

Wealth Manager Accelerator Wrap



As of 31/08/2017

Investment Manager: Jonathan Moodie
Investment Consulting: Glacier Consulting Services
Benchmark: (ASISA) World-Wide Flexible Category
Inception Date: 01 March 2015
Wrap Fund Fees: 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 7 years or longer. The fund 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.

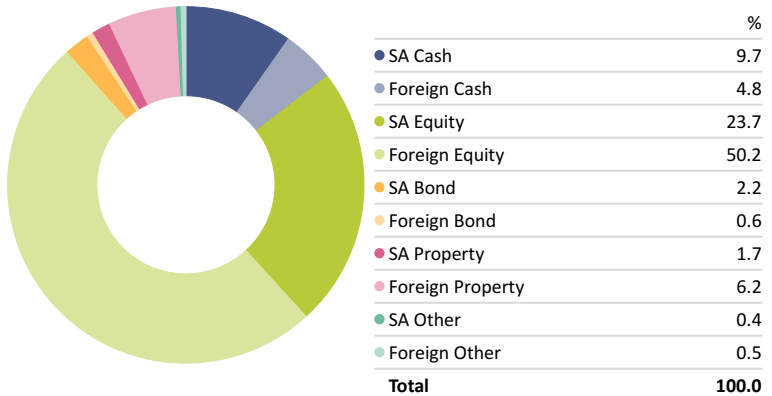
Our local fixed income markets took severe punishment during the final month of the quarter as returns across all fixed income instruments, apart from shorter-term bonds, were negative. This included inflation linked instruments which, on average, returned -0.19% for the month of June. However, for the 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.

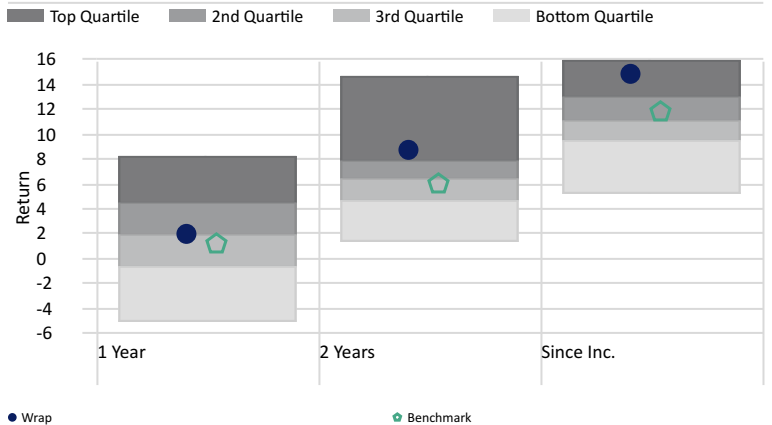
Globally, the positive start to 2017 continued in Q2 with developed market equities delivering 3.38% in USD (0.70% in Rand). Emerging markets went from strength to strength returning 5.47% in USD (2.73% in Rand). The Rand strengthened by 2.60% against the dollar in Q2. The Fed voted to hike interest 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: 31/08/2017



Quartile Peer Group Ranking



Risk Statistics

Time Period: 01/09/2015 to 31/08/2017

	Wrap	BM
Alpha	2.90	0.00
Sharpe Ratio (arith)	0.13	-0.12
Std Dev	12.01	10.04

Manager Allocation

Portfolio Date: 31/08/2017

Coronation Optimum Growth P
 Foord Flexible FoF B2
 Glacier Global Stock FF B
 PSG Flexible E
 Laurium Flexible Prescient B4
 Truffle MET Flexible C
 Catalyst Gbl Real Estate Prescient FF B

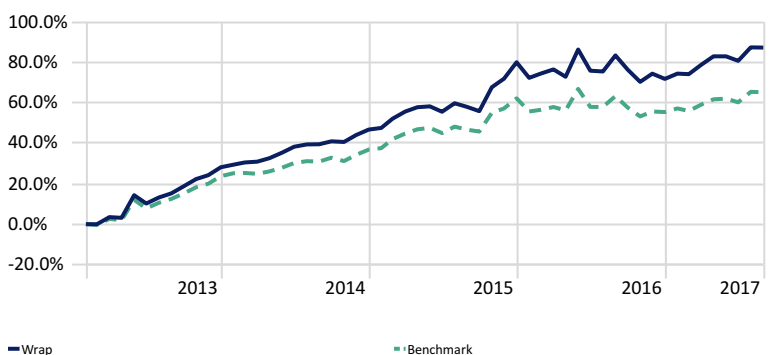
Performance Summary

As of Date: 31/08/2017

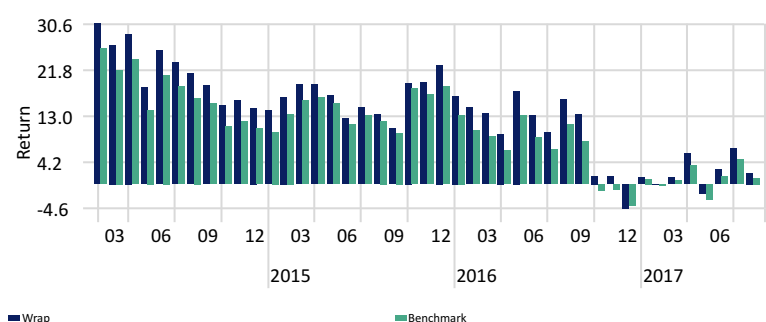
	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	-0.06	2.37	7.55	2.11	8.89	14.98
Benchmark	-0.11	1.96	5.95	1.18	6.13	11.91

Cumulative Investment Growth

Time Period: 02/02/2013 to 31/08/2017



Rolling Returns - 1 year



DISCLAIMER: Moodie's Strategic Financial Services (Pty) LTD trading as Wealth Manager is an authorised financial services provider (FSP No. 12836). Implementation of investment decisions are at the discretion of Wealth Manager. Glacier Consulting Services provides input into the portfolio construction process and does not render any advice. Wealth Manager remains responsible and accountable for any advice rendered. Unit trusts are medium to long term investments. Past performance is not necessarily a guide to future returns. The value of investments and the income from them may go down as well as up and are not guaranteed. Performance figures are quoted gross of portfolio management service fees, but includes all fees charged by the underlying funds. Performance figures for periods greater than 12 months are annualised. All data shown is at the month end. Changes in market conditions may cause the value of your investment to fluctuate. All information has been recorded and arrived at from sources believed to be reliable, but no representation or warranty, expressed or implied, is made as to its accuracy, completeness or correctness.

Source: Morningstar Direct