

Wealth Manager Moderately Aggressive Non-Reg 28Wrap



As of 31/05/2021

Investment Manager: Jonathan Moodie
Investment Consulting: Glacier Discretionary Fund Management
Benchmark: (ASISA) SA MA High Equity Average
Inception Date: 01 April 2021
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 High Equity category. To achieve this, the portfolio will have a maximum exposure of 75% 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 may also be exposed to Retail Investment Hedge Funds. 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 not 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%.

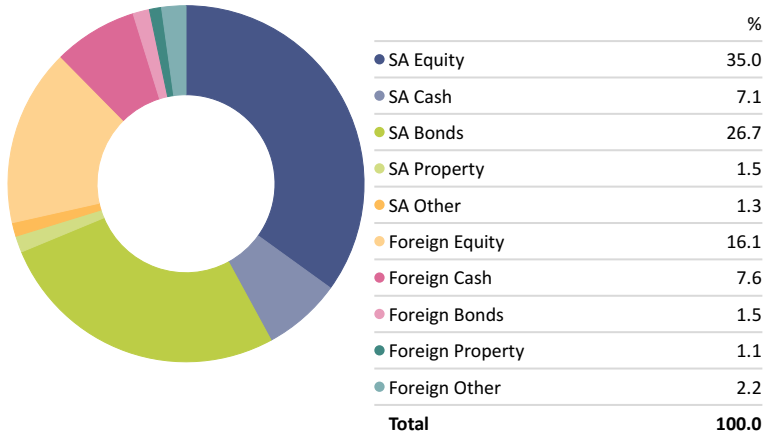
The SARB kept rates unchanged at 3.50% in March as widely expected. Policymakers indicated that risks to the growth outlook appear balanced while overall risks to the inflation outlook are to the downside in the short term while balanced over the medium term. Inflation reached 2.9%, to the lower end 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%.

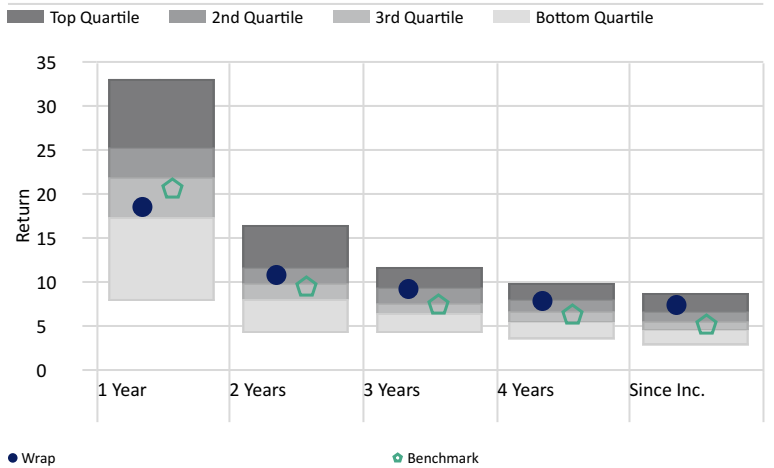
The risk-on environment continued – local equities continued to rally. In contrast, local bonds sold off notwithstanding all the positive news – lower than expected inflation, a reduction in the size of government bond weekly auctions, a lower than expected budget deficit and a stronger rand. Developed 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: 31/03/2021



Quartile Peer Group Ranking



Risk Statistics

Time Period: 01/06/2018 to 31/05/2021

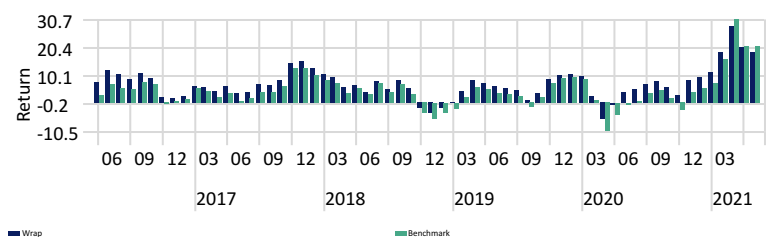
	Wrap	BM
Alpha	1.93	0.00
Sharpe Ratio (arith)	0.35	0.12
Std Dev	9.29	11.21

Manager Allocation

Portfolio Date: 31/05/2021

- STANLIB Absolute Plus C3
- Ninety One Opportunity E
- Prescient Balanced A2
- Laurium Flexible Prescient B4
- Peregrine Capital High Growth H4 RHF
- Allan Gray Balanced C
- Bateleur Flexible Prescient B1
- Peregrine Capital Pure Hedge H4 RHF

Rolling Returns - 1 year



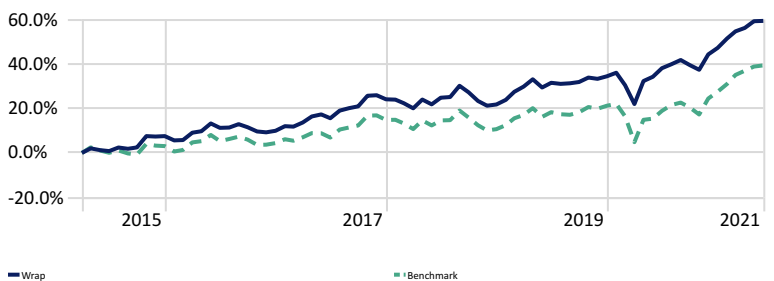
Performance Summary

As of Date: 31/05/2021

	1M	3M	6M	1Y	2Y	3Y	Since Inc.
Wrap	0.09	3.05	10.45	18.71	10.97	9.36	7.60
Benchmark	0.36	3.16	11.96	20.73	9.49	7.44	5.18

Cumulative Investment Growth

Time Period: Since Common Inception (02/04/2015) to 31/05/2021



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.