

GLOBAL GROWTH BUNDLE

JUNE 2019



cannon
asset
managers

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BUNDLE FACTS

| | |
|---------------------------------------|----------------|
| Benchmark | CPI + 6% |
| Mandate Inception (CPI + 6%) | January 2009 |
| Easy Equities Bundle Inception | September 2018 |
| Investment Horizon | > 5 Years |

INVESTMENT OBJECTIVES

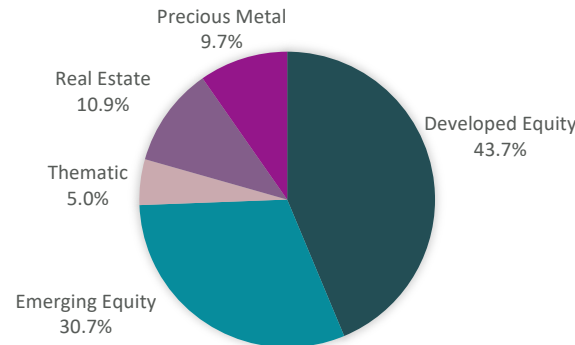
To produce long-term capital growth ahead of “consumer price inflation plus six percent” (CPI + 6%) over periods of five years and more through exposure to global assets using a flexible investment approach.

INVESTMENT STRATEGY

Cannon Asset Managers’ Global Growth Bundle invest in growth assets, especially equities and real estate assets, outside of South Africa. The portfolio has complete flexibility in the allocation of assets in terms of countries, currencies and regions and targets a long-term return of inflation plus six percent (CPI + 6%). The portfolio manager has full discretion in asset allocation between and within asset classes, countries and regions. The portfolio is required to holding at least 80% of its assets outside of South Africa, although the long-run strategic target is to allocate all investments globally and outside of South Africa. The strategic asset allocation favours capital growth assets and, in particular, equities and real estate.

The exposure within the different asset classes is managed on a passive basis, which ensures holdings deliver efficient asset-class returns and costs are kept as low as possible. The primary goal of the bundle is to produce high capital growth over the longer term through exposure to global assets.

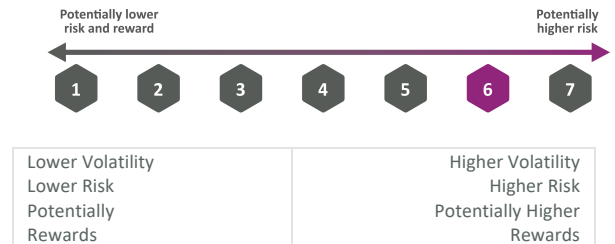
ASSET CLASS EXPOSURE



INVESTMENT GUIDELINES

Cannon Asset Managers’ Global Growth Bundle invests in a portfolio of equities, property, bonds, commodities and cash. The bundle does not comply with the investment limits governing retirement funds (Regulation 28 of the Pension Funds Act). In the long run, the strategic allocation targets holding all investments outside of South Africa in offshore assets. There are no limits or constraints to the geographic allocation or currency allocation of the portfolio. Similarly, the portfolio may be aggressively managed, with underlying assets being shifted between different markets and various asset classes to reflect changing economic, political, business and environmental conditions. The manager has full discretion over asset allocation to maximise total returns over the long term.

SUITABLE FOR*



The bundle is suited to investors who:

- are looking for long-term capital growth ahead of consumer price inflation;
- can tolerate short-term portfolio volatility associated with an aggressive investment mandate;
- seek global investment exposure; and
- have an investment horizon of at least five years.

BENCHMARK

The investment results of the bundle are measured against two benchmarks, namely:

- the market value-weighted average return of funds in the ASISA Global Flexible Multi-Asset Category, as reported by Morningstar (www.morningstar.com); and
- the rate of consumer price index inflation plus six percent (CPI + 6%).

As an aggressive investment, the bundle is managed to produce high capital growth for investors who can tolerate short-term market volatility and are willing to accept the risks associated with an aggressive mandate.



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Cannon Asset Managers

* Riskalyze is a cutting-edge technology that identifies your acceptable levels of risk and reward with unparalleled accuracy. Using this tool, we ensure that your portfolio aligns with your investment goals and expectations. For more information please go to www.riskalyze.com.



EFFECTIVE ANNUAL COST (EAC)

| | |
|---|-------------|
| Underlying Fund Total Expense Ratio (TER) | 0.53 |
| Transaction Costs | 0.13 |
| Asset Management Charge | 0.65 |
| Effective Annual Cost (%) | 1.31 |

The estimated effective annual cost is made up of (a) the weighted average of the total expense ratio (TER) of the exchange traded funds that make up the bundle; (b) a reasonable best estimate of the transaction costs incurred in managing the bundle; and (c) the asset management fee charged by Cannon Asset Managers as the bundle advisor. Keeping investment costs as low as possible is an explicit objective of Cannon Asset Managers as the bundle advisor.

All figures are quoted exclusive of value added tax (15% as of 1 April 2018).

Independent financial advisors are eligible to charge an additional advice fee of up to 0.50% per annum.

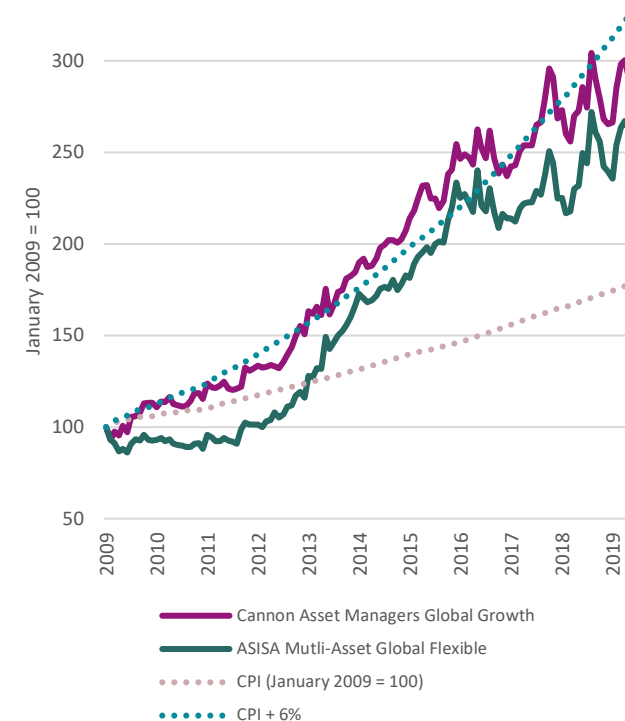
INVESTMENT WRAPPER

Living Annuity: If you invest via a living annuity an additional fee of 0.40% per annum will be levied for the savings wrapper, increasing the effective annual cost to 1.71% per annum.

PORTFOLIO ATTRIBUTES & INVESTMENT RESULTS

| Return & Risk Attributes | Benchmark (CPI + 6%) | ASISA Average | Global Growth Bundle |
|-------------------------------|----------------------|---------------|----------------------|
| Average Yearly Return (%) | 11.9 | 11.9 | 11.5 |
| Average Yearly Volatility (%) | 0.6 | 12.7 | 11.9 |
| One-Year Return | 12.1 | 5.3 | 4.7 |
| Three-Year Return | 12.3 | 6.0 | 5.8 |
| Five-Year Return | 12.1 | 8.4 | 8.6 |
| Ten-Year Return | NA | NA | NA |
| Return Since Inception (%) | 227.5 | 162.8 | 199.1 |
| Highest Monthly Return | 1.8 | 13.4 | 10.9 |
| Lowest Monthly Return | 0.5 | -8.0 | -8.0 |
| Highest Annual Return | 12.9 | 43.3 | 31.6 |
| Lowest Annual Return | 9.4 | -8.4 | -7.9 |
| Maximum Drawdown (%) | 0.0 | -13.6 | -13.6 |
| Time to Recovery (Months) | 0 | 16 | 13 |
| Positive Months (%) | 100.0 | 56.8 | 62.4 |
| Success Rate (%) | NA | 98.0 | 100.0 |

PERFORMANCE



⊠ The return and investment performances set out in this document are for illustrative purposes only. The performance is calculated by taking the actual initial fees and all ongoing fees into account for the strategic asset allocation percentages of the TFSA bundle and all income is reinvested on the reinvestment date. For the period from 2006 to 2018, proxy data were used based on Cannon Asset Managers underlying mandates to represent the TFSA bundle's returns. The highest and lowest annual returns reported are on a rolling 12-month basis since inception, and not per calendar year; this metric is intended to capture how much the TFSA bundle and the benchmark returns have varied for a rolling 12-month period.

‡ The Success Rate measures the instances in which the investment performance of the portfolio is ahead of consumer price inflation over the investment horizon of the portfolio, as noted under the section "Benchmark". The effective annual cost (EAC) calculation is made in accordance with ASISA effective annual cost (EAC) standard available at www.asisa.org.za/codes-standards-guidelines/standards/.

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