

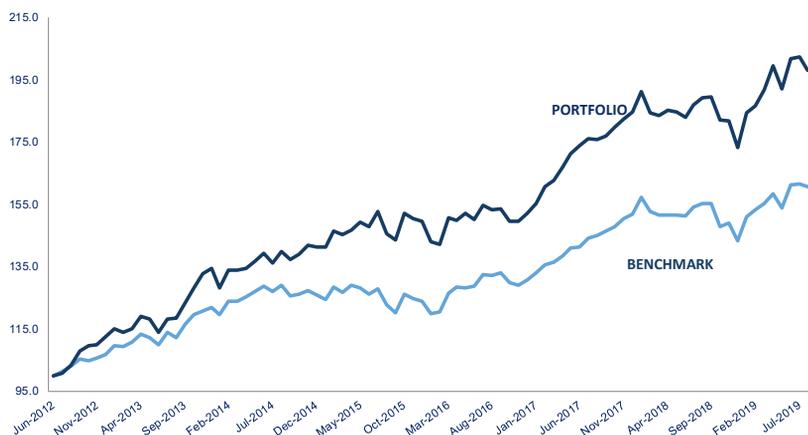
PROFILE AND OBJECTIVE

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.

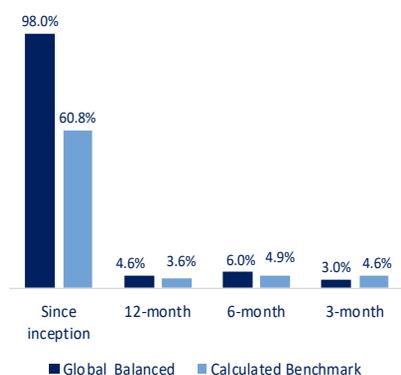
SUITABLE FOR

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.

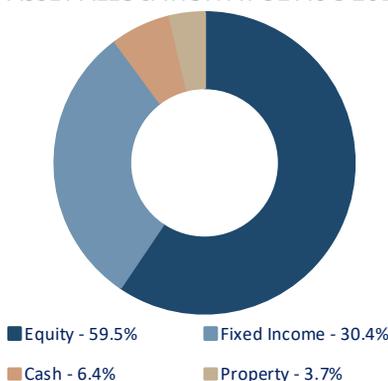
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



PERFORMANCE AT 31 AUG 2019



ASSET ALLOCATION AT 31 AUG 2019



TOP HOLDINGS AT 31 AUG 2019



FUND MANAGER 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 was 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 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.

The Anchor Global Balanced Model Portfolio underperformed the composite benchmark, returning -0.8% vs 0.2%, with our equity holdings detracting from the performance.

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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