



Overview and offering

Overview- Simon Morrison

- Investment experience of 14+ years
- Last 10 years at MitonOptimal as the Head of Quantitative Research and Portfolio Manager
 - Head of Quantitative Research
 - Built and presented risk management process
 - Optimised asset allocation models used for all Investment solutions across the MitonOptimal Group.
 - Implemented and monitored above risk process for all
 - Built Quants models, solved problems and provided research as needed
 - Portfolio manager
 - Managed multi-asset South African and Global Funds
 - Managed single strategy Beta-Plus funds
 - Managed futures-trading strategies
 - Senior member of the Investment Management Committee
- Education
 - Chartered Financial Analyst, CFA®
 - B.com Financial Management, University of the Free-State

Overview- Nomis

- Nomis is a consulting business that provides Portfolio Management, or any subset thereof. This includes portfolio construction, ongoing oversight and risk management.



- The offering is completely customisable based on the level of service required. It ranges from a small set fee to produce periodic risk reports, to having us on retainer for any research needs and portfolio oversight, or any level of service in-between.

Overview- Nomis

- The consulting fee for portfolio management is based on AUM, so both parties benefit from portfolio growth whilst being affordable in early stages.



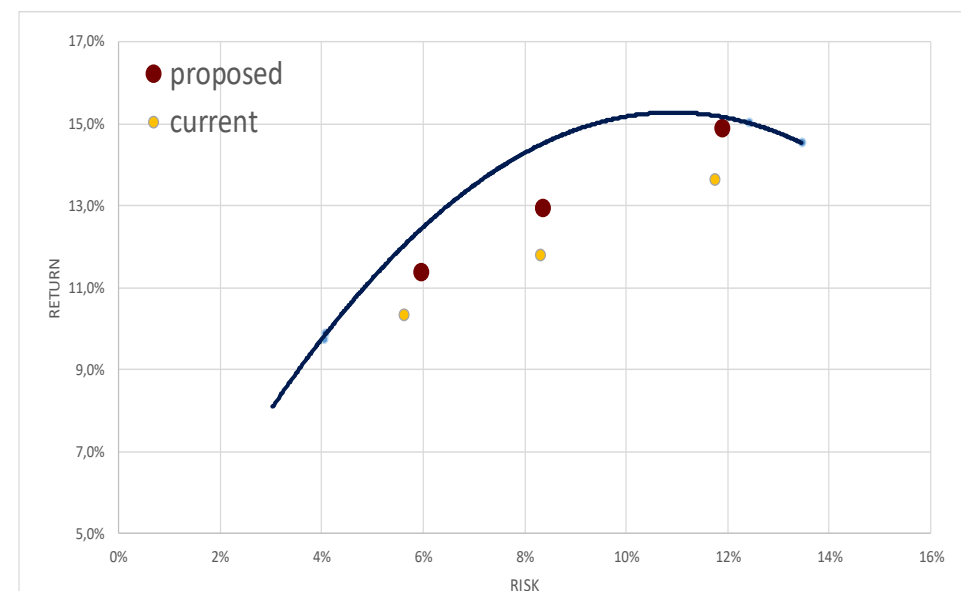
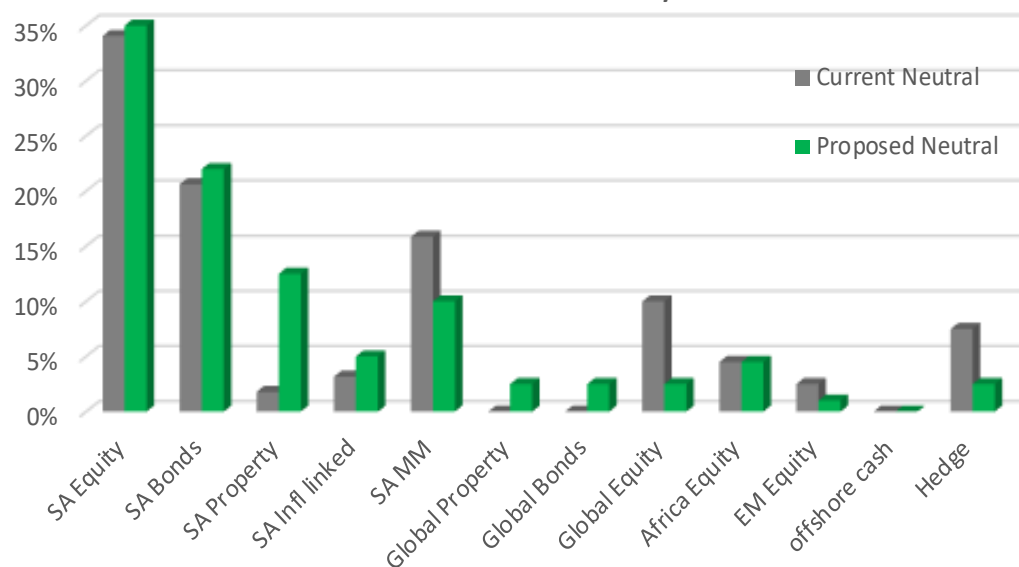
- The idea is to provide peace of mind to the Individual(s) responsible for investment risk, without hiring a full-time resource, or having to completely surrender control.



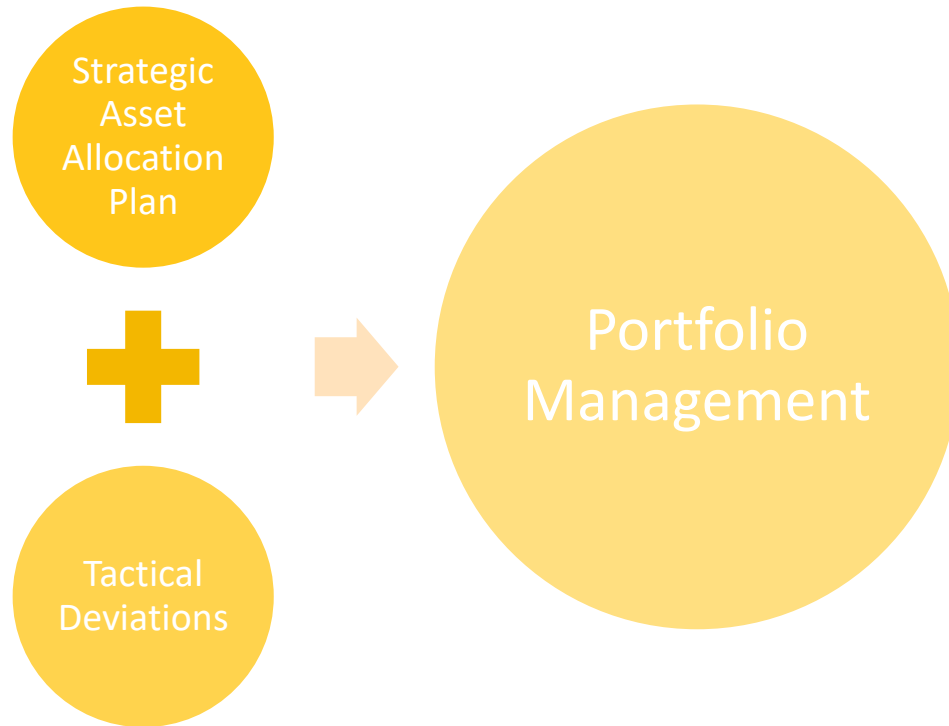
- We believe our strategic advantage lies in being able to provide a more personal and cost effective service

Portfolio construction

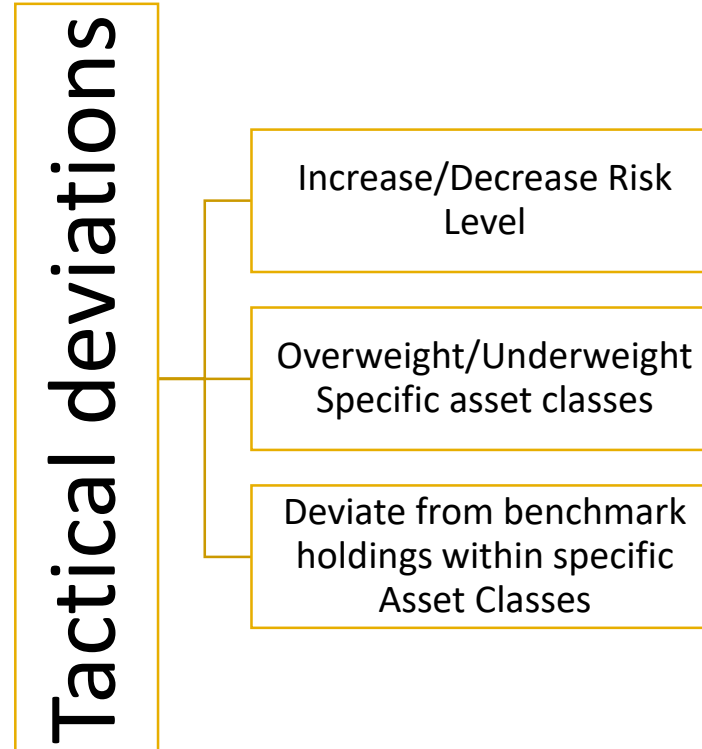
- Our Portfolio construction process is bespoke for each client. It's based on the Philosophy, Investment style, Strategy, Restrictions and any other desired attributes of the particular mandate.
- Based on the average time needed to construct such bespoke models, the cost is an once-off R10k per portfolio. When there are many portfolios with overlaps, this will drop.
- This is done through optimising the portfolio given desired inputs, and providing a framework to operate in. It would consist of a minimum, neutral and maximum for each asset class/sector accompanied by research and conclusions.



Risk Management

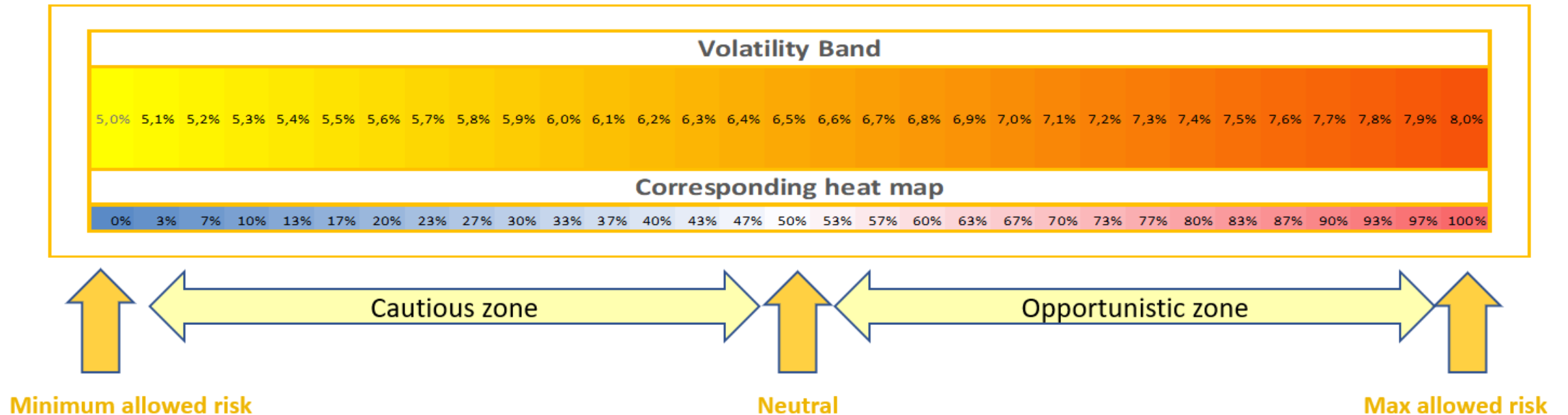


- The ability to make tactical deviations from the Longer Term strategic plan can add significant value, but has to be done in a risk controlled environment.



Risk Management

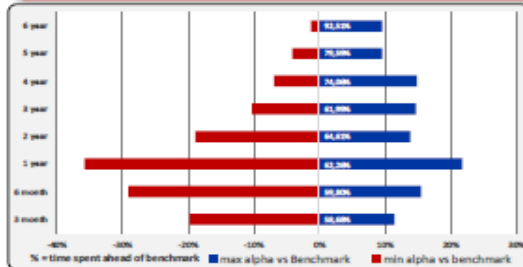
- Risk management is an ongoing process. Apart from the absolute risk exposures and implications of economic cycles, risks compared to the longer term Strategic Plan, the official Benchmark and sometimes Peers is well worth considering.



- Pricing is customisable, starting with the generic report on the next slide, and adjusted depending on the additional level of service required.

Risk Report as at 28 Feb 2018– Generic Example

All data is based on current holdings' risk exposures, thus backtested based on current asset class and sector allocations.



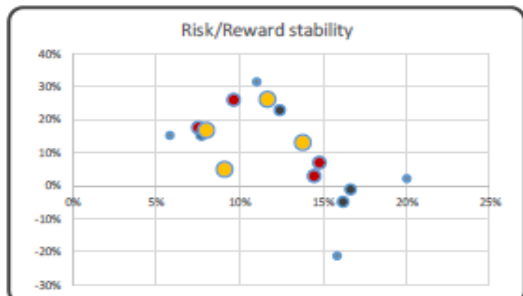
Annualised (where applicable) rolling years' returns vs. Benchmark and time spent



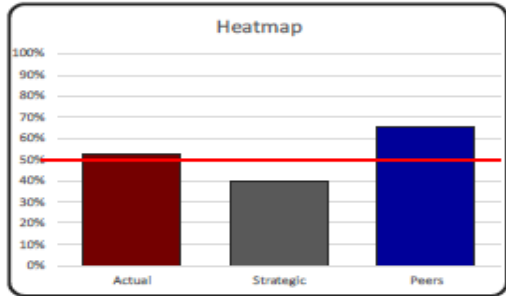
Testing deemed 4 years the appropriate time horizon for outperforming benchmark.



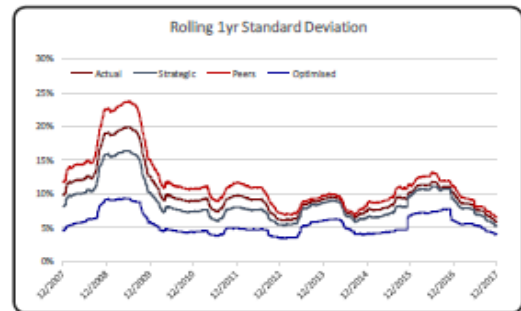
Rolling years return for appropriate time horizon against Peers', Strategic and Optimised portfolios.



Showing outer boundaries of risk/reward scatter, over increasingly higher rolling time periods as the dots get bigger



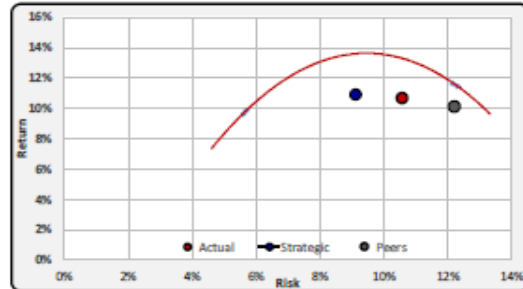
Exposure to overall risk at 52,07% of maximum is higher than strategic's 40,01% and lower than that of peers at 65,78%



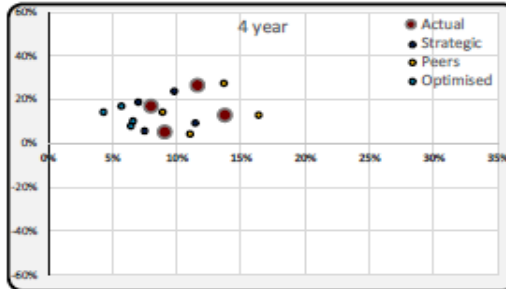
Current standard deviation of the portfolio at 5,84% is below the average over the past ten years of 9,06%

	Actual	Strategic	Peers	optimised	Benchmark
Actual	1,000	0,983	0,980	0,798	0,047
Strategic	0,983	1,000	0,938	0,866	0,046
Peers	0,980	0,938	1,000	0,713	0,044
optimised	0,798	0,866	0,713	1,000	0,064
Benchmark	0,047	0,046	0,044	0,064	1,000

Correlation matrix



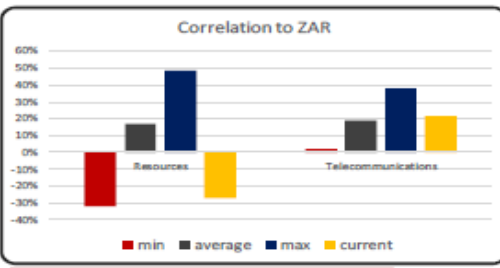
Current position vs. efficient frontier, Strategic Neutral and Peers.



Concentration of risk/return over rolling 4yrs for Actual, peers and strategic.



Current correlation of the Equity composition to ZAR at -1,56% is lower than its historic average of 20,23% lower than the Peers 2,18% and Higher than the total market's -10,41%



The most stable correlation to ZAR has been Telecommunications, the least stable Resources

To have decreased risk without compromising return, less SA Equity and more SA Money Market
 To have Increased return without elevating risk levels, less SA Bonds and more Global Equity



Consulting and Quants Based Investment Solutions

- From our perspective, the long term sustainability of any business in the Investment industry is dependant on having a solid Investment Process/plan.
- Where it is evident that one or more of the subprocesses is outside the scope of the managers area of value add, it is worth exploring low cost alternatives to deal with the problem rather than having a constant distraction
- Any subprocess of the overall plan that is not up to scratch is a risk, and these risks needs to be monitored and managed.



Consulting and Quants Based Investment Solutions

- Our consulting services include anything from taking an active roll in managing Portfolios, to solving once off problems.
- Solutions and models that has been done in the past include:
 - Economic cycle indicators
 - Multi-factor sector-Over/Underweight models
 - Momentum based trading strategies
 - Risk profiling solutions
 - Quants based fund management for beta-plus and absolute return target strategies
- We believe most problems can be solved through following a structured process.



Thanks for your time!