

INVESTMENT STRATEGY

The objective of this portfolio is to provide investors with an alternative to cash with a focus on capital protection. The portfolio aims to generate a return of cash + 1% p.a. over any rolling 3 year period. This portfolio maintains a low risk profile and is limited to a maximum of 10% exposure to equities. The portfolio adheres to the guidelines set by Regulation 28.

Risk Weighting:

Low

JAMES TWIDALE

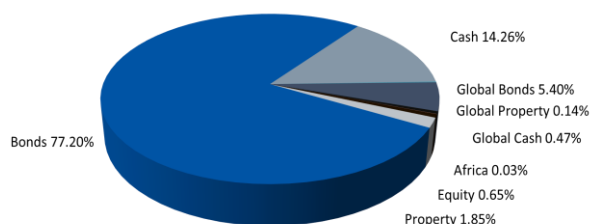


Portfolio Manager

UNDERLYING HOLDINGS

Coronation Strategic Income	30%
Ninety One Diversified Income	30%
Stanlib Income	20%
Prescient Income Provider	10%
Nedgroup Inv Flexible Income	10%

ASSET ALLOCATION



Please note: Asset allocation is one month lagged.

ANNUAL FEES (INCL. VAT)

Weighted average cost of funds**	0.57%
Annual Consulting fee - Analytics	0.23%
Model portfolio management fee (incl. VAT)	0.23%

**The weighted average cost of underlying funds is calculated using the latest available Total Investment Charge (TIC) of the underlying funds and their static weightings at month end on the selected Platform. This will vary daily as the actual weightings of the underlying funds fluctuate. The abovementioned fees include VAT but exclude Investment manager, Financial Advisor, Consulting and Platform fees.

ENHANCED INCOME PORTFOLIO*

Time Period: 01/05/2017 to 30/04/2021

	Enhanced Income	Cash
Return	6.98	6.54
Std Dev	2.51	0.38
Sharpe Ratio	0.18	
Max Drawdown	-3.65	

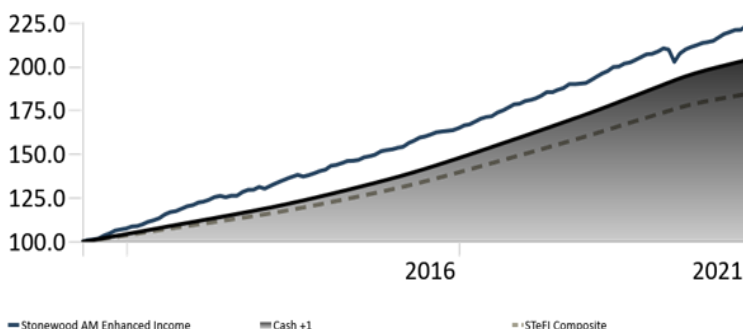
TOP 10 HOLDINGS

1 Growthpoint	6 SA Corporate Real Estate
2 Redefine	7 Sirius Real Estate
3 Stor-Age Property	8 Resilient
4 NEPI Rockcastle	9 Tower Property
5 MAS Real Estate	10 Equites Property

Latest available top 10 holdings as disclosed by Morningstar as at 31 Mar 2021

INVESTMENT GROWTH*

Time Period: 01/05/2011 to 30/04/2021



MONTHLY RETURNS*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	0.49	0.52	0.05	0.92									1.99
2020	0.87	-0.34	-3.32	2.33	1.12	0.66	0.48	0.60	0.24	0.34	0.93	0.92	4.83
2019	1.02	0.86	0.73	1.13	0.13	0.86	0.32	0.74	0.77	0.77	0.13	0.61	8.36
2018	0.35	0.50	0.85	1.09	-0.01	0.73	0.53	1.18	-0.02	0.16	0.18	0.94	6.68
2017	0.94	0.32	0.95	0.95	0.63	0.24	1.24	0.71	0.94	1.01	0.21	0.85	9.38

PORTFOLIO AND UNDERLYING HOLDINGS TRAILING RETURNS (*ANNUALISED)

	1 Month	3 Months	YTD	1 Year	3 Years*	5 Years*
Stonewood AM Enhanced Income	0.92	1.49	1.99	7.50	6.32	7.16
STANLIB Income R	0.55	0.70	1.06	5.81	7.28	7.93
Coronation Strategic Income A	1.14	1.57	1.90	7.73	6.36	7.37
Ninety One Diversified Income Z	0.86	1.68	2.28	7.61	7.97	8.43
Prescient Income Provider B3	0.98	1.48	1.93	8.00	7.89	8.47
Nedgroup Inv Flexible Inc A	1.10	2.22	3.18	9.40	7.99	7.93

QUARTERLY COMMENTARY

April saw the JSE All Share index record its 6th consecutive month of positive returns, this largely came from the resources sector benefitting from higher metal prices. Inflation expectations have become a key theme of late in global markets, further supporting equity markets while global bonds continue to struggle. SA property was the best performing asset class in April, the sector has continued its recovery towards pre-covid levels however the industry still faces much uncertainty and headwinds over the short term. A record of 87% of S&P 500 companies have beaten earnings estimates and are continuing to grow earnings as at the end of April. The US employment report due on 7 May is expected to have added over 1 million jobs which is even higher than the 916,000 added in March. The US Federal Reserve maintained its target for the federal funds rate at a range of 0% to 0.25%. Prior to March 2020, the last time the Fed cut rates to this level was in December 2008 where they remained until 7 years later.

The JSE All Share Index (up 1.0%) had yet another positive month. SA Resource stocks (up 2.9%) once again delivered some positive returns so too did Financials (up 1.5%) while Industrials (down 1.2%) contracted slightly. Small-cap shares (up 5.6%) were the top performers again in April, outperforming both Mid-cap (up 2.4%) and Large-cap (up 0.6%) shares. Emerging Market Equities underperformed their Developed Market peers with the MSCI World up 4.7% in US Dollar terms while the MSCI Emerging Market Index was up 2.5%. The SA REITs sector (up 14.3%) outperformed the South African Listed Property sector which managed to end the month up 11.7%. SA Bonds outperformed Global Bonds with the ALBI ending the month up 1.9%. The Rand appreciated 1.8% against the US Dollar, 1.4% the Pound Sterling and depreciated 0.6% against the Euro. Major commodities had a better month with the Oil Price (up 5.8% in USD), the Gold Price (up 3.1% in USD) and Platinum ending the month positively (up 1.2% in USD).

*Returns are net of Total Investment Charges (TIC) and for periods greater than one year the returns have been annualised. Returns prior to launch of the portfolio are simulated based on the returns of the underlying funds at their initial weightings. Postlaunch returns are simulated based on the current weightings of the initial investment on the selected Platform, where applicable. The information and opinions contained in this document are recorded and expressed in good faith and in reliance on sources believed to be credible. No representation, warranty, undertaking or guarantee of whatever nature is given on the accuracy and/or completeness of such information or the correctness of such opinions. 1st Fusion Asset Management (Pty) Ltd and/or Portfolio Analytics Consulting (Pty) Ltd ("Analytics") will have no liability of whatever nature and however arising in respect of any claim, damages, loss or expenses suffered directly or indirectly by the investor or the investor's financial advisor acting on the information contained in this document. Furthermore, due to the fact that neither 1st Fusion nor Analytics act as the investor's financial advisor, they have not conducted a financial needs analysis and will rely on the needs analysis conducted by the investor's financial advisor. 1st Fusion and Analytics recommend that investors and financial advisors take particular care to consider whether any information contained in this document is appropriate given the investor's objectives, financial situation and particular needs in view of the fact that there may be limitations on the appropriateness of any advice provided. No guarantee of investment performance or capital protection should be inferred from any of the information contained in this document.

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