

# Wealth Manager Global Moderate Wrap (USD)



As of 2018/02/28

**Investment Manager:** Jonathan Moodie  
**Investment Consulting:** Glacier Discretionary Fund Management  
**Benchmark:** Global MA Medium Equity  
**Inception Date:** 01 April 2017  
**Wrap Fund Fees:** 50bps 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 expanded in Q3 producing an annualised quarterly growth of 2%. While this positive result outperformed general market expectations (+1.5%), the outcome culminated in a general slowdown when compared to the previous quarter's 2.8% gain. This reduced quarterly expansion resulted in the annual GDP growth rate settling at 0.8% pa as at the end of Q3. Agriculture, forestry and fishing continued to be the primary driver of growth delivering 44.2%. It increased 38.7% in Q2. Mining continued to expand generating a 6.6% return followed closely by manufacturing which yielded 4.3%.

The FTSE/JSE ALSI continued to climb during Q4 setting a new high of 61 298 at its peak. This increase translated into a 7.44% return for Q4. Most of this performance was experienced early in Q4 pulling back -0.34% in December. Mid-caps and the Top 40 were the primary drivers returning 11.58% and 6.71% for Q4. Small-caps lagged delivering 3.6%. Financials was the best performer returning 15.98% followed closely by Industrials (+15.63%). The worst performing sub-sector was SA Industrials (including dual-listed companies) (+4.67%). Foreigners were net buyers of equities (+R42bn) over Q4.

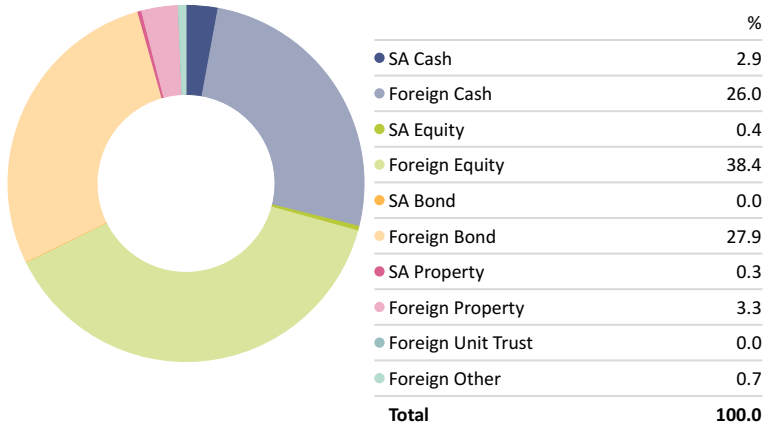
The SARB kept the repo rate unchanged at 6.75% in November on concern that the December ANC leadership election could have a large impact on the exchange rate. This was well-founded. The rand strengthened 6.4% over the four day conference and continued following the appointment of Cyril Ramaphosa as the new ANC President. The rand strengthened 8.64% against the dollar, 7.12% against the pound and 7.17% against the euro in Q4.

Local fixed income markets underperformed equities over Q4. However returns across all fixed income instruments remained positive. The ALBI returned +2.22%. The best-performing fixed income asset class was the longer end (12+ years) of the yield curve which delivered 2.28%. December was a particularly good month for bonds. The ALBI returned +5.66% for the month. Cash delivered 1.80%. Preference shares had a particularly bad quarter delivering a negative 5.66%. Foreigners were net sellers of bonds (-R32.6bn) over Q4.

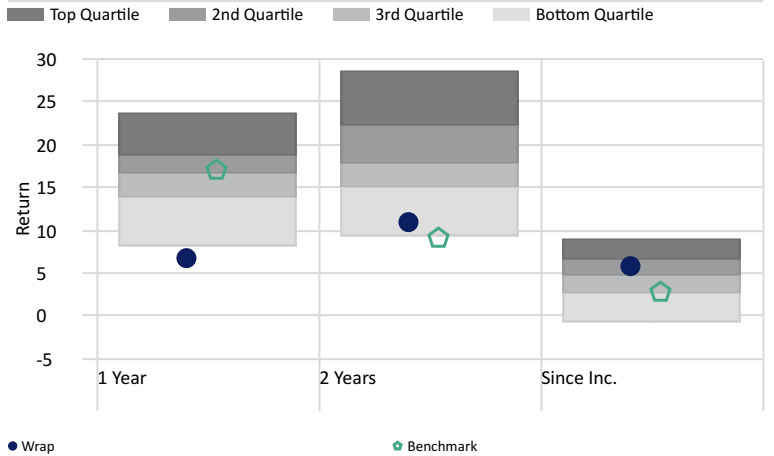
While 2017 was a great year for global assets, rand strength detracted from this performance. Developed market equities delivered 5.14% in USD (-3.95% in rand) while emerging market equities rendered 7.09% in USD (-2.16% in rand) for Q4. In 2017 developed market equities returned 20.11% in USD (8.6% in rand). Emerging markets returned 34.35% in USD (21.5% in rand). As expected the Fed raised interest rates by 0.25% to a range of 1.25% to 1.5% in December. Looking ahead, rates could be raised faster than initially anticipated in light of the tax reform signed by Trump in late December 2107. US GDP expanded an annualised 3.2% q/q in Q3, ahead of market expectations (+2.6%).

## Asset Allocation

Portfolio Date: 2018/02/28



## Quartile Peer Group Ranking



## Risk Statistics

Time Period: 2016/03/01 to 2018/02/28

	Wrap	BM
Alpha	0.72	0.00
Sharpe Ratio (arith)	-3.06	-2.02
Std Dev	4.33	7.46

## Manager Allocation

Portfolio Date: 2018/02/28

- Glacier Global Stock FF B
- 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

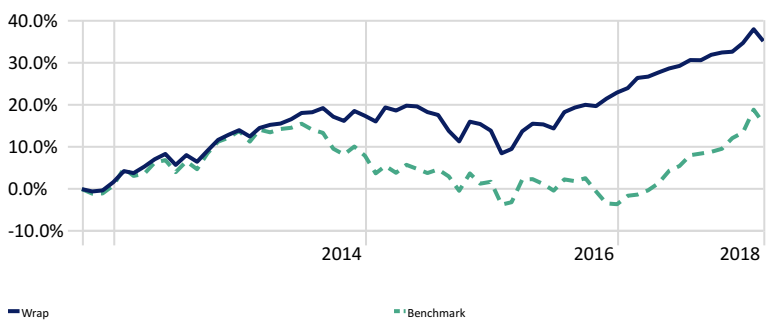
## Performance Summary

As of Date: 2018/02/28

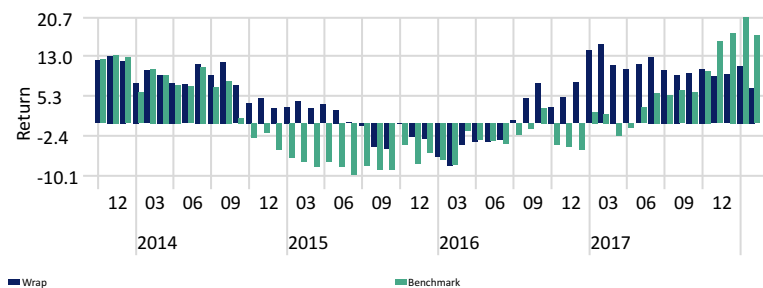
	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	-2.04	1.90	3.47	6.90	11.06	5.71
Benchmark	-2.67	3.18	6.65	17.16	9.25	2.72

## Cumulative Investment Growth

Time Period: 2012/10/02 to 2018/02/28



## Rolling Returns - 1 year



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