

OCTOBER 2018

## MULTI-ASSET US DOLLAR STRATEGY- MEDIUM TO HIGH RISK

### RISK REWARD PROFILE



### KEY FACTS

**TARGET RETURN:** Cash +3% p.a over 5 to 7 years  
**APPROPRIATE TERM:** Minimum 5 to 7 years or longer  
**INCEPTION DATE:** 31 January 2007  
**MINIMUM INVESTMENT AMOUNT:** \$200,000  
**DEALING:** Daily  
**RUNNING YIELD (as at 31st October 2018):** 1.31%  
**UNDERLYING ONGOING CHARGES (as at 31st October 2018):** 0.54%  
**PEER GROUP:** Morningstar Moderate Allocation USD

### OBJECTIVE

The Multi-Asset Medium to High Risk Strategy aims to provide capital growth, by combining strategic and tactical asset allocation across global markets. An annualised return of cash plus 3% is targeted over a rolling 5 to 7 year period, and volatility is carefully managed.

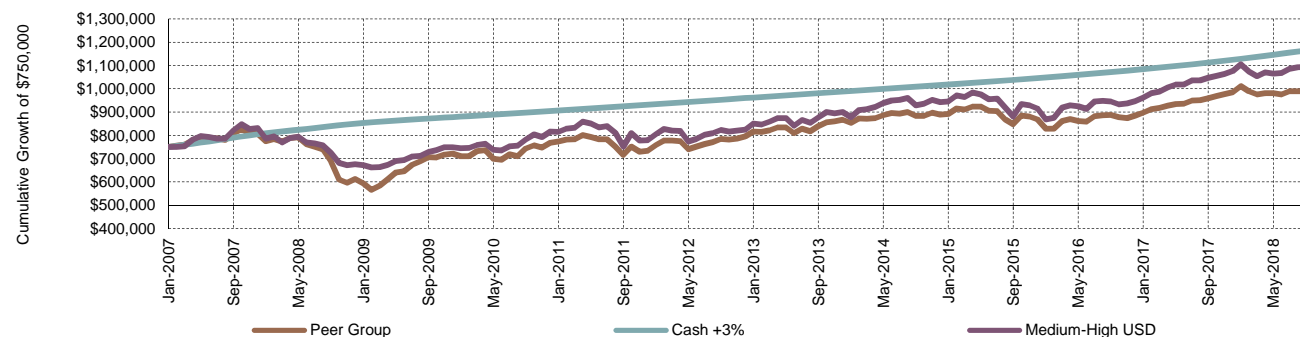
### SUITABILITY & PORTFOLIO CONSTRUCTION

The Multi-Asset Medium to High Risk Strategy is suitable for clients with an investment time horizon of 5 to 7 years or longer. Investing in this strategy involves a risk to capital in order to achieve the desired return.

Portfolio construction combines exposures to active fund managers, who are expected to outperform their defined benchmarks, with allocations to passive investment vehicles that provide cost-effective access to investment markets. This blend of active and passive funds is used to create a competitively priced investment solution, which is not benchmark-led, but aims to deliver attractive risk-adjusted returns.

The portfolio invests across a range of asset classes within a strategic and tactical asset allocation framework designed to maximise diversification benefits. An absolute and relative valuation-based approach underpins this framework, resulting in a multi-layered process to facilitate disciplined decision-making and risk management.

### STRATEGY PERFORMANCE



### 10 YEARS MONTHLY PERFORMANCE

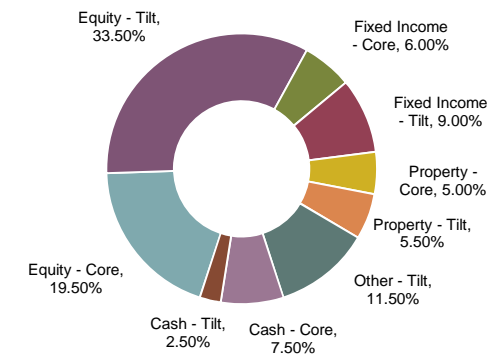
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-5.3%	1.1%	-3.2%	2.5%	0.6%	-3.1%	-0.5%	-1.1%	-4.2%	-6.2%	-1.3%	0.5%	<b>-18.7%</b>
2009	-0.5%	-1.5%	0.3%	1.4%	2.4%	0.8%	2.1%	0.4%	2.2%	1.1%	1.8%	0.0%	<b>10.9%</b>
2010	-0.6%	0.1%	1.7%	0.8%	-3.4%	-0.3%	2.3%	0.3%	3.5%	2.9%	-1.3%	2.9%	<b>9.0%</b>
2011	-0.2%	1.6%	0.6%	3.2%	-1.1%	-1.8%	0.5%	-3.3%	-7.4%	7.7%	-3.8%	0.1%	<b>-4.5%</b>
2012	3.2%	2.9%	-1.0%	-0.2%	-5.5%	1.5%	2.3%	0.7%	1.8%	-0.7%	0.5%	0.4%	<b>5.8%</b>
2013	3.2%	-0.4%	1.4%	1.8%	-0.1%	-3.7%	2.9%	-1.4%	2.8%	2.6%	-0.6%	0.7%	<b>9.2%</b>
2014	-2.5%	3.5%	0.5%	1.0%	1.9%	1.1%	0.3%	0.8%	-3.2%	0.6%	1.9%	-1.0%	<b>4.7%</b>
2015	0.3%	2.7%	-0.7%	2.1%	-0.8%	-2.2%	0.3%	-4.0%	-4.2%	6.1%	-0.5%	-1.5%	<b>-3.0%</b>
2016	-5.2%	0.9%	4.9%	1.1%	-0.4%	-1.3%	3.5%	0.3%	-0.3%	-1.4%	0.5%	1.0%	<b>3.4%</b>
2017	1.7%	2.0%	0.7%	1.7%	1.3%	0.0%	1.7%	0.0%	1.1%	0.8%	0.7%	1.2%	<b>13.7%</b>
2018	2.7%	-2.8%	-2.0%	1.6%	-0.4%	0.2%	1.8%	0.6%	0.1%	-4.5%			<b>-2.9%</b>

### PERFORMANCE STATISTICS

SINCE INCEPTION (31 January 2007)	STRATEGY USD	PEER GROUP	USD CASH + 3%
1 month	-4.5%	-4.4%	0.5%
6 months	-2.4%	-3.5%	2.5%
12 months	-1.1%	-2.3%	4.8%
Year to date	-2.9%	-3.9%	4.1%
2012	5.8%	9.2%	3.1%
2013	9.2%	10.8%	2.9%
2014	4.7%	1.8%	2.9%
2015	-3.0%	-2.4%	2.9%
2016	3.4%	1.9%	3.4%
2017	13.7%	11.4%	3.9%
Since Inception	39.3%	26.2%	56.0%

Multi-Asset US Dollar Strategy - Medium-High Risk performance net of fees

### ASSET ALLOCATION



Composites are calculated by weighting the returns from all actual fee-paying discretionary portfolios managed to the relevant strategy by beginning market value and time weighted cash flows. All composite returns are net of investment management fees on an accrued basis, and net of custody, administrative fee, trading expenses and non-reclaimable withholding taxes on a paid basis. Income is accounted for on a paid basis. Returns are calculated using Time Weighted Rate of Return from 1 January 2018. Prior returns are calculated using Modified Dietz method.

# DISCRETIONARY INVESTMENT MANAGEMENT SERVICE

## MULTI-ASSET US DOLLAR STRATEGY - MEDIUM TO HIGH RISK

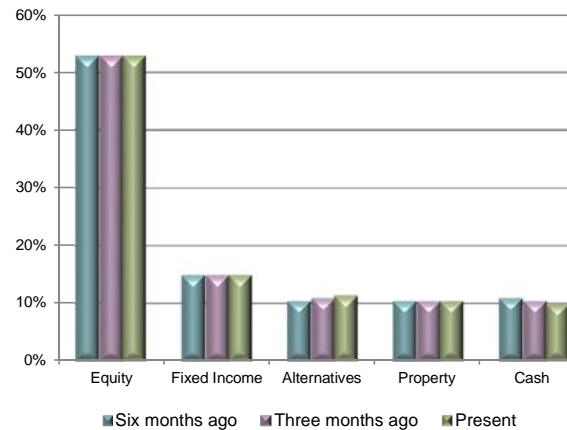


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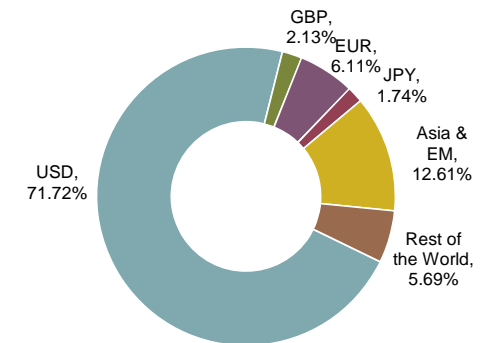
### PORTFOLIO

<b>Equity - Core</b>	<b>19.5%</b>
Vanguard Global Stock Index	15.0%
Vanguard Emerging Markets Stock Index	4.5%
<b>Equity - Tilt</b>	<b>33.5%</b>
Nedgroup Global Equity Fund	9.0%
TOBAM Anti-Benchmark World Equity Fund	4.5%
Dodge & Cox Worldwide Global Stock Fund	10.0%
Morgan Stanley Global Brands	3.5%
Allianz Global Small Cap Equity Fund	3.5%
TT Emerging Market Equity Fund	3.0%
<b>Property - Core</b>	<b>5.0%</b>
Nedgroup Investment Global Property	3.5%
iShares Developed Markets Property	1.5%
<b>Property Tilt</b>	<b>5.5%</b>
F&C Commercial Property Trust	2.0%
Standard Life Investment Property	1.0%
Target Healthcare	2.5%
<b>Fixed Income - Core</b>	<b>6.0%</b>
Wellington Global Credit Plus	2.0%
Pimco Global Investment Grade Credit Fund	2.0%
Vanguard U.S. Govt Bond Index	2.0%
<b>Fixed Income - Tilt</b>	<b>9.0%</b>
AXA US Short Duration High Yield Fund	3.5%
Muzinich Short Duration High Yield Fund	3.0%
Franklin Templeton Global Total Return Fund	2.5%
Kames Global High Yield Fund	0.0%
<b>Other - Tilt</b>	<b>11.5%</b>
SQN Asset Finance Ord	3.0%
John Laing Environmental Assets Group	3.5%
Greencoat Renewables	2.5%
3i Infrastructure Plc	1.0%
GCP Asset Backed NPV	1.5%
<b>Cash - Core</b>	<b>2.5%</b>
Cash	2.5%
<b>Cash - Tilt</b>	<b>7.5%</b>
Blackrock Liquidity Fund	7.5%
<b>Total</b>	<b>100.0%</b>

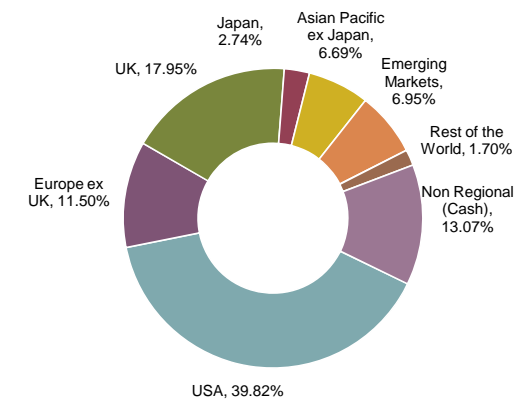
### CHANGES IN ASSET ALLOCATION



### CURRENCY EXPOSURES



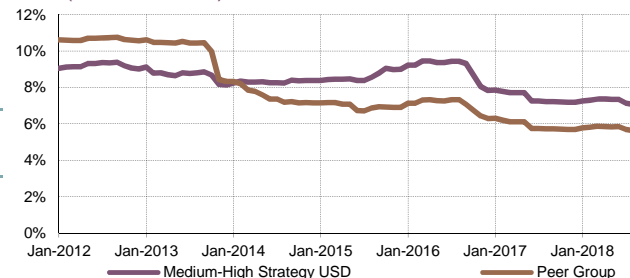
### COUNTRY EXPOSURES



### CHANGES DURING OCTOBER 2018

Bought 0.5% John Laing Environmental Assets

### ROLLING ANNUALISED STANDARD DEVIATION (60 MONTHS)



### SINCE STRATEGY INCEPTION

Metric	Value
Annualised Return	2.8%
Annualised volatility	8.1%
Sharpe ratio (annualised)	0.22
Lowest monthly return	-7.4%
Maximum drawdown	-22.0%
Months to recover	25

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