

Wealth Manager Moderate Wrap



As of 2020/08/31

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

The South African economy slipped deeper into recession in Q1 as GDP declined 2%. The market expected a decrease of 3.8% following the 1.4% decline in Q4 2019. Important to note is this figure only includes the preliminary impact of the global pandemic on domestic activity as lockdown was implemented on 27 March 2020. Transport prices fell 3.5% as fuel prices declined 12.8%. Furthermore, the cost of housing & utilities; alcoholic beverages & tobacco; clothing & footwear; recreation & culture and restaurants & hotels all slowed. Business confidence was severely impacted by the pandemic reaching an all-time low of 5.

The SA market rebounded in Q2. While the All Share advanced 23.18%, the rebound was led by large-caps which gained 24.18%. Small- and mid-caps followed suit, returning 17.21% and 15.21%. Resources was the best-performer returning 41.20%, followed by SA Industrials (including dual listed companies) and Financials which advanced 16.59% and 12.87%. Industrials delivered 6.12%.

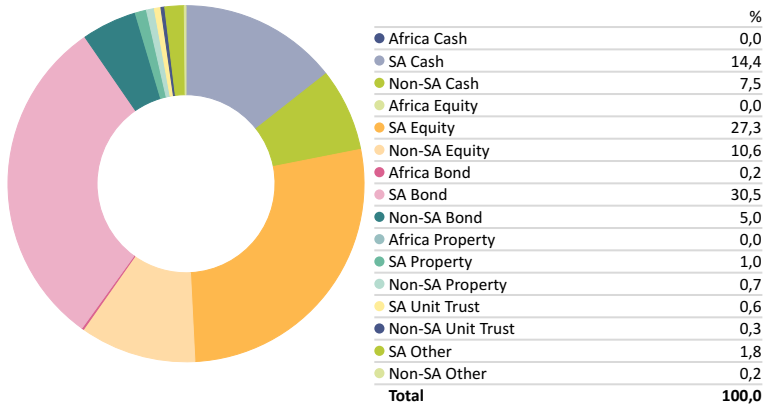
After an emergency repo rate cut of 100bps in April, the SARB cut rates by a further 50bps in May, taking the rate to an all-time low of 3.75%. This was in response to the spread of Covid-19 and the economic impact as a result of the nationwide lockdown. YTD the total repo rate cut is 2.75%. Inflation declined to 3%, remaining well within the central bank's target band. The rand appreciated 2.80% against the US dollar, 2.83% against the British pound and 1.10% against the euro.

Locally, bond markets delivered decent returns in Q2. The ALBI returned 9.94%, while inflation-linked instruments added 17.73%. The second best-performing fixed income asset class was preference shares, returning 17.62%. The longer end of the yield curve (7-12 years) delivered 13.23%, while cash (STeFI) returned a modest 1.46%. Property (ALPI) returned 18.73%.

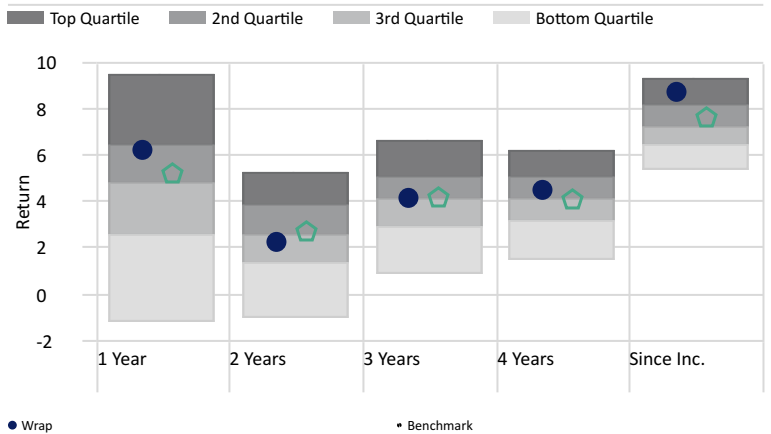
While the world continued to grapple with Covid-19, countries gradually re-opened their economies and global markets rallied. Emerging market equities lagged developed markets. They gained 17.27% in USD (13.98% in rand) compared to developed market equities who gain 18.84% in USD (15.51% in rand). Global bonds delivered 3.32% in USD (0.42% in rand). The Fed kept interest rates unchanged at close to 0% as some states in the US started re-opening their economies in June. Similarly, the ECB and Bank of England kept rates unchanged at 0% and 0.1%. The ECB also launched a backstop facility to provide precautionary euro repo lines to central banks outside of the euro zone area.

Asset Allocation

Portfolio Date: 2020/08/31



Quartile Peer Group Ranking



Risk Statistics

Time Period: 2017/09/01 to 2020/08/31

| | Wrap | BM |
|----------------------|-------|-------|
| Alpha | -0,46 | 0,00 |
| Sharpe Ratio (arith) | -0,37 | -0,32 |
| Std Dev | 7,59 | 8,91 |

Manager Allocation

Portfolio Date: 2020/08/31

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

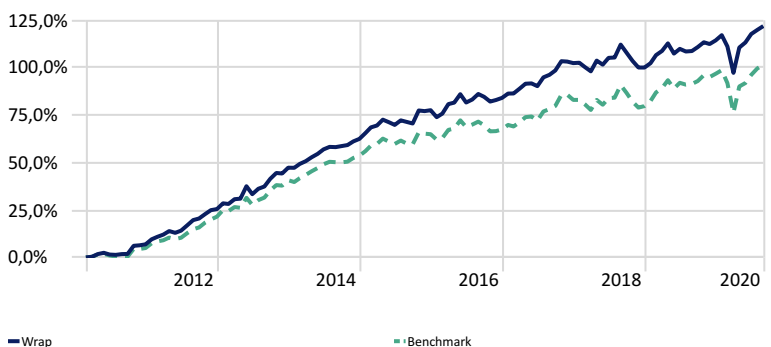
Performance Summary

As of Date: 2020/08/31

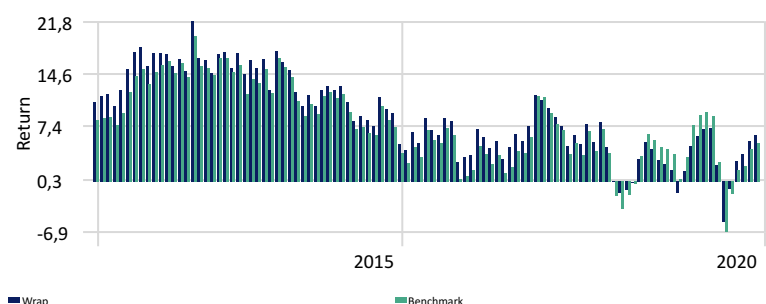
| | 1M | 3M | 6M | 1Y | 2Y | 3Y | Since Inc. |
|-----------|------|------|------|------|------|------|------------|
| Wrap | 0,92 | 4,06 | 5,09 | 6,30 | 2,28 | 4,18 | 8,75 |
| Benchmark | 0,94 | 4,98 | 5,02 | 5,25 | 2,76 | 4,18 | 7,65 |

Cumulative Investment Growth

Time Period: Since Common Inception (2011/03/01) to 2020/08/31



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