

View of the month – November 2017



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Representative under supervision of Accredinet Financial Solutions an authorised financial services provider FSP 8933

Dear Investor,

The biggest business news for November must have been the rating agencies decisions on Friday 25 November. The outcomes from S&P and Moody's were bitter sweet with the first downgrading our government debt to junk status. **Moody's however gave us a much needed reprieve keeping both our foreign- and local-currency and South African government bonds as "investment grade"**. They did however place SA on review to be decided post the ANC's December conference and Budget speech in February. In summary, SA need to correct the following to avoid a downgrade:

- Structural reforms that will promote growth as opposed to distribution
- Reduced government spending
- Fiscal consolidation by scrapping proposals like free student fees and nuclear deals
- Improved management and removal of corruption at state owned entities
- Political and policy certainty on items like the mining charter

As a result of the above the Rand had a another very volatile month. It appreciated against most major currencies this month. It strengthened by more than **↑4% against the US Dollar, ↑ 2% against the Pound Sterling and ↑ 1.7% against the Euro.**

Invest R2m offshore during December and January without SARS tax clearance

Readers are aware that South Africa's exchange control laws, limits citizens to **take R1 million offshore per calendar year as part of their discretionary allowance** and up to R10 million subject to tax clearance from SARS. **The calendar year is from 1 January to 31 December.** This means investors who has not used their full discretionary offshore allowance during the year would be able to take R1m during December 2017 and another R1m during January 2018. Useful if you think Moody's will downgrade us in February 2018.

Invest in Bitcoin and other crypto currencies

The Bitcoin (BTC) crypto currency continued its rally this month **↑47%** stronger against the US Dollar, it ended the month at US\$9,540 per BTC. This means Bitcoin is up **↑892%** YTD.

We're very close to a solution for assisting our clients to invest in crypto currencies like Bitcoin. The solution is unique and assist investors to buy the US Bitcoin (as appose to the SA version which trades at a premium) and also allows arbitrageurs to take advantage of the price difference between local and foreign crypto currencies.

Don't blow your bonus

If you're one of the lucky ones that received a bonus or 13th cheque this is for you: A survey conducted by the University of Pennsylvania a few years ago asked respondents to rank their strengths in 24 different skills. **Self-control ended up at the very bottom of the list.**

This is not good as investing indirectly requires self-control: We need to exercise self-control to spend less. We also need to exercise self-control to remain invested when news headlines test our nerves. **At Vista Wealth we can help you to invest your bonus in any of the following vehicles:**

- Unit trusts – Local or offshore
- Share portfolios – Local or offshore
- Retirement annuities – Local
- Tax free investment products – Local
- Endowments – Local or offshore

The markets

November was another record month for the South African equities market. Banking stocks and specifically **FirstRand (↑ 9.95% for the month)** were the biggest winners for the month. The **JSE All Share index was ↑ 1.3%** for the month and **↑ 18% YTD**. The financial sector (**↑ 5.7%**) led the way, followed by the **industrial sector (↑ 1.5%)**. The **listed property sector (↑ 0.25%)** was marginally up while the **resource sector (↓-1.5%)** gave back some of its gains. The **MSCI World (↓ -2.5% in Rand terms)** over this month.

With the new interest in South Africa and a potential political turn around post the ANC December conference, we often get queries from investors with regards to **small cap stocks on the JSE**. These stocks are usually more locally focused and a rally in the local currency or improved growth in South Africa could be advantages for these companies. **"Winslyn" TV show** recently published 10 small cap shares which we found interesting. [Click here](#) to view the episode online.

On the commodity front, the **Gold Price (↑ 0.9% in US Dollar terms)** increased the month of November while the price of **Brent Crude Oil (↑ 4.76% in US Dollar terms)** also increased drastically.

The petrol/diesel price

Due to the increased oil price and the weakening Rand during November, motorists are warned about a massive petrol/diesel price increase on Wednesday, 6 December 2017. The department of energy confirmed today the price of petrol will increase 71 cents per litre, while the price of diesel will increase between 57 and 60 cents per litre. **Remember to fill up before midnight on Tuesday!**

What's been happening at Vista

Vista was honoured to contribute this month to Finweek magazine's "Guide to saving for retirement" which covered the following topics:

- How much should I save for retirement
- Reviewing your retirement portfolio
- Advice for late retirement starters
- Last minute strategies to boost your retirement income
- What annuity should I buy when I retire

[Click here](#) to read the full article

Our radio ad on Pretoria FM was well received. [Click here](#) to listen to the ad.

Even though we will be closing for the festive period on the 15th of December 2017, our cellphones will remain on. We would like to take this opportunity to wish all our clients a prosperous festive season and if you're traveling please travel safely. **MANY THANKS for all your support during 2017!**

Quote of the month

In line with our "don't blow your bonus" and "saving for retirement" themes this month, we thought the following quote by Will Rogers to be appropriate: **"Too many people spend money they haven't earned, to buy things they don't want, to impress people that they don't like."**

Financial Indicators as at 3 December 2017:

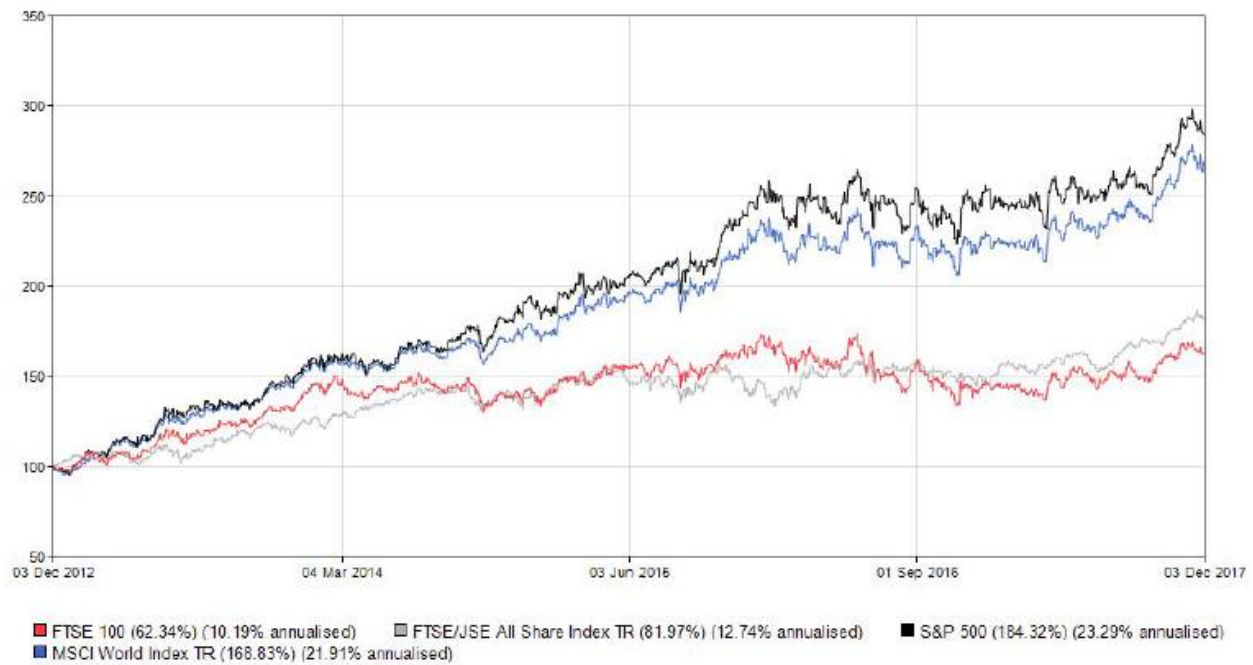
Global indices:

Fund	1 Month (%)	3 Month (%)	1 Year (%)	3 Year (%)	3 Year annualised (%)	5 Year (%)	5 Year annualised (%)	10 Year (%)	10 Year annualised (%)	Since inception (%)	Since inception annualised (%)
FTSE 100	-1.58	8.71	14.21	16.36	5.19	62.34	10.19	51.76	4.27	6774.80	13.42
FTSE/JSE All Share Index TR	0.33	6.89	24.91	30.77	9.36	81.97	12.74	164.39	10.23	215039.72	17.41
S&P 500	-1.40	10.80	15.45	54.62	15.65	184.32	23.29	253.21	13.47	2148.09	13.93
MSCI World Index TR	0.00	12.40	20.65	56.26	16.06	168.83	21.91	220.43	12.37	109954.56	16.19

Global indices – 12 Months:



Global indices – 5 years:



JSE Sectors:

Fund	1 Month (%)	3 Month (%)	1 Year (%)	3 Year (%)	3 Year annualised (%)	5 Year (%)	5 Year annualised (%)	10 Year (%)	10 Year annualised (%)	Since inception (%)	Since inception annualised (%)
FTSE/JSE All Share Index 40 TR	0.23	7.71	27.91	31.20	9.48	82.10	12.76	155.79	9.86	1098.11	14.55
FTSE/JSE SA Listed Property Index TR	0.23	4.68	19.05	35.49	10.66	81.97	12.74	276.81	14.21	1152.51	20.91
South African–Equity–Financial	2.72	4.01	13.08	15.05	4.79	78.03	12.25	172.98	10.58	1326.66	14.11
South African–Equity–General	0.08	5.32	17.21	19.00	5.98	60.41	9.93	121.84	8.31	12528.40	16.67
South African–Equity–Industrial	-0.71	7.05	25.37	29.45	8.99	105.47	15.52	275.74	14.18	7114.82	18.22
South African–Equity–Resource	-3.25	5.79	16.66	25.41	7.85	19.63	3.66	20.88	1.92	6103.57	14.06

JSE Sectors – 1 Year:



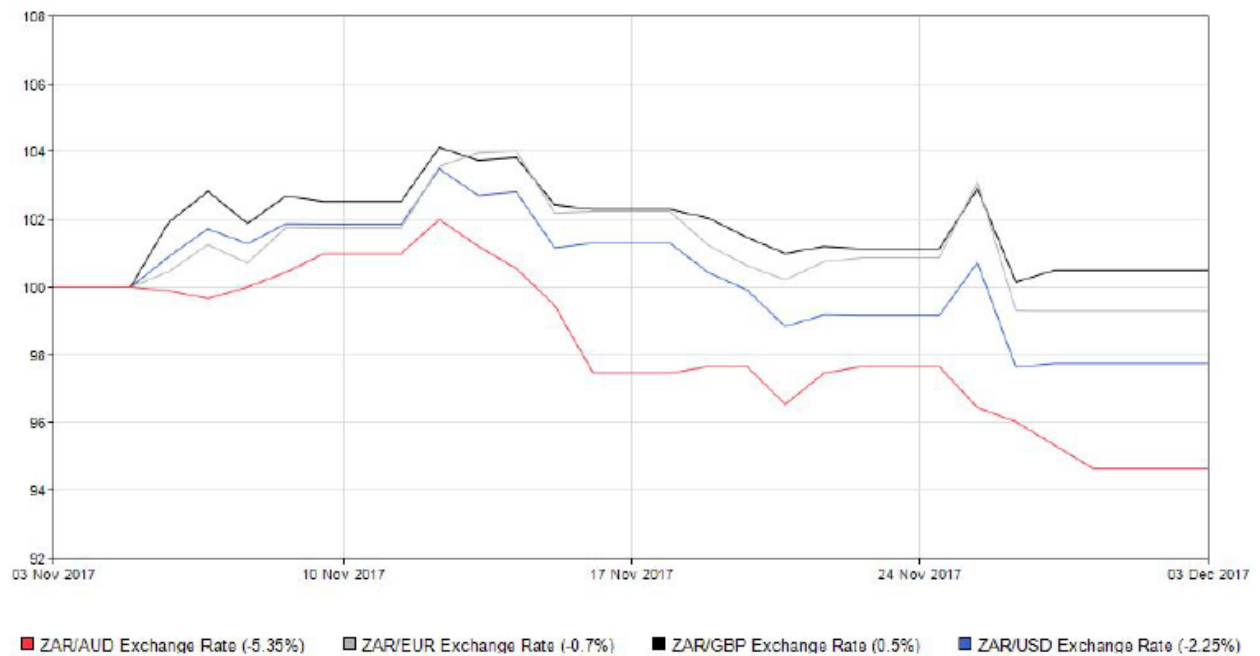
JSE Sectors – 5 Years:



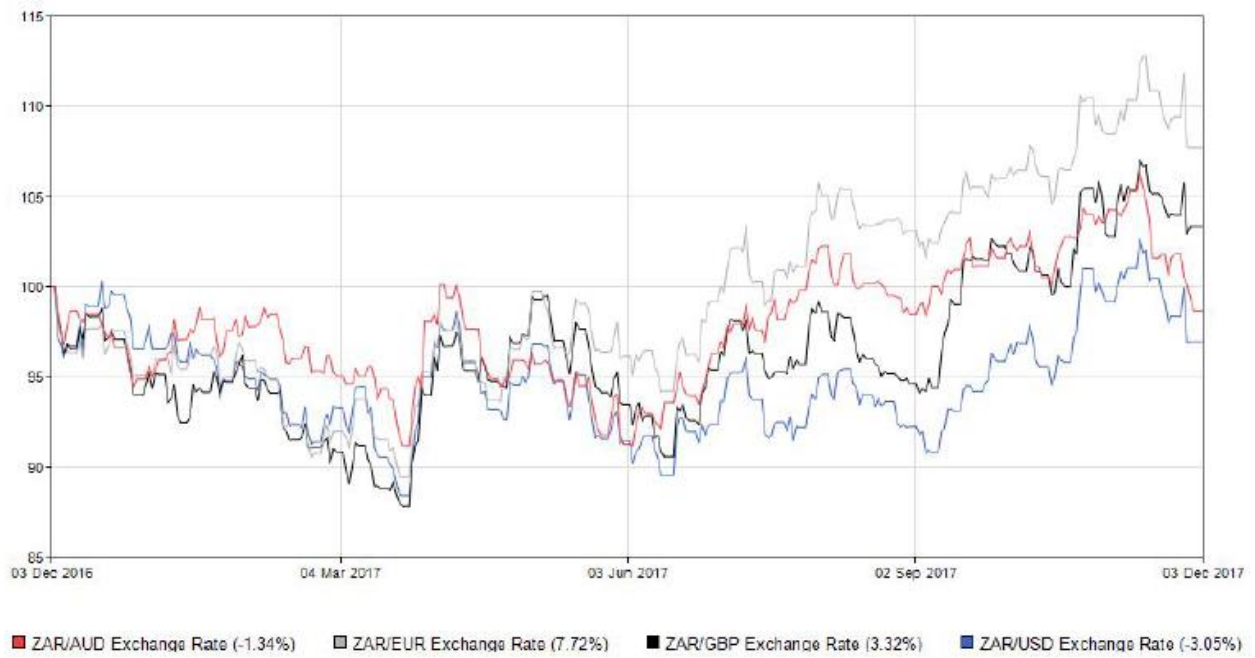
Currencies:

Fund	1 Month (%)	3 Month (%)	1 Year (%)	3 Year (%)	3 Year annualised (%)	5 Year (%)	5 Year annualised (%)	10 Year (%)	10 Year annualised (%)	Since inception (%)	Since inception annualised (%)
ZAR/AUD Exchange Rate	-5.35	0.21	-1.34	9.05	2.93	10.81	2.08	71.04	5.52	1188.32	5.61
ZAR/EUR Exchange Rate	-0.70	4.49	7.72	17.54	5.54	39.91	6.96	62.69	5.00	1250.94	6.93
ZAR/GBP Exchange Rate	0.50	9.22	3.32	5.56	1.82	28.73	5.19	30.91	2.73	964.46	5.18
ZAR/USD Exchange Rate	-2.25	5.12	-3.05	22.87	7.11	53.52	8.97	100.41	7.21	1800.82	6.49

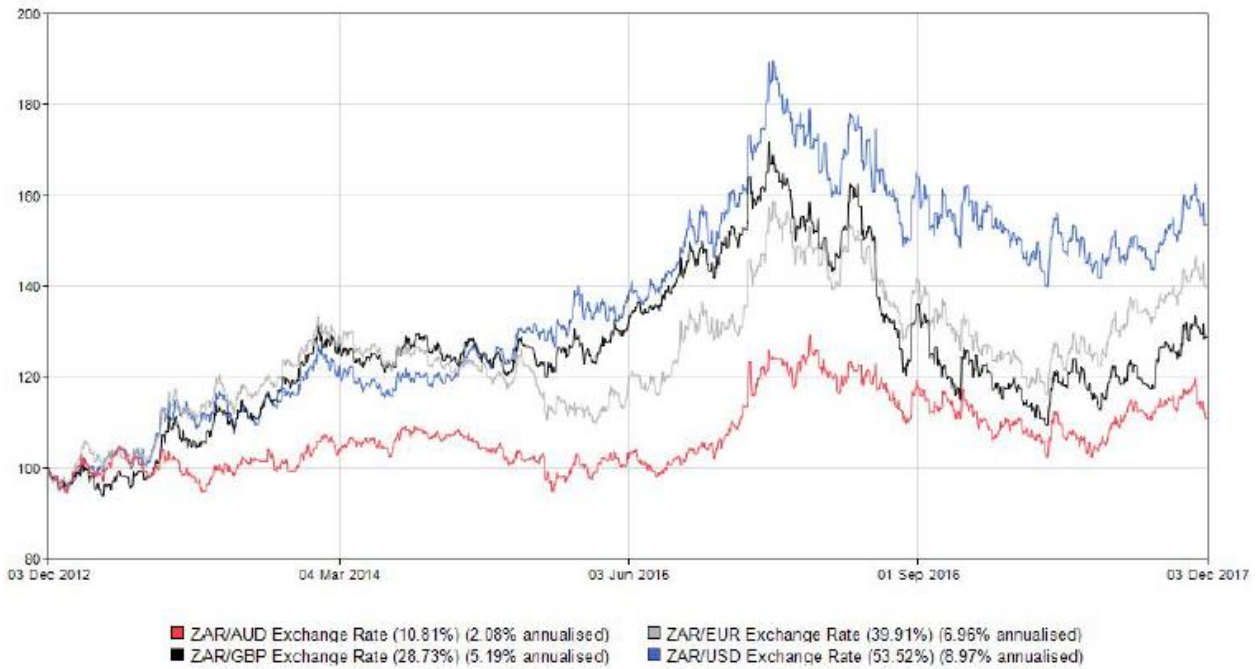
Currencies – 1 Month:



Currencies – 1 Year:



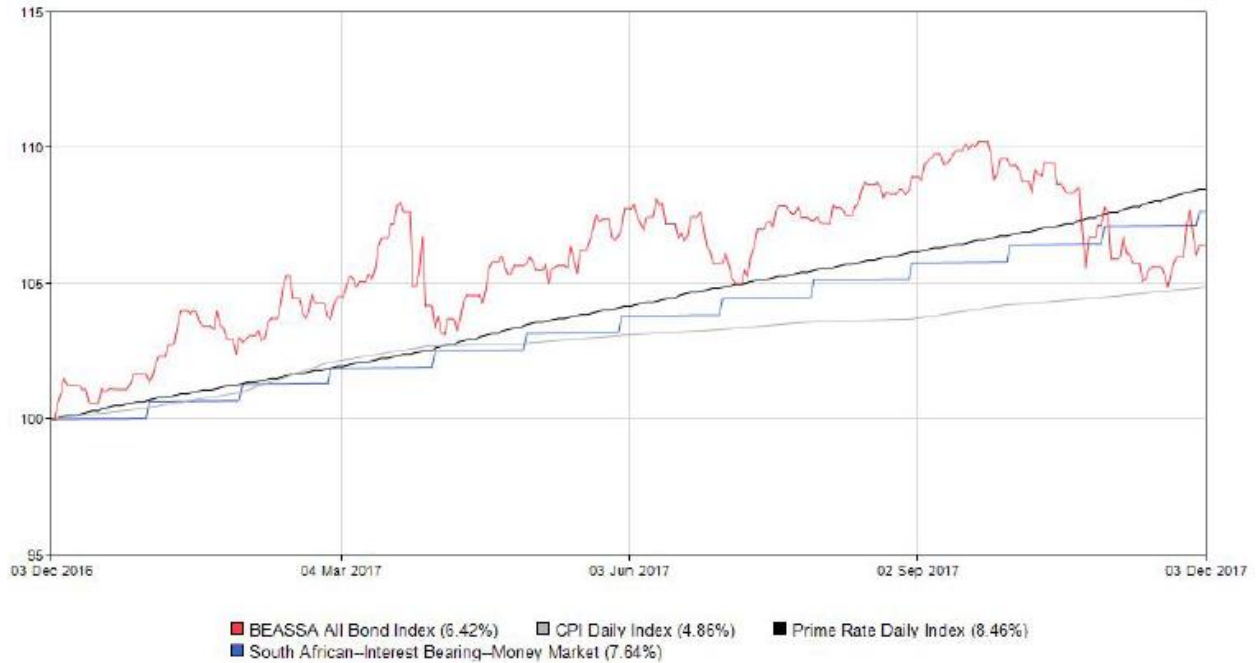
Currencies – 5 Years:




Interest Rates:

Fund	1 Month (%)	3 Month (%)	1 Year (%)	3 Year (%)	3 Year annualised (%)	5 Year (%)	5 Year annualised (%)	10 Year (%)	10 Year annualised (%)	Since inception (%)	Since inception annualised (%)
BEASSA All Bond Index	0.51	-2.28	6.42	15.15	4.82	31.70	5.67	118.16	9.13	427.89	10.22
CPI Daily Index	0.33	1.09	4.86	17.19	5.43	30.57	5.49	75.42	5.79	7155.30	9.37
Prime Rate Daily Index	0.79	2.18	8.46	27.49	8.44	51.80	8.72	162.92	10.17	842.43	12.44
South African-Interest Bearing-Money Market	0.51	1.78	7.64	22.46	6.99	35.55	6.28	95.26	6.93	481.59	8.94

Interest Rates – 12 Months:



Independent data provided by 

Regards,

Vista Wealth Management

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