

# Wealth Manager Global Moderate Wrap (USD)



As of 2017/06/30

**Investment Manager:** Jonathan Moodie  
**Investment Consulting:** Glacier Consulting Services  
**Benchmark:** Global MA Medium Equity  
**Inception Date:** 01 April 2017  
**Wrap Fund Fees:** 50bp per annum (the fee excludes underlying Collective Investment Fees)

## 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 contracted by an annualised 0.7% q/q in Q1 of 2017. This was substantially below the 0.9% q/q growth predicted by general consensus. This was the second negative growth recorded in two quarters resulting in South Africa slipping into a 'technical recession'. The primary drivers behind this were trade, catering and accommodation which delivered a -5.9% return, followed by manufacturing (-3.71%) contributing negatively to GDP for the third straight quarter.

The South African market, in general, moved sideways during Q2 in 2017 with the ALSI delivering a negative return of -0.39%. Any positive contributions experienced during April were wiped out over the following two months as mid-cap and small-cap shares were large detractors from overall performance. Once again, political upheavals dominated the headlines and impacted on market sentiment with highlights including our President surviving yet another challenge on his position and Brian Molefe being re-appointed as the CEO of ESKOM.

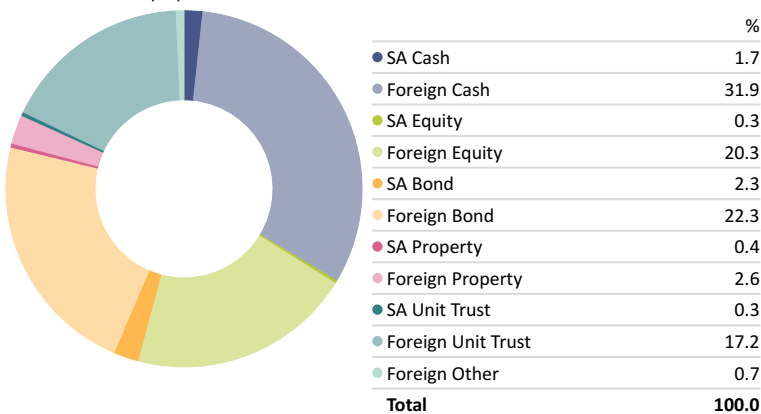
Our local fixed income markets took severe punishment during the final month of the quarter as returns across all fixed income instruments, apart from shorter-term bonds, were negative. This included inflation linked instruments which, on average, returned -0.19% for the month of June. However, for the quarter the ALBI returned +1.49% with the best performing fixed income asset class being the 3-7Yr range of the yield curve which delivered +2.44%. Preference shares and cash remained relatively consistent in Q2 increasing +1.29% and +1.85%.

Large-caps delivered 0.94% in Q2 while mid- and small-caps returned -3.54% and -2.78%. Resources was the worst performer (-7.05%) followed by Industrials (-1.06%) and Financials (-0.01%). SA Industrials (including dual-listed companies) was the best performer returning 2.21% in Q2.

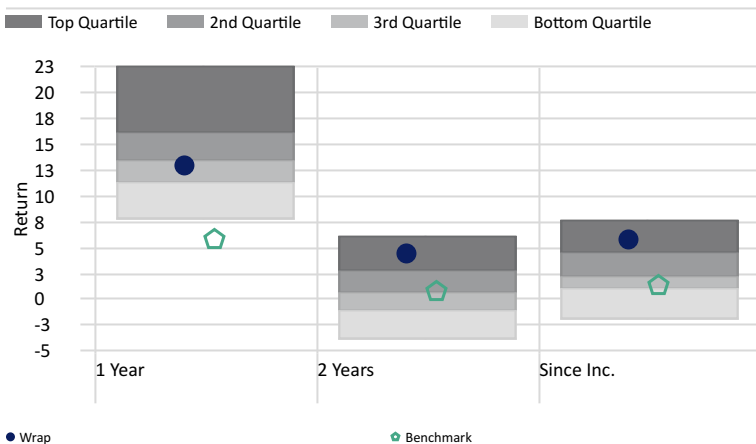
Globally, the positive start to 2017 continued in Q2 with developed market equities delivering 3.38% in USD (0.70% in Rand). Emerging markets went from strength to strength returning 5.47% in USD (2.73% in Rand). The Rand strengthened by 2.60% against the dollar in Q2. The Fed voted to hike interest rates by 0.25% in June, marking the second hike this year as US Federal Reserve Chair Janet Yellen signalled that the US economy is able to withstand higher interest rates. The US GDP rose by an annualised 1.4% q/q in Q1, outperforming the consensus forecast of 1.2%. In Europe the ECB kept its interest rate policy unchanged while in the UK, Theresa May and her decision to call a snap general election dominated the headlines in June. This decision back-fired as the Conservative party lost its majority standing. As a result this weakened both the strength and stability of her government at a crucial time.

## Asset Allocation

Portfolio Date: 2017/06/30



## Quartile Peer Group Ranking



## Risk Statistics

Time Period: 2015/07/01 to 2017/06/30

	Wrap	BM
Alpha	3.22	0.00
Sharpe Ratio (arith)	0.19	-0.28
Std Dev	7.02	8.64

## Manager Allocation

Portfolio Date: 2017/06/30

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

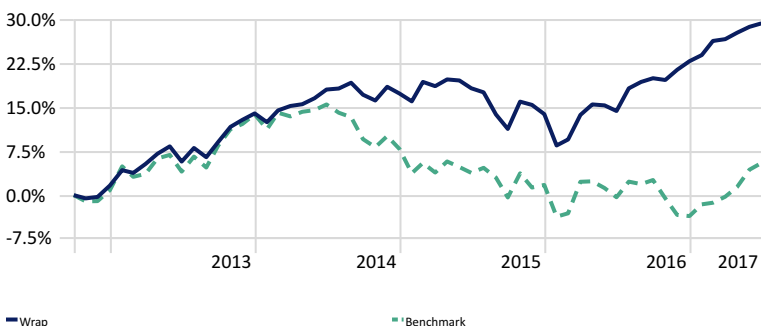
## Performance Summary

As of Date: 2017/06/30

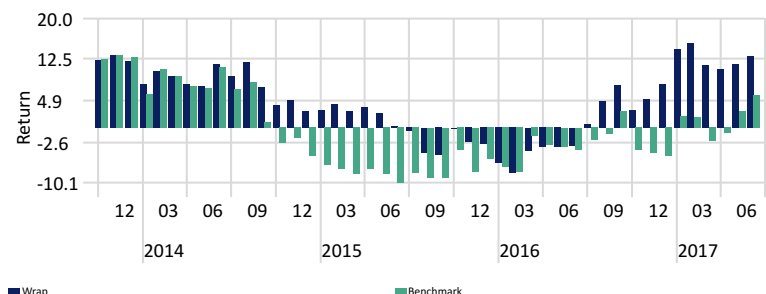
	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	0.46	2.13	5.25	13.08	4.58	5.57
Benchmark	1.09	5.76	9.39	5.86	0.80	1.13

## Cumulative Investment Growth

Time Period: 2012/10/02 to 2017/06/30



## Rolling Returns - 1 year



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