

Returns achieved

31 MAY 2017



SPECIALIST INVESTMENT SERVICES

third  **circle**
Asset Management

Stochastic Portfolio Optimisation
Through Simulation



SPOTS

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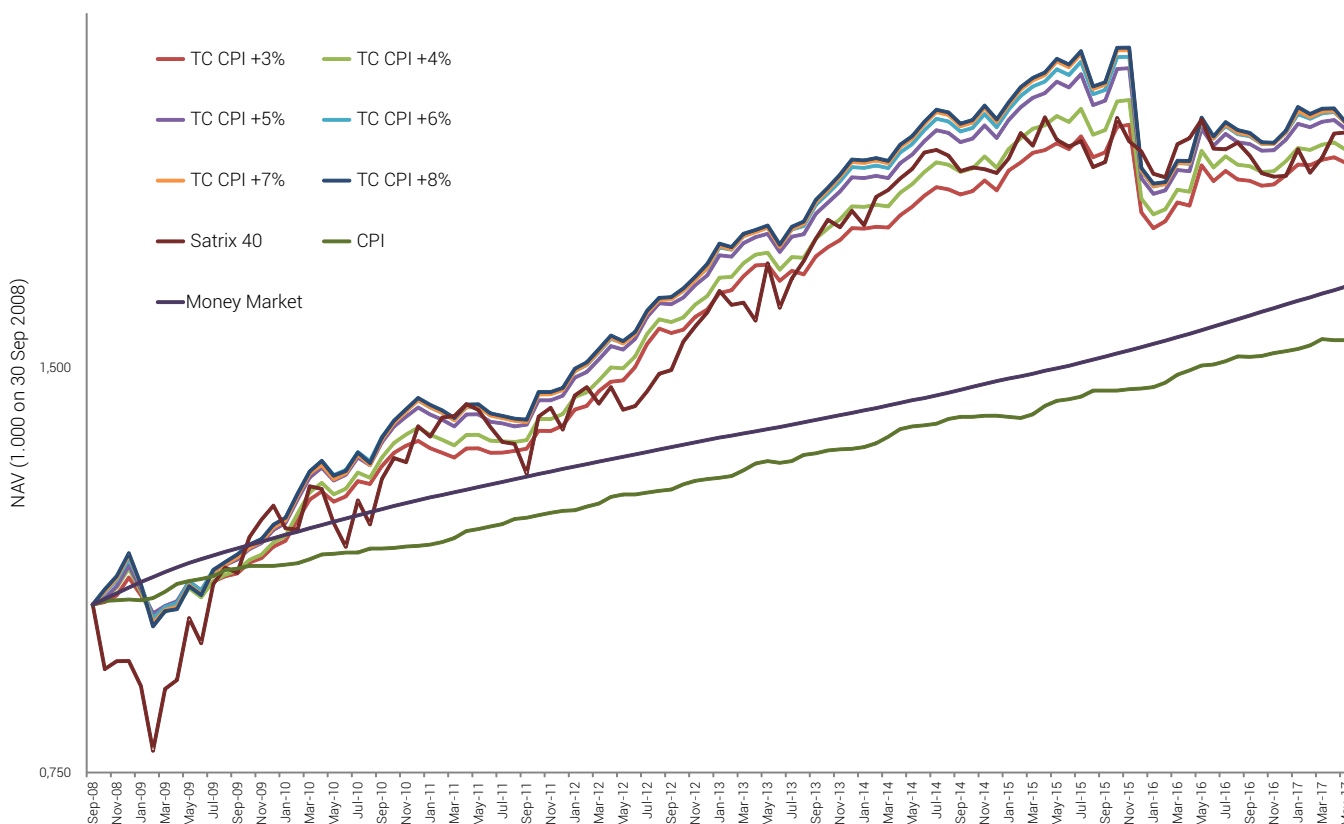
Comparative track record 31 May 2017: net returns achieved before platform and advisor fees

Return targets	CPI +3%	CPI +4%	CPI +5%	CPI +6%	CPI +7%	CPI +8%	All share index
Minimum and maximum equity exposure	0%<40%	0%<47%	0%<54%	0%<61%	0%<68%	0%<75%	
Average equity exposure (modeled/actual combined, since 1 Jan 1994)	35%	40%	47%	52%	58%	64%	
1 year return	-1,23%	-1,81%	-2,41%	-3,00%	-3,59%	-4,17%	1,77%
2 year returns (per annum)	-2,47%	-3,83%	-5,11%	-5,78%	-6,60%	-6,91%	3,98%
3 year returns (per annum)	1,96%	1,29%	0,66%	0,29%	-0,16%	-0,37%	5,48%
4 year returns (per annum)	4,02%	3,97%	3,96%	3,85%	3,77%	3,61%	9,34%
5 year returns (per annum)	7,37%	7,33%	7,32%	7,23%	7,16%	7,03%	13,32%
Realised annualised return since inception (1 Oct 2008)	8,90%	9,14%	9,54%	9,63%	9,58%	9,55%	12,96%
Model/actual combined annualised return (1 Jan 1994)	15,78%	16,38%	17,02%	17,48%	17,86%	18,32%	14,23%
Current drawdown	-7,86%	-10,01%	-12,02%	-13,11%	-14,43%	-14,98%	-0,42%
Drawdown targets	<5,00%	<7,50%	<10,00%	<12,50%	<15,00%	<17,50%	
Since 1 Oct 2008, 90% of realised drawdowns have been better than	-7,94%	-9,96%	-11,60%	-12,24%	-13,12%	-13,18%	-18,22%
2 year annualised standard deviation of monthly returns	4,69%	5,18%	5,71%	6,28%	6,87%	7,49%	8,62%
Scenario planning:							Probability of
Estimated returns per annum over a rolling three year period							outperformance
Nightmare scenario - there is a 90% probability of exceeding these levels	4,9%	4,7%	4,7%	4,4%	3,9%	3,5%	90%
Likely scenario - there is a 50% probability of exceeding these levels	7,5%	8,5%	9,3%	10,2%	11,1%	12,0%	50%
Optimistic scenario - there is a 10% probability of exceeding these levels	11,7%	12,7%	14,0%	15,5%	16,6%	18,1%	10%

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Value development over time



MONEY ANCHOR PROFILER®

We know that investor behaviour is driven by the conflict between avoiding pain (potentially losing money) and the achievement of pleasure (gaining wealth through investments growing).

The **Money Anchor Profiler®** (MAP) offers an indication of both how much pain an investor may be able to stomach emotionally without becoming overanxious, and how much emotional value they attach achieving elevated levels of growth.

INVESTOR FEAR AND GREED

Fear of Draw downs	Greedy for Growth
<-05.00%	Potential growth CPI+3%
<-07.50%	Potential growth CPI+4%
<-10.00%	Potential growth CPI+5%
<-12.50%	Potential growth CPI+6%
<-15.00%	Potential growth CPI+7%
<-17.50%	Potential growth CPI+8%



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	Third Circle Wrap Fund					
	CPI + 3%	CPI + 4%	CPI + 5%	CPI + 6%	CPI + 7%	CPI + 8%
Coronation Global Emerging Markets Flexible Fund	8,5%	8,5%	8,5%	8,5%	8,5%	8,5%
Sanlam India Opportunities Feeder Fund	4,0%	4,1%	4,2%	4,3%	4,4%	4,5%
Old Mutual Global Emerging Market Fund - A	6,6%	6,6%	6,6%	6,6%	6,6%	6,6%
Coronation Industrial Fund - P	5,3%	6,4%	7,6%	8,7%	9,9%	11,0%
SIM Industrial Fund - R	5,3%	6,4%	7,6%	8,7%	9,9%	11,0%
Bridge Managed Growth Fund	5,0%	5,5%	6,1%	6,6%	7,2%	7,7%
STANLIB Inflation Plus 3% Fund - A	5,0%	5,5%	6,1%	6,6%	7,2%	7,7%
CentaurBCI Flexible Fund	6,0%	7,0%	8,0%	9,0%	10,0%	11,0%
Nedgroup Investments Flexible Income Fund - A	6,8%	6,2%	5,7%	5,1%	4,6%	4,0%
Coronation Strategic Income Fund - A	6,8%	5,4%	4,1%	2,7%	1,4%	0,0%
BCI Best Blend Flexible Income Fund - C	12,8%	11,8%	10,9%	9,9%	9,0%	8,0%
Prescient Income Provider Fund - A2	5,3%	4,2%	3,2%	2,1%	1,1%	0,0%
Nedgroup Investments Property Fund - A	13,7%	12,3%	10,8%	9,4%	7,9%	6,5%
Marriott Dividend Growth Fund - R	0,0%	1,8%	3,6%	5,4%	7,2%	9,0%
Absa Property Equity Fund	9,2%	8,3%	7,3%	6,4%	5,4%	4,5%
Total	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

	Third Circle Wrap Funds					
	CPI + 3%	CPI + 4%	CPI + 5%	CPI + 6%	CPI + 7%	CPI + 8%
SA Equity	21,2%	25,6%	30,0%	34,5%	38,9%	43,3%
SA cash	13,4%	12,3%	11,1%	9,9%	8,8%	7,6%
SA bonds	18,0%	16,6%	15,1%	13,7%	12,3%	10,8%
SA Property	24,9%	22,6%	20,4%	18,1%	15,9%	13,6%
International Equity	18,4%	19,1%	19,9%	20,6%	21,4%	22,2%
International Fixed Income (short duration)	0,9%	0,9%	0,9%	0,9%	0,9%	0,9%
International Fixed Income (longer duration)	3,1%	2,8%	2,5%	2,2%	1,8%	1,5%
International Property	0,1%	0,1%	0,1%	0,1%	0,1%	0,1%
	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

DISCLOSURE DOCUMENT

(IN TERMS OF ACT NO. 37, 2002 FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002) FAIS ACT 2002.

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- ◆ TCAM is a pioneer in the field of aligning a person's asset allocation with a person's money personality (Money Anchor Profiling - MAP).
- ◆ TCAM have done this in such a way that a seamless integration is maintained between the client's wishes, personality traits and the eventual design of the client's portfolio.
- ◆ TCAM does not give financial advice.
- ◆ TCAM does not directly or indirectly hold more than 10% of an insurer's shares.
- ◆ TCAM did not receive more than 30% of the last year's asset management fees and remuneration from one institution.
- ◆ TCAM is not an associated company of any insurer.
- ◆ TCAM has Professional Indemnity Insurance.

FULL DUE DILIGENCE REPORT IS AVAILABLE ON REQUEST.

BUSINESS ASSOCIATES

Absa Investment Management Services (AIMS)



Glacier Financial Solutions (Pty) Ltd



Momentum Wealth

LISP'S specializes in the administration and management of unit linked investments as well as in multi investment management. LISP'S cater for discretionary saving investments, retirement solutions, guaranteed offerings and offshore investing on single investment platforms thereby providing a full spectrum of investment solutions with access to the complete range of South African unit trust funds as well as select offshore unit trusts. By complementing their administrative capabilities with investment expertise, LISP'S have uniquely positioned themselves as new generation investment houses and has independent status facilitates complete objectivity in providing optimal investment solutions.

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get in touch



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