

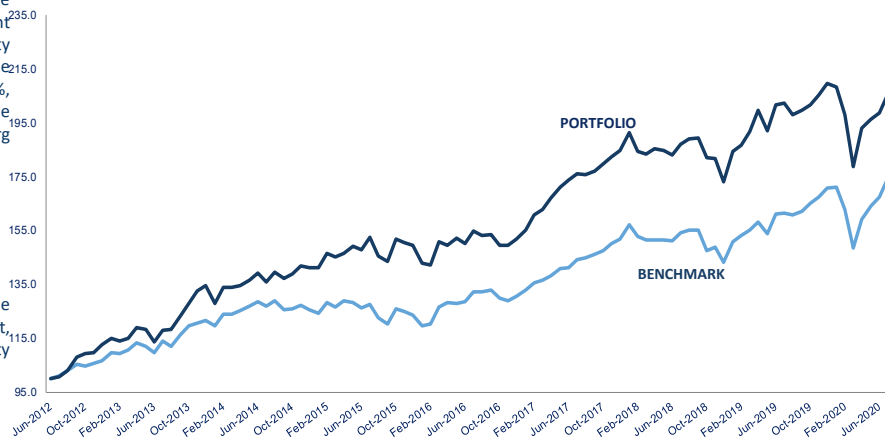
PROFILE AND OBJECTIVE

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.

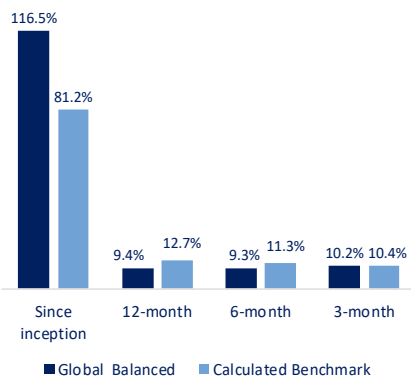
SUITABLE FOR

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.

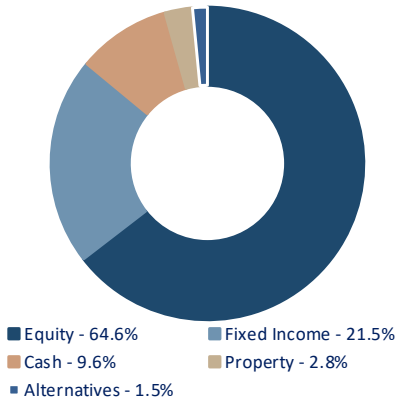
MODEL PORTFOLIO PERFORMANCE VS. BENCHMARK SINCE INCEPTION



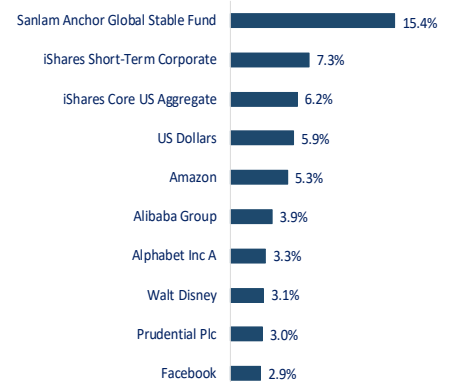
PERFORMANCE AT 31 AUG 2020



ASSET ALLOCATION AT 31 AUG 2020



TOP HOLDINGS AT 31 AUG 2020



FUND MANAGER COMMENTARY AT 31 AUG 2020

Global markets continued a run that has resulted in developed markets (DMs) reaching new highs (MSCI World +6.7% MoM and +5% YTD), with the US leading the way (S&P 500 +7.2% MoM and +9.7% YTD). Six stocks in the S&P 500 (the FAANGs [Facebook, Amazon, Apple, Netflix, Alphabet] and Microsoft) are up around 50%, in aggregate, YTD. These counters represent around a quarter of that index's market cap and are responsible for all the YTD performance of the index. While the large-cap US tech stocks have done enough to drag global markets into the green YTD, other regions and sectors still languish. The UK's FTSE 100 Index and Europe's Eurostoxx 50 Index are both still comfortably in negative territory for the year (-18.9% YTD and -17.7% YTD in local currency terms, respectively). Emerging market (EM) stocks performed well enough in August to push the MSCI EM Index into positive territory for the year (+2.2% MoM and +0.4% YTD), thanks largely to the performance of India and China's stock markets.

The market's progression was briefly interrupted by concerns around the inability of US congress to agree on new stimulus measures. The release of the latest US Federal Reserve (Fed) minutes also put paid to the prospects of the Fed applying yield curve control to keep US 10-year bond rates anchored at close to 0%. While Fed Chair Jerome Powell met expectations with the announcement of a relaxation in the Fed's approach to inflation targeting, he put a damper on rates markets by making it clear that the Fed would act to raise rates should inflation get out of control. All this resulted in US 10-year rates rising by 0.2% to end the month at 0.7% and put the brakes on a rally in the gold price, which had seen it briefly breach \$2,000/oz during the month.

Against this August backdrop, the Anchor Global Balanced Model Portfolio returned 5.3% vs the composite benchmark return of 4.0%. We saw strong performances coming from Facebook (+15.6% MoM), Adobe (+15.6% MoM) and Nike (+14.9% MoM), with only the Vanek Gold Miners ETF showing a minor pullback of 1.6% MoM.

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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