

ASHBURTON COMPENSATOR PORTFOLIO

Fact sheet as at 31 December 2017

Investment objectives & strategy

The portfolio aims to offer a high dividend yield with relatively low volatility investing in a selection of preference shares, inflation-linked bonds and vanilla bonds. The preference shares generate a dividend yield linked to prime while the inflation-linked bonds aim to preserve capital in real terms and add additional yield over inflation. The optimal combination of asset classes reduces the overall risk of the portfolio.

Investor profile

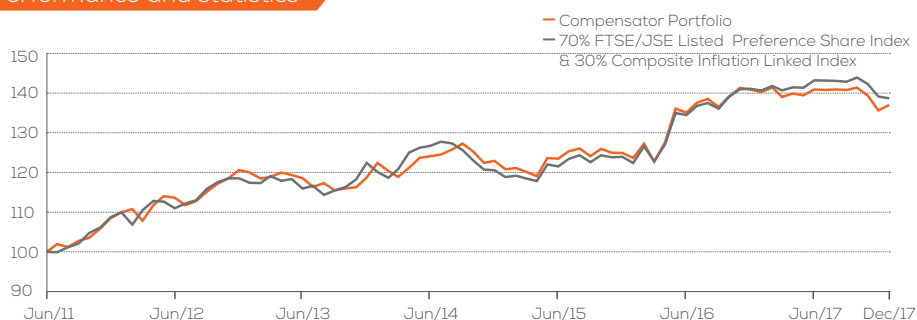
This portfolio is suited to investors:

- who require exposure to listed preference shares and bonds
- requiring an income stream
- who are prepared to invest for 3 years or longer

Fund activity

- The compensator portfolio gained 1.07% (gross of fees) at the back of good performance from inflation-linked bonds which were up by 6.07%
- Preference shares within the portfolio outperformed the benchmark return of -2.58% due to the relatively high weighting in top 4 banks
- We still regard preference shares as a good income generator. Continued and potential share buy backs should underpin valuations.

Performance and statistics

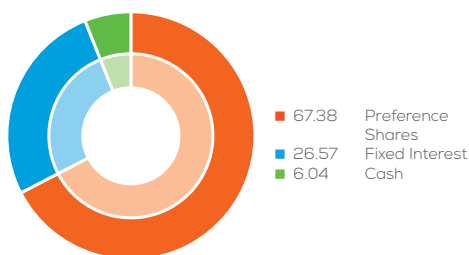


Income distributions are re-invested. Performance is based on a model portfolio which is managed by Ashburton Fund Managers. Performance is calculated net of a portfolio management fee of 0.7% per annum (incl. VAT) and charged on a monthly basis. The composition of the portfolio is periodically reviewed and rebalanced. Varying market conditions, timing of portfolio changes and the level of client discretion may result in some variance between actual and model portfolio performance.

Performance (%)

	Fund	Benchmark
YTD	-2.29	-1.40
1 Mth	1.03	-0.33
3 Mths	-3.08	-3.65
6 Mths	-2.68	-3.13
1 Yr	-2.29	-1.40
3 Yrs	4.28	5.28
5 Yrs	2.69	3.67
SI	4.90	5.72

Asset allocation (%)



Preference shares (% of Portfolio)

	Weight	Price	Yield
Absa Bank Ltd Pref	18.86	687.50	10.84
Firststrand Ltd B Pref	18.67	73.50	10.96
Grindrod Ltd Pref	0.85	73.00	13.22
Imperial Holdings Pref	0.92	72.07	12.51
Investec Bank Ltd Pref	6.52	73.50	11.18
Investec Ltd Pref	8.13	80.50	10.93
Nedbank Ltd Pref	19.31	8.30	10.88
Netcare Limited Pref	1.77	73.50	11.88
PSG Financial Serv Pref	2.72	73.15	12.19
Standard Bank Group Pref	21.79	73.15	11.44
Steinhoff Inv Hldgs Pref	0.47	72.70	12.14

South African portfolio management

Key facts

Risk profile



General information

Launch date	1 June 2011
Domicile	South Africa
Reporting currency	ZAR
Investment manager	Ashburton Investments Portfolio Management
Benchmark	70% FTSE/JSE Listed Preference Share Index & 30% Composite Inflation Linked Index
Investment horizon	3 years and longer
Minimum investment	R3 million

Fee structure (%)

Initial fee	0.00%
Annual management fee	per sliding scale.

Contact us

Please speak to your financial advisor or contact us for more information:

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Monthly performance history (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	0.87	-1.71	0.63	-0.32	1.05	-0.08	0.08	-0.08	0.42	-1.43	-2.67	1.03
2016	2.90	-3.56	3.99	6.66	-0.75	1.86	0.69	-1.47	1.98	1.53	-0.29	-0.47
2015	0.25	-0.77	-0.91	3.84	-0.13	1.51	0.56	-1.54	1.49	-0.77	-0.03	-1.00
2014	-1.64	-1.23	1.92	2.07	0.34	0.34	0.98	1.23	-1.55	-2.30	0.42	-1.72
2013	-1.25	0.33	0.93	-0.52	-0.66	-1.83	0.80	-1.55	0.43	0.24	2.16	3.06
2012	0.71	-2.65	3.64	2.05	-0.35	-1.60	0.86	2.12	1.74	1.16	1.76	-0.50

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