Absolutely Positive Performance

Quarterly Bulletin 2018 Q2

"Asset class valuation elevated, brace for muted returns"

"***When the first primitive man decided to use a bone for a club instead of eating its marrow that was an investment***"

-Anonymous-

Invest wisely.

Lesotho ● Namibia ● South Africa ● Swaziland ● Zambia● Zimbabwe

JM BUSHA Investment Group

Market Performance Summary (YTD)

Equity Indices	Spot	% Change		JSE Top Gainers	Spot (c)	% Change		JSE Top Losers	Spot (c)	% Change	
JSE All Share	56893	-3.5%	↓	Montauk Holdings	9200	68.8%	↑	Steinhoff International	129	-72.3%	↓
JSE RESOURCES	40742	11.8%	↑	Murray & Roberts	1751	44.6%	↑	Fortress REIT Ltd	1505	-64.3%	↓
JSE FINANCIALS	16551	-6.0%	↓	Trustco Group	1200	34.8%	↑	DataTec Ltd	2122	-62.9%	↓
JSE INDUSTRIALS	73982	-5.5%	↓	Allied Electronics	1550	28.3%	↑	Resilient REIT Ltd	5625	-58.5%	↓
NAMIBIA (NSX)	1265	-2.7%	↓	Clover Industries	1640	25.2%	↑	EOH Holdings Ltd	3238	-52.0%	↓
ZAMBIA (LUSE)	5530	3.8%	↑	BHP Billiton PLC	31076	24.0%	↑	Stadio Holdings Ltd	409	-49.2%	↓
ZIMBABWE (ZSE)	102	3.9%	↑	Clientele Ltd	2150	22.9%	↑	Greenbay Properties	132	-48.2%	↓
DOW JONES	25044	1.8%	↑	Anglo American PLC	30743	20.3%	↑	Sibanye Gold Ltd	823	-45.9%	↓
S&P 500	2807	5.6%	↑	Lewis Group Ltd	3111	17.7%	↑	ArcelorMittal	212	-45.2%	↓
NASDAQ	7842	14.7%	↑	Sasol Ltd	50286	17.4%	↑	Lonmin PLC	775	-45.0%	↓
FTSE 100	7719	0.4%	↑	Mondi PLC	37281	16.8%	↑	Pan African Resources	135	-43.8%	↓
GERMAN DAX	12736	-1.4%	↓	Mondi Ltd	37159	16.4%	↑	NEPI Rockcastle PLC	12246	-42.7%	↓
FRENCH CAC	5434	2.4%	↑	Long4Life Ltd	563	14.9%	↑	Ascendis Health Ltd	1090	-38.4%	↓
NIKKEI 225	22510	-1.1%	↓	RCL Foods Ltd	1728	13.7%	↑	Impala Platinum	2025	-37.6%	↓
SHANGHAI	2906	-12.1%	↓	Reunert Ltd	8027	11.3%	↑	Curro Holdings Ltd	2920	-31.1%	↓
HANG SENG	3940	-4.8%	↓								
AUSSIE ALL ORDS	6355	3.0%	↑								
Bond Yields	**Spot**	**% Change**		**Currencies**	**Spot**	**% Change**		**Commodities**	**Spot**	**% Change**	
SAGB 2 Year	7.47	-0.2%	↓	R / $	13.35	-7.3%	↓	Gold ($/oz)	1226	-5.9%	↓
SAGB 5 Year	8.21	-1.2%	↓	R / €	15.61	-4.8%	↓	Platinum ($/oz)	840	-9.5%	↓
SAGB 10 year	8.84	-1.8%	↓	€ / $	1.1695	-2.5%	↓	Palladium ($/oz)	926	-12.9%	↓
SAGB 30 Year	9.65	0.5%	↑	$ / ¥	111.17	1.4%	↑	Silver ($/oz)	15	-8.5%	↓
US 10 Y	2.86	1.2%	↑	Pula	10.29	4.7%	↑	Brent Crude ($/barrel)	73	8.9%	↑
US 30 Y	2.99	2.3%	↑	Kenya	100.51	2.7%	↑	Copper ($/ton)	6097	-15.4%	↓
UK 10 Year	1.27	-1.9%	↓	Kwacha	9.86	1.1%	↑	Aluminium ($/ton)	2058	-8.9%	↓
German 10 Year	0.30	-29.2%	↓	Naira	361.68	-0.5%	↓	Iron Ore ($/ton)	64	-14.4%	↓

Source: Bloomberg

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JM BUSHA FUND RETURNS

Fund	5 year Return
Cash Plus	7.24%
Bond Plus	7.80%
Real Return	6.77%
Absolute All Class	7.83%
Absolute Aggressive	7.78%
Diversified Equity	7.36%
Communities Fund	8.84%
*Afro Fund	6.77%
*same as real return	

Portfolio Manager, Farai Mapfinya, discusses market performance and outlook.

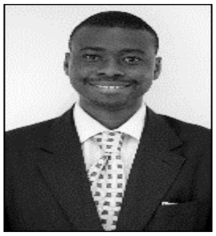
The JSE All Share index returned a modest 4.54% on a total return basis during the quarter, albeit with a clear divergence of underlying sector returns across resources, industrial and financial stocks. Resources were the best performers giving a total return of 21.73%, while industrials edged up 5.29% for the quarter. Financial stocks underperformed on the back of a sell-off in Life Insurers and banks and ended the quarter down with a total return of -6.63%.

The divergence of sector returns is even more visible over a rolling 12 month period. While resources, the best performing sector, gave a return of 44.55%, financials gained 16.83% over the same period, while industrials gained 8.80% on a total return basis for the same period. On a sub sector basis, media counters gained a massive 20.47%, driven by Naspers which posted good results. The mining index was the next best performer gaining 18.84% in the quarter. On the downside, retailers plunged 19.49%, telecoms fell 11.34% while insurance and banks shed 12.45% and 7.83% respectively.

Over the last quarter, the JSE All Share has marginally de-rated from a 19.9x price to earnings (PE) on the 31st of December to 17.48x as at 30 June 2018. This is still the third most expensive that the market has ever been in its history. The underlying drivers of this rating are however markedly different. Resources shares have re-rated from 13.6x to 20.51x PE and given the sharp rise in prices. Meanwhile, financial shares de-rated from 16.3x to 14.7x PE, but for entirely different reasons. Financial companies reported broadly positive earnings, and with the price decline of the shares, the de-rating is a clear indication of investors not willing to pay up higher for the sector. Industrials de-rated marginally from 22.3x PE to 20.55x, a reflection of both an unwillingness to pay up higher and also a function of earnings catching up into the valuation. From a price to book perspective, financials appear the cheapest at 1.67x price to book, followed by resources at 1.84x price to book while industrials remain elevated at 3.31x price to book.

While the pure valuations appear to favour financials, we aim to deliver superior performance by maximising after tax, risk adjusted total return. And by that measure, we still like resources over financials shares. We are however finding opportunities to increase some financial shares in our portfolios and remain cautiously optimistic about the underlying fundamentals.

Our JM BUSHA Real Return Fund is continuing its good performance into July with a 16.90% return over 12 months. This is amazingly 6% more than the 2nd ranked fund and 10% more than the average of 161 funds.



Investment Analyst, Patrick Serere, analyses the SADC markets.

The first half of 2018 was unkind to emerging market stocks as highlighted by a decline of 8.98% for the widely followed MSCI Emerging Markets Index. The recently resurgent U.S. dollar could be one reason why investors are retreating from emerging markets equities. A stronger dollar raises external financing costs for developing economies and usually leads to lower commodities prices, a relevant point because many developing commodities are major commodities exporters.

But all is not doom and gloom when it comes to the emerging markets outlook, and tailwinds persist. Across emerging markets, economic fundamentals remain broadly supportive, inflation is relatively under control, and currencies are undervalued in aggregate. The growth differential between EMs and DMs is expected to widen over the next few years, higher commodity prices should bolster EMs in aggregate and emerging market yields remain attractive.

SADC Capital markets including Zimbabwe, Zambia and Malawi managed to maintain positive momentum despite the downward pressure on EM's.

	Zimbabwe	Zambia	Malawi
All Share Index (US$) % (YTD)	3.93%	5.20%	40.96%
MSCI Emerging Market Index%	-8.98%	-8.98%	-8.98%
Currency	0	2.79%	1.68%
Inflation rate %	2.71%	7.40%	8.90%
Food Inflation %	4.89%	7.50%	9.50%
Interest rate%	9.32%	9.75%	16.00%
GDP Growth Rate %	2.90%	4.10%	5.10%
Debt/GDP	77.60%	55.60%	54.70%
Budget Deficit /GDP	-11.20%	-6.10%	-5.60%
Current Account/GDP	-5.60%	-2.30%	-10.50%

Zimbabwe's industrial index though positive in its year to date performance belies the underlying fundamentals that remain constrained. The uncertainties with the harmonized elections will certainly add to the contestations and will constrain positive market performance. In addition, adverse climatic variations might also damper expectations.

The top constituents of the industrial index are currently trading at a much higher Enterprise Value/EBITDA than its regional peers indicating that from a valuation perspective the ZSE is still overpriced and will most likely resume the correction theme.

Renewed optimism in the new Zimbabwean dispensation has pushed policy makers to chart a new growth trajectory for the ailing economy. Since 2012 GDP growth rates have maintained a steady decline going below the population growth rate of 2.3% due in part to policy incoherence and failure to implement programs.

Market consensus indicates that Zimbabwe should strive to achieve an average growth rate of 8 percent per annum for the next 10 to 15 years to foster sustainable economic development. The World Bank trimmed down Zimbabwe's 2018 growth projection to 0.9 percent and was also bearish about the country's medium-term growth outlook.

Inflation trajectory is firmly upward looking and Zimbabwe Monetary authorities see inflation averaging 3 percent in 2018.Exogenous shocks remain a critical source of vulnerability particularly climatic variations in rainfall and uncertainty on the outcome of the expected elections.

Zimbabwe's other economic and social challenges are well documented. These include unattractive policies, corruption and a poor business environment has seen with Net foreign Direct Investments plummeting to below 1% of GDP far below both SADC and Sub Saharan averages. Zimbabwe is rated among countries with the highest levels of corruption. The 2016-17 Global Competitiveness report identifies corruption as the third most problematic factor for doing business in Zimbabwe.

Public debt as a percentage of GDP has risen to the 70% territory a level associated with a high probability of financial distress. The high public debt has a negative effect of crowding out resources from the private sector and as expected over the last 3 years lending to private sector has contracted by approx. 2.9% annually. Efforts to consolidate Zimbabwe's fiscal position will face headwinds from sluggish revenue growth and pressure to liquidate maturing short-term debt in excess of US$1.2bn.

Zambia on the other hand is set to continue its path to economic recovery in 2018. Given the improving macroeconomic conditions, domestic GDP growth is projected by the World Bank at 4.3% in 2018 versus the Sub-Saharan Africa ("SSA") GDP growth estimate of 3.2% and an increase from the estimated 3.8% for 2017. GDP growth is projected to further increase to 4.7% in 2019 versus the SSA GDP growth rate of 3.5%. The projections assume continued easing of monetary policy supported by a strong fiscal consolidation; increased copper prices and production; improved performances in the services sector and Bank of Zambia containing inflation within its 6-8% medium-term target.

The continued easing of monetary policy by Bank of Zambia will continue to boost the performance of the Lusaka Stock Exchange.

In Malawi the Equities market scaled new peaks to reach an all-time high riding on the back of aggressive buying reflected in the volumes following impressive corporate earnings and lower than expected money market rates which improved market sentiment and consequently pushed volumes on the stock market.

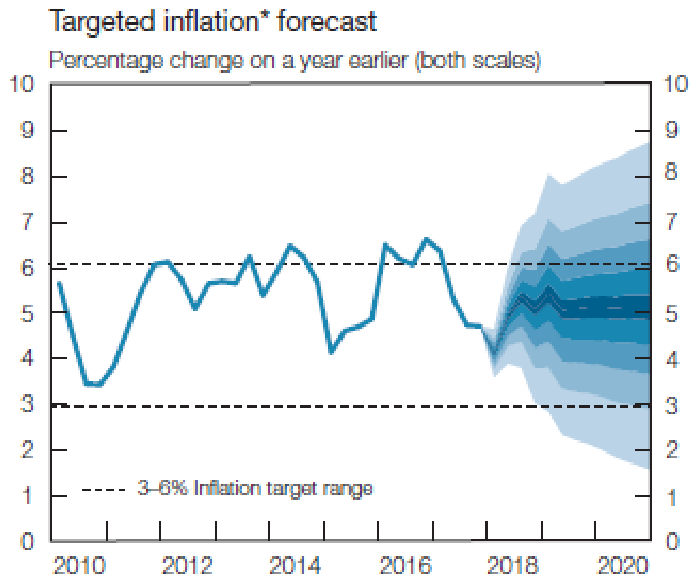
The deceleration in food Inflation in the latter part of Q1 and the usual seasonal softening of food prices beginning early Q2 and the continued stability in the exchange rate will improve the near-term outlook for Inflation and reduce the probability of an interest rate hike while maintaining a positive outlook on the Malawi stock Exchange.

Investment Analyst, Cleopatra Mtembu shares her insights on SA retailers in light of rising inflation.

The Monetary Policy in 2018 remains focused on sustaining macroeconomic stability by maintaining inflation between 3%-6%. The monetary policy in its April report further stipulates that over the period forecast, inflation is projected to remain within the target range, although there might be a rise from just over 4% currently to slightly more than 5% by 2020.

This is nonetheless lower than historical averages. Stats SA reported a South African's consumer inflation rate which jumped to 4.5% in April after reaching a seven-year low of 3.8% in March. Much of the increase was a result of price rises in product groups that attract specific taxes, namely alcohol, fuel and sugary drinks. With fuel having increased twice in the space of less than a month, between June and July 2018, we anticipate some inflation increase. We therefore evaluate the effect of inflation change to the retail stocks.

South Africa's Inflation expectation.



Sources: Stats SA and SARB

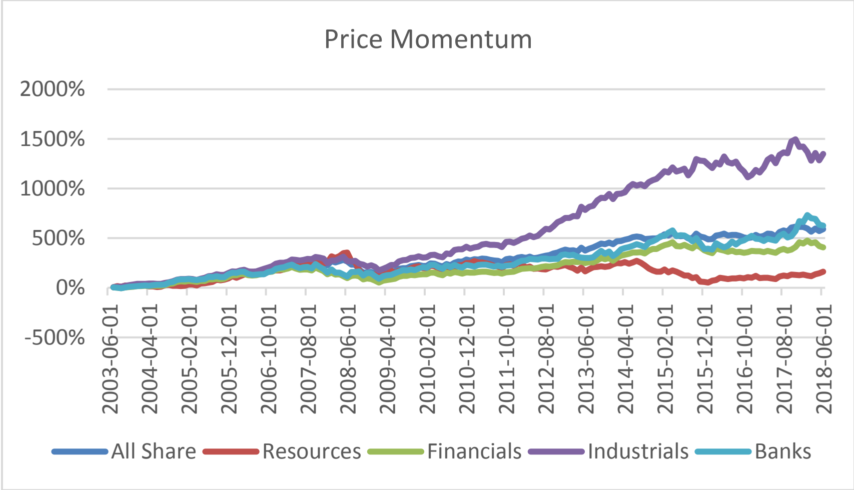
Impact of inflation on growth versus value.

Evaluating the impact of inflation on stocks under the classifications of growth and value stocks becomes important as it helps us see which stocks are largely affected by the increasing inflation. It seems macro-economically inflation will be increasing going forward with fuel prices drastically going up. Growth stock, being stocks, which have low cash flow however have prospects of a growing cash flow are most affected by the increasing inflation. Whereas value stocks which have good cash flow, are more defensive side towards increasing inflation. Macro-economically retail stocks such as Truworths and Foschini, with a more or less similar cash flow, are likely to struggle relative to retail stocks such as Mr Price and Shoprite, which have held substantially higher cash on their books.

On the flip side again when inflation goes up, interest rates are also likely to go up, allowing stocks with more cash on their books to earn more interest income. However, inflation going up and interest rates going up, harms the consumer's pockets, living them with less discretionary income. When consumers have less cash to spend, they are much likely to buy on credit. Truworths and Foschini have 70% and 48% of their sales on credit, respectively and Mr Price Group with 80% of its sales in cash. To conclude, Mr Price group still remains on the defensive side against rising inflation.

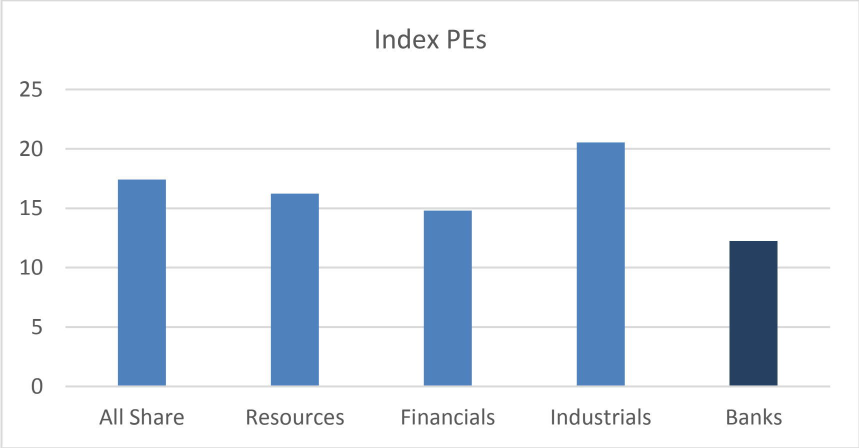
Investment Analyst Simbarashe Chimanzi gives his insights on South Africa's banking sector.

Over the past 15 years, the Industrial Index has been the best performer from price momentum perspective largely driven by Naspers' strong run. The banking Index is the 2nd best with resources being the weakest as shown below.



Source: Bloomberg, JM BUSHA

Despite a relatively strong run by the banking Index over the 15 years, the valuation has not been stretched as compared to Industrials with banks offering more value from a PE perspective compared to other Indices.

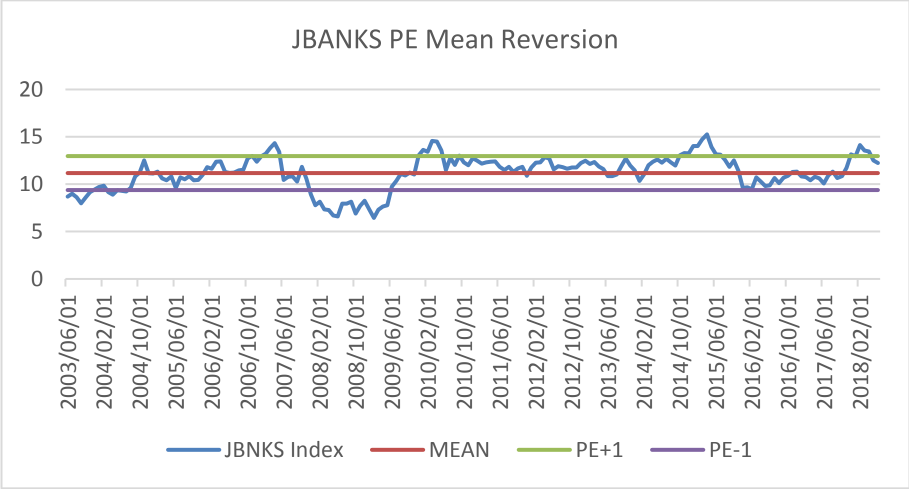


Source: Bloomberg, JM BUSHA

Banks remain the cheapest amongst all Indices with a PE ratio of just above 12.5 x relative to Industrials with a PE ratio above 20 x.This shows that neither price nor earnings momentum has significantly outpaced the other over the last 15 years. This is synonymous to PE mean reversion whereby every stock generally trends within a PE band unless their business model has a significant shift that may lead to that band either shifting up or down. Stocks which are trading below their long term average PE ratio are expected to appreciate and those trading above their long term average PE ratio are expected to decrease over a period of time.

We evaluate this theory looking at members of the JSE banking Index over the last 15 years.

JSE Banking Index

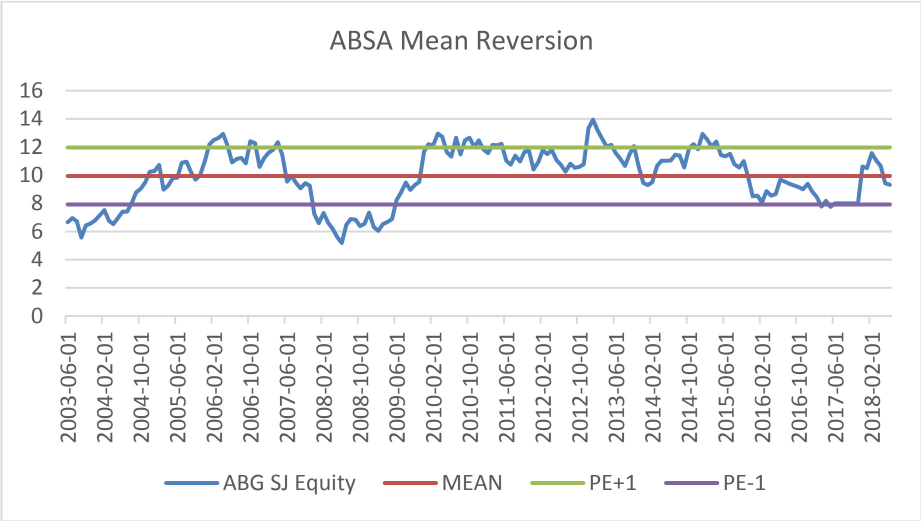


Source: Bloomberg, JM BUSHA

After the December events of 2017 (ANC Conference: Ramaphoria), the banking Index has cooled off a bit coming and we expect more weakness to continue as the PE continues its trend reverting to the mean as shown in the graph above.

We break down the Individual banks below to identify which ones are most likely to contribute to the weakness, which ones will hold steady or are most likely to appreciate from a PE mean reversion perspective.

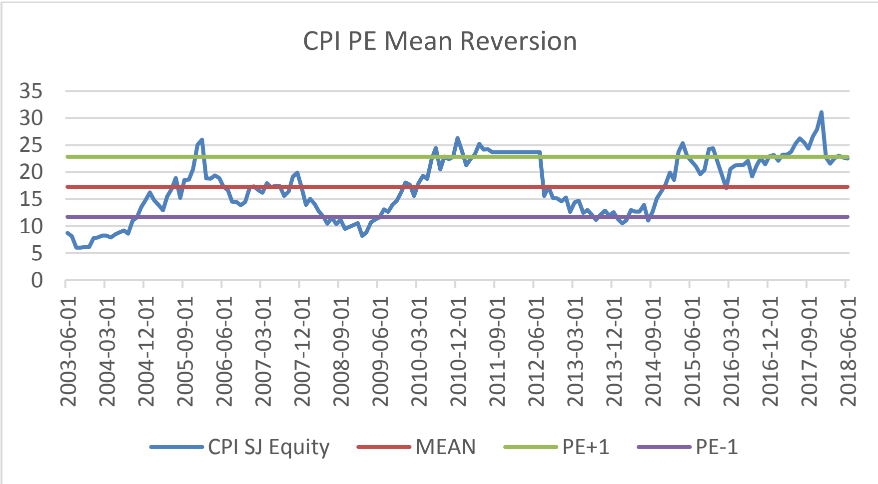
ABSA



Source: Bloomberg, JM BUSHA

A new dawn for ABSA comes with it a new brand and Independence from Barclays PLC which enables it to execute its long awaited PAN-African strategy. The bank is the least favoured from a foreign investor perspective and did not enjoy the same magnitude of appreciation during "Ramaphoria".However, from a PE perspective, it offers value as it is trading below its long term PE average and over the past 15 years it has traded 55% of the time above its mean.We expect the share price to appreciate from current levels.

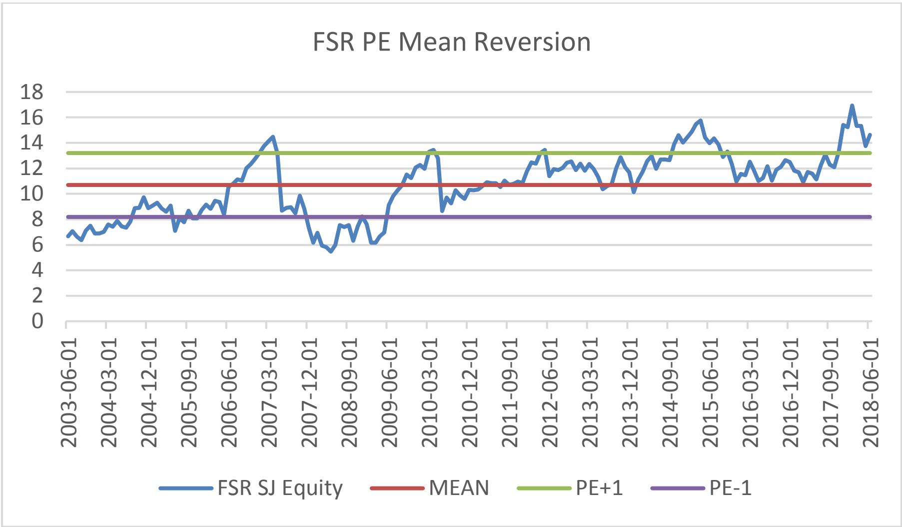
Capitec



Source: Bloomberg, JM BUSHA

Despite persistent probes on its lending practices, Capitec has managed to remain resilient. Undoubtedly the darling in the banking sector, trading at its upper standard deviation, way above its long term PE average. Because of its unique business model to peers , there has been a general upward shift of its PE band and this means that as the bank adopts its model to mirror its peers, the share price will not necessarily depreciate as might be depicted by the graph, but rather move laterally from its current position.

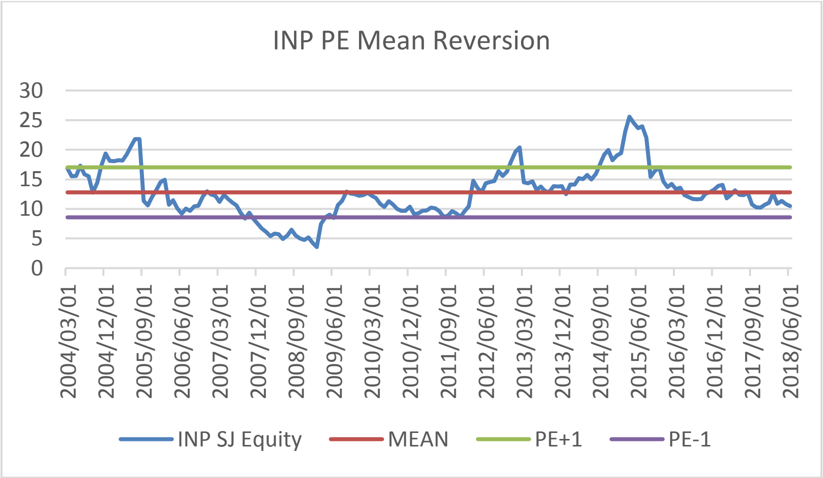
Firstrand



Source: Bloomberg, JM BUSHA

A consistent performer over the years, FirstRand has rewarded shareholders by over 2000% in the past 15 years (Assuming dividends get reinvested into the security). However, currently the share is looking much stretched from a valuation perspective trading way ahead of its long term PE average. For the banking index to revert to the mean, we believe a sharp correction will come through from FirstRand. At these levels, the share is very expensive at the moment.

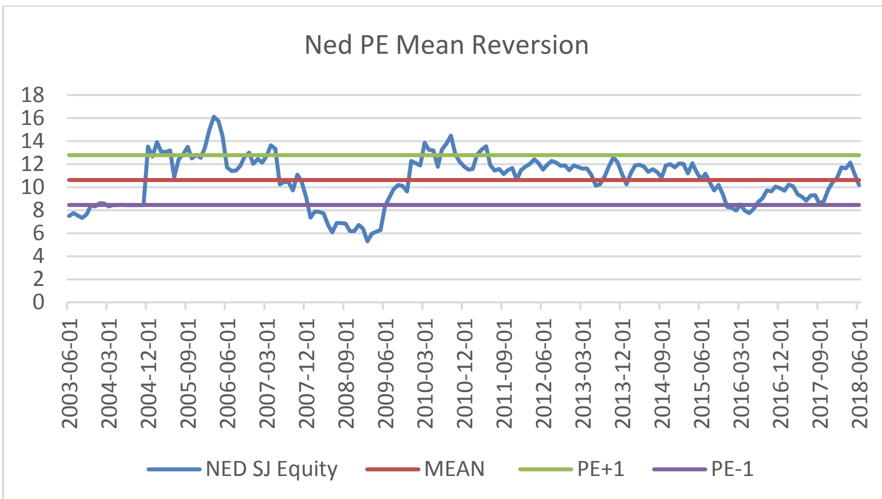
Investec



Source: Bloomberg, JM BUSHA

No one has been able to unlock the mystery behind Investec's recent lackluster performance. The fundamentals haven't changed, contingencies are in place to counter Brexit and the Wealth and Investment Management is in superb shape. The share price however is failing to break above the R100.00 mark. From a PE valuation perspective, Investec is by far the cheapest amongst the banks. It has traded below its long term PE mean for 55% of the time in the last 15 years. Current signs show that this trend might continue in the short to medium term but we definitely expect appreciation in the long term as it moves closer to the mean.

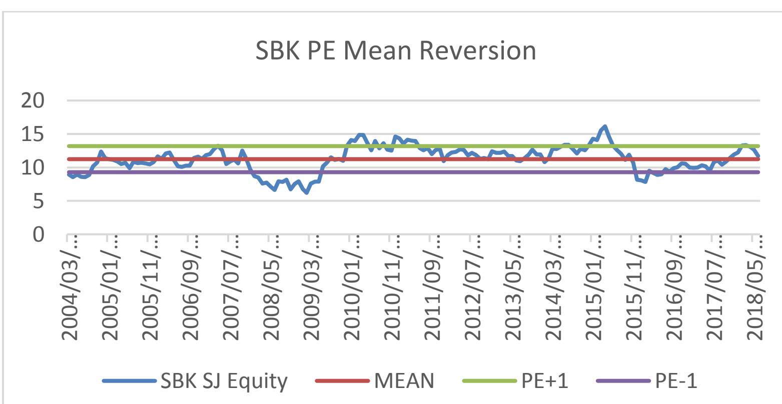
Nedbank



Source: Bloomberg, JM BUSHA

Nedbank has been a resilient player in the market supported a strong recovery in ETI which recently turned to profitability. The share is trading close to fair value at the moment with marginal upside risk.

Standard Bank



Source: Bloomberg, JM BUSHA

Standard Bank also is going through a new dawn of some sort with Sim Tshabalala and Lungisa Fuzile looking to take the group to take greater heights. On the 12th of March 2018, the share reached an all-time high of R227.41 but has since retreated sharply to under R 200.From a PE mean reversion perspective, Standard Bank looks expensive above R 200 and is currently trading marginally ahead of fair value.

Conclusion

PE Mean Reversion analysis cannot be done in Isolation and should be used as an overlay to fundamental valuations. However, it gives you are strong indication on whether a share price is overvalued or undervalued. We strongly believe Investec is undervalued and FirstRand is overvalued basing it on PE Mean Reversion analysis. The time period used is a crucial factor as a longer period will be more objective compared to a short period.

Investment Analyst Justice Ndou discusses the dynamics of the insurance sector and their investment case.

The South African Life Insurance industry remains highly penetrated and very competitive. South Africa has the fourth most penetrated life insurance sector in the world with the Gross Life Insurance premium to GDP exceeding 11%, far more than any other G20 economy and three times more than any other emerging market. This limitation in growth prospects has seen some of the top life insurers seeking growth elsewhere. Old Mutual's "Managed Separation" saw its African unit being unbundled and having its primary listing on the JSE and secondary listing on the LSE,MSE, NSX and ZSE with an objective to focus on Sub-Saharan Africa.

Life insurers prosper on stability. The JSE saw high levels of volatility in both the equity and bond market. With over 50% of the industry's assets invested in the equity market, it is unsurprising that all the life insurers share prices were down year to date as the JSE All Share Index was down more than 3%. The worst performers being Sanlam, MMI and Discovery which have the highest exposure to the equity market among all life insurers, while Liberty Holdings was the best performer.

The Life Insurance Index was down 12.8% for the quarter. The industry also does well when bond yields remain relatively unchanged, the past 3 months saw the 10 year bond yield increase by close to 10% despite poor local economic conditions.

The unbundling of Old Mutual and its intention to focus on Sub-Saharan Africa promises to unlock value for shareholders and seek opportunities for growth. This strategy could yield satisfactory results as the regions GDP has been growing on average more than the World GDP growth rate for the past 10 years with a relatively uncrowded life insurance industry. South African Life Insurers are positioned to have a comparative advantage in the rest of Africa due to their longevity, stringent local legal framework, adoption of the Solvency Assessment and Management regime and better technological systems.

Technology and innovation remains the biggest threat in this industry. Liberty Holdings and MMI Holdings have lagged behind the trendsetter in this industry, Discovery. Both companies have had their profits shrunk in the past 5 years which saw MMI holdings opting not to pay out a dividend for the first time in 10 years. The lack of innovation has seen these two companies trading very close to their embedded value per share for most part of the quarter with Liberty Holdings experiencing a data breach which sent a temporary fear among investors but the damage was contained with management assuring the market that no financial loss was experienced and that the cyberattack was limited to emails and attachments.

The outlook for Life Insurers for the rest of the year is bleak. High market volatility, weak economic conditions and a constrained market will make growth for Life Insurers difficult to achieve. The Life Insurance Index is already down 11.9% this year after returning 23% in 2017, Even so individual entities within the Index do no offer enough discounts replicate 2017's returns. The highly suppressed and penetrated consumer base will not offer enough premium volume growth to offset weak investor sentiment in a struggling economy whereas the volatile bond and equity market will not generate excessive investment income for Life Insurers.

How then will the Life Insurers mitigate the growing business risk amid a constrained market? Sanlam's buyout of Saham Finances will give it exposure to grow in North Africa, Middle East and Francophone Africa where the penetration rates are relatively low with a potential to market life products to a population of more than 700 million. Discovery's innovation and efficiency will continue to give it an advantage in the South African market while its stake in Ping An Insurance of China will give them a strategic partner for expansion into China and Eastern Asia. Old Mutual new organisational structure and focus on Sub-Saharan Africa and Emerging Markets should allow for efficient and effective expansion into new and profitable markets, its hybrid model of broker-based and direct distribution channels will allow for an uninterrupted transition into more profitable and innovative advanced business model. The ailing MMI Holdings need to improve its internal processes before investing more in its expansion into India, whereas Liberty holdings need technological improvements and business innovation in order to compete with its peers in the rest of Africa.

JM BUSHA54 Races, Matthew Piper, on the vision and aims of the JM BUSHA54 Races initiative.

JM BUSHA Investment Group is an Africa-centric business, with operations in South Africa, Lesotho, Namibia, Zimbabwe, Swaziland and Zambia. As such, we believe we play a key role in addressing many of the social problems across the continent, and within the communities we operate.

After many years of running social investments within JM BUSHA, we realized a very fundamental cause: without Peace & Unity, there can be no economic growth or opportunity. Peace & Unity is the bedrock of our society, and it precedes all else.

It was out of this philosophy that we created JM BUSHA 54 races for Peace and Unity in Africa.

In order to achieve Peace, we focus on 5 key pillars:

1. Sports 2. Education 3. Music 4. Art 5. Culture

These 5 pillars together create an environment in which people come together, celebrate in their diversity, and in their unity can build a better future.

Our annual events include:

1. JM BUSHA Peace Pledge Marathon

2. JM BUSHA Cycling Challenge

3. JM BUSHA Golf Challenge

4. Student Ambassador challenge.

5. Peace Pledge Champions Gala Dinner

We have implemented these programs in South Africa, Zimbabwe, Swaziland over the past two years, with plans to expand into all 54 countries.

Within these events we include music, arts and cultural activities.

These events aim to engage all community stakeholders including individuals, non-profit, companies, and government.


JM Busha is a man on a mission to empower women through the beautiful game

ALEXANDRA – The founder of JM Busha Investment Group, Joseph Mukambi Busha is a man who believes in the equitable emancipation of women in the community through the unifying element of the beautiful game.

March 17, 2016

JM BUSHA 54 RACES for Peace & Unity in Africa

Participating stakeholders sign the Peace Pledge which states:

"I am for peace, harmony and unity. I commit not to be involved in any undesirable activity: - banditry, corruption, discrimination, unfair exploitation of labour and other people; and destructive exploitation of natural resources for selfish gain. Further, I will not make or support any decision that may cause instability, social unrest, poverty and other social-economic and political problems in the country. I am for Peace. I am Peace". "

For those who share a common interest in moving Africa forward - join us in building a peaceful and unified continent where opportunities can thrive.

Email: matthew@jmbusha54.com or call 011 325 2027

ABSOLUTELY POSITIVE PERFORMANCE

JM BUSHA Asset Managers. An Approved Financial Services Provider: FSP No. 730; Section 13B No. 24/426

Performance Review: Periods Ending 30 June 2018

	FUNDS' PRODUCT RANGE			
	ABSOLUTE RETURNS FUNDS			
Fund	JM BUSHA Cash Plus	JM BUSHA Real Return Fund	JM BUSHA Absolute All Class	JM BUSHA Absolute Aggressive
Fund Description	Actively managed cash fund. Invested in 0-12 months quality paper. Highly liquid fund.	Unit trust medium-risk balanced multi-class fund suitable for both private & institutional clients. Min R1000 monthly	Multi-asset class fund managed on the core-satellite style. Capital preserved. Invests in equities/cash/bonds	Multi-asset class fund managed on the core-satellite style. Capital preserved. Invests in equities/cash/bonds
Fund Objectives	Outperform Short-term Fixed Interest (STeFi) by 0.5%pa	Outperform Inflation (CPI) plus 4% pa	Outperform Inflation (CPI) plus 5% pa	Outperform Inflation (CPI) plus 6% pa
Fund Benchmark	STeFi	Inflation +4% pa	Inflation + 5% pa	Inflation + 6% pa
Asset Class Allocation	100% Cash	20.71% Cash, 40.64% Bonds, 38.65% Equities	16.76% Cash, 43.18% Bonds, 40.06% Equities	14.93% Cash, 29.27% Bonds, 55.80% Equities
Fund Performance	**Fund** (Benchmark)	**Fund** (Benchmark)	**Fund** (Benchmark)	**Fund** (Benchmark)
- 1 Year	**8.54%** (7.28%)	**16.72%** (8.54%)	**10.60%** (9.59%)	**12.50%** (10.62%)
- 3 Years	**7.89%** (7.25%)	**6.51%** (9.52%)	**5.16%** (10.57%)	**5.90%** (11.62%)
- 5 Years	**7.29%** (6.69%)	**7.43%** (9.63%)	**8.24%** (10.68%)	**8.44%** (11.73%)
- 7 Years	**6.93%** (6.34%)	**8.96%** (9.68%)	**10.10%** (10.73%)	**9.84%** (11.78%)
-Inception	**7.81%** (7.31%)	**9.93%** (9.95%)	**11.38%** (10.94%)	**8.96%** (12.43%)
Volatility/Risk	**0.50%** (0.47%)	**6.26%** (1.51%)	**6.69%** (1.45%)	**7.17%** (1.50%)
Sharpe Ratio	**1.02** (0.00)	**0.78** (3.26)	**0.95** (4.07)	**0.55** (0.00)
Sortino Ratio	**0.84** (0.00)	**1.44** (0.00)	**1.53** (0.00)	**0.92** (0.00)
Start Date	2 Feb 2004	1 Oct 2006	1 August 2003	6. July 2007
Fund Size	ZAR**68.65** million	ZAR**109.18** million	ZAR**199.78** million	ZAR**1.47** billion

	FUNDS' PRODUCT RANGE			
	RELATIVE RETURN FUNDS			
Fund	JM BUSHA BondPlus	JM BUSHA Risk Averse	JM BUSHA Diversified Equity	
Fund Description	Actively managed bond fund performance relative to the All Bond Index (ALBI).	A multi-asset class fund structured to give positive returns annually regardless of markets conditions	This is an equity fund that invests in globally diversified stocks with distinct income streams	
Fund Objectives	Outperform All Bond Index by 1% pa	Outperform cash by 1% pa, 2-year rolling	To outperform the JSE SWIX by 3% pa	
Fund Benchmark	ALBI	Cash (STeFI Index) + 1% pa	FTSE/JSE All Share Index	
Fund Allocation	5.64% Cash, 94.46% Bonds	64.66% Cash, 35.34% Bonds	1.26%Cash, 98.74% Equities	
Fund Performance	**Fund** (Benchmark)	**Fund** (Benchmark)	**Fund** (Benchmark)	
- 1 Year	**10.88%** (10.20%)	**8.70%** (7.28%)	**16.40%** (11.72%)	
- 3 Years	**8.72%** (7.77%)	**5.90%** (7.25%)	**3.45%** (5.27%)	
- 5 Years	**7.95%** (7.39%)	**6.98%** (6.69%)	**8.44%** (11.14%)	
- 7 Years	**8.65%** (8.23%)	n/a (n/a)	**11.64%** (12.78%)	
-Inception	**8.22%** (8.11%)	**8.71%** (6.32%)	**11.12%** (12.20%)	
Volatility/Risk	**6.22%** (7.20%)	**3.82%** (0.24%)	**11.47%** (10.51%)	
Sharpe Ratio	**0.51** (0.43)	**0.97** (0.00)	**0.53** (0.68)	
Sortino Ratio	**0.84** (0.71)	**0.00** (0.00)	**1.14** (1.50)	
Start Date	31 Dec 2004	1 July 2010	29 March 2011	
Fund Size	ZAR**1.27** billion	**ZAR339.74** million	ZAR**172.12** million	

ABSOLUTELY POSITIVE PERFORMANCE