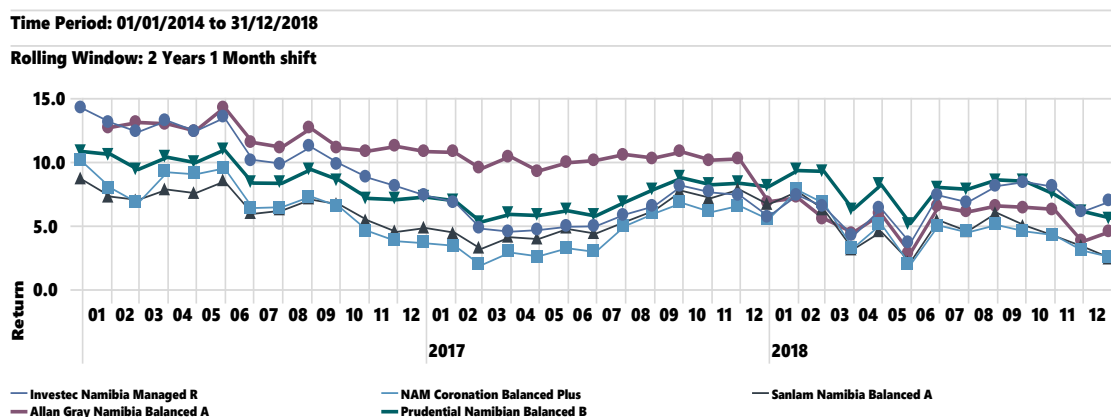
	1 year	3 years	5 years	7 Years	10 Years
Investec Namibia Managed R	1.34	4.28	8.14	11.32	11.64
NAM Coronation Balanced Plus	-6.47	1.38	4.77	9.22	
Sanlam Namibia Balanced A	-5.14	2.60	4.98	8.67	9.71
Allan Gray Namibia Balanced A	-0.45	4.40			
Prudential Namibian Balanced B	-0.90	5.01	7.30	11.01	10.48

Risk Statistics

Time Period: 01/01/2017 to 31/12/2018

	Std Dev	Max Drawdown (monthly)	Up Period (Percent)	Down Period (Percent)	Sharpe Ratio
Investec Namibia Managed R	8.21	-6.49	54.17	45.83	-0.05
NAM Coronation Balanced Plus	8.28	-9.17	45.83	54.17	-0.58
Sanlam Namibia Balanced A	8.17	-8.94	50.00	50.00	-0.60
Allan Gray Namibia Balanced A	7.65	-7.82	58.33	41.67	-0.36
Prudential Namibian Balanced B	7.33	-6.63	58.33	41.67	-0.24

Rolling 2 Year Returns

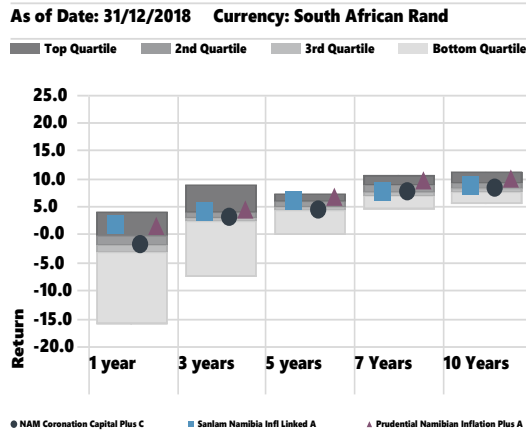


Asset Allocation - Targeted Absolute & Real Return

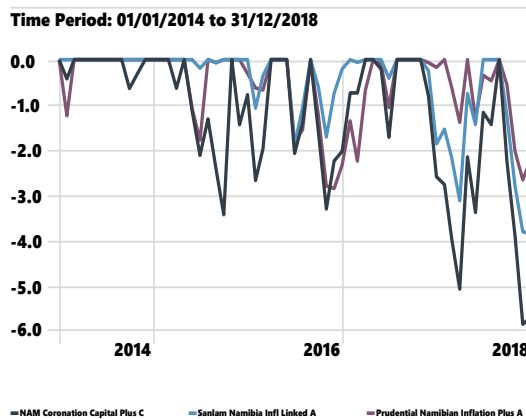
Category Analyst: **Cindy Matthews-De Vries**

Shopping list selection: **NAM Coronation Capital Plus Fund, Sanlam Namibia Inflation Linked Fund, Prudential Namibia Inflation Plus Fund**

Quartile Ranking



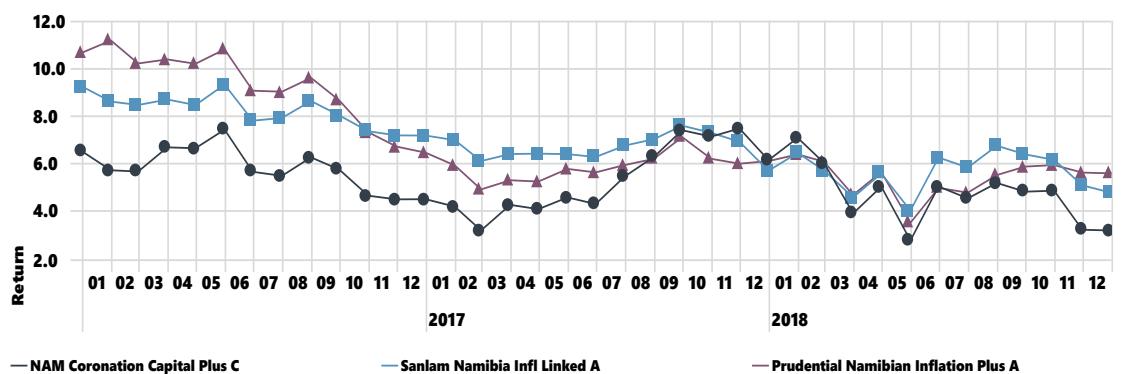
Maximum Drawdown: Monthly



Rolling 2 Year Returns

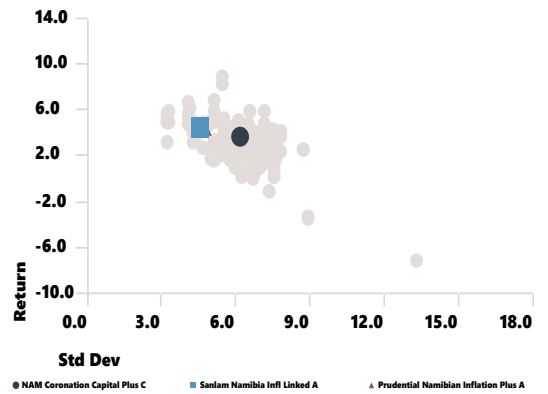
Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 2 Years 1 Month shift



Risk-Reward: 3 Years Annualised

Time Period: 01/01/2016 to 31/12/2018



Returns

As of Date: 31/12/2018 Currency: South African Rand

	1 year	3 years	5 years	7 Years	10 Years
NAM Coronation Capital Plus C	-1.45	3.56	4.74	7.81	8.74
Sanlam Namibia Infl Linked A	2.11	4.50	6.37	8.06	8.95
Prudential Namibian Inflation Plus A	1.65	4.61	6.98	9.90	10.14

Risk Statistics

Time Period: 01/01/2012 to 31/12/2018

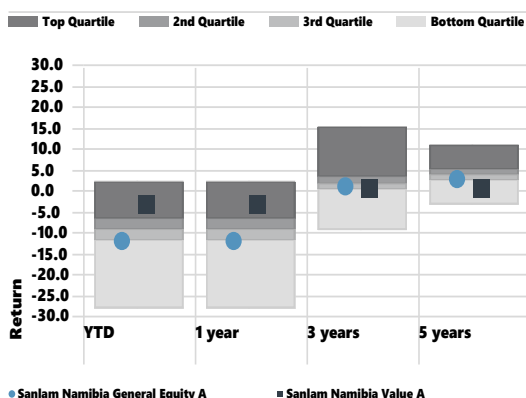
	Std Dev	Max Drawdown (monthly)	Up Period Percent	Down Period Percent	Sharpe Ratio
NAM Coronation Capital Plus C	5.68	-5.85	65.48	34.52	0.24
Sanlam Namibia Infl Linked A	3.70	-3.86	76.19	23.81	0.43
Prudential Namibian Inflation Plus A	4.83	-3.91	69.05	30.95	0.71

Category Analyst: Dean de Nysschen

Shopping List selection: Sanlam Namibia General Equity Fund, Sanlam Namibia Value Fund

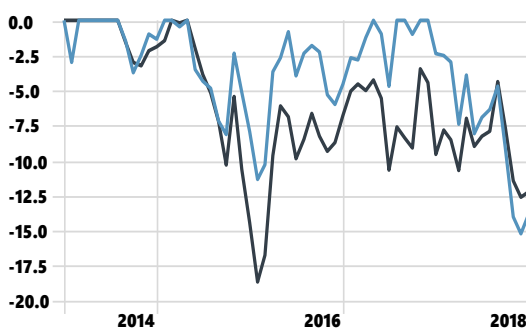
Quartile Ranking

As of Date: 31/12/2018



Maximum Drawdown: Monthly

Time Period: 01/01/2014 to 31/12/2018

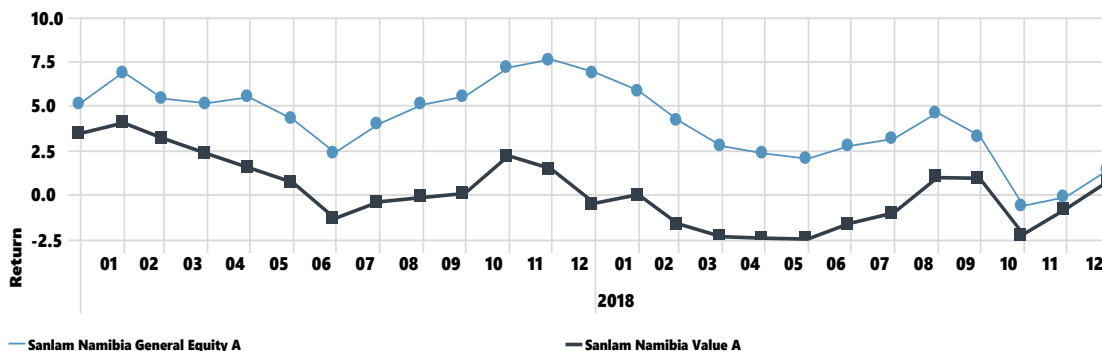


Sanlam Namibia General Equity A Sanlam Namibia Value A

Rolling 3 Year Returns

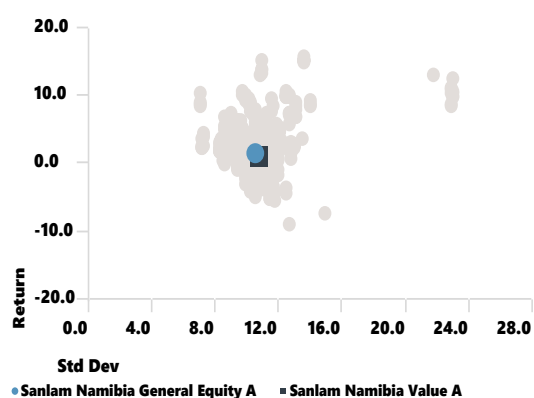
Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 3 Years 1 Month shift



Risk-Reward: 3 Years Annualised

Time Period: 01/01/2016 to 31/12/2018



Returns

As of Date: 31/12/2018 Source Data: Total Return

	YTD	1 year	3 years	5 years
Sanlam Namibia General Equity A	-11.68	-11.68	1.49	3.24
Sanlam Namibia Value A	-2.93	-2.93	0.85	0.86

Risk Statistics

Time Period: 01/01/2016 to 31/12/2018

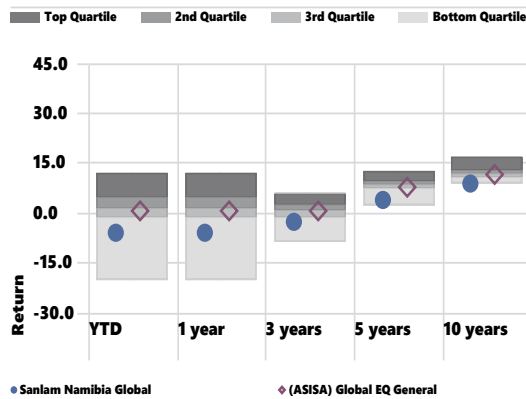
	Std Dev	Max Drawdown (monthly)	Up Period (Percent)	Down Period (Percent)	Sharpe Ratio
Sanlam Namibia General Equity A	10.56	-15.20	52.78	47.22	-0.56
Sanlam Namibia Value A	10.78	-9.47	50.00	50.00	-0.61

Category Analyst: Patrick Mathabeni

Shopping list selection: Sanlam Namibia Global Fund

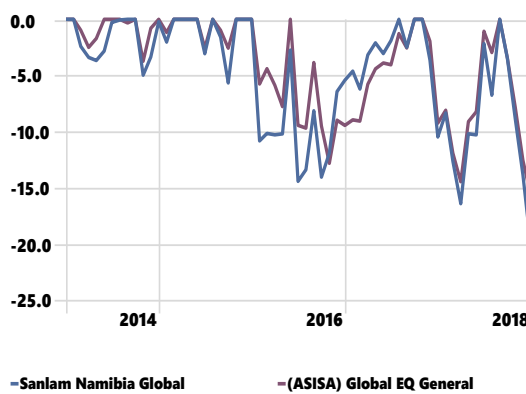
Quartile Ranking

As of Date: 31/12/2018



Maximum Drawdown: Monthly

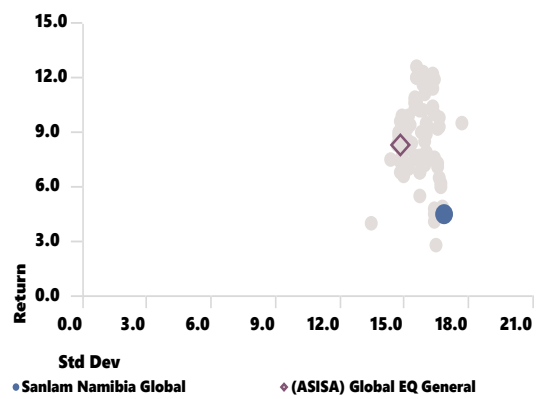
Time Period: 01/01/2014 to 31/12/2018



-Sanlam Namibia Global -(ASISA) Global EQ General

Risk-Reward: 5 Years Annualised

Time Period: 01/01/2014 to 31/12/2018



Returns

	As of Date: 31/12/2018 Currency: South African Rand Source Data: Total Return				
	YTD	1 year	3 years	5 years	10 Years
Sanlam Namibia Global	-5.74	-5.74	-2.26	4.41	4.41
(ASISA) Global EQ General	1.13	1.13	0.90	8.22	8.22

Risk Statistics

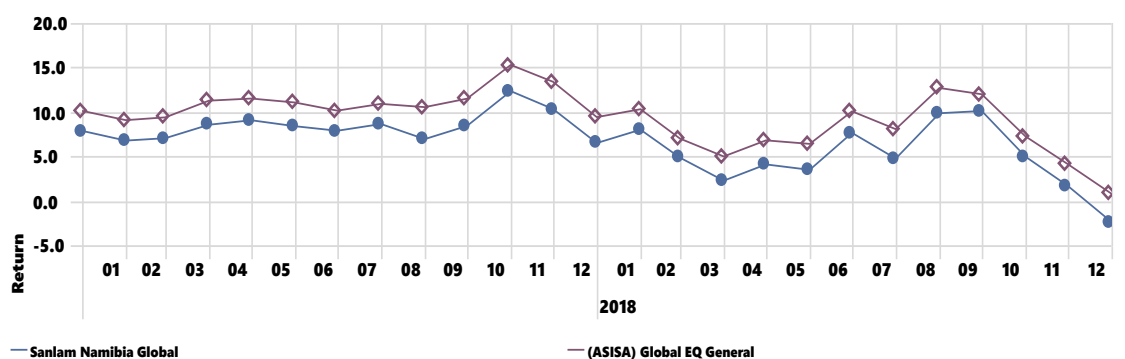
Time Period: 01/01/2014 to 31/12/2018

	Std Dev	Max Drawdown (monthly)	Up Period Percent	Down Period Percent	Sharpe Ratio
Sanlam Namibia Global	16.85	-20.19	58.33	41.67	-0.15
(ASISA) Global EQ General	14.84	-15.72	53.33	46.67	0.09

Rolling 3 Year Returns

Time Period: 01/01/2014 to 31/12/2018

Rolling Window: 3 Years 1 Month shift



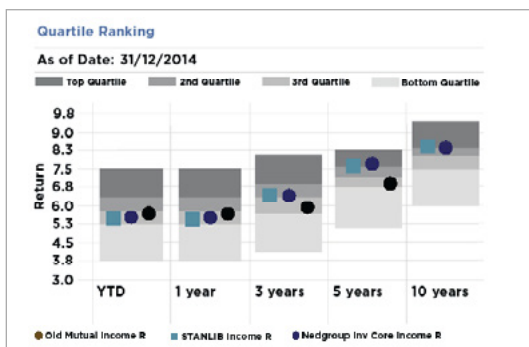
-Sanlam Namibia Global

-(ASISA) Global EQ General

Performance and Quartile Rank

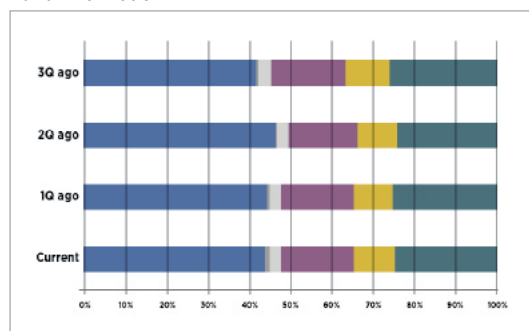
The quartile ranking table below includes both the total return and the associated quartile ranking for the specified period. Each marker represents a fund's return and quartile ranking.

Asset Allocation



The asset/sector allocation of the fund is indicated for funds that have exposure to different asset classes/sectors (e.g. Flexible, Equity General). "Current" indicates the latest allocation as at 31 December 2015. The previous quarter's allocation is shown as one quarter ago and asset allocation goes back three quarters.

Fund Information



Fund Size (Rm)

The market value of assets under management at time of going to print.

Glacier Consistency Rating

The Glacier Consistency Rating is an indication of the number of consecutive times a fund has appeared on the Shopping List since 2006. Should a fund be removed from the list and subsequently reinstated, the consistency history will no longer be applicable.

12 Month Yield (%)

This figure refers to the yield of the fund for the previous year. It is calculated by dividing the total distributions for the past year by the fund price at the beginning of the period. This gives an indication of the yield received by an investor for the previous one-year period. One must remember that annual management company fees (as indicated by the TER) are deducted before distributions are paid and therefore the yield may be lower than expected. This is especially applicable in the case of funds with performance fees.

Modified Duration

Duration is a useful measure of the sensitivity of a bond or income fund to changes in interest rates. For example, if a fund has a modified duration of 3.5 years, for every 1% drop in interest rate, the capital portion of the fund will grow by 3.5% and vice versa.

TER

The total expense ratio (TER) indicates the percentage of the net asset value (NAV) that was paid as expenses within a fund. This is a more accurate measure of the total fees paid as it includes performance fees charged by the fund manager. It is also valuable when comparing fees on funds of funds as it includes the fees of the underlying funds. As far as possible, the latest available TER is indicated.

Risk Analysis

A risk rating of between 0 and 10 has been assigned to every fund, illustrating the level of risk associated with the fund. The table indicates the corresponding risk level for each rating.

0 – 2	conservative
2 – 4	cautious
4 – 6	moderate
6 – 8	moderately aggressive
8 – 10	aggressive

In determining the risk rating for each fund we use downside volatility, variability of returns and sector/asset class risk of the fund over one-, three- and five-year periods, where available.

- Downside volatility, measured by downside deviation, measures the variation of the fund's return below the risk-free rate of return.
- Variability of returns, measured by annualised standard deviation, measures the variation of a fund's returns around its mean.
- Sector/Asset class risk, measured by a classification from one to ten calculated for each collective investment sector, measures the underlying risk associated with investing in different sectors.

Maximum Drawdown

The maximum monthly drawdown in the period is given. This indicates the maximum monthly capital loss experienced within the time period used.

Positive/Negative Months

This indicates the number of monthly periods during which the fund generated a positive/negative return.

Sharpe Ratio

This indicates the excess return generated per unit of risk. A fund's Sharpe ratio should be compared to that of its peers – a higher ratio means the fund generated higher risk-adjusted returns. This could be due to either higher returns or lower volatility, or a combination of the two.

Rolling Returns Chart

Rolling one-year/three-year returns are shown to illustrate the performance of funds over moving periods (to remove end-point bias). Each point on the chart represents the fund's one-year/three-year return up to that point. Monthly data points were used for the past five years.

Source: Morningstar Direct

Contact Glacier Research

This document is intended for use by intermediaries. It is important to bear in mind that any investment has some risk. For more information visit our website at www.glacier.co.za or contact our Communication Center on:

Tel: +27 21 917 9603
Fax: +27 21 947 9210
Email: research@glacier.co.za