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wealth care specialists

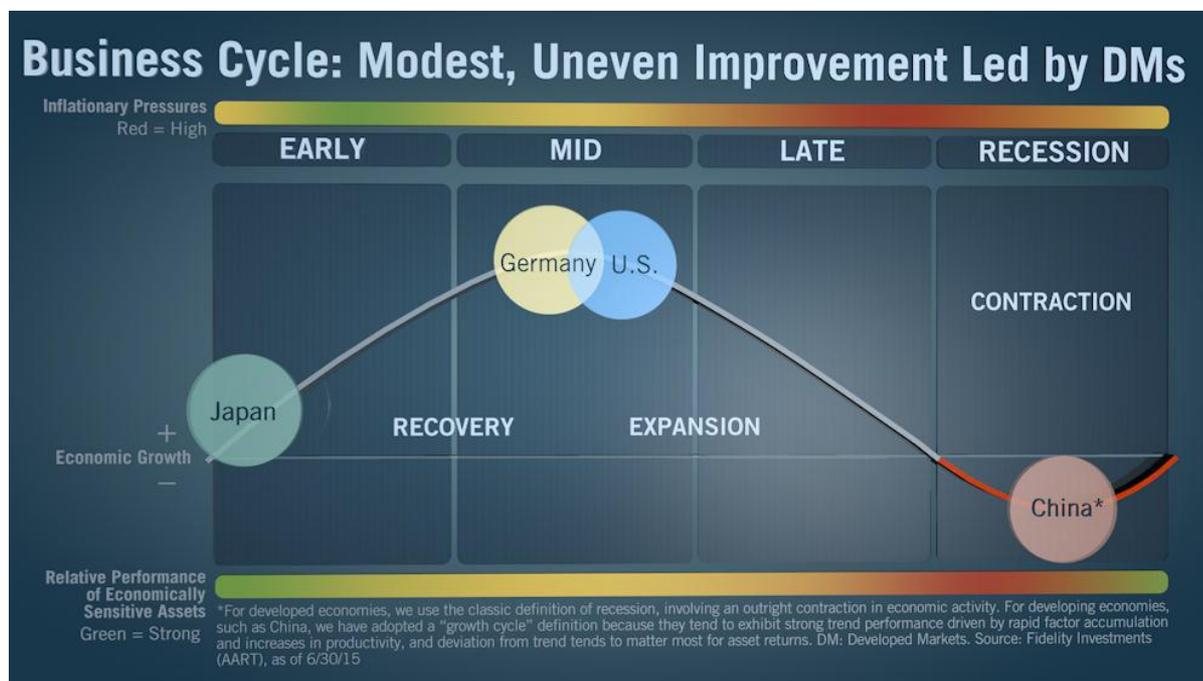
QUARTERLY
ECONOMIC
COMMENTARY

Q3 | 2015

AUTUS WORLDWIDE FUND

Quarterly Commentary - Autus BCI Worldwide Flexible Fund

China and the volatility worldwide were the main reasons for a difficult 3rd quarter. China's decision to devalue the Yuan in an attempt to try stimulate their economy had a trying to stimulate their economy did not help the economic climate. Chinese export figures disappointed once again which means that things are not all that well in the east. The Chinese CSI falling 29% in this quarter.



European markets were not spared during these volatile times with the DAX, CAC and FTSE detracting 11.74%, 6.99% and 7.04% respectively. During this period the Volkswagen scandal was uncovered which was a big contributor to the downfall in the DAX.

We anxiously awaited the decision for the lift off of interest rates in the United States. The Federal Reserve decided to keep us in suspense for a while longer, voting not to hike rates. Therefore, the party on the back of low cost money will continue for the time being. More pertinently the nervous volatility associated with what will happen on the day of the first rate hike will also be with us for a while longer.

Emerging market currencies had a tough ride in this period, the South African Rand moving to a record low against most of the major currencies.

The Autus BCI Worldwide Flexible Fund performed well in this period, returning 1.94% outperforming its benchmark with 2.08% in quarter 3 whereas the Category average was only 0.72%.

Main contributors for this period was our holdings in Steinhoff, Mondi PLC and MediClinic. Our underweight approach to the Resource sector is still paying off but we keep them on the radar should any opportunity arise. Naspers and Sasol were 2 shares which lost some value in this quarter.

Within the fund we have a 20% holding in the Autus BCI global equity fund which had a great quarter returning 5.29%. The fund had a big Dollar cash holding which did really well. The South African Rand losing 13.73% against the US Dollar which had a big impact towards the return of the fund. The 5% property holding via the Autus BCI Property fund did not go unnoticed with a staggering 8.72% return in Q3.

New holdings in the fund are: MTN, BHP Billiton, and Bidvest. There is also direct global shares which is a first for the worldwide fund with the following holdings, Amazon, Macy's, Tesla, Google and Starbucks. We still have a 16% Dollar cash holding in the fund to use if we see any Opportunities.

Positions that were sold out of the portfolio were Richemont, SABMiller, Zeder, Shoprite, Aquarius Platinum, Standard Bank, Coronation and Anglo American

The Fund remains low in Equity with 35% local equity, 30% Global and 5% Property exposure.

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