

Dear Valued Client

It goes without saying that 2020 has been a year of immense upheaval, and as your financial advisors we have worked tirelessly to re-examine and re-challenge our entire product range.

Our Plexus Wealth BCI Balanced Fund and Plexus Wealth BCI Conservative Fund contain a mix of asset classes, or types of investments, including local equities (shares on the Johannesburg Stock Exchange), offshore equities, listed property, bonds and cash.

This year we have benefitted from our offshore allocation in these funds, and took some profit at R19 to the USD. We have also managed to take advantage of attractive yields in the bond market. However, we have also been challenging the management of the local and offshore equity elements of these funds.

We conducted a thorough review of these sub-mandates, with a number of fund management firms giving us proposals for these elements of the fund.

We are pleased to announce the appointment of Marriott Asset Management in this regard.

MARRIOTT ASSET MANAGEMENT

Established in 1862, Marriott Asset Management is one of the oldest financial services businesses in the country. They currently have over R27 billion in assets under management, and offer a number of investment products including South African unit trusts and investment products, international unit trusts, an offshore share portfolio and a direct UK property solution.

Marriott was acquired by Old Mutual in 2005 and now forms part of the Old Mutual Investment Group as an independent boutique.

Marriott aims to create financial peace of mind through predictable investment outcomes by applying an income-focused investment style. This style is based on a business truth that the value of a company grows over time at the rate at which its profits grow. In the same way, the value of an investment, over time, grows at the rate its income grows. Income growth will drive capital growth.



An income-focused investment style requires:

- A selection of securities that produces reliable dividends (income streams), ideally growing.
- The purchase of these securities at appropriate prices (attractive income yields).

OUR STRATEGY

You will note a consistency in the overall Plexus Wealth strategy. With both the change outlined above and by exploring further opportunities, we aim to improve on the execution of a sound and sensible long term strategy.

We would like to sincerely thank Bridge Asset Management, and Paul Stewart in particular, for their service in managing these sub-mandates of our funds over the past 11 years. During this time we have enjoyed the team's many informative presentations and the funds performed in the top-quartile during several time periods during their tenure.



This change will not be a capital gains tax event, as the change is within the funds. This highlights the advantage of the Plexus Wealth BCI fund approach: sub-mandates delegated to selected fund managers can be changed over time to maximise benefit for our clients. There is also no additional cost to clients.

Our team of advisors is, as always, available to answer any questions or concerns.

Kind regards

The Plexus Wealth Team