

# Wealth Manager Global Moderate Wrap (USD)



As of 2018/12/31

**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

The South African economy has grown 2.2%, emerging from its technical recession and beating market expectations. Growth was largely driven by manufacturing, agriculture and transport. Manufacturing was the biggest driver of growth (7.5%), supported by increased production of basic iron and steel, metal products and machinery; wood and paper; petroleum products; and motor vehicles. Business confidence continued its downward trajectory in Q4. The RMB/BER Business Confidence index fell to 31 points as political and policy issues remain, especially the uncertainty around land expropriation without compensation.

The global equities sell-off spilled over to the South African market. The All Share Index returned -4.9% during Q4. This underperformance was led by small and large cap shares. Small cap shares gave up 7.3% and the Top 40 returned -5.3% for the quarter. In contrast, mid-caps returned 2.7% adding to overall performance. Telecommunications and technology were the best performing sectors returning 4.9% and 3.5%. The worst performing sector was Consumer Goods (-18.6%) followed by Healthcare (-8.2%).

The SARB surprised the market by hiking interest rates in November. The repo rate increased by 25 basis point to reach 6.75% on the back of rising inflation expectations. South Africa's headline inflation edged up slightly to 5.2%, above the desired midpoint level of 4.5%. The rand weakened by 1.4% during the quarter.

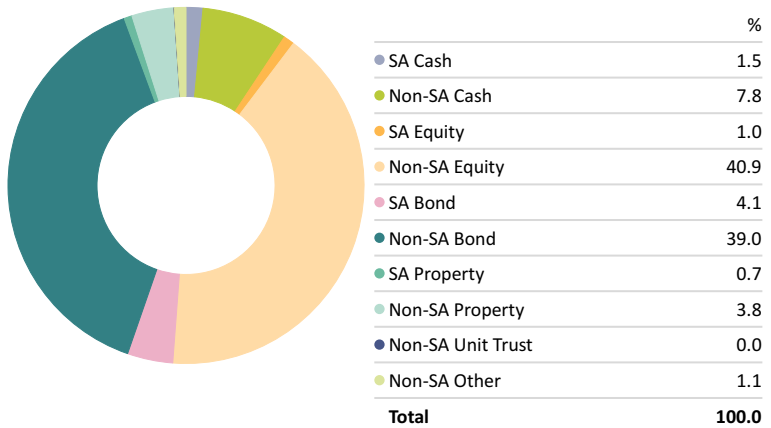
Locally, bond markets outperformed as the ALBI returned 2.7% during Q4. This included inflation-linked instruments which returned 0.2%. The best performing fixed income asset class was in the short end of the yield curve (1-3 years) which delivered 4.1%. Cash (STeFI) returned 1.8%, underperforming preference shares which returned 4.1%. Property (SAPY) continued to decline, giving up 4% during the last quarter.

Global markets weakened on concerns over slowing economic growth and global trade. Markets in all regions performed poorly as companies reported slower-than-expected earnings growth.

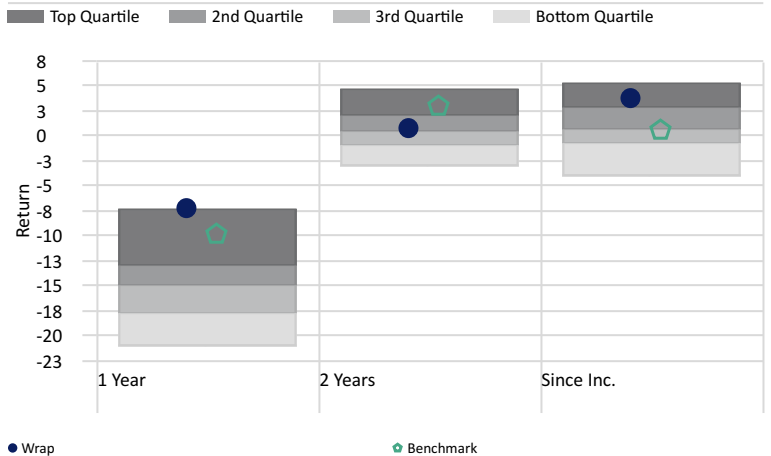
Developed market equities took strain in Q4 returning -13.7% in US dollar terms (-12.5% in rand) while emerging market equities delivered -7.9% in USD (-6.6% in rand). The Fed raised interest rates by 0.25% on the back of its strong labour market and economic growth. This was the fourth hike this year and takes the target range to 2.25% - 2.5%. The FOMC expects three rate hikes in 2019. The Bank of England held interest rates as uncertainty around Brexit intensified. The ECB also kept interest rates unchanged at 0%. This is in line with expectations. The market expects one or two rate hikes in 2019.

## Asset Allocation

Portfolio Date: 2018/12/31



## Quartile Peer Group Ranking



## Risk Statistics

Time Period: 2017/01/01 to 2018/12/31	Wrap	BM
Alpha	-2.42	0.00
Sharpe Ratio (arith)	-0.72	-0.21
Std Dev	5.37	7.86

## Manager Allocation

Portfolio Date: 2018/12/31

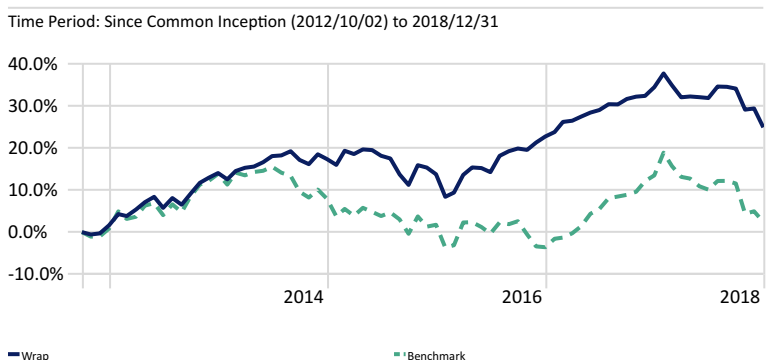
- Prescient Global Income Provider FF A2
- Nedgroup Inv Global Flexible FF B2
- Coronation Global Cap. Plus [ZAR] FF P
- Glacier Global Stock FF B
- Nedgroup Inv Global Cautious FF B2
- Investec Global Strategic Managed FF H

## Performance Summary

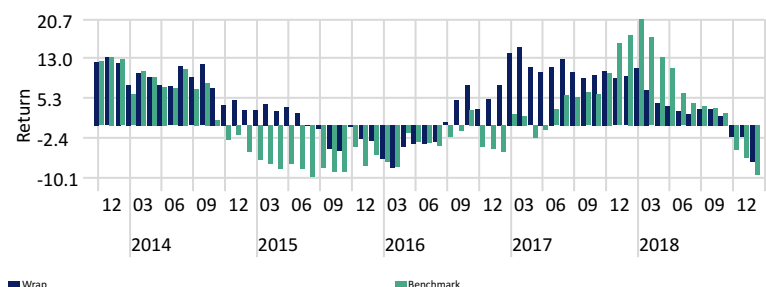
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	1M	3M	6M	1Y	2Y	Since Inc.
Wrap	-3.47	-6.86	-5.27	-7.09	0.88	3.61
Benchmark	-2.40	-8.16	-6.95	-9.71	3.06	0.38

## Cumulative Investment Growth



## Rolling Returns - 1 year



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