INFLATION PLUS 2 CAUTIOUS

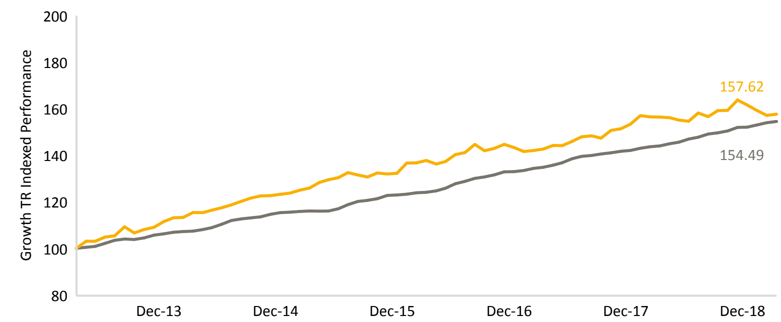
WRAP PORTFOLIO INFORMATION DOCUMENT

31 DECEMBER 2018

INVESTMENT OBJECTIVE

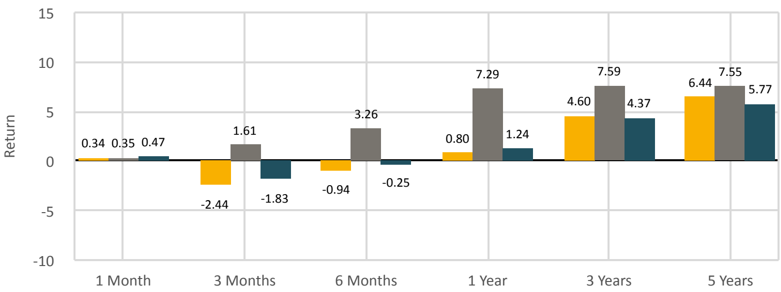
The Inflation Plus 2 Cautious Portfolio is a wrap or model portfolio that seeks to provide investors with income and stable capital growth. The fund may invest in registered collective investment schemes, assets in liquid form, money market instruments, interest bearing instruments, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. Equities are limited to 40% and listed property to 25%. The portfolio invests locally and internationally and is Regulation 28 compliant.

PERFORMANCE (Net of Fees)



Inflation Plus 2 Cautious
CPI + 2%

TRAILING RETURNS



Inflation Plus 2 Cautious
CPI + 2%
SA - MA - Low Equity

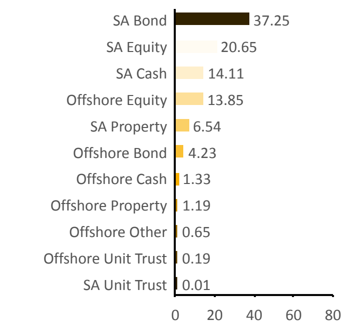
Performance numbers before fund start date are back tested.

HIGHEST AND LOWEST MONTHLY RETURNS PER CALENDAR YEAR

Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High	2.38	2.49	3.33	1.27	3.69	2.14	2.73	2.19	-	-
Low	-0.67	-1.88	-0.76	-0.04	-2.42	0.51	-0.45	-0.82	-	-

PORTFOLIO HOLDINGS

Asset Allocation



Top Holdings

Investec Cautious Managed H	12.90
Coronation Balanced Defensive P	12.72
Sanlam Select Defensive Balanced B3	12.67
Allan Gray Stable C	12.61
Nedgroup Inv Core Guarded B	12.53
PSG Stable E	12.31
Prudential Inflation Plus B	12.19
Stringfellow BCI Stable FoF	12.07

FUND INFORMATION

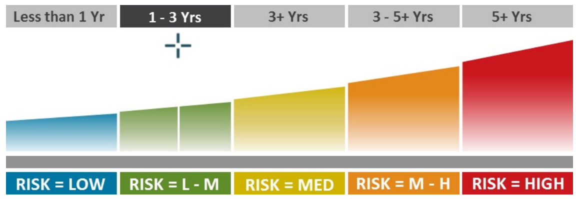
Portfolio Manager:	Stringfellow Financial Services
Launch date:	01 Sept 2016
Benchmark:	CPI + 2%
Category:	SA Multi-Asset Low Equity
Regulation 28:	This portfolio is managed in accordance with Regulation 28.
Portfolio management fee:	0.15% (Excl. VAT)

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
Investec

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.

Inflation Plus 2 Cautious — Risk - 1 Year

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

Annualised Return	0.80
Max Draw Down	-4.04
Information Ratio	-1.32
Sharpe Ratio	-1.20
Best Month	05-2013
Worst Month	06-2013
Max Draw Down Recovery	0

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MARKET COMMENTARY

December 2018, provided no “Christmas cheers “for global investors as global equities declined by -7.57% as measured by the MSCI World USD Index. This sharp decline was largely attributed to the persistent concerns over geopolitics (including Brexit, the US Federal government shutdown and the ongoing trade war between US-China), future corporate earnings growth and the pace of US interest rate hikes. The darkening global economic outlook further hampered investors optimism.The USA equity market led the way in the sell-off with Dow, NASDAQ and S&P 500 all registering negative returns of -8.59%, -8.83% and -9.03% respectively. This as high-profile firms particularly in information technology and most notably from Apple fuelled fears that earnings growth may slow going forward. The USA sell-off proved to be contagious, as other developed markets, also finished in the red. The European equities declined by -4.60% (MSCI Europe), while Japan declined by 3.16% (MSCI Japan). Within the commodity space, the energy sector struggled as the Crude oil price continued its heavily decline since mid-October 2018, due to concerns of oversupply in the face of a weakening outlook for global demand. The gold market experienced a somewhat needed “good fortune rally”, as the gold price gained by 5.1%, largely down to the weakness in US dollar. For the month of December, the US Dollar Index closed below 96, the first sign of any weakness since September. Emerging Markets (EM) also suffered a sell-off in response to the deterioration in global sentiment, posting a return of -2.60% (MSCI EM). EM bonds saw performance improve as the month progressed with US dollar strength waning and EM currencies benefitting simultaneously.Unlike some of it’s EM counterparts, SA equities experienced a “Santa clause rally”, with the FTSE/JSE All Share Index posting a return of 4.25%. The FTSE/JSE Resources posted the biggest gain in value of 12.59%, largely down to the weakness in US dollar and some investors snapping up the recently sold down sector. The weakness in the dollar also proved to be fruitful for the FTSE/JSE Financial sector, which gained by 1.24%. The FTSE/JSE Industrials 25 sector also participated in the SA rally, as the sector saw some its large stocks gaining in value, notably the MTN stock. MTN’s price share rose by 7% after the mobile operator reached a deal with the Nigerian authorities over the disputed repatriation of dividends from the Western African nation.

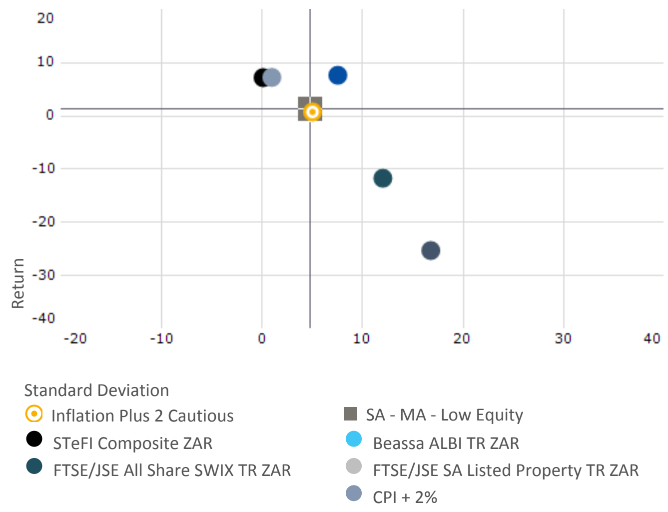
MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2018	-0.17	-0.66	-0.31	2.28	-0.98	1.64	0.10	2.79	-1.31	-1.47	-1.32	0.34	0.80
2017	1.09	-0.07	1.26	1.37	0.28	-0.67	2.26	0.46	1.31	2.38	-0.33	-0.06	9.63
2016	-1.10	0.77	2.18	0.61	2.49	-1.88	0.73	1.19	-0.91	-1.22	0.29	0.45	3.57
2015	1.90	0.91	0.67	1.66	-0.76	-0.67	1.34	-0.34	0.23	3.33	0.06	0.75	9.39
2014	-0.04	0.91	0.90	1.05	1.27	1.17	0.77	0.10	0.46	0.43	1.00	0.76	9.15
2013	3.02	-0.01	1.75	0.50	3.69	-2.42	1.36	0.90	2.20	1.53	0.10	1.87	15.35

RISK REWARD - 1 YEAR

Peer group average: SA - MA - Low Equity

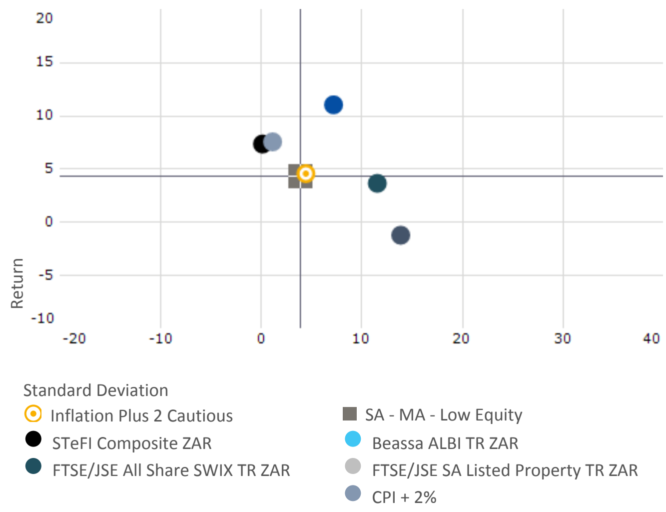
Time Period: 01/01/2017 to 31/12/2018



RISK REWARD - 3 YEAR

Peer group average: SA - MA - Low Equity

Time Period: 01/01/2015 to 31/12/2018



DISCLAIMER

Managed by: Stringfellow Financial Services. Authorised Financial Service Provider, FSP number 23376.

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. 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 may be a related party to the co-naming partner and/or BCI. It is your financial advisor’s responsibility to disclose all fees he/she receives from any related party. The portfolio’s TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio’s performance numbers are calculated net of the TER expenses.

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