

# Wealth Manager Global Moderate Wrap (USD)



As of 2018/08/31

**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

Contrary to Q4 2017, the South African economy pulled back in Q1 2018. SA GDP declined by -2.2%, on an annualised basis, largely underperforming market expectations of -0.5%. This is the most severe contraction since Q1 2009 (-6.1%). The reversal was primarily driven by poor performance in agriculture (-24.2%), manufacturing (-9.9%) and mining (-6.4%). Business Confidence worsened noticeably during Q2 with the RMB/BER Business Confidence index falling by 6 points (-13.3%). The current index rating, now 39, is measured on a scale of 1 - 100 with 1 indicating an extreme lack of confidence and 100 signalling extreme confidence.

The South African equity market rebounded during Q2 as the ALSI delivered a positive 4.5% return. This performance was led by large cap shares. The Top 40 delivered 6.2% for the quarter. Mid-cap (-7.2%) and small-cap (-4.5%) shares continued to decline detracting from overall performance. Resources was the best performing sector returning 19.6% followed by SA Industrials (+4.0%) (which includes dual-listed companies). The worst performing sectors were Financials (-6.0%) and Industrials (-9.4%).

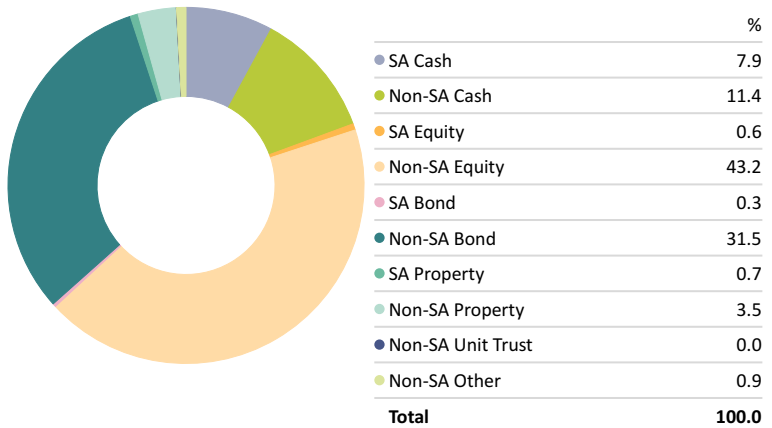
As expected, the SARB left the repo rate unchanged at 6.5% in May, continuing their diligent attempt to keep inflation within the target band of 3% - 6%. During Q2 the rand weakened significantly. It declined 16.1% against the dollar, 9.1% against the pound and 10.0% against the euro. The weak currency, alongside higher oil prices, led to a sharp increase in fuel prices in June.

Locally, bond markets underperformed as the ALBI returned -3.8%. This included inflation-linked instruments which returned -5.0% for Q2. The only positive performing bonds were in the short end of the yield curve (1 - 3 years). They delivered a paltry 0.3%. Cash (STeFI) returned 1.7%, while preference shares returned a stand-out 4.7%. Property (SAPY) continued to decline. This asset class gave up -2.2% during Q2.

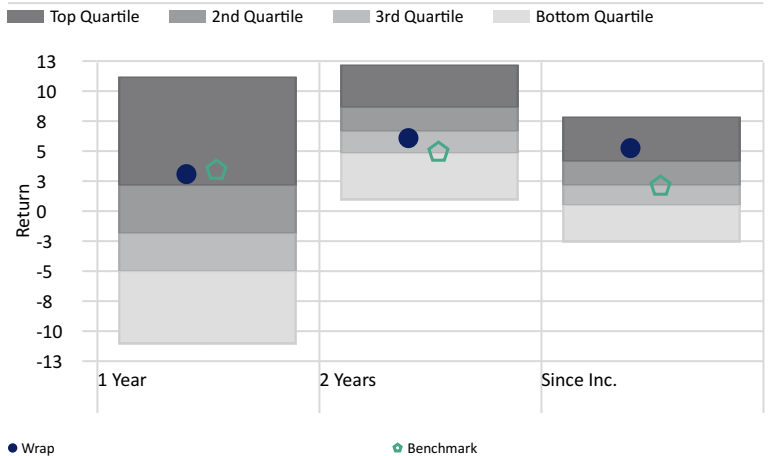
Global markets experienced high levels of volatility in Q2, primarily due to ongoing concerns surrounding a US - China trade war. While trade tensions seemed to ease early in Q2, US President Donald Trump's implementation of tariffs on US\$50bn imported Chinese goods as well as the possibility of additional US\$200bn tariffs, sparked major uncertainty. Developed market equities ended Q2 up 1.1% in USD (17.4% in rand) while emerging market equities suffered and returned -8.66% in USD (6.1% in rand). The Fed raised interest rates for the second time this year, in June, by 0.25% to a range of 1.75% to 2.00%. While previously three rate hikes were expected during 2018, consensus forecasts show there is a strong possibility of an additional two rate increases this year. Despite continuing negative sentiment towards UK markets the FTSE 100 enjoyed strong performance relative to global markets (+8.22% in GBP).

## Asset Allocation

Portfolio Date: 2018/08/31



## Quartile Peer Group Ranking



## Risk Statistics

Time Period: 2016/09/01 to 2018/08/31

	Wrap	BM
Alpha	0.86	0.00
Sharpe Ratio (arith)	-0.40	-0.41
Std Dev	3.76	6.71

## Manager Allocation

Portfolio Date: 2018/08/31

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

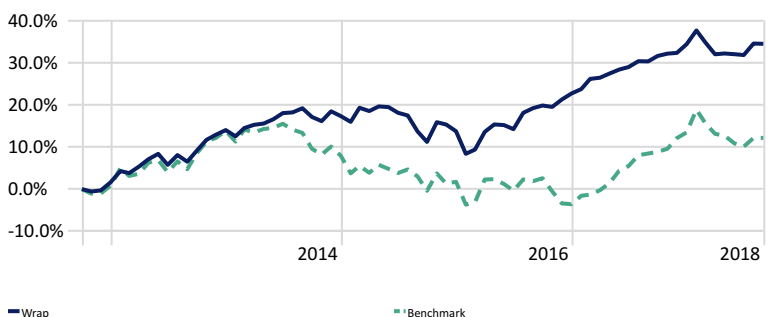
## Performance Summary

As of Date: 2018/08/31

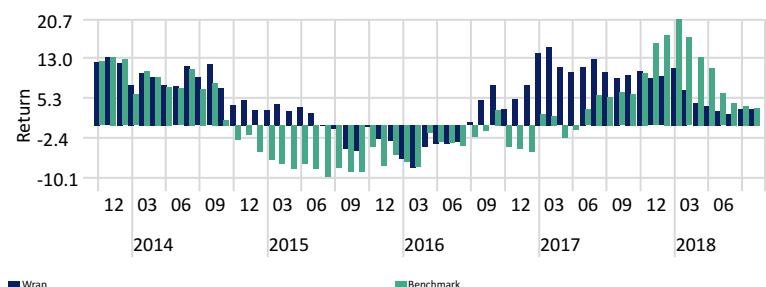
	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	-0.05	1.86	-0.27	3.19	6.21	5.13
Benchmark	0.03	1.16	-3.03	3.42	4.91	1.96

## Cumulative Investment Growth

Time Period: Since Common Inception (2012/10/02) to 2018/08/31



## Rolling Returns - 1 year



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