

## Who should invest

If as a high risk growth US Dollar investor you need an offshore investment and are willing to assume a large amount of equity market risk in an aggressive growth portfolio that is managed to minimise some of the downside of the global equity market, then this may be the Strategy for you.

## Market & portfolio commentary

The month was another one of risk-off behaviour, with policy makers and reserve banks finding it hard to find the balance between stimulating economic growth and curbing the inflation monster knocking at the door. It was another month of the dreaded “stagflation” word being thrown around, but luckily it remained only a probability...for now.

The Ukrainian war is still causing major problems for anyone trying to predict the direction of market indexes. Although there were many mentions of peace talks underway, there was not much seen to prove the point. Our view is that the incentive for Putin to withdraw out of the Ukraine becomes less by the day and that this war will probably continue for a while still. And even if the war does come to an end, the impacts of sanctions, supply shortages and political tensions will be extremely difficult to undo.

In China, they are struggling to contain a new wave of infections with their “Zero Covid” policy. This entailed strict lockdowns and import / export bans, putting even more strain on an already fragile supply chain structure. This caused a sell-off in most risk assets not only in China, but in emerging markets in general. Many market participants have such strong views on the restrictions and lockdowns imposed, that they aren't invested in China at all. Our view is less strict, but we are aware of the risks involved and the possible impact on risk assets, with our portfolios reflecting such.

All of the volatility and uncertainty made for a US Dollar becoming a relative “safe haven” compared to other currencies, despite the US seeing inflation rates on 30-year highs. This is putting the FED in a difficult predicament – how long can they stay “behind the curve” before inflation becomes an unstoppable force? The answer came in early April with the FED turning more hawkish with a 50bps interest rate hike and indicating that there is more to follow.

Given all the risks involved at the moment, we continue to have a more cautious risk-asset exposure in our portfolios. This has two benefits; firstly, it protects our clients' capital against major drawdowns and, secondly, it provides the flexibility to jump onto opportunities to buy cheap assets. This is becoming increasingly important. Our technical analysis is showing risk assets getting closer to oversold territory and at very attractive prices. This is true for almost all countries and almost all asset classes, bar the US Dollar. As stated, we remain cautious, but will start getting back into riskier positions as and when our process gives us the opportunity to do so.

## Technical Overview

|                                    |  |                             |   |
|------------------------------------|--|-----------------------------|---|
| <b>Strategy Manager</b>            | MitonOptimal SA  | <b>Investment Objective</b> | The USD Growth Strategy aims to outperform the 3 Month USD Cash Rate +6% p.a. net of fund management fees over a rolling 6 year period.   |
| <b>Assets Under Administration</b> | USD\$ 1.2 Billion  |                             | The Strategy aims to provide adventurous investors with a potential to provide consistent real returns over the medium to long term within acceptable risk parameters.                    |
| <b>Annual Mandate Fee</b>          | 0.20% p.a. (excl. VAT)   |                             | The Strategy only invests in asset allocation, target return, equity, bond and money market unit trust funds and aims to limit volatility to between 4.65-11.66% p.a. standard deviation. |
|                                    | <i>This excludes Advisor, Administration &amp; Underlying Fund fees which are disclosed in a Record of Advice provided by your Advisor</i> | <b>Suitable products</b>    | This foreign currency portfolio may get utilised in an International Endowment, Discretionary Investment Option or Portfolio Bond Structure.  |
| <b>Benchmark</b>                   | SO Global Asset Allocation Flexible TR in US   |                             |   |
| <b>Valuation</b>                   | Quarterly Reporting  |                             |   |
| <b>Risk</b>                        | Aggressive   |                             |   |

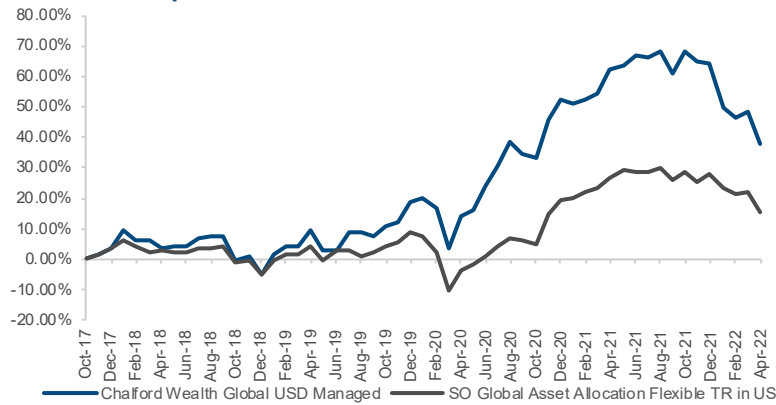
# Chalford Wealth Global USD Managed

April 2022

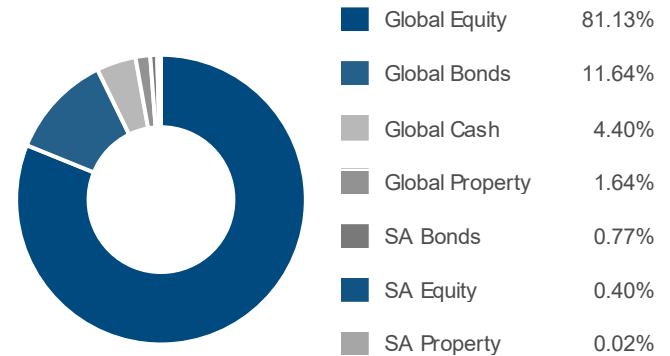
## Performance & volatility (%)

|             |           | 3 Mths | 6 Mths | 1 Yr   | 3 Yrs | 5 Yrs | Since Launch |
|-------------|-----------|--------|--------|--------|-------|-------|--------------|
| Performance | Portfolio | -8.16  | -18.19 | -15.01 | 26.13 | NA    | 37.83        |
|             | Benchmark | -6.43  | -10.54 | -9.07  | 10.92 | NA    | 15.26        |
| Volatility  | Portfolio | 15.43  | 14.08  | 13.78  | 16.56 | NA    | 15.33        |

## Cumulative performance



## Current Asset Allocation



## Discrete Performance (%)

|           | 2018 | 2019 | 2020  | 2021  | 2022   |
|-----------|------|------|-------|-------|--------|
| Portfolio | -    | 5.50 | 4.23  | 42.37 | -15.01 |
| Benchmark | -    | 1.08 | -7.53 | 31.92 | -9.07  |

## Neutral asset allocation (%)

| Global Cash | Global Fixed Interest | Global Property | Global Equity | Alternative Assets | Commodities |
|-------------|-----------------------|-----------------|---------------|--------------------|-------------|
| 4.5         | 6                     | 7.5             | 72            | 6                  | 4           |

## Composition (%)

| Portfolio holdings  | Weight     | AMC  | TER         |
|---|------------|------|-------------|
| Baillie Gifford - Worldwide Long Term Global Growth B Acc USD | 23.00      | 0.72 | 0.82        |
| Coronation - Global Managed P                                 | 15.00      | 0.85 | 1.33        |
| Ninety One - Global Multi-Asset Income I Inc USD              | 15.00      | 0.65 | 0.91        |
| Fundsmith - Equity I Acc                                      | 15.00      | 0.90 | 0.96        |
| Orbis - Global Equity Fund Investors USD                      | 14.00      | 1.00 | 1.61        |
| Sarasin IE - GlobalSar - Dynamic (USD) P Acc                  | 10.00      | 0.75 | 1.00        |
| Coronation - Global Strategic Income P                        | 8.00       | 0.30 | 0.37        |
| <b>Total Portfolio</b>  | <b>100</b> |      | <b>1.02</b> |

## Roeloff Horne

Director and Head of Portfolio  
Management South Africa  
MitonOptimal



Performance data shown in USD. Data provided by IRESS and GIR. Care has been taken to ensure that the information is correct but the suppliers neither warrant, represent nor guarantee the contents of the information, nor do they accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein.

Collective Investments are generally medium to long-term investments. The value of participating interests may go down as well as up and past performance is not necessarily a guide to the future. Commission and incentives may be paid and, if so, are included in the overall cost. Performance figures are sourced by the data providers' systems for lump sum investments including income distribution, at Net Asset Value (NAV) to NAV basis. The performance figures do not include annual LISP Administration fees. A Fund of Funds collective investment may invest in other collective investments, which levy their own charges. Collective Investment prices are calculated on a NAV basis and auditor's fees, bank charges, trustee and RSC levies are levied against the portfolio. Chalford Wealth (Pty) Ltd, Registration number 2013/106760/07 is an authorised financial service provider FSP number 15207. Should you have any further queries or complaints, please contact Chalford Wealth (Pty) Ltd. For your information, the FAIS ombudsman provides an independent and objective advisory service. Should you not be satisfied with the outcome of a complaint handled by Chalford Wealth (Pty) Ltd, please write to: The Ombudsman, PO Box 74571, Lynnwoodridge, 0040. Telephone (012) 470 9080/99. Fax (012) 348 3447. Email: [info@faisombud.co.za](mailto:info@faisombud.co.za).