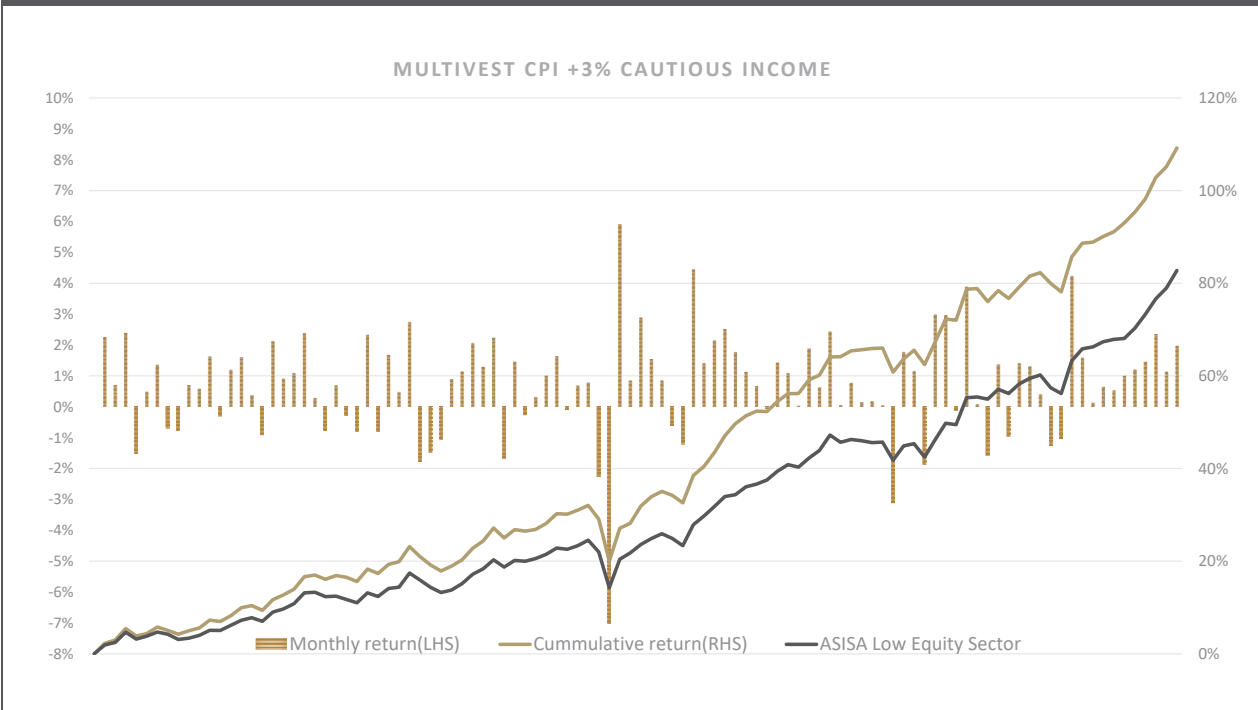


Objective

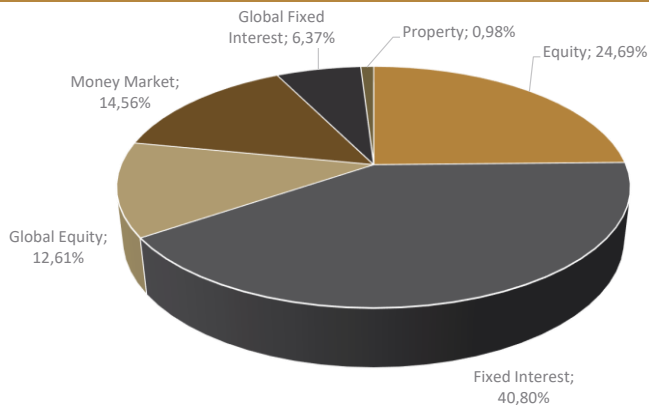
The Multinvest Cautious Income portfolio is a wrap fund which aims to outperform SA CPI+3% over a rolling 3 year period and is comparable to the ASISA Low Equity Sector. It has a Conservative to Moderate risk profile and is suitable for investors seeking to preserve capital over the short to medium term. It will invest only in regulated Collective Investment Schemes domiciled in South Africa and is Regulation 28 compliant, thus suitable for pension investments.

Performance



*All performance numbers quoted prior to inception are based on the backtested results of current holdings

Asset Allocation



Top 5 Holdings

Mi-Plan Enhanced Income	
Aylett Balanced Prescient	
Laurium Flexible Prescient	
Nedgroup Core Guarded	
BCI Income Plus	
Annual Management Charge (AMC):	0,35%

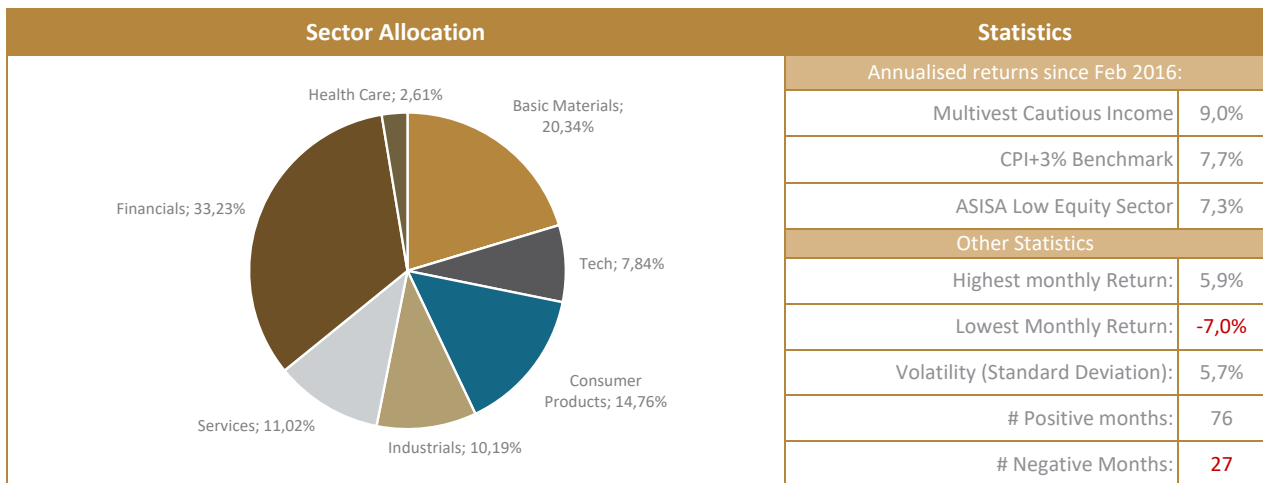
The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns(after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.



Commentary

Markets extended their gains significantly in September, following the anticipation and subsequent release of central bank policies. The US Federal reserve cut their benchmark rate by 50bps which was in line with expectations. The South African Reserve Bank followed suit by starting their rate cutting cycle with a 25bps cut. According to the World Bank, over the next 12 months markets expect nominal policy rates to fall by 2% in the United States and 1,75% in the euro area. U.S. macroeconomic data over the past few months have been mixed. GDP growth in the second quarter was somewhat better than expected at 3%, driven by a pickup in consumer spending, with the strength in goods and services spending persisting into July. This whilst the labour market was cooling; nonfarm payrolls declined from an average of 225K from January to June this year to just 116K during July-August, while the unemployment rate picked up further to an average of 4.3% during July-August. The Euro Area grew by a mere 0.2% for the quarter. Japan had growth of 0.7%, driven by a rebound in consumption. A lot of Focus currently is on China, as the People’s Bank of China announced several easing measures, including lowering the one-year policy interest rate by 30bps, to 2%, and reducing the reserve requirement ratio for banks by 50 basis points. This has already caused the stock market to show significant gains, finally rewarding investors who have been investing in the extremely attractive valuations for years. Early in the month the second quarter Economic growth numbers for South Africa was released. It showed some growth, driven mostly by the financial and business service industry. Electricity, gas & water; trade; manufacturing; government; construction; and personal services also recorded positive gains. Most of this was driven by the fact that there was no load shedding through the period. Mining, agriculture and transport was a drag on growth though, as strike action and lower freight volumes was an issue. The inflation number released for August dipped below the mid-point of the South African Reserve Bank’s inflation target of 4.5% coming in at 4.3% and was the lowest we have seen in 3 years. A stronger Rand and lower oil price translated into a dip in fuel prices which helped, whilst inflation at the factory gate was also down to 2.8%. Overall, for the month of September, this translated to a gain of 3.9% for local bonds as measured by the All-Bond index, whilst the All-Share index rose over 4%. The Rand strengthened by a further 3.1% against the US Dollar, which meant that global bonds and the MSCI World Equity index reported losses in Rand terms. Looking at other indices such as Emerging markets shows a different story and is much more in line with what we saw locally. Notable releases in October likely to affect the economy are the public expenditure data for the public sector and a financial overview of higher education institutes which are due close to the end of the month.

*Commentary as at 30 September



Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the “Framework”). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary’s research into account.

PERFORMANCE DATA

RETURNS (3 YEAR AND 5 YEAR ANNUALISED)

	1 MONTH	6 Months	1 Year	3 Years	5 Years
PORTFOLIO	1,97%	9,46%	16,23%	10,20%	10,27%
BENCHMARK	2,12%	8,87%	16,07%	9,21%	8,47%

*All performance numbers quoted prior to inception are based on the backtested results of current holdings

Multinvest offers structured portfolios as Wrap Funds on the following LISP platforms

Momentum	Ninety One	Old Mutual	Glacier	Sygnia	Allan Gray
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