

Wealth Manager Moderate Wrap



As of 2021/03/31

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's GDP grew by 1.5% in the last quarter of 2020 – softer than the previous quarter's 13.5% as domestic activity slowed – resulting in an annualised growth rate of 6.3%. Eight of the ten sectors experienced an increase in output with manufacturing (21.1%), trade (9.8%), transport (6.7%) and construction (11.2%) being the biggest drivers of growth. Despite this growth, industries have a long way to go before attaining pre-pandemic production levels. Overall, the economy slumped 7% during 2020 – primarily driven by decreases in manufacturing, trade, catering and accommodation and transport, storage and communication.

The South African market delivered a decent return in Q4. The All Share Index gained 13.14%, led by small caps which advanced 21.22%. Large- and mid-caps followed suit, returning 13.19% and 9.36%. Resources was the best-performer returning 18.70%, while Industrials and Financials delivered 13.38% and 3.84%. SA Industrials (including dual listed companies) returned 12.95%.

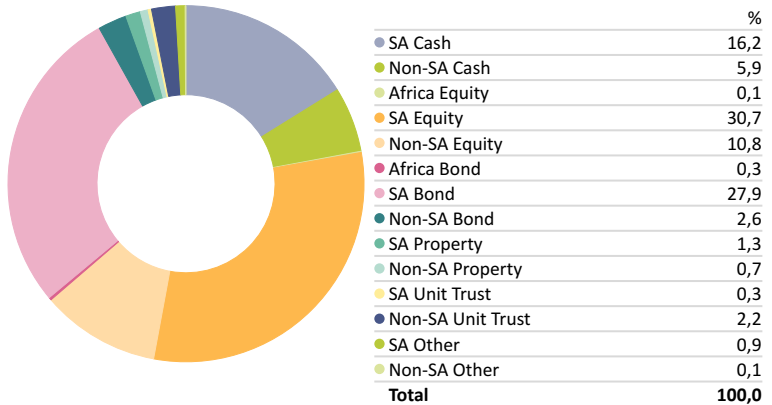
The SARB kept rates unchanged at 3.50% in March as widely expected. Policymakers indicated that risks to the growth outlook appear balanced while overall risks to the inflation outlook are to the downside in the short term while balanced over the medium term. Inflation reached 2.9%, to the lower end of the central bank's target band and below market expectations. The rand weakened 0.56% against the US dollar and 1.42% against the British pound while strengthening 3.44% against the euro.

Locally, bond markets delivered dismal returns. The ALBI returned -1.74% however inflation-linked instruments gained 4.11%. The best-performing fixed income asset class was in the short-end of the yield curve (1-3 years) which delivered -0.18% while the long end of the yield curve (12+ years) lost 1.75%. Cash (STeFI) returned 0.90% and preference shares advanced 2.06%. Property, the best performer, gained 8.05%.

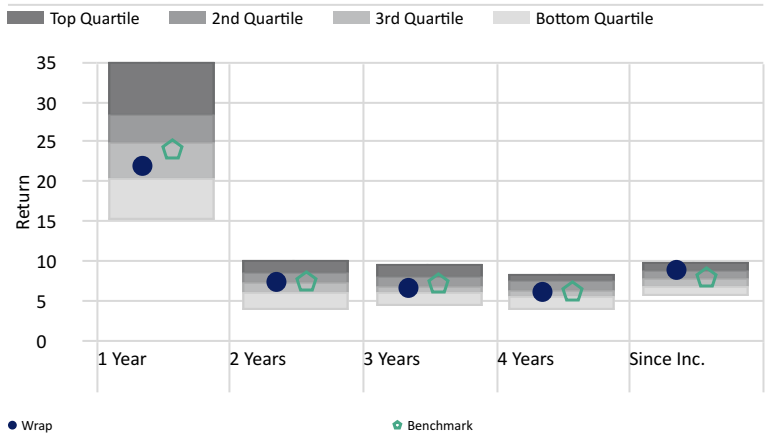
The risk-on environment continued – local equities continued to rally. In contrast, local bonds sold off notwithstanding all the positive news – lower than expected inflation, a reduction in the size of government bond weekly auctions, a lower than expected budget deficit and a stronger rand. Developed market equities outperformed their emerging market counterparts. They rose 4.52% in US dollar terms (5.11% in rand). Emerging market equities gained 1.95% in USD (adding 2.52% in rand). Meanwhile, global bonds lost 4.46% in US dollar terms (3.92% in rand). The Fed kept interest rates unchanged at 0-0.25%, in line with market expectations. While no rate hikes are expected through to 2023, the Fed will continue its asset purchases. Similarly, the ECB and Bank of England kept rates unchanged at 0% and 0.1%. The ECB indicated it would embark on emergency bond purchases during the second quarter in an effort to support economic recovery and lower government bond yields.

Asset Allocation

Portfolio Date: 2021/03/31



Quartile Peer Group Ranking



Risk Statistics

Time Period: 2018/04/01 to 2021/03/31

	Wrap	BM
Alpha	-0,34	0,00
Sharpe Ratio (arith)	0,05	0,09
Std Dev	8,03	9,25

Manager Allocation

Portfolio Date: 2021/03/31

Ninety One Opportunity E
 STANLIB Absolute Plus B1
 Laurium Flexible Prescient B4
 SIM Inflation Plus B4
 Allan Gray Balanced C
 Prescient Balanced A2
 Cadiz BCI Enhanced Income C
 Cadiz BCI Money Market A
 BCI Income Plus C

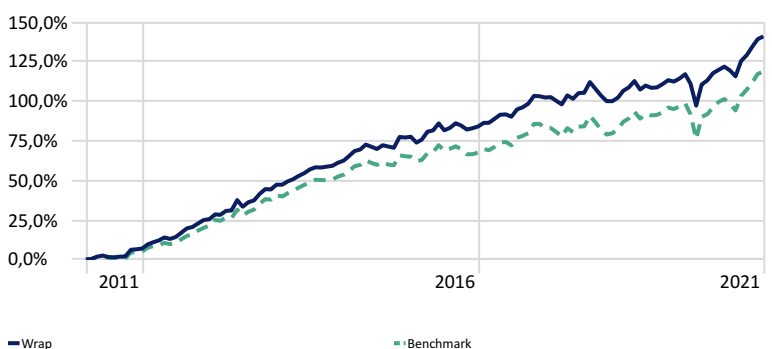
Performance Summary

As of Date: 2021/03/31

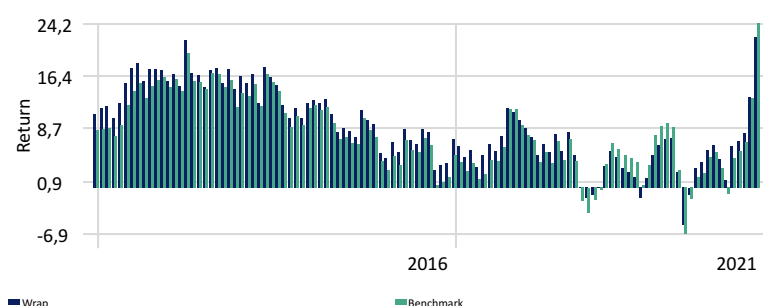
	1M	3M	6M	1Y	2Y	3Y	Since Inc.
Wrap	0,75	5,15	9,77	22,18	7,44	6,76	9,12
Benchmark	0,73	5,52	10,29	24,18	7,54	7,18	8,08

Cumulative Investment Growth

Time Period: Since Common Inception (2011/03/01) to 2021/03/31



Rolling Returns - 1 year



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Source: Morningstar Direct