

Wealth Manager Income Wrap



As of 2021/02/28

Investment Manager: Jonathan Moodie
Investment Consulting: Glacier Discretionary Fund Management
Benchmark: SA CPI + 2% over a rolling two years
Inception Date: 01 March 2017
Wrap Fund Fees: 50bps per annum (the fee excludes underlying Collective Investment Fees)

Mandate Description

This portfolio is suitable for individuals seeking to preserve capital over a rolling 1 year period and maximise income. To achieve this, the portfolio will have a maximum exposure of 20% 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's GDP rebounded by 13.5% in Q3 as Covid-19 lockdown restrictions eased, resulting in an annualised growth rate of 66.1%. All sectors experienced an increase in output with manufacturing (210.2%), trade, catering and accommodation (137%) and mining and quarrying (288.3%) being the biggest drivers of growth. Despite this rebound, industries have a long way to go before attaining pre-pandemic production levels. Overall, the economy has contracted 5.8% during the year.

The South African market delivered a decent return in Q4. The All Share Index gained 9.75%, led by small caps which advanced 21.91%. Mid- and large-caps followed suit, returning 13.69% and 8.88%. Financials was the best-performer returning 19.54%, while Industrials and Resources delivered 18.99% and 8.18%. SA Industrials (including dual listed companies) trailed, returning 7.38%.

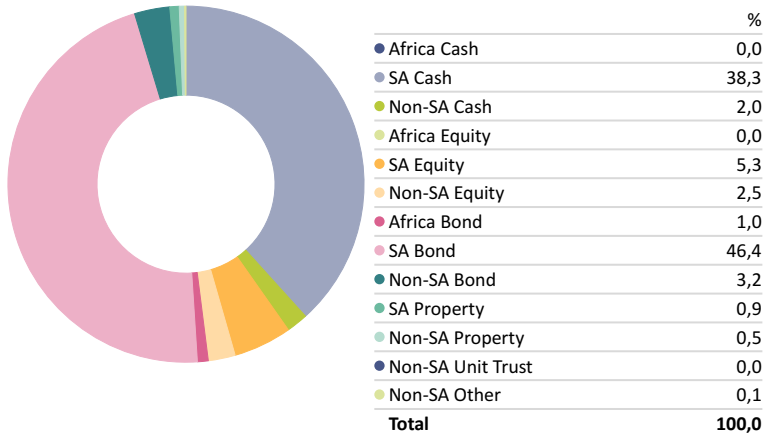
The SARB kept rates unchanged at 3.50% in November as widely expected. Policymakers indicated that risks to the growth outlook appear balanced while overall risks to the inflation outlook are to the downside in the short term while balanced over the medium term. Inflation reached 3.2%, to the lower end of the central bank's target band and in line with market expectations. The rand appreciated 12.31% against the US dollar, 7.24% against the British pound and 8.62% against the euro.

Locally, bond markets delivered modest returns. The ALBI returned 6.71% while inflation-linked instruments added 5.08%. The best-performing fixed income asset class was in the long end of the yield curve (12+ years) which advanced 8.73%. The short end of the yield curve (1-3 years) delivered 1.25% while cash (STeFI) returned 0.97%. Preference shares advanced 13.86%. Property, the best performer, gained 23.62%.

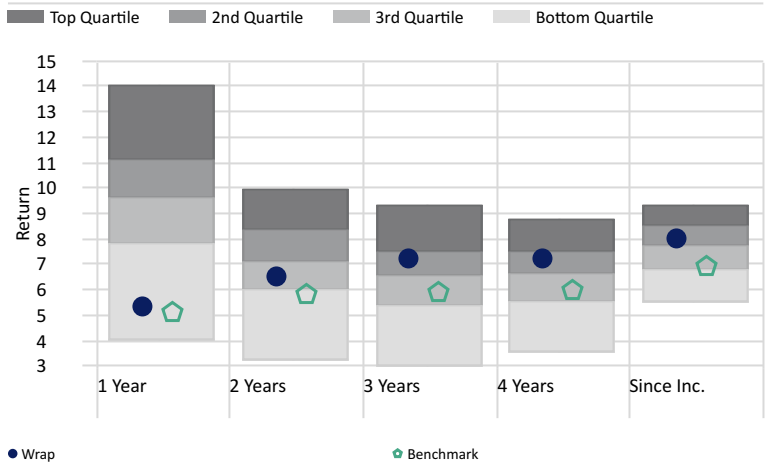
The risk-on environment continued as positive news about vaccine roll-outs and additional central bank stimulus offset uncertainty as global infections continued to rise. Developed market equities lagged their emerging market counterparts. They rose 13.63% in US dollar terms (losing 0.35% in rand). Emerging market equities rallied 19.34% in USD (gaining 4.65% in rand). Global bonds delivered 3.28% in US dollar terms (losing 9.43% in rand). The Fed kept interest rates unchanged at 0-0.25%, in line with market expectations. It reiterated that it would use its full range of tools in order to support the US economy during these tumultuous times. Similarly, the ECB and Bank of England kept rates unchanged at 0% and 0.1%. The ECB expanded its Pandemic Emergency Purchase Programme (PEPP) by an additional €500 billion, extending it to at least March 2022.

Asset Allocation

Portfolio Date: 2021/02/28



Quartile Peer Group Ranking



Risk Statistics

Time Period: 2018/03/01 to 2021/02/28

	Wrap	BM
Alpha	0,57	0,00
Sharpe Ratio (arith)	0,32	-0,39
Std Dev	2,55	1,33

Manager Allocation

Portfolio Date: 2021/02/28

Cadiz BCI Money Market A
SIM Inflation Plus B4
Cadiz BCI Enhanced Income C
Ninety One Diversified Income H
Nedgroup Inv Flexible Inc B1
SIM Active Income B4
Prescient Income Provider A2
BCI Income Plus C

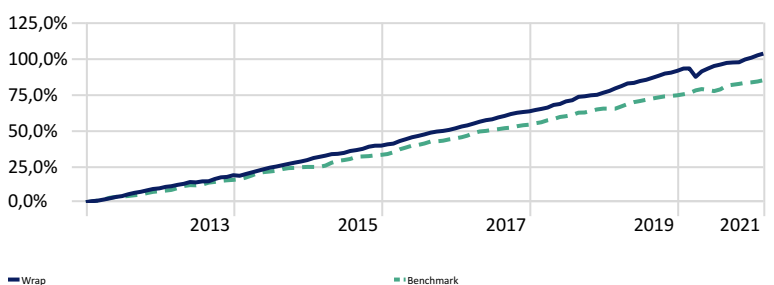
Performance Summary

As of Date: 2021/02/28

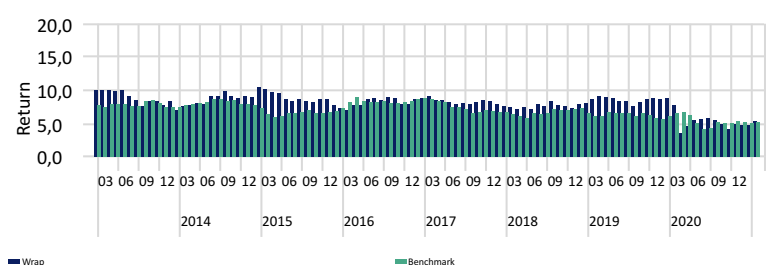
	1M	3M	6M	1Y	2Y	3Y	Since Inc.
Wrap	0,57	2,04	3,29	5,35	6,54	7,25	8,05
Benchmark	0,50	1,00	2,10	5,15	5,84	5,92	6,96

Cumulative Investment Growth

Time Period: Since Common Inception (2012/01/04) to 2021/02/28



Rolling Returns - 1 year



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