

Wealth Manager Accelerator Wrap

August 2016



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.

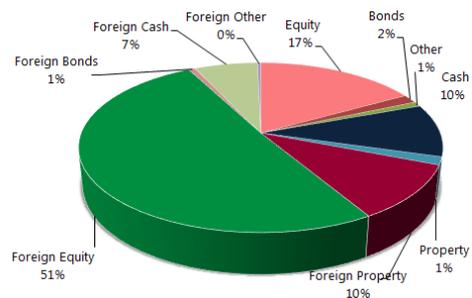
Quarterly Comment

The South African economy declined by a significant 1.2% y/y in Q1, compared to a 0.4% growth in Q4 2015. This was worse than market expectations and largely due to a sharp decline in mining output (-18.1% y/y) on the back of a global slump in commodity prices. Growth on a yearly basis fell by -0.2% y/y. Overall growth is expected to moderate to 0.1% in 2016, improving modestly to 1.2% in 2017. This compares with the previous forecast of 0.9% and 1.6% for 2016 and 2017. On 19 May 2016 the SARB kept the rate unchanged at 7% citing worsening domestic, uncertain global economic growth prospects and financial market conditions as the key drivers behind the decision. South Africa's headline inflation declined in March, April and May to a 5 month low of 6.1% y/y with food prices increasing at a slower 10.5%. Inflation is still expected to remain outside the target range for an extended period, as upside risks remain averaging 6.7% for 2016 and 6.2% in 2017. Over the quarter, the rand depreciated against the US dollar (+0.3%) and yen (+9.4%), but appreciated against the euro (-2.3%) and British pound (-7.2%).

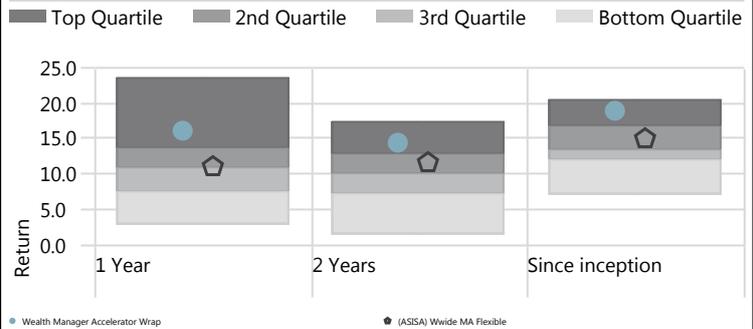
The month of June brought Q2 to a tumultuous end with the UK's decision to exist the EU. Globally risky assets and emerging market currencies fell sharply while gold and the Japanese yen firmed on the Brexit decision. Government yields in developed markets fell to record lows as investors fled to safe-haven assets. However as panic abated stock markets were lifted out of the doldrums on the hopes of more monetary stimulus. In Q2, developed market equities (+0.31% in USD and +0.62% in ZAR) outperformed emerging market equities (-0.32% in USD and -0.01% in ZAR). Developed market bonds (+2.89% in USD and +3.21% in ZAR) outperformed global property (+2.47% in USD and +2.79% in ZAR).

The ALSI performed marginally better than emerging markets gaining 0.4% (+0.12% in USD) in Q2. Returns were however dispersed. Small and mid-caps delivered +2.3% and +1.8% while large-caps delivered a meagre +0.1%. By tradable industries, financials was the worst performer delivering -4.3%. Resources was the best performer (+6.4%) followed by industrials (excluding dual-listed companies) (+5%) and SA listed property (-0.4%). The ALBI returned +4.4% (+4.1% in USD) with the longer end of the yield curve (+12) performing the best (+4.9%) as foreigners were net buyers of R6.3bn worth of bonds in Q2. Cash was the worst performing fixed interest asset class returning +1.78%. Preference shares and ILBs increased +8.9% and +4.7% over the same period. Foreigners were net buyers of R47.6bn worth of equities in Q2.

Asset Allocation at 30 June 2016



Quartile Peer Group Ranking



Performance Summary and Rolling Returns

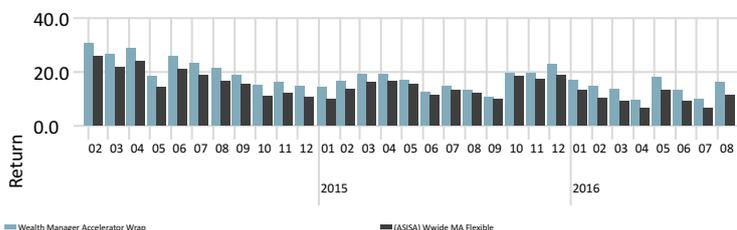
As of Date: 31/08/2016

	1 month	3 months	6 months	1 Year	2 Years	Since Inception
Wealth Manager Accelerator Wrap	4.53	-1.56	5.14	16.12	14.67	18.95
(ASISA) Wwide MA Flexible	3.40	-2.14	4.32	11.32	11.68	15.17

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 31/08/2016



Risk, Manager Allocation and Cumulative Investment Growth

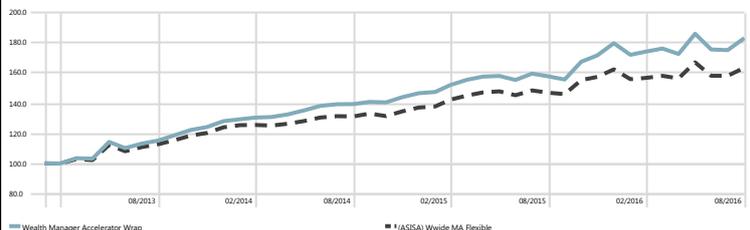
Time Period: 01/09/2014 to 31/08/2016

	Wrap	BM
Alpha	2.14	0.00
Sharpe Ratio (arith)	0.73	0.52
Std Dev	10.99	9.54

Portfolio Date: 31/08/2016

- Food Flexible FoF B2
- Coronation Optimum Growth P
- Catalyst Gbl Real Estate Prescient FF B
- Nedgroup Inv Global Equity FF B2
- Laurium Flexible Prescient B4
- Truffle MET Flexible C
- Prescient Income Provider A2

Time Period: 01/02/2013 to 31/08/2016



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