ANCHOR GLOBAL BALANCED (USD)

MAY 2025

ANCHOR | NAVIGATING CHANGE

PORTFOLIO 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% and 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.

PORTFOLIO COMMENTARY

Developed market (DM) equities climbed back into positive territory for the year (MSCI World +5.2% YTD) with the best monthly return in eighteen months in May (+6%). Mega-cap tech stocks were at the forefront of May's rally (Bloomberg Magnificent 7 Index +13%) as the month kicked off with strong earnings announcements from Microsoft (+17% MoM with earnings boosted by strength in cloud computing and AI) and Meta (+18% MoM with AI tools helping to support ad revenue growth). The only disappointment amongst the mega-cap tech grouping was Apple (-5% MoM), which saw a court ruling put parts of its App Store revenue at risk. The 1Q25 earnings announcements for S&P 500 companies wrapped up in May with aggregate earnings 9% ahead of analyst expectations, the biggest earnings beat in 3 years. Markets received a further boost with the mid-month announcement that China and the US would materially lower tariffs on their bilateral trade for 3 months to allow time for more negotiations. Emerging markets (EM) stocks underperformed their DM peers in the month (MSCI EM +4%), though they remain comfortably ahead on a YTD basis (+9% vs MSCI World's +5%), with the EM stock index having delivered positive returns in each month of 2025 thus far. China equities were the strongest EM performers in May (Hang Seng China Enterprises Index +4.7% MoM). The US dollar weakness in May also contributed to the strength of the MSCI EM Index returns.

Global yields drifted higher in May, with the US 10Y government borrowing rate climbing 0.25% to 4.4% p.a. Upward pressure on yields was attributed to numerous factors, including speculation around foreign selling of US assets. Moody's became the last of the three major rating agencies to strip the US of its AAA rating, with the downgrade in May coming more than a decade after S&P was the first major rating agency to make that move in 2011. The prospect of tariff-induced inflation, combined with a stronger-than-anticipated US jobs report, is leading investors to scale back expectations for the number of interest rate cuts the US Federal Reserve (Fed) will make this year.

Rheinmetall continued its run of stellar performances (+26% MoM/+238% YTD), and Shopify was another of the model's strong performers (+13% MoM) as news emerged of its inclusion into the Nasdaq 100 Index. During the month, chipmaker TSMC was added to the model with the pullback in tech shares offering an attractive entry point. YUM was removed from the model due to concerns about the outlook for discretionary spending in its consumer base. Eli Lilly was one of the biggest detractors in May (-17%), initially falling on concerns related to health insurer CVS's plan to remove weight-loss drug Zepbound from its preferred list and then again on news that US President Donald Trump had signed an executive order aimed at capping drug prices.

PORTFOLIO INFORMATION

Risk profile: LOW | LOW-MOD | MOD | MOD-HIGH | HIGH

Inception Date	JULY 2012
Minimum Investments	US$150,000
Portfolio Manager	Peter Little

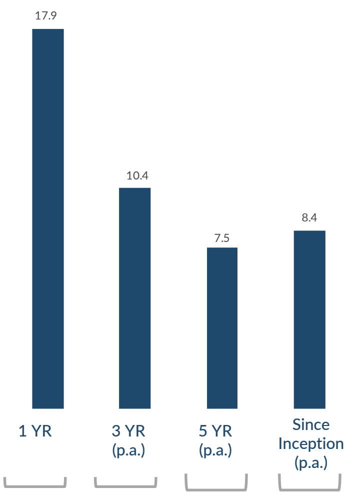
Fees (excl. VAT):

Annual Management Fee	1.25%
Brokerage Fee	Brokerage is exchange dependent

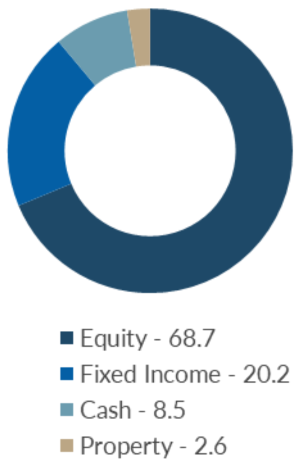
MONTHLY RETURN

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2025	5.1%	1.9%	-3.6%	2.8%	4.4%								10.8%
2024	1.2%	3.1%	1.9%	-3.4%	2.3%	0.6%	1.1%	2.9%	1.2%	-2.7%	4.7%	-1.4%	11.8%
2023	6.8%	-2.4%	2.0%	2.3%	-1.3%	3.1%	2.3%	-3.5%	-3.5%	-2.9%	7.8%	4.3%	14.9%
2022	-5.0%	-5.2%	0.5%	-8.0%	0.1%	-6.4%	6.1%	-4.3%	-6.6%	3.2%	5.3%	-2.2%	-21.2%
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%
2012							0.7%	2.5%	4.5%	1.4%	0.3%	2.5%	12.6%

PORTFOLIO PERFORMANCE (%)



ASSET ALLOCATION (%)



TOP-TEN HOLDINGS (%)

Anchor Global Stable Fund	14.3
US Dollar	7.7
iShares 1-5Y INV Grade Corp	5.7
Constellation Software	5.2
iShares Core U.S. Aggregate	4.2
Scottish Mortgage	4.2
Citigroup	3.9
Anchor Global Equity Fund	3.7
Admiral	3.6
Rheinmetall AG	3.2