

ANCHOR GLOBAL BALANCED (USD)

February 2022

ANCHOR

NAVIGATING CHANGE

FUND 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.

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.

FUND COMMENTARY

Global stocks were negotiating the first part of February relatively well, by mid-month. US earnings were largely going according to plan, with most S&P 500 companies having reported 4Q21 earnings by month-end, and aggregate earnings growth of c. 30% YoY - c. 6% ahead of consensus analyst expectations. However, towards month-end, the focus on corporate earnings shifted swiftly to the escalating conflict in Ukraine with Russian troops crossing the border, intent on forcing a regime change in their former Soviet Union neighbour. By month-end, nations around the world were scrambling to roll out sanctions against Russia and its leaders, with the conflict still raging and the endgame remaining highly uncertain. Brent crude oil spiked 11% MoM to end February above \$100/bbl.

The month had started with a continuation of concerns around elevated global inflation levels and with January US headline inflation (7.5% YoY) coming in ahead of expectations and higher than December's print. The spike in energy prices related to the conflict will exacerbate inflationary pressures, and markets are still anticipating that the US Federal Reserve will deliver five 0.25% rate hikes this year.

The Anchor Global Balanced Mandate felt the full brunt of a volatile month, finishing down 5.2%. Positive moves in The Walt Disney Co., Boston Scientific and Amazon were not enough to offset our holdings in Meta, PayPal and emerging markets - the main detractors. Meta saw its share price fall 26% on the day after reporting earnings that included a disappointing 1Q22 outlook. The share price fall wiped c. US\$250bn from Meta's market cap in a single day, the biggest ever drop in value for a US company. PayPal was also amongst the companies experiencing big share price declines in the wake of its results.

FUND INFORMATION

Risk profile:

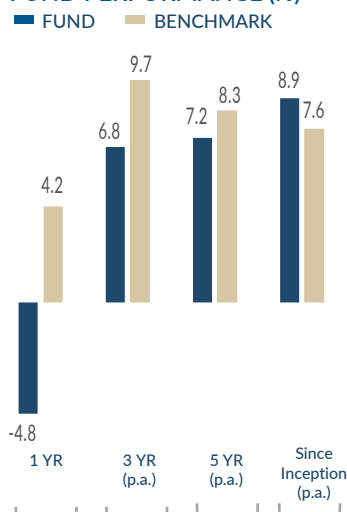
LOW LOW-MOD MOD MOD-HIGH HIGH

Inception Date	June 2012
Benchmark	60% MSCI World Index, 40% Bloomberg Barclays Global Aggregate Bond Index
Minimum Investments	\$150,000
Portfolio Manager	Peter Little
Fees (excl. VAT):	
Annual Management Fee	1.25%
Brokerage Fee	Brokerage is exchange dependent

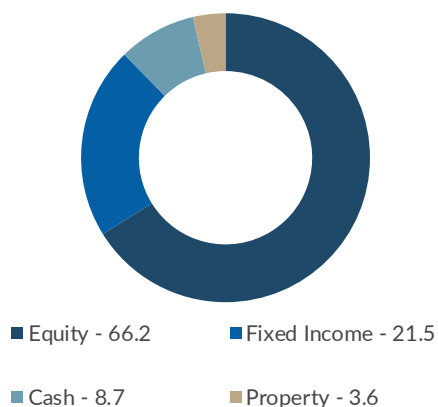
MONTHLY RETURN

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-5.0%	-5.2%											-9.9%
2021	-0.8%	3.1%	0.3%	3.2%	-0.1%	2.2%	0.9%	1.3%	-4.0%	3.8%	-3.3%	1.7%	8.1%
2020	-0.7%	-4.9%	-9.7%	7.9%	1.8%	1.2%	3.5%	5.3%	-2.4%	-1.0%	7.1%	4.2%	11.3%
2019	6.5%	1.2%	2.6%	4.2%	-3.7%	5.0%	0.2%	-2.1%	0.8%	1.1%	1.8%	2.1%	21.1%
2018	3.5%	-3.5%	-0.5%	1.0%	-0.4%	-0.9%	2.1%	1.2%	0.1%	-3.9%	-0.2%	-4.7%	-6.3%
2017	2.1%	3.6%	1.3%	2.6%	2.5%	1.5%	1.4%	-0.2%	0.7%	1.6%	1.4%	1.3%	21.5%
2016	-4.4%	-0.5%	6.0%	-0.7%	1.6%	-1.3%	3.1%	-1.0%	0.1%	-2.6%	0.1%	1.6%	1.8%
2015	0.1%	3.6%	-0.8%	0.9%	1.9%	-1.0%	3.2%	-4.7%	-1.3%	5.8%	-1.0%	-0.7%	5.8%
2014	-4.8%	4.5%	0.0%	0.5%	1.6%	1.9%	-2.3%	2.7%	-1.8%	1.4%	2.0%	-0.4%	5.0%
2013	2.2%	-1.0%	1.0%	3.4%	-0.7%	-3.7%	3.7%	0.3%	4.3%	3.8%	3.5%	1.5%	19.5%

FUND PERFORMANCE (%)



ASSET ALLOCATION (%)



TOP-TEN HOLDINGS (%)

Sanlam Anchor Global Stable Fund	15.5
iShares 1-5Y Inv Grade Corp	6.8
US Dollar	6.6
iShares Core U.S. Aggregate	5.6
Microsoft	4.1
Constellation Software	3.6
Amazon	3.6
UBS Emerging Market Note	3.5
Walt Disney	3.3
Glaxosmithkline	3.3

DISCLAIMER

This portfolio can be structured in a segregated portfolio or housed in an offshore endowment. The fund may use gearing from time to time. 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, timing, tax implications, client preferences, portfolio manager discretion and whether we receive cash or shares to seed investments and portfolio manager discretion around weightings of shares. Past performance is not necessarily an indication of future performance. The Portfolio Manager does not guarantee the

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