

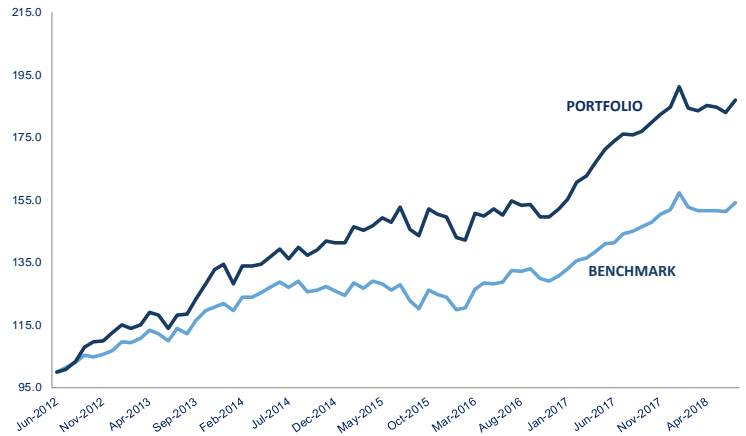
## PROFILE AND OBJECTIVE

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.

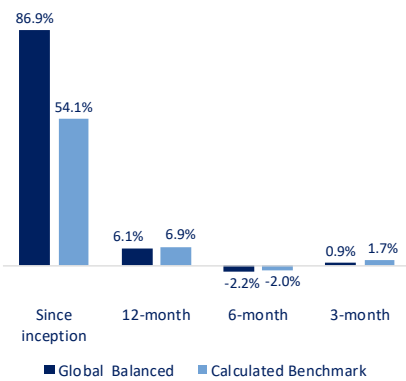
## SUITABLE FOR

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.

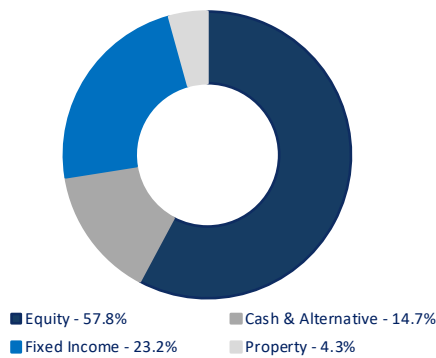
## MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



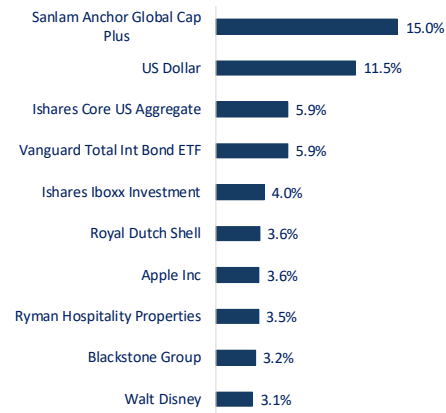
## PERFORMANCE AT 31 JUL 2018



## ASSET ALLOCATION AT 31 JUL 2018



## TOP HOLDINGS AT 31 JUL 2018



## FUND MANAGER COMMENTARY AT 31 JUL 2018

In July, markets returned their focus to corporate earnings, which were a welcome distraction from geopolitics. 60% of S&P 500 companies reported 2Q18 earnings during July and the earnings for those companies were up about 25% in aggregate – roughly 5% ahead of expectations. While most corporates are still seeing their earnings boosted by lower tax rates and a US dollar which is slightly weaker than for the same period last year, tech companies were the ones that showed the best earnings growth relative to 1Q18.

Strong earnings were also enough to see the S&P 500 Index deliver its best return since January but, amongst the individual companies, strong earnings growth wasn't necessarily a guarantee of good share price performance. Facebook delivered quarterly earnings growth of 31% YoY (almost 5% better than expectations) but shocked the market by guiding to operating margins that would gradually shrink towards 30% from the current level (44%).

The share duly had almost \$120bn wiped from its market value as the counter plummeted 18% – comfortably the biggest loss of market value by any company in a single day.

The Anchor Global Balanced Model Portfolio returned 2.1% for the month compared to the composite benchmark return of 1.9%. US financials were the main contributors to performance, with JP Morgan (+10.9% MoM) and Blackstone Group (+10.3% MoM) the top performers, while ICICI Bank (+10.0% MoM) rounded out the top 3. The Walt Disney Co., Johnson & Johnson and British American Tobacco also contributed to returns. Facebook was the biggest detractor (-11.2% MoM), with our holding taking away 0.3% from the total performance for the month. We still believe in the fundamentals of the company and we continue to hold the position. However, we have subsequently exited our position in Pandora A/S (-6.6% in July) as we believe the fundamentals of the company have changed and no longer presents an opportunity.

## 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.

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