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wealth care specialists

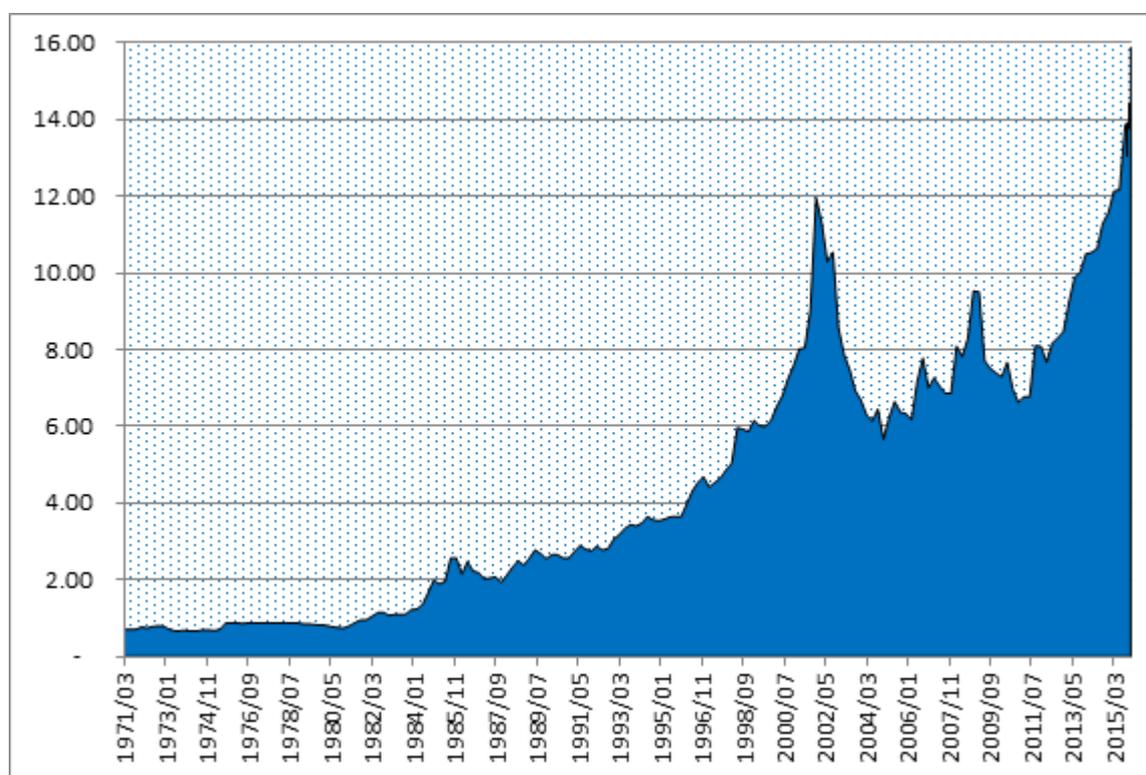
QUARTERLY
ECONOMIC
COMMENTARY

Q4 | 2015

AUTUS WORLDWIDE FUND

Quarterly Commentary - Autus BCI Worldwide Flexible Fund

The fourth quarter was one to forget. We saw the first rate hike in the US in nearly a decade, China's growth is deteriorating and the biggest shock to hit this quarter was definitely the axing of Finance Minister Nhlamhla Nene and the appointment of David van Rooyen. This sparked a huge selloff in our currency and rocked the share market. Banks were particularly hard hit in these circumstances. Calmness were reinstated three days later with the re-election of former Finance Minister Pravin Gordon taking over the reins from Van Rooyen. The All Share ended Q4 slightly positive with a return of 1.7%. The bond market took a huge knock and lost 6.4% during this quarter due to uncertainty regarding potential downgrade to Junk Status. There was further rand weakening against the major currencies, with the Dollar edging up 10.6% and the Euro 8%. Global markets did reasonably well thanks to the Rand weakening with the S&P 500 returning 18.23% and the German DAX 23.16% in Rand terms.



The Autus Worldwide Flexible fund achieved a return of 9.03% in Quarter 4, outperforming its benchmark by 1.62%. Main contributor for the performance over the quarter was the Autus BCI Global Equity fund returning a staggering 23.35% over Quarter 4.

During the Quarter, the fund invested in Siemens, Microsoft, and Mr Price. We included Astoria Investments, a Mauritian-based global investment holding Company, which gives you more offshore exposure. PSG was included after it came down quite sharply towards the end of the quarter and are now trading below its SOTP for the first time in nearly a year. The top holdings in the fund is largely unchanged from quarter 3.

We sold our MTN stake on the back of Nigerian regulators' imposition of a \$5.2bn fine. MTN's lack of compliance following warnings from the regulator highlights management shortcomings.

We feel that the fine will have a huge impact on their balance sheets which might affect paying dividends. BHP Billiton was also sold out of the fund as we feel there is more no indications of any turn around yet in the resource sector.

The fund remain fairly low on equity with 33% local Equity exposure and offshore exposure of 45% via a 23% holding in the Autus BCI global Equity fund and 22% direct global equities.

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