

CARTESIAN BALANCED GROWTH MODEL PORTFOLIO

Minimum Disclosure Document: July 2020

Investment Manager:



Anthea Gardner
Cartesian Capital (Pty) Ltd is an authorised Financial Services Provider (FSP) number: 45318
Click [here](#) for more information

Risk disclosure:

Low	Low-Med	Medium	Medium-High	High
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Medium-High Risk

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high risk portfolio. The probability of losses is higher than that of a medium risk portfolio but less than a high risk portfolio and the expected potential long-term returns could therefore be higher than a medium risk portfolio.
- Where the asset allocation reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- The portfolio is suitable for medium to long-term investment horizons.

Investment Objective:

The Cartesian Balanced Growth Portfolio is a multi-managed portfolio with a medium to aggressive risk profile that aims to provide investors with a high long-term total return. This portfolio is appropriate for clients who want exposure to Cartesian's capabilities in a solution that is appropriately blended and diversified with other offerings to ensure a more consistent return profile.

Investment Policy:

The portfolio will be managed in compliance with prudential investment guidelines for retirements in South Africa to the extent allowed by the Act. The portfolio's equity exposure is limited to a maximum of 75% of the portfolio's net asset value. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing securities, property securities, preference shares, convertible equities and non-equity securities. The portfolio may, from time to time, invest in listed and unlisted financial instruments. The manager may also include forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Fund Performance:

Target Return: The fund targets above benchmark returns over a rolling 3 year period.

Date	Monthly Returns	
	Portfolio	Benchmark
Mar-19	1.41%	1.32%
Apr-19	3.07%	2.59%
May-19	-2.85%	-3.25%
Jun-19	3.15%	1.80%
Jul-19	-0.92%	-0.79%
Aug-19	-0.51%	-0.21%
Sep-19	0.51%	0.96%
Oct-19	2.02%	2.01%
Nov-19	-0.91%	-0.65%
Dec-19	1.17%	1.13%
Jan-20	0.73%	0.70%
Feb-20	-6.25%	-4.57%
Mar-20	-11.38%	-10.02%
Apr-20	9.99%	9.60%
May-20	1.57%	0.45%
Jun-20	4.71%	3.03%
Jul-20	1.80%	2.21%

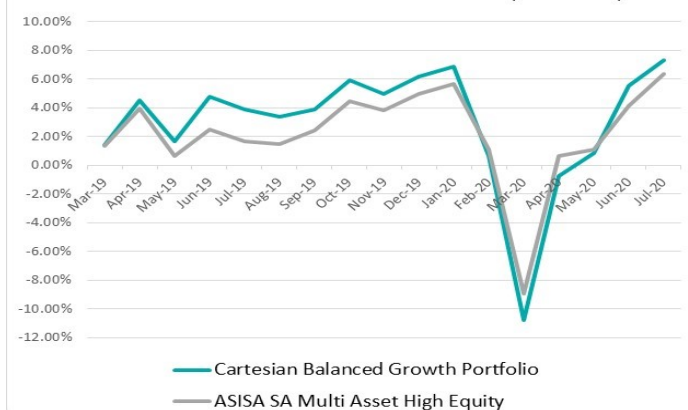
Fund Information:

ASISA category: SA Multi Asset High Equity
Inception date: March 2019
Benchmark: ASISA SA Multi Asset High Equity Category Average
Income distribution: None
Minimum lump sum investment: None [#]
Minimum monthly investment: None
Recommended min. investment period: 3 years
Liquidity: 48 hours
Wealthport code:
Annual management fee (excl. VAT): 0.25%
Performance fee: None
Valuation: Daily
Transaction time: 10h00 cut-off
Fund performance (since inception—cumulative): 7.32%
Fund performance (since inception—annualised)*: 5.16%
Bnchmrk performance (since inception—cumulative): 6.34%
Bnchmrk performance (since inception-annualised): 4.47%
Total Income Ratio (TIC): 0.537%
Date of issue: 31 August 2020

[#] Minimums are applied to specific products.

* Annualised return is the weighted average compound growth rate over the period measured.

Cartesian Balanced Growth Fund vs Benchmark (cumulative)



Fund Manager Commentary:

The JSE's performance for July was mixed, with impressive gains from resources on the back of strong gold and precious metals prices, while industrials underperformed. The FTSE JSE All Share Index closed Friday 2.5% higher MoM (-2.4% YTD), buoyed by strong share price gains from various large-cap resource shares including Glencore (+11.5% MoM), AngloGold Ashanti (+9.7% MoM), Anglo American (+4.2% MoM), Anglo American Platinum, and BHP Group (both up 4.0% MoM). While industrials underperformed (the Indi-25 was down 1.3% MoM [+7.5% YTD]), resources soared by 8.3% in July (+12.8% YTD) and the Fini-15 advanced by 1.2% MoM (-35.2% YTD). Among the large industrials, Anheuser Busch InBev (AB InBev) jumped 10.3% MoM, while Prosus rose 2.5% MoM and Naspers disappointed with a 0.3% share price decline. The rand strengthened 1.6% in July (down 21.9% YTD), closing at R17.07/\$1 as the greenback weakened although the local unit saw renewed pressure towards month-end as the impact of the pandemic was seen in emerging market economic data releases.

SA's May headline consumer price inflation (CPI) slowed to 2.1% YoY vs April's 3.0% print – its lowest level in nearly 16 years. MoM, CPI was down 0.6% compared with a 0.5% decrease in April. May core inflation, which excludes food, non-alcoholic beverages, fuel, and energy prices, slowed to 3.1% YoY vs 3.2% in April. MoM core inflation declined 0.2%. The SA June trade balance widened further to a R46.6bn surplus (the largest since c. January 1990) vs a revised R19.7bn surplus in May. Exports jumped 10.1% MoM to R116.3bn, while imports fell 18.9% to R69.7bn. On 23 July, the SA Reserve Bank (SARB) announced a widely expected 25-bpt rate cut, bringing the SARB's total rate cuts YTD to 3.0%, with the repo rate now at 3.5% - its lowest level since the early 1970s.

On the commodities front, iron ore demand remained strong with the price hitting a one-year high around mid-July as governments around the world turn to infrastructure projects to help fuel economic growth and China's iron ore imports jumped 17% in June. MoM, the iron ore price rose c. 9% in July. The platinum price was up 9.9% MoM, while palladium rose 5.3% in July. Crude oil prices ended the month c. 5% higher, reaching \$43.30/bbl by month-end but YTD oil is still down c. 35%. Over the past two months investors have been buying bullion on the back of mounting concerns surrounding surging COVID-19 cases in the US and renewed tensions between the US and China. This resulted in gold having another great run in July (up 10.9% MoM and 30.2% YTD), closing the month at \$1,975.86/oz after reaching new all-time highs last week. The global backdrop for gold (and other precious metals prices) remains stable thanks to expansionary monetary policy responses, which has seen real yields continue to fall and remain depressed - an environment that has, historically, proven positive for precious metals prices.

July was a relatively strong month for US equity markets, with less volatility than has been the case in recent months, although the performances of other major global markets were mixed. Many US states rolled back reopening plans as COVID-19 cases soared, while on the geopolitical front relations between China and the US deteriorated further. The UK market underperformed, with the FTSE 100 Index down 4.4% last month (-21.8% YTD) as the government imposed fresh lockdown restrictions on parts of the UK and the index struggled against the pound's gains (sterling climbed c. 6% in July).

Information and Disclosures:

Regulation: The portfolio will be managed in compliance with prudential guidelines for retirements in South Africa to the extent allowed by the Act.

FAIS Conflict of Interest Disclosure: Please note that your financial advisor may be a related party to the fund manager. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to Wealthport, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instance portfolios invest in other portfolios which forms part of the Wealthport platform. These investments will be detailed in this document, as applicable.

Benchmark: The ASISA Multi-asset High Equity index invests in a spectrum of investments in the equity, bond, money, or property markets. These portfolios tend to have an increased probability of short term volatility, aim to maximise long term capital growth and can have a maximum effective equity exposure (including international equity) of up to 75% and a maximum effective property exposure (including international property) of up to 25% of the market value of the portfolio. The underlying risk and return objectives of individual portfolios may vary as dictated by each portfolios mandate and stated investment objective and strategy.

Additional information, including application forms, can be obtained from Wealthport or directly from Cartesian Capital, free of charge. Valuations are calculated daily and prices can be viewed on the Wealthport platform. Upon request, the Manager will provide the investor with a quarterly portfolio investment holdings.