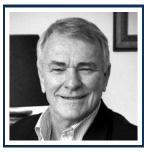
GLOBAL BRIEF

Fourth Quarter 2013



Editorial Comment

Mike Borland, director, FIRSTGLOBAL GROUP

As we approach the final weeks of 2013, we look back on a year where the markets have had an exceptionally good run globally and locally, with the South African stock market up some 21.6% over the last 12 months. Investors should not however, according to general consensus, expect the same kind of returns next year.

The big story locally was the rand, which depreciated by almost 20% against the dollar, again confirming the importance of diversifying your investment exposure internationally. Clients who had offshore exposure would have done well this year.

2014 is an election year in SA and there are likely to be many political speeches designed to woo voters rather than foreign investors. By the time investors stop worrying about the elections, US Federal Reserve tapering will probably become a concern. Probable Chairman of the Federal Reserve, Janet Yellen, is known to be "dovish" on the tapering issue and is more concerned about employment than inflation, which implies that the prospects of accelerated tapering, and the negative consequences for the global markets, are slim.

In this edition of Global Brief, we consider the reasons to review your Will, we highlight a vital, yet oft neglected part of retirement planning, and finally we pay tribute to Madiba, a man who is arguably the most loved and respected South African ever, by including a list of Mandela Quotes to live by.

With warm wishes to our clients over the festive season and may you enjoy peace, prosperity and good health in 2014.

For Sanity's Sake, Write a Letter to the Future You

Mike Borland, director, FIRSTGLOBAL GROUP

The following article by Bruce Cameron appeared in the Personal Finance Section of various "Independent Newspaper" publications recently. No doubt some of you have read it. Through recent personal experience with elderly and frail parents, and that of a number of my friends and peers, it has struck me that there is a really important aspect of "Retirement Planning" that is ignored or neglected by many - and the consequences can be devastating for aging individuals, and for their families who try to do the best for their loved ones (in the face of obstructive and stubborn behaviour) as they progress into old age. So... "For sanity's sake, write a letter to the future you". (Parts of the article have been omitted for the sake of brevity.)

"The original column was written after I had spoken to a respected actuary about the problems associated with things such as deciding when to move into a retirement village and, even more importantly, into frail care.

Most people simply do not want to move into either. And when they do, the move can be fairly traumatic.

There are other important financial issues associated with getting older.

Dealing with these issues can become more and more of a challenge as you age, particularly if you have any form of dementia. Among other things, you can become increasingly stubborn about taking sound advice, may make incorrect decisions and may even be exposed to fraud.

The actuary mentioned in passing that his father-in-law has told him that he was aware of these and other problems associated with ageing. His father-in-law's solution was to write himself a letter (see "Memo to me when I'm 75". The names have *been changed.) I think this is a wonderful idea, and I have decided to do the same thing.*

I am sure there are other things you can think of for your personal memo to yourself. What we need to do is to accept the frailties of older age.

Memo to me when I'm 75
From John to John
Written: age 60
Intended reading date: age 75+

1. *Sell my motor vehicle or employ a driver as soon as I need assistance to stand up or if I forget why I was out driving in the first place.*
2. *Don't scale down my medical scheme option or cancel my membership altogether to save money. And ensure that someone can make the right medical scheme option choices when I no longer do so.*
3. *Don't try to organise your children in their own homes; let them organise you.*
4. *If it doesn't matter, don't make an issue out of it.*
5. *Given your age, you probably will be forgetful. Write things down and don't repeat yourself.*
6. *Pursue photography, woodworking, birding and golfing interests to make yourself more socially interactive. Also, try to be reasonably up to date with current affairs.*
7. *Your children have grown older and wiser as well. Don't reject their ideas. Respect their ideas, especially those from financially wise children. Their ideas will be more up to date than yours, and possibly more appropriate in the financial environment of the time.*
8. *Don't procrastinate when it comes to relocating to smaller, more appropriate accommodation as personal circumstances change. Avoid holding on to the family home when your needs decrease, even though the home may hold precious memories. If your children are urging you to move, comply.*
9. *Arrange later retirement accommodation around schemes with frail-care facilities, good access to medical attention and other services related to older people. Don't leave it too late.*
10. *Don't follow your children around, but, if they seem reasonably settled in one place, try to live near them. It will make it much easier for them, especially near the end.*
11. *Migrate your investments toward cash-related investments as time progresses. Continue with independent, objective advice from a financial advice company.*
12. *Eliminate unnecessary investment clutter. (Consolidate relatively small investments that are disconnected from the main.)*
13. *Put arrangements in place to make sure Jill (spouse) can become the principal medical scheme member without undue difficulty.*
14. *Make sure Jill has enough cash to survive for one year after your death to tide her over the winding up of your estate.*
15. *Update your will regularly, especially the annexures that detail investments and relevant reference and contact numbers.*
16. *Keep important documents in a central place so that your heirs can easily access such information.*
17. *Look after yourself and always look presentable. Your children would like to be proud of you.*
18. *Prioritise appropriate and regular exercise, especially walking and swimming.*
19. *Prioritise brain stimulation, especially piano playing and crossword puzzles.*
20. *Maintain annual medical check-ups*
21. *At the appropriate time (around age 75), sign a power of attorney in favour of Jill or John junior so that your personal affairs can be managed during times of frailty or illness. Brief them as to where everything can be found, especially your will and living will. Don't leave this too long.*
22. *Everything you say should add some value to the conversation. Rather keep quiet than say something for the sake of saying it.*
23. *If not being spoken to, don't insist on being part of the conversation.*
24. *Never embarrass your children or grandchildren. They will avoid you if you do. If they are too fat or too thin, it's their problem, not yours – don't comment.*
25. *Be ruthless about clutter. If you don't need it, get rid of it.*

Physical and mental frailty and your finances

Statistically, medical expenses escalate dramatically in the last few years of a person's life. In many cases, neither the need for an increasing cocktail of life sustaining medication and frail care nor the significance of the cost of these "luxuries" is contemplated or anticipated - and these can be devastating to an extended family's financial resources. (In many cases, financial reinforcements are called in from family members when their parent's resources run dry.)

BUT - this is not where it begins and ends - there is also the reality that the aging mind becomes less and less able to manage finances and becomes increasingly vulnerable financially speaking - either through forgetfulness, over-generosity, uncharacteristic extravagance or disorientation on the one hand - or fraud and manipulation by outside influences on the other.

SO, again deferring to Bruce Cameron's list above, it is vital that provision is made well in advance to ensure that structures are in place for responsible family members, in consultation with a trusted financial adviser, to take over the reins of financial management when the need arises

Estate Planning Essentials: Ten Reasons why your Will may be out of date

By Tiny Carroll, Fiduciary Specialist, Glacier Fiduciary Services

According to the Supreme Court of Appeal in Raubenheimer v Raubenheimer, your Will is the most important document you will ever sign.

Yet many of us pay scant regard to this important document. Once signed (hopefully signed!) it is ticked off the to do list and then forgotten. It is just as important to review your Will regularly as it is to have one drafted in the first place. Having an outdated Will can in some instances be more harmful than having no Will at all.

Here are 10 reasons to have another look at your Will.

1. Children Nominated by name

If you have nominated your children by name (for example "I leave my estate to my son John"), and in the mean time you've had another child, say, a daughter Mary, Mary will be disinherited because she has not been appointed as an heir.

Unless there is a specific reason for nominating children by name it is recommended that children be nominated as "my children" – this will include any adopted children.

2. A bequest to "our children" or "the children born from our marriage"

A bequest to "our children" or "children born from our marriage" could also lead to problems of interpretation. By way of example, Paul and Jane in a joint Will leave their estate to "our children" or "children born from our marriage". Paul and Jane later divorce and Jane has two further children from her second marriage. Many years later Paul dies without having amended his Will. How will "our children" be interpreted? Will Mary's two children from her later marriage also inherit? Alternatively in the event of Mary's death, her two children from the later marriage may be disinherited because of the reference to "the children born from our marriage".

It would be better to ensure that your Will is worded correctly than to leave the destination of your estate to the interpretation placed on your Will by a court.

3. A bequest to "my spouse"

You may have bequeathed your estate to "my spouse" – without naming your spouse. If you have divorced and re-married, the question of which spouse then arises. Did you mean the spouse to whom you were married at the time of drafting the Will, or your present spouse? In this regard it is best to name your spouse.

4. Divorce

The Wills Act provides that if a person dies within three months of becoming divorced his/her Will must be implemented as if the spouse from whom the deceased was divorced predeceased him.

After three months the old Will revives and an ex-spouse from whom you are now divorced will inherit.

It is probably advisable to amend your Will at the commencement of divorce proceedings – it is highly unlikely that you would want someone who you are divorcing, often in the most acrimonious circumstances, to inherit from you.

5. Bequest to a "family trust"

If you have bequeathed your estate to a "family trust", you need to ensure that:

- The trust is a valid trust, and still in existence;
- The trustees are empowered to accept the inheritance; and
- The trust will continue after your death for the benefit of the beneficiaries nominated in the trust deed.

We recommend that alternate heirs be nominated in case the trust cannot inherit – for whatever reason.

6. The accrual claim

Your Will must take account of an accrual claim.

On dissolution of a marriage subject to the accrual system, the accruals of each estate is calculated according to a statutory formula and an equalisation takes place. Equalisation takes place by granting the spouse with the smaller accrual a claim for half of the difference in the respective accruals. If the spouse with the smaller accrual leaves his estate to a child without taking his accrual claim into account - and he dies first - his surviving spouse will have to find the means with which to settle the accrual liability.

For example, Elise and Bradley are married with the accrual. Bradley owns a motorcycle and a small bank account. Elise, on the other hand, owns and runs a very successful business. In addition to the business, she owns their primary residence and several other properties.

Bradley, mistakenly, believes that if he leaves his estate to his son Michael, he will only inherit the motorcycle and the cash in the bank account. However, because of the accrual claim in Bradley's favour, Michael will inherit several million rand. Elise will be forced to liquidate part of her estate to settle the accrual debt which will be inherited by her son.

The fortunes of spouses may also have reversed over time.

A spouse who once had the accrual claim may now be the spouse who has the bigger accrual and is liable to settle the accrual claim.

If you are married subject to the accrual system you should ensure that you have an accrual calculation done before finalising your Will.

If you have had a Will drafted without specifically ensuring the extent of the accrual claim, your Will may be out of date.

7. Trusts created for minor beneficiaries

Did you intend a minor beneficiary to be someone under the age of 21? The Children's Act was amended in 2005 to reduce the age of majority from 21 to 18 years. If your Will indicates that your beneficiaries only inherit once they reach majority, then they may inherit three years earlier than you actually intended.

You may even have stipulated that a beneficiary will not inherit until he or she reaches the age of 25, or any age over 18. A bequest to a minor may be claimed by that erstwhile minor as soon as he or she reaches the age of 18 (even though you stipulated 25) unless there is some form of "sanction" stipulated in the Will which prevents the beneficiary from claiming the inheritance. Imposing an age restriction on a bequest without any form of sanction is known as a "nude restriction". The "sanction" usually states that: if the beneficiary, after reaching majority, takes steps to claim an inheritance being held in trust for his/her benefit, that beneficiary will forfeit the inheritance in favour of someone else.

Careful reading of your Will will reveal whether the age restriction imposed on a bequest will be enforceable or not.

8. Bequest of loan accounts

It is no longer necessary to use the somewhat contrived construction of "bequeathing an amount equal to a loan account, due by a trust, back to that trust". This construction was used to avoid having to paying capital gains tax on the "writing off of a loan account". Paragraph 12(5) of the Eighth Schedule - the provision which made this construction necessary – was deleted, with effect from 1 March 2013. It is now possible to bequeath the loan account to the trust. If you still have the old construction in your Will you should consider updating the Will particularly if your estate does not necessarily have the cash flow to deal with the bequest of cash to the trust, albeit temporarily.

9. The R3 500 000 Abatement Bequest

The dutiable value of an estate is calculated by first deducting allowable deductions, including liabilities, from the gross value of an estate, which leaves the net value of the estate.

An abatement (now referred to as a deduction) of R 3 500 000 (Section 4A) is deductible from the net value of each estate to arrive at the dutiable estate. Previously this was a "use-it-or-lose-it" provision, meaning that if a deceased person left his entire estate to a surviving spouse he/she would not have enjoyed the benefit of the estate duty relief on the R3,5 million. The surviving spouse was also only entitled to a deduction of R3,5 million. In order to ensure that both spouses benefited from the R3,5 million concession, the first R3,5 million was bequeathed to a trust, for obvious reasons referred to as an abatement trust.

All of this changed in 2010 and a second dying spouse is now entitled to a deduction of R7 million, reduced by the portion of the deduction used by a predeceased spouse.

The changes to the Estate Duty Act have prompted a number of testators to abandon the idea of using an abatement trust.

If you have rejected the concept of an abatement trust on the strength of the roll-over formula, then here are three reasons to reconsider that decision:

- The abatement trust could protect assets from the creditors (one could add predators) of a surviving spouse.
- By leaving assets to an abatement trust, the growth on the R3,5 million is removed from the estate of the surviving spouse.
- The R7 million roll-over concession has in effect become a use-it-or-lose-it provision. This can be explained by way of the following example:

  John and Elizabeth are married to each other but are the surviving spouses of marriages terminated by the death of their spouses. In each case John and Elizabeth inherited the entire estate of their predeceased spouse.

  The couple will now be entitled to a deduction of R7 million each – together, R14 million.

  If John bequeaths R7 million to an abatement trust and the balance of his estate to Elizabeth, he will not pay any estate duty. In her estate, Mary would also qualify for her own R7 million concession. Together they have benefited from a R14 million concession.

  If John does not use an abatement trust and leaves his entire estate to Elizabeth, he will not be liable for estate duty but Elizabeth will still only qualify for a R7 million concession. Together they now only use R7 million of the R14 million available to them. They will have squandered R1 400 000 in unnecessary estate duty (20% of R7 million).

10. Your will does not reflect your wishes

It is important that you remember that it is your Will, and as such it must reflect your wishes. It is fairly common to meet clients who have had Wills drafted on the basis of some "clever" estate duty avoidance scheme, and who, sadly, have no idea of the exact nature of the bequests in their

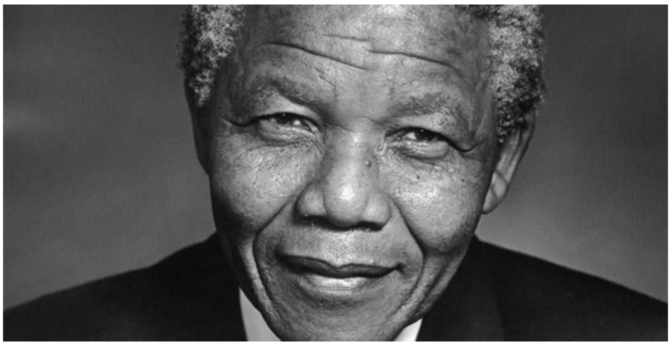
Will. It may be worth pointing out at this point that, very often, the avoidance schemes have been motivated on the basis of unsustainable assumptions and while they may look good in theory, they don't work in practice.

Please ensure that you understand your Will. Make sure that you understand each clause in your Will. Read the Will and then re-read it and question the draftsperson until you are absolutely certain that the Will meets your specific requirements.

Conclusion

October is Wills month - a timely annual reminder to have another look at your Will. Please speak to an expert to ensure that your Will – "the most important document you will ever sign" - is signed, up to date, and meets with your wishes.

Mandela Quotes to Live By



1. I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he that does not feel afraid, but he that conquers that fear.
2. There is no passion to be found in playing small - in settling for a life that is less than one that you are capable of living.
3. To be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedoms of others.
4. It always seems impossible until it is done.
5. No one is born hating another person because of the colour of his skin, or his background, or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.
6. It is wise to persuade people to do things and make them think it was their own idea.
7. Difficulties break some men but make others. No axe is sharp enough to cut the soul of a sinner who keeps on trying, one armed with the hope that he will rise even in the end.
8. Education is the most powerful weapon which you can use to change the world.
9. It is better to lead from behind and to put others in front, especially when you celebrate victory when nice things occur. You take the front line when there is danger.
10. If I had my time over I would do the same again. So would any man who dares call himself a man.
11. I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back at the distance I have come. But I can only rest for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended.

FG Asset Management | Investment Update

by Klaas Venter, Chief Investment Officer, and Adri Viljoen, Investment Analyst

The **FG IP JUPITER Income Fund of Funds** returned 2.20% over the last quarter and 5.88% over the last 12 months, outperforming both the benchmark STEFI index and the peer group average over both periods. All of the underlying funds returned in excess of 5% during the year with the Coronation and Cadiz funds gaining more than 6%. The Jupiter fund has been a first or second quartile performer over all rolling 12-month periods since January 2012. After declining by more than 3% in the second quarter, both bonds and property recovered, with the All

Bond Index rising by 2.9% and listed property securities gained 6.7%. The South African Reserve Bank kept interest rates unchanged at both the September and November meetings, but has recently become more hawkish, stating in the last meeting that further monetary easing is unlikely in the current environment. Inflation has remained close to the upper end of the target band and with some follow through from the sustained weakness in the currency likely; the market is now expecting interest rates to rise next year. Coupled with the expected start of tapering in the US in 2014, bond yields are likely to remain under pressure and the majority of fund assets are invested in floating rate instruments which is less affected by rising interest rates. We are in the process of disinvesting from the Atlantic Enhanced Income Fund resulting in an increased exposure in the remaining four funds.

The **FG IP VENUS Cautious Fund of Funds** returned 4.65% over the last quarter and 11.82% over the last 12 months, outperforming the benchmark peer group average over both periods. Following a difficult second quarter, bonds, property and equities recovered sharply, while the weaker rand also contributed to performance. After lagging the peer group for a short while, the increase in offshore exposure has added to performance and relative outperformance since March 2013 and the fund is ranked second in its peer group over the last six months. The fund is a first or second quartile performer over all rolling 3-year periods since inception. Despite the higher offshore allocation, we remain cognisant of risk and no other fund in the peer group achieved a higher return at less volatility than the Venus fund over the last 12 months. Local equity exposure has been lowered by 1% over the last quarter while offshore exposure has increased by roughly 3% to 19%. We have disinvested fully from the Nedgroup Value Fund and the three local equity funds are now at their strategic weights. The Coronation Optimum Growth Fund and the Nedgroup Opportunity fund are also now at their strategic weights. The Coronation Optimum Growth Fund, which is more than 80% invested offshore, was the best performing underlying fund, returning close to 10% during the last three months, followed by the 36One MET Equity Fund, the best performing underlying equity fund, which returned 8.64%.

The **FG IP SATURN Flexible Fund of Funds** returned 4.99% over the last quarter and 16.05% over the last 12 months, outperforming the benchmark peer group average over both periods. The fund has been a first quartile performer over all rolling 3-year periods since June 2011 and is ranked second in its peer group since inception of the fund. The fund now has 19% exposure to boutique managers after the investment into the Visio MET Actinio Fund was completed in November and we are looking to add another boutique manager in the next few months to bring the strategic weighting to boutique managers to 25%. With many of the larger, rand hedged and dual listed shares trading at high multiples, we believe that boutique managers will be better able to invest in smaller capitalisation shares which offer better prospects at present. The boutique managers are already adding value, all returning in excess of 7% during the last three months and outperforming the other three core funds. The fund maintains a high exposure to offshore assets, 21.5% at the end of November, with the majority invested in global equities.

The **FG IP MERCURY Equity Fund of Funds** returned 7.01% over the last three months and 16.81% over the last 12 months. The fund has been lagging the benchmark FTSE/JSE All Share Index return over the last 12 months, mainly due to exposure to underperforming resource shares as well as the SIM smartcore funds which also underperformed the index by a large margin. The fund remains a second quartile performer over two, three and five years. While resources lagged over both periods, gaining 2.45% in the third quarter and only 2.70% over the last year, the Nedgroup Mining and Resources fund added 10% above the resources index over the last year through good stock picking. Steinhoff was by far the best performing share over the last three months, gaining 37% while RMB Holdings, the second best performing share gained 16%. Goldfields was the worst performing large cap share, declining by 24% followed by Exxaro and Kumba, both declining in excess of 10%. The overall valuation of the local equity market looks stretched, trading at a price earnings multiple of 18.3 times, significantly higher than the 20 year average of 14.5 times. We therefore believe that active management will add value in the next year and have therefore decided to replace the SIM smartcore products with two active managers. Being mindful of costs however, we will include a low-cost index tracking fund as well. The changes will be made in the next quarter.

The **FG IP INTERNATIONAL Flexible Fund of Funds** returned 4.65% during the last quarter and 31.54% over the last 12 months. Due to timing of the pricing of the underlying FGAM funds, the fund is lagging its benchmark and the peer group over the last three months, but is ahead of its composite benchmark over the last 12 months. Global assets have outperformed local peers over the last 12 months in dollar terms, while the weakening of the rand has contributed significantly to performance over the last year as well. During the third quarter however, the Rand strengthened by 1.3% against the USA Dollar, but weakened by 4.8% against the British Pound and weakened by 1.4% against the Euro. The underweight position to global bonds and overweight position to property was maintained during the quarter, benefiting investors. We have included an additional fund during the quarter, the Nedgroup Global Flexible Fund. The fund is managed by First Pacific Advisors who is based in the USA and focus on investing across the capital structure of a firm. The fund manager, Steven Romick, has managed similar funds since 1993 and we believe that their unique investment strategy will add value to the International fund over time.

Performance and quartile rankings in sector for periods until 30 November 2013

Index	6 Months	Year to date	1 Year	3 Years*	5 Years*
FG IP Jupiter Income FoF	**2,42%**	**5,12%**	**5,88%**	**7,59%**	**8,10%**
Atlantic Enhanced Income Fund	2,16%	4,06%	5,02%	6,74%	7,64%
Cadiz Absolute Yield Fund	2,83%	5,85%	6,67%	8,53%	9,47%
Coronation Strategic Income Fund	2,66%	6,13%	6,89%	9,55%	9,98%
Prudential Enhanced Income Fund	1,98%	4,98%	5,64%	8,52%	Not started
SIM Active Income Fund	2,68%	5,25%	5,91%	6,92%	8,22%
SA Multi Asset Income Category Average	2,14%	4,54%	5,15%	7,01%	7,99%
STEFI Composite Index	2,55%	4,71%	5,16%	5,51%	6,62%
FG IP Venus Cautious FoF	**5,56%**	**10,49%**	**11,82%**	**11,43%**	**11,11%**
36One MET Equity Fund	12,40%	29,45%	34,14%	not started	Not started
Cadiz Absolute Yield Fund	2,83%	5,85%	6,67%	8,53%	9,47%
Coronation Strategic Income Fund	2,66%	6,13%	6,89%	9,55%	9,98%
Coronation Optimum Growth Fund	12,15%	45,01%	40,72%	27,06%	19,72%
Coronation Top 20 Fund	9,13%	22,72%	27,70%	20,67%	22,44%
Investec Diversified Income Fund	1,62%	5,06%	4,79%	8,06%	Not started
Nedgroup Investments Entrepreneur Fund	7,38%	19,40%	22,71%	24,45%	25,66%
Nedgroup Investments Flexible Income Fund	3,47%	6,47%	6,50%	8,74%	8,21%
Nedgroup Investments Opportunity Fund	8,57%	12,38%	14,68%	14,64%	14,00%
Prudential Enhanced Income Fund	1,98%	4,98%	5,64%	8,52%	Not started
Prudential Enhanced SA Tracker Fund	3,39%	7,92%	8,14%	16,96%	20,34%
SIM Active Income Fund	2,68%	5,25%	5,91%	6,92%	8,22%
SA Multi Asset Low Equity Category Average	3,27%	10,61%	11,53%	10,64%	10,60%
FG IP Saturn Flexible FoF	**4,86%**	**14,71%**	**16,05%**	**14,26%**	**14,75%**
36One MET Flexible Opportunity Fund	8,73%	22,73%	26,93%	24,51%	27,41%
ABSA Absolute Fund	2,22%	6,75%	7,98%	10,45%	10,65%
Coronation Market Plus Fund	6,93%	23,87%	25,87%	19,24%	19,63%
Investec Opportunity Fund	3,60%	11,29%	11,77%	13,87%	14,18%
Truffle Flexible Fund	10,05%	19,62%	22,36%	19,83%	Not started
Visio MET Actinio Fund	12,36%	21,83%	26,55%	24,30%	24,09%
SA Multi Asset Medium Equity Category Average	4,85%	12,81%	14,15%	11,64%	12,50%
FG IP Mercury Equity FoF	**7,01%**	**12,20%**	**16,81%**	**16,46%**	**18,23%**
36One MET Equity Fund	12,40%	29,45%	34,14%	Not started	Not started
Coronation Top 20 Fund	9,13%	22,72%	27,70%	20,67%	22,44%
Nedgroup Investments Entrepreneur Fund	7,38%	19,40%	22,71%	24,45%	25,66%
Nedgroup Investments Mining and Resources Fund	7,09%	9,80%	11,66%	5,99%	11,97%
SIM Dividend + Index Fund	4,28%	2,69%	8,78%	Not started	Not started
SIM Equally Weighted Top 40 Fund	5,43%	8,85%	13,36%	15,26%	Not started
SIM Rafi 40 Index Fund	7,12%	12,89%	17,37%	Not started	Not started
FTSE/JSE Africa All Share (Total Return)	8,75%	17,92%	21,64%	17,64%	19,58%
SA Equity General Category Average	9,01%	16,09%	20,12%	15,13%	17,81%
FG IP International Flexbile FoF	**3,20%**	**32,47%**	**31,54%**	**18,23%**	**8,15%**
*Data longer than 12 months are annualised	*1st quartile*	*2nd quartile*	*3rd quartile*	*4th quartile*	

Asset Allocation at 31 October 2013

Fund	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG IP Jupiter Income FoF	0%	4%	24%	68%	4%
FG IP Venus Cautious FoF	18%	8%	20%	36%	19%
FG IP Saturn Flexible FoF	38%	5%	17%	19%	22%
FG IP Mercury Equity FoF	92%	2%	0%	5%	2%
FG IP International Flexbile FoF	0%	0%	0%	5%	95%

Quarterly Performance of general indices

Index	Asset Class	4Q 2012	1Q 2013	2Q 2013	3Q 2013	Year to date 2013*
STEFI Composite Index	Local Cash	1,30%	1,25%	1,26%	1,28%	4,71%
Beassa ALBI Total Return	Local Bonds	2,62%	0,91%	-2,27%	1,91%	-0,48%
JP Morgan World Govt Bond index (USD)	Global Bonds	-1,84%	-2,80%	-3,08%	2,68%	-3,49%
FTSE/JSE Africa All Share (Total Return)	Local shares	10,34%	2,48%	-0,22%	12,53%	17,92%
FTSE/JSE Africa Swix Top 40 (Total Return)	Local shares	10,87%	0,86%	0,97%	12,87%	17,17%
FTSE/JSE Africa Small Cap (Total Return)	Local shares	7,99%	8,13%	0,41%	11,98%	25,47%
MSCI AC World (USD)	Global Shares	2,46%	5,98%	-1,18%	7,38%	18,34%
FTSE/JSE SA Listed Property (Total Return)	Local Property	2,75%	9,14%	-0,35%	-1,31%	7,32%
US Dollar/South African Rand (+ weaker, - stronger)	Exchange Rate	2,16%	8,71%	7,04%	1,62%	19,91%

*(Return until 30 Nov 2013)

Members of the FIRSTGLOBAL GROUP

PRETORIA:

FIRSTGLOBAL Capital (Pty) Ltd
John Swart, Jan Labuschagne & Kobus Venter
Tel: 012 460 5007
E-mail: jrs@firstglobalcapital.co.za,
jhl@firstglobalcapital.co.za
and kventer@firstglobalcapital.co.za

Investhouse International (Pty) Ltd
Gideon Knoetze & Jasper Lindeque
Tel: 012 460 9464
E-mail: investhouse@firstglobal.co.za

CAPE TOWN:

FIRSTGLOBAL Wealth Management (Pty) Ltd
Jacques Hattingh, Hennie Fourie & PG Engelbrecht
Tel: 021 914 8701
E-mail: jacques@firstglobal.co.za,
henniefourie@firstglobal-ic.co.za
and pg@firstglobal.co.za

JOHANNESBURG:

Bear Vision Investment Services (Pty) Ltd
Klaas Venter & Reinette Venter
Tel: 011 431 1201
E-mail: klaasv@global.co.za
and bearvision@global.co.za

FIRSTGLOBAL Investment Counsel (Pty) Ltd
Hennie Fourie & Francois Marais
Tel: 011 782 1200
E-mail: henniefourie@firstglobal-ic.co.za
and francois@firstglobal-ic.co.za

Finleks (Pty) Ltd
Jacques du Plessis
Tel: 011 552 7345
E-mail: jaduplessis@global.co.za

Investhouse International (Pty) Ltd
Gideon Knoetze & Jasper Lindeque
Tel: 011 728 0200
E-mail: investhouse@firstglobal.co.za

FIRSTGLOBAL Capital (Pty) Ltd
Ernst Beukes, Johann Strauss, Jaco Louw & Riaan Kemp
Tel: 011 476 0676
Email: elb@firstglobalcapital.co.za,
jstrauss@firstglobalcapital.co.za,
jlouw@firstglobalcapital.co.za
and Riaan@firstglobalcapital.co.za

DURBAN:

Borland Financial Services Group (Pty) Ltd
Mike Borland & Sarah Drake
Tel: 031 202 9113
E-mail: mborland@bbfs.co.za
and sdrake@bbfs.co.za

RICHARDS BAY:

Harcourt Martens & Associates (Pty) Ltd
Mike Harcourt
Tel: 035 789 8525
E-mail: mharcourt@hma.co.za

All of our members are licensed Financial Services Providers (FSPs)