

# Wealth Manager Moderately Aggressive Wrap



As of 2017/05/31

**Investment Manager:** Jonathan Moodie  
**Investment Consulting:** Glacier Consulting Services  
**Benchmark:** (ASISA) SA MA High Equity Average  
**Inception Date:** 01 March 2011  
**Wrap Fund Fees:** 50bp per annum (the fee excludes underlying Collective Investment Fees)

## Mandate Description

The primary objective of this portfolio is to achieve a return in excess of the average fund in the MA High Equity category. To achieve this, the portfolio will have a maximum exposure of 75% to risky assets (equity and property). The remainder of the portfolio will be invested in cash, bonds and foreign assets (limited to 25%). The portfolio uses fund managers with a proven ability to protect capital in times of market distress, while maintaining sufficient exposure to growth assets to achieve the target return. The portfolio is Regulation 28 compliant.

## Quarterly Comments

The South African economy contracted by 0.3% q/q for the final 3 months of 2016, coming in well below the general consensus of +0.5% to end off the year. This result was the first quarterly contraction since Q1 of 2016 as performance was primarily driven downwards by mining and manufacturing, the same sectors which contributed so positively to growth in early 2016. The mining and quarrying industry alone contracted by 11.5% and contributed just short of -1% to the economy as a whole.

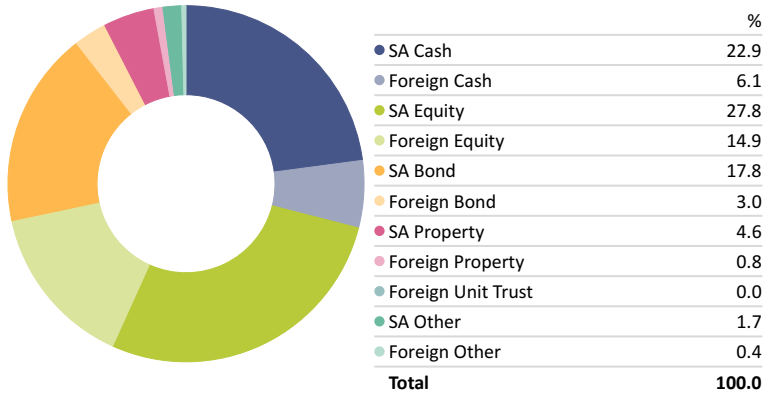
The South African market, in general, enjoyed a positive first quarter, as the first three months of 2017 resulted in a net positive return of approximately 3.78% for the ALSI. Embarrassing local politics, however once again impacted on market sentiment and the SA cabinet reshuffle, including the removal of the Finance and Deputy Finance Ministers, saw both the currency and local fixed income markets take punishment in the final week of March with the rand weakening as much as 8.5% during the last seven days of the quarter. Economic institutions have since negatively revised their estimates of South Africa's economic growth for the year whilst anticipating higher inflation than originally expected.

Mid- and Small-caps delivered +1.12% and +4.54% while Large-caps delivered 3.90%. Industrials was the worst performer (-3.62%) followed by Financials (-1.08%) while SA Industrials (including dual-listed companies) and Financials began the year strongly with first quarter returns of +6.63% and 2.66% respectively. The ALBI returned +2.46% (+4.59% in USD) with the 3-7Yr range of the yield curve performing the best (+3.35%). Inflation linked bonds were again the worst performing fixed interest asset class (-0.68%) while preference shares and cash increased by +1.03% and +1.86% respectively in Q1.

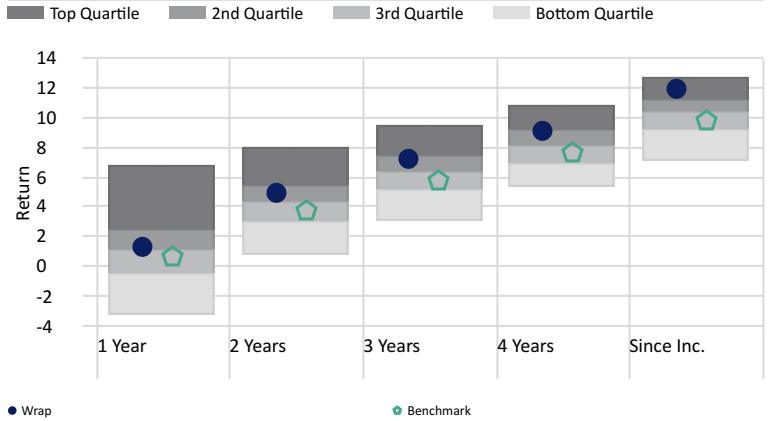
Globally, the average investor would have been happy to see the back of 2016 and it seems as though 2017 has sparked a new found optimism as developed market equities delivered 5.85% in USD (3.70% in Rand) for the quarter while emerging markets, in general, rebounded strongly giving a 11.14% USD (8.88% in Rand) return. US investors, however, turned more cautious as the quarter drew to a close, partly due to President Donald Trump's healthcare policy setback which raised concerns about his administration's ability to successfully deliver its policy agenda. The US GDP rose by 1.9% q/q for the last three months of 2016 slowing significantly from the 3.5% q/q experienced in Q3 and falling below expectations of 2.2% q/q. In total, the US GDP expanded by 1.6% for 2016 which is the lowest this result has been since 2011. In the UK, inflation rose to 2.3% in February, which resulted in the Bank of England's inflation target of 2% being surpassed for the first time in three years.

## Asset Allocation

Portfolio Date: 2017/05/31



## Quartile Peer Group Ranking



## Risk Statistics

Time Period: 2014/06/01 to 2017/05/31

	Wrap	BM
Alpha	1.24	0.00
Sharpe Ratio (arith)	0.07	-0.19
Std Dev	5.16	5.57

## Manager Allocation

Portfolio Date: 2017/05/31

- Prudential Balanced B
- Foord Balanced B2
- Prescient Income Provider A2
- Coronation Balanced Defensive P
- Truffle MET Flexible C
- Foord Flexible FoF B2

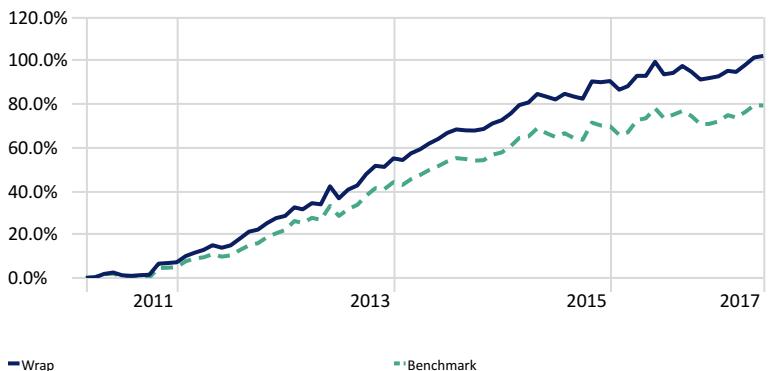
## Performance Summary

As of Date: 2017/05/31

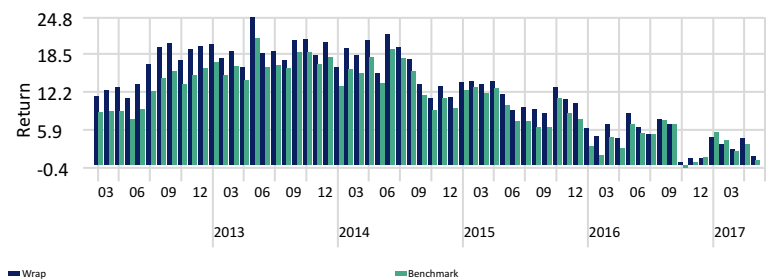
	1M	3M	6M	1Y	2Y	3Y	Since Inc.
Wrap	0.36	3.79	5.30	1.36	4.99	7.23	11.93
Benchmark	-0.06	3.18	4.96	0.71	3.75	5.80	9.80

## Cumulative Investment Growth

Time Period: 2011/03/01 to 2017/05/31



## Rolling Returns - 1 year



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Source: Morningstar Direct