

# ANCHOR GLOBAL STABLE FUND

A CLASS | August 2019

Minimum Disclosure Document | Issued 09 September 2019



NAVIGATING  
CHANGE

## INVESTMENT OBJECTIVE

The fund's objective is to achieve maximum long-term returns with a diversification of risk.

## INVESTMENT PHILOSOPHY

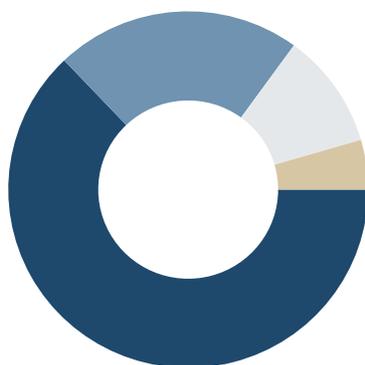
The fund invests in equities, fixed-income securities, cash, real estate investment trusts (REITs) and eligible commodity indices. Primarily, the fund invests in countries with the most significant contribution to global GDP. The net equity exposure will typically be 20% to 30% (but never more than 40%) of net asset value (NAV). Listed real estate exposure will typically be 5% to 15% (but never more than 25%) of NAV. The remainder of the fund will typically be invested in fixed-income securities and cash. The fund may use financial derivative instruments (including futures and options) for investment or hedging purposes (but not to gain leverage). The fund has the ability to invest in other collective investment schemes and exchange-traded funds (ETFs).

## MONTHLY RETURNS (%)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	3.6	0.4	1.0	1.3	-1.3	1.9	0.3	-0.3					7.0
2018	0.5	-0.7	-0.2	0.0	-0.1	0.0	0.8	0.2	-0.3	-2.2	0.3	-2.4	-4.1
2017	0.8	0.9	0.0	0.7	0.3	0.0	0.5	-0.1	-0.2	-0.2	0.0	0.4	3.2
2016	-3.2	-0.9	1.5	0.2	0.1	-0.3	0.8	-0.2	0.2	-0.8	-0.9	0.5	-3.1
2015			0.4	0.7	0.4	-1.2	-0.1	-3.3	-2.3	4.0	0.2	-0.9	-2.2

Performance is calculated for the portfolio and individual investment performance may differ as a result of the actual investment date. Actual annual figures available on request. Past performance is not indicative of future returns. Source: Bloomberg

## ASSET & SECTOR ALLOCATION AT 31 AUG 2019 (%)



■ Bonds - 62.9
 ■ Equity - 22.1
 ■ Cash & Other - 10.5
 ■ Property - 4.5

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.

\*Developed market inflation is calculated as the arithmetic average of the core inflation of G7 countries: US, Japan, Germany, France, UK, Italy and Canada. Monthly inflation data is taken with a two month lag to compensate for the delay in publishing of the data.

## FUND INFORMATION

Risk profile:

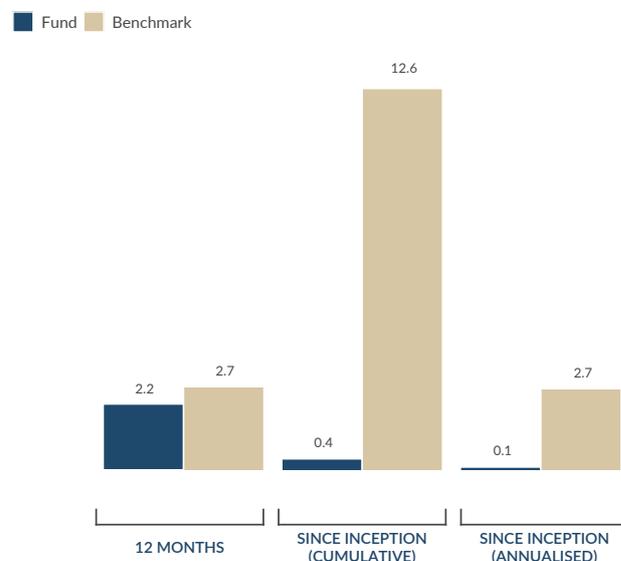


Inception Date	02 Mar 2015
Benchmark	Developed market inflation* + 1.5% p.a.
Domicile	Ireland (Irish Stock Exchange)
Fund Classification	Global Multi-Asset Low Equity
Distributions	This fund does not distribute
<b>Fees (Incl. VAT):</b>	
Annual Management Fee	1.25% p.a.
Total Expense Ratio (TER)	1.84%
Portfolio Value	\$17.03 mn
Unit Price	\$1.0035

## RISK PROFILE: MODERATE

- This fund has a balanced exposure to various asset classes. It has more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low-risk portfolio, but less than a high-risk portfolio.
- The fund is exposed to equity as well as default and interest-rate risks.
- The fund is suitable for medium-term investment horizons.
- The probability of losses is higher than that of a low-risk portfolio, but less than a high-risk portfolio and moderate long-term investment returns are expected.
- International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

## FUND PERFORMANCE AT 31 AUG 2019 (%)



Annualised return is the weighted average compound growth rate over the period measured.

## FUND MANAGER COMMENTARY AT 31 AUG 2019

The fund was down by 0.3% in August. As markets fell in the beginning of the month, we reduced our equity underweight position in the fund slightly. However, we remain underweight equities as we believe that the current cycle of on-gain, off-again trade war discussions between the US and China is far from over. Elsewhere, we're still sitting on a decent overweight position in cash, but we need a much stronger correction to be convinced to put more cash to work. In a month of tumbling yields, it is not surprising that the fund's bond holdings contributed positively, adding about 0.4% for August. This was, unfortunately, more than offset by a drop in the fund's equity holdings. Despite global property stocks faring reasonably well in August, the fund's sector positioning in property worked against it and added to the drag on monthly performance. Having trimmed the fund's fixed-income duration through the course of the year, we didn't benefit as much as we'd have liked from the sharp movement in yields last month but we're reluctant to change our duration view at this point as we think valuations for duration assets remain stretched.

## FUND MANAGER



Peter Little

## INFORMATION & DISCLOSURES

ISIN Number IE00BN897L94

## MANAGER

Sanlam Asset Management (Ireland) Limited

## INVESTMENT MANAGER

Anchor Capital (Pty) Ltd is an authorized Financial Services Provider FSP 39834.

- Prices published daily - % available from ISE or at [www.sanlam.ie](http://www.sanlam.ie)
- Actual annual percentage figures are available to existing investors on request.
- Upon request the Manager will provide the investor with quarterly portfolio investment holdings reports
- Fund financial year-end: 31 Dec (semi-annual 30 June)

## DEPOSITORY/CUSTODIAN

Brown Brothers Harriman Trustee Service (Ireland) Ltd Tel: +353 1241 7130

## SUBSCRIPTIONS

Dealing	Daily. Cut-off is 4PM Irish time on the business day preceding dealing day
Redemption Notice:	1 business day preceding the dealing day
Redemption Pay-out:	Up to 4 business days after the dealing day
Valuation:	Close of business in the applicable markets
Minimum Investment	US\$1,000

## FEE DISCLOSURE

Advice fee: Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

Total Expense Ratio (TER): 1.78% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. TER the total cost associated with managing and operating an investment administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as administration fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

Transaction Costs (TC): 0.08% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. TC's are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decision of the investment manager and the TER. The TER does not include transaction costs. The TER and Transaction cost is calculated since inception (annualised) for the period ending 30 June 2019.

Total Investment Charge (TER + TC): 1.86% of the value of the financial product was incurred as costs relating to the investment of the financial product.

## DISCLAIMER

The Fund is a sub-fund of the Sanlam Universal Funds plc, a company incorporated with limited liability as an open-ended umbrella investment company with variable capital and segregated liability between sub funds under the laws of Ireland and authorised by the Central Bank. The Fund is managed by Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4, Ireland, Tel + 353 1 205 3510, Fax + 353 1 205 3521 which is authorised by the Central Bank of Ireland; as a UCITS Management Company; and an Alternative Investment Fund Manager; and is licensed as a Financial Service Provider in terms of Section 8 of the South African FAIS Act of 2002. The Sanlam Universal Funds Plc full prospectus, the Fund supplement, the MDD and the KIID is available free of charge from the Manager or at [www.sanlam.ie](http://www.sanlam.ie). This is neither an offer to sell, nor a solicitation to buy any securities in any fund managed by us. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, and the relevant subscription/application forms, all of which must be read in their entirety together with the Sanlam Universal Funds Plc prospectus, the Fund supplement, the MDD and the KIID. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents, and the completion of all appropriate documentation. A schedule of fees and charges and maximum commissions is available on request from the Manager. This is a Sec 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). Sanlam Collective Investments (RF) (Pty) Ltd is the South African Representative Office for this fund. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision. Independent Financial advice should be sought, as not all investments are suitable for all investors. Collective Investment Schemes (CIS) are generally medium to long term investments. The value of participatory interest may go down as well as up and past performance is not necessarily a guide to the future performance. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Fluctuations or movements in exchange rates may cause the value of the underlying investments to go up or down. The performance calculated for the portfolio and the investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. NAV to NAV figures are used. Calculations are based on a lump sum investment. The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The fund price is calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income and expense accruals. Trail commission and incentives may be paid and are for the account of the manager. Performance figures quoted are from Bloomberg and are shown net of fees.

## TOP TEN HOLDINGS AT 31 AUG 2019 (%)

S&P 500 Futures - Sep 19	9.7
Us T-bond 1 7/8 28 Feb 2022	3.6
Us T-bill 30 Jan 2020	3.0
Us T-bond 2 31 Jan 2020	3.0
Us T-bill 21 May 2020	2.4
Us T-bill 23 April 2020	2.4
Spanish Gov Bond 1.5 30 Apr 2027	2.2
Us T - Bond 1 5/8 31 Aug 2022	2.1
Us T - Bond 2 3/4 31 Aug 2025	1.9
Us T-bond 2 3/4 31 Aug 2023	1.9

## MARKET COMMENTARY AT 31 AUG 2019

A familiar theme played out in August as the US corporate earnings season wrapped up and an escalation in trade wars stepped in to fill the vacuum. The first day of August saw US President Donald Trump tweet that \$300bn of Chinese imports not already subject to tariffs would be subjected to 10% tariffs from the beginning of September. China responded by halting US farm imports and devaluing its currency and global stocks tumbled 5% in the first few trading days of August. The rest of the month was a rollercoaster, which saw markets rally as Trump agreed to delay some tariffs until mid-December before China rattled markets again with a threat of additional tariffs on US imports. However, China flip-flopped late in the month, suggesting that the retaliation would be delayed. The net result was a monthly drop of 2% for the MSCI World Index, only its second negative month in 2019, with the MSCI Emerging Market Index again lagging - down 4.9% for August. Emerging market currencies also had a torrid month with the Argentine peso leading the decliners - down 26% for the month as incumbent President Mauricio Macri looks likely to lose out to his populist rival Alberto Fernandez in Argentina's elections, possibly reversing the hard-fought reforms Macri has implemented since taking over the presidency in 2015. The Brazilian real, South African rand and Mexican peso were down 8%, 5.6% and 4.5%, respectively, for August. The flight to safety saw US 10-year bond yields drop over 0.5% to 1.5% in August. US 10-year bond yields have now more than halved since November 2018 when they reached 3.2%. The value of negative yielding bonds reached \$17trn during August (up from \$8trn at the start of the year). The flight to safety also boosted haven currencies, the Japanese yen and the Swiss franc, while falling yields boosted high-yielding stocks, with the S&P 500 utilities, consumer staples and real estate sectors the only ones to end the month higher.

## FEE DETAILS

	Class A
Maximum Initial Advisory Fee	3.00% p.a.
Management Fees (Sanlam Ireland)	0.15% p.a.
Annual Management Fee (incl VAT)	
Class A	1.25% p.a.
TER and Transaction Cost	
Total Expense Ratio (TER)	1.77% p.a.
Transaction Cost (TC)	0.07% p.a.
Total Investment Charge (TER + TC)	1.84% p.a.