

Wealth Manager Global Moderate Wrap



April 2017

Investment Manager: Jonathan Moodie
Investment Consulting: Glacier Consulting Services
Benchmark: Global MA Medium Equity
Inception Date: 01 April 2017
Wrap Fund Fees: 50bp per

Mandate Description

The portfolio aims to provide long-term capital growth and is suitable for investors who are prepared to tolerate moderate to high fluctuations in their investment over the short term and require no income. The fund will be diversified across all major asset classes with a minimum of 80% of these assets being offshore. Investors in this fund have an investment horizon of 5-7 years. The portfolio is not Regulation 28 compliant.

Quarterly Comments

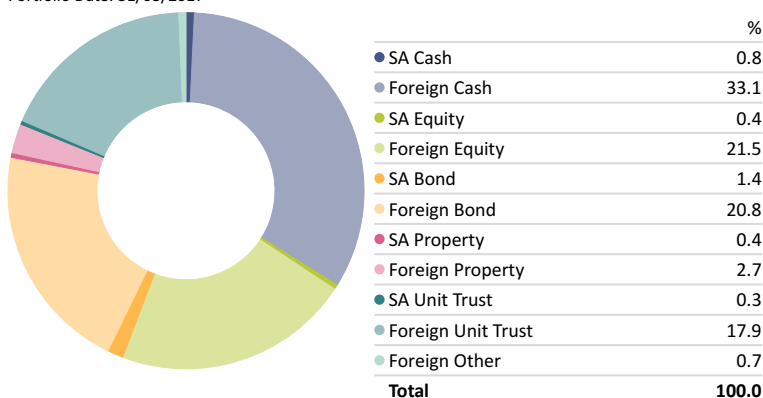
The South African economy rose by a disappointing 0.2%q/q in Q3 well below market expectations (0.6% q/q) due to a sharp decline in manufacturing activity (-3.2% q/q). Growth over the year to end September 2016 rose by a modest 0.7%. Overall growth is expected to moderate to 0.3% in 2016, improving to 1.2% in 2017 due to an anticipated increase in agricultural activity, lower inflation and some recovery in commodity prices. However business and consumer confidence remains weak and the economy has struggled to gain momentum since the financial market crisis. Unless SA is able to lift economic activity it continues to face the risk of further credit rating downgrades. The SARB kept the repo rate unchanged at 7% in November due to muted economic growth and upside inflation risk. South Africa's headline inflation rose to 6.6% y/y in November after increasing 6.4% y/y in October. While the SARB remains concerned about upside inflation risk it could move back into the target range in 2017 should agricultural activity recover and the rand remain range-bound. The rand appreciated against the US dollar (-0.19%), the euro (-6.36%), the pound (-4.6%) and the yen (-13.18%) in Q4.

2016 will be remembered by events such as Brexit, Trump and Renzi. Despite this developed market equities increased in November and December delivering 1.48% in USD (1.29% in ZAR) in Q4, outperforming emerging market equities (-4.56% in USD and -4.74% in ZAR). In hope of stronger growth, rising inflation and higher interest rates the US dollar strengthened in Q4 and capital flowed out of emerging markets. US GDP exceeded market expectations in Q3 growing 3.5% q/q (1.4% in Q2) - the highest in 2 years. US inflation increased 1.7% y/y in November (1.6% in October), in line with market expectations. This is attributed to higher energy costs. As expected, the Fed raised interest rates by 0.25% in December. What did surprise investors is the anticipated increase in the number of rate hikes in 2017 from 2 to 3. Developed market bonds (-7.07% in USD and -7.25% in ZAR) underperformed developed market property (-6.22% in USD and -6.40% in ZAR).

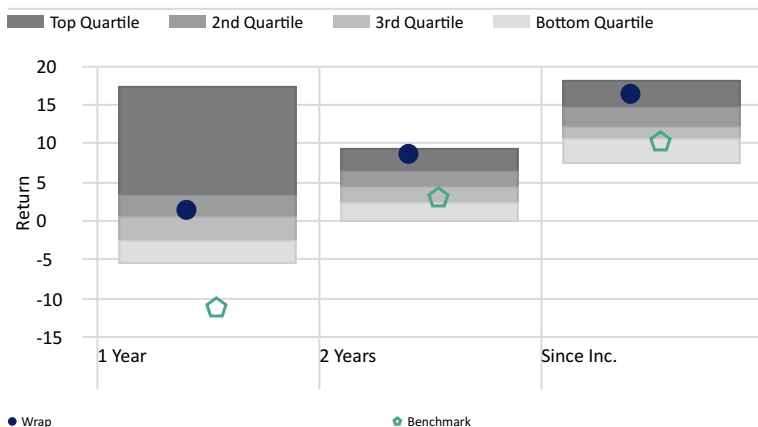
The ALSI outperformed emerging markets but lost ground (-2.09% in ZAR and -1.9% in USD) in Q4. Mid and small-caps delivered +1.02% and +0.58%. Large-caps delivered -3%. SA Industrials (including dual-listed companies) was the worst performer (-4.69%) followed by Resources -1.20%. Industrials and Financials performed the best (+5.26% and 2.89%). The ALBI returned +0.35% (+0.54% in USD) with the shorter end of the yield curve (1-3 Yr) performing the best (+1.42%). Foreigners were net sellers of R52bn of bonds in Q4 (-R26.1bn in 2016). Inflation linkers was the worst performing fixed interest asset class (-1.07%). Preference shares and cash increased +1.98% and +1.86% in Q4. Foreigners were net sellers of R28.4bn worth of equities in Q4 (-R124.8bn in 2016).

Asset Allocation

Portfolio Date: 31/03/2017



Quartile Peer Group Ranking



Risk Statistics

Time Period: 01/04/2015 to 31/03/2017

	Wrap	BM
Alpha	5.01	0.00
Sharpe Ratio (arith)	0.11	-0.27
Std Dev	14.59	15.02

Manager Allocation

Portfolio Date: 31/03/2017

- Coronation Global Cap. Plus [ZAR] FF P
- Glacier Global Stock FF
- Nedgroup Inv Global Flexible FF B2
- Prescient Global Income Provider FF A2
- Nedgroup Inv Global Cautious FF B2
- Investec Global Strategic Managed FF H

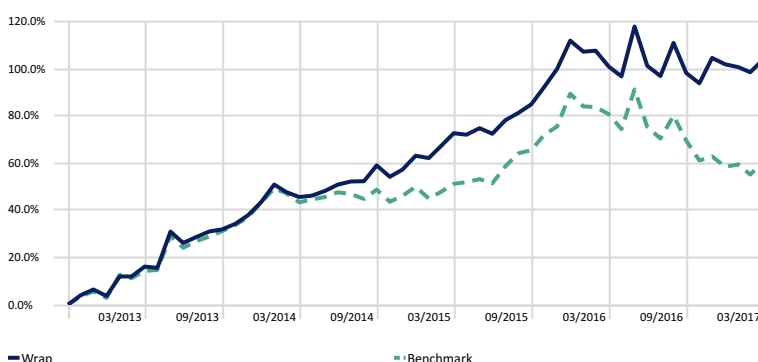
Performance Summary

As of Date: 31/03/2017

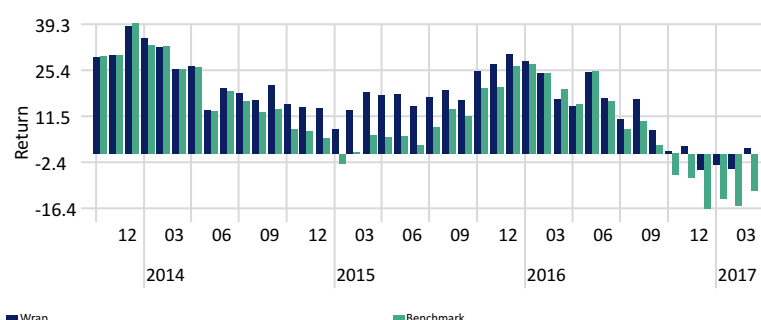
	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	2.76	1.05	2.93	1.54	8.69	17.20
Benchmark	3.58	1.41	-5.20	-11.11	3.08	11.13

Cumulative Investment Growth

Time Period: 02/10/2012 to 31/03/2017



Rolling Returns - 1 year



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