glacier by Sanlam

# Fund Fact Sheet

## Glacier Invest Moderate

March 2020

### Fund Details

| | |
|---|---|
| **Fund Category** | SA Multi Asset Medium Equity |
| **Benchmark** | Avg SA Multi Asset Medium Equity |
| **Risk Profile** | Moderate |
| **Investment period** | 3 years or longer |
| **Launch Date** | 01 April 2001 |
| **Fund Size** | R 795 million |

### Fund Objective

The wrap fund aims to provide a reasonable level of capital growth over the medium term. Investors in this fund are prepared to tolerate moderate fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with an average exposure to equities (maximum of 60%). Investors in this fund should have a minimum investment horizon of 3 years or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

### Asset Allocation

### Investor Profile

This fund is suitable for investors looking for:

- Capital growth over the medium term
- Able to tolerate moderate volatility over the short term
- A minimum investment horizon of 3 years or longer

### Cumulative performance since launch

| Performance (%) | Fund | Benchmark |
|---|---|---|
| 1 Month | -12.24 | -8.20 |
| 3 Months | -15.36 | -10.51 |
| 6 Months | -13.34 | -8.73 |
| 1 Year | -11.47 | -6.94 |
| 2 Years (annualised) | -3.51 | -0.45 |
| 3 Years (annualised) | -1.58 | 0.94 |
| 5 Years (annualised) | 0.73 | 1.97 |
| Since Launch | 8.91 | 8.98 |

| Manager Selection (%) | | | |
|---|---|---|---|
| Amplify SCI Flexible Equity | 9.00 | Rezco Value Trend | 9.00 |
| Centaur BCI Flexible | 7.00 | Sanlam Multi Managed Balanced FoF | 15.00 |
| Glacier Global Stock Feeder | 5.00 | SIM Inflation Plus | 15.00 |
| Prescient Income Provider | 6.00 | SMM Property | 5.00 |
| Prudential Inflation Plus | 9.00 | SMMI Prudential Balanced (Ninety One) | 10.00 |
| PSG Flexible | 10.00 | | |

| Monthly Fund Performance (%) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund 2020 | 0.63 | -4.16 | -12.24 | | | | | | | | | | -15.36 |
| Fund 2019 | 1.66 | 2.48 | 1.22 | 2.38 | -2.63 | 1.34 | -0.47 | 0.13 | 1.48 | 2.49 | -0.96 | 0.86 | 10.30 |
| Fund 2018 | -0.18 | -1.20 | -1.79 | 2.93 | -1.79 | 1.66 | -0.07 | 3.73 | -2.51 | -2.18 | -1.88 | 0.05 | -3.41 |

| Fees (% incl. VAT) | |
|---|---|
| Annual wrap fee | 0.46 |
| Underlying Manager TER's | 1.05 |

*The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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### Manager Comment

COVID-19 was declared a global pandemic and resulting lockdowns meant a hard stop for the global economy. A significant economic contraction in the first half of 2020 looks inevitable. To make matters worse, an aggressive move from Saudi Arabia caused oil prices to collapse, as a breakdown in talks between OPEC and Russia triggered a price war. Central banks and governments across the globe raced to deliver record stimulus to prevent a severe virus shock from spiralling into a long-lasting slump. As such, risk assets have been in a tailspin. Global risk assets experienced a rapid decline and liquidity in higher yielding credit markets dried up. Safe haven assets offered limited protection as investors rushed into the dollar for safety amidst the market free fall. The downgrade by Moody's has added to South Africa's policy limitations. Although the downgrade had already been priced in by the market, the timing could not be worse. As such, local economic growth will remain weak.

There was no place to hide and all equity markets suffered the selloff. The energy sector was worst hit due to the persistent drop in the oil price. The corporate bond market facing the risk of non-performing loans given the oil price slump didn't fare much better. The MSCI World Index declined 1.49% in rand terms. As capital outflows hit emerging markets, the MSCI Emerging Markets Index underperformed developed counterparts and declined 3.96% in rand terms. Liquidity deteriorated rapidly in March, even in key safe haven economies, causing erratic movements in bond yields. Bond yields started to normalise toward month end due to monetary and fiscal stimulus. Barclays Capital Global Aggregate bond index gained 10.99% in rand terms.

The local equity market also didn't fare well in March, as the panic around COVID-19 set in. The ALSI declined 12.13% in rand terms. SA listed property continued its price slump YTD, declining 36.57% in rand terms. The nominal bond yield curve steepened in the midst of the global sell off and capital flight back to the dollar, along with the Moody's downgrade announcement. The ALBI declined some 9.75% in rand terms and local cash delivered 0.57% for the month.

### Portfolio Manager

**Rafiq Taylor**

BCom (Hons) Financial Analysis and Portfolio Management ; BCom (Politics, Philosophy & Economics)

### About the Portfolio Manager

Rafiq heads up the retail consulting function within the investment team. This follows his roles at Sanlam Investments' multi manager business, Sanlam Multi Manager International, which he joined in 2006. He was initially appointed as an Investment Analyst and was responsible for carrying out manager research analysis. He was later promoted to Portfolio Manager, managing investment portfolios for institutional and retail investors. In 2012, Rafiq helped establish the retail investment consulting offering that he now heads up.

He started his career in the financial services industry in 2004 as a Client Service Consultant at Glacier Financial Solutions (previously Innofin), where he serviced financial advisers.

Rafiq holds B.Com in Politics, Philosophy and Economics and B.Com (Honours) in Financial Analysis and Portfolio Management from the University of Cape Town.

### Manager Information

The management of this portfolio has been outsourced to Sanlam Multi Manager International (Pty) Ltd by Glacier Financial Solutions (Pty) Ltd

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### Investment Committee

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Liesl-Mari de Jager – Glacier Research
Dries Human - Glacier BDM
Rocco Carr – Glacier BDM
Clive Preston – Glacier BDM
Rainier van der Nest – Glacier BDM
Leigh Kohler – Glacier Invest

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