



MONTHLY PORTFOLIO REPORT

February 2015

STRATEGIC OUTCOMES

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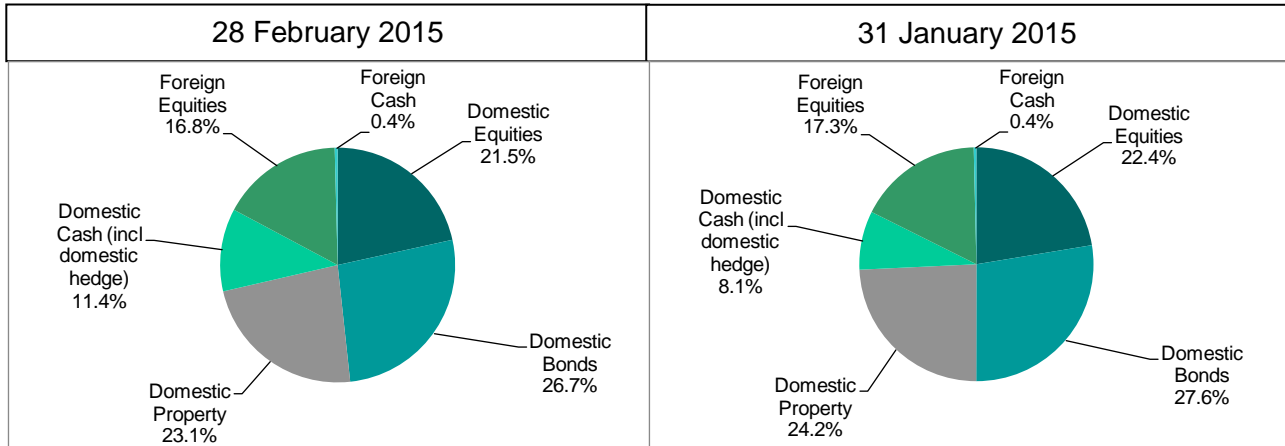
Grindrod Asset Management (Pty) Ltd. Reg No. 2004/024647/07. An Authorised Financial Services Provider (FSP 29834)

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Asset allocation and forward portfolio income yield

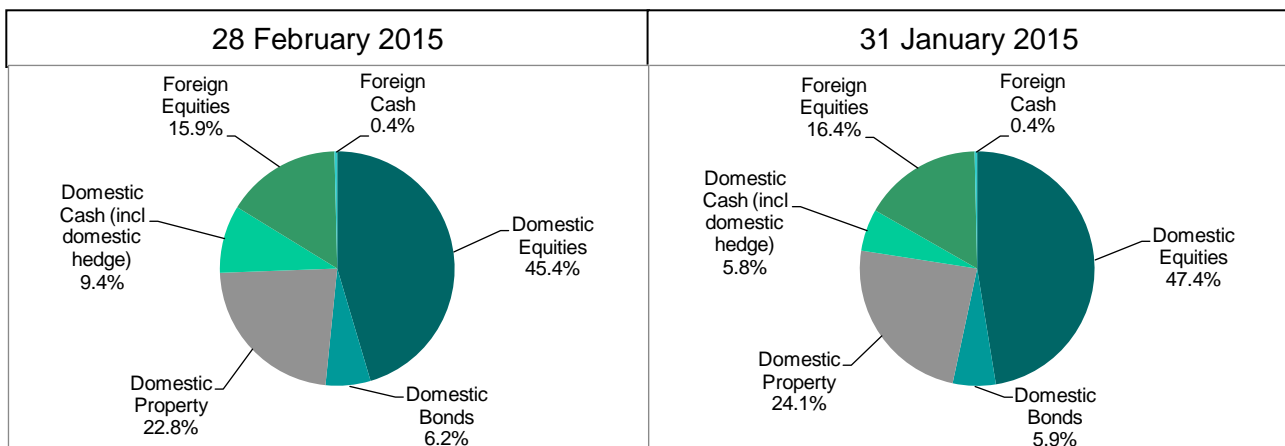
Plexus Wealth BCI Conservative Fund



Forward portfolio income yield: 6.0% (gross)
3 year compound annual growth rate: 6.5%

Exposure to all asset classes except Foreign Cash was decreased slightly in favour of Domestic Cash.

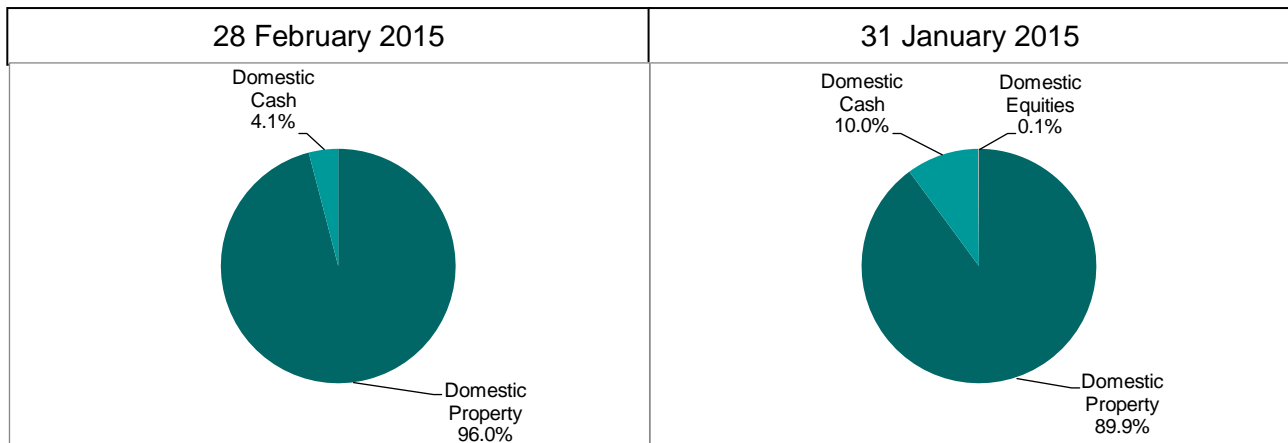
Plexus Wealth BCI Balanced Fund



Forward portfolio income yield: 4.9% (gross)
3 year compound annual growth rate: 8.2%

Exposure to all asset classes except Domestic Bonds and Foreign Cash was reduced slightly in favour of Domestic Cash.

Plexus Wealth BCI Property Fund



Forward portfolio income yield: 4.7% (gross)
 3 year compound annual growth rate: 9.0%

Domestic Property exposure increased at the expense of Domestic Cash, ~~and a small holding was acquired in Domestic Equities.~~

Notes:

The Plexus Wealth BCI Property Fund is managed by Plexus Wealth KZN. The Plexus Wealth BCI Conservative Fund and the Plexus Wealth BCI Balanced funds are managed by Grindrod Asset Management.

The gross forward income yield is the amount of income (before costs and withholding taxes), expressed as a percentage of the current price, which the portfolio is expected to deliver to investors over the next 12 months. The income growth is the expected per annum growth in the income paid to investors over the next three years. These are estimates based upon our expectations of all income (dividends, interest and distributions) to be received by the portfolio for payment to investors, assuming market conditions do not change materially over the 12-month and three-year periods. The gross forward income yield and income growth rate are indicative only and are not guaranteed. These are Grindrod Asset Management estimates.

Performance and risk statistics

| Performance to 28 February 2015 | | | | | |
|-------------------------------------|---------|----------|----------|--------|-----------|
| Fund / ASISA sector | 1 Month | 3 Months | 6 Months | 1 Year | |
| | | | | Fund | Benchmark |
| Plexus Wealth BCI Conservative Fund | 1.9% | 7.0% | 13.2% | 24.0% | 7.6% |
| SA Multi-Asset Low Equity | 1.0% | 3.5% | 5.4% | 10.7% | |
| Plexus Wealth BCI Balanced Fund | 2.3% | 8.4% | 15.8% | 30.3% | 9.8% |
| SA Multi-Asset High Equity | 2.3% | 4.9% | 6.3% | 13.0% | |
| Plexus Wealth BCI Property Fund | 5.8% | 17.4% | 29.5% | 57.0% | 44.3% |
| SA Real Estate General | 3.1% | 11.9% | 23.9% | 42.0% | |

Source: MoneyMate

Note: The Plexus Wealth BCI Property Fund is managed by Plexus Wealth KZN. The Plexus Wealth BCI Conservative Fund and the Plexus Wealth BCI Balanced funds are managed by Grindrod Asset Management.

The performance of the Plexus Wealth BCI Funds has proved to be excellent over the past one year and shorter periods, both against their respective benchmarks and comparable ASISA sectors. **In fact, over the one-year period, the Plexus Wealth BCI Conservative Fund, the Plexus Wealth BCI Balanced Fund and the Plexus Wealth BCI Property Fund all rank second in their respective ASISA sectors.**

| Since inception performance to 28 February 2015 (annualised) | | | |
|--|-------|--|----------------------------|
| Plexus Wealth BCI Fund | Fund | Benchmark | SA Multi-Asset Low Equity |
| Conservative Fund (inception date 11/06/2009) | 12.7% | 8.2% (CPI + 3%) | 10.7% |
| | | | SA Multi-Asset High Equity |
| Balanced Fund (inception date 24/06/2009) | 15.5% | 10.3% (CPI + 5%) | 14.4% |
| | | | SA Real Estate General |
| Property Fund (Inception date 12/06/2009) | 24.0% | 23.9% (FTSE/JSE SA Listed Property Index) | 21.9% |

Source: MoneyMate

Note: Performance figures quoted are sourced from MoneyMate for the current period for lump-sum investments including income distributions at NAV to NAV basis and do not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance may differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income.

| Risk statistics to 28 February 2015 | | | |
|--|-----------------------|---|---|
| Plexus Wealth BCI Fund | Inception date | Volatility (standard deviation of returns) | Maximum drawdown (since inception) |
| Conservative Fund | 11/06/2009 | 4.38% | -5.50% |
| Balanced Fund | 24/06/2009 | 6.40% | -6.57% |
| FTSE/JSE All Share Index | | 12.52% | -13.25% |
| Property Fund | 12/06/2009 | 10.15% | -18.29% |
| FTSE/JSE SA Listed Property Index | | 11.59% | -20.02% |

Source: MoneyMate and I-Net Bridge

Performance of financial markets

Equities

Equity markets surged in February as policymakers in Europe were able to reach an eleventh hour deal to extend Greece's bailout. Most equity markets have now been trading in positive territory since the start of the year. While prices are rising, earnings estimates have been cut, suggesting investors are more focused on policymaker intervention than on longer-term fundamentals. According to FactSet, analysts are now forecasting year-on-year declines for S&P 500 earnings and revenues in the first two quarters of this year, with the most significant adjustments occurring in the energy sector. However, analysts are still expecting record earnings numbers in the second half of the year, which may explain why investors continue to buy equities.

| Equity Indices (International) | 1 Month | 3 Months | 1 Year |
|--------------------------------|---------|----------|--------|
| MSCI World (\$) | 5.7% | 1.9% | 5.8% |
| MSCI Emerging Markets (\$) | 3.0% | -1.4% | 2.5% |
| Dow Jones Industrial | 5.6% | 1.7% | 11.1% |
| S&P500 | 5.5% | 1.8% | 13.2% |
| Nasdaq | 7.1% | 3.6% | 15.2% |
| London FTSE100 | 2.9% | 3.3% | 2.0% |
| German Dax | 6.6% | 14.2% | 17.6% |
| French CAC | 7.5% | 12.8% | 12.3% |
| Japanese Nikkei | 6.4% | 7.7% | 26.7% |
| Hong Kong Hang Seng | 1.3% | 3.5% | 8.7% |

Source: I-Net Bridge

In February, higher commodity prices helped South Africa's equity market gain more than 4%. Although gains were relatively broad based, the resources sector gained more than 8% during the month, but is still down 15.5% over the past year. While there was little local news to buoy investor sentiment, rising global equity markets once again provided the catalyst that pushed the FTSE/JSE All Share Index to new highs, surpassing the record levels established in July last year. On the whole, investors remain cautious about the prospects for the equity market and most asset managers have high cash allocations.

| FTSE/JSE Equity Indices (TR) | 1 Month | 3 Months | 1 Year |
|-------------------------------------|----------------|-----------------|---------------|
| All Share | 4.1% | 7.1% | 16.1% |
| SWIX | 2.6% | 7.0% | 21.4% |
| Financial | 3.4% | 8.9% | 37.8% |
| SA Industrial | 2.9% | 7.3% | 24.6% |
| Resources | 8.4% | 4.5% | -15.5% |
| Mining | 10.1% | 7.5% | -14.7% |
| Gold Mining | -8.7% | 29.8% | -5.7% |
| Top 40 | 4.6% | 6.8% | 13.6% |
| Mid-cap | 1.9% | 8.8% | 31.4% |
| Small Cap | 0.8% | 7.4% | 25.0% |

Source: I-Net Bridge

Fixed Income

Bond yields were little changed in February as investors digested the news coming out of Greece and Europe. Although the Greek bailout was extended, policymakers have not addressed the problems facing Greece to meet the conditions of the bailout and the risks to Europe's financial system remain significant.

| Fixed Interest Indices (International) | 1 Month | 3 Months | 1 Year |
|---|----------------|-----------------|---------------|
| JP Morgan Global Government Bond Index (\$) | -1.3% | -1.4% | -3.1% |
| Bloomberg Global Developed Sovereign Bond Index (\$) | -1.4% | -1.5% | -3.8% |
| Bloomberg Local Emerging Market Sovereign Bond Index (\$) | -0.1% | -1.0% | 4.6% |

Source: I-Net Bridge

The yield on government's R186 bond rose by 50 basis points in February, giving back most of January's gains. Bond investors responded to higher oil prices and a weaker rand, while the 2015 budget was viewed as neutral from a bond-market perspective.

| Fixed Interest Indices (Domestic) | 1 Month | 3 Months | 1 Year |
|--------------------------------------|---------|----------|--------|
| STEFI Composite Index | 0.5% | 1.5% | 6.0% |
| BEASSA All Bond Index (ALBI) | -2.8% | 1.9% | 15.1% |
| Barclays Inflation-Linked Bond Index | -0.3% | -0.5% | 11.8% |

Source: I-Net Bridge

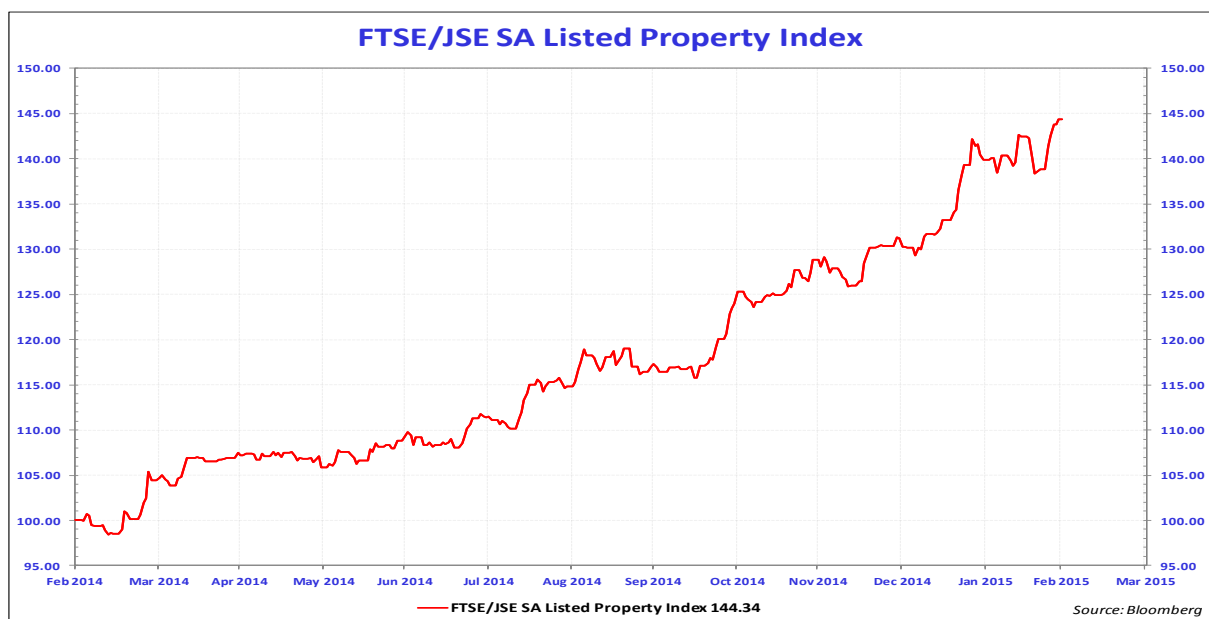
Listed Property

The uncertainty in global markets filtered through to the world's listed property markets and prices declined marginally. The GPR250 REIT Index declined by 1.8% in US dollars in February but is up more than 19% over the past year.

South Africa's listed property companies continued to post solid price gains on the back of impressive earnings and distribution growth numbers. Virtually every company has exceeded market expectations and the outlook for distribution growth appears stronger in 2015 than it was in 2014.

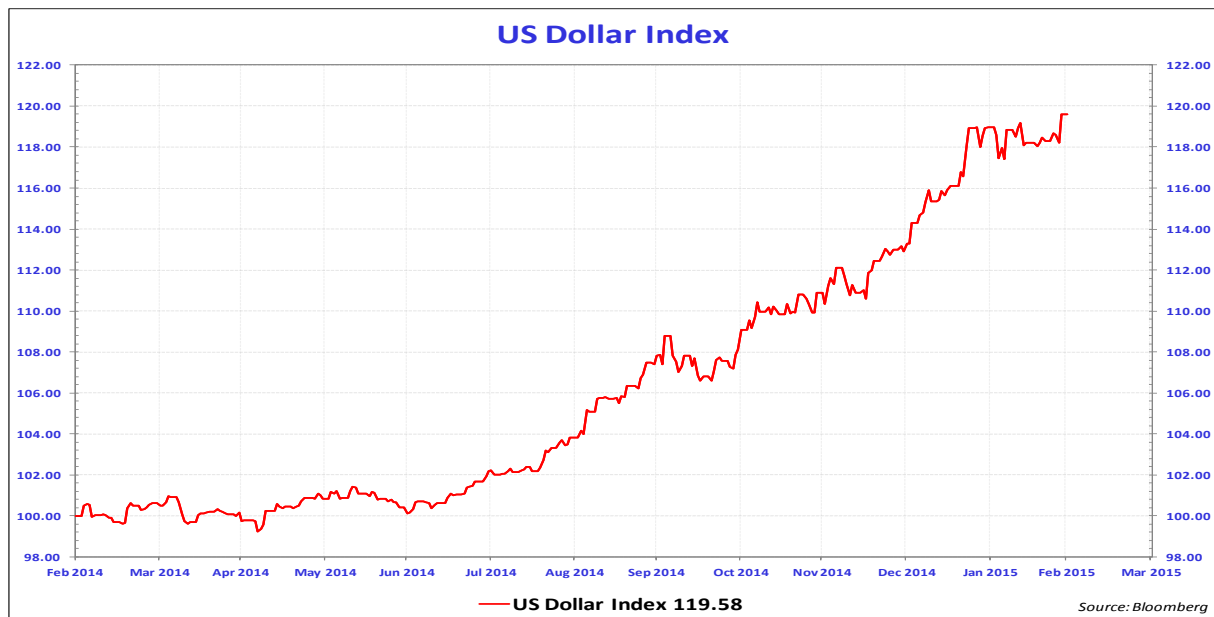
| Listed Property Indices | 1 Month | 3 Months | 1 Year |
|---|---------|----------|--------|
| GPR 250 REIT Index (USD) | -1.8% | 4.8% | 19.2% |
| FTSE/JSE SA Listed Property Index (ZAR) | 3.2% | 12.0% | 44.3% |

Source: I-Net Bridge



Currencies

Although the Greek bailout was extended, policymakers have not addressed the problems facing Greece to meet the conditions of the bailout and the risks to Europe's financial system remain significant. Furthermore, there have been conflicting messages from Federal Reserve officials in recent weeks over the timing of the first official interest rate hike. Many officials believe that the recovery in the labour market is now well entrenched and that wages are likely to start increasing. They are therefore advocating that the Fed move sooner to normalise interest rates, suggesting the first rate hike will happen when the Fed meets in June. These factors continue to provide support for the US dollar versus the other major currencies.



The rand was relatively flat against the US dollar during February, buoyed by an uptick in commodity prices. However, with the continued economic woes being experienced locally, the risk for the rand remains to the downside.

| Currencies (Domestic) | 1 Month | 3 Months | 1 Year |
|-----------------------|---------|----------|--------|
| ZAR/USD | -0.1% | -5.1% | -7.8% |
| ZAR/EUR | 0.7% | 5.5% | 13.7% |
| ZAR/GBP | -2.6% | -3.8% | 0.1% |

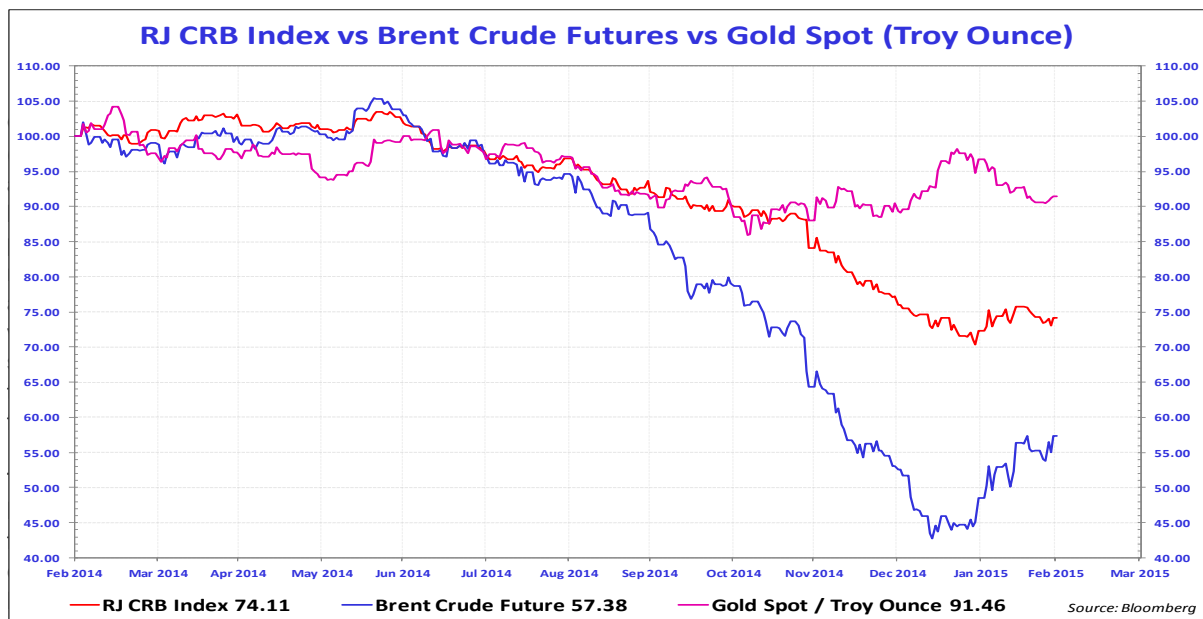
Source: I-Net Bridge

Commodities

The oil price managed to claw back some of the recent decline, with the price of Brent Crude Futures increasing by just over 18% during February. No doubt the eleventh hour deal to extend Greece's bailout caused some relief in markets and prompted investors to take on some more risk again. The possibility of a rate hike by the US Fed sooner than expected did not bode well for the gold price during February.

| Commodities (International) | 1 Month | 3 Months | 1 Year |
|-----------------------------------|---------|----------|--------|
| RJ CRB Index (\$) | 2.4% | -11.9% | -25.9% |
| Brent Crude Futures (\$) | 18.1% | -10.8% | -42.6% |
| Gold (\$) | -5.5% | 3.9% | -8.5% |
| London Metals Exchange Index (\$) | 1.4% | -8.9% | -10.8% |

Source: I-Net Bridge



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