

# Wealth Manager Moderate Wrap



As of 2020/03/31

**Investment Manager:** Jonathan Moodie  
**Investment Consulting:** Glacier Discretionary Fund Management  
**Benchmark:** (ASISA) SA MA Medium Equity Average  
**Inception Date:** 01 March 2011  
**Wrap Fund Fees:** 50bps per annum (the fee excludes underlying Collective Investment Fees)

## Mandate Description

The primary objective of this portfolio is to achieve a return in excess of the average fund in the MA Medium Equity category. To achieve this, the portfolio will have a maximum exposure of 60% to risky assets (equity and property). The remainder of the portfolio will be invested in cash, bonds and foreign assets, limited to 30%. The portfolio uses fund managers with a proven ability to protect capital in times of market distress, while maintaining sufficient exposure to growth assets to achieve the target return. The portfolio is Regulation 28 compliant.

## Quarterly Comments

South Africa ended 2019 in recession as GDP declined 1.4% in Q4. The market expected a decrease of 0.1% following the 0.8% decline in Q3. This was a result of the rolling blackouts which impacted seven out of ten industries. Transport, storage & communication decreased 7.2%, trade, catering and accommodation contracted 3.8%, forestry and fishing dropped 7.6% and construction declined 5.9%. Business confidence reached a record low of 20, the lowest level in over two decades. The coronavirus pandemic has spread and SA has been downgraded to junk status by Moody's. Things have not been this bleak since the 2008 global financial crisis.

The SA market plunged in Q1. The All Share lost 21.38% as concerns grew over the impact of the coronavirus pandemic on our already struggling economy. The sell-off was led by mid- and small-cap counters, which shed 35.57% and 32.55%. Large-caps returned -19.17%. Financials was the worst-performing sector returning -39.48%, followed by Resources which declined 25.27%. SA Industrials (including dual listed companies) lost 8.44%.

The SARB cut the repo rate by 100bps in March, after a 25bps cut earlier this year, in response to the impact of the outbreak and spread of Covid-19 on our struggling economy. Inflation remained well within the central bank's target band, increasing to 4.6%. The cost of food and non-alcoholic beverages rose the most while transport costs slowed. The rand weakened 27.52% against the US dollar, 19.37% against the British pound and 25.65% against the euro.

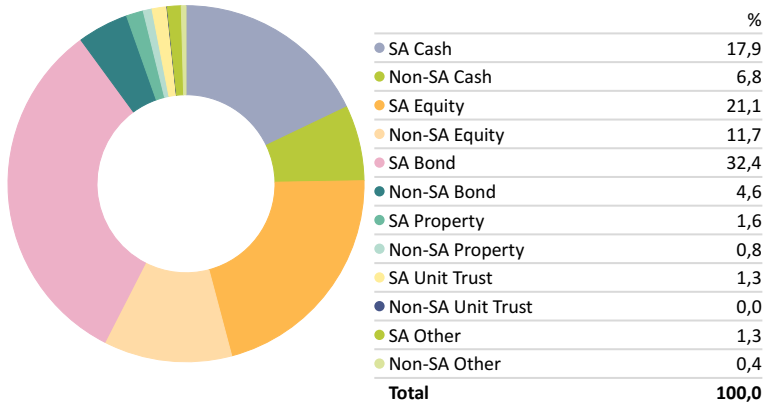
Locally, bond markets delivered dismal returns. The ALBI returned -8.72% while inflation-linked instruments shed 16.82%. The best-performing fixed income asset class was in the short-end of the yield curve (1-3 years) which delivered 1.22%. Cash (STeFI) returned 1.69%. Preference shares lost 30.41%. Property was the worst performer shedding 48.07%.

Global markets fell sharply in base-currency terms as the coronavirus spread as investors sought perceived 'safe-haven' assets. Returns in rand terms were mixed as the rand weakened against major currencies.

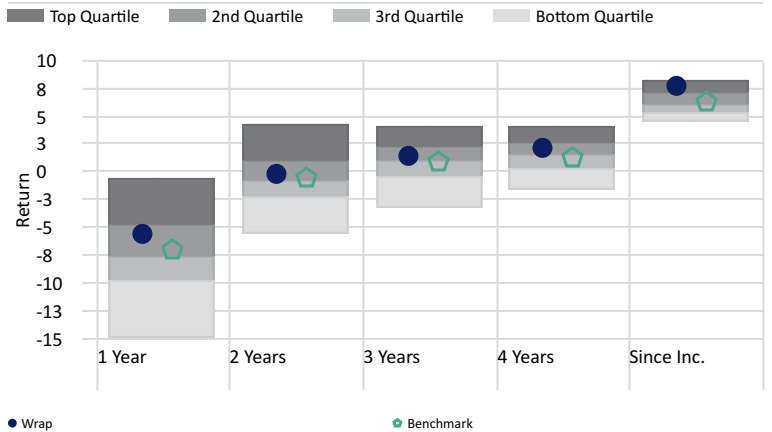
Emerging market equities lagged developed market counterparts as sentiment towards EMs turned negative and the greenback strengthened. Emerging market equities lost -23.87% in USD (-2.92% in rand) and developed market equities shed 21.44% in USD (gaining 0.18% in rand). The Fed cut interest rates by 100bps to 0-0.25%, its second cut this year, It also announced unlimited quantitative easing to insulate the economy against a severe economic downturn caused by Covid-19. The ECB kept interest rates unchanged at 0% and launched a €750billion quantitative easing program to counter the risks posed by Covid-19. The Bank of England cut rates twice this year, reaching an all-time low of 0.1%, to cushion the economy in response to Covid-19.

## Asset Allocation

Portfolio Date: 2020/03/31



## Quarterly Peer Group Ranking



## Risk Statistics

Time Period: 2017/04/01 to 2020/03/31

	Wrap	BM
Alpha	-0,53	0,00
Sharpe Ratio (arith)	-0,89	-0,82
Std Dev	6,61	7,82

## Manager Allocation

Portfolio Date: 2020/03/31

- Ninety One Opportunity E
- STANLIB Absolute Plus B1
- SIM Inflation Plus B4
- Laurium Flexible Prescient B4
- Allan Gray Balanced C
- Prescient Balanced A2
- BCI Income Plus C
- Prescient Income Provider A2

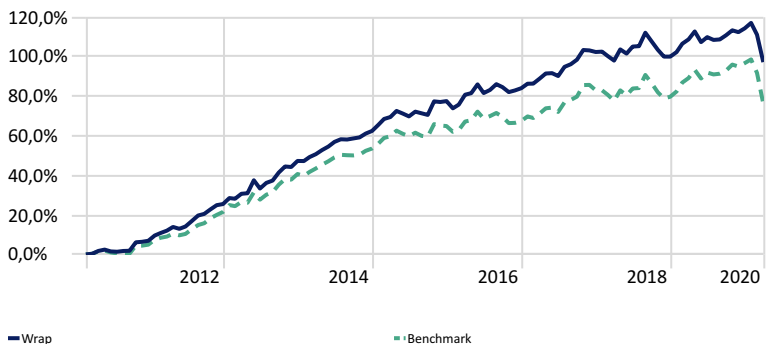
## Performance Summary

As of Date: 2020/03/31

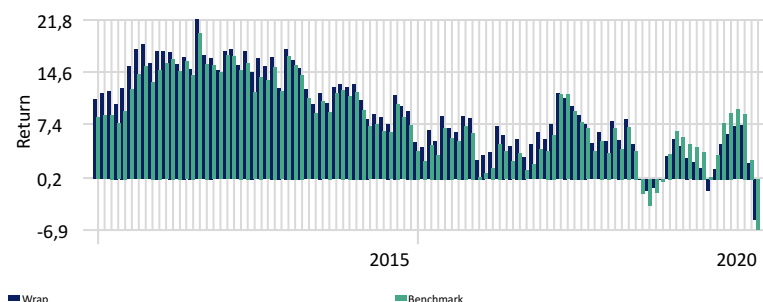
	1M	3M	6M	1Y	2Y	3Y	Since Inc.
Wrap	-6,58	-7,98	-6,44	-5,53	-0,20	1,45	7,77
Benchmark	-8,20	-10,51	-8,73	-6,94	-0,45	0,94	6,43

## Cumulative Investment Growth

Time Period: Since Common Inception (2011/03/01) to 2020/03/31



## Rolling Returns - 1 year



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Source: Morningstar Direct