

# Wealth Manager Accelerator Wrap

## August 2015



Investment Manager: Jonathan Moodie  
 Investment Consulting: Glacier Consulting Services  
 Benchmark: (ASISA) World-Wide Flexible Category  
 Inception Date: 01 March 2015  
 Wrap Fund Fee: 50bp per annum (the fee excludes underlying Collective Investment Fees)

### Mandate Description

The wrap fund aims to provide a high level of capital growth over the long term. Investors in this fund are prepared to tolerate high fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with a strong bias towards equities (maximum of 100%) and can invest in South African and/or foreign markets up to 100% either way. Investors in this fund have an investment horizon of 5 years or longer. The fund is not Regulation 28 compliant.

### Quarterly Comment

The South African economy expanded by a disappointing 1.3% q/q in Q1 2015 compared to 4.1% q/q in Q4 2014. This moderate growth was largely driven by the mining sector which grew by a very welcome 10.2%q/q. Given electricity, labour and low-confidence constraints it seems that SA may struggle to lift its growth rate meaningfully above 2.0% over the next couple of years. In addition SA's unemployment rate increased to a 10-year high of 26.4% in Q1 2015, from 24.3% in Q4 2014. Consumer inflation increased 4.6% y/y in May from 4.5% and 4.0% in April and March. As risks to inflation remain on the upside and economic growth subdued the MPC decided to keep the repo rate unchanged at 5.75% on 21 May 2015.

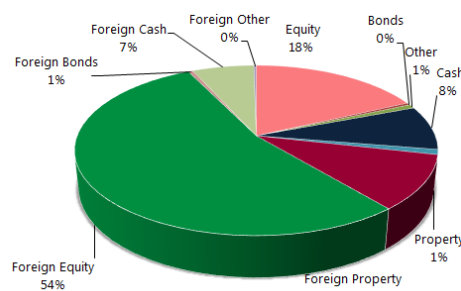
Market volatility continued in Q2 as investors grappled with the debt-laden Greece. Fears mounted over the country's potential default and exit from the Eurozone. Meanwhile, the FOMC decided to leave rates unchanged at 0.25% with Janet Yellen urging investors not to focus on the timing of the first rate hike but on the entire trajectory of monetary policy tightening. While a rate hike is expected in 2015, monetary policy normalisation is expected to be gradual.

In Q2 emerging markets (+0.8% in USD) outperformed developed markets (+0.5% in USD) and the ALSI (-0.5% in USD). Global bonds (-1.18% in USD) underperformed global and emerging market equities with global property (-10.55% in USD) being the worst performing asset class.

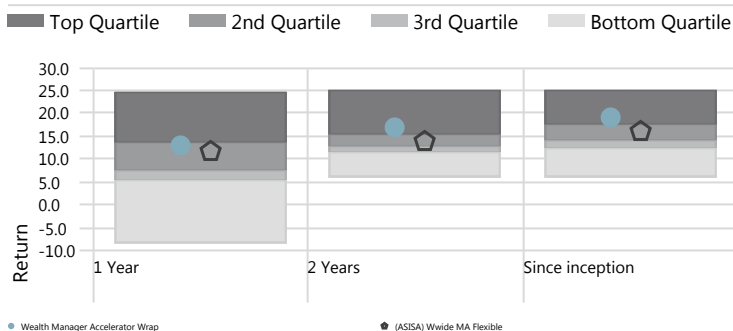
Locally, the JSE All Share index declined 0.20% on the back of mid-caps (-6.35%). By contrast small-caps and large-caps increased 1.46% and 0.75% with foreigners' net buyers of R19.9 billion worth of local equities. The ALBI ended Q2 1.40% lower largely driven by disappointing performance from the longer end of the yield curve (12yr + declined 2.85%). ILBs delivered returns in line with cash (1.55% vs 1.56%) Over Q1 foreigners were net buyers of R10.6 billion worth of local bonds. In line with longer dated bonds SA listed property pulled back -6.23%, down from a stellar 13.69% in Q1.

During Q2 2015, the rand depreciated marginally against the US dollar (+0.29%) and significantly against the euro (+3.02%) and British pound (+6.14%). It appreciated marginally against the Japanese yen (-1.59%). The rand continues to be vulnerable to capital flows resulting from global risk aversion, particularly to expected changes to US monetary policy. There is a great deal of uncertainty regarding the extent to which US monetary policy normalisation has been priced into the rand.

### Asset Allocation at 30 June 2015



### Quartile Peer Group Ranking



### Performance Summary and Rolling Returns

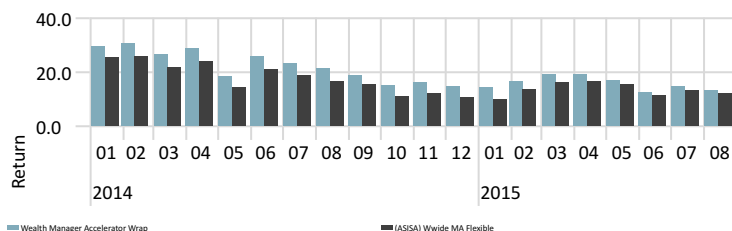
As of Date: 31/08/2015

	1 month	3 months	6 months	1 Year	2 Years	Since Inception
Wealth Manager Accelerator Wrap	-1.14	-0.17	3.82	13.23	17.09	19.37
(ASISA) Wwide MA Flexible	-1.03	-0.62	3.26	12.03	14.19	16.10

Performance greater than 1 year has been annualized and is simulated. Inception date 1 March 2015.

### Rolling Returns - 1 year

Time Period: Since Inception to 31/08/2015



### Risk, Manager Allocation and Cumulative Investment Growth

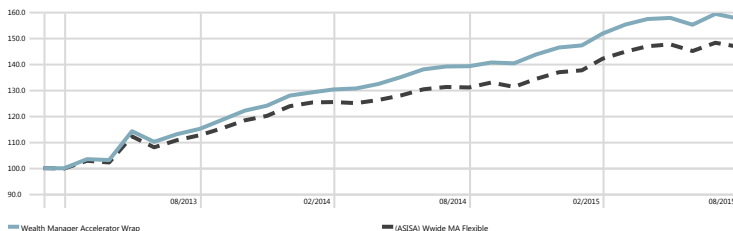
Time Period: 01/09/2013 to 31/08/2015

	Wrap	BM
Alpha	2.89	0.00
Sharpe Ratio (arith)	2.42	1.76
Std Dev	4.59	4.67

Portfolio Date: 31/08/2015

- Food Flexible FoF B2
- Coronation Optimum Growth B4
- Nedgroup Inv Global Equity FF B2
- Catalyst Global Real Estate PSG FF D
- Laurium Flexible Prescient B4
- Truffle Flexible C
- Marriott Dividend Growth C

Time Period: 01/02/2013 to 31/08/2015



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