



AUTUS

wealth care specialists

QUARTERLY
ECONOMIC
COMMENTARY

Q4 | 2015

AUTUS EQUITY FUND

Quarterly Commentary - Autus BCI Equity Fund

Over a quarter in SA's financial and political history which may be remembered for all the wrong reasons, to interpret our self-imposed obligation of being a safe pair of hands to our clients' assets into a responsible set of portfolio holdings and trades was a challenge, to say the least.

While Q4 news flow was dominated by China's struggling growth story, the low and declining price of Brent crude oil, a battling resources sector, US interest rates being lifted for the first time in nearly a decade, increasing geopolitical and religious strife and SA finance minister circus, some SA-listed companies still managed to end the quarter in positive territory. At the same time, the fund's performance was supported by its offshore holdings and the concomitant currency effect.

The composition of the fund has not changed much over the quarter, besides selling out of FirstRand Limited.

The fund returned 5.23% over the quarter, well above the FTSE/JSE All Share Index's 1.68% and topping out a 22.22% calendar year 2015.

Whilst we are hugely grateful to the management teams of our investee companies for this performance, we do have to sound a note of caution as to the outlook for the year ahead. 2016 will not be a year for taking risk just for the sake of taking risk. It remains our intention to maintain a high cash component with which to utilise favourable entry points in good quality companies, should they arise.

Longer term, solid returns will have to be underpinned by competent political leadership exuding integrity, against a benign local and global economic environment. Time will tell.

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