

ANCHOR GLOBAL BALANCED (USD)

OCTOBER 2023

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% 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.

PORTFOLIO COMMENTARY

Global equity markets fell for a third consecutive month in October (MSCI World -2.9% MoM), leaving them down c. 10% since the end of July. The three-month sell-off in stocks coincides with a 1% increase in US 10-year government bond yields, which touched 5% p.a. for the first time in over 16 years in October. There was no place to hide for investors, with all major stock markets and industry sectors down for the month alongside bonds and listed real estate. Rates drifted higher as US economic data continued to defy expectations of a slowdown. Stronger-than-anticipated September US retail sales (+0.7% MoM vs expectations for +0.3% MoM) were followed by the release of 3Q23 US GDP growth (+4.9% QoQ) ahead of expectations (+4.5% QoQ). Geopolitical risk added to the negative sentiment in October. Around 60% of S&P 500 companies posted 3Q23 earnings in October, reporting aggregate earnings growth of 3% YoY. While this was 8% ahead of expectations, the positive earnings surprise could not overcome negative investor sentiment. Emerging markets (MSCI EMs -3.9% MoM) underperformed developed markets (DMs) to leave them in negative territory for 2023 (-1.8% YTD), with Chinese companies the worst-performing, Brent crude oil rallied c. 30% from July to September, mainly as Russia and Saudi Arabia committed to keep supply tight. Still, concerns around weak US gasoline demand and inventory builds helped reverse some of the strength, leaving the commodity down 8% MoM in October. Soaring US rates and risk aversion meant the US dollar was stronger against most currencies in October.

The Anchor Global Balanced Model Portfolio returned -2.9% for the month, marginally shy of the composite benchmark return of -2.2%. Under pressure tech shares were the standout performers, with Microsoft (+7.1% MoM), Amazon (+4.7% MoM) and new addition Starbucks (+3.1% MoM) outperforming. Rentokil, PayPal and Moncler were among the detractors.

PORTFOLIO INFORMATION

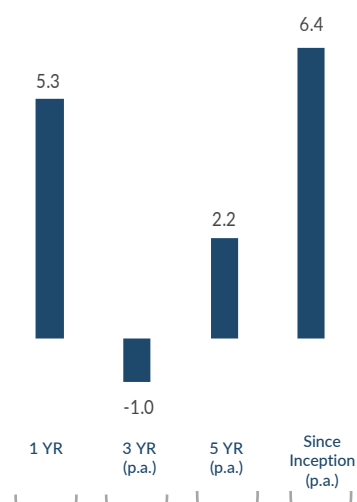
Risk profile: LOW LOW-MOD MOD MOD-HIGH HIGH

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

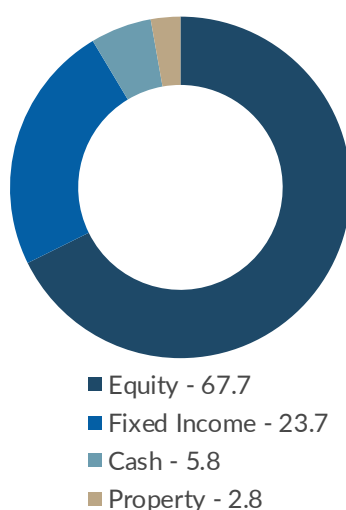
MONTHLY RETURN

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	6.8%	-2.4%	2.0%	2.3%	-1.3%	3.1%	2.3%	-3.5%	-3.5%	-2.9%			2.2%
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 (%)

Sanlam Anchor Global Stable Fund	16.0
iShares 1-5Y INV Grade Corp	7.1
iShares Core U.S. Aggregate	5.2
US Dollar	4.7
UBS Emerging Market Note	4.5
Boston Scientific	4.2
Constellation Software	3.8
Yum! Brands	3.3
Scottish Mortgage	3.2
Admiral	3.1

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 from 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

capital or the return of a portfolio. The forecast or commentary is not guaranteed to occur. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this factsheet, Anchor Capital (Pty) Ltd does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this factsheet, whether by a client, investor or intermediary. Investors are encouraged to first obtain independent professional investment, legal and taxation advice before acting on any advice as given in this factsheet. Performance figures quoted are from Morningstar and Anchor, as at the date of this document. Anchor Capital (Pty) Ltd is an authorised Financial Service Provider with FSP NO: 39834.