

### 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:



### JAMES TWIDALE

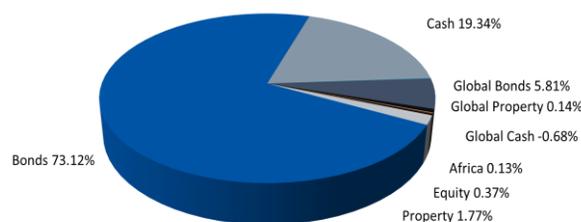


Portfolio Manager

### 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**	0.58%
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: 01/02/2017 to 31/01/2021

	Enhanced Income	Cash
Return	7.18	6.78
Std Dev	2.51	0.32
Sharpe Ratio	0.16	
Max Drawdown	-3.65	

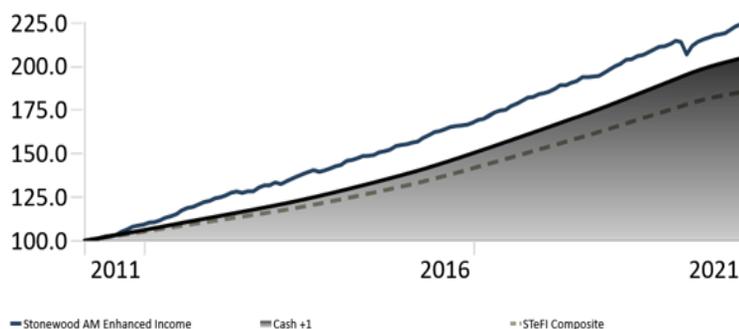
### TOP 10 HOLDINGS

1 Growthpoint	6 Sirius Real Estate
2 Redefine	7 SA Corporate 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 Dec 2020

### INVESTMENT GROWTH\*

Time Period: 01/02/2011 to 31/01/2021



### MONTHLY RETURNS\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2021	0.49												0.49
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	0.49	2.36	0.49	4.44	6.66	7.40
STANLIB Income R	0.36	1.57	0.36	6.10	7.79	8.23
Coronation Strategic Income A	0.32	2.43	0.32	4.06	6.69	7.65
Ninety One Diversified Income Z	0.59	2.59	0.59	6.73	8.58	8.52
Prescient Income Provider B3	0.45	2.73	0.45	5.74	8.08	8.58
Nedgroup Inv Flexible Inc A	0.94	2.56	0.94	5.75	8.23	8.13

### QUARTERLY COMMENTARY

December 2020 has seen a significant increase in new Coronavirus cases around the World. On the 28th of December, South Africa announced new restrictions after discovering a new, fast-spreading variant of the virus. The restrictions included the banning of alcohol, the closing of beaches and setting a newer, earlier curfew. Businesses are concerned about the year ahead because of the worse than expected sales and economic participation over the December holidays. Foreign inflows helped the Rand relative to the US Dollar and globally we have seen a risk-on environment and appreciation of emerging market currencies. The Rand closed out 2020 where it started the year trading around the R14.60 mark. The SA GDP figure recovered strongly, driven primarily by household consumption and net exports. SA bonds delivered positive performances and the strong foreign demand for SA bonds pushed yields lower. ILB's also had a strong month as inflation remains relatively low to historical levels.

The UK have since also seen some tougher restrictions as their COVID-19 cases keep rising. The U.S. surpassed 20 million cases amid the emergence of a new virus variant and a slower than expected vaccine rollout. The United States closed out 2020 with the deadliest and most infectious month since the start of the coronavirus pandemic. Developed market equities had a positive month in USD Dollars, the combination of unprecedented amounts government stimulus/liquidity and the rapid development of a COVID-19 vaccine drove an unexpectedly rapid recovery from March's lows across equities, credit, and commodities. The JSE All Share Index (up 4.2%) is lower than the previous month. The SA Resources sector (up 9.5%) was the top performing sector of the month and SA Financials also delivered positive performances (up 8.3%), while SA Industrials detracted (down 1.0%). Mid-cap shares (up 6.6%) outperformed Small-cap (up 5.4%) and Large-cap stocks (up 4.0%). Emerging Market Equities outperformed their Developed Market peers with the MSCI World up 4.3% in US Dollar terms while the MSCI Emerging Market Index was up 7.4%. The South African Listed Property sector (up 13.7%) outperformed the SA REITs sector (up 13.1%) in December. The Rand appreciated 5.1% against the US Dollar, 2.8% against the Pound Sterling and 2.9% against the Euro. The Gold Price (up 6.6%) bounced back over the month of December, while Platinum (up 11.5%) and the Oil price (up 8.8%) detracted from last month.

\*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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 FSP: Stonewood Asset Management (Pty) Ltd, 54 Glenhove Road, Melrose Estate, 2196, Tel: +27 11 883 2897 email james@stonewoodam.co.za