

31 July 2021

Fortem Capital Balanced

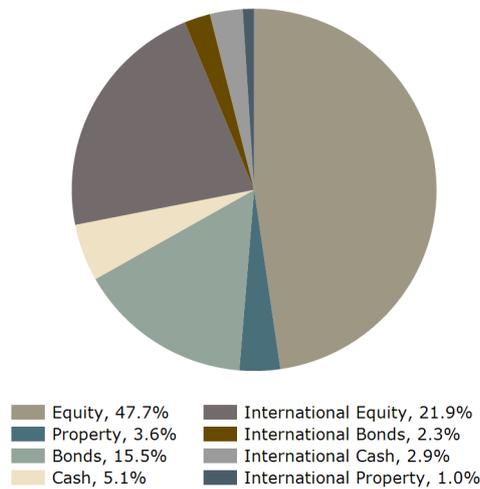
**Fund Details**

<b>Fund Category</b>	SA Multi Asset High Equity
<b>Benchmark</b>	Avg SA Multi Asset High Equity
<b>Risk Profile</b>	Moderate Aggressive
<b>Investment period</b>	5 years
<b>Launch Date</b>	01 April 2018
<b>Fund Size</b>	R 3 million
<b>Platform</b>	Glacier

**Fund Objective**

The wrap fund aims to provide a high level of capital growth over the long term. Investors in this fund are prepared to tolerate high fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with a bias towards equities (maximum of 75%). Investors in this fund should have a minimum investment horizon of 5 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

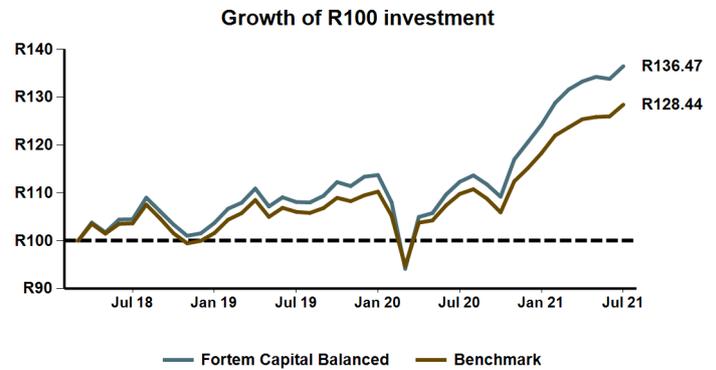
**Asset Allocation**



**Investor Profile**

- High level of capital growth
- Able to tolerate high levels of volatility
- A minimum investment horizon of 5 years

**Cumulative performance since launch \***



Performance (%)	Fund*	Benchmark
1 Month	1.98	1.94
3 Months	2.38	2.42
6 Months	9.81	8.55
1 Year	21.51	17.00
2 Years (annualised)	12.36	10.06
3 Years (annualised)	9.31	7.42
Since Launch	9.78	7.80

Risk statistics (2 years)	Fund*
Returns (annualised)	12.36%
Standard deviation (annualised)	15.01%
% Positive months	70.83%
Maximum drawdown	-17.23%
Sharpe ratio	0.47

**Manager Selection (%)**

ABAX Balanced Prescient	13.00	Prescient Income Provider	11.00
Amplify SCI Balanced	9.00	PSG Flexible	9.00
Bateleur Flexible Prescient	10.00	Satrix Balanced Index	10.00
Coronation Balanced Plus	10.00	SIM Balanced	5.00
Fairtree Equity Prescient	7.00	Truffle SCI Flexible	10.00
Nedgroup Global Equity Feeder	6.00		

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	3.04	3.65	2.18	1.27	0.72	-0.32	1.98						13.15
Fund 2020	0.31	-5.02	-12.86	11.51	0.77	3.67	2.43	1.20	-1.66	-2.31	7.14	3.10	6.37
Fund 2019	2.14	2.87	1.18	2.74	-3.38	1.80	-0.90	-0.09	1.28	2.63	-0.75	1.76	11.66

**Fees (% incl. VAT)**

Annual wrap fee	0.40
Underlying Manager TER's	0.80

\* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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**Manager Comment**

During July, optimism over Covid-19 vaccinations and the reopening of economies was overshadowed by fears of the more contagious Delta variant, which in turn increased concerns that the path to 'normality' may be bumpier than previously expected. Despite this, most nations ended the month on a positive note, including South Africa, surprisingly.

China was an exception to this due to the stricter regulations imposed on its educational and technology sectors, which weighed on its results for the month. For developed and emerging markets, the emphasis continued to be on vaccinating their populations, hoping to protect people from new variants of the coronavirus.

Global equity markets notched up another positive month in July, recording gains for a sixth consecutive month. The MSCI World Index returned 1,72% month-on-month (m/m) in US dollar and 4,22% in rand. On a regional basis, US equities outperformed the rest of the market, European equities managed modest gains. In contrast, Japanese equities ended July at the bottom of its recent range due to equity market sentiment dominated by increases in Covid-19 infections in Japan, which recently exceeded 10 000 daily infections for the first time. The S&P 500 (US\$) was up 2,38%, the FTSE (€) and Euro Stoxx 50 (£) were up 0,53% and 0,75% respectively, and lastly, the Nikkei 225 (¥) was down 5,23%.

Emerging equity markets continued to lag developed equity markets in July, with weakness in Chinese stock markets most notable. The MSCI Emerging Markets Index was down 7,04% m/m in US dollar and 4,77% in rand.

Despite being in the news headlines for the wrong reasons in July, the South African equity market managed to end the month higher, with the FTSE/JSE All Share Index closing at 4,18%, with mining companies driving the majority of returns.

Resources led the pack at 11,78% m/m, Industrials closed at 1,02% m/m, and Financials lagged somewhat at 0,38% m/m. Domestically exposed property stocks and insurers experienced the most direct impact from the unrest. They were unsurprisingly among the biggest losers for the month, contributing to the poor performance of the Financial sector. The SA Reserve Bank (SARB) left repo rates unchanged in its monthly meeting, as cash (STeFI) continues to give mediocre performances in a low-interest-rate environment (0,32% m/m). South African value managers (5,62% m/m) outperformed growth managers (2,74% m/m), while globally, the opposite outcome occurred.

The rand witnessed a rollercoaster month due to the social unrest experienced, which in turn did no favours to the risk sentiment of the local currency. As a result, it unsurprisingly closed weaker against most major currencies in July. The rand lost as much as 3,02% against the sterling, followed by 2,39% and 2,38% against the US dollar and euro, respectively. Furthermore, it weakened 1,12% against the Japanese yen.

**Portfolio Manager**



**Yonela Makwetu**

BCom Economics and Statistics  
 BCom (Hons) Financial Analysis and Portfolio Management

**About the Portfolio Manager**

Yonela joined Sanlam's multi-management business as a Portfolio Manager for the retail implemented consulting team in 2018. She also forms part of the research team allocating capital to long-only products, hedge funds and private equity.

She started her working career working for an oil multi-national company (Chevron) and started her investment journey at Glacier International looking at offshore managers and assisting in research for the Glacier International model portfolios. She then joined Novare Investments where she occupied various roles; analyst, senior analyst and junior portfolio manager.

Yonela has a BCom in Economics and Statistics and an honours in Financial Analysis & Portfolio Management from the University of Cape Town. She is currently finishing her Master's thesis with a focus on infrastructure investments. She holds a postgraduate qualification in Emerging Markets and Country Risk Analysis from Fordham University in New York. She is an external supervisor for UCT and Stellenbosch for Actuarial Science honours students covering research mostly on hedge funds.

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**Investment Committee**

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

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