

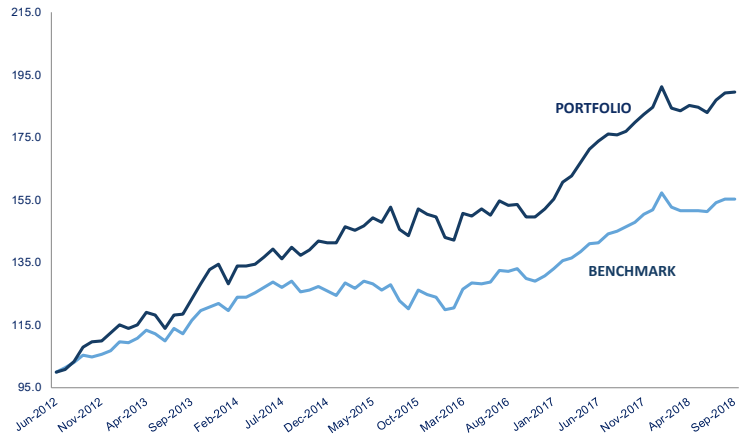
## PROFILE AND OBJECTIVE

The objective of this portfolio is to create a balanced offshore investment mix, with a combination of equities, government bonds, corporate bonds, property and cash. The equity portion will range between 50% to 75%, depending on the view of markets. The yield component aims to achieve 2%-4%, while adding some defensiveness to the portfolio mix. The benchmark is 60% MSCI World Index and 40% Bloomberg Barclays Global Aggregate Bond Index.

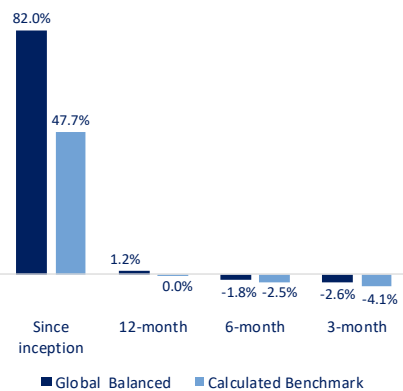
## SUITABLE FOR

This is an attractive alternative for individuals who wish to invest conservatively in offshore markets, while taking some equity risk. This should be viewed as a long-term investment, with the equity component biased towards high-quality counters.

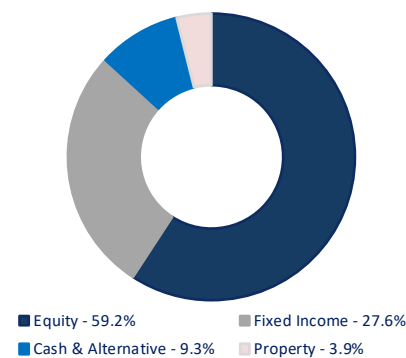
## MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



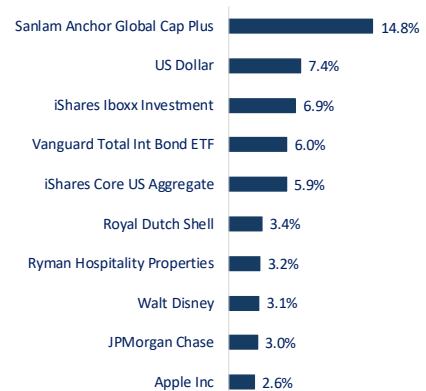
## PERFORMANCE AT 31 OCT 2018



## ASSET ALLOCATION AT 31 OCT 2018



## TOP HOLDINGS AT 31 OCT 2018



## FUND MANAGER COMMENTARY AT 31 OCT 2018

Markets globally had a rough October with the S&P 500 Index experiencing its worst month in over 7 years. The month started with an escalation of the tension between Italy and the European Union (EU) over Italy's proposed debt-fuelled budget, driving the spread between Italian and German bond yields to levels last seen during the European debt crisis in 2011/2012. China's A50 Index of large-cap onshore stocks had its worst start to the month since January 2016 as foreigners dumped \$1.4bn of onshore shares via the Hong Kong exchange link. International events started to weigh on the US stock market, with the S&P 500 dropping over 5% in the two days leading up to the start of the third-quarter earnings announcements.

During the month, over 60% of S&P 500 companies reported 3Q18 earnings, which grew by over 23% in aggregate (more than 6% ahead of expectations). However, despite this, results did nothing to shake fears that this would be as good as it gets for US corporates. Large-cap US tech

companies, which have been dragging markets higher for most of the year, pulled markets down this month as Amazon and Google, reporting earnings on the same day, delivered revenue growth that disappointed and kicked off the second leg down for equity markets late in the month.

A two-day rally into month-end was just about enough to haul US markets back into positive territory for the year. However, after the damage done in October it was very difficult to find another market still up YTD. Amongst the turmoil, the US dollar kept its haven-status with the Dollar Index another 2% higher during the month. Oil dipped in October with the focus shifting from supply concerns to demand worries

Against this backdrop the Anchor Capital Global Balanced model portfolio returned -3.9%, outperforming the composite benchmark's return of -4.9%. Return for the year to date performance now stands at -1.5% with return over the last year being 1.2%.

## FACTS AND FIGURES

### PORTFOLIO MANAGER

PETER LITTLE



Peter Little has a B Com degree and is a CFA charter holder. He has worked in the financial services industry for more than 20 years, on both the buy and sell side, in London for the first 8 years and New York for the next 8 years before moving to Anchor Capital in 2013. He has worked for a number of global investment banks, including JP Morgan, RBS and Barclays Capital. Most recently Peter was at Credit Suisse Asset Management in New York where he was head of portfolio management for the systematic hedge funds.

### INCEPTION DATE

June 2012

### BENCHMARK

60% MSCI World Index,  
40% Bloomberg Barclays Global Aggregate Bond Index

### MINIMUM INVESTMENT

\$150,000

### FEE

1.25% p.a. (excl. VAT)

This portfolio can be managed as a segregated portfolio in or out of an offshore endowment.

### (\* ) DISCLAIMER:

The returns quoted on this model portfolio are indicative and calculated gross of all fees, brokerage and costs. Consequently, individual client portfolio returns may differ to the returns quoted due to this factor and portfolio manager discretion around weightings of shares.

Although reasonable steps have been taken to ensure the validity and accuracy of the information in this factsheet Anchor Capital (Pty) Ltd does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this factsheet, whether by a client, investor or intermediary. Investors are encouraged to first obtain independent professional investment, legal and taxation advice before acting on any advice as given in this factsheet. Anchor Capital (Pty) Ltd is an authorised Financial Service Provider with FSP NO: 39834