



# MONTHLY PORTFOLIO REPORT

## March 2015

### STRATEGIC OUTCOMES

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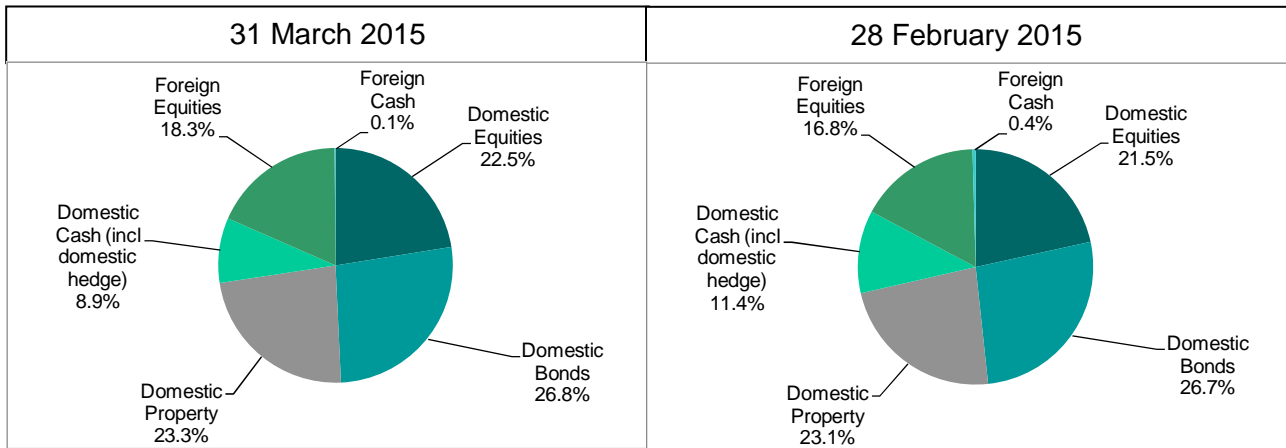
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## Asset allocation and forward portfolio income yield

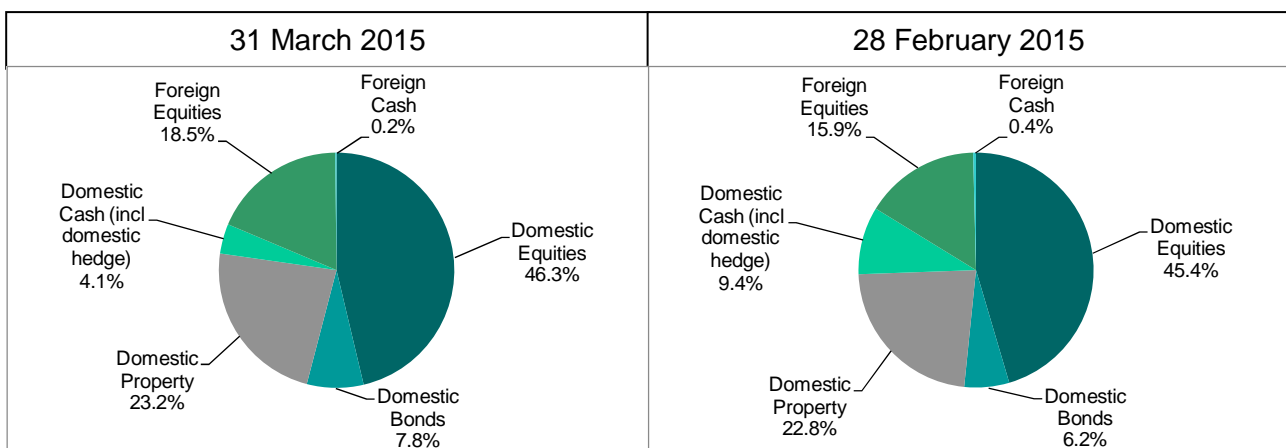
### Plexus Wealth BCI Conservative Fund



Forward portfolio income yield: 6.0% (gross)  
3 year compound annual growth rate: 6.6%

Exposure to Domestic and Foreign Equities was increased slightly at the expense of Domestic Cash.

### Plexus Wealth BCI Balanced Fund



Forward portfolio income yield: 4.8% (gross)  
3 year compound annual growth rate: 8.3%

Exposure to Domestic Equities, Domestic Bonds and Foreign Equities was increased slightly at the expense of Domestic Cash.

### Plexus Wealth BCI Property Fund



Forward portfolio income yield: 4.6% (gross)  
 3 year compound annual growth rate: 8.9%

Domestic Property exposure increased slightly at the expense of Domestic Cash.

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 31 March 2015					
Fund / ASISA sector	1 Month	3 Months	6 Months	1 Year	
				Fund	Benchmark
Plexus Wealth BCI Conservative Fund	1.5%	7.1%	13.3%	22.2%	7.1%
SA Multi-Asset Low Equity	0.7%	3.5%	5.8%	10.3%	
Plexus Wealth BCI Balanced Fund	1.5%	8.5%	16.3%	26.4%	9.2%
SA Multi-Asset High Equity	0.4%	4.6%	7.2%	12.0%	
Plexus Wealth BCI Property Fund	4.3%	18.0%	32.4%	58.4%	41.4%
SA Real Estate General	2.6%	12.7%	24.7%	39.6%	

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 and the Plexus Wealth BCI Balanced Fund rank second in their respective ASISA sectors while the Plexus Wealth BCI Property Fund ranks second.**

Since inception performance to 31 March 2015 (annualised)			
Plexus Wealth BCI Fund	Fund	Benchmark	SA Multi-Asset Low Equity
Conservative Fund (inception date 11/06/2009)	12.8%	8.2% (CPI + 3%)	10.6%
			SA Multi-Asset High Equity
Balanced Fund (inception date 24/06/2009)	15.6%	10.4% (CPI + 5%)	14.2%
			SA Real Estate General
Property Fund (Inception date 12/06/2009)	24.5%	24.0% (FTSE/JSE SA Listed Property Index)	22.1%

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.

<b>Risk statistics to 31 March 2015</b>			
<b>Plexus Wealth BCI Fund</b>	<b>Inception date</b>	<b>Volatility (standard deviation of returns)</b>	<b>Maximum drawdown (since inception)</b>
<b>Conservative Fund</b>	<b>11/06/2009</b>	<b>4.35%</b>	<b>-5.50%</b>
<b>Balanced Fund</b>	<b>24/06/2009</b>	<b>6.37%</b>	<b>-6.57%</b>
<b>FTSE/JSE All Share Index</b>		<b>12.44%</b>	<b>-13.25%</b>
<b>Property Fund</b>	<b>12/06/2009</b>	<b>10.53%</b>	<b>-18.29%</b>
<b>FTSE/JSE SA Listed Property Index</b>		<b>11.50%</b>	<b>-20.02%</b>

Source: MoneyMate and I-Net Bridge

## Performance of financial markets

### Equities

The stronger US dollar is having a negative impact on the outlook for US corporate earnings. With Alcoa set to get the first-quarter earnings season under way in the second week of April, analysts are expecting a 4.6% decline in year-on-year earnings for the S&P 500. If the analysts are right, this would mark the first decline in earnings for the S&P 500 since the third quarter of 2012. According to FactSet, 85 companies have issued negative guidance for the first quarter, while only 16 companies have issued positive earnings per share guidance. As a result of the deteriorating earnings outlook, both the Dow Jones Industrial Average and the S&P 500 Index declined in March and remain little changed since the start of the year.

Equity Indices (International)	1 Month	3 Months	1 Year
MSCI World (\$)	-1.8%	1.8%	4.0%
MSCI Emerging Markets (\$)	-1.6%	1.9%	-2.0%
Dow Jones Industrial	-2.0%	-0.3%	8.0%
S&P500	-1.7%	0.4%	10.4%
Nasdaq	-1.3%	3.5%	16.7%
London FTSE100	-2.5%	3.2%	2.7%
German Dax	5.0%	22.0%	25.2%
French CAC	1.7%	17.8%	14.6%
Japanese Nikkei	2.2%	10.1%	29.5%
Hong Kong Hang Seng	0.3%	5.5%	12.4%

Source: I-Net Bridge

South Africa's equity market declined by 1.3% in March as the resources sector was sold off aggressively on the back of lower commodity prices. The 8.9% decline registered by the resources sector effectively wiped out the gains of the previous two months. Banks and insurers were once again the top performers and the financial sector is now up more than 33% over the last 12 months and 11.2% in 2015. Sasol has been reclassified as an industrial company and contributed to that sector's marginal decline in March. Despite the weaker rand, the large dual-listed rand hedges didn't make much headway during the month.

<b>FTSE/JSE Equity Indices (TR)</b>	<b>1 Month</b>	<b>3 Months</b>	<b>1 Year</b>
All Share	-1.3%	5.9%	12.5%
SWIX	0.2%	6.9%	17.7%
Financial	2.9%	11.2%	33.4%
SA Industrial	-0.6%	5.6%	22.3%
Resources	-8.9%	-0.2%	-23.0%
Mining	-10.0%	1.0%	-21.9%
Gold Mining	-10.7%	7.7%	-14.3%
Top 40	-1.5%	5.7%	10.2%
Mid-cap	0.0%	7.6%	26.4%
Small Cap	-2.2%	3.2%	19.0%

Source: I-Net Bridge

## Fixed Income

Global bond yields declined modestly during March as investors digested mixed economic data out of the US, vague statements from various Fed officials and weaker global equity markets. While bond yields are expected to start rising when the Fed begins normalising monetary policy in the US, there is an ongoing debate as to whether they will rise significantly given the weaker global economic backdrop and lower inflation outlook.

<b>Fixed Interest Indices (International)</b>	<b>1 Month</b>	<b>3 Months</b>	<b>1 Year</b>
JP Morgan Global Government Bond Index (\$)	-0.8%	-1.8%	-3.7%
Bloomberg Global Developed Sovereign Bond Index (\$)	-0.9%	-1.9%	-4.4%
Bloomberg Local Emerging Market Sovereign Bond Index (\$)	-1.0%	0.3%	2.5%

Source: I-Net Bridge

The yield on government's R186 bond continued to rise and ended the month at 7.8%. While this is 15 basis points lower than the December 2014 closing level, it is approximately 70 basis points higher than the January 2015 closing level. Investors have become increasingly concerned about the prospects of another credit rating downgrade.



Fixed Interest Indices (Domestic)	1 Month	3 Months	1 Year
STEFI Composite Index	0.5%	1.5%	6.1%
BEASSA All Bond Index (ALBI)	-0.5%	3.0%	12.4%
Barclays Inflation-Linked Bond Index	0.6%	0.2%	9.6%

Source: I-Net Bridge

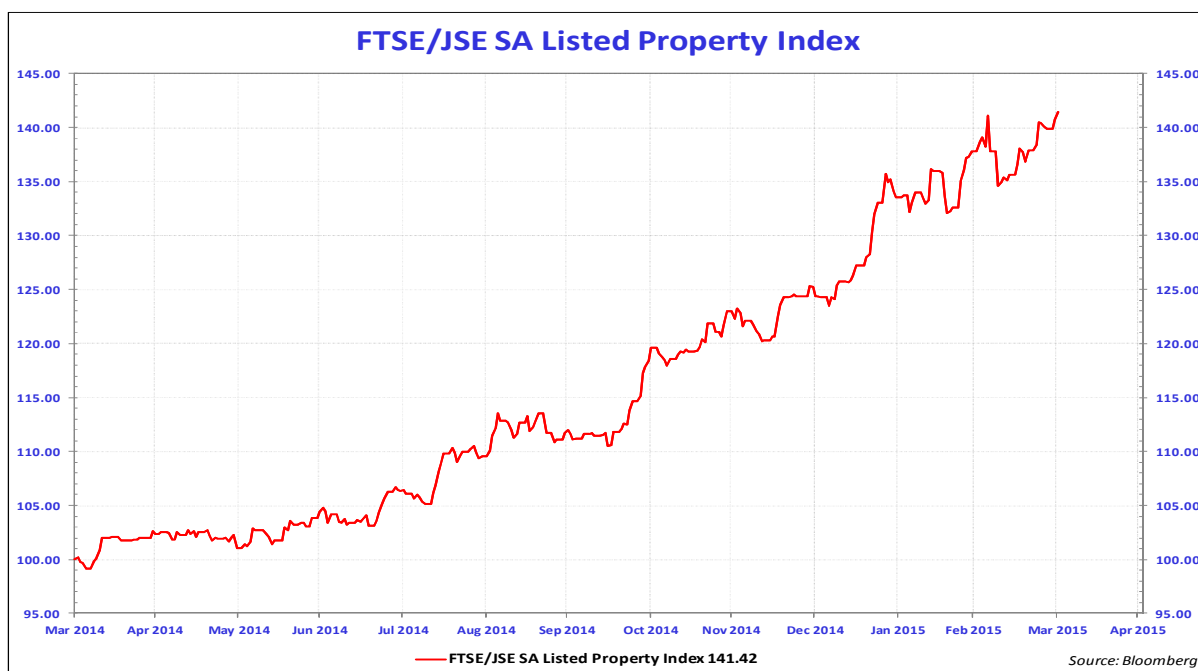
## Listed Property

With little direction from bond markets, global listed property prices moved sideways in March. The prospect of rising bond yields is likely to keep a lid on significant capital returns in 2015, although most listed property companies have continued to produce strong earnings growth despite the weaker economic backdrop. Supply-constrained markets like New York and London have continued to register strong growth in market rentals, which should support strong earnings growth in the years ahead as leases expire into a stronger rental market.

South Africa's listed property sector was once again the top-performing asset class and has now returned more than 41% over the past 12 months and almost 14% in the first quarter of 2015.

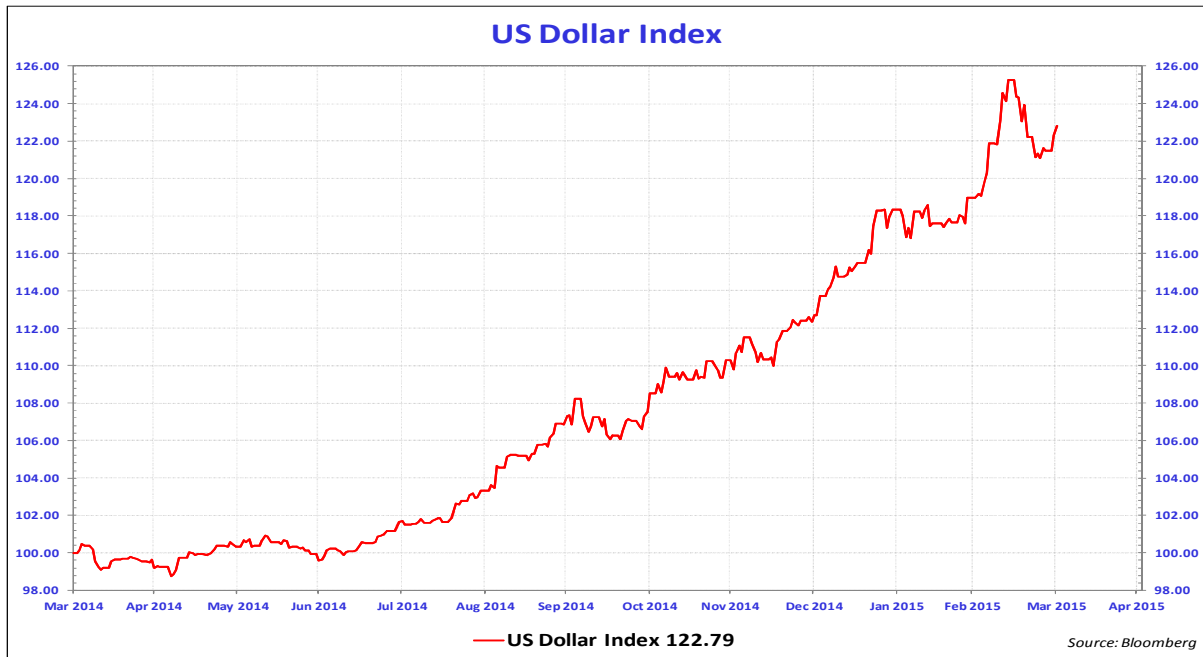
Listed Property Indices	1 Month	3 Months	1 Year
GPR 250 REIT Index (USD)	0.2%	4.2%	19.3%
FTSE/JSE SA Listed Property Index (ZAR)	2.6%	13.7%	41.4%

Source: I-Net Bridge



## Currencies

During March a number of high frequency economic indicators, like weekly jobless claims, painted a very mixed picture of the US economy in the first quarter. This pointed towards a possible slower start to the year than was originally anticipated and added to uncertainty regarding the timing of the first interest rate hike, as well as the magnitude and the pace at which the US Federal Reserve will raise interest rates. As a result, March proved to be a relatively volatile one for the US dollar. However, the longer upward trend remains intact.



The rand weakened against the rampant US dollar during March, but gained marginally against the euro and the British pound. With an already weak local economy, which is being exacerbated by continued power outages, the rand should remain under pressure for some time to come.

Currencies (Domestic)	1 Month	3 Months	1 Year
ZAR/USD	-3.9%	-4.6%	-13.2%
ZAR/EUR	0.3%	7.5%	11.4%
ZAR/GBP	0.1%	0.3%	-2.4%

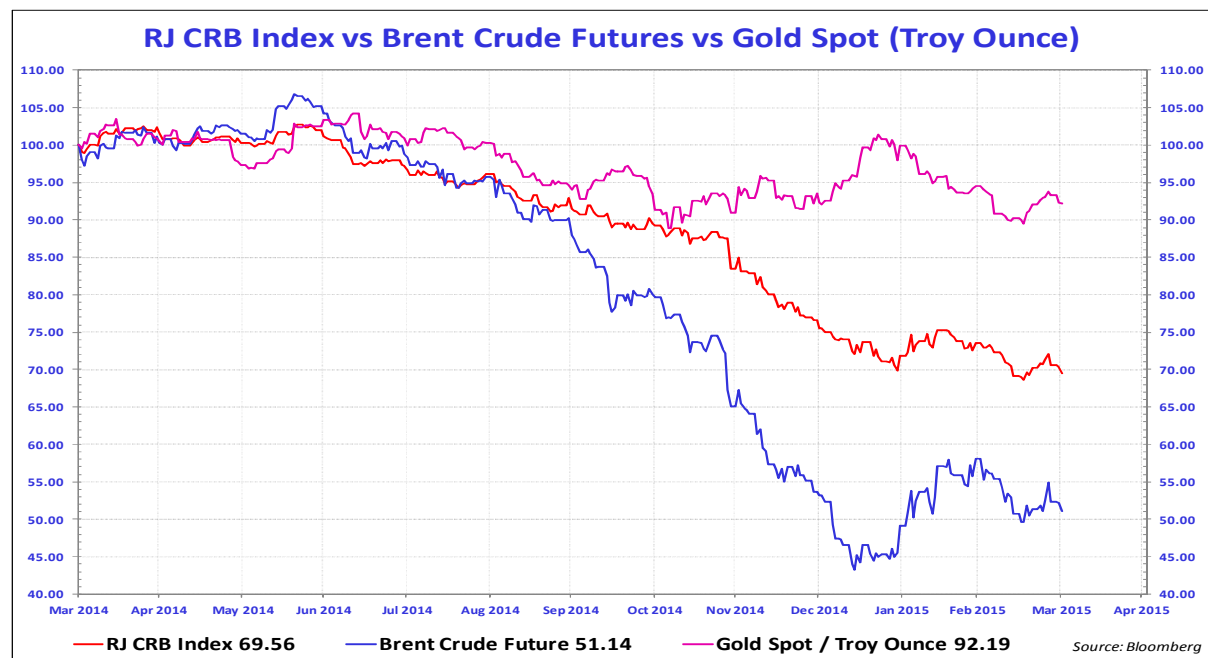
Source: I-Net Bridge

## Commodities

Commodity prices continued to decline during March against a benign global economic backdrop and the strong US dollar. Weaker than expected economic data out of China also had a negative impact on commodity prices.

Commodities (International)	1 Month	3 Months	1 Year
RJ CRB Index (\$)	-5.5%	-7.9%	-30.5%
Brent Crude Futures (\$)	-11.9%	-3.9%	-48.9%
Gold (\$)	-2.4%	-0.1%	-7.8%
London Metals Exchange Index (\$)	-0.1%	-5.6%	-8.2%

Source: I-Net Bridge



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