THE INTERNATIONAL SHOPPING LIST BY GLACIER RESEARCH

November 2018 - Review of Quarter 3

A reference guide to superior global collective investment schemes available via the Global Life Plan

THINK WORLD CLASS

glacier by Sanlam

In 2008 we experienced one of the worst global financial crises since the Great Depression. Monetary authorities across the globe responded with ultra-easy monetary policy, characterised by increasing the supply of money in combination with record low interest rates. Ten years later, during August 2018, the US celebrated the longest bull market ever recorded since World War II.

However, with monetary policy normalising, we have also seen a return of volatility in the US. Indeed, as we head towards the end of 2018, the European monetary authorities are looking forward to ending their quantitative easing program, and on balance, the world will move into a 2019 characterised by a quantitative tightening regime as opposed to a quantitative easing regime. Add to this the environment, global trade wars, Brexit, and possible signs of a new European debt crisis (Italy), and one would be forgiven for feeling somewhat anxious as we reflect on 2018 and look ahead to 2019.

Of course, rising interest rates do signal the return of global growth, and this should be viewed as something positive.

The Shopping List will therefore include a synopsis of the Navigate Optimised Portfolios, followed by a qualitive and quantitative review of the Shopping List funds used within these portfolios

Navigating the world of international investing

In order to help you navigate the stormy waters of international investing, I am pleased to present you with the fourth edition of the Glacier International Shopping List, your reference guide to superior global collective investment schemes.

To date, the team has conducted around 190 due diligences; we have been to London twice this year and have met with numerous industry professionals. On our most recent visit to London, we were fortunate to have had engagements with Schroders, BlackRock, Janus Henderson, Sarasin, Investec, Dodge & Cox, Baillie Gifford, Veritas, Prudential, M&G, Jupiter, Ashburton & Fidelity, Sanlam FOUR and Allianz. We were also fortunate to have met with other industry insiders such as Door, who is doing exciting things to change the world of due diligence questionnaires, NMG, who gave us particularly interesting insights into the financial services industry globally, as well as IFA network Perceptive Planning, who provided valuable insights.

All of this helps us to provide richer insights when assisting financial intermediaries to make better investment decisions for their clients.

Helping you to guide your clients

The Glacier Research team, a specialised and dedicated asset manager research and investment support team within Glacier, has been responsible for fund manager research in the local South African context for many years. It has been an iterative process – constantly learning and thinking about research - and consequently we have developed our own, unique approach to fund manager research. This disciplined approach to fund manager research has subsequently also been applied to the global investment environment.

When the Glacier Research team selects funds for the Shopping List, we look for quality fund managers who have displayed the ability to produce consistent outperformance over meaningful time periods and the ability to protect capital in adverse market conditions, relative to peers. We strive to ensure that the most objective and independent selections are made - always keeping our clients in mind. The process focusses on both quantitative and qualitative assessments, but the ultimate fund selection is tilted towards the latter. Please have a look at our fund selection process – outlined in the document - for a better understanding of what we take into account when selecting a fund.

Glacier Navigate Optimised Portfolios

One of the real benefits of having a team that focusses on fund selection at your disposal, is that it really makes your own fund selection and portfolio construction process a lot easier. This is the role we play for the portfolio managers managing the Glacier Navigate Optimised Portfolios – while they focus on managing the portfolios, we focus on ensuring that they select from the best possible range of funds. The Shopping List will therefore include a synopsis of the Navigate Optimised Portfolios, followed by a qualitative and quantitative review of the Shopping List funds used within these portfolios. These fund overviews should also provide investors who wish to build their own bespoke portfolios with an overall understanding of the funds and some guidance on how to use them in a portfolio.

The complete range of Shopping List funds is intended to be used within the Glacier International Global Life Plan.

2019 on the horizon

Finally, as I'm writing this, we are busy finalising plans for the 2019 Glacier International Navigate Roadshow, which is always a highlight, and I hope you are as excited about it as I am. We will once again have the opportunity to listen to both global and local specialists sharing their insights with us.

As we reflect on the year that was, I would like to thank you for your continued support, but also remind you that the Glacier Research team is there to assist you in making investment decisions for your clients. I trust you are looking forward to some well-deserved rest and to spending some time with family and friends. Let's make 2019 another successful year.

Francis Marais
Head: Glacier Research

UNDER PRESSURE

Louis Stassen, Coronation founding member and head of global developed markets

October gales blew another bout of volatility into financial markets. Macroeconomic data continued to show relatively strong, albeit increasingly uneven, global growth, uncertainty about pockets of moderating momentum, rising inflation risk and the US Federal Reserve (Fed) rate trajectory kept asset prices under pressure. By the end of October, the S&P500 was back to levels prevailing at the start of the year while US 10-year yields had backed up to levels not seen since late-2011.

At the centre of the current uncertainty is the question of whether or not the US Fed will continue to raise the federal funds rate either in line with the current 'dot plot' (which is already above equivalent market pricing), or by even more, should inflation accelerate at a stronger pace than currently forecast. Recent payrolls data for October showed unemployment at 3.7% in the US, but more importantly, an acceleration in average hourly earnings to 3.1% year on year (y/y) – the strongest rate since June 2009 – reinforcing the risk that an acceleration in wages fundamentally supports rising demand-driven inflation in the US.

This uncertainty is playing out against growing evidence of decelerating growth momentum (albeit off solid levels) in much of the rest of the advanced economy complex, and growing uncertainty about growth in China. As a result, policy rates across the globe are likely to diverge further before this narrows, which in turn implies higher USD funding costs and a much more challenging environment for emerging markets. The impact of rising tariffs due to trade wars on both pipeline inflation and growth has yet to emerge decisively and they remain considerable uncertainties in determining the balance of policy risk.

What does the economic data say?

After a synchronised global growth acceleration, which started in late-2015 and peaked in late-2017, global growth has decelerated, and become much more uneven. By country, the US economy is in the lead and should continue growing strongly over the next two years. Substantial fiscal stimulus has fuelled already strong domestic demand, which is in turn supported by healthy employment gains and still relatively accommodative monetary policy. Preliminary GDP for the third quarter of 2018 was indicated at 3.5% quarter on quarter (q/q) seasonally adjusted and annualised (saa) from 4.2% q/q saa in the second quarter, and is forecast at 2.9% in 2018 and a slightly more moderate 2.6% in 2019. With the unemployment rate at multi-year lows, there is now growing evidence of rising wage inflation, along with strong growth. While generally supportive of the USD, the upcoming midterm elections could have a meaningful impact on fiscal policy into the 2020 presidential election.

In Europe, data suggest that the recovery off 2018's first quarter weak spot has peaked, and incoming data is softer. Preliminary GDP data for the third quarter of 2018 suggest a sharper slowing in output than expected, with q/q growth of just 0.2% in aggregate for the region. Some of the moderation may reflect once-offs, such as strike activity in France, motor production stoppages in Germany and budget uncertainty in Italy, but where an acceleration could come from is unclear. GDP for the region as a whole is forecast at 2.1% this year and 1.8% in 2019, but with growing downside risk. For now, the European Central Bank seems willing to look through recent weaker data and is still only expected to start normalising the deeply negative nominal deposit rate from -0.4% from the middle of 2019.

The UK has performed rather better than expected with GDP growth currently pushing 1.6% q/q saa, and unemployment also at multi-year lows at about 4%. With inflation already above the Bank of England (BoE) 2% target, the base rate is up 50 basis points and the BoE's bias is to further tightening, depending on the evolution of Brexit negotiations. Despite this uncertainty, Chancellor Hammond has provided some additional support by cutting taxes and raising spending, notably on health care. Taken together, despite the visible (and growing) downside risks to growth, developed economies are still growing at a solid pace, with tight labour markets and, in some cases, decent capex being a healthy combination for good quality growth.

The position of emerging markets within this context is considerably more mixed, and here China is a large, and growing uncertainty. Official GDP estimates show growth slowed to 6.5% in the third quarter of 2018, from two quarters of upside surprise in the first half of 2018. Overall GDP is still expected to be about 6.7%, but a combination of factors suggests that despite some intervention to support growth, it could slow meaningfully before it recovers. Firstly, exports, which have been a huge support for growth, are slowing. This is before any real impact from higher tariffs is really visible. The prolonged reduction in credit growth has to date had little impact on the property market, which has held up relatively well. There are few reasons for this to continue, and some softening in both cases seems likely. Within a slowing real economy, corporate profitability has also held up well, with elevated (but now slowing) upstream pricing power. As profits come under pressure, so too will spending. In this environment, commodity prices are more likely to weaken. Interventions to date have been tentative. The People's Bank of China is much more aware of financial risk to the banking system implicit in high levels of debt. However, should growth slow fast, it is possible that the policy response will accelerate.

Elsewhere, the first round of US rate uncertainty in August triggered a rout for emerging markets with those running high external deficits hardest hit. Policy makers have responded – in Turkey the currency's 75% depreciation between January and August raised material concerns about the stability of the banking and indebted corporate sector, ultimately prompting the Central Bank of Turkey to raise the one-week repo rate by 625 basis points to 24%. Growth is expected to slow dramatically in the second half of 2018 and contract in 2019. Argentina's very high levels of debt prompted an IMF bailout, currently being implemented. With inflation at 40.5% y/y in September, and policy rates at 68.5%, growth here is also expected to slow. Political uncertainty in both Mexico and Brazil has overshadowed some improvement in underlying growth dynamics, while India has also seen currency weakness as a result of large external funding needs, exacerbated by the high oil price. While Russia's macroeconomic fundamentals are strong, and both fiscal and external balances are very healthy, here geopolitical uncertainty hangs over the currency as sanctions risk persists.

What now?

Despite a very mixed picture for global growth, the baseline at this stage is relatively benign. That said, if US inflation were to accelerate faster than expected, and policy rates rise more quickly, what would it mean for asset prices?

A defining feature of the current period of volatility is the ongoing divergence in between market pricing of US policy rates, and FOMC expectations. Ultimately, the US neutral rate and where we end up will drive equity valuations, which rely on nominal rates to discount future cash flows. Considerably higher policy rates than current pricing would meaningfully affect market assessments of value and PE multiples.

In addition to this, any change in underlying growth momentum – either as the Fed tightens rates, or fiscal stimulus rolls over - could also negatively affect profitability. Some indications of weaker earnings increased October's equity market volatility. Sectors which tend to be most vulnerable to higher policy rates include consumer staples, real estate and tech stocks, which have long duration lead times, and as nominal rates rise a higher discount rate over a longer period undermines current valuations. Banks tend to benefit from higher interest rates as net interest margins rise.

We would expect US ten-year yields to continue to rise as inflation accelerates. At current levels, US long-term interest rates are barely above inflation. As policy rates rise in response to higher inflation and in the case of the US, rising bond supply, longer-term yields should also begin to reflect an additional increase in term premium as investors demand higher return for interest rate and duration risk.

This would also be a more hostile environment for emerging markets.

At current levels, US long-term interest rates are barely above inflation.

Higher USD borrowing costs have already put significant pressure on the exchange rates of emerging markets with large external funding needs (big current account deficits). This would continue until those needs reduced, typically with much slower growth in the underlying economies and significantly higher domestic interest rates.

Given the mixed data available as of October and the recent, meaningful market adjustments, it remains to be seen how the market dislocations resolve themselves: Will the US economy slow sufficiently for the dots to converge with the market, or will pipeline price pressures build in excess of current expectations and the market move higher? Will signs of slowing global growth become more widespread, or will one-offs see a recovery in growth in affected economies like Europe and Japan in 2019, even as the US starts to slow? The divergence of possible outcomes suggests a volatile period for markets ahead.

Louis Stassen is a senior portfolio manager within Coronation's global investment team and a manager of the Coronation Global Managed and Global Equity Select funds.

Cindy Mathews-De Vries

Cindy holds a MSc (Cum Laude) degree in Computational Finance, a BSc (in Computer Science and Mathematics) and an Associate in Management (AIM) qualification. She has nine years' financial services industry experience of which seven were spent as an equity analyst. She started her career as a software developer at Tellumat and later as a quantitative analyst at Futuregrowth Asset Management. Cindy joined Glacier as a discretionary fund manager in January 2017.

Darren Burns

Darren is a CFA charterholder and holds a degree in Investment Management (University of Stellenbosch) and a BCom (Hons) in Financial Analysis and Portfolio Management from the University of Cape Town. He has completed RE 1, 3 and 5 and has the relevant experience as a representative and key individual for both Category I and Category II licences. Darren joined Glacier from Secure Wealth, where he worked as a director, financial adviser and analyst for seven years. He joined Glacier as a discretionary fund manager in October 2016.

Dean de Nysschen

Dean holds a BComm degree in Investment and Financial Management from the University of Stellenbosch. He joined Glacier in April 2018, prior to which he was responsible for equity research, analysis and manager research at a Cape Town based private wealth manager. Dean has passed Level I and II of the CFA program, and is currently a Level III candidate.

Francis Marais

Francis is a CFA charterholder and holds a BCom (Hons) degree in Financial Analysis from the University of Stellenbosch. He started his career at Sanlam Employee Benefits as a fund accountant and later as a review manager. He then spent four years as the operations and research manager at Nostic Asset Management (Category II Discretionary FSP). Francis joined the Glacier research team in March 2015 and was the Senior Research and Investment Analyst in the team, before taking up the role as head of the Glacier research team in October 2018.

Imraan Khan

Imraan holds a BCom (Finance and Economics) degree and BCom (Hons) degree specialising in Finance and Investment, from the University of the Western Cape. He joined Glacier in 2011 as a client service consultant from a graduate programme at Santam. Imraan joined the Glacier research team in November 2016.

Leigh Köhler

Leigh joined Glacier in 2003 after completing his BCom undergraduate degree in Politics, Philosophy and Economics from the University of Cape Town. He later qualified with a BCom (Hons) in Economics from UNISA. Leigh completed his MBA (Cum Laude) through the University of Stellenbosch Business School (USB) in 2017. He was previously the head of the Investment Administration team at Glacier before taking up the role as head of Glacier Research in 2012.

Lesego Mogomotsi

Lesego holds a BCom degree in Investment Management as well as a Postgraduate Diploma in Financial Planning from the University of Stellenbosch. Lesego started her career at RisCura as an analyst in their data services team, before joining PPS as a performance analyst. Lesego joined the Glacier research team in January 2018.

Liesl-Mari de Jager

Liesl-Mari holds a BA (Hons) degree in Industrial Psychology (Cum Laude) and an MBA (Cum Laude). She has 22 years' financial services industry experience of which five years were spent as an equity analyst. Liesl-Mari joined Glacier in 2002 and was previously the head of Glacier Risk and Compliance, then head of the Glacier research team, before taking up the role as head of Discretionary Fund Management.

Luke McMahon

Luke holds a BCom (Acc) degree, BCom (Hons) degree in Business Administration from the University of the Western Cape (UWC). He also holds a Master's degree in Business Management from UWC. He is currently a CFA level 1 candidate. Luke joined Glacier Research in January 2016.

Patrick Mathabeni

Patrick holds a BCom (Finance) degree and BCom (Hons) degree in Business Management (Finance stream) from the University of South Africa. He started his career at Old Mutual, and later joined State Street Global Services. He joined the Glacier research team in January 2018.

Sanusha Gopaul

Sanusha holds a BCom degree specialising in Risk Management from the University of South Africa (UNISA). She has 12 years' experience in the financial services industry and joined Glacier in 2010 as a client service consultant. Sanusha joined the Glacier Discretionary Fund Management team in December 2015.

Shawn Phillips

Shawn holds a BCom (Hons) degree in Financial Analysis and Portfolio Management from the University of Cape Town. He also holds a BSocSci degree in Philosophy, Politics and Economics from the University of Cape Town. He has passed Level I of the CFA programme. Shawn joined the Glacier research team in January 2016.

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GLOBAL LIFE PLAN: BENEFITS

by Glacier International

glacier
by Sanlam

GLACIER INTERNATIONAL PROVIDES SOUTH AFRICAN INVESTORS WITH DIRECT INTERNATIONAL INVESTMENT OPPORTUNITIES.

We offer a wide range of investment choices across a number of foreign currencies, and investments can also be structured to provide estate-planning advantages and tax-efficiencies, coupled with high levels of liquidity and consolidated reporting.

Access to global investment opportunities

- A comprehensive range of collective investment schemes, managed by leading global asset managers, provides exposure to various asset classes, regions and sectors globally.
- Investors can hold global securities directly through a number of stockbroking service providers, whether on a discretionary or execution basis.
- Model portfolio availability.
- No *situs* asset concerns. (International estate duty issues do not apply if investors hold the assets within the Global Life Plan.)
- Making additional investments is straightforward.
- Reporting currency can be USD, GBP, EUR, AUD or CHF.
- Easy access to investments: Multiple withdrawals can be made with no penalties.
- No exit penalties.

Protection from creditors

Once the Global Life Plan has been in force for at least three years, benefits (or received returns) of the Global Life Plan may not be attached, or be subject to execution under a judgement of court, or form part of the Plan holder's insolvent estate. Upon the death of the Plan holder, if the Plan holder is survived by a spouse, child, stepchild or parent, the benefits of the Global Life Plan cannot be made available for the payment of the Plan holder's debts. The protection continues for a period of five years from the date that the benefits are provided.

Consolidated international portfolio reporting

- All international holdings held within the Global Life Plan are reported on one statement.
- Around-the-clock online access.

Tax-efficiency and simplicity

Tax administration (calculation, collection and payment to SARS) is taken care of by Glacier International, which makes the tax process much simpler and may result in a lower taxation rate for investors. Withdrawals from the Global Life Plan are therefore generally free of any further tax in the hands of the investor.

Currently, the following taxes are applicable:

- Capital gains tax (CGT), on all realised gains from switches, share trading and withdrawals.
- Income tax on any income (rental and interest) received.
- Foreign dividends tax, if tax is not recovered at source.

Tax is calculated in USD.

The above is based on the current rules. These rules may change in future and as a consequence the tax treatment of the policies may change. Please bear in mind that any change in the Capital Gains Tax (CGT) for long-term insurers will trigger a deemed disposal and CGT event.

Beneficiary nominations for continuity

- Beneficiaries for ownership (where the Plan remains invested) or for proceeds (where the proceeds of the Plan are distributed) can be appointed for efficient estate-planning purposes.
- No executor fees.

AIM To identify funds that deliver consistent, long-term outperformance and display the ability to protect capital when markets are falling.

1 INITIAL SCREENING

Fund size greater than 500 million base currency

3 Year — Three-year track record of managing the fund

Single managers

2 QUANTITATIVE ANALYSIS

Performance analysis using both rolling and cumulative (static) return measures but most emphasis placed on rolling returns (useful for examining the behaviour of returns for holding periods similar to those actually experienced by investors). We look for funds that consistently display first and second quartile outperformance relative to peers over all periods where possible (1 – 10 years) with most of the emphasis placed on the longer periods.

Statistical risk measure analysis aimed at understanding the volatility of the fund – this includes standard deviation and downside deviation.

Statistical risk-return measure analysis of the fund aimed at understanding the achieved return per unit of risk taken – this includes Sharpe, Sortino, Treynor, Calmar and Information ratios.

Drawdown analysis aimed at understanding the capital preservation ability of the fund – this includes maximum drawdowns, up and down capture.

Consistency: We look for funds that consistently outperform peers across risk, risk-return and drawdown measurements and are therefore consistently ranked above peers over all periods where possible (1 – 10 years) with most of the emphasis placed on the longer periods.

Correlation analysis aimed at understanding how well the fund can be combined with others in a portfolio.

The quantitative analysis process is conducted **quarterly**.

3 QUALITATIVE ANALYSIS

Investment Philosophy: Convincing and well-articulated investment philosophy.

Investment Process: Disciplined, methodical and repeatable investment process with exceptional risk management capabilities.

Investment Team: An investment team that has been together for a long period of time; with individuals who have relevant experience, proven investment expertise and a track record within the relevant asset class.

Remuneration and incentive structures: Fair and aligned with the investor objectives.

Stable business: Stable group and management structures. Healthy financial position.

Focus on stewardship and long-term investing

Culture of co-investment: Evidence of investing alongside the clients

Passion, perspective, purpose and progress: Managers who are highly motivated and intensely competitive are more likely to be focused on excellence in performance results.

4 FINAL SELECTION

The output from the research process, both quantitative and qualitative, is discussed by the Glacier Research Investment Committee to decide the final composition of the Shopping List. In line with the philosophy of long-term investing, the list of funds will remain fairly stable over time. Any changes will be highlighted in the fund/sector comment. The number of funds appearing per category will be proportionate to the size of the category.

Cautious Growth

BLACKROCK GLOBAL MULTI-ASSET INCOME	GBP, USD
CORONATION GLOBAL CAPITAL PLUS	USD, GBP, EUR
CORONATION GLOBAL STRATEGIC INCOME	USD
JANUS HENDERSON CAUTIOUS MANAGED	USD, GBP
INVESTEC GLOBAL MULTI-ASSET INCOME	USD
M&G EPISODE INCOME	GBP
NEDGROUP INVESTMENTS GLOBAL CAUTIOUS	USD
SARASIN IE GLOBALSAR INCOME	GBP
SARASIN IE GLOBALSAR STRATEGIC	USD, GBP, EUR

Moderate Growth

AXA FRAMLINGTON MANAGED BALANCED	GBP
BAILLIE GIFFORD MANAGED	GBP
BLACKROCK GLOBAL ALLOCATION	USD, GBP, EUR
CORONATION GLOBAL MANAGED	USD
FOORD INTERNATIONAL TRUST	USD
INVESTEC GLOBAL STRATEGIC MANAGED	USD, GBP, EUR
M&G EPISODE ALLOCATION	GBP
MFS MERIDIAN GLOBAL TOTAL RETURN	USD, GBP
NEDGROUP INVESTMENTS GLOBAL FLEXIBLE	USD, USD
ORBIS GLOBAL BALANCED	USD
SARASIN GLOBALSAR DYNAMIC	USD, GBP
TEMPLETON GLOBAL BALANCED	USD, GBP, EUR

Aggressive Growth / Global Equities

BLACKROCK GLOBAL EQUITY INCOME	USD, GBP, EUR
DODGE & COX GLOBAL STOCK	USD, GBP, EUR
INVESTEC GLOBAL FRANCHISE	USD, GBP, EUR
MFS MERIDIAN GLOBAL EQUITY	USD, GBP
NEDGROUP INVESTMENTS GLOBAL EQUITY	USD, GBP
MERIAN GLOBAL EQUITY	GBP
ORBIS GLOBAL EQUITY	USD, EUR
SANLAM FOUR STABLE GLOBAL EQUITY	USD, GBP
SCHRODER GLOBAL EQUITY ALPHA	USD, GBP, EUR
SCHRODER QEP GLOBAL CORE	USD, GBP

Passive Fund Alternative

SATRIX WORLD EQUITY TRACKER

Asset Class Returns (USD)

2014	2015	2016	2017	YTD - 2018
GLOBAL PROPERTY 15.02%	MOMENTUM 4.06%	VALUE 12.33%	GLOBAL EMERGING MARKET EQUITY 32.26%	MOMENTUM 14.84%
QUALITY 8.45%	QUALITY 3.71%	BLOOMBERG COMMODITY INDEX 11.77%	MOMENTUM 29.28%	GROWTH 10.29%
MOMENTUM 6.55%	GROWTH 3.11%	GLOBAL EMERGING MARKET EQUITY 11.19%	GROWTH 23.60%	QUALITY 9.53%
GROWTH 6.14%	GLOBAL PROPERTY -0.79%	GLOBAL EQUITY 7.51%	QUALITY 21.24%	GLOBAL EQUITY 5.43%
GLOBAL EQUITY 4.94%	GLOBAL EQUITY -0.87%	QUALITY 4.55%	GLOBAL EQUITY 18.21%	VALUE 0.53%
VALUE 3.69%	GLOBAL BONDS -3.15%	MOMENTUM 4.19%	VALUE 13.11%	GLOBAL PROPERTY 0.06%
GLOBAL BONDS 0.59%	VALUE -4.82%	GLOBAL PROPERTY 4.06%	GLOBAL PROPERTY 6.01%	BLOOMBERG COMMODITY INDEX -2.03%
GLOBAL EMERGING MARKET EQUITY -2.19%	GLOBAL EMERGING MARKET EQUITY -14.92%	GROWTH 2.80%	GLOBAL BONDS 5.85%	GLOBAL BONDS -2.37%

Country Returns (USD)

2014	2015	2016	2017	YTD - 2018
CHINA 51.32%	JAPAN 10.63%	SOUTH AFRICA 17.99%	INDIA 32.30%	UNITED STATES 10.56%
INDIA 28.75%	CHINA 7.42%	UNITED STATES 11.96%	EUROPE 26.20%	JAPAN 6.91%
UNITED STATES 13.69%	UNITED STATES 1.38%	AUSTRALIA 11.27%	JAPAN 20.23%	AUSTRALIA -2.05%
SOUTH AFRICA 4.50%	EUROPE -4.47%	JAPAN 5.60%	UNITED STATES 16.91%	UNITED KINGDOM -2.63%
AUSTRALIA -3.40%	UNITED KINGDOM -6.72%	EUROPE 0.70%	UNITED KINGDOM 16.64%	EUROPE -3.88%
JAPAN -4.49%	INDIA -8.46%	INDIA 0.41%	CHINA 15.28%	INDIA -8.61%
UNITED KINGDOM -5.16%	AUSTRALIA -8.82%	UNITED KINGDOM -0.17%	AUSTRALIA 14.40%	SOUTH AFRICA -19.52%
EUROPE -8.66%	SOUTH AFRICA -22.64%	CHINA -18.22%	SOUTH AFRICA 13.88%	CHINA -19.52%

FUND ANALYSIS
CAUTIOUS GROWTH FUNDS

Category Analysts: Lesego Mogomotsi, Shawn Phillips and Francis Marais

BLACKROCK GLOBAL MULTI-ASSET INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
25%-45%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down, bottom-up, income investing, Benchmark Agnostic & Absolute Return Focused	A Acc	1.5
Fund Characteristic		
Global multi-asset income fund focussing on income investing and diversified across different asset classes, holding a wide variety of underlying instruments (over 3000 underlying securities).		
How to use the Fund		
The fund can either be used in a core-satellite portfolio as the core holding, or in conjunction with other multi-asset / allocation funds as part of a wider diversified portfolio		

CORONATION GLOBAL CAPITAL PLUS

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
50%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down, bottom-up, income investing, Benchmark Agnostic & Absolute Return Focused	F	1.25
Fund Characteristic		
Conservatively managed moderate allocation fund aiming at outperforming developed market cash while preserving capital and producing no negative 12-month rolling returns		
How to use the Fund		
This fund can be used as a core holding in a cautious to moderate risk, absolute return focussed portfolio with the aim to preserve capital by producing no negative 12-month rolling returns.		

CORONATION GLOBAL STRATEGIC INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
0%	(75%-100%); (10% property)	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental, bottom-up valuation driven, Benchmark Agnostic & Absolute Return Focused	A	0.8
Fund Characteristic		
Conservatively managed global strategic income fund with a specific focus on delivering short-term income and being biased towards bonds and cash. The effective exposure is 75% in USD and 25% in other currencies.		
How to use the Fund		
With a focus on delivering short-term income, this fund can be used as a cash component in a more diversified portfolio and will add a layer of capital protection when bond markets decline in a conservative to cautious multi-asset portfolio.		

JANUS HENDERSON CAUTIOUS MANAGED

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
60%	none	Unconstrained global equity with a UK bond bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Dynamic asset allocation, valuation-driven & behavioural finance overlay, Benchmark Cognisant & Absolute Return Focused	A Acc	1.25
Fund Characteristic		
Traditional defensively managed fund focussing on providing income and long-term growth having a bias towards equity with a value oriented style. No derivatives are used		
How to use the Fund		
This fund can be used as a core holding in a cautious or moderate risk, absolute return focussed portfolio with the aim of outperforming inflation		

INVESTEC GLOBAL MULTI-ASSET INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
50%	none	Unconstrained global equity with a max 10% to Mainland China
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental bottom up, Benchmark Agnostic & Relative Return Focused	A Acc	1.50
Fund Characteristic		
Global multi-asset income fund which focusses on providing a defensive return strategy aimed at attracting income with moderate capital growth.		
How to use the Fund		
The fund can be used in a cautious or moderate risk, relative return focussed portfolio with the aim of outperforming the category average		

M & G EPISODE INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
60%	none	Unconstrained global equity with a UK bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Dynamic asset allocation, valuation-driven & behavioural finance overlay, Benchmark Agnostic & Relative Return Focused	A Acc	1.35
Fund Characteristic		
An aggressively managed diversified global income fund with the aim of providing a stable yield, high and increasing levels of income as well as capital growth over the long-term having a bias to the UK.		
How to use the Fund		
The fund can be used in a core-satellite portfolio as the core holding or in conjunction with other multi-asset/allocation funds in a conservative to cautious multi-asset portfolio		

NEDGROUP INVESTMENTS GLOBAL CAUTIOUS

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
15%-30%	(70% min)- 100%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental, bottom-up, valuation driven approach, Benchmark Agnostic & Absolute Return Focused	A	1.35
Fund Characteristic		
Cautiously managed diversified multi-asset global fund focussing on dividend paying stocks and having a bias to developed markets equity and fixed income.		
How to use the Fund		
The fund will work well in a cautious portfolio with a more aggressively managed income fund which has a more diversified source of returns and greater regional exposures.		

SARASIN IE GLOBALSAR INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
20%-35%	none	Unconstrained global equity with a UK bond bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Thematic & valuation-focused, Benchmark Agnostic & Absolute Return Focused	Acc GBP	1.5
Fund Characteristic		
A global unconstrained multi-asset income fund with a aim of providing consistently attractive level of income coupled with a long-term capital appreciation while aiming to preserve capital and bonds biased to the UK.		
How to use the Fund		
As the fund will not have more than 40% risky asset exposure it would blend well with a more aggressive cautious fund to temper overall portfolio volatility as well as provide greater diversification benefits due to its unconstrained thematic approach to global equites		

SARASIN IE GLOBALSAR STRATEGIC

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
40%-65%	none	Unconstrained global equity with a US bond bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Thematic & valuation-focused, Benchmark Agnostic & Absolute Return Focused	P Acc	0.75
Fund Characteristic		
Unconstrained Global cautious allocation fund with broad exposure to multiple asset classes and regions with no style bias and bonds biased to US.		
How to use the Fund		
This fund would complement a portfolio of extremely cautious funds and can also be used in a moderate solution given its slightly more aggressive nature and performance objective as well as provide greater diversification benefits due to its unconstrained thematic approach to global equites.		

Performance & Risk

Time Period: 01/10/2017 to 30/09/2018 Currency: US Dollar

	Return	Std Dev	Max Drawdown	Sharpe Ratio	Calmar Ratio
Coronation Global Capital Plus F	0.82	3.63	-3.16	-0.23	0.26
Coronation Global Strategic USD Inc A	1.41	1.37	-0.80	-0.22	1.76
Janus Henderson Cautious Mgd I Acc USDH	3.21	5.73	-3.39	0.28	0.95
Investec GSF Glb MltAst Inc I Acc USD	3.09	1.76	-0.66	0.74	4.70
M&G Episode Income GBP A Acc	-0.50	10.41	-11.00	-0.17	-0.05
Nedgroup Inv Funds Global Cautious A Acc	1.83	2.16	-1.37	0.05	1.33
Sarasin IE GlobalSar Income GBP A Acc	-2.57	7.70	-8.87	-0.52	-0.29
Sarasin IE GlobalSar Strategic USD P Acc	1.25	3.42	-3.63	-0.12	0.34
BGF Global Multi-Asset Inc A2 USD	1.14	3.11	-3.19	-0.17	0.36
EAA Fund USD Cautious Allocation	0.64	2.43	-2.53	-0.43	0.25

Correlation Matrix

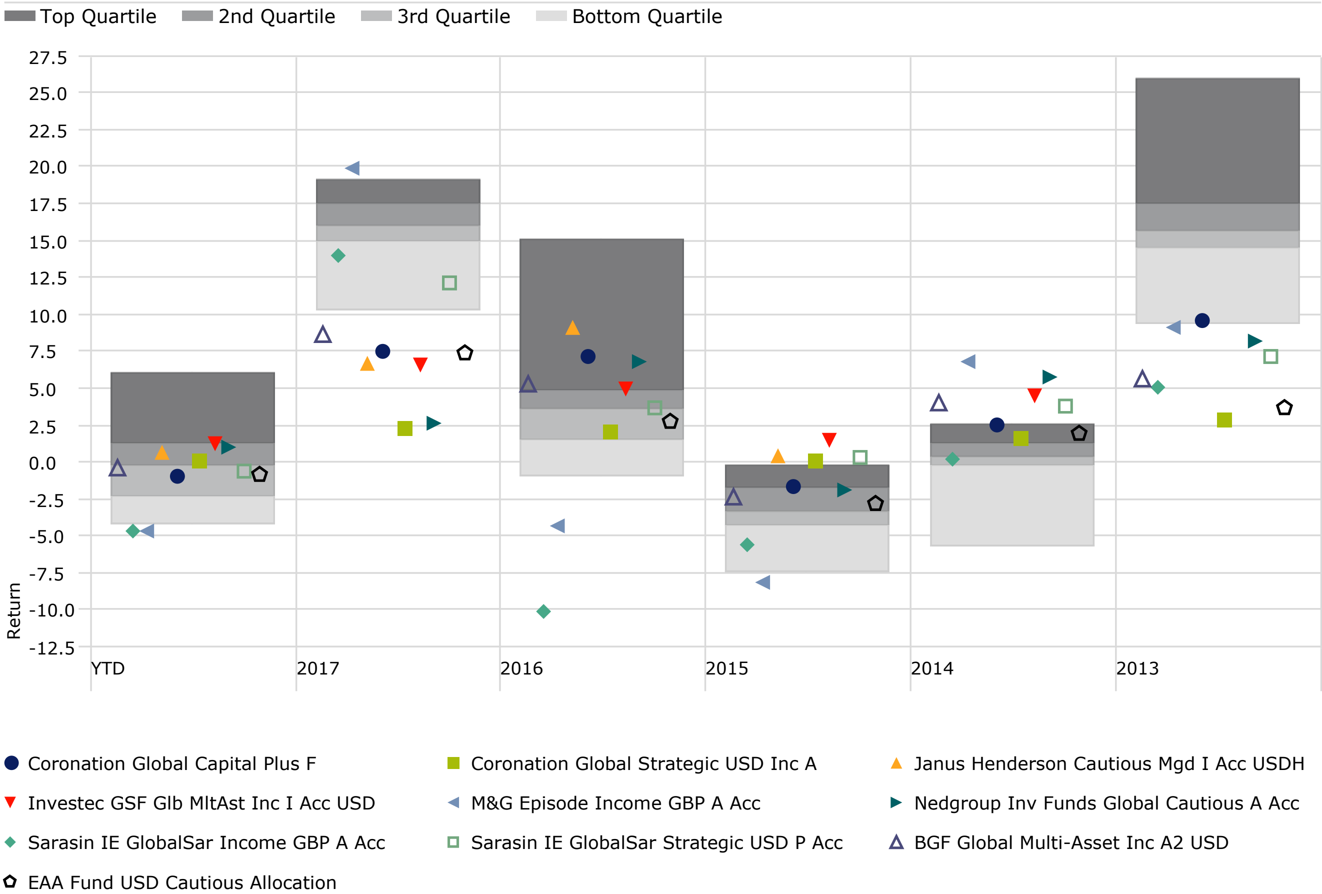
Time Period: 01/10/2017 to 30/09/2018

Currency: US Dollar

		1	2	3	4	5	6	7	8	9	10
1	Coronation Global Capital Plus F	1.00									
2	Coronation Global Strategic USD Inc A	0.85	1.00								
3	Janus Henderson Cautious Mgd I Acc USDH	0.48	0.48	1.00							
4	Investec GSF Glb MltAst Inc I Acc USD	0.78	0.58	0.18	1.00						
5	M&G Episode Income GBP A Acc	0.58	0.63	-0.02	0.70	1.00					
6	Nedgroup Inv Funds Global Cautious A Acc	0.81	0.54	0.43	0.80	0.42	1.00				
7	Sarasin IE GlobalSar Income GBP A Acc	0.60	0.61	-0.09	0.70	0.95	0.44	1.00			
8	Sarasin IE GlobalSar Strategic USD P Acc	0.81	0.61	0.24	0.86	0.66	0.71	0.67	1.00		
9	BGF Global Multi-Asset Inc A2 USD	0.82	0.67	0.31	0.80	0.62	0.65	0.58	0.95	1.00	
10	EAA Fund USD Cautious Allocation	0.82	0.70	0.31	0.91	0.72	0.75	0.69	0.95	0.96	1.00

Performance Relative to Peer Group

Currency: US Dollar Calculation Benchmark: EAA Fund USD Cautious Allocation

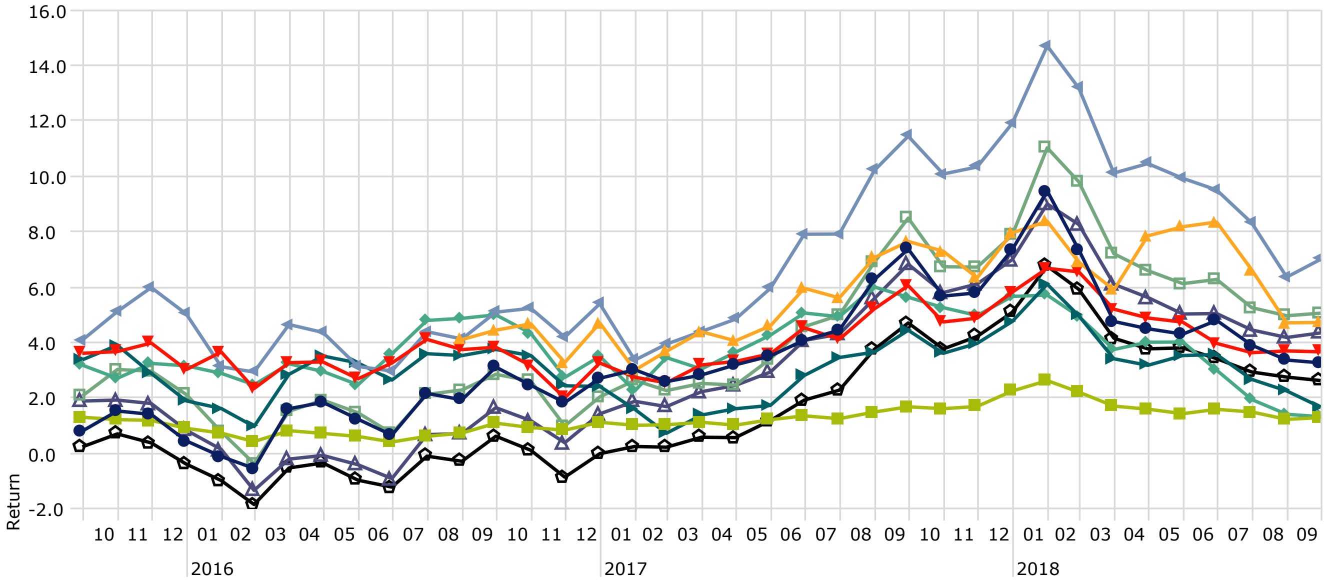


Rolling Returns

Time Period: 01/10/2013 to 30/09/2018

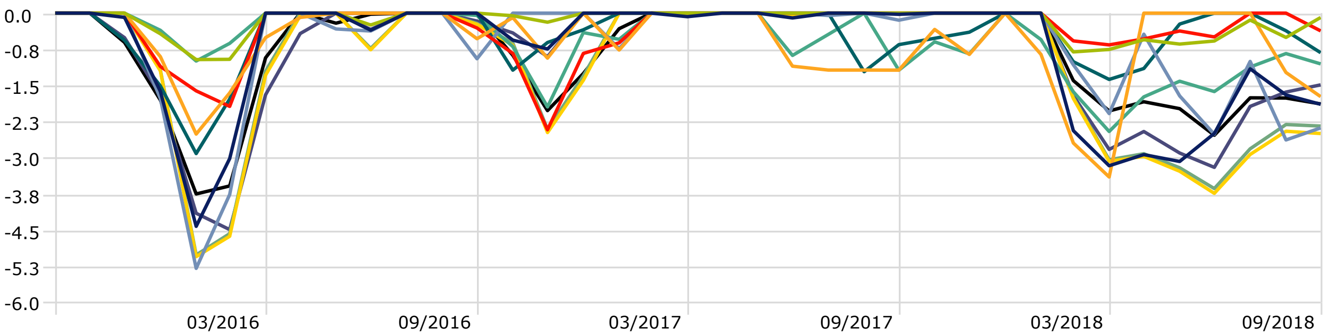
Rolling Window: 2 Years 1 Month shift   Calculation Benchmark: EAA Fund USD Cautious Allocation

- Coronation Global Capital Plus F
- Coronation Global Strategic USD Inc A
- Janus Henderson Cautious Mgd I Acc USDH
- Investec GSF Glb MltAst Inc I Acc USD
- M&G Episode Income GBP A Acc
- Nedgroup Inv Funds Global Cautious A Acc
- Sarasin IE GlobalSar Income GBP A Acc
- Sarasin IE GlobalSar Strategic USD P Acc
- BGF Global Multi-Asset Inc A2 USD
- EAA Fund USD Cautious Allocation



Maximum Drawdown

Time Period: 01/10/2015 to 30/09/2018



Risk

Time Period: 01/10/2015 to 30/09/2018   Currency: US Dollar

	Max Drawdown	Max Drawdown Valley Date	Max Drawdown # of Periods	Max Drawdown Recovery # of Periods	Max Drawdown Recovery Date
Coronation Global Capital Plus F	-4.42	31/01/2016	3.00	2.00	31/03/2016
Coronation Global Strategic USD Inc A	-0.96	31/01/2016	2.00	2.00	31/03/2016
Janus Henderson Cautious Mgd I Acc USDH	-3.39	31/03/2018	3.00	1.00	30/04/2018
Investec GSF Glb MltAst Inc I Acc USD	-2.42	30/11/2016	3.00	3.00	28/02/2017
M&G Episode Income GBP A Acc	-13.97	31/10/2016	12.00	9.00	31/07/2017
Nedgroup Inv Funds Global Cautious A Acc	-2.91	31/01/2016	3.00	2.00	31/03/2016
Sarasin IE GlobalSar Income GBP A Acc	-15.54	31/10/2016	12.00	15.00	31/01/2018
Sarasin IE GlobalSar Strategic USD P Acc	-5.01	31/01/2016	2.00	3.00	30/04/2016
BGF Global Multi-Asset Inc A2 USD	-4.48	29/02/2016	4.00	3.00	31/05/2016
EAA Fund USD Cautious Allocation	-3.75	31/01/2016	3.00	3.00	30/04/2016

Source: Morningstar Direct

**Classes used for returns have the longest history*

BLACKROCK GLOBAL MULTI-ASSET INCOME

Fund manager	Michael Fredericks, Alex Shingler, Justin Christofel	**No of quarters**	7
Benchmark	50% MSCI World and 50% Barclays Global Aggregate	**Risk Description**	Cautious
Role of Benchmark	Benchmark Agnostic	**Inception Date**	28 June 2012
Return Focus	Absolute	**Fund Size ($m)**	$ 9 908.19
Philosophy	Top-down, bottom-up, income investing	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	1.5%
		FSB Approved	No

Key Insights

The fund is managed by the global multi-asset income team consisting of a lead portfolio manager (Michael Fredericks) and two co-portfolio managers. Alex Shingler is primarily responsible for assisting with the fixed income calls, while Justin Christofel is seen as a generalist. Their primary responsibility is top-down, tactical asset allocation and risk monitoring. Funds are then allocated amongst 15 customised sleeves of individual securities, with each sleeve managed by its own portfolio management teams. A key component of the investment process is the utilisation of BlackRock's global investment resources within equities and fixed income for individual security selection within each asset class. BlackRock's vast asset management business allows this particular fund to include non-traditional asset classes such as preferred stock, bank loans, emerging market debts, global REITs and mortgage backed securities (typically 20% to 40% exposure) as well as non-traditional strategies such as covered call writing to generate additional levels of income, beyond interest, dividends and rental income. The primary focus of this fund is to deliver a competitive yield with a level of risk that is less than or equal to a composite index consisting of 50% MSCI World Index and 50% Barclays Global Aggregate Bond Index.

Fund Use

This fund can be used as part of a broader income focussed investment strategy. It is a multi-asset fund that is diversified across different asset classes and a wide variety of underlying instruments. The fund has historically offered very attractive yields, with an average yield of 5.6% since its inception. The fund can either be used as the core holding in a core-satellite portfolio, or in conjunction with other multi-asset / allocation funds as part of a wider, diversified portfolio. This fund is slightly more conservative when compared to its peers. This is evident from its very dynamic asset allocation and previous allocations to risky assets such as equity. Since inception the fund has had a maximum exposure to equities of 42% and a minimum exposure of 25%. The fund can be expected to reduce overall portfolio volatility and drawdowns when blended with peers as part of a broader, well-diversified portfolio. This fund is only available via the Global Life Plan.

Qualitative Highlights

From a qualitative perspective this is a well-managed fund. The investment process follows a team-based approach between the portfolio managers, but ultimately Michael Fredericks as lead portfolio manager would make the final decision. The income team is able to access equity skills across a wide variety of geographical areas, all focussed on income investing, while it has access to further specialists across different asset classes. Additionally, the team is also able to leverage off other very specific niche teams such as the covered-call-writing team, the risk and quantitative analytics team and the mortgage team to name but a few. Risk management is integral to the fund's investment process. The fund's focus on generating a superior income yield from a globally diversified pool of traditional and non-traditional assets, together with its strong focus on risk management, makes this is a good candidate for any well-diversified global portfolio.

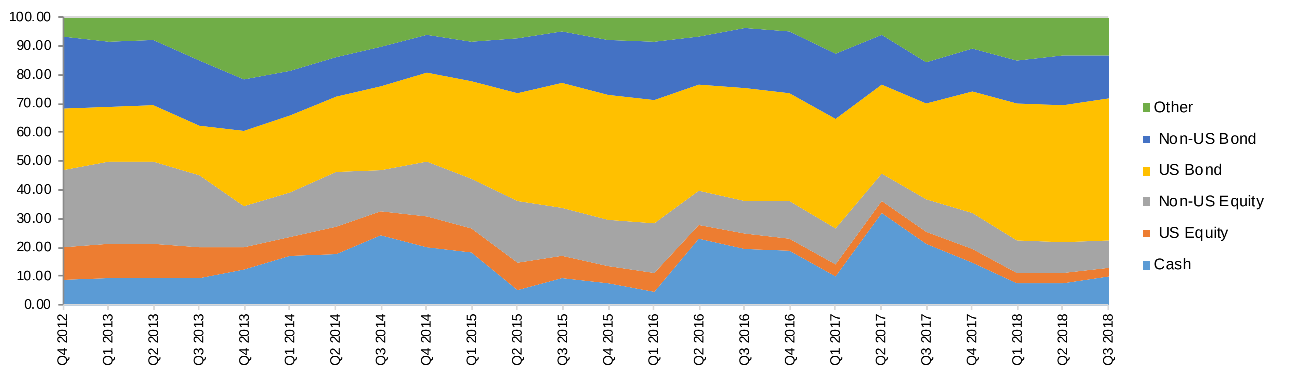
Quantitative Highlights

The fund has managed to outperform the USD Cautious Allocation Category average over a three-year and five-year period. The fund's performance, however, should be seen in the context of its mandate, which is to deliver a superior income yield at a lower level of risk (as measured by standard deviation) than its composite benchmark (50% MSCI World Index & 50% Barclays Global Aggregate Bond Index). Since inception, on a rolling one-year basis, the fund has outperformed the USD Cautious Allocation Category average 94.83% of the time. It has also managed to protect capital well, as measured by the fund's maximum drawdown. The fund has only delivered one negative calendar year return since inception.

Current Portfolio Positioning

The volatility experienced by global markets as a result of increasing trade tensions and rising yields on government bonds that spooked many markets and didn't bode well for risky assets, is evident in the fund's performance. Although positive, the fund has not performed as well as at the same time last year. The BlackRock Global Multi-Asset Income fund is up +0.90% in USD (+2.16% in GBP) in Q3 2018. This is an underperformance when compared to the USD Cautious Allocation Category average, which returned 1.92% in USD (0.24% in GBP). Year-to-date, as at 30 September 2018, the fund has outperformed the USD Cautious Allocation category, returning -0.30% in USD (3.42% in GBP) in comparison to the category average return of -0.75% in USD (-0.43% in GBP). The fund's asset class exposure is more tilted towards US Fixed income at 44.07% and Non-US Fixed Income at 22.79%. Equities exposure is at 32%, with the remaining 0.94% in cash. The fund has gradually increased its regional exposure to North America throughout the quarters and now stands at 64.85%. A large portion of the North American exposure is in US Fixed Income. European Exposure comes in second at 19.26% of the fund while Emerging Markets is at 12.08%. The strong equities rally that was seen at the start of the year when markets were still positive and synchronised global economic growth was expected, has died down. This was evident in single stock performance attribution where none of the stocks contributed more than 1% to overall performance. Leading stock contributors over the quarter were Johnson& Johnson (+16.05%) and a contribution of 0.55%, Pfizer Inc (24.04%) with a contribution of 0.48% and finally Novartis (+15.38%) added 0.46%. The Top detractors, Hero MotoCorp Ltd (-18.28%), British American Tobacco (-6.41%) and Imperial brands (-4.40%) did not detract more than 0.2% on an individual basis.

Long Term Asset Allocation



CORONATION GLOBAL CAPITAL PLUS

Fund manager	Tony Gibson, Louis Stassen and Neil Padoa	**No of quarters**	7
Benchmark	USD 3-month LIBOR + 1.5%	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	5 May 2011
Return Focus	Absolute	**Fund Size ($b)**	$ 912.84
Philosophy	Fundamental, bottom-up valuation driven	**Fee Description (retail class)**	Annual management fee
Category	Morningstar Category USD Moderate Allocation	**Annual management fee**	1.25%
		FSB Approved	Yes

Key Insights

This fund is managed according to the disciplined and valuation-driven Coronation philosophy, and therefore reflects the Coronation DNA. It is slightly more aggressive compared to the Coronation Global Strategic Income fund. The fund will primarily have exposure to developed economies (including the US, Europe and Japan) and can also invest in emerging markets. This fund aims to be fully invested in foreign assets at all times. It will have exposure to a variety of currencies but mainly developed market currencies, all of which are hedged back to the currency of the class, which is the US dollar in this case. This fund can invest in other Coronation funds, alternative investment managers and ETFs.

Fund Use

The Coronation Global Capital Plus fund is a moderate allocation fund aimed at outperforming developed market cash while achieving reasonable investment growth over time. This fund is suitable for conservative investors who want to invest for longer than three years. However, it is not suitable for an investor looking to draw regular income. As a result, the fund aims to preserve capital by producing no negative 12-month rolling returns. Even though the fund can invest in all listed asset classes including stocks, listed property, bonds and cash, exposure to growth assets (stocks and listed property) will typically not exceed 50%.

Qualitative Highlights

The fund is managed by Coronation's former CIOs, Tony Gibson and Louis Stassen, and head of global developed market research, Neil Padoa. These are some of Coronation's most experienced global managers. Gibson heads up the Global Fund of Funds, where the focus is on identifying fund managers with an investment philosophy that is in line with that of Coronation's to include in the fund of funds. Stassen heads up the global developed markets team, where they focus on analysing developed market stocks with a 20% focus on emerging markets. Padoa heads global developed research and together with Stassen, they manage the Global Managed fund. These managers are supported by their respective teams and leverage off the fixed interest team headed by Nishan Maharaj for fixed income. They use the Global Emerging Market fund for emerging markets exposure but may also invest directly to express high conviction in stocks.

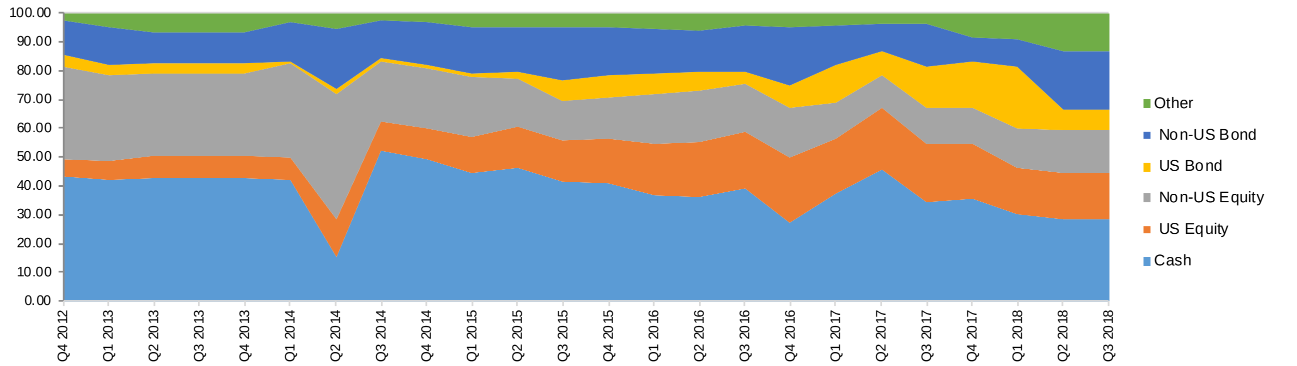
Quantitative Highlights

This fund struggled to deliver on its dual objective in 2015 and 2016. In this period, the fund had a prolonged drawdown period with a maximum drawdown of -10.5%. However, the fund has outperformed US dollar cash by 4% p.a. (after fees) since its launch in 2009. The fund continues to outperform its benchmark over the short term and longer term. The fund has a low correlation to its benchmark, -0.05 over five years and 0.10 over three years. The standard deviation of this fund is higher when compared to the IA OE Mixed Investment 20-60%, which has 10% more equities. However, the Mixed category favours more developed markets compared to Coronation. The fund has a bias towards developed market shares that derive some of their earnings within emerging markets.

Current Portfolio Positioning

The Coronation Global Capital Plus fund returned -0.2% for September and -0.6% for the quarter, a figure below the benchmark performance of 0.9%. The fund has had more months of negative performance than positive performance. The fund's performance stands at -0.9% year-to-date. The fund's top holdings have remained fairly consistent, with only a few changes; Amazon and Facebook are the notable holdings that have fallen out of the top holdings. Almost half of the fund is skewed towards risky assets at 42.1% of the fund, barely unchanged from the previous quarter. There has been a marginal decrease in cash, from 41.5% to 38.2% of the fund. The MSCI All Country World Index produced a -4.3% return for the quarter, well above emerging markets which have underperformed developed markets by 6%, as the emerging markets rally from the first quarter was halted in the second quarter. The second quarter of the year was characterised by volatility in the global markets as a result of global trade tension and a rising interest rate environment. Property, to which the fund has 12.7% exposure also had a fairly poor quarter on the back of a weaker fundamental outlook. The fund increased its exposure to commodities by increasing its exposure to gold when prices came under pressure – the fund views gold as a hedge during the prevailing uncertain market conditions. The fund manager will continue to exercise caution as a result of the fund's low risk appetite when it comes to allocation. Stocks that made a positive contribution to fund performance are Advance Auto Parts Inc (+24.09%), Blackstone Group LP (+20.32) and Walgreens Boots Alliance Inc (+22.23%). Performance detraction came from Altice Europe NV (-33.78%), Facebook Inc (-15.37%) and Hammerson PLC (-11.63%).

Long Term Asset Allocation



CORONATION GLOBAL STRATEGIC INCOME

Fund manager	Mark Le Roux, Stephen Peirce and Nishan Maharaj	**No of quarters**	7
Benchmark	110% of USD 3-month LIBOR	**Risk Description**	Conservative
Role of Benchmark	Agnostic	**Inception Date**	30 December 2011
Return Focus	Absolute	**Fund Size ($m)**	$ 282.42
Philosophy	Fundamental, bottom-up valuation driven	**Fee Description (retail class)**	Annual management fee
Category	Morningstar Fund Category Global Bond – USD Hedged	**Annual management fee**	0.80%
		FSB Approved	Yes

Key Insights

Unlike its local counterpart, which falls into the ASISA Multi-Asset Income Category, this fund is classified as a global bond fund. The fund may invest between 75% and 100% in fixed income assets and 25% in listed property, preference shares and other forms of hybrid or high yielding debt. The allocation to riskier assets has been 4% on average, since inception. The fund will not invest in equity instruments but can have up to 10% in property. It also makes use of derivative instruments to manage risk and earn alpha. The fund has the flexibility to invest in instruments in any currency; however, its effective exposure will be at least 75% to US dollars at all times. Only a maximum of 25% currency exposure may be unhedged while a minimum of 75% will always be hedged back to US dollars. This fund also has duration flexibility; however, average duration will typically not exceed three years. The fund has been managed as a cash and bonds fund, with some allocation to property. The Coronation Global Strategic Income fund is actively managed to balance long-term strategic positions with tactical positions to achieve attractive income while protecting capital.

Fund Use

This fund is suitable for a conservative investor with an income requirement. It aims to deliver returns higher than a US dollar term bank deposit, with a specific focus on delivering short-term income. It also aims not to lose money in any six-month period. As a result of its limited exposure to growth assets, this fund is not suitable for investors with a longer-term investment horizon, and a minimum investment period of 12 months is recommended. With a focus on delivering short-term income, this fund can be used as a cash component in a more diversified portfolio. It has an internal target of US cash plus 2% to 3% over a three to five-year period. It will, therefore, add a layer of capital protection when bond markets decline in a conservative to cautious multi-asset portfolio.

Qualitative Highlights

Coronation is a bottom-up investment house that focuses on proprietary research. Interest rate management (duration and yield curve) and security selection (credit and liquidity management) are two of the major focus areas of the fixed interest team. The fixed income portfolios are positioned with a long-term strategic market view in mind, with short-term tactical opportunities being taken when the market differs from the strategic views. The fixed interest team is headed by Nishan Maharaj and consists of 12 investment professionals. Analysts' research responsibilities span across numerous industry sectors, giving them a better perspective of the industry as a whole. Latitude is given to allow them to find opportunities that are not fashionable or short-term fads.

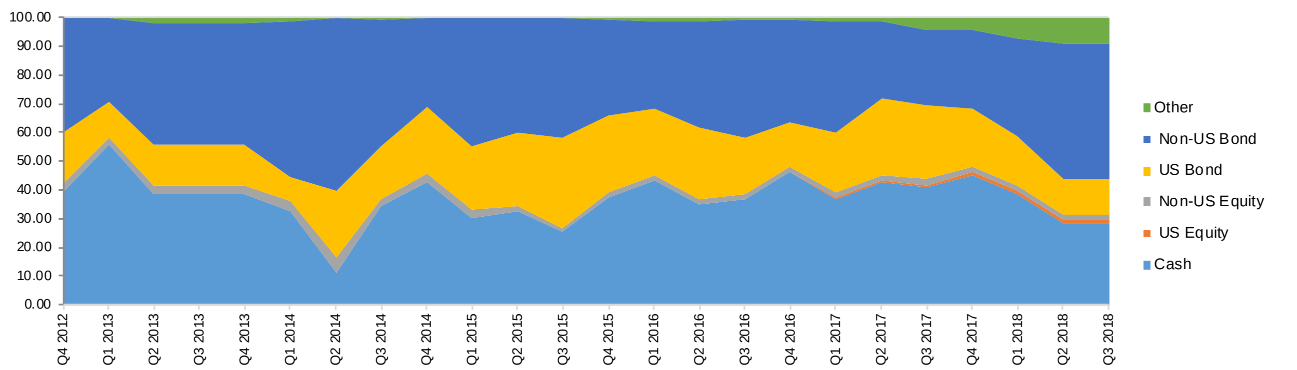
Quantitative Highlights

As a result of its conservative nature and its dual benchmark, managing drawdowns is of most importance in this fund. The fund has the lowest drawdowns compared to its Navigate category average and its global bond category average. The fund outperforms its peers and benchmark at muted levels of volatility. Over a five-year period, this fund returned 1.5% at 1.24% standard deviation level; this was superior compared to Barclay's Global Bond Index which returned 0.48% at a standard deviation of 4.64%. Since inception, the fund has outperformed US dollar cash by over 2.2% p.a.

Current Portfolio Positioning

The Coronation Global Strategic Income fund ended the third quarter with a performance of 0.1%. The fund remains heavily exposed to bonds as per its mandate. There has been a marginal decrease in fixed corporate bonds from a high of 53.4% in June to 49.9% as at the end of September. The fund's holdings in property is still well below the mandate limit of 10% at 3.2%. Capital growth in the fund is most likely to be generated by shorter-term tactical positions like decreasing interest rates and changes in foreign currency. This was not the case as the volatility from the second quarter spilled over into the third quarter and will likely persist for the foreseeable future. Interest rates of government bonds continued to rise at a faster pace on the back of mainly strong corporate earnings and upbeat economic and jobs data in the USA. The US Fed raised interest rates again in September, with signals to raise them again in the final quarter. This triggered a sell-off of riskier assets and trade wars also continued to take centre stage and cause uncertainty in global markets. As US bonds got to attractive levels following the increase in yields, this was reflected in the fund's portfolio positioning, which saw an increase in government bonds from 13% at the end of the second quarter to 23.4% at the end of September – a significant jump of 10.4%. Italy's budget deficit and the possibility of a hard Brexit remain the main concerns in the Eurozone. Corporate bonds in the US have outperformed government bonds over the past quarter. Another noticeable difference is the increase in non-dollar denominated bonds, particularly in the Eurozone, as a result of the widening spreads and the cutting back of the stimulus packages. The interest rate duration of the fund currently sits at 1.1 years, a marginal increase from the previous quarter. The fund maintains a cautious stance when it comes to non-US credit on the back of central banks easing down on their quantitative easing measures. While the UK property market has had an unchanged quarter in general, the fund's property holdings detracted from performance. Stocks that took away from performance were Intu Properties (-15.53%), Hammerson PLC (-11.63%) and Klepierre (-5.82%). Simon Property Group (+5.03%), LEG Immobilien AG (9.28%) and Vonovia SE (+2.70%) all contributed to positive performance.

Long Term Asset Allocation



JANUS HENDERSON CAUTIOUS MANAGED

Fund manager	Chris Burvill, John Pattulo, Jenna Barnard, Stephen Payne	**No of quarters**	7
Benchmark	50% FTSE All Share 50%, Merrill Lynch 5-15 Year, Non Gilt Index	**Risk Description**	Cautious
Role of Benchmark	Cognisant	**Inception Date**	3 February 2003
Return Focus	Absolute	**Fund Size (£b)**	£ 1.96
Philosophy	Dynamic asset allocation, valuation-driven & behavioural finance overlay	**Fee Description (retail class)**	Annual management fee
Category	IA Mixed Investments 20-60% Share Sector	**Annual management fee**	1.25%
		FSB Approved	No

Key Insights

The Janus Henderson Cautious Managed fund is a traditional defensively managed fund focussed on exploiting opportunities in the equity markets, while limiting risk through lower levels of volatility. It is an equity biased fund and will use fixed income instruments and cash to reduce the overall risk in the portfolio. The team prefers to follow a simplified method of delivering investment returns, using equities, bonds and cash, but importantly, no derivatives. The fund manager believes that a simplified approach to portfolio management should lead to lower fees and, ultimately, superior investment returns. The fund follows both a top-down and bottom-up fundamental, contrarian approach to investments. This fund is a UK only fund and therefore does not offer diversification from a geographical perspective. Any idiosyncratic risks such as country and currency risk can therefore have a meaningful impact on the fund's performance. Christopher Burvill, co-manager of the fund, has taken an extended period of leave for medical reasons. The fund will continue to be managed by co-manager Stephen Payne, supported by John Pattulo and Jenna Barnard. It is our opinion that a cautious wait-and-see approach should be followed. We will continue to engage with the fund manager before making any decisions.

Fund Use

The fund aims to achieve an absolute return, calculated as the prevailing equity yield on the FTSE All Share plus UK Inflation. The fund aims to provide income and long-term capital growth by investing in a combination of company shares and a range of bonds. The fund will invest no more than 60% of its value in company shares and can be seen as a contrarian value fund. This fund can be used as a core holding in a cautious or moderate risk, absolute return focussed portfolio with the aim of outperforming inflation. The fund will blend well with the Nedgroup Investments Global Cautious fund and the BlackRock Multi-Asset Income fund. This fund is only available via the Global Life Plan.

Qualitative Highlights

Christopher Burvill has been involved in managing cautious managed mandates for a considerable period of time, having launched the Investec Cautious Managed Fund back in 1993. After Investec, he was responsible for the Gartmore Cautious Managed Fund, which became the Henderson Cautious Managed Fund after the firm's merger with Henderson in 2011. From a team perspective, the fund is managed by Burvill, with Stephen Payne as co-manager. This must be seen as a positive development reducing key-man risk and possibly adding a bit more process to the investment decisions. Burvill is a very skilled and experienced manager; however, it is sometimes difficult to articulate his process. From a broader team perspective, Burvill and Payne can draw on a vast amount of resources and skills within Janus Henderson. This is seen as positive; however, the team has no dedicated analysts, preferring to do their own fundamental research and drawing from the wider analyst pool as well as sell-side research. Janus Henderson is a big, well established investment house, especially after the merger between Janus Capital Group and Henderson Group which was finalised in May 2017. The firm has plenty of resources to draw upon; however, with this specific fund one could make the case that it is managed by a "star manager", considering Burvill's history, experience and personality. This could be seen as a potential concern, but the recent appointment of Payne is certainly positive. Payne seems to come across as very process driven and should bring a bit more structure and debate to the investment process.

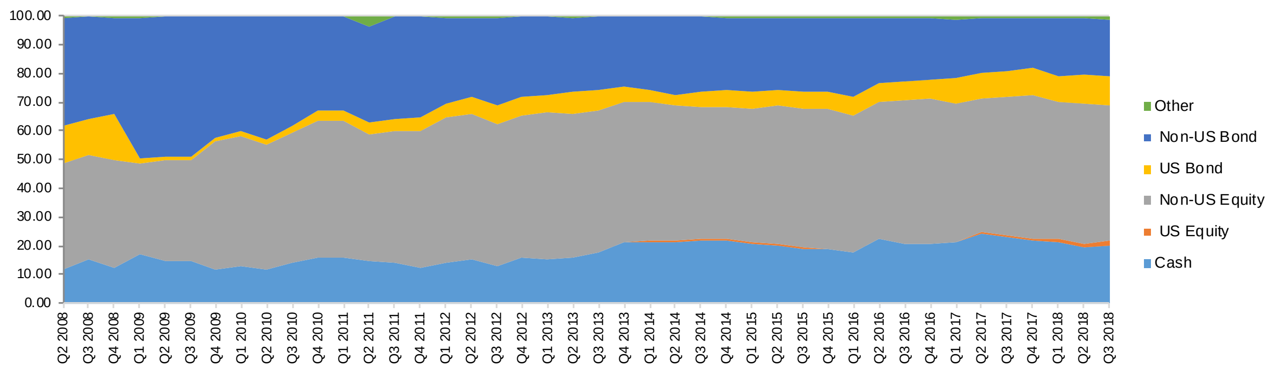
Quantitative Highlights

The Janus Henderson Cautious Managed fund has underperformed the GBP Moderate Allocation Category over a one-year, three-year and five-year period as at 30 September 2018. The fund has displayed a level of risk (as measured by standard deviation) that is in line with the GBP Moderate Allocation Category. Since inception, on a rolling three-year basis, the fund has outperformed the GBP Moderate Allocation Category average 65.13% of the time. The fund has also, during times of market distress, managed to protect capital better than most of its peers. During the 2008/2009 global financial crisis, the fund had a drawdown of 13.52%, compared to the GBP Moderate Allocation Category's drawdown of 19.21%. Furthermore, the only other notable drawdown of roughly 6% was in 2015. This drawdown occurred when there was uncertainty surrounding the possibility of a China-led global economic slowdown.

Current Portfolio Positioning

The Janus Henderson Cautious Managed fund continues to come under pressure on the back of global market volatility and the rising interest rate environment, which caused yet another sell-off over the past quarter. Amongst the possibility of increasing trade tensions, the political uncertainty in Europe as well as concerns over Italy's budget deficit and the possibility of a hard Brexit continued to cause uncertainty and dampen investor sentiment in the UK. The fund altered its position in equities by reducing their exposure, while at the same time marginally increasing their bond exposure after the hike in yields made bonds more attractive. Notable additions to the portfolio include more tobacco and utilities stocks: British American Tobacco is their 5th top holding. The current asset class exposure of the fund is as follows: equities (57%), bonds (34.5%) and cash at 8.5%. The fund managers believe that value in their equities positions will be unlocked and drive performance once there is more certainty around Brexit. Year-to-date the FTSE 100 is only 1.01% up in GBP (-2.63% in USD), also plagued by Brexit, while the fund is down 2.02% in GBP (3.23% in USD) for the quarter and had a performances of -0.75% in GBP (4.32% in USD) for the year. The fund has underperformed the Cautious Allocation Category, which returned 2.96% in GBP (-0.75% in USD) for the year and +1.92% in GBP (+0.67% in USD) for the quarter. On an individual stock basis, stocks that contributed to performance over the quarter are: AstraZeneca PLC (+14.79%), Shire PLC (+8.51%) and Victrex (+14.62%). Despite the positive performance over the quarter, none of the stocks contributed more than 0.3% to portfolio performance. On the flip side, shares of Just Group PLC (-34.52%), Vodafone Group PLC (-10.51%) and Playtech PLC (-29.35%) detracted from portfolio performance.

Long Term Asset Allocation



INVESTEC GLOBAL MULTI-ASSET INCOME

Fund manager	John Stopford	**No of quarters**	7
Benchmark	USD Cautious Allocation	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	26 July 2011
Return Focus	Relative	**Fund Size ($m)**	$ 591.5
Philosophy	Fundamental bottom up	**Fee Description (retail class)**	Annual management fee
Category	USD Cautious Allocation	**Annual management fee**	1.5%
		FSB Approved	Yes

Key Insights

The fund is managed by the Head of Multi-Asset Income, John Stopford, who comes with 27 years' investment experience. He is supported by a wider Multi-Asset team, which is divided into specialist research groups. The Multi-Asset team's investment philosophy has three key elements. The first element is based on a bottom-up approach using their Compelling Forces framework that focusses on valuation, fundamentals and market price behaviour, while the second element addresses correlations between asset classes. The third element looks at which instruments should be selected for the fund in terms of selecting a company's debt or equity instruments. The fund is not managed with reference to a benchmark, but rather as an outcome-orientated fund (targeting a yield of 4% to 6% per annum). The aim is to generate a sustainable yield, with bond-like volatility, and to limit drawdowns. The portfolio manager blends what he feels are the most attractive opportunities across asset classes according to the prevailing market and economic environment. From an investment style perspective, the fund's core equity component will typically be exposed to quality.

Fund Use

The fund aims to provide income, with the opportunity for long-term capital growth. The fund invests primarily in a mix of assets, including bonds, shares and related derivatives. The fund can be used in a cautious or moderate risk portfolio. Ideally, the fund should be used as a core holding in an income portfolio. The fund has a slightly higher allocation to risky assets, having the ability to allocate a maximum of 40% to equity. The equity exposure is similar to that of the BlackRock Multi-Asset Income fund, which is 45%. However, the fund has managed to achieve stable returns at lower levels of volatility in comparison with the category average. Furthermore, this fund makes use of infrastructure, reinsurance and gold, which is classified under their uncorrelated bucket and limited to 10% of the fund.

Qualitative Highlights

The Investec Global Multi-Asset Income fund is a fund within Investec Asset Manager's (IAM) Global Multi-Asset Income Strategy. John Stopford is the portfolio manager, and therefore the ultimate decision maker for the Global Multi-Asset Income Strategy. Jason Borbora works with Stopford as his assistant portfolio manager and contributes to the day-to-day management of the fund. This strategy benefits from being managed within the IAM Multi-Asset team, as the fund can leverage off ideas of the broader specialist groups. This is an experienced, well-resourced and well-organised team of over 30 portfolio managers and analysts. The Multi-Asset team is structured into seven specialist research groups – Macro, Equity, Foreign Exchange & Rates, Credit, Commodities, Property, Infrastructure & Private Equity, and Alternative Risk Premia – to ensure the generation of specialist ideas for potential use amongst their different investment strategies. Apart from John Stopford, the other members of the team are not specifically devoted to the Global Multi-Asset Income strategy. However, the idea generation process across the Multi-Asset team is a shared resource, with specialists dedicated to specific asset classes.

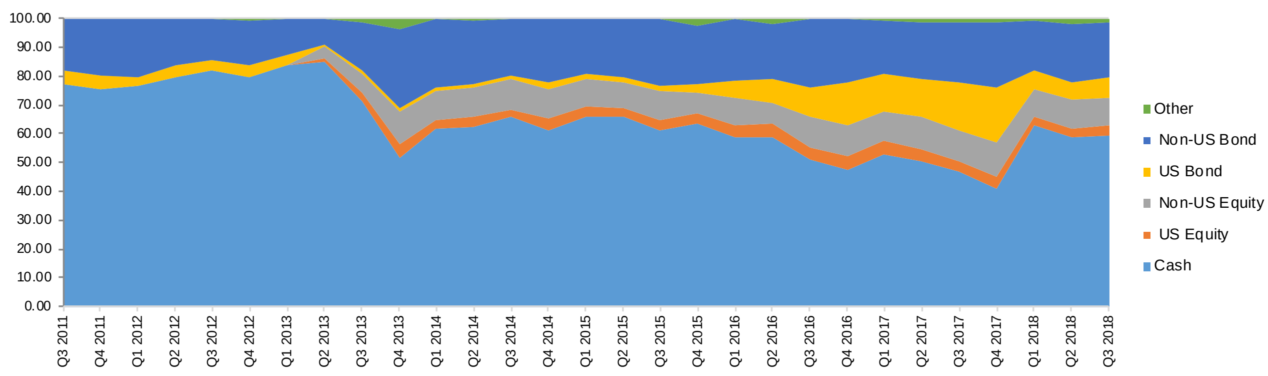
Quantitative Highlights

The Investec Global Multi-Asset Income fund has outperformed the category average on a one-year, and three-year and five-year basis as at 301 March September 2018. It has managed to achieve this at a lower level of risk (as measured by standard deviation) in comparison with the category average. Since the 1st of December 2013, on a rolling one-year basis, the fund has outperformed the category average 780.085% of the time. Furthermore, the fund has a very impressive drawdown profile, which speaks to the defensive nature of this fund.

Current Portfolio Positioning

US equity markets pushed higher over the quarter despite mounting political, trade and monetary policy headwinds. Fears of a hard-Brexit continued, which has weighed on UK equities. Emerging market equities have remained weak, impacted by a combination of global and country-specific factors. Rising US interest rates, trade tensions and higher oil prices have raised concerns about global growth prospects. The Investec Global Multi-Asset Income fund added 0.66% over Q3 2018, outperforming the category average (EAA Fund USD Cautious Allocation), which returned 0.67%. Over a one-year period, as at 30 September 2018, the fund outperformed the category average once again, returning 3.09% compared to the category average return of 0.64%. Equities contributed positively to performance over the quarter as the MSCI World Index gained 4.98%. The fund's quality bias from an investment style perspective helped the fund's performance, as quality was the second best performing style after momentum. Meanwhile, the fund's bond exposure would've detracted from performance as the Barclays Global Aggregate Bond Index lost 0.92% over the past quarter. On an individual stock level, exposure to Pfizer (+22.51%), ASR Nederland (+18.62%) and Taiwan Semiconductor Manufacturing (+21.07%) contributed positively to performance over Q3 2018, while exposure to Tokyo Electron (-18.02%), Danske Bank (-16.06%) and Daito Trust Construction (-19.27%) detracted from performance. The fund's equity exposure is currently sitting at 27.7%, with 5.8% of that exposure being hedged. The portfolio manager still favours emerging markets with 19.4% exposure to emerging market debt.

Long Term Asset Allocation



M&G EPISODE INCOME

Fund manager	Steven Andrew and deputy fund manager, Maria Municchi	**No of quarters**	7
Benchmark	GBP Cautious Allocation	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	11 November 2010
Return Focus	Relative	**Fund Size (£m)**	£ 849.79
Philosophy	Dynamic asset allocation, valuation-driven & behavioural finance overlay	**Fee Description (retail class)**	Annual management fee
Category	IA Mixed Asset 20-60% Share Sector	**Annual management fee**	1.35%
		FSB Approved	No

Key Insights

The M&G Episode team consists of seven fund managers and co-fund managers, headed up by Dave Fishwick. They have worked together for over 16 years. The entire multi-asset investment team consists of more than 15 analysts who are experienced, qualified and focussed on multi asset investing. They are responsible for the design and management of the 'Episode' investment philosophy and process. The Episode Income Fund is managed by Steven Andrew, who has built up a solid track record of managing this fund. The fund is actively managed across all asset classes and employs a dynamic asset allocation process. The investment process is a top-down, macro approach. Furthermore, the fund must maintain a minimum exposure of 70% to the sterling currency. Asset allocation can vary from 20% to 50% to equity, 40% to 80% to fixed income (including cash), and 0% to 20% to other, which includes convertible bonds and property.

Fund Use

The M&G Episode Income fund seeks to generate a growing income stream and provide the potential for capital growth through the flexible allocation between asset classes. It has a large exposure to equities and a diversified regional exposure with respect to its equity and fixed income allocation. Most of the funds' assets are non-US based, with exposure typically to Europe, UK, Japan, Asia Pacific and some emerging markets. As this fund follows a top-down, macro approach to investing, it will be well suited to funds that follow a bottom-up, fundamental approach. This fund is not FSB approved and can only be accessed via the Global Life Plan.

Qualitative Highlights

The Episode Income Fund has a specific focus on income and looks to provide a stable yield. The M&G Multi Asset team's edge is around the experience of the team, the distinctive philosophy (dynamic asset allocation, valuation-driven & behavioural finance overlay), disciplined investment process and the ability to remove bias from instrument selection – which allows them to focus on asset price valuation. The team looks to identify 'Episodes' – which can be defined as macroeconomic episodes of irrationality e.g. financial crises, Abenomics, Eurozone bailouts, Brexit, US elections, etc. and then actively responding to those episodes when value is identified. They are not stock pickers; rather, their strength lies in their asset allocation capabilities. They have no specific view on a single stock name and are very focussed on using derivatives. The team's ideas are executed by holding futures, exchange traded funds, baskets of securities and other funds – and therefore stock specific risk is kept to a minimum. However, the Episode Income Fund is the only fund in the multi asset suite that will invest in single stocks and bonds – but these selections are quantitatively based using the Holt system. The Credit Suisse HOLT database is used to identify liquid dividend-paying equities across the world. Should the fund need to express an idea via an investment into a fund, they will only include an in-house M&G fund. The risk team holds a quarterly oversight meeting to challenge the portfolio manager on his decision-making and positioning relative to the house.

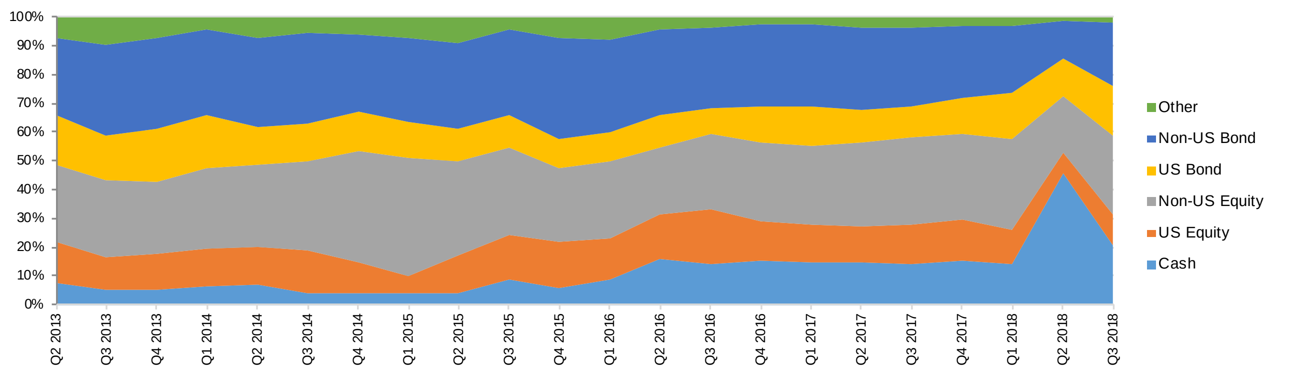
Quantitative Highlights

Over the past one-year, three-year and five-year periods, as at 301 March September 2018, the fund has outperformed the GBP Cautious Allocation Category Average return. It has managed to achieve this at a higher level of risk (as measured by standard deviation); however, investors are compensated for the added risk through additional return. Since inception, on a rolling one-year basis, the fund has outperformed the GBP Cautious Allocation Category Average return 831.1382% of the time. From a drawdown profile perspective, the fund's drawdowns have been more pronounced than the GBP Cautious Allocation category average, which makes sense, as the fund will typically have a higher allocation to equities than its peers. A notable drawdown occurred in 2013, which was described as an "episode", in which the underlying fundamental economic landscape did not justify a dramatic bond market sell-off, while the most significant drawdown of 10.5% occurred in the beginning of 2015. This drawdown occurred when there was uncertainty surrounding the possibility of a China-led global economic slowdown.

Current Portfolio Positioning

Fixed income returns have been lacklustre, with high yield credit outperforming government bonds. This has been against a backdrop of strong global growth, rising inflation and rising interest rates in the US. US equity markets have continued its strong run over the quarter, largely due to healthy company profits. In contrast, emerging markets have come under selling pressure due to worries over escalating trade tensions between the US and China. The M&G Episode Income fund returned 0.14% for Q3 2018, underperforming the GBP Cautious Allocation Category Average return of 0.24%. Over a one-year period, as at 30 September 2018, the fund outperformed the GBP Cautious Allocation Category Average, returning 2.36% in comparison with the category average return of 1.06%. The fund maintains a healthy exposure to equity, making up 44.1% of the fund, with the regional equity exposure described as follows: US (12.5%), Europe (13.1%), Japan (10%) and the UK (2.6%). Government bonds account for 35.6% of the fund, corporate bonds account for 3.6% of the fund, while property and cash account for 3.3% and 12.2% respectively. Testament to the episode philosophy and process, the portfolio managers have taken the opportunity to buy exposure to Italian, Mexican, South African and Spanish government debt. In the short-run, these exposure could increase volatility in the fund and could imply underperformance, but over the long-run, the higher yield on these bonds should compensate investors. From a currency perspective, the major exposure is to the British Pound (80%), followed by the US dollar (3.9%) and then the Japanese yen (3.2%). On an individual stock basis, the fund's exposures to Apple (+23.90%), Microsoft (+17.88%) and SK Telecom (+23.11%) contributed positively to performance over Q3 2018, while exposure to Ford Motor (-14.20%), Banco Bilbao Vizcaya Argentaria (-8.97%) and ING Groep (-6.90%) detracted from performance.

Long Term Asset Allocation



Fund manager	Chartwell Investment Partners	**No of quarters**	7
Benchmark	USD LIBOR 1 month	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	01 November 2008
Return Focus	Absolute	**Fund Size ($m)**	$ 102
Philosophy	Fundamental, bottom-up, valuation driven approach	**Fee Description (retail class)**	Annual management fee
Category	Morningstar Category EAA Fund USD Cautious Allocation	**Annual management fee**	1.35%
		FSB Approved	Yes

Key Insights

This fund was previously managed by The Killen Group, which was acquired by Chartwell Investment Partners in April 2016. The management of this fund is modelled on the back of their "allocation 15-30% equity" fund, the Berwyn Income Fund. These two funds have similar characteristics: they mainly have the same stocks but at different weights. The Berwyn Income Fund's objective is to outperform the Citigroup US Broad Investment-Grade Bond Index, which tracks the performance of US dollar denominated bonds issued in the US investment-grade bond market. However, the Nedgroup Investment Global Cautious Fund tries to outperform the Morningstar Category EAA Fund USD Cautious Allocation. Even though both of these funds are suitable for capital preservation, The Nedgroup Investments Global Cautious Fund has a slightly higher capital growth aspect compared to the Berwyn Income Fund. This is due to the higher allocations to equity. This fund has a developed world bias, more specifically a North American bias, with the equity allocation invested in dividend-paying stocks. Within fixed income, the focus is placed on investment grade developed markets bonds.

Fund Use

The Global Cautious Fund aims to achieve a higher return compared to money market instruments, over a longer period, with volatility levels below that of equities. This fund will invest in a diversified portfolio of foreign equities and fixed income securities with a maximum equity exposure of 30%. The fund is suitable for a more cautious investor looking for a diversified multi-asset global fund. This investor must have a medium to long-term investment horizon. With its quality focus, it can work well in a cautious portfolio with the M&G Episode Income Fund, which is a more diversified fund in terms of sources of returns and regional exposures, despite it being a sterling-denominated fund. The volatility of these funds complement each other.

Qualitative Highlights

From a qualitative perspective, recent changes with regard to company ownership as well as the very small investment team will have to be seen as concerns. Mitigating factors to these concerns are that the investment team has stayed intact, their process and philosophy seem to be safe from external influence and the lead portfolio managers have been given equity ownership in Chartwell, albeit restricted stock. From a size perspective, their proprietary screens and reports are certainly an advantage for Chartwell, as well as the experience of the senior team members. The investment philosophy of the team seems to be sound, but more importantly, they have managed to be very disciplined and consistent in implementing their philosophy and process.

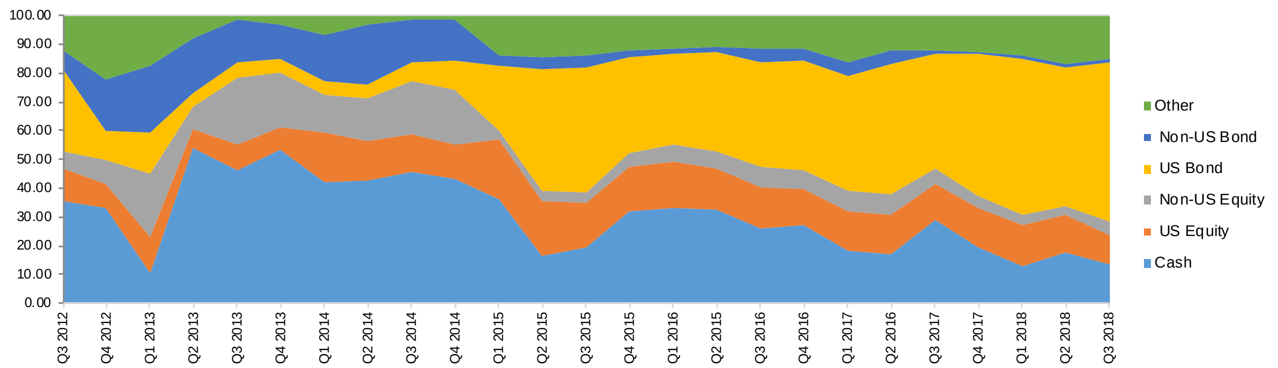
Quantitative Highlights

The performance track record for the Nedgroup Investments Cautious Fund is limited, as Chartwell Investment Partners took over the management of the fund on 1 March 2015. Over this specific time-period, the fund has underoutperformed the USD Cautious Allocation Category average on both a one-year and three-year basis. The fund's performance has closely mirrored the Berwyn Income Fund, managed by Chartwell and the fund on which this specific strategy is modelled, over this same period. If one therefore looks at the track record of the Berwyn Income Fund over longer, more meaningful periods, the analysis might be more appropriate. Over a three-year, five-year and seven-year period, the Berwyn Income fund has outperformed the USD Cautious Allocation Category average. Since inception, on a rolling one-year basis, the Berwyn Income fund has outperformed the USD Cautious Allocation 79.78% of the time. If one therefore assumes the Berwyn Income Fund to be an appropriate proxy, one could make the assumption that the Nedgroup Investments Cautious Fund is a high quality fund from a quantitative perspective.

Current Portfolio Positioning

Fixed income returns have been lacklustre, with high yield credit outperforming government bonds. This has been against a backdrop of strong global growth, rising inflation and rising interest rates in the US. Despite this, fixed income returns have not been as bad as some might have expected. The Nedgroup Investments Global Cautious Fund gave up 0.14% for Q3 2018, underperforming the USD Cautious Allocation Category average, which gained 0.67%. Over a one-year period, the fund outperformed the USD Cautious Allocation Category average, returning 1.83% in comparison to the category average return of 0.64%. The fund is conservatively positioned as it only has 15% exposure to equity, with its maximum band of equity at 30%. However, when looking at its 11.1% exposure to convertibles, the lower equity exposure makes sense as there is risk taken on through the convertibles which could possibly be converted to equity. From an asset allocation perspective, approximately 15% of the fund is in equities, 15.2% in convertibles and preference shares, 66.9% in corporate bonds, and 3% in cash. The fund's corporate bond exposure would've detracted from performance over the quarter as the Barclays Global Aggregate Bond Index weakened by 0.92%. On an individual stock level, exposure to Ericsson (+14.73%), The Mosaic Co (+15.89%) and Chesapeake Energy Preference shares (+5.29%) contributed positively to performance for Q3 2018, while exposure to PCTEL Inc (-24.78%), Gold Resource Corp (-21.93%) and Newell Brands Inc (-20.46%) detracted from performance.

Long Term Asset Allocation



SARASIN IE GLOBALSAR INCOME

Fund manager	John Godley, David Palmer	**No of quarters**	7
Benchmark	Composite: MSCI AC World 10% MSCI AC World (£ Hedged) 10% ML Sterling Broad Market 1-10 yrs 80%	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	09 July 2002
Return Focus	Absolute	**Fund Size (£m)**	£ 187.48
Philosophy	Thematic & valuation-focused	**Fee Description (retail class)**	Annual management fee
Category	Mixed Asset- Cautious	**Annual management fee**	1.25%
		FSB Approved	Yes

Key Insights

The GlobalSar multi-asset funds have been under the stewardship of Guy Monson, the CIO, since inception. Portfolio managers in the team include Martin Price, John Godley, Aram Compton and David Palmer. Guy Monson is also head of Macro Strategy, so is inherently involved with the GlobalSar funds, but the other four managers manage the fund on a day-to-day basis. The investment objective of the fund is to achieve a consistently attractive level of income coupled with long-term capital appreciation, whilst aiming to preserve the value of capital over the longer term. The fund invests globally in a combination of assets. Predominately, these are shares of companies or government bonds. Shares held will satisfy Sarasin's thematic process and generally 35% of the fund's assets will be invested in shares. The Globalsar Income Fund will have a neutral equity weighting of 20% and a flexible equity exposure of between 0 and 35%. It is not constrained by geography, sector or style but manages risk through a variety of theme characteristics. The bonds will mainly be priced in British pounds. The fund will not track an index. Derivatives may be used only with the aim of reducing risk or costs, or generating additional capital or income. The fund is designed for investors looking for cash plus returns with a premium income yield. Sarasin believes that investment markets are inefficient, and this creates the opportunity to generate outperformance through active portfolio management. The investment philosophy of the multi-asset funds is based on three core tenets, each focussed on exploiting market inefficiencies, namely: Long-term investing, Thematic and Valuation focus.

Fund Use

The fund has a dual benchmark which consists of a composite as well as a long-term target return objective of Sterling cash three month Libor plus a premium income yield (3.0%). The fund is suited to a cautious portfolio with an aim of outperforming UK cash plus a premium yield over the long term (minimum of 5 years) with a strong emphasis on capital preservation. As the fund will not have more than 40% risky asset exposure it would blend well with a more aggressive cautious fund to temper overall portfolio volatility as well as provide greater diversification benefits due to its unconstrained thematic approach to global equites.

Qualitative Highlights

Sarasin's multi-asset approach takes its asset allocation guidance from a companywide Investment Policy Committee. Chaired by CEO Guy Monson, the committee includes in-house multi asset specialists, who meet regularly to assess the markets and economic environment and identify asset allocation opportunities. The fund's multi-asset portfolio managers are responsible for determining the best ways to implement the committee's guidelines within the specialist multi-asset strategies. In fulfilling the asset allocation goals, the portfolio managers also utilise the skills of the in-house team of analysts. The analyst team covers a diverse range of asset classes, constantly looking for undervalued investment opportunities across the length and breadth of global markets. These expert teams all manage focused mandates in their respective areas. The fund is managed by John Godley (head of fixed income) and David Palmer, with Godley as lead manager and Palmer his deputy. The fund managers are responsible for the purchase and sale of stocks and portfolio construction, and are ultimately responsible for the day-to-day management of the strategy. They may only buy stocks that are in the thematic universe of stocks, and for a stock to become eligible for inclusion in the universe it must undergo due diligence by one or more of the research analysts concluding in a written report highlighting the thematic and investment case of the stock. The report and the analyst's recommendation is then subject to discussion on its suitability along with the fund managers and other analysts. Once it is approved, it is added on to the thematic stock list.

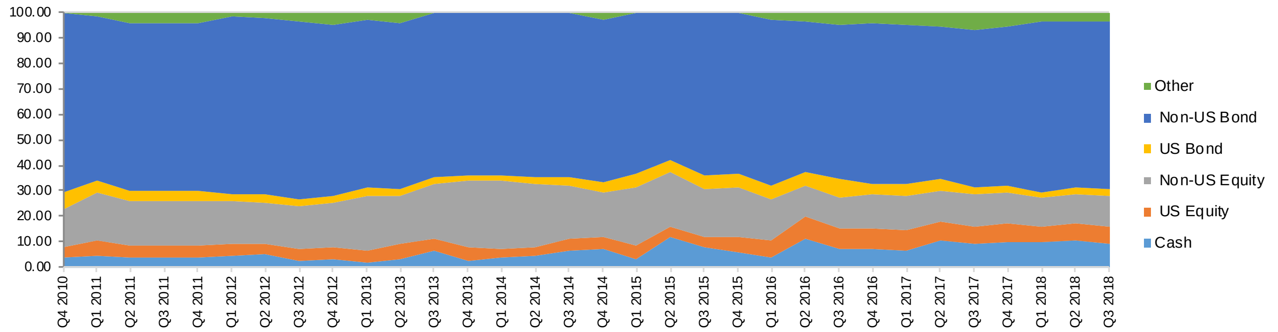
Quantitative Highlights

The fund has a dual benchmark which consists of a composite listed in the overview as well as a long-term target return objective of Sterling cash three month Libor plus a premium income yield over a rolling five years. Equity can be allocated between 0% and 35% of the fund with a neutral equity weighting of 20%. The fund has delivered consistent first and second quartile performances based on rolling three year returns. It has delivered particularly strong three year rolling returns since the second half of 2014, handling recent market volatility very well. The fund has managed to outperform its long- term benchmark over a rolling one year period, over rolling three year periods as well as over a five year rolling period. The fund has however only managed to outperform its peer category over a rolling three year period. The fund has importantly managed to outperform its long-term benchmark of UK cash three month Libor plus a premium income yield over all periods since inception and outperformed the peer category over a one year period.

Current Portfolio Positioning

The Sarasin IE GlobalSar Income Fund ended the third quarter with a positive performance of 0.58%, outperforming the benchmark that had a performance figure of 0.20% by 0.38%. On an annualised basis, the fund has underperformed its benchmark by 0.38%. The fund's top three asset classes are to Fixed Income at 70.2%, Equities at 18.2% and Liquid Assets at 6.3%. Government bonds are a big portion of the fixed income allocation at 47.5% of the fund with banks coming in second at 10.5%. On a Stock selection attribution basis, the biggest contributors to fund performance at 0.25%, 0.13% and 0.11%, were equities, Alternative Investments and Fixed income. On asset allocation basis, only alternative investments contributed to performance while the other asset classes were detractors of performance. The strongest quarterly performance in absolute terms came from the healthcare and consumer discretionary sectors, while real estate and telecommunications had a quarter of negative performance. The fund has big exposure to North America (+37.5%) and Europe (ex-UK) at 29.3%. The fund's performance was hurt by the rising global interest rate which hurt the positions the fund held in emerging markets. Emerging markets detracted 1.6% while the safe haven Japan market contributed 13.1%. Year-to-date, the funds allocation to fixed income has detracted 0.20% on a stock selection level, but has contributed 0.01% on an asset allocation level. Half of the bonds in the fund have a AA credit rating, with BBB and BBB+ coming in at second and third with allocation of 11% and 10.8%. Previously some of the fund's biggest contribution came from equities, which was not the case this quarter on the back of a risk-off environment and volatility that has made stock markets rockier. Positive contributors to fund performance were Investor AB (+14.63%), Shionogi & Co Ltd (+29.57%) and Taiwan Semiconductor Manufacturing Co Ltd (+22.29%). Leading detractors were shares of Embraer SA (-20.30%), Tencent Holdings (-16.69%) and ING Groep NV (-6.90%).

Long Term Asset Allocation



SARASIN IE GLOBALSAR STRATEGIC

Fund manager	David Palmer	**No of quarters**	7
Benchmark	50% BofA ML US Corp & Govt Masters; 40% MSCI AC World Daily (NTR); 10% US cash LIBOR 3m (TR)	**Risk Description**	Cautious
Role of Benchmark	Agnostic	**Inception Date**	10 March 2008
Return Focus	Absolute	**Fund Size ($m)**	$ 67.50
Philosophy	Thematic & valuation-focused	**Fee Description (retail class)**	Annual management fee
Category	Mixed Asset- Balanced	**Annual management fee**	0.75%
		FSB Approved	Yes

Key Insights

The GlobalSar multi-asset funds are under the stewardship of Guy Monson, the CIO since inception. Portfolio managers in the team include Martin Price, John Godley and David Palmer. Guy Monson is also head of Macro Strategy, so is inherently involved with the GlobalSar funds, but the other three managers manage the fund on a day-to-day basis. The investment objective of the fund is to achieve a return ahead of inflation over the long-term through investment in a range of asset classes. The fund invests globally in a combination of assets. Predominately these are shares of companies or government bonds. Shares held will satisfy Sarasin's thematic process and generally 15% and 65% of the fund's assets will be invested in shares. The Globalsar Strategic Fund will have a neutral equity weighting of 40% and a flexible equity exposure of between 15% and 65%. It is not constrained by geography, sector or style but manages risk through a variety of theme characteristics. The bonds will mainly be priced in US dollars. The fund will not track an index. Derivatives may be used only with the aim of reducing risk or costs, or generating additional capital or income. The fund is designed for investors looking for real return from a global multi-asset portfolio with a lower risk profile than pure equities. Sarasin believes that investment markets are inefficient, and this creates the opportunity to generate outperformance through active portfolio management. The investment philosophy of the multi-asset funds is based on three core tenets, each focussed on exploiting market inefficiencies, namely: Long-term investing, Thematic and Valuation focussed.

Fund Use

The fund has a dual benchmark: the composite benchmark detailed in the overview and a long-term absolute return target of CPI + 3% over rolling five years. The fund is suited to a cautious or moderate portfolio with an absolute return focus and a strong emphasis on capital preservation. The fund has a neutral equity weighing of 40% and can increase the exposure to 65%, which could add more volatility to a cautious portfolio. The GlobalSar fund range is designed to match and meet all client's investment objectives and thus the fund works well with the GlobalSar Income Fund which can invest a maximum of 35% in equites. This fund would complement a portfolio of extremely cautious funds and can also be used in a moderate solution given its slightly more aggressive nature and performance objective.

Qualitative Highlights

Sarasin's multi-asset approach takes its asset allocation guidance from a companywide Investment Policy Committee. Chaired by CEO Guy Monson, the committee includes in-house multi asset specialists, who meets regularly to assess the markets and economic environment and identify asset allocation opportunities. The funds multi-asset portfolio managers are responsible for determining the best ways to implement the committee's guidelines within the specialist multi-asset strategies. In fulfilling the asset allocation goals, the portfolio managers also utilise the skills of the in-house team of analysts. The analyst team covers a diverse range of asset classes, constantly looking for undervalued investment opportunities across the length and breadth of global markets. These expert teams all manage focused mandates in their respective areas. The fund is managed by John Godley who is head of fixed income and David Palmer, with Godley as lead manager and Palmer his deputy. The fund managers are responsible for the purchase and sale of stocks and portfolio construction, and are ultimately responsible for the day-to-day management of the strategy. They may only buy stocks that are in the thematic universe of stocks and for a stock to become eligible for inclusion in the universe it must undergo due diligence by one or more of the research analysts concluding in a written report highlighting the thematic and investment case of the stock. The report and the analyst's recommendation is then subject to discussion on its suitability along with the fund managers and other analysts. Once it is approved it is added on to the thematic stock list.

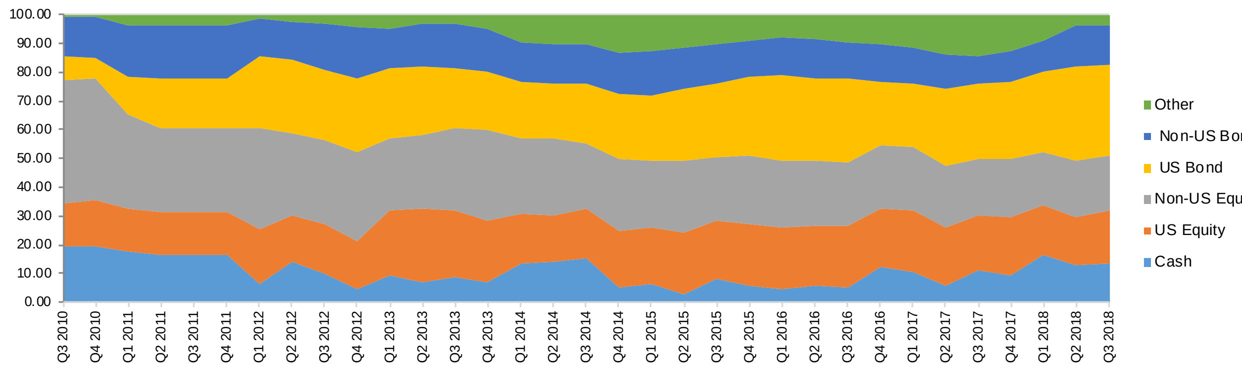
Quantitative Highlights

The fund has a dual benchmark: the composite benchmark detailed in the overview and a long-term absolute return target of CPI + 3% over rolling five years. The fund's equity allocation can be between 15% and 65%. The fund has delivered consistent first and second quartile performances based on rolling three year returns since 2010. It has delivered particularly strong three year rolling returns since the second half of 2014, handling recent market volatility very well. This is indicative of the fund's longer-term focus on absolute returns. The fund has managed to outperform its composite benchmark over a rolling three year period, as well as over a rolling five year period. The fund has managed to outperform CPI+3% consistently.

Current Portfolio Positioning

The Sarasin IE GlobalSar Strategic had a positive return of 1.16% USD for the quarter, underperforming the benchmark which had a quarterly performance of 1.78% USD. The fund's year-to-date performance is still below that of the benchmark at -1.11% USD, while the benchmarks stands at a positive 0.87% USD. The funds allocation to Fixed Income has marginally increased to sit at 44.5% while Equities has increased to 39.2% and the smallest allocation is still to property at 1.7%. The geographical tilt is still heavily tilted towards North America (+70.5%), Europe ex-UK (9.3%) and emerging markets at 5.5%. All asset classes had a positive return with the exception of the fixed income which had a negative return of -0.2% over the quarter and a year-to-date negative figure. The biggest regional detractors to portfolio performance for the year and quarter are Emerging Markets and the UK which are down more than 4%. The Healthcare sector and Consumer discretionary sectors have had a good run for the quarter and year, both contributing more than 10%. On an individual stock level, Shionogi &Co Ltd (+27.98%), Amazon (17.84%) and Service Corp International have all added between 0.4% - 0.60% to the portfolio during the third quarter. The top three detractors of fund performance were Embraer SA ADR (-21.28%), Associated British Foods PLC (-17.39%) and technology heavyweight Tencent Holdings Ltd (-17.71%). On a macro level, the fund remains bullish on the Euro, specifically UK equities, Asian equities and cautious on US equities.

Long Term Asset Allocation



FUND ANALYSIS
MODERATE GROWTH FUNDS

Category Analysts: Imraan Khan, Luke McMahon,
Cindy Mathews-De Vries and Francis Marais

AXA FRAMLINGTON MANAGED BALANCED

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
75%-85%	15%-25%	Unconstrained global equity with a UK bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental bottom-up with top-down asset allocation, GARP approach, Benchmark Agnostic & Relative Return Focused	R Acc	1.25
Fund Characteristic		
A equity-centric balanced fund with a bias towards high allocations to UK equites and the remainder in Bonds.		
How to use the Fund		
This fund can be used as a core holding in a moderate to moderate aggressive solution, however the fund is UK biased and should be combined with more geographic or globally focused funds in order to provide diversification.		

BAILLIE GIFFORD MANAGED

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
40%-85%	0%-10%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Stocks-driven asset allocation, long term, fundamental, bottom-up, with a growth focus, Benchmark Cognisant & Relative Return Focused	B Acc	0.4
Fund Characteristic		
All weather fund with a strong balanced strategy which will focus on all asset classes and will hold some medium and smaller sized stocks as well as the largest 'blue chips. Mainly Pound exposure		
How to use the Fund		
This fund will serve as a strong core holding within a moderate growth portfolio, however this fund can be considered to be benchmark cognisant and will blend well with funds which are totally agnostic to a comparative benchmark.		

BLACKROCK GLOBAL ALLOCATION

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
60%	0%-40%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental bottom-up with top-down asset allocation, Benchmark Agnostic & Relative Return Focused	A2	1.50
Fund Characteristic		
Unconstrained global allocation fund, with focus on finding undervalued global investment opportunities and invested in over 700 securities across more than 40 countries, It combines traditional and non-traditional investments.		
How to use the Fund		
The fund is suitable as a core holding in a balanced portfolio which has true global exposure with no bias towards a specific region.		

CORONATION GLOBAL MANAGED

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
80%	0%-20%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up, valuation-driven, Benchmark Agnostic & Relative Return Focused	A	1.25
Fund Characteristic		
Traditional Global Balanced fund which provides exposure to managed growth-orientated multi-assets, both in developed and emerging markets with a bias to equities and the remainder in cash. Currency exposure will be primarily towards USD, Pound, Euro and Yen.		
How to use the Fund		
This fund is suitable for investors who are looking to add developed markets and emerging markets exposure with relatively low volatility to their portfolios and it can be utilised as a core holding within a more aggressive multi-asset portfolio as well as blending well with a more cautious high alpha, low beta fund.		

FOORD INTERNATIONAL TRUST

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
30%-70%	0%-30%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down, bottom-up, valuation driven approach, Benchmark Agnostic & Relative Return Focused	B	1.35
Fund Characteristic		
Conservatively managed global balanced fund with equity exposure predominately focusing on the top 500 companies of the MSCI World Equity Index having a bias towards developed market value stocks		
How to use the Fund		
The fund can be used in a multi-asset portfolio providing protection against US inflation and due to its agnosticism it has a high level of tracking error to comparative benchmarks.		

INVESTEC GLOBAL STRATEGIC MANAGED

Equity Band (Max limits)	**Fixed Income Band (Max Limits)**	**Regional Exposure**
30%-75%	(0%-25%, cash) & (15%-70%, bonds)	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Fundamental, valuation and market behaviour, Benchmark Agnostic & Relative Return Focused	A Acc	1.50
Fund Characteristic		
Broadly diversified global multi asset balanced fund which includes both traditional and non-traditional (alternative) investments with a focus on providing equity-like returns with relatively lower volatility.		
How to use the Fund		
This fund reduces volatility when blended with a more equity-biased global multi-asset balanced portfolio.		

M & G EPISODE ALLOCATION

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
20%-60%	0%-40%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down asset allocation, valuation and market behaviour, Benchmark Agnostic & Absolute Return Focused	A Acc	1.35
Fund Characteristic		
A Flexible Global Allocation fund investing across developed and emerging market equity, government bonds, corporate credit and property.		
How to use the Fund		
The fund is suitable for a an investor looking to invest based on strong macro-economic indicators and it will blend well with a purely bottom-up stock-driven asset allocation fund or a bottom-up contrarian stock-driven asset allocation fund		

MFS MERIDIAN GLOBAL TOTAL RETURN

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
58%-62%	38%-42%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down, bottom-up relative value approach with a quality bias, Benchmark Agnostic & Relative Return Focused	A1	1.05
Fund Characteristic		
Unconstrained global return fund with a relatively static asset allocation between equities and fixed income following a value approach with a bias towards quality.		
How to use the Fund		
This fund can be used as a core holding in a moderate to moderate aggressive solution and has a lower correlation to the majority of its peers and can be used to add diversification to a portfolio.		

NEDGROUP INVESTMENTS GLOBAL FLEXIBLE

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	(5%-60%,cash)	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up, value contrarian, Benchmark Agnostic & Absolute Return Focused	A	1.50
Fund Characteristic		
Absolute return focussed Global Flexible fund investing mainly in developed markets with a strong value contrarian approach and very concentrated holding between 30 and 40 stocks.		
How to use the Fund		
The fund is suitable for multi-asset portfolios if the investor is looking for more of a concentrated absolute return focussed global multi-asset fund and offers good diversification to other global funds that adopt a top-down macro approach		

ORBIS GLOBAL BALANCED

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
60%-85%	15%-40%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Top-down, bottom-up, contrarian, Benchmark Agnostic & Absolute Return Focused	I Acc	1.50
Fund Characteristic		
Diversified Global Balanced fund encompassing the use of equity, fixed income and commodity-linked investments with the aim of earning higher long-term returns than its benchmark.		
How to use the Fund		
This fund is benchmark agnostic and follows a top-down, bottom-up, contrarian approach. Asset allocation is a result of the opportunity set available, as dictated by the margin of safety across the capital structure of the companies in question. Due to decreasing correlations with peers during downward trending markets, this could be a key holding in a balanced multi asset portfolio. Its main focus is on the 60/40 philosophy, and therefore could be matched with more passive or aggressive funds to suit an individual's needs.		

SARASIN GLOBALSAR DYNAMIC

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
60%-90%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Long-term, thematic & valuation focused, Benchmark Agnostic & Absolute Return Focused	P Acc	0.75
Fund Characteristic		
Unconstrained Global moderate allocation fund with broad exposure to multiple asset classes and regions with no style bias.		
How to use the Fund		
This fund would complement a portfolio of extremely cautious funds and can also be used in a moderate solution given its slightly more aggressive nature and performance objective as well as provide greater diversification benefits due to its unconstrained thematic approach to global equites.		

TEMPLETON GLOBAL BALANCED

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
65%	0%-35%	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Equity (bottom-up); Fixed Interest (top-down & bottom-up), Benchmark Agnostic & Relative Return Focused	A Acc	1.30
Fund Characteristic		
Global Balanced fund characterised as core value with a preference towards value stocks but comfortable to hold growth stocks as well.		
How to use the Fund		
This fund can be used in conjunction with other global multi-asset / allocation funds or as a core-holding for clients savings towards retirement. Importantly the fund makes no asset allocation calls where alpha is generated through security selection and will blend well with funds that utilise a more active asset allocation process which would lead to diversification benefits.		

Performance & Risk

Time Period: 01/10/2015 to 30/09/2018 Currency: US Dollar Source Data: Total, Daily Return

	Return	Std Dev	Max Drawdown	Sharpe Ratio	Calmar Ratio
AXA Framlington Managed Balanced R Acc	4.71	15.48	-14.08	0.42	0.33
Baillie Gifford Managed B Acc	10.78	17.10	-13.93	0.87	0.77
BGF Global Allocation A2	5.94	8.02	-9.94	0.92	0.60
Coronation Global Managed A	8.32	11.98	-15.52	0.92	0.54
Foord International Trust	5.89	9.31	-9.94	0.80	0.59
Investec GSF Glb StratMgd A Acc USD	6.50	8.67	-9.73	0.94	0.67
M&G Episode Allocation GBP A Acc	2.37	16.30	-18.82	0.21	0.13
MFS® Meridian Global Total Ret A1 USD	6.14	7.86	-8.16	0.97	0.75
Nedgroup Inv Funds Global Flexible A Acc	8.30	9.59	-10.85	1.11	0.76
Orbis Sicav Global Balanced Investor	11.45	12.30	-11.12	1.23	1.03
Sarasin IE GlobalSar Dynamic USD A Acc	7.68	8.06	-11.22	1.21	0.68
Templeton Global Balanced R	6.52	12.69	-16.23	0.68	0.40
EAA Fund USD Moderate Allocation	5.78	4.92	-8.35	1.30	0.69

Correlation Matrix

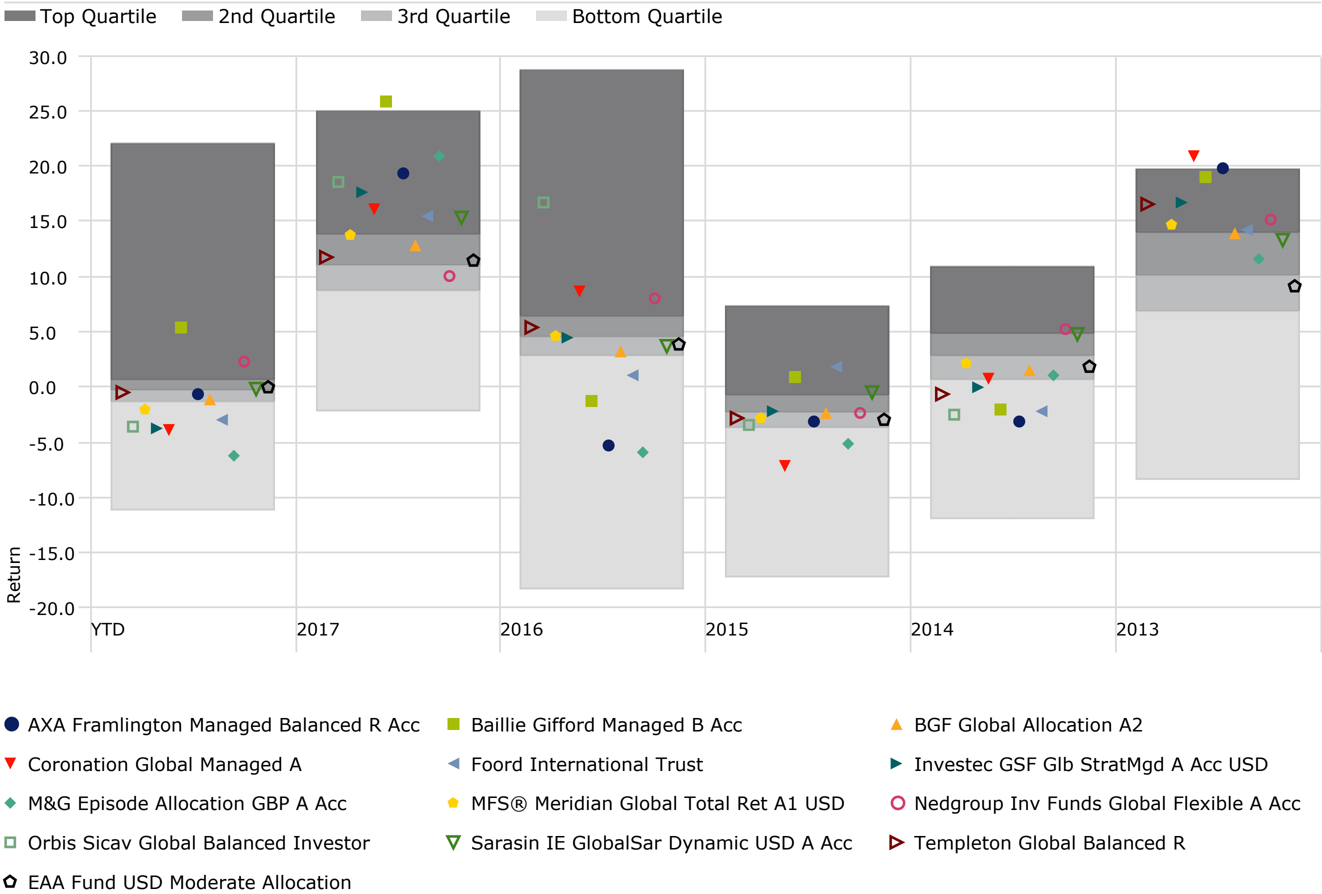
Time Period: 01/10/2015 to 30/09/2018

Currency: US Dollar Source Data: Total, Daily Return

		1	2	3	4	5	6	7	8	9	10	11	12	13
1	AXA Framlington Managed Balanced R Acc	1.00												
2	Baillie Gifford Managed B Acc	0.93	1.00											
3	BGF Global Allocation A2	0.72	0.66	1.00										
4	Coronation Global Managed A	0.55	0.50	0.57	1.00									
5	Foord International Trust	0.61	0.55	0.70	0.79	1.00								
6	Investec GSF Glb StratMgd A Acc USD	0.54	0.47	0.61	0.78	0.77	1.00							
7	M&G Episode Allocation GBP A Acc	0.94	0.87	0.70	0.58	0.62	0.54	1.00						
8	MFS® Meridian Global Total Ret A1 USD	0.44	0.38	0.52	0.78	0.74	0.90	0.44	1.00					
9	Nedgroup Inv Funds Global Flexible A Acc	0.42	0.40	0.49	0.60	0.58	0.52	0.44	0.49	1.00				
10	Orbis Sicav Global Balanced Investor	0.20	0.19	0.24	0.18	0.21	0.20	0.21	0.17	0.21	1.00			
11	Sarasin IE GlobalSar Dynamic USD A Acc	0.68	0.66	0.75	0.40	0.54	0.33	0.64	0.26	0.49	0.26	1.00		
12	Templeton Global Balanced R	0.54	0.49	0.60	0.83	0.78	0.74	0.56	0.75	0.56	0.19	0.44	1.00	
13	EAA Fund USD Moderate Allocation	0.72	0.65	0.85	0.80	0.86	0.80	0.70	0.77	0.62	0.28	0.70	0.82	1.00

Performance Relative to Peer Group

Currency: US Dollar Source Data: Total, Monthly Return Calculation Benchmark: EAA Fund USD Moderate Allocation

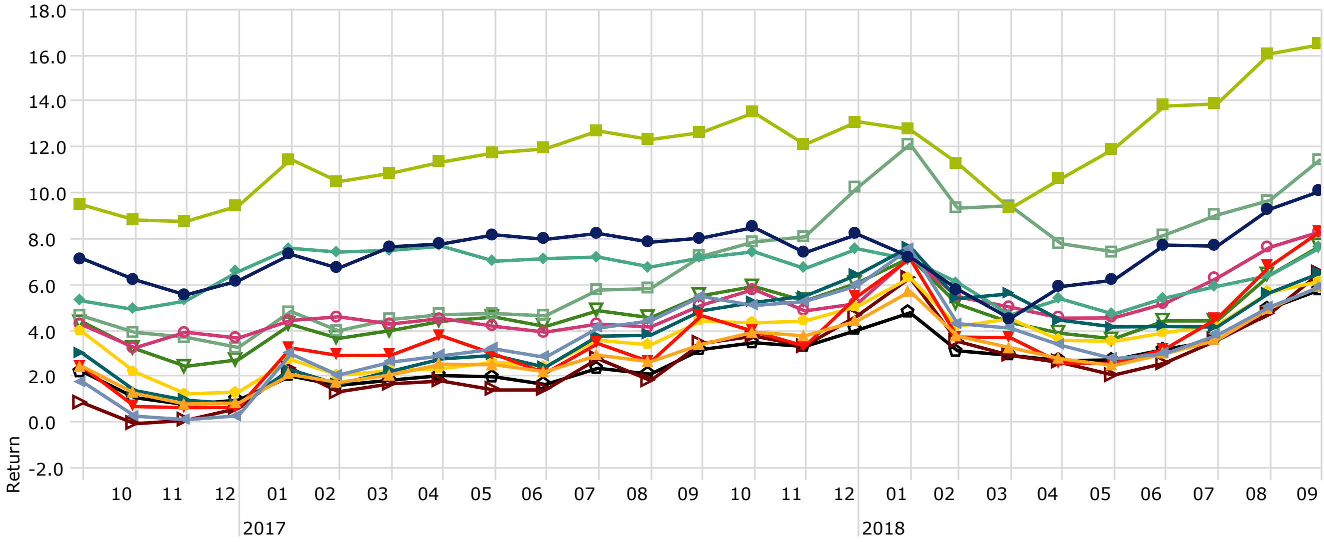


Rolling Returns

Time Period: 01/10/2013 to 30/09/2018

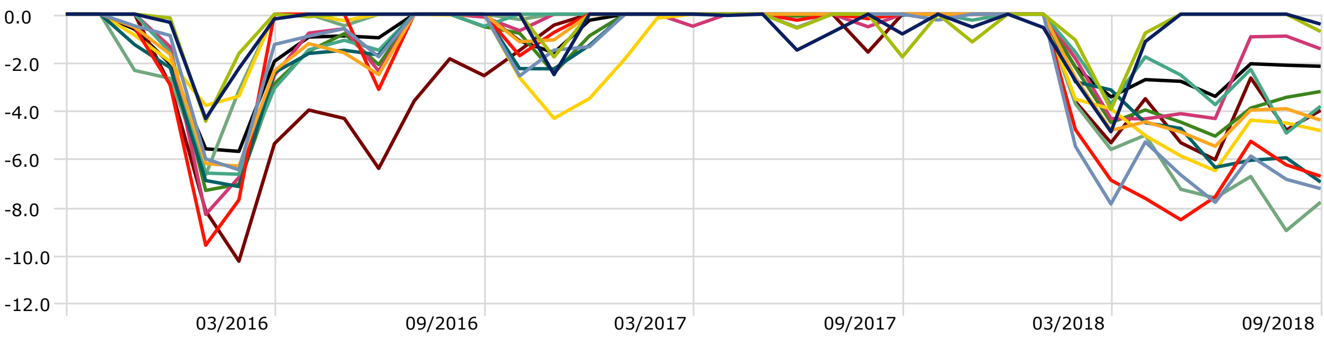
Rolling Window: 3 Years 1 Month shift   Calculation Benchmark: EAA Fund USD Moderate Allocation

- AXA Framlington Managed Balanced R Acc
- Baillie Gifford Managed B Acc
- BGF Global Allocation A2
- Coronation Global Managed A
- Foord International Trust
- Investec GSF Glb StratMgd A Acc USD
- M&G Episode Allocation GBP A Acc
- MFS® Meridian Global Total Ret A1 USD
- Nedgroup Inv Funds Global Flexible A Acc
- Orbis Sicav Global Balanced Investor
- Sarasin IE GlobalSar Dynamic USD A Acc
- Templeton Global Balanced R
- EAA Fund USD Moderate Allocation



Maximum Drawdown

Time Period: 01/10/2015 to 30/09/2018



Risk

Time Period: 01/10/2015 to 30/09/2018   Currency: US Dollar

	Max Drawdown	Max Drawdown Valley Date	Max Drawdown # of Periods	Max Drawdown Recovery # of Periods	Max Drawdown Recovery Date
AXA Framlington Managed Balanced R Acc	-11.05	31/01/2016	3.00	16.00	31/05/2017
Baillie Gifford Managed B Acc	-10.88	31/01/2016	3.00	13.00	28/02/2017
BGF Global Allocation A2	-6.29	29/02/2016	4.00	5.00	31/07/2016
Coronation Global Managed A	-9.57	31/01/2016	3.00	2.00	31/03/2016
Foord International Trust	-7.86	31/03/2018	2.00	—	—
Investec GSF Glb StratMgd A Acc USD	-7.14	29/02/2016	4.00	5.00	31/07/2016
M&G Episode Allocation GBP A Acc	-15.52	29/02/2016	4.00	17.00	31/07/2017
MFS® Meridian Global Total Ret A1 USD	-6.49	30/06/2018	5.00	—	—
Nedgroup Inv Funds Global Flexible A Acc	-8.30	31/01/2016	2.00	6.00	31/07/2016
Orbis Sicav Global Balanced Investor	-8.97	31/08/2018	7.00	—	—
Sarasin IE GlobalSar Dynamic USD A Acc	-7.30	31/01/2016	2.00	6.00	31/07/2016
Templeton Global Balanced R	-10.24	29/02/2016	4.00	10.00	31/12/2016
EAA Fund USD Moderate Allocation	-5.69	29/02/2016	4.00	5.00	31/07/2016

Source: Morningstar Direct

AXA FRAMLINGTON MANAGED BALANCED

Fund manager	Jamie Hooper	**No of quarters**	7
Benchmark	100% IMA OE Mixed Investment 40%-85% Shares Sector	**Risk Description**	Moderate Aggressive
Role of Benchmark	Agnostic	**Inception Date**	23 December 1992
Return Focus	Relative	**Fund Size (£b)**	£ 1056
Philosophy	Fundamental bottom-up with top-down asset allocation, GARP approach	**Fee Description (retail class)**	Annual management fee
Category	Moderate Growth	**Annual management fee**	1.25%
		FSB Approved	No

Key Insights

The AXA Framlington Managed Balanced Fund is managed by Jamie Hooper who has more than 20 years' investment experience and co-managed the fund with Richard Peirson (45 years' investment experience) for the last 5 years before Peirson's departure from AXA Framlington. The investment philosophy can best be described as top-down asset allocation, with a bottom-up GARP approach to stock selection. Fundamental research and bottom-up stock picking is at the heart of the investment process. Constructing well-diversified portfolios and having a long-term focus is at the core of their investment philosophy. This is an equity-centric balanced fund, with equity exposure ranging between 75% and 85%. Cash and bond exposure will subsequently range between 15% and 25%. As a result, investors should not expect this fund to ever have a significant holding in fixed interest assets. The fixed interest component of the fund is seen as an insurance policy to smooth out the volatility from equity markets. Positions are taken relative to the benchmark, but the fund generally has a higher allocation to UK equities and bonds. UK equity exposure has typically ranged between 35% and 55%. Asset allocation should not fluctuate aggressively, with both portfolio managers following a more subdued asset allocation process. Instead, the portfolio managers take a long-term approach to asset allocation, which is selectively adjusted depending on the market cycle. The portfolio managers seek to add value primarily as equity stock-pickers. Derivatives will not be used in the fund, as the portfolio managers try to keep the process as simple as possible.

Fund Use

This fund can be used as a core holding in a moderate to moderate aggressive solution, with the majority of returns generated from the high equity exposure. An investor should however be cognisant of the fact that this fund has a UK bias. To provide geographic diversification, globally focussed, or region specific funds can be added to the portfolio. The investor should be willing to accept periods of poor performance and potentially heightened volatility, and willing to focus on more meaningful, longer-term periods. This fund can also be used to add diversification benefits, due to its low correlation to some of its peers. In particular, this fund can be used with the Foord International Trust fund (USD), the MFS Meridian Global Total Return fund (GBP) or the Orbis SICAV Global Balanced Investor fund (USD). This will smooth the return profile of the overall portfolio and reduce extreme levels of volatility and drawdowns.

Qualitative Highlights

The team behind this fund is highly qualified and experienced, with an easy-to- follow and robust investment process. Due to the backing of a well-established asset manager, the portfolio manager can focus his efforts on asset allocation and UK equities. The assets invested in Europe ex-UK, emerging markets, Japan, Asia Pacific ex-Japan and the US are delegated to the broader AXA group, with regional specialists taking the lead. The allocation to these managers is however determined by Hooper. The fixed income component of the fund is managed by a dedicated fixed income investment team. This team is headed up by Nick Hayes who joined AXA Investment Managers in 2010. On the fixed income side, they have a team of 30 dedicated credit research analysts and an additional 33 credit portfolio managers / analysts who will use the input from the dedicated credit analysts to derive relative views between issuers of a given sector. The fund typically has holdings ranging between 180 and 200 counters, speaking to its level of diversification. It is actively managed and follows a stringent buy and sell discipline. The fund manager looks for opportunities which create shareholder value and provide "growth at a reasonable price". The risk management component is thorough, involving numerous checks and balances to identify and manage any unintended risks. These risks are not only monitored by the manager, but by an independent investment risk team. AXA Investment Managers forms part of the bigger AXA Group, which provides them access to broader resources and operational capabilities within the parent company.

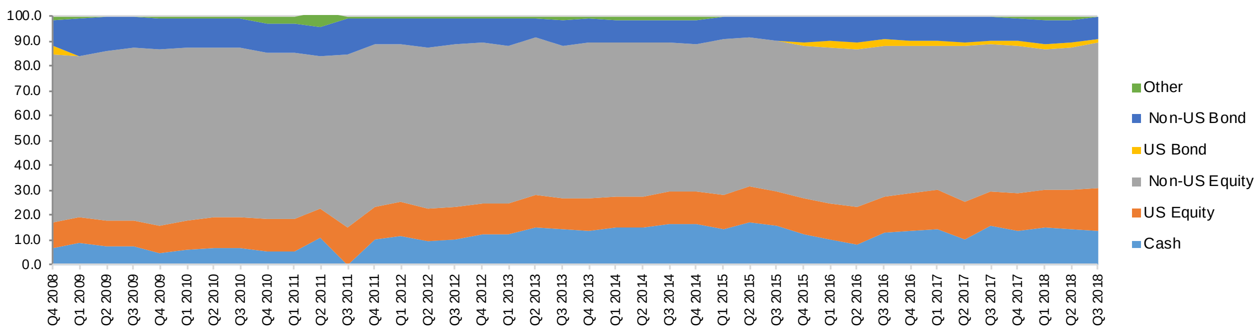
Quantitative Highlights

The AXA Framlington Managed Balanced fund has one of the lowest maximum drawdowns over the last five years when compared to its peers, reaching a maximum of -8.64% over the period. Its average drawdown paints a similar picture, at approximately -4.53% over the same period. On a risk-adjusted basis, the fund has slipped over the last two years to having one of the lowest Calmar ratios relative to Shopping List peers. The standard deviation of the fund is relatively high, reducing its Sharpe ratio over a three-year period. Looking at a 10-year period, the fund's rolling three-year Sharpe ratio has declined significantly over the last two years, below that of its benchmark. This recent underperformance of the fund has placed this fund under review by Glacier Research. Caution should be paid to the fact that, in times of severe market stress when market crashes have occurred, this fund displays sharper drawdowns than peers.

Current Portfolio Positioning

The third quarter of 2018 saw a continuation of the recovery in the fund's performance in GBP, returning 1.76%, outperforming its benchmark by 24 basis points. Year-to-date, the performance has been impressive, with the fund adding 3.59%, outperforming the benchmark by 1.39%. The portfolio manager notably increased the fund's exposure to UK assets by 8% to 53% from the first quarter. North American exposure was slightly reduced from 19% to 17%. This shift in geographical allocation actually detracted from performance as equity markets were varied during the quarter. US equities continued their strong gains driven by a healthy domestic economy. The other global regions were affected by softening growth, global trade wars and higher US interest rates. UK equities were negative over the quarter, with the FTSE 100 declining by 0.59%. This was mainly due to Brexit concerns. Emerging markets continued to suffer from investment outflows after the market turmoil created in Turkey. Nonetheless, the fund manager still has the AXA Framlington Emerging Markets fund as the top holding in the portfolio, at 2.72%. Fixed income, with two short duration UK Gilts occupying positons in the fund's Top 10 holdings, was also a positive contributor to performance as the Bank of England raised interest rates over the quarter by 25 basis points. On a sector level, healthcare exposure remained the largest at 13.18% of total equity. However, it was financial services (+3.20%), technology (4.75%) and industrials (+17.96%) which contributed the most to the fund's positive quarterly performance. At a stock level, the key positive contributors were Dexcom (+52.47%), Wirecard AG (+36.31%) and The Ultimate Software Group (+26.77%). Meanwhile, TP ICap (-36.59%), AXA Framlington Emerging Markets fund (-3.99%) and Just Group (-34.52%) were the largest underperformers.

Long Term Asset Allocation



BAILLIE GIFFORD MANAGED

Fund manager	Iain McCombie & Steven Hay	**No of quarters**	7
Benchmark	IA Mixed Investment 40-85%	**Risk Description**	Moderate Growth
Role of Benchmark	Cognisant	**Inception Date**	01 April 1987
Return Focus	Relative	**Fund Size (£m)**	£ 3,606.26
Philosophy	Stocks-driven asset allocation, long term, fundamental, bottom-up, with a growth focus	**Fee Description (retail class)**	Annual management fee
Category	IA Mixed Investment 40-85%	**Annual management fee**	0.4%
		FSB Approved	No

Key Insights

The fund aims to produce attractive returns, mainly through capital growth, over the long term by investing in any economic sector worldwide, either directly or indirectly. Investment will mainly be in shares of companies, bonds and other funds (but no more than 10% of that fund). Derivatives may be used to protect or increase the value of the fund. The portfolio will generally also have exposure to some medium and smaller sized companies, as well as the largest 'blue chips'. The fund managers focus their resources on gaining broad, longer-term insights into the business models and competitive advantages of the companies in which they invest, and typically take a three to five-year view in their analysis. Equity selection is carried out through a robust fundamental bottom-up process. However, for fixed-income, the Credit and Rates & Currencies teams combine stock-picking in corporate bonds with a more macroeconomic approach in government securities and currencies. The portfolio has relatively low turnover and the fund managers tend to ignore short-term market noise. Annual turnover in the fund has on average been less than 20% over the past five years (rolling one-year turnover).

Fund Use

The fund can be considered to be an "all-weather" fund. It has a strong balanced strategy and invests across equities, bonds and cash and will serve as a strong core holding within a moderate growth portfolio. The fund is managed according to a fundamental bottom-up approach with little attention given to macro factors and the constituents of the benchmark. However, attention is given to the fund's benchmark for risk management purposes. Their proprietary systems analyse the difference between the portfolio and its benchmark, and their risk department provides analysis of the portfolio, particularly volatility-based approaches such as tracking error, and stylistic features of the whole portfolio. As a result of this process, the fund will blend well with funds which are totally agnostic to a comparative benchmark, such as the Nedgroup Investments Global Flexible fund. This fund also has a low correlation with the MFS Meridian Global Total Return fund, which can best be described as a top-down, bottom-up, relative value fund with a quality bias, and will therefore provide good diversification benefits when used in a portfolio. This fund is only available via the Global Life Plan.

Qualitative Highlights

Baillie Gifford is 100% owned by 41 current partners - all of whom are employed on a full-time basis. The firm employs 105 investment professionals across 16 teams. Baillie Gifford's philosophy can best be described as long-term, fundamental, bottom-up, with a growth focus. The firm has great depth in capability. They have a strong equity capability through specialist equity teams focussing on regions such as Japan, Continental Europe, North America and Emerging Markets. They also have a sound fixed income capability, which they believe adds value by taking active positions across a wide range of fixed income assets, with added value likely to come from asset selection in corporate bonds, taking duration and yield curve positions in government bonds, active currency management and asset allocation. The Baillie Gifford Managed fund is made up of six independently managed in-house funds. McCombie and Hay are the lead portfolio managers of the Managed fund and incorporate the underlying funds that are managed by designated individuals within each of the respective regional teams. These portfolio managers not only leverage off the experience within their respective teams, but also leverage off the broader investment team. The team looks to add value primarily through bottom-up fundamental stock and issuer selection. Sector and country allocations are an output of this process. Asset allocation calls are driven by the views of the investment teams, based on the availability of attractive long-term investments in each area. The Policy Setting Group, which comprises senior investment professionals, meets on a quarterly basis (or more regularly if required) to assess certain inputs and set targets for the fund's exposure to each of the respective regions and asset classes. This is an important qualitative strength, as the most experienced investment team members are at the helm of overseeing the asset allocation calls. The Managed fund may, from time to time, take significant tactical positions in equities relative to bonds if they believe that the investment environment warrants such a move. Their regional equity weightings are driven by bottom-up stock selection.

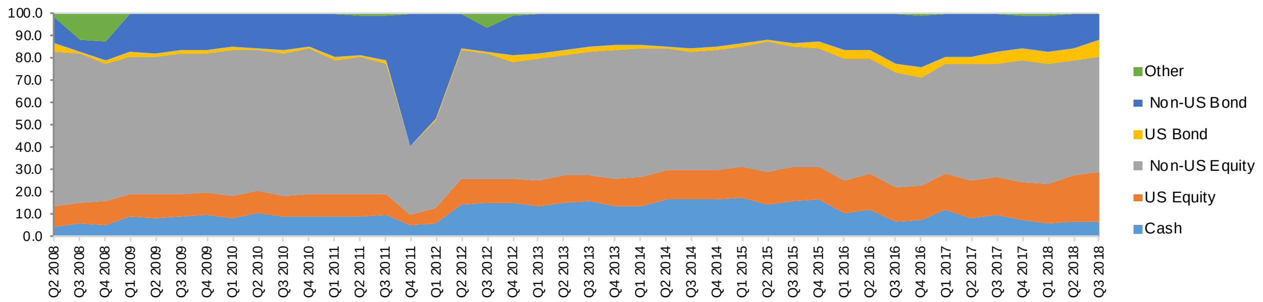
Quantitative Highlights

Over the past 15 years (on a rolling three-year basis) the fund has been able to outperform its benchmark (IA OE Mixed Investment 40-85% Shares) over most periods and in a very consistent manner. When looking at rolling five-year returns, the fund has never underperformed its benchmark. The fund has done this with drawdowns traditionally lower than the benchmark, but at higher levels of volatility. The fund has compensated investors for these higher volatility levels, as is reflected by superior risk-adjusted returns measured by its Sharpe Ratio. The fund's returns need to be measured over slightly longer-term time horizons, as this is a fund predominately focussed on growth from a style perspective, which is seen as a longer duration type style. The fund's performances over shorter periods should therefore benefit from lower levels of inflation and falling interest rates; conversely, performances will be negatively impacted by higher levels of inflation and rising interest rates over the short term.

Current Portfolio Positioning

The fund experienced a strong performance of 3% over the quarter, outperforming its sector benchmark by 1.60%. On an annual basis, the fund exceeded its benchmark by 7.7%, returning 13.1% over the last year. Despite the fund's large exposure to UK equities (18.60%), which struggled over the quarter due to the broader UK equity market ending lower by 0.58%, the fund's other major equity market exposures showed robust returns. A booming US economy led to yet another remarkable leg up in the long bull-run in US equities. The S&P 500 rose by 8.5% in GBP over the quarter, with the portfolio well-positioned to benefit from this, with 21.1% exposure to US equities. European and developed Asian equity returned 3.2% and 3.3% over the quarter, which assisted the fund's performance. On a sector level, the fund is positioned overweight to consumer services (+9.3%) and industrials (+7.5%), which benefitted the portfolio as consumer services gained 5.7% and industrials rose by 6.9% over the quarter. The major underweight positions relative to the benchmark were Oil & Gas (-5.4%) and financials (-2.8%), which actually had a strong quarter returning 4%, and therefore would have detracted from the fund's performance. On a stock level, the portfolio turnover remains relatively low. New additions to the fund have been Genus, which is a world-leading animal genetics company, Misumi, a wholesaler of machinery parts in Japan, Eventbrite, the world's largest e-ticketing platform for mid-sized events, and The Trade Desk (TTD) which is a centralised buying system for digital advertising. The largest equity holding in the portfolio remains Amazon (2.6%), followed by Grubhub (1.5%) and Netflix (1.1%). The fixed income portion of the portfolio was flat over the quarter. Positions in emerging and developed market government bonds were helpful, as was bond selection within the credit portion of the fund. Offsetting this, was the underweight position in investment grade bonds, which detracted as credit markets started to stabilise.

Long Term Asset Allocation



Fund manager	Dennis Stattman, Dan Chamby, Russ Koesteric, David Clayton & Kent Hogshire	**No of quarters**	7
Benchmark	36% S&P500, 24% FTSE World (ex-US), 24% BofA ML Current 5-Yr US Treasury, 16% Citi non-USD World Govt Bond (60% Equity & 40% Bonds)	**Risk Description**	Moderate Growth
Role of Benchmark	Agnostic	**Inception Date**	3 January 1997
Return Focus	Relative	**Fund Size ($m)**	$ 18 643
Philosophy	Fundamental bottom-up with top-down asset allocation	**Fee Description (retail class)**	Annual management fee
Category	Moderate Growth	**Annual management fee**	1.50%
		FSB Approved	No

Key Insights

The fund combines a fundamental, bottom-up process with top-down asset allocation in order to find undervalued global investment opportunities, while looking to mitigate macro risks. This is done through the combination of traditional and non-traditional asset classes and investments across the capital structure. Leading the team, are four CFA Charterholders, who are very experienced, as they have between 17 and 32 years of experience in the industry. The investment opportunity set is unconstrained, as the Global Allocation fund is invested in over 700 securities across more than 40 countries and 30 currencies. The investment process combines stock selection with asset allocation and integrates both top-down and bottom-up analysis. Senior analysts and research associates are categorised by global sector along with regional specialisation, and focus on independent individual security selection. The portfolio managers, using the information from the analysts, along with their own top-down analysis of factors such as interest rates, inflation forecasts, country fundamentals and growth forecasts, government yields and GDP, are then responsible for determining the top-down asset allocation of the strategy along with the long- term themes, focusing on areas offering value and avoiding areas that are overvalued or pose near term risks to the portfolio.

Fund Use

The fund combines traditional and non-traditional investments across the capital structure to achieve its stated objective. The investment opportunity set is unconstrained, adding diversification benefits within the fund. The fund is suitable as a core holding in a balanced portfolio which has true global exposure with no bias towards a specific region. Due to its objective of delivering stock market returns at less risk over a full market cycle, it may experience times of poor performance. This fund should be used alongside peers with low correlations to offset these periods.

Qualitative Highlights

One of the standout features of this fund is the size and experience of the team responsible for its management. The investment team consists of more than 50 individuals who are able to cover and access a large number of global opportunities. This is a considerable advantage relative to other multi-asset teams. The concern over idea flow not influencing the investment decision is alleviated by the good communication between the analysts and portfolio managers. Another noteworthy aspect relating to the team is the fact that they only focus their attention on one strategy, which doesn't dilute their time into other ventures. Even with their focussed approach, they are able to leverage off the larger Blackrock Group. The strategy dates back to 1989 and has been through numerous market cycles, which adds to the team's "experience credentials". This experience has been retained within the team, as the portfolio managers have some of the longest tenure amongst the fund's peers. The senior analysts and portfolio managers have, on average, over 20 years of investment experience. Dennis Stattman, one of the fund's longest serving portfolio managers, retired at the end of July. The fact that he continues to serve as an adviser to the Head of the Multi-Asset Strategies Group, as well as the fund's large team-based approach (four portfolio managers & 50+ members in the team) means that concerns over his retirement are partially mitigated and the fund is expected to continue to display the same return profile.

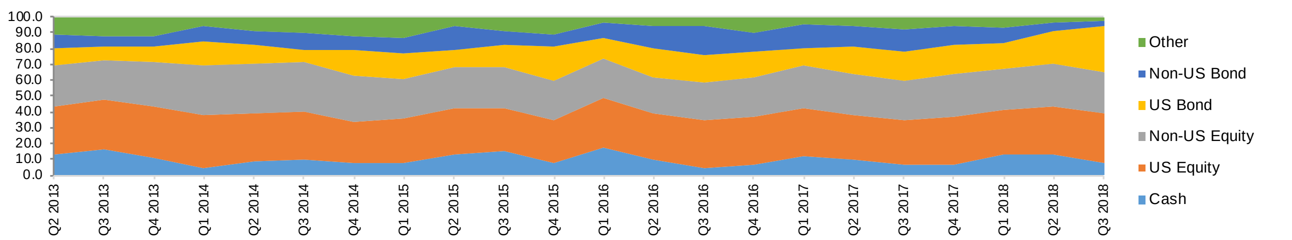
Quantitative Highlights

Over a three-year period, the fund has produced muted returns, obtaining 3.39% per annum. This is overshadowed by the benchmark's return, which managed to produce a healthy 5.73% over the same period. Since inception, the fund has, however, manage to outperform its benchmark marginally by 0.46% per annum, returning 6.94% versus the benchmark's 6.48%. The annual volatility of the fund has remained relatively stable, at approximately 6.88% per annum over a three-year period. This compares favourably to the majority of its peers, with competing funds' volatility reaching levels of between 8% and 13%. The maximum drawdown of the fund is in line with the majority of its peers, reaching its lowest point in three years in February 2016, at -10.63%. Rolling three-year returns suffered due to poor performance over 2015, 2016 and 2017, which also had an adverse effect on the rolling Sharpe ratio of the fund. The rolling Sharpe ratio has however managed to keep up with its peers, due to lower-than-average rolling volatility.

Current Portfolio Positioning

The fund delivered positively over the quarter, returning 1.14%, underperforming its composite benchmark by 1.59%. Global indicators suggest that global growth should remain solid, although with increased regional deviation. Given the potential for higher volatility, the fund holds cash, treasuries as well as an overweight to the US dollar. Globally, the industrials sector is facing a number of headwinds – elevated valuations, a slowing in leading indicators, and weakening demand from China and Europe. The Global Allocation fund holds an underweight position to the industrials sector as a whole; however, despite these headwinds, the managers see value in specific segments that stand to benefit from the growth of the world's middle class. The fund seeks out companies with particularly compelling prospects for capitalizing on this global trend. They believe that the growth in middle class incomes will increase the demand for travel from China to Japan and from Japan to other countries. Therefore, the fund has exposure to companies in Japan that can benefit from the rapid growth of inbound visitors from China. The fund's overweight position to India and stock selection in financials detracted from returns. An overweight position to Japanese stocks, stock selection in industrials and a fixed income underweight contributed to returns. With regards to asset allocation, the fund is very much on par with the benchmark (60% equity, 40% fixed income), with the largest deviation being the fixed income asset class where the fund is underweight by -10.31% whilst only being +1.86% overweight equity. Geographically, North America continues to retain the highest exposure at approximately 60.84%; however, this is slightly underweight the benchmark allocation of 61.30%. This is a combination of both equity and fixed income regional exposure, with fixed income exposure at 25.32%. European equity, the third largest regional allocation (after North American equity and fixed income) is underweight -2.86% relative to the benchmark. Exposure to Japan has the largest overweight position of +4.22% relative to the benchmark, on the back of the global growth theme of raising middle class incomes. On a currency basis, the fund has significantly increased its exposure to the USD, with an overweight position of +9.40% relative to the benchmark, at 69.44%. This is followed by exposure to the EUR at 9.09%, which was reduced by 5.02% relative to the benchmark. Overall other currency exposures are underweight the benchmark, on average by 1.27%. While the fund does invest in a large number of holdings, their larger allocations play a significant role in the performance of the fund and can impact overall return significantly. Top 10 holdings that contributed significantly to performance were Apple (+22.38% USD), Microsoft (+16.43% USD) and Amazon (+17.84% USD), while the only top 10 holding to significantly detract from performance over the quarter was Facebook (-15.37%) and Anadarko Petroleum Corp, returning -7.61%.

Long Term Asset Allocation



Fund manager	Louis Stassen & Neil Padoa	**No of quarters**	7
Benchmark	60% MSCI AC World NR, 40% Barclays Global Bond Aggregate	**Risk Description**	Moderate Aggressive
Role of Benchmark	Agnostic	**Inception Date**	01 March 2010
Return Focus	Relative	**Fund Size ($m)**	$ 930.44
Philosophy	Bottom-up, valuation-driven	**Fee Description (retail class)**	Annual management fee & performance fee of 0.10%
Category	Moderate Growth	**Annual management fee**	1.25%
		FSB Approved	Yes

Key Insights

The fund is managed according to the Coronation DNA. This embraces a common-sense, valuation-driven process of identifying mispriced assets that are trading at a discount to their long-term value. The fund is biased towards equities, and primarily invests in developed economies (including the US, Europe and Japan) although the fund is mandated to also invest in emerging markets. The fund has a maximum exposure limit of 75% to equity and 10% to property. The equity component of the Coronation Global Managed fund also reflects Louis Stassen's best view in the Coronation Global Equity Select fund. Equity counters included in this fund will typically be high-quality global companies, where a specific focus is placed on companies' incentive scheme structures, management quality, MOAT and capital structure. In addition to this, the members of Stassen's seven-member team express their high-conviction views by making use of derivatives and ETFs in the Coronation Global Managed fund. Stassen's team also leverages off research conducted by Gavin Joubert's GEM (Global Emerging Markets) team, should they want to increase their exposure to emerging markets. The fixed interest research is conducted by the fixed interest and property team, headed by Nishan Maharaj. Stassen's team leverages off this research to implement their view in the fixed interest component of the CGM. Furthermore, Stassen makes use of a merger arbitrage bucket, which can essentially be seen as an alternative to cash where it does not exceed 10% of the portfolio. The merger arbitrage bucket has historically never been greater than 4.5% of the fund, and has contributed positively to performance in the past.

Fund Use

The fund provides exposure to managed growth-oriented offshore multi-assets. Unlike the Investec Global Strategic Managed fund (its Shopping List peer), this fund is a more traditional global balanced fund and is biased towards equity counters, with the remainder in cash. Meanwhile, the fund is mandated to invest in bonds, cash, equity, property and commodities. The intent is to keep the fund fully invested offshore at all times. The fund's exposure will be in a variety of currencies, primarily the US dollar, British pound, euro and yen. This fund is suitable for investors who are looking to add developed markets and emerging markets exposure with relatively low volatility to their portfolios. It is also a fund that can be utilised as a core holding within a more aggressive multi-asset portfolio. It is a fund that will blend well with a more cautious, high alpha and low beta fund, such as the Sarasin IE GlobalSar Income fund. Alternatively, it could also be used effectively with a pure global equity fund such as the Investec Global Franchise fund, which has a large quality bias and thereby achieves low correlation, offering good diversification benefits.

Qualitative Highlights

Coronation's proprietary research is centralised, and the management of this fund leverages off a house-view and valuation-driven research process of picking stocks through a bottom-up approach. The asset allocation is determined by Coronation's long-term risk-adjusted returns proprietary model based on underlying fundamentals. With the backing of Coronation's senior management's deliberation on asset allocation, Stassen is well-positioned to implement active asset allocation to express his strong convictions in the multi-asset portfolio. Regional allocation is merely a result of Coronation's fair-value rankings. Qualitative research follows after the quantitative research, where some of the potential securities are flagged by the proprietary ranking table. The portfolio leverages off Gavin Joubert's GEM team and Nishan Maharaj's team. Since the team is based in South Africa, they tend to lean towards industries with which they are comfortable. This fund is a more traditional multi-asset fund with an inclination towards equities. However, it is worth mentioning that this fund has expanded its asset allocation offering to include gold as a hedge against global uncertainty and merger arbitrage, i.e. companies involved in corporate transactions where the deal may favour patient investors. They have also increased their exposure to alternative asset managers.

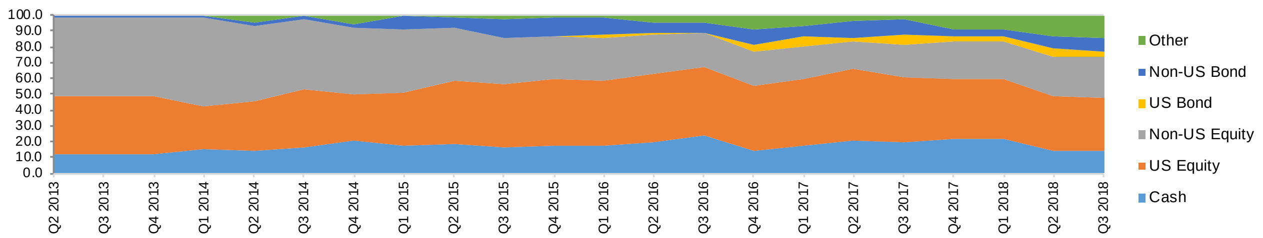
Quantitative Highlights

Since inception (on a rolling three-year basis) the fund has been able to outperform its benchmark (60% MSCI AC World NR, 40% Barclays Global Bond Aggregate) 86% of the time and in a very consistent manner. It has only struggled to outperform the benchmark in 2016, which was generally a difficult year for investors globally. However, when looking at rolling five-year returns, the fund has never underperformed its benchmark. The fund has done this with drawdowns traditionally higher than those of the benchmark and also at higher levels of volatility. The fund has also not compensated investors for these higher levels of volatility, as is reflected by lower risk-adjusted returns measured by its Sharpe Ratio. The fund's returns need to be measured over slightly longer-term time horizons, as this is a fund which is predominantly focussed on growth from a style perspective, which is seen as a longer duration type style. Also, this fund was launched after the global financial crisis and has not seen a full bear market and remains to be truly tested in prolonged adverse market conditions.

Current Portfolio Positioning

The fund delivered positively over the quarter, returning 0.92%, underperforming its composite benchmark by 1.26%. Global equity markets ended the quarter in positive territory, with the largest economy still the leader in terms of growth. Trade tension between China and the US continued to escalate, with the latest talks not resulting in any resolution. Overall, strong corporate earnings and economic growth were enough to support sentiment and global equity markets reached new highs. The MSCI ACWI returned 4.3% for the quarter, with emerging markets underperforming developed markets, producing a return of 0.1%. The global bond index generated negative returns over the last three months, resulting in a negative 1.3% return over the last year. Ten-year yields in the US have moved from 2.9% at the end of June 2018 to 3.1% at the end of September 2018 and have subsequently moved to over 3.2%. The bigger issue that investors need to focus on is the process of interest rate normalisation playing out in the US. The managers continue to exercise caution with regards to the bond market, despite the weakness over the last few years. Listed property had a tough quarter, with essentially a flat performance. UK property continued to suffer from a weaker fundamental outlook, with further uncertainty regarding the Brexit outcome muddying the waters. The fund's property holdings, which have a disproportionate exposure to the UK, suffered as a result, although the potential bid for UK Real Estate Investment Trust Intu after quarter-end, has lifted the prices of some of these counters. At an asset allocation level, the fund had 56.9% in equites, 12.2% in property, 2.1% in commodities, 19.4% in bonds and 8.9% in cash. On a sector basis, the sectors that contributed poorly to the fund was led by communication services (-5.79%), consumer defensive (-1.43%) and real estate (-3.31%). Sectors contributing to performance were led by healthcare (+13.76%), financial services (+10.65%) and industrials (9.36%). On a stock level, the fund's most notable contributors to equity performance over the quarter were the positions in Advance Auto Parts (24.09%), Blackstone group (20.32%) and Walgreens Boots Alliance, returning 22.23% and contributing 0.82%, 0.58% and 0.46% respectively. The largest detractor was the fund's holding in Altice NV, which dropped -33.78% and detracted -1.53%, followed by JD.com and Facebook returning -33.02% and -15.37%, detracting -0.50% and -0.47% respectively.

Long Term Asset Allocation



Fund manager	Brian Arcese and Dave Foord	**No of quarters**	7
Benchmark	Inflation-beating US dollar returns over rolling five-year periods	**Risk Description**	Moderate Growth
Role of Benchmark	Agnostic	**Inception Date**	10 March 1997
Return Focus	Absolute	**Fund Size ($m)**	$ 511.5
Philosophy	Top-down, bottom-up, valuation driven approach	**Fee Description (retail class)**	Fixed annual management fee
Category	USD Flexible Allocation	**Annual management fee**	1.35%
		FSB Approved	Yes

Key Insights

The Foord International Trust is a conservatively managed balanced fund with a flexible mandate, implying variable weights will be assigned to asset classes to achieve the fund's mandate. This mandate allows for investment across a multitude of asset classes, including international equities, ETFs, UCITS and other UCIs, convertible bonds, interest-bearing securities, warrants and cash deposits. The goal of the fund is to achieve long-term, inflation-beating returns over rolling five-year periods, as measured in US dollars. The risk of loss over shorter periods within this fund is high, decreasing over periods of one year. The fund leverages off the strong Foord investment philosophy, process and team. Fixed-interest exposure, more often than not, will tend to be investment-grade quality instruments, and will compete on a relative basis with other asset classes for a position in the portfolio. Equity exposure will focus predominantly on the Top 500 companies of the MSCI World Equity Index and will mainly consist of developed market counters. Equity exposure of the fund can vary between 30% and 70%, and is primarily driven by valuation

Fund Use

This fund should be used by individuals seeking longer-term returns while being able to stomach shorter-term volatility. Due to its flexible mandate, the fund's exposure to various asset classes should provide diversification. This positions the fund to be used in a multi-asset portfolio, providing protection against long-term US inflation. Due to its benchmark agnosticism, it has a high level of tracking error to comparative benchmarks, and performance will vary throughout the market cycle. When used in conjunction with other funds in this category, the fund should provide unique asset class positioning, adding to the benefit of diversification.

Qualitative Highlights

The Foord investment team is experienced and collaborative, placing a high degree of importance on knowledge-sharing. The International Trust leverages off the complete global capabilities of Foord. The philosophy of the fund focuses on getting the big calls right, buying at the right price, taking a long-term view and being patient. The benchmark is ignored when constructing the portfolio and managing risk. The investment team implements a dynamic and flexible asset allocation policy, and the main aim is to have a well-diversified, focused portfolio of undervalued, high-quality investments. Their asset allocation style is predominantly top-down, value-orientated but also incorporates bottom-up portfolio construction. They use a forward-looking process, and they believe it is possible to form a good directional view on the interest rate cycle. Asset allocation is determined by the risk on the equity side, with bonds, cash and commodity exposure making up the balance of the portfolio. Asset classes are compared on a relative basis, using risk to reward. A strong preference is given to quality companies with good dividend yields, which have shown the ability to generate stable earnings through the business cycle. They endeavour to understand the business model, quality of earnings and the drivers of these earnings. This includes understanding the company's balance sheet, income and cash flow statements, economic cycle and changes in the industry that may affect a particular company.

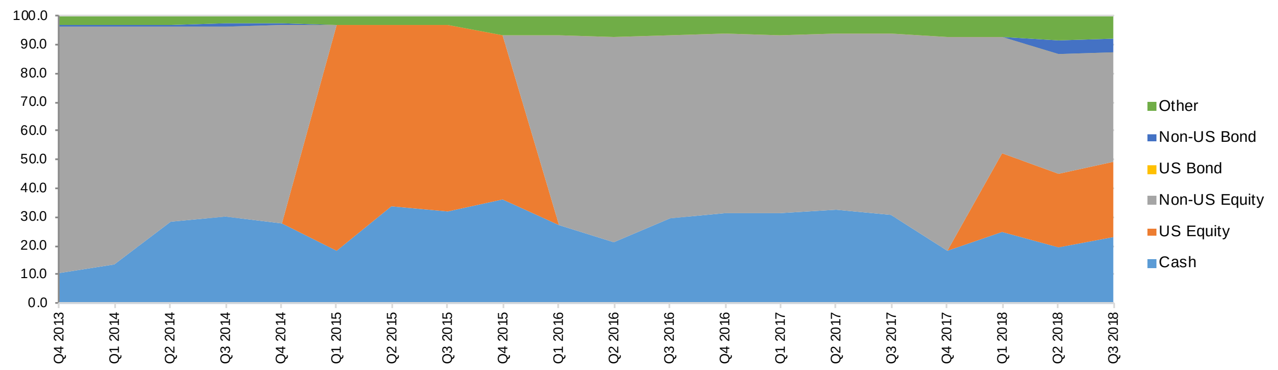
Quantitative Highlights

Over three, five and 10-year periods, the fund has managed to outperform its benchmark by 3.9%, 1.6% and 4% respectively. Similarly, it has managed to outperform its peer group by 1.3%, 0.9% and 3.2%. Since inception, the fund has performed in line with world equities, as measured by the MSCI Daily Total Return Net World USD Index, returning 6.6%. When compared to its peers, the fund shows mid-level volatility and drawdowns. Rolling period returns are in line with those of its peers, in spite of its weak performance during 2014 to 2016. Given the levels of volatility experienced, this fund has delivered rolling Sharpe and Calmar ratios generally consistent with those of its peers.

Current Portfolio Positioning

The fund returned 0.6% for the quarter ending 30 September 2018, performing in line with its benchmark (US inflation), but underperforming its peer group, which delivered 1.2%. World equities, as measured by the MSCI Daily Total Return Net World USD Index, delivered 5%, while global fixed income, as measured by the Salomon Smith Barney World Government Bond Index, fell 0.8%. The exposure to equities in the fund decreased to 64%, still above its target of 60%. The cash holding, retained in US dollars, increased to 23%, remaining below the 28% target, as the portfolio managers maintain their cautious stance.This provides optionality to increase equity exposure if opportunities arise, and provides a buffer to market fluctuations. Property and commodity exposures remain muted, at 4% each (slightly above the property target of 3% and in line with the commodities target level of 4%). The fund had no exposure to government bonds at quarter-end. Geographically, the fund's underweight exposure to the US and overweight position in China detracted from performance. The S&P 500 TR Index returned 7.2% for the quarter while the Chinese market gave up 7.5% on the back of the US-China trade war. From a sector perspective, the fund's overweight position in healthcare contributed to performance, as this was the top performing sector returning 11.5% during the quarter. The underweight exposure to the technology sector detracted from performance, as it returned 8.1%.

Long Term Asset Allocation



INVESTEC GLOBAL STRATEGIC MANAGED

Fund manager	Phillip Saunders & Iain Cunningham	**No of quarters**	7
Benchmark	60% MSCI AC World NR, 40% Citigroup World Government Bond Index	**Risk Description**	Moderate Growth
Role of Benchmark	Agnostic	**Inception Date**	06 February 1995
Return Focus	Relative to AC MSCI World	**Fund Size ($m)**	$ 1000.0
Philosophy	Fundamental, valuation and market behaviour	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	1.5%
		FSB Approved	Yes

Key Insights

The investment approach, where investment ideas are generated across a wide range of traditional and non-traditional assets and strategies, is one of the key differentiators. All opportunities are assessed on the team's three "Compelling Forces", namely fundamentals, valuation and market price behaviour. Appropriate levels of diversification are attained by categorising assets and strategies into "growth, defensive or uncorrelated" categories, based on their expected behaviour, in order to ensure more robust portfolio construction. The sources of alpha are equity selection, bond selection, asset allocation, thematic positions and currency overlays. Philip Saunders, one of the co-managers, is also the head of Investec Asset Management's global asset allocation committee. The asset allocation is based on absolute and relative value. The benchmark is not considered for asset allocation, but it is utilised to define the risk budget. Saunders has managed multi-asset mandates since 1991 and has also run total return and inflation-relative portfolios since 2003. Iain Cunningham has joined as co-portfolio manager in September 2016 after the departure of Max King in June 2016.

Fund Use

The Investec Global Strategic Managed fund is not a typical global balanced fund and provides investors with access to broadly diversified global multi-assets, which include both traditional and non-traditional (alternative) investments – private, unlisted equity, closed-ended funds and infrastructure. Both the asset allocation and currency decisions allow the Global Multi-Asset team to express evolving strategic views, exploit tactical opportunities and to protect against market events. This fund also aims to provide "equity-like" returns with relatively lower volatility. The long-term strategic asset allocations are as follows: 30-75% in equity, 0-25% in cash and 15-70% in bonds. The tracking error to the reference benchmark is expected to range between 3% and 8%. Meanwhile, the fund has an outperformance target of 2% over a rolling three-year period relative to its benchmark (gross of fees). Despite the three-year outperformance target, the portfolio managers encourage an even longer investment horizon of more than five years. This portfolio reduces the volatility when blended with a more equity-biased global balanced portfolio such as the Baillie Gifford Managed fund.

Qualitative Highlights

The core global equity selection component is managed through Investec's 4Factor Global Core Equity Strategy – comprising strategy, value, earnings and technical. The 4Factor Global Core Equity Strategy team looks for high quality stocks with attractive valuation, displaying improving operating performance and increasing investor attention. The Global Multi-Asset's thematic selection is an expansion of the investment opportunity set. Positions can include bonds, equities and alternative asset classes, which are held on a multi-year basis. The Global Multi-Asset team has an average of 24 investment professionals based in London and three based in Cape Town. The specialist teams can broadly be classified as equities, fixed income and alternative investments teams. The team is further divided into seven specialist research groups: "Macro", "Equities", "Forex and Rates", "Credit", "Commodities", "Property, Infrastructure and Private Equity" and lastly, "Alternative Risk Premia". Members of the respective specialist research groups are encouraged to attend other specialist group meetings. The Global Multi-Asset team is integrated, while the open-plan setting ensures that individuals can leverage off each other while being able to conduct research in a specialist and focussed manner. The nine specialist portfolio managers have extensive and relevant industry experience, with 11 years as the minimum years of relevant experience (two portfolio managers) and 33 years as the maximum. This group has been quite stable, while the entire team comprises high calibre individuals. Saunders has more than 34 years of relevant industry experience and has been with Investec for more than 30 years. Max King has retired from Investec Asset Management, thereby relinquishing his role as co-portfolio manager as at the end of June 2016, and Iain Cunningham has joined Saunders as co-portfolio manager from September 2016. Furthermore, the managers are highly experienced investment professionals, and Saunders has been managing this fund since 2004.

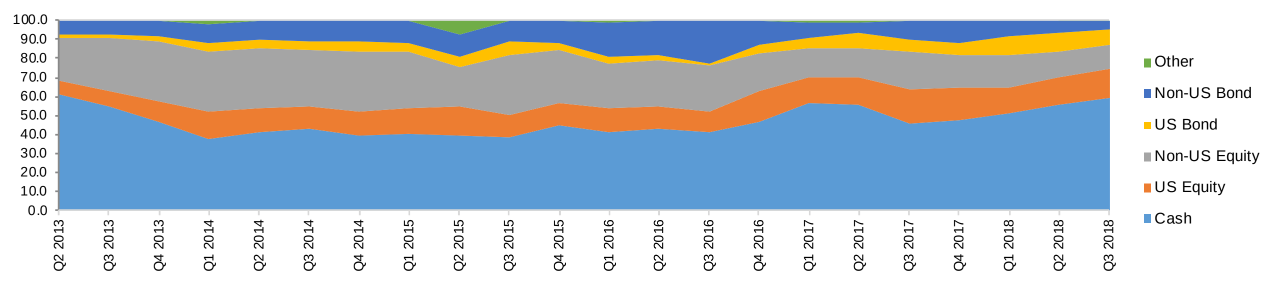
Quantitative Highlights

Since inception (on a rolling three-year basis) the fund has not been able to outperform its benchmark (60% MSCI AC World NR, 40% Citigroup World Government Bond Index) over most periods, with outperformance only being achieved over the 2015 calendar year. When looking at rolling five-year returns, the fund still underperforms its benchmark over most periods except for the 2014 calendar year. The fund's drawdown profile is higher than its benchmark and shopping list category peers, particularly in times of down markets. The fund's maximum drawdown since inception came during the global financial crisis, where it registered a -44.04% drawdown compared to a -36.09% drawdown in its benchmark. The fund experiences higher downside deviation (negative volatility) than its benchmark and other shopping list peers. As a result, it has a lower Sortino ratio than the benchmark, since it experiences larger negative volatility. Investors are also not commensurately compensated for the amount of risk in this fund as its risk-adjusted returns, as measured by its Sharpe Ratio, is lower (0.35%) over most periods since inception than those of its benchmark (0.44%).

Current Portfolio Positioning

The fund returned negatively for the quarter, delivering -0.65%, underperforming its benchmark which returned 1.89%. From a geographical perspective, the fund's largest exposure was to the US (47.3%), followed by Japan (6.2%) and Emerging Markets (4.7%). US assets included a 34.2% holding in equities and a 13.1% holding in bonds. Global equity markets performed positively over the quarter, with the US still in the lead in terms of growth. However, trade tension between China and the US continued to escalate with the latest talks not resulting in any resolution. Overall, strong corporate earnings and economic growth were enough to support sentiment and global equity markets reached new highs. The MSCI ACWI returned 4.3% for the quarter, with emerging markets underperforming developed markets producing a return of 0.1%. With regard to the largest equity holdings of the fund, Microsoft returned 16.43%, Honeywell International returned 16.07% and Amadeus IT Holdings returned17.76%, contributing 0.29%, 0.22% and 0.15% respectively. Global bond yields increased towards the end of September as the Fed raised interest rates and warned of possible interest rate hikes in the near future. Ten-year yields in the US have moved from 2.9% at the end of June 2018 to 3.1% at the end of September 2018 and have subsequently moved to over 3.2%. The geographical bond exposure is 13.1% in the US, 2% in Canada and 0.8% in Australia. The largest fixed income position is a 4.8% holding in the United States Treasury Note. Over the quarter, the Barclays Global Aggregate Bond Index returned 0.4%. While the US dollar remains supported by strong economic growth and tightening monetary policy, 48.5% of the fund's currency exposure remains in the US dollar. From an asset class exposure perspective, the fund has 60.4% in equities, 19.8% in bonds and 19.8% in cash and forwards. The largest detractors from performance included Investec GSF ALL China Equity and Investec GSF APAC Equity Opps, returning -9.80% and -6.54% respectively.

Long Term Asset Allocation



Fund manager	Tony Finding & Juan Nevado	**No of quarters**	7
Benchmark	IA Mixed Investment 20-60% (equity)	**Risk Description**	Moderate Growth
Role of Benchmark	Agnostic	**Inception Date**	16 February 2007
Return Focus	Absolute	**Fund Size (£m)**	£ 622.90
Philosophy	Top-down asset allocation, valuation and market behaviour	**Fee Description (retail class)**	Annual management fee
Category	IA Mixed Investment 20-60%	**Annual Management Fee**	1.35%
		FSB Approved	No

Key Insights

The fund aims to maximise total return (the combination of income and capital growth) through investment in a diversified range of asset types. Subject to this, the fund aims to grow income in the long term (that is, over five or more years) and seeks to outperform the IA Mixed Investment 20-60% sector. The fund managers believe the best approach for achieving this lies in the flexible allocation of capital between asset classes, guided by a robust valuation framework. The fund managers seek to respond to occasions or 'episodes' where asset prices move away from a reasonable sense of fair value due to investors overreacting to events and allowing their emotions to cloud rational judgment. In particular, they seek to take advantage of these emotionally-driven misalignments, establishing asset positions that stand to benefit as prices gravitate back towards their longer term normalised valuation. They believe such 'episodes' create opportunities because emotions should be less important than underlying fundamentals over the medium and long term.

Fund Use

The M&G Episode Allocation fund is suitable for an investor looking to invest based on strong macro-economic indicators, and it will blend well with a purely bottom-up, stock-driven asset allocation fund such as the Baillie Gifford Managed fund, or a bottom-up, value-contrarian fund such as the Nedgroup Investments Global Flexible fund. The unique top-down investment style which emphasises taking advantage of market movements caused by macro events/episodes, means that this fund has good diversification benefits and can be included in portfolios that consist of funds with more traditional valuation-driven investment styles.

Qualitative Highlights

Co-fund managers Juan Nevado and Tony Finding are members of the M&G multi-asset team, located at M&G's head office in the city of London. The multi-asset team consists of 11 highly-skilled professionals who have robust experience in running multi-asset funds. The founding team has worked together for over 16 years and has managed the multi-asset mandates for the Prudential Life fund as well as external clients for more than a decade. All the managers are economists by training, and their investment philosophy, which seeks to exploit the impact of human psychology on asset pricing, has succeeded throughout a series of crises in financial markets. While each fund manager bears responsibility for the management decisions of their portfolio, the group functions as a team, continually sharing and testing investment ideas and assessing a wide variety of macroeconomic data. The fund managers have full responsibility for the investment performance of the fund and importantly, as M&G multi-asset team members, they are also actively involved in the generation and discussion of investment ideas by the team. Furthermore, the managers have frequent access to wider Prudential group resources, and meet every quarter with members of various Prudential teams from around the world, to discuss research and ideas at the Global Macro Forum. In terms of external resources, the team uses both investment banking research (brokers such as Citigroup Global Markets, Kepler Capital Markets, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, and others) and independent research such as Patelis Macro, Absolute Strategy Research, Longview Economics, Strategic Economic Decisions and others. The fund managers follow a highly flexible investment approach, with the freedom to invest in different asset types. The approach combines in-depth research to determine the value of assets over the medium to long term, with analysis of investors' emotional reaction to events in order to identify investment opportunities. The fund gains access to assets directly and indirectly through derivatives.

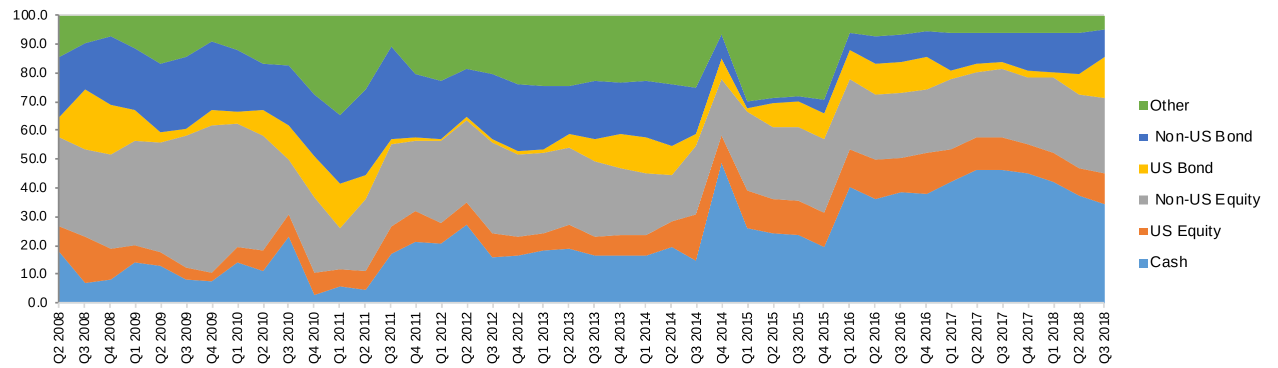
Quantitative Highlights

The fund outperformed its peer benchmark consistently since inception, by producing higher three-year rolling returns. However, this outperformance comes at a higher level of volatility. Since inception, the fund's standard deviation is 8.71% compared to a lower 7.59% achieved by its peer benchmark. This is marginally high, considering the fund has an equity allocation range of 20-60% which classifies it as a more cautious fund within the moderate growth category. Nonetheless, the fund's long-term target of Libor +5%, with two-thirds the volatility of equities has been achieved. Since inception, this fund has given an annualised return of 5.82% versus the target return of 5.5% per annum. Relative to other Shopping List peers in the moderate growth category, its drawdown profile is better than most, particularly in severe down markets. Its maximum drawdown since inception has been -16.12% (experienced during the global financial crisis), far superior to the -21.64% experienced by its sector average over this same time period. This highlights the investment philosophy which is evident in the contrasting fund positioning relative to the market, and also emphasises the fund's ability to protect capital when markets are falling.

Current Portfolio Positioning

The fund returned -0.06% over the quarter, underperforming the IA Mixed Investment 20%-60% sector average, which returned 0.74%. Year-to-date, global equity and emerging market bonds and currencies have seen a fair amount of turbulence. The collapse of the Turkish Lira in August, amid fears that the failure of Recep Tayyip Erdoğan's government to tackle its worsening financial crisis would have a domino effect on other vulnerable countries, resulted in contagion in other emerging markets. The M&G Episode Allocation fund has notable exposure to the Turkish Lira and other emerging market currencies, along with exposure to the government bonds of some of these emerging markets. This negatively affected the year-to-date performance of the fund, which is off by 2.65%. The portfolio managers still favour Japanese equity, with the fund's largest position being 10.5% in the Topix Index future, which experienced a strong recovery over the third quarter. Japanese equity returned 7.31% in GBP over Q3. Property remains a notable allocation within the portfolio, at 6.5% invested in the M&G Property fund, which has outperformed its comparative benchmark year-to-date. On a stock level, the major detractor from performance was the iShares MSCI Turkey ETF, which fell 19.65% and detracted 3.10% from the fund's equity performance. This was followed by banking stocks: Intesa Sanpaolo (-16.56%), UniCredit SpA (-14.63%) and Sberbank of Russia (-11.07%).

Long Term Asset Allocation



Fund manager	Equity: Nevin Chitkara, Steven Gorham, Benjamin Stone, Pablo de la Mata, & Jonathan Sage Fixed Income: Richard Hawkins, Erik Weisman, Robert Persons, Pilar Gomez-Bravo & Robert Spector	**No of quarters**	7
Benchmark	60% MSCI World Index (net div)/40% Bloomberg Barclays Global Aggregate Index	**Risk Description**	Moderate
Role of Benchmark	Agnostic	**Inception Date**	9 April 1990
Return Focus	Relative	**Fund Size ($m)**	$ 2 780.5
Philosophy	Top-down, bottom-up relative value approach with a quality bias	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	1.05%
		FSB Approved	No

Key Insights

The investment process is structured and easy to understand, with risk management playing an integral part in the team's focus. Numerous checks have been put in place to ensure that risk tolerances are adhered to. This fund is managed around a static allocation of 60% equities and 40% fixed income. Exposure relative to the strategic allocation above can deviate within a narrow corridor, namely by 2% in either direction. On the equity side, the fund follows a benchmark agnostic approach. The equity component is managed by the global value team, which is risk averse and has a quality bias. This differs from the MFS Global Equity Fund which is managed more aggressively, following a core-GARP approach. The fixed interest component of the fund uses the Barclays Global Aggregate Index as a duration benchmark, with only marginal deviations from this starting point. This fund will only buy investment grade instruments, and has a bias toward investment grade corporate bonds.

Fund Use

This fund can be used as a core holding in a moderate to moderate aggressive solution. An investor should however be comfortable with a relatively static asset allocation between equities and fixed income, with only minor deviations from the 60/40 allocation framework. With a low correlation to the majority of its peers, it can be used to add diversification to a portfolio and generate returns when peers are lagging. Most notably, funds like the Schroder MM Diversity Balanced Fund (GBP) and Nedgroup Investments Global Cautious Fund (USD) will add the best diversification. This fund is only available via the Global Life Plan.

Qualitative Highlights

The team is experienced and highly qualified, drawing from the knowledge of an extensive manager base. Responsibilities are split between debt and equity, ensuring that the mangers investing in their respective asset classes are highly specialised. When the equity and fixed income exposure in the fund deviates from the abovementioned allocations, the team will take the necessary steps to rebalance it. The tolerance range for equity is between 58% and 62%, while the allocation to fixed interest assets is between 38% and 42%. The equity and fixed income teams regularly interact and discuss the overall composition of the portfolio. The portfolio management team works closely with the analysts, accompanying them on company visits, and working through their financial models and valuation frameworks on an ongoing basis. The MFS global research platform is the foundation that supports all the investment decisions made for the fund. Analysts are organised into 8 global sector teams that include capital goods, consumer cyclicals, consumer staples, energy, financial services, health care, technology and telecommunications & cable. Each fundamental analyst will develop and maintain their own models, visit with company management and interview competitors, suppliers and customers in order to form an opinion on each company. Within the global sector framework, the team also incorporates relevant data points gathered by other analysts to complete the overall investment picture. Ultimately, this process leads to a "buy", "hold" or "sell" rating for each company that they follow.

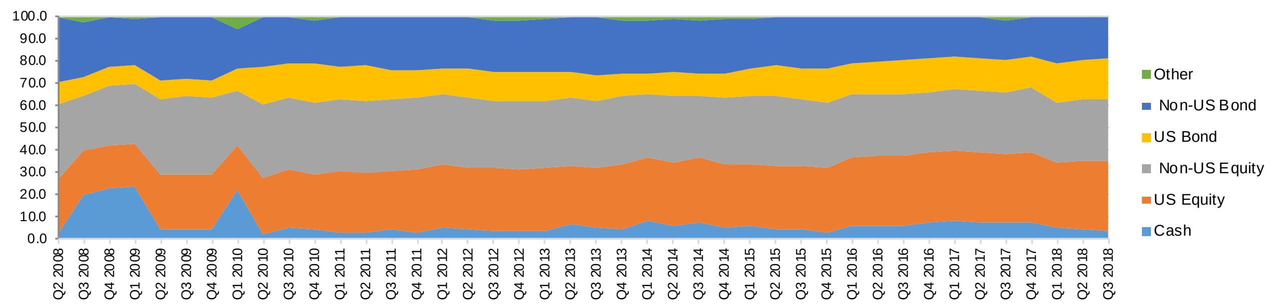
Quantitative Highlights

Over the past 10 years, on a rolling three-year basis, the fund has marginally underperformed its composite benchmark, but has managed to beat the category average over all periods. This was done with notably less volatility over the same period, as measured by its rolling three-year standard deviation. On a rolling risk-adjusted basis, by means of the Sharpe ratio, the fund has historically offered better risk-adjusted returns since inception relative to its benchmark. However, since mid-2014 these risk-adjusted returns have slipped below those of benchmark, but the fund still outperforms the category average. The fund has been able to protect capital more efficiently, with a maximum drawdown of only 6.91%, compared to 7.04% for its benchmark over the last three years. Over longer periods, it also consistently displays lower drawdowns than its benchmark and peers. When observing returns adjusted for risk using the Calmar ratio, the fund manages to once again outperform its benchmark over a five-year period. The fund boasts low correlations to its peers in the moderate growth space, making it an ideal candidate to add diversification. This diversification benefit is not only limited to funds based in other currencies, but across most of its USD counterparts.

Current Portfolio Positioning

The fund delivered -0.99% over the quarter, underperforming its comparative benchmark which returned -0.17%. However, it managed to marginally outperform the EAA Fund USD Moderate Allocation category average which returned -1.21%. In line with its historical allocation, the fund had a weighting of 57.07% in equities, with an allocation of 42.93% in bonds, cash & equivalents and currency derivatives. The shift to a lower equity component was largely as a result of market movement, as US equities experienced a correction of more than 10% during the quarter. This severely affected the performance of the fund as geographically, equity assets remain largely tilted towards North America (52.3%), followed by Switzerland (8.1%), UK (7.6%), Japan (7.2%) and France (5.3%). The US equity market had a difficult quarter, with the S&P 500 TR Index delivering -0.76%. European equities were down even further, with the Euro Stoxx 50 falling -3.80% over the quarter. US dollar weakness boosted returns from Europe and the UK over the quarter, as the US dollar lost 1.04% against the euro and 1.83% against the British pound sterling. On a sector level, the top performing equity sectors were technology (8.2% exposure), which returned 2.76% and contributed 0.35% over the quarter, and real estate (1.23%), which returned 1.10% and contributed 0.03%. The sectors which detracted the most from performance were consumer defensives (down -5.00%) and consumer cyclicals (down -4.26%). On a stock level, the fund's holding in Taiwan Semiconductor Manufacturing Co. was the best performer over the quarter (+10.37%) and on an annual basis (+37.53%). The fund's exposure to heavyweight tobacco stocks seriously hampered performance over the quarter. Phillip Morris International (-4.89%), Japan Tobacco (-10.56%) and British American Tobacco (-16.64%) all detracted from performance. The fund's fixed income holdings mainly comprised long duration US and Japanese Government bonds, with the average effective maturity across all fixed income instruments being 9.9 years and the average effective duration of the fund being 6.6 years. Some long positions were hedged through a short position on the US 10Yr Ultra Bond future.

Long Term Asset Allocation



NEDGROUP INVESTMENTS GLOBAL FLEXIBLE

Fund manager	First Pacific Advisors LLP	**No of quarters**	7
Benchmark	60% MSCI World; 30% JPM Global Bond; 10% USD Libor	**Risk Description**	Moderate
Role of Benchmark	Agnostic	**Inception Date**	01 November 2008
Return Focus	Absolute	**Fund Size ($m)**	$ 871
Philosophy	Bottom-up, value contrarian	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	1.50%
		FSB Approved	Yes

Key Insights

This is a very concentrated portfolio that will typically hold between 30 and 40 stocks. The managers follow a strong value contrarian approach, with an absolute return mindset - absolute and not relative valuations are considered. This fund is managed fundamentally bottom-up and no macro views are incorporated in the fund. With regard to the asset class exposure of this fund, it can also have a large allocation to cash (tactical holding ranging between 5% – 60%) if the portfolio managers can't find enough attractive investment opportunities – this also speaks to their absolute return focus: they will not just be fully invested because it can have a high allocation to equity. They follow a very structured investment process that screens out stocks with a market cap less than $1bn. This still allows the fund managers to identify opportunities in the small-cap space. Global equity mandates are one of the key strategies that the company focusses on and makes up the majority of First Pacific Advisors' AUM. Managers' interests are aligned in that they invest in their own funds alongside clients.

Fund Use

The Nedgroup Global Flexible fund is suitable for multi-asset portfolios, if the investor is looking for more of a concentrated absolute return focussed global multi-asset fund. The fund primarily invests in developed market equity, with little emerging market exposure. It will also predominantly utilise US treasury bills and developed market government bonds for fixed income, if valuations are attractive. The fund can thus be used in numerous risk-profiled portfolios seeking global developed market exposure. The fund is bottom-up valuation driven and offers good diversification to other global funds that adopt a top-down macro approach such as Foord International Trust fund, and funds that are growth-oriented such as the Coronation Global Managed fund. The Nedgroup Global Flexible fund will also blend well with a cautious offshore fund such as the Sarasin IE GlobalSar Income fund, which has a larger exposure to emerging markets assets and bonds and property.

Qualitative Highlights

First Pacific Advisors (FPA) was appointed as fund manager of the Nedgroup Inv Global Flexible fund on 17 June 2013. The actual underlying FPA Crescent fund has a track record of more than two decades with its inception in 1993. FPA is based in Los Angeles. It was founded in 1954 and is independently owned. The staff complement is 77, including 28 investment professionals. The asset manager operates three core strategies with a total AUM of $30bn. The objective of the fund is to provide an equity-like return over the long term with less risk than the stock market, while avoiding permanent impairment of capital. Underpinning the team's investment philosophy, is the belief that they can earn equity rates of return with less risk than the equity market over complete market cycles, by identifying absolute value opportunities across the capital structure. The fund has strong qualitative attributes. It has a stable and experienced team with a long track record, and a demonstrated ability to invest across the capital structure. The investment team also has a core skill in managing global flexible mandates. The investment process is rigorous and thorough and involves extensive fundamental analysis. The entire process is also augmented by regular travel when required, but it is not a prerequisite before making an investment. The team regularly meets with company management teams when they pass through Los Angeles to meet with the investor community.

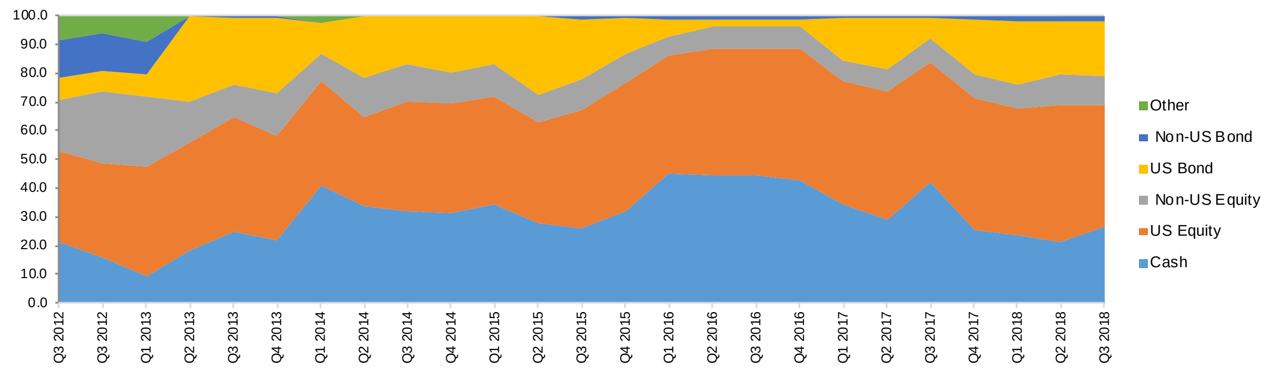
Quantitative Highlights

Over the last five years, on a rolling three-year basis the fund struggles to beat its benchmark. It does, however, show signs of outperformance when markets are generally falling. This can be attributed to the fund's preference for holding large allocations in cash, as opposed to bonds, over time. The rolling three-year risk-adjusted return of the fund is also mostly lower than its benchmark, even though the fund has a lower standard deviation than its benchmark.

Current Portfolio Positioning

The quarter was hallmarked by strong performance in global equity, with the MSCI World adding 5%. US Equity led global equity markets were higher, with the S&P 500 gaining 7.7% on the back of growth stocks recording a strong performance (+9.3%). Lagging the broader US market were value stocks, up 4%, which detracted from the fund's performance due to it being value-orientated. The Nedgroup Investments Global Flexible fund returned 3.0% over the quarter and is up only 2.3% year-to-date. The major moves in asset allocation were in equity and cash, with more cash being deployed, along with proceeds of profit-taking, used to acquire new equity positions in the fund. On a sector level, the major positive contributors to performance were industrials, communication services and healthcare, which returned 17.96%, 9.78% and 7.57% respectively. The major detractors were the fund's basic materials exposure, which fell -3.39%, and consumer cyclicals -2.79%. On a stock level, the portfolio managers utilise market volatility as an opportunity to enter positions at attractive prices. Subsequently, 13 new positions were added to the fund year-to-date, with these positions believed to be materially below the historic highs based on the investment team's analysis. A few examples of new positions include: Mohawk Industries (1.29%), which is a global business that makes and distributes floor coverings (tiles, carpets, etc), Lafarge (1.41%), which is a cement aggregator and ready mix business with a geographically diverse presence in the Americas, Europe, Middle East / Africa, and Asia/India, and Comcast (1.76%), which has been in the media for its recent takeover of British broadcaster Sky, by outbidding rival Fox by $3.6 billion in a three-round auction process. The portfolio managers' interest lies in the high-speed broadband and cable business of Comcast which makes up 70% of its revenue.

Long Term Asset Allocation



Fund manager	Alec Cutler	**No of quarters**	7
Benchmark	60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index	**Risk Description**	Moderate Aggressive
Role of Benchmark	Agnostic	**Inception Date**	1 January 2013
Return Focus	Absolute	**Fund Size ($m)**	$ 4 200
Philosophy	Top-down, bottom-up, contrarian	**Fee Description (retail class)**	Annual management fee
Category	USD Flexible Allocation	**Annual management fee**	1.50%
		FSB Approved	Yes

Key Insights

The fund is headed up by Alec Cutler, with the support of an extensive analyst and regional equity manager team. The regional managers' equity allocations are dictated by the opportunities every region holds. Ashley Lynn, one of the experienced members of the team, focuses her time and attention on fixed income and also provides insights and potential investment ideas. The head of investments, William Gray, is responsible for the overall execution of the investment process. The fund aims to invest in securities which are priced at a significant discount to their intrinsic value, where intrinsic value is described as the amount a prudent business person is willing to pay for proportional ownership in a company. Following this approach, Orbis believes that they have the potential to produce superior returns, while reducing the risk of permanent capital loss. This risk is mitigated in part by increasing the margin of safety. They believe that this mispricing in the market is mainly driven by emotion, and in particular, fear and greed. Asset allocation is driven by bottom-up valuations amongst counters, while diversification across asset classes is used to reduce risk. The fund can also use hedging strategies to reduce market exposure when the need arises. This is done through the use of index futures and options.

Fund Use

The fund seeks to balance appreciation of capital, income-generation and risk of loss with a diversified global portfolio. This global view encompasses the use of equity, fixed income and commodity-linked instruments. This fund is less equity-centric than some of its peers, aiming to earn higher long-term returns than its benchmark, which is composed of 60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index (the "60/40" Index), both based in dollars. The fund shows a higher level of correlation to its peers during periods of positive growth, while it shows decreased correlation in periods of negative growth. Due to its unique positioning and lack of correlation in downward trends, it should provide protection through diversification when used alongside its Navigate peers.

Qualitative Highlights

Orbis believes that individuals make the best investment decisions, and therefore they follow this guiding principle. When an investment idea warrants inclusion in the portfolio, a policy group meeting will take place. This meeting affords the analyst a chance to promote their case and findings, while their peers look for any flaws in the investment thesis. Orbis follows a strict set of guiding principles, with their first principle being to earn the trust and confidence of their clients. This ethos is reflected in their remuneration structure and the large co-investment by the founders, owners, management and employees of Orbis. The full breadth of the Orbis research capability is used to identify investment opportunities across the capital structure of the business. The fixed income team uses the ability of the equity team, and vice versa, creating synergies across the broader teams. Cutler draws on the knowledge of regionally-focused managers who specialise in Japanese, European (including UK), US and emerging market equities. In addition to the geographic specialisation of the four managers, two team members review and monitor global sector trends. Due to their global focus, FX plays an integral part of the fund management process. This area of expertise is provided by a dedicated currency hedging specialist within the team.

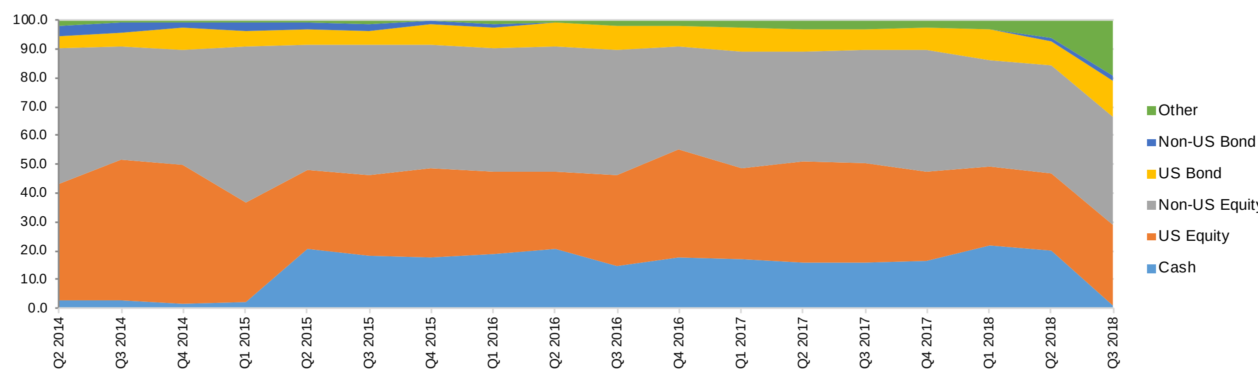
Quantitative Highlights

The fund has managed to outperform its peer group average over three- and five-year periods, returning 11.4% and 5.7% per annum respectively. The peer group returned 4.1% and 1.8% respectively over the same period. The maximum drawdown since inception reached a level of 14%, doubling the benchmark's 7%. However, it is worth noting that the fund managed to recover at a rate similar to the benchmark. The time to recovery for the fund was 25 months, compared to the benchmark which required 27 months to recover. Annualised volatility for the fund is also slightly elevated compared to its benchmark, at 8.2% versus 6.4% for the benchmark. Orbis strongly believes that a fund manager needs to meaningfully deviate from the benchmark in order to outperform. This is markedly clear when looking at the composition of this fund relative to its benchmark. The fund's active share is 95%, indicating that only 5% overlaps with its benchmark.

Current Portfolio Positioning

The fund returned -0.2% for the quarter ending 30 September 2018. Performance was marginally below the fund's peer group; however, the fund underperformed the benchmark, which returned 2.3% for the period. Over one year, the fund's 0.4% return underperformed its benchmark, which returned 6%, while over three years it has outperformed the benchmark by 2.7% per annum. The fund, like many in the balanced space, uses a combination of approximately 60% equity and 40% bonds to offset the risk of each other. However, they have gradually increased the equity exposure to 78% over time, with the remainder going to traditionally safer assets. This is not to say that they have abandoned the 60/40 split. They use hedging strategies to reduce their risky asset net exposure to 58%. The fund has also taken into account the potential for a rapid rise in inflation, using gold to partially de-risk the fund. The largest exposure in the fund is an exposure to European equity, currently at 20%, closely followed by its 16% net exposure to North American equity. These exposures added to performance, with the Euro Stoxx Index delivering a meagre 0.11% and the S&P 500 TR Index delivering a solid 7.2%. The fund has acquired sizeable positions in two stocks the fund manager believes are undervalued. It holds 4.1% in Taiwan Semiconductor Manufacturing Company. TSCM is the world's largest semiconductor foundry providing chips to the likes of Apple, Qualcomm and Nvidia. The fund holds 2.9% in California's largest electric utility, Pacific Gas and Electric. This stock looks very attractive on a valuation basis, trading 30% below its utility peers as well as the broader market. On a counter-specific level, some of the largest movers include TSCM, XPO Logistics and Bristol-Myers Squibb, gaining 21.2%, 14% and 12.2% respectively, while Chinese video game developer NetEase and SPDR Gold Trust weighed on performance, delivering -9.7% and -5% respectively.

Long Term Asset Allocation



Fund manager	David Palmer	**No of quarters**	7
Benchmark	Composite: MSCI AC World 50% (NTR); MSCI AC World (local currency) 10%; US Cash Libor 3 month (TR) 10%; BofA ML US Corp & Govt Masters 30%	**Risk Description**	Moderate
Role of Benchmark	Indication of volatility	**Inception Date**	13 January 1993
Return Focus	Absolute	**Fund Size ($m)**	$ 180.34
Philosophy	Long-term, thematic & valuation focused	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	0.75%
		FSB Approved	Yes

Key Insights

The Sarasin GlobalSar Dynamic USD Fund is managed according to the long-term thematic valuation-driven philosophy of Sarasin's multi-asset funds. Sarasin believes that markets are inefficient, and by sticking to their philosophy and taking an active management approach, they are able to outperform the market, in general. This fund is more aggressive than the GlobalSar Strategic USD fund. The fund is unconstrained by geography, sector and style, and does not track an index. It is managed using a thematic process, and generally 30-90% of the fund's assets will be invested in shares, and risk is managed through a variety of theme characteristics. The bonds will mainly be priced in US dollars. Derivatives are used with the aim to reduce risk or costs, or to generate additional capital or income. They have dedicated teams specialising in equity, fixed income, emerging markets, listed property and third party funds.

Fund Use

The Sarasin GlobalSar Dynamic USD fund is a moderate allocation fund that aims to generate capital growth and income over the long term with a lower risk profile than the equity market. It invests in a range of asset classes globally - mainly shares and corporate and government bonds. This fund is a good choice for an investor who prefers broad exposure to multiple asset classes and regions. This fund is highly correlated to its peers; however, the fund has a unique offering in its thematic process where the fund's risk is handled by means of theme characteristics. This fund is suitable for a client with a moderate risk profile seeking no less than 30% equity exposure and no more than 90%. However, it may not be appropriate for a client who plans to make withdrawals within five years.

Qualitative Highlights

Sarasin and Partners is a London-based asset manager with global equity and balanced investment capabilities, and local management has a 46% economic interest in the business. The business is run by Guy Monson who is CIO, head of macro strategy, senior fund manager of the EquiSar Global Thematic funds and senior fund manager of the GlobalSar family of balanced funds. The GlobalSar, as well as the EquiSar multi-asset funds have been under the stewardship of Monson since inception. Within the GlobalSar suite, the Sarasin GlobalSar Dynamic USD fund, previously managed by both David Palmer and Aram Compton, is now managed by David Palmer, and Monson plays an integral part in the GlobalSar funds. Palmer is supported by dedicated teams specialising in equity, fixed income, emerging markets, listed property, alternatives, derivative strategies, third party funds and cash. In total, there are 83 investment professionals at Sarasin. The GlobalSar strategy, first launched in 1988, has experienced numerous market cycles. Both the GlobalSar Dynamic fund and GlobalSar Strategic fund are managed in exactly the same way and it is merely the strategic asset allocation that differs. Palmer has 25 years of investment experience, 17 of which have been spent at Sarasin and Partners. The team is well-resourced and therefore adequately equipped to cover a multi-asset global opportunity set. The philosophy is quite clear. However, the process is somewhat complicated and intricate, involving the coordination of many moving parts and inputs from multiple internal and external contributors. Guy Monson, the CIO since inception, along with his team of skilled, well-qualified multi-asset portfolio managers, has proved more than capable of harnessing these diverse inputs and controlling the investment process.

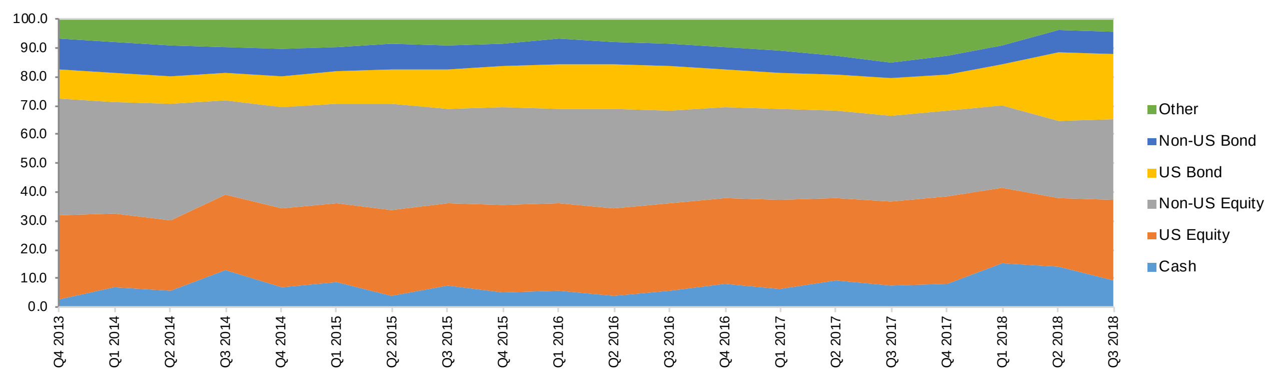
Quantitative Highlights

The fund is measured against its composite benchmark, as detailed in the overview, as well as its long-term 'target return' objective, US CPI+4% over rolling five-year periods. Equity allocation can be between 30% and 90%, where 60% reflects a neutral position on equities as an asset class. Over one, three and five-year periods, the fund has underperformed its composite benchmark's return by 3.4%, 0.9% and 0.8% respectively. Rolling one-year period returns are below average when compared to its peers and the fund has remained in the fourth quartile since November 2014. From a risk perspective, when compared to its peers, the fund shows consistently lower volatility over rolling one-year periods, delivering first quartile Sharpe ratio performance since the latter part of 2014. Relative to its peers, the fund has experienced higher drawdowns in 2015 and 2016 during the stock market sell-off.

Current Portfolio Positioning

The fund returned 2% for the three months ending September 2018, below its composite benchmark (2.7%). In contrast, over the same period, the fund outperformed its long-term target return by 0.5%. Similarly, over the longer term, i.e. over three and five years, the fund has underperformed its benchmark and outperformed its long-term target return. The fund's 59.2% allocation to equities added to overall performance, as the MSCI World AC Index returned 3.8% for the quarter. Its 28.4% allocation to bonds hurt performance, as the Barclays Global Bond Index gave up 0.92%. The fund's holdings in cash and more short-dated government bonds and cash are higher than usual. The 2.5% allocation to property hurt performance, as the World REIT Index returned -2.61%. Top contributors to performance include JPMorgan Chase & Co (8.3%), AIA Group Ltd (1.9%) and Japanese pharmaceutical company Shionogi & Co (30.5%). Detractors from performance include the European integrated oil and gas company Royal Dutch Shell (-0.6%) and Dutch semiconductor company ASML Holding.

Long Term Asset Allocation



Fund manager	Peter Wilmshurst & Michael Hasenstab	**No of quarters**	7
Benchmark	65% MSCI World / 35% JP Morgan Global Government Bond Index	**Risk Description**	Medium
Role of Benchmark	Agnostic	**Inception Date**	01 June 1994
Return Focus	Relative	**Fund Size ($m)**	$ 919
Philosophy	Equity (bottom-up); Fixed Interest (top-down & bottom-up)	**Fee Description (retail class)**	Annual management fee
Category	USD Moderate Allocation	**Annual management fee**	1.30%
		FSB Approved	Yes

Key Insights

The fund is managed with a fixed split of 65% to equities and 35% to fixed income and cash. Cash (managed by Michael Hasenstab's team) will be held as balance, should sufficient opportunities not be available in either equities or bonds; however, due to the wide universe of available equity opportunities and the fund's bias towards equity investments, the fund will tend to utilise its full 65% exposure to equities. The fixed income portion of the fund may and will regularly use various currency related derivate instruments, principally currency and cross currency forwards, and may additionally also use currency and currency index futures contracts. Currency investments are seen as an investment strategy. Fixed income will typically be allocated between developed markets as well as emerging markets, with the manager very comfortable with a sizeable exposure to emerging markets. From an equity perspective, Templeton characterises its style as core-value, with a preference towards value stocks but being quite comfortable to hold growth stocks if they meet their valuation criteria.

Fund Use

This fund can be used in conjunction with other global multi-asset / allocation funds or as a core-holding for clients' savings towards retirement when they prefer to have exposure to both equity and fixed income instruments. Importantly, alpha will be generated primarily by instrument selection with no asset allocation calls being made by the managers. Combining this fund with funds that utilise a more active asset allocation process would therefore lead to diversification benefits. The fund can be somewhat contrarian in nature and performances may be lumpy from time to time.

Qualitative Highlights

The team responsible for managing the Templeton Global Balanced fund is a well-qualified and experienced team. It has ample resources to draw upon in the format of a broader global team that plays a critical role in the fund's value discovery process, providing on-the-ground inputs and validation of investment themes generated by the core teams in London, New York, San Mateo and Singapore. The philosophy and process are clear and easy to understand and implement, and are mostly used to select instruments with no asset allocation calls being made, as the fund has a static asset allocation. This allows for simplification of the investment process with added focus; however, correlation amongst the different, static asset buckets could lead to unintended factor exposures which are not necessarily managed by the individual portfolio managers.

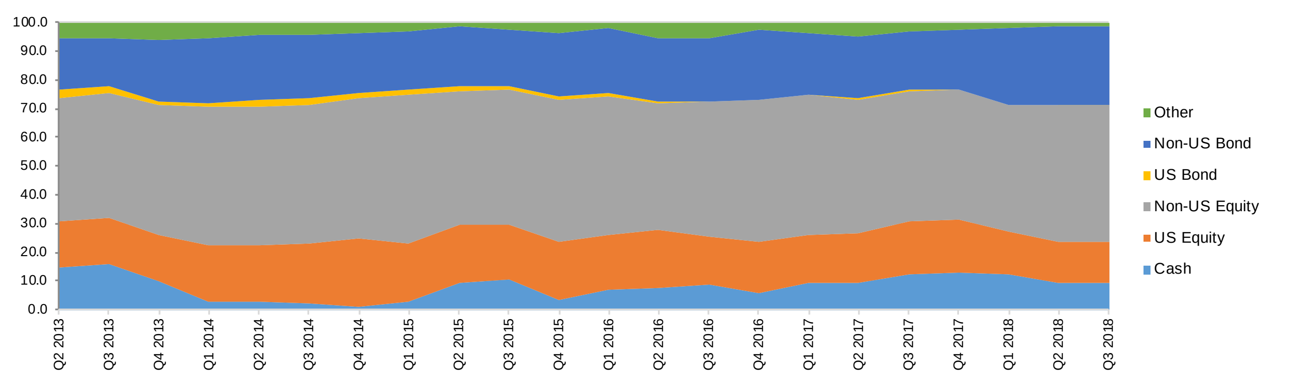
Quantitative Highlights

The Templeton Global Balanced fund's performance, measured on a rolling three-year basis over the last seven years is a tale of two stories, and speaks to the somewhat volatile nature of the fund's return profile. The fund delivered consistent first and second quartile performances over the majority of this period; however, since January 2016 the fund has consistently delivered fourth quartile performances as measured by the EAA USD Moderate Allocation universe. This is a concern and will be monitored going forward. During the 2008/2009 Global Financial Crisis, the fund's drawdowns were significant and worse than the majority of its peers. The fund ran a relatively low tracking error going into the crisis and high beta with regards to the MSCI World Index, which explains the higher drawdown when compared to some of its peers. The fund exhibits low excess return correlations with the MFS Total Return fund, a fund that follows a similar static asset allocation but with a preference for growth equities.

Current Portfolio Positioning

The Templeton Global Balanced fund delivered positively over the quarter, returning 1.56%, but underperforming its composite benchmark by 1.05%. However, the fund managed to outperform its category average marginally by 0.27%. Over a one-year period as at the 30 September 2018, the fund has massively underperformed its composite benchmark by 6.38%, as well as its category average by 2.54%. The fund has a significant bias towards large cap stocks, with more than 50.39% of the fund being invested in companies that have a market capitalisation exceeding $50 billion, while 32.56% of the fund is also exposed to companies that have a market capitalisation between $10 and $50 billion. Mid-cap stocks ($2 - $10 billion) make up 16.27% and small-cap stocks (<$2 billion) comprise less than 1% of the fund. The fund is truly benchmark agnostic on a geographic basis, as the fund's largest geographic exposure, to US assets (equity and fixed income), is severely underweight (-32.03%) the benchmark. Following this, is an overweight (+2.31%) exposure to UK assets at 8.69% of the portfolio. Emerging Market (EM) exposure is relatively high in this portfolio, with EM assets totalling more than 28%. On a sector basis, the benchmark agnostic profile can be seen once again with the largest over-/underweight positions being in health care (+7.63%) and information technology (-7.50%) with financials making up the largest sector exposure at 21.58% of the fund. At a stock level, the stocks that contributed to performance were SoftBank Group Corp (+40.57%), Oracle Corp (+17.48%) as well as Eli Lilly and Co (+26.45%), contributing 0.64%, 0.36% and 0.33% respectively. The stocks that detracted from performance were Bayer (-19.33%) and Wheaton Precious Metals Corp (-20.34%), returning -0.25% and -0.21% respectively.

Long Term Asset Allocation



FUND ANALYSIS
AGGRESSIVE GROWTH FUNDS

Category Analysts: Patrick Mathabeni, Dean de Nysschen, Darren Burns and Francis Marais

BLACKROCK GLOBAL EQUITY INCOME

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
75%-100%	0%-25% cash	25% per industry group
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
High Quality, Long-Term, Real Return Focus, Benchmark Agnostic & Relative Return Focused	A2	1.50
Fund Characteristic		
50% limit to US Exposure, 5% holding limit, Focus on regular divided paying stocks, moderately concentrated holding 50-70 stocks		
How to use the Fund		
This fund can be used as a satellite fund in an aggressive portfolio as it can assist with reducing volatility while at the same time not sacrificing too much upside return as well as in a moderate risk portfolio as the additional risk/volatility will not look out of place in a medium risk portfolio, while the increased long-term relative returns can contribute towards performance.		

DODGE AND COX GLOBAL STOCK

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained global equity with a bias of 60% US securities and 40% Non-US securities
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up, valuation-based, Benchmark Agnostic and Absolute Return Focused	A Acc	0.60
Fund Characteristic		
Absolute return focussed global equity exposure across both developed and emerging markets, moderately concentrated, typically holding around 80-90 stocks		
How to use the Fund		
The fund can be used to achieve additional global equity exposure in a multi-asset portfolio or as the global equity carve-out in a building-block portfolio and works extremely well with low-turnover quality focussed funds as well as funds that are benchmark cognisant		

INVESTEC GLOBAL FRANCHISE

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up, fundamental research based approach, Benchmark Agnostic & Absolute Return Focused	A Acc	1.50
Fund Characteristic		
Large-cap quality focus with slight focus on dividend income, very concentrated 25 and 40 stocks at a time		
How to use the Fund		
The fund is suitable for numerous risk profiled portfolios to serve as a large-cap quality vehicle with slight focus on dividend income.		

MFS MERIDIAN GLOBAL EQUITY

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Growth at a reasonable price, Benchmark Agnostic & Relative Return Focused	A1	1.05
Fund Characteristic		
Focus on developed market large cap growth stocks, unconstrained with moderate concentration holding 80-100 stocks		
How to use the Fund		
This fund can be used as a single, stand-alone core fund that offers global equity exposure or it can be used in conjunction with other global equity managers or perhaps a fund that focusses on small capitalisation companies.		

NEDGROUP INVESTMENTS GLOBAL EQUITY

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
80%-100%	0%-20% cash	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Style agnostic, bottom-up, top-down, valuation driven, focus on quality, Benchmark Agnostic & Absolute Return Focused	A	1.50
Fund Characteristic		
Very concentrated absolute return focused global large cap equity fund, holding 25-40 stocks with a developed market bias		
How to use the Fund		
The fund can be used to achieve additional global exposure in a multi-asset portfolio or in building block portfolios in numerous risk-profiled portfolios seeking global develop market equity exposure.		

MERIAN GLOBAL EQUITY

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Quantitative valuation driven, Benchmark Cognisant & Relative Return Focused	P	1.50
Fund Characteristic		
Broad-based, diversified exposure to developed market global equity		
How to use the Fund		
The fund can be used as a single, stand-alone fund offering global equity exposure as part of a wider diversified portfolio or it can be used in conjunction with other global equity managers who follow a more concentrated fundamental approach or a pure top-down macro approach would work equally well with this fund.		

ORBIS GLOBAL EQUITY

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up basis, with a bias towards value shares with some growth stock exposure as well as contrarian in nature. Benchmark Agnostic & Relative Return Focused	ICF	1.50
Fund Characteristic		
Value bias, diversified exposure to both developed and emerging market global equity.		
How to use the Fund		
The fund can be used to achieve additional global equity exposure in a multi-asset portfolio or as the global equity carve-out in a building-block portfolio and works extremely well with low-turnover quality focussed funds as well as quantitatively managed funds and benchmark cognisant funds		

SANLAM FOUR STABLE GLOBAL EQUITY

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
95%-100%	0%-5% cash	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Bottom-up, value approach (focus on high quality, non-cyclical companies). Benchmark Agnostic & Absolute Return Focused	A Acc	0.75
Fund Characteristic		
Very concentrated absolute return fund with a value bias to large cap developed market quality stocks, holding 20-30 stocks.		
How to use the Fund		
The fund can be used as a core in a satellite approach in an aggressive portfolio or in a building block portfolio in numerous risk profiled portfolios seeking global developed market equity or in combination with another fund which uses a top down macro approach		

SCHRODER GLOBAL EQUITY ALPHA

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
100%	none	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Growth-orientated, Benchmark Agnostic & Relative Return Focused	A Acc	1.50
Fund Characteristic		
Worldwide equity exposure with a bias to developed market large cap growth stocks with some emerging market exposure, reasonably concentrated holding around 80 large cap stocks.		
How to use the Fund		
As the fund is a fairly concentrated fundamental bottom-up portfolio of established businesses. The fund can be a core holding in a portfolio, as 70% of the portfolio are long-term compounding core stocks and 30% opportunistic stocks which reflect shorter-term tactical views, or in conjunction with more diversified funds as the stand-alone fund will have higher volatility due to the focussed stock-picking nature of the fund. The fund can also be combined with benchmark cognisant funds, as the fund will underperform in momentum driven markets due to the strict growth valuation discipline on companies.		

SCHRODER QEP GLOBAL CORE

Equity Band (Max limits)	Fixed Income Band (Max Limits)	Regional Exposure
99%-100%	0%-1% cash	Unconstrained global equity with a developed market bias
Philosophy	**Fund Classes**	**Annual Management Fee (%)**
Focus on value and quality, Benchmark Cognisant & Relative Return Focused	A Acc	0.35
Fund Characteristic		
Broad-based diversified exposure to developed market global equity with a focus on value and quality stocks, holding around 500+ stocks optimised daily		
How to use the Fund		
The fund can be used as a single, stand-alone fund offering global equity exposure as part of a wider diversified portfolio or it can be used in conjunction with other global equity managers who follow a more concentrated fundamental approach or a pure top-down macro approach would work equally well with this fund.		

Performance & Risk

Time Period: 01/10/2013 to 30/09/2018 Currency: US Dollar

	Return	Std Dev	Max Drawdown	Sharpe Ratio	Calmar Ratio
BGF Global Equity Income A2	5.02	9.64	-10.69	0.50	0.47
Dodge & Cox Worldwide Global Stk USD Acc	8.73	11.91	-20.89	0.72	0.42
Investec GSF Glb Franchise A Acc USD	9.05	9.70	-7.79	0.89	1.16
MFS® Meridian Global Equity A1 USD	7.42	9.99	-11.22	0.71	0.66
Nedgroup Inv Funds Global Equity A Acc	8.95	10.13	-11.55	0.84	0.77
Orbis Global Equity	7.20	12.31	-19.91	0.58	0.36
Satrix World Equity Tracker C USD Acc	8.50	9.45	-12.08	0.85	0.70
Schroder ISF Global Eq Alp A Acc USD	6.72	10.92	-14.45	0.60	0.46
Merian Global Equity A GBP Acc	11.69	11.27	-13.64	0.99	0.86
Schroder ISF QEP Glbl Cor C Dis AV	8.56	9.99	-12.59	0.82	0.68
EAA Fund USD Aggressive Allocation	4.25	7.12	-11.85	0.54	0.36

Correlation Matrix

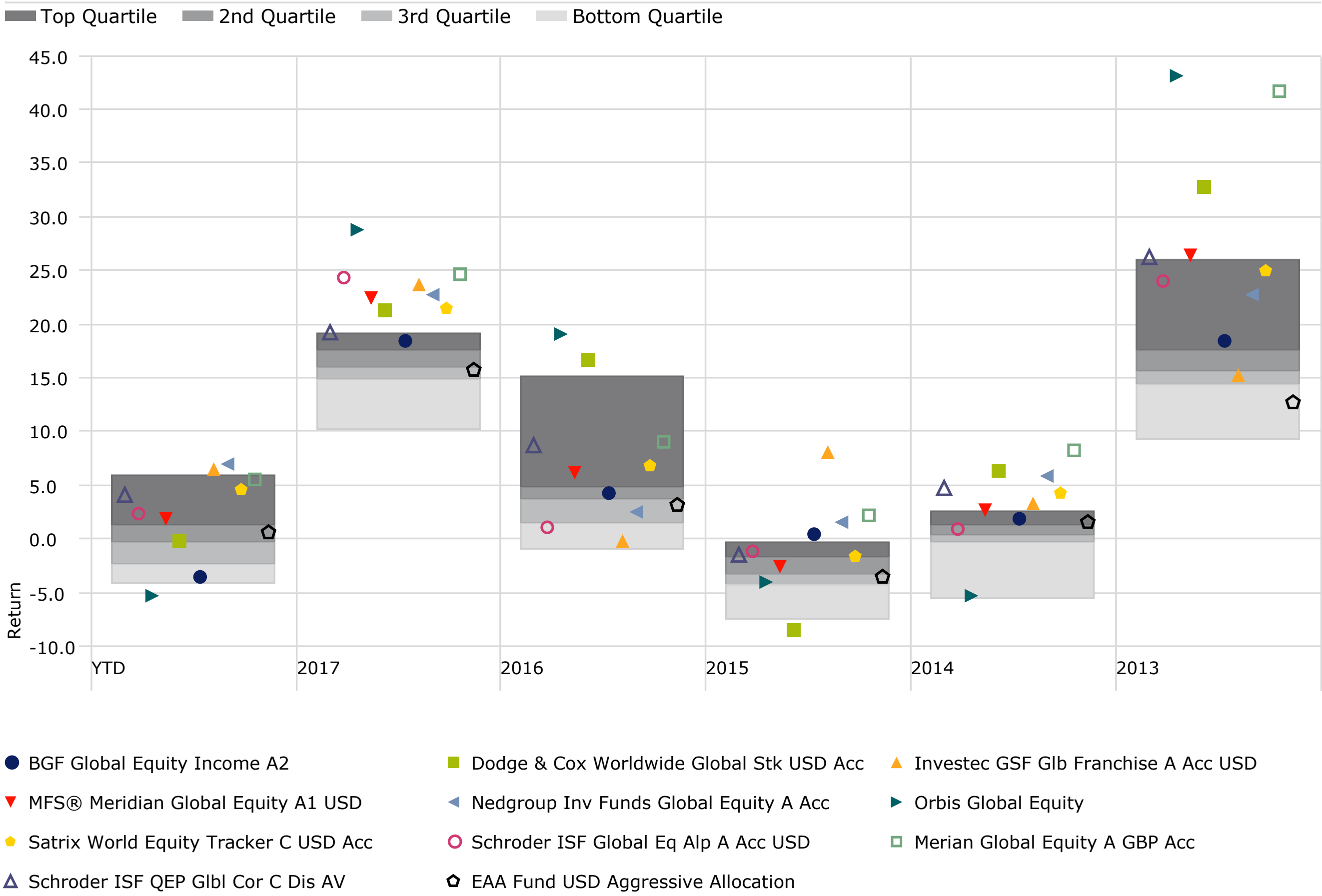
Time Period: 01/10/2013 to 30/09/2018

Currency: US Dollar

		1	2	3	4	5	6	7	8	9	10	11
1	BGF Global Equity Income A2	1.00										
2	Dodge & Cox Worldwide Global Stk USD Acc	0.82	1.00									
3	Investec GSF Glb Franchise A Acc USD	0.89	0.70	1.00								
4	MFS® Meridian Global Equity A1 USD	0.92	0.90	0.87	1.00							
5	Nedgroup Inv Funds Global Equity A Acc	0.84	0.83	0.77	0.86	1.00						
6	Orbis Global Equity	0.80	0.89	0.70	0.84	0.84	1.00					
7	Satrix World Equity Tracker C USD Acc	0.90	0.93	0.85	0.97	0.89	0.88	1.00				
8	Schroder ISF Global Eq Alp A Acc USD	0.85	0.91	0.78	0.94	0.87	0.85	0.97	1.00			
9	Merian Global Equity A GBP Acc	0.77	0.86	0.69	0.87	0.86	0.81	0.92	0.93	1.00		
10	Schroder ISF QEP Glbl Cor C Dis AV	0.88	0.94	0.77	0.93	0.89	0.88	0.97	0.96	0.93	1.00	
11	EAA Fund USD Aggressive Allocation	0.89	0.92	0.82	0.95	0.89	0.90	0.98	0.95	0.91	0.95	1.00

Performance Relative to Peer Group

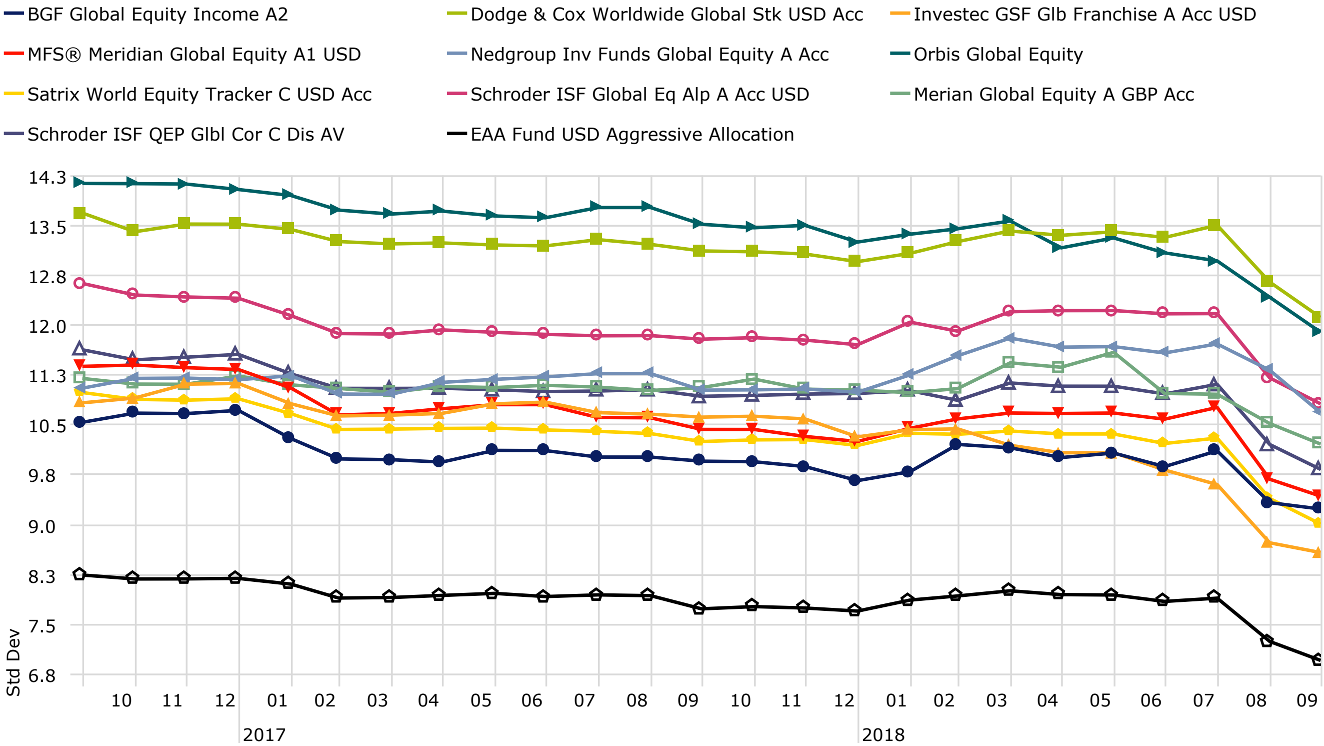
Currency: US Dollar Calculation Benchmark: EAA Fund USD Aggressive Allocation



Rolling Returns

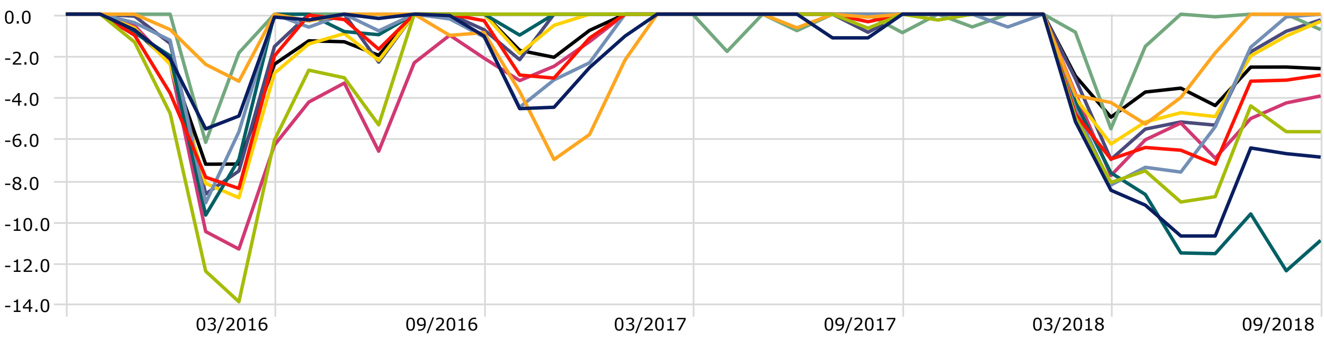
Time Period: 01/10/2013 to 30/09/2018

Rolling Window: 3 Years 1 Month shift   Calculation Benchmark: EAA Fund USD Aggressive Allocation



Maximum Drawdown

Time Period: 01/10/2015 to 30/09/2018



Risk

Time Period: 01/10/2015 to 30/09/2018   Currency: US Dollar

	Max Drawdown	Max Drawdown Valley Date	Max Drawdown # of Periods	Max Drawdown Recovery # of Periods	Max Drawdown Recovery Date
BGF Global Equity Income A2	-10.69	31/05/2018	4.00	—	—
Dodge & Cox Worldwide Global Stk USD Acc	-13.86	29/02/2016	4.00	5.00	31/07/2016
Investec GSF Glb Franchise A Acc USD	-7.00	30/11/2016	4.00	3.00	28/02/2017
MFS® Meridian Global Equity A1 USD	-8.40	29/02/2016	4.00	5.00	31/07/2016
Nedgroup Inv Funds Global Equity A Acc	-9.09	31/01/2016	3.00	4.00	31/05/2016
Orbis Global Equity	-12.37	31/08/2018	7.00	—	—
Satrix World Equity Tracker C USD Acc	-8.84	29/02/2016	4.00	5.00	31/07/2016
Schroder ISF Global Eq Alp A Acc USD	-11.32	29/02/2016	4.00	11.00	31/01/2017
Merian Global Equity A GBP Acc	-11.49	31/01/2016	3.00	6.00	31/07/2016
Schroder ISF QEP Glbl Cor C Dis AV	-8.66	31/01/2016	3.00	3.00	30/04/2016
EAA Fund USD Aggressive Allocation	-7.23	31/01/2016	3.00	6.00	31/07/2016

Source: Morningstar Direct

**Sanlam Four Global Equity fund was excluded due to short track record*

BLACKROCK GLOBAL EQUITY INCOME

Fund manager	Andrew Wheatley Hubbard, Stuart Reeve	**No of quarters**	7
Benchmark	MSCI All Country World Index	**Risk Description**	High
Role of Benchmark	Agnostic	**Inception Date**	November 2010
Return Focus	Relative	**Fund Size ($b)**	$ 1.62bn
Philosophy	High Quality, Long-Term, Real Return Focus	**Fee Description (retail class)**	Annual management fee
Category	USD Global Equity Income	**Annual management fee**	1.50%
		FSB Approved	No

Key Insights

The primary requirement for a holding to be included in the BlackRock Global Equity Income Fund's selection universe, is that the company must pay a regular dividend and have the desire to grow that dividend over time. They believe that firms that grow their dividends are expressing confidence, and by focusing on dividend yield and dividend growth, investors can align themselves with longer-term outperformance. Once a high-quality, regular dividend-paying company has surpassed the initial screening, only then are they subjected to fundamental analysis using forethought about the market. This, along with the fact that they only invest in high-quality companies (defined as having low debt levels on their balance sheet) has resulted in a share turnover of less than 25% - shares are held for approximately four years. The team uses a bottom-up approach and does not have a macro view; however, they are 'macro-aware' and will look at these factors. Ultimately these macro factors will not affect the final decision making. This fund has an internal limit of 25% per industry group, a 25% limit to cash, a 50% limit to US exposure and a 5% holding limit. Given these limits, a strong focus within this fund is not necessarily a company's domicile but rather the geographical location from which the company derives its income.

Fund Use

This high quality-focused fund whose overall goal is reliable income and sustainable growth, is a good choice for investors looking for a fund with lower volatility than a traditional global equity fund, or for those who want equity exposure with an emphasis on yield. The real-return mind-set of the fund means risk is defined as loss of capital, and therefore it is preferable for investors looking for an absolute return-focused fund. The fund would also benefit investors who want to participate in the equity market without taking on excessive risk, and who need income but still want their investment to be exposed to growth assets. From a portfolio construction view, this fund would do well to be included as a satellite fund in an aggressive portfolio, as it can assist with reducing volatility while at the same time not sacrificing too much of the upside return. It can be included in a moderate risk portfolio, as the additional risk/volatility will not look out of place in such a portfolio, while the increased long-term relative returns can contribute towards performance. This fund is only available in the Global Life Plan.

Qualitative Highlights

Stuart Reeve and Andrew Wheatley-Hubbard are co-managers of the fund and both are members of BlackRock's Global Equity Team, while Reeve is also the leader of this team. James Bristow was removed as PM as of the end of Q4 2017. He co-managed the fund with Reeve since inception and they were joined by Wheatley-Hubbard in 2013. As this fund is co-managed by way of collective investment decision making, the behaviour of the fund should not materially change with the absence of Bristow. Wheatley-Hubbard and Reeve have managed the fund together with Bristow for over seven and five years respectively. Wheatley-Hubbard's responsibilities, in addition to being a portfolio manager, still include analytical work, as he covers certain sectors in the market. He is also the head of research for the global equity team. The London arm of the global equity team has a quality bias, hence the managers' responsibility for a fund that has a focus on quality assets; however, these managers can draw on the knowledge of the entire global equity platform, which is based in London and three cities in the US. The US-based teams have alternate investment styles (growth, value, and systematic) which the managers of this fund can take advantage of. The primary fund objectives include having a focused portfolio of stocks – between 50 and 70 equity holdings, a low beta and standard deviation versus the benchmark, a yield objective that exceeds the average yield on global stocks and a share turnover of less than 25%. In order to achieve these objectives, the initial screening targets quality companies that pay dividends consistently over the long run. These companies are then evaluated on strength (pricing power, revenue, and growth), resilience (management and budgeting) and cash-return (leverage and dividend growth policy).

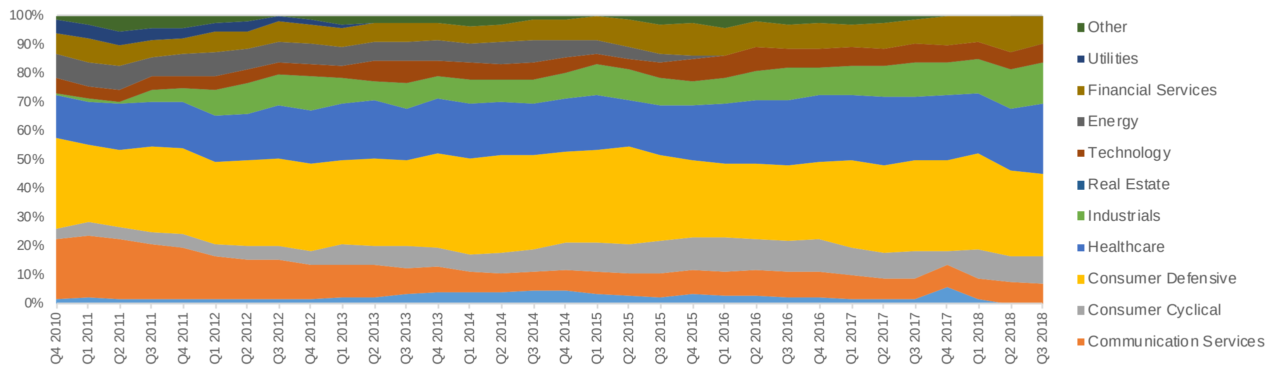
Quantitative Highlights

This fund has consistently underperformed its benchmark, the MSCI ACWI over short- and long-term periods, on both a cumulative and rolling return basis. The fund has also consistently underperformed the MSCI World Quality index. On a rolling three and five- year basis, the fund underperformed its benchmark and the style benchmark. The focus of this fund is on absolute performance – a clear strategy of sacrificing upside returns for downside protection; however, the fund has demonstrated higher drawdowns over the short term but has also displayed a higher down capture ratio, signifying that the fund has tended to fall harder on down-trending markets. The fund has displayed slightly lower drawdowns over the long term. Along with experiencing lower relative performance compared to the benchmark, the fund has also displayed less volatility and lower risk-adjusted returns coupled with negative alpha.

Current Portfolio Positioning

The BGF Global Equity Income fund delivered a return of 0.54% for the one-year period, significantly underperforming its benchmark, the MSCI ACWI, which recorded a return of +9.77%. Over the quarter, the fund delivered marginal underperformance at 4.26%, while the benchmark returned +4.28%. The performance of the fund was on the back of gains from shares of Johnson & Johnson (+14.63%), Pfizer (+22.51%) and Novartis AG (+13.97%). Johnson & Johnson and Novartis are the largest holdings of the fund. The leading detractors in the fund were British American Tobacco (-7.56%), Hero MotoCorp (-19.28%) and Imperial Brands (-5.58%). In terms of regional exposure, the fund continues to be largely invested in North America, and has marginally increased its exposure from 47.2% in Q2 2018 to 48.1% in Q3 2018, while exposure to the United Kingdom remained the same at 14.7% in both quarters. Exposure to European developed markets was slightly decreased from 24.9% in Q2 2018 to 23.2% in Q3 2018, and exposure to Asia was also increased from 7.3% in Q2 2018 to 7.7% in Q3 2018. The fund has very minimal exposure to Asian emerging markets. From a sector allocation perspective, the fund is largely invested in the consumer defensive sector, in which it has decreased exposure from 29.8% in Q2 2018 to 28.5% in Q3 2018. The healthcare sector was increased from 21% in Q2 2018 to 24.3% in Q3 2018, while financial services was also decreased from 12.9% in Q2 2018 to 10% in Q3 2018. Allocation to the industrials sector was increased from 14% in Q2 2018 to 14.6% in Q3 2018.

Long Term Asset Allocation



Fund manager	Global Stock Investment Policy Committee (7 members)	**No of quarters**	7
Benchmark	MSCI World	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	01 December 2009
Return Focus	Relative	**Fund Size ($b)**	$ 3533m
Philosophy	Bottom-up, valuation-based	**Fee Description (retail class)**	Annual management fee
Category	Global Equity General	**Annual management fee**	0.60%
		FSB Approved	Yes (Available via the Glacier Global Stock Feeder fund locally)

Key Insights

Dodge & Cox was founded in 1930, in San Francisco. With over 85 years of experience in the market, they have a long history of successfully managing funds through all economic cycles. They are an independent, purely investment- focused business, managing six core strategies. This allows them to focus solely on their area of expertise. The fund is managed by the seven member Global Equity Investment Committee. The larger team conducts full cap structure research on companies and maintains a high level of integration with the fixed interest team, which is a differentiator amongst their peers. The four qualitative factors that stand out, are 1) the size, experience and stability of the investment team, 2) the rigour of the investment process, 3) the independence of the firm and 4) the active employee ownership. The fund is managed on an absolute basis, targeting superior long-term returns (growth in both capital and income) without any specific style bias. Although the benchmark is the MSCI World Index, the fund typically tends to have significant emerging market exposure relative to the benchmark, which speaks to their absolute focus. The fund is moderately concentrated relative to the vast universe against which it is benchmarked (MSCI World), typically holding around 80-100 stocks in the portfolio. The fund will, under normal circumstances, consist of at least 40% non-US securities.

Fund Use

The Dodge & Cox Global Stock Fund is suitable for investors seeking absolute return focussed global equity exposure across both developed and emerging markets. The fund can be used to achieve additional global exposure in a multi-asset portfolio or as the global equity carve-out in a building-block portfolio. The fund works extremely well with low-turnover, quality focussed funds, like the Investec GSF Global Franchise Fund or the BlackRock Global Equity Income Fund.

Qualitative Highlights

Dodge & Cox was established in 1930. The team is led by very experienced investment professionals with an average tenure of more than 24 years. The investment team consists of more than 70 individuals. The size of the team allows for greater coverage and identification of investment ideas. To ensure that all ideas are shared and discussed, Dodge & Cox have created sector committees where analysts are given the opportunity to present their best ideas – these ideas are then 'escalated' to policy committees by sector committee leaders, who are senior investment team members themselves. The rigour and discipline of the investment process is definitely a qualitative highlight of the Global Stock Fund. The process is clear and well defined – all stocks go through an individual analyst assessment, then a team-based review (sector committee meetings) and then a collective judgement-based review (policy committee) by the most experienced investment team members. The fact that the company is completely investment focussed, independent and wholly owned by active employees only, are definitely standout attributes. The team therefore only focusses on generating the best possible returns and is not distracted by having to focus on fund inflows or generating performance fees.

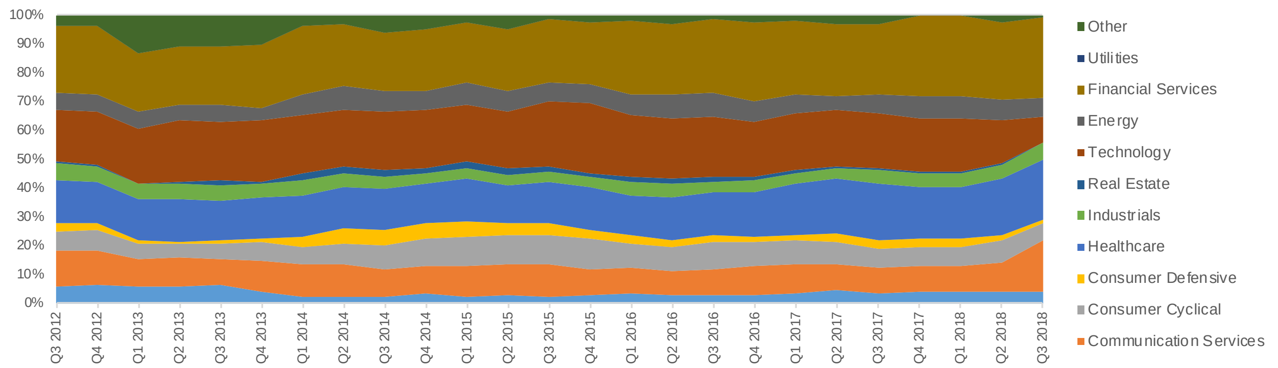
Quantitative Highlights

Since inception (1 December 2009) the Dodge & Cox Global Stock fund has successfully managed to outperform its benchmark, the MSCI World Index (USD), on an annualised basis. More recently (YTD), the fund has significantly underperformed, which is consistent with the poor results we have seen in the majority of funds that exhibit a value bias. This more recent underperformance, however, has only led to a marginal impact over the longer term as the fund has delivered just 0.23% less per annum than its target, over the past 5 years. Positively, over the same period, the fund has produced returns considerably more prosperous than those of the category average. Traditionally, the fund has displayed larger drawdowns and volatility relative to peers and the benchmark, which can primarily be attributed to having a relatively more concentrated portfolio. Looking at rolling five-year returns, the fund has outperformed the MSCI World Index at least 76% of the time since inception. The only two terms when it did underperform, were September 2015 - June 2016 and, for the first time since, in September 2018. Using the same comparison, the fund has outperformed the category average 100% of the time.

Current Portfolio Positioning

The Dodge & Cox Global Stock Fund rebounded in the third quarter of 2018 with a gain of 3.58%. This much needed positive change followed a disappointing first six months of the year, during which time the fund returned -3.4%. Although this useful return provided some much needed relief, the result was still an underperformance of the benchmark. The MSCI World Index outperformed the fund by 1.4%, as it provided an overall return of 4.98% for the three month period. A key contributor to the 3rd quarter performance was the large allocation to the Health Care sector. Health Care was up 11.5% (MSCI World Health Care Sector) for the three-month period. This allocation also contributed significantly towards relative performance versus the benchmark, as the fund is overweight by 8% in comparison to the MSCI World Index. Within the Health Care sector, two of the 'Top 10' holdings, Novartis (2.6%) and Sanofi (2.5%), both contributed significantly as they returned 14% and 11% respectively. Charter communications (2.3%), another relatively significant holding, also provided a positive result as it gained 11% over period. The underweight exposure to Materials provided additional relative return as Materials was down 0.53% (MSCI World Materials Sector) for the quarter. A key detractor from performance was the underweight positions held in sectors which outperformed over the last three months. Information Technology returned 8.14% (MSCI World IT Sector) for the quarter; however, the fund had an underweight position of -6.7%. Industrials was another sector that performed well, generating 6.12% while the fund held 5.4% less than the benchmark. The largest sector held in the fund is Financials, which is also significantly overweight relative to the benchmark. Although Financials provided a positive return for the quarter (+2.69%), it underperformed relative to the benchmark (4.98%)and therefore detracted from performance on a relative basis. UniCredit (-10%), Barclays (-9%) and Andarko Petroleum (-8%) were significant detractors amongst developed market stocks. As the fund has a large emerging market exposure relative to the MSCI World Index, the weak performance of emerging markets in general also detracted from performance. Specific emerging market stocks, JD.com (-33%), Magnit (-18%) and Naspers (-15%) were some of the worst performing shares within the portfolio.

Long Term Asset Allocation



Fund manager	Clyde Rossouw	**No of quarters**	7
Benchmark	MSCI ACWI NR	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	21 May 1996
Return Focus	Absolute	**Fund Size ($b)**	$ 4.3bn
Philosophy	Bottom-up, fundamental research based approach	**Fee Description (retail class)**	Annual management fee
Category	Global Equity General	**Annual management fee**	1.50%
		FSB Approved	Yes

Key Insights

The Investec Global Franchise Fund is a sub-fund of the Investec Global Strategy Fund, fulfilling the quality portion of the strategy. Investec has one of the most impressive quality investing track records, combined with a wealth of experience in this particular style. Clyde Rossouw has managed the fund since inception and is part of a globally integrated team of 20 investment professionals, each with their own specialist research experience. The fund has a very understandable and repeatable philosophy and process. The process may, however, due to the quality focus, have a relatively small opportunity set, relinquishing many investment opportunities not falling within the confines of the process. The fund will also tend to avoid capital intensive, leveraged businesses and consequently excludes banks and resource stocks, which brings stability into the return and risk profiles, but reduces the opportunity set further, though more in-depth coverage on available counters is possible. The fund will generally invest in companies with high free-cash-flow yields, combined with high return on invested capital (as opposed to looking at return on equity which can be manipulated according to Rossouw).

Fund Use

The Investec Global Franchise Fund is suitable for an investor seeking concentrated, high-conviction offshore exposure in well-established, large, quality international companies. This fund should be used for long-term investment, with a minimum investment horizon of at least five years. There is a currency hedged version of the fund, which manages currency exposure by hedging all non-US investments' currency exposures back to US dollar and thus, by implication, takes a positive long-term view on the US dollar. The fund will usually slightly underperform competitors during strong upward markets, slightly outperform them during moderate/sideways markets and strongly outperform them during falling markets (measured against the MSCI ACWI Index). The fund is suitable for numerous risk-profiled portfolios to serve as a large-cap quality vehicle with a slight focus on dividend income.

Qualitative Highlights

The team has a wealth of experience, with the support of investment specialists and three portfolio managers. This is an extensive team, which reduces the risk of losing a key individual, with knowledge being shared freely and open debate taking place on a regular basis. There are no "observers" allowed in meetings and everyone is expected to contribute, with the quality of their contributions dictating their bonuses. Their focus is ultimately on finding quality businesses which have positioned themselves to generate longer-term growth in intrinsic value. They have implemented a robust, repeatable three-stage process which is strictly adhered to and ties in with the buy-and-sell discipline of the fund, always ensuring that the portfolio's overall quality, growth and yield are considered. The weighting within the portfolio is dictated by contrasting risk and reward, ensuring that the potential reward substantiates the risk. This strict adherence to their process has dampened returns over certain periods, due to its potential correlation to market trends and inability to adjust quickly. The fund has a very low turnover, at 18.6%. It also has a very concentrated portfolio, investing in only between 25 and 40 stocks at a time. They do, however, continually strive to improve the process, making adjustments as and when necessary. Due to the remuneration structure, end clients' interests and those of employees are aligned. This is done through the use of performance-related incentives and more importantly, a rolling three-year deferred bonus/co-investment plan. The team is also encouraged to co-invest in the fund. Investec has also put in place an equity participation programme which rewards its members for the long-term success of the business. The South African office now only has two dedicated analysts, as Abrie Pretorius has relocated to New York to increase geographical presence, but Rossouw and Foresyth will also conduct research and analysis.

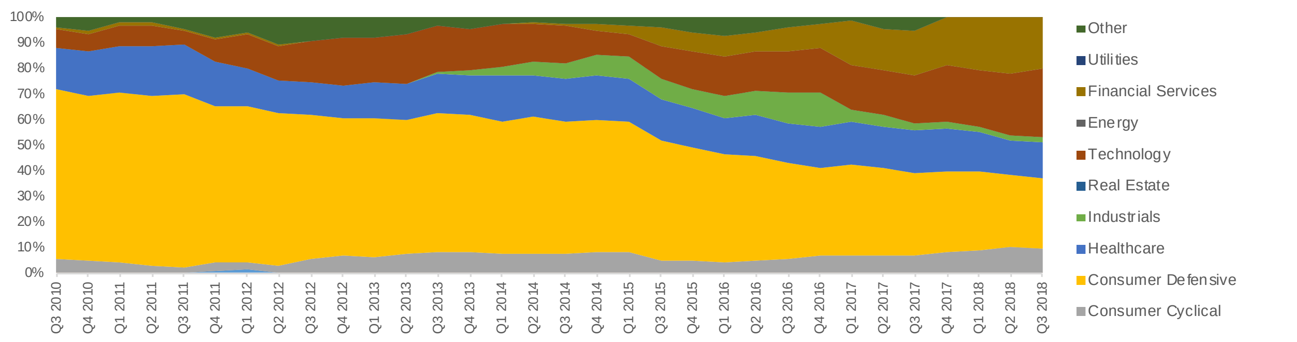
Quantitative Highlights

The fund has outperformed the MSCI ACWI NR USD Index over a one, five, seven and ten-year annualised period, but has underperformed the index over a three-year annualised period. The fund, however, has consistently underperformed its relevant style index (the MSCI World Quality) over short and long-term periods. This fund managed to produce positive excess returns (above its benchmark) of 1.42%, 0.38% and 2.57% over periods of five, seven and ten years respectively. Over the three-year period, the fund delivered an excess return of -0.05%. The fund has consistently maintained relatively lower volatility over all periods compared to the benchmark. Despite the lower risk profile, the fund's return-per-unit-of-risk profile (as measured by the Sharpe ratio) has been consistently higher than the benchmark but lower than its style benchmark. The fund exhibits a lower Down Capture Ratio compared to its style index. On a rolling five-year basis, the fund has, over 10 years, outperformed its benchmark whilst maintaining better drawdowns against both the MSCI ACWI & MSCI World Quality indices.

Current Portfolio Positioning

The Investec Global Franchise posted a return of +12.56% for the trailing one-year period, outperforming its benchmark, the MSCI ACWI, which delivered a return of 9.77%. Over the quarter, the fund continued to outperform the benchmark. The fund delivered a return of 5.11%, while the MSCI ACWI delivered a return of 4.23%. This positive performance was supported by a rally in global markets, despite political headwinds resulting from tensions between the US and China. At a stock level, the fund's impressive performance was largely supported by strong gains from counters such as Microsoft (+16.43%), Visa (+13.49%) and VeriSign (16.52%) which all contributed positively to performance. Visa and Microsoft continue to be the top holdings of the fund. The leading detractors from the fund's performance were Twenty-First Century Fox (-6.73%), Booking Holdings (-2.13%) and Moody's Corporation (-1.72%). In terms of regional exposure, the fund increased its large exposure to North America, from 66.7% in Q2 2018 to 68% in Q3 2018, and also marginally increased its exposure to the United Kingdom, from 12.2% in Q2 2018 to 12.5% in Q3 2018, while sizeable exposure to European developed markets decreased from 15.9% in Q2 2018 to 15.2% in Q3 2018. The total Asian exposure (including Asian emerging markets) remains minimal and has been increased from 3% in Q2 2018 to 4.3% in Q3 2018. In terms of sector exposures, the fund is largely exposed to consumer defensive stocks and has marginally decreased its exposure from 28.1% in Q2 2018 to 27% in Q3 2018. Financial services is the second largest sector in the fund, and its exposure has decreased from 22% in Q2 2018 to 20.1% in Q3 2018, while exposure to the technological sector increased from 24.3% in Q2 2018 to 26.5% in Q3 2018. The Healthcare sector exposure gained from 13.6% in Q2 2018 to 14.5% in Q3 2018, and consumer cyclicals marginally decreased from 10% in Q2 2018 to 9.8% in Q3 2018. Exposure to Industrials remained the same in both quarters at 2%.

Long Term Asset Allocation



Fund manager	Ian Heslop, Amadeo Alentorn and Mike Servent	**No of quarters**	7
Benchmark	MSCI World Index	**Risk Description**	Aggressive
Role of Benchmark	Cognisant	**Inception Date**	17 May 1995
Return Focus	Relative	**Fund Size ($m)**	£ 1 010m
Philosophy	Quantitative valuation driven	**Fee Description (retail class)**	Annual management fee
Category	Global equites	**Annual management fee**	1.50%
		FSB Approved	No

Key Insights

Old Mutual Global Investors (OMGI) recently underwent a management buyout and has been rebranded as Merian Global Investors. This acquisition in no way affects the investment team or their unique systematic approach to managing this fund. Management is confident that this is a good outcome for the fund itself, as the move to take ownership has improved independence and further aligned the managers' interests with those of the clients. All research efforts by the team are focused on enhancing the model used to select stocks and rebalance the portfolio. The fund has previously had up to 40% exposure to off-benchmark stocks, with a maximum holding in each of these stocks of up to 0.5%. Off-benchmark stocks are chosen from the same regions and countries that the benchmark positions come from. The fund exhibits, on average, an 88% overlap with its benchmark from a sector perspective. While the fund is cognisant of the sector allocation of the benchmark, it is agnostic with regard to underlying individual security selection. The fund's investment process is built around five key factors: dynamic valuation /quality, sustainable growth, analyst sentiment, Company management and (5) market dynamics. These factors are determined independently, bolstering diversification, and then combined within the portfolio. The key to weighting these different factors is by assessing the market environment, i.e. the risk environment and market sentiment. The fund is very active, as characterised by a high weekly turnover; however, trading and the associated costs are managed as part of their model on a very conservative basis. The fund's unique process means that it is positioned ideally, in order to compete with a proliferation of high frequency and algorithm trading strategies. The introduction of an ESG factor into their quantitative model is a new development in their investment process, affecting company valuations and decisions.

Fund Use

The Merian Global Equity Fund is suitable for investors seeking broad-based, diversified exposure to developed global equity markets. The fund is ideal for investors with a long-term investment horizon who are able to stomach short-term volatility and drawdowns. The fund can be used as a single, stand-alone fund offering global equity exposure in a diversified portfolio or it can be used in conjunction with other global equity managers. Managers that follow a more concentrated fundamental approach or pure top-down macro approach would work equally well with this fund.

Qualitative Highlights

Ian Heslop has been managing the fund since 2004 supported by two other fund managers, Amadeo Alentorn and Mike Servent. The team leverages off external research provided by an academic advisory board who are experts in accounting, mathematics and statistics. All investment ideas are generated within the team; however, the academic board will do the preliminary research, present on current investment topics, and produce reports of interest to the team to evolve their ideas. This assists the team to gauge different views on how markets misprice, and to identify stocks that are mispriced. Exposure to benchmark stocks is weighted and subject to stock, sector and country limits. The four major regions that the fund is spread across are plotted on a risk (realised volatility and unpredictability of the future) versus sentiment (pessimism or optimism) graph on a daily basis. This is so that current conditions and outlooks are incorporated into the model at all times. There are five criteria which cover quantitative and qualitative measures: dynamic valuation/quality, sustainable growth, analyst sentiment, company management and market dynamics. These criteria are implemented to be as uncorrelated as possible, allowing the components to work independently from one another, increasing diversification. They are then combined to produce a single balanced forecasted return for each stock in the universe. Stock return forecasts are used in an optimisation process to construct the most efficient portfolio. Stock selection weights are driven by styles which dominate under current market conditions. Ultimately the model will produce a portfolio which is not concentrated, resulting in lower volatility, smoother long-term returns and very good diversification.

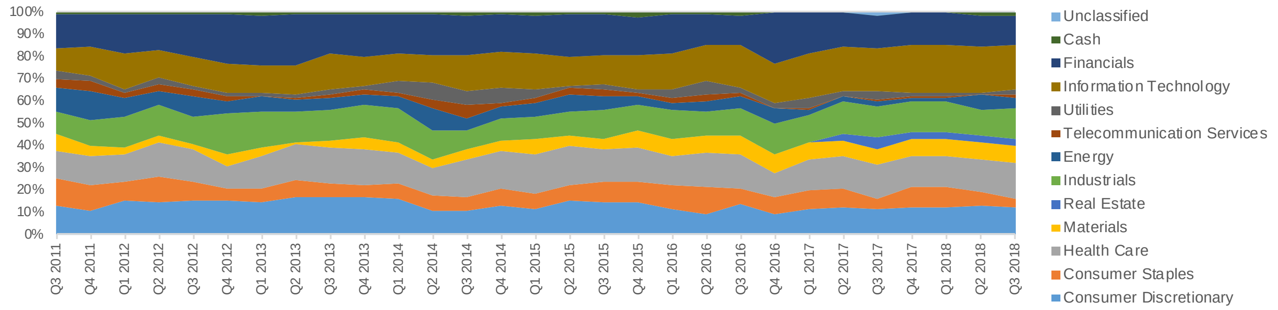
Quantitative Highlights

Since inception, the Merian Global Equity fund has outperformed its benchmark approximately 73% of the time – on a rolling three-year basis. Apart from a brief period of below-par performance early in the fund's history, the remainder of the underperformance occurred during a single period from late 2007 until September 2011. Since late 2011, however, the fund has consistently outperformed its benchmark, and there were also periods of significant outperformance. Consequently, the fund is top-quartile over three, five, ten & fifteen years, indicating consistent long-term performance over different market cycles. The Merian Global Equity fund has typically displayed a higher volatility profile than the benchmark; however, despite the increased volatility, the fund has exhibited higher risk-adjusted returns (Sharpe). Over the majority of three-year rolling periods since inception, and over all of these same periods since September 2011, the fund has outperformed its benchmark adjusting for risk. This indicates that the fund compensates investors well for the increased levels of volatility. The fund may experience higher levels of volatility and drawdowns over shorter periods of time; however, it is over longer periods where the fund's quantitative performance characteristics really look impressive. Since early 2012 the fund has outperformed its benchmark as well as the MSCI ACWI 100% of the time, on a rolling five-year basis. Over the same period, large-cap growth as a style explained the majority of the fund's return.

Current Portfolio Positioning

The recent underperformance of the Merian Global Equity Fund continued in Q3, as the fund returned 4.67% for the three-month period, 1.61% below the MSCI World Index. This result brings the YTD performance to 9.62% which is more or less in line with the benchmark over the same period. Over the longer term, the fund has outperformed its benchmark significantly with relative excess returns of 2.19% p.a. (three years), 2.52% p.a. (five years) and 2.72% p.a. (seven years). Over the quarter, the principal holdings that contributed to performance primarily included tech stocks as tech, in general, performed very well in Q3. These 'Top 10' shares include Apple (+20.6% USD), Amazon (+17.0% USD), Microsoft (+15.6% USD), Verizon (+13.8% USD) and Adobe (+13.2% USD). Regional equity exposure was largely unchanged over the quarter, with the fund's exposure to North America marginally increasing to 60.76%. European exposure is 15.65%; however, of the 15.65% only 8.76% exposure is to the Eurozone with the remainder being to Europe ex-Euro countries. As can be surmised by the significant contributors to performance, technology is the largest sector exposure (20.73%) with the relative holding having increased over the quarter primarily due to the performance of the underlying stocks. What is clear from the return profile of the fund during the quarter, and confirmed by the Portfolio Manager in the latest commentary, is that the investment process of this fund may be tested during periods of rapidly changing investor sentiment. Given the market performance, of the five key factors that are assessed, analyst sentiment, market dynamics & sustainable growth detracted from performance, while company management and dynamic valuation/quality contributed positively.

Long Term Asset Allocation



MFS MERIDIAN GLOBAL EQUITY

Fund manager	David R. Mannheim, Ryan P McAllister and Roger Morley	**No of quarters**	7
Benchmark	MSCI World NR Index	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	17 May 1995
Return Focus	Relative	**Fund Size ($m)**	£ 1 010m
Philosophy	Growth at a reasonable price	**Fee Description (retail class)**	Annual management fee
Category	Global equities	**Annual management fee**	1.05%
		FSB Approved	No

Key Insights

Old Mutual Global Investors (OMGI) recently underwent a management buyout and has been rebranded as Merian Global Investors. This acquisition in no way affects the investment team or their unique systematic approach to managing this fund. Management is confident that this is a good outcome for the fund itself, as the move to take ownership has improved independence and further aligned the managers' interests with those of the clients. All research efforts by the team are focused on enhancing the model used to select stocks and rebalance the portfolio. The fund has previously had up to 40% exposure to off-benchmark stocks, with a maximum holding in each of these stocks of up to 0.5%. Off-benchmark stocks are chosen from the same regions and countries that the benchmark positions come from. The fund exhibits, on average, an 88% overlap with its benchmark from a sector perspective. While the fund is cognisant of the sector allocation of the benchmark, it is agnostic with regard to underlying individual security selection. The fund's investment process is built around five key factors: dynamic valuation /quality, sustainable growth, analyst sentiment, Company management and (5) market dynamics. These factors are determined independently, bolstering diversification, and then combined within the portfolio. The key to weighting these different factors is by assessing the market environment, i.e. the risk environment and market sentiment. The fund is very active, as characterised by a high weekly turnover; however, trading and the associated costs are managed as part of their model on a very conservative basis. The fund's unique process means that it is positioned ideally, in order to compete with a proliferation of high frequency and algorithm trading strategies. The introduction of an ESG factor into their quantitative model is a new development in their investment process, affecting company valuations and decisions.

Fund Use

The Merian Global Equity Fund is suitable for investors seeking broad-based, diversified exposure to developed global equity markets. The fund is ideal for investors with a long-term investment horizon who are able to stomach short-term volatility and drawdowns. The fund can be used as a single, stand-alone fund offering global equity exposure in a diversified portfolio or it can be used in conjunction with other global equity managers. Managers that follow a more concentrated fundamental approach or pure top-down macro approach would work equally well with this fund.

Qualitative Highlights

Ian Heslop has been managing the fund since 2004 supported by two other fund managers, Amadeo Alentorn and Mike Servent. The team leverages off external research provided by an academic advisory board who are experts in accounting, mathematics and statistics. All investment ideas are generated within the team; however, the academic board will do the preliminary research, present on current investment topics, and produce reports of interest to the team to evolve their ideas. This assists the team to gauge different views on how markets misprice, and to identify stocks that are mispriced. Exposure to benchmark stocks is weighted and subject to stock, sector and country limits. The four major regions that the fund is spread across are plotted on a risk (realised volatility and unpredictability of the future) versus sentiment (pessimism or optimism) graph on a daily basis. This is so that current conditions and outlooks are incorporated into the model at all times. There are five criteria which cover quantitative and qualitative measures: dynamic valuation/quality, sustainable growth, analyst sentiment, company management and market dynamics. These criteria are implemented to be as uncorrelated as possible, allowing the components to work independently from one another, increasing diversification. They are then combined to produce a single balanced forecasted return for each stock in the universe. Stock return forecasts are used in an optimisation process to construct the most efficient portfolio. Stock selection weights are driven by styles which dominate under current market conditions. Ultimately the model will produce a portfolio which is not concentrated, resulting in lower volatility, smoother long-term returns and very good diversification.

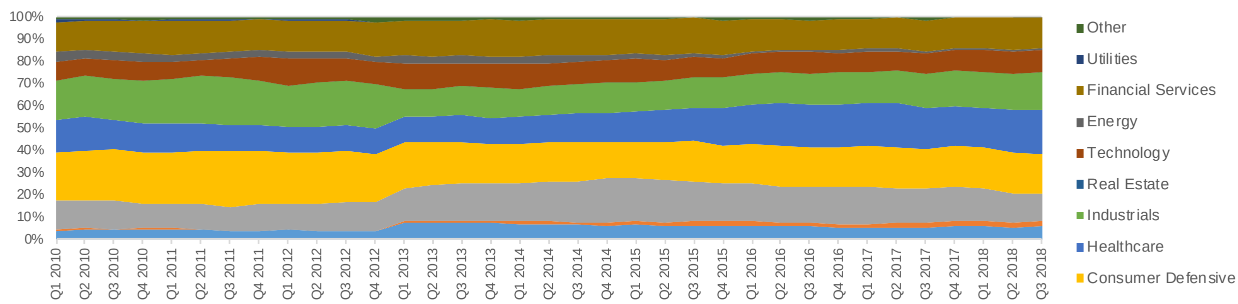
Quantitative Highlights

Since inception, the Merian Global Equity fund has outperformed its benchmark approximately 73% of the time – on a rolling three-year basis. Apart from a brief period of below-par performance early in the fund's history, the remainder of the underperformance occurred during a single period from late 2007 until September 2011. Since late 2011, however, the fund has consistently outperformed its benchmark, and there were also periods of significant outperformance. Consequently, the fund is top-quartile over three, five, ten & fifteen years, indicating consistent long-term performance over different market cycles. The Merian Global Equity fund has typically displayed a higher volatility profile than the benchmark; however, despite the increased volatility, the fund has exhibited higher risk-adjusted returns (Sharpe). Over the majority of three-year rolling periods since inception, and over all of these same periods since September 2011, the fund has outperformed its benchmark adjusting for risk. This indicates that the fund compensates investors well for the increased levels of volatility. The fund may experience higher levels of volatility and drawdowns over shorter periods of time; however, it is over longer periods where the fund's quantitative performance characteristics really look impressive. Since early 2012 the fund has outperformed its benchmark as well as the MSCI ACWI 100% of the time, on a rolling five-year basis. Over the same period, large-cap growth as a style explained the majority of the fund's return.

Current Portfolio Positioning

The recent underperformance of the Merian Global Equity Fund continued in Q3, as the fund returned 4.67% for the three-month period, 1.61% below the MSCI World Index. This result brings the YTD performance to 9.62% which is more or less in line with the benchmark over the same period. Over the longer term, the fund has outperformed its benchmark significantly with relative excess returns of 2.19% p.a. (three years), 2.52% p.a. (five years) and 2.72% p.a. (seven years). Over the quarter, the principal holdings that contributed to performance primarily included tech stocks as tech, in general, performed very well in Q3. These 'Top 10' shares include Apple (+20.6% USD), Amazon (+17.0% USD), Microsoft (+15.6% USD), Verizon (+13.8% USD) and Adobe (+13.2% USD). Regional equity exposure was largely unchanged over the quarter, with the fund's exposure to North America marginally increasing to 60.76%. European exposure is 15.65%; however, of the 15.65% only 8.76% exposure is to the Eurozone with the remainder being to Europe ex-Euro countries. As can be surmised by the significant contributors to performance, technology is the largest sector exposure (20.73%) with the relative holding having increased over the quarter primarily due to the performance of the underlying stocks. What is clear from the return profile of the fund during the quarter, and confirmed by the Portfolio Manager in the latest commentary, is that the investment process of this fund may be tested during periods of rapidly changing investor sentiment. Given the market performance, of the five key factors that are assessed, analyst sentiment, market dynamics & sustainable growth detracted from performance, while company management and dynamic valuation/quality contributed positively.

Long Term Asset Allocation



NEDGROUP INVESTMENT GLOBAL EQUITY

Fund manager	Veritas Asset Management LLP	**No of quarters**	7
Benchmark	MSCI World Index	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	1 November 2008
Return Focus	Absolute	**Fund Size ($b)**	$ 1.671m
Philosophy	Style agnostic, bottom-up, top-down, valuation driven, focus on quality	**Fee Description (retail class)**	Annual Management Fee
Category	EAA Fund Global Large- CAP Blend Equity	**Annual Management Fee**	1.50%
		FSB Approved	Yes

Key Insights

The Nedgroup Investments Global Equity fund is a very concentrated portfolio that will typically hold between 25 and 40 stocks. The managers – Veritas Asset Management - have a strong absolute-return mindset and therefore relative valuations are not considered. The fund can also, at times, have a large allocation to cash (tactical holding of a 20% maximum). If the portfolio manager cannot find any attractive investment opportunities, or if there are opportunities but the entry point is not right, they will rather remain in cash. This factor also highlights their absolute return focus, as they will not simply be fully invested. The team follows a very structured investment process that initially screens out stocks with a market cap of less than $3bn. Relative to the other funds, which mostly only screen out stocks with a market cap of less than $1bn, this fund may miss out on investment opportunities in the small-cap space. Once the screening process is complete, they focus on finding good, quality companies with high levels of reoccurring revenue and strong barriers in order to protect that future income. Global equity mandates are one of the key strategies that the company focuses on and comprise 95% of assets under management. Managers' interests are aligned with those of clients, as they invest in their own funds alongside clients.

Fund Use

The Nedgroup Global Equity Fund is suitable for offshore building-block portfolios, should the investor be looking for a more concentrated, absolute return focused, global equity carve-out. Investors should have a high tolerance for short-term volatility and a long-term outlook, due to the concentrated nature of the fund. The fund primarily invests in developed market equity, with very little emerging market exposure and can therefore be used in numerous risk-profiled portfolios that seek global developed market exposure. It can also be used alongside other funds with more emerging market exposure in order to increase diversification within a portfolio.

Qualitative Highlights

Veritas was established in 2003 with a philosophy that focuses on real returns. Veritas only focuses on two strategies: global equity and Asian equity mandates. They align their interests as owners in partnership with their clients by investing in their funds alongside their clients and on the same terms (i.e. the same fee classes). Andy Headley, the fund manager, is ultimately responsible for the global strategy. The co-manager is Charles Richardson and there are six analysts who focus on specific sectors. Theme generation drives the majority of their stock ideas. Themes, more often than not, have a macroeconomic backdrop; hence it is fair to say that the idea generation process is a combination of top-down and bottom-up factors. Stock selection, however, ultimately drives performance attribution. They follow a very structured investment process with the aim of identifying quality companies. Quality characteristics include having a competitive advantage coupled with high barriers to entry, cash generative abilities and a business model that is not easy to replicate. Ideas are generated by identifying themes, using proprietary insights and quantitative screening. The valuation process focuses on the company's ability to generate cash for shareholders. These cash flows are modelled and discounted at a constant rate of 10% so that a value (internal rate of return) of the company over a five-year investment horizon is established. Their aim is to buy stocks that generate a 15% total return (IRR) over that timeframe. Protection of capital is key to Veritas when constructing portfolios and portfolios are constructed independently of the benchmark (no tracking error target) and peers. This results in a concentrated portfolio of between 25 and 40 stocks, with any individual counter carrying a maximum weight of 8%, any sector a maximum of 30% and any regional exposure kept to a maximum of 40%. A strict sell-discipline is maintained and a share will be sold when there is either a qualitative thesis breach, it reaches its five-year intrinsic value, or the transitional terminal value (terminal value discounted at 7%) is reached during the five-year time horizon.

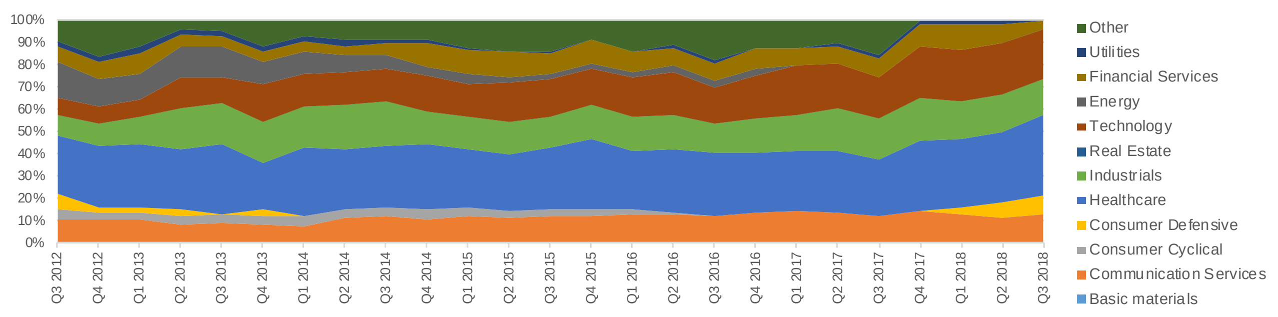
Quantitative Highlights

While the fund has underperformed the benchmark, the MSCI World Index, over most static periods, it has consistently outperformed peers over all periods. Over the last three and six months, the fund has comfortably outperformed the MSCI World index. The fund exhibits higher volatility than the benchmark and category average, but over a longer term it has displayed lower volatility than peers. The fund is a very concentrated, high-conviction fund which is evident in the fact that the top ten holdings equates to over 40% of the portfolio. Despite its concentrated nature and higher volatility, the fund has produced a better alpha and risk-adjusted return profile relative to peers, over short and long periods. On a rolling three and five-year basis, the fund has consistently outperformed the category average. Over the short term, the fund has displayed higher drawdowns than the benchmark; however, when viewed over longer periods and since inception, the fund's drawdown profile has been better than that of the benchmark and the category average.

Current Portfolio Positioning

The Nedgroup Investment Global Equity fund delivered a return of +8.27% over the one-year period, underperforming its benchmark, the MSCI World Index, which delivered a return of 9.77%. From Q2 2018 to Q3 2018, the fund recorded a return of 6.93%, outperforming the MSCI World Index which posted a return of 4.98%. The fund's outperformance was supported by large gains in counters such as Qualcomm (+29.49%), Cigna (+22.54%) and CVS Health (23.26%) which were leading performance drivers for the quarter. Charter Communication has the largest stock position in the portfolio, with a weighting of 7.4%, and has also contributed positively to performance by delivering a return of 11.14%. The leading detractors of the performance over the quarter were shares of Dentsply Sirona (-13.58%), Facebook (-15.37%) and Capita (-11.65%). From an asset allocation perspective, the fund was de-risked, as the total stock holding in the portfolio was decreased from 90.7% in Q2 2018 to 84.5% in Q2 2018, and the cash position was increased from 9.2% in Q2 2018 to 15.3% in Q3 2018. In terms of regional exposures, the fund is largely invested in North America and has increased its position in this region meaningfully from 64.8% in Q2 2018 to 69% in Q3 2018. Exposure to the United Kingdom was decreased from 12.7% in Q2 2018 to 11.6% in Q3 2018, while exposure to European developed markets was also decreased from 15.9% in Q2 2018 to 13.8% in Q3 2018. The fund had very minimal exposure of 1.1% in Q2 2018 to the Africa/Middle East region, and it sold out of this region. The fund's exposure to Asian emerging markets remained the same at 2.6%. In terms of sector exposure, the fund is largely invested in the healthcare sector, and increased its exposure to this sector from 31.5% in Q2 2018 to 35.7% in Q3 2018. Exposure to technology was decreased from 22.9% in Q2 2018 to 21.7% in Q3 2018, while exposure to industrials was also decreased from 17.2% in Q2 2018 to 16.6% in Q3 2018. Exposure to communication services was increased from 11.4% in Q2 2018 to 12.8% in Q3 2018, while financial services was substantially decreased from 8.4% in Q2 2018 to 4.4% in Q3 2018. The fund's 1.8% exposure to utilities in Q2 2018 was completely sold out by Q3 2018.

Long Term Asset Allocation



Fund manager	William Gray	**No of quarters**	7
Benchmark	FTSE World Index	**Risk Description**	Aggressive
Role of Benchmark	Benchmark Agnostic	**Inception Date**	01 Janauary 1990
Return Focus	Relative	**Fund Size ($m)**	$ 7 100
Philosophy	Bottom-up	**Fee Description (retail class)**	Annual management fee
Category	Global Equity General	**Annual management fee**	1.50%
		FSB Approved	Yes

Key Insights

The fund utilises a variety of portfolio managers for its global equity strategy. These managers include regional specialist managers as well as global specialist managers. Regions covered include (1) Europe including the UK, (2) US, (3) Emerging Markets and (4) Japan. The allocation to these regional specialists and global sector managers is the responsibility of William Gray. Currency exposure is actively managed and is managed separately from the regional and global sector managers as an overlay. Currency exposures can differ significantly from the benchmark; however, these differences will predominantly be with regard to developed market currencies and managed relative to the benchmark. Importantly, managers are incentivised on the performance of the entire strategy, so if a regional manager is not finding sufficient investment opportunities he should be willing to return capital so that his colleagues are able to deploy it to opportunities identified in their regions or global sectors. The fund is managed on a bottom-up basis, with a bias towards value shares; however, growth stocks will be owned from time to time. Broader emerging markets exposure is a relatively new development, with exposure prior to 1 November 2016 being solely to Asia Ex-Japan. From 1 November 2016 the universe was broadened to include all emerging markets.

Fund Use

The fund is designed to remain fully invested in global equities and aims to achieve returns higher than the FTSE World Index. The fund offers exposure to global equities, which include emerging markets exposure. This is a key differentiator from funds such as the Nedgroup Investments Global Equity Fund or the Old Mutual Global Equity Fund, which both invest predominantly in developed market equities. The fund will tend to have a value bias; however, growth stocks might be included from time to time. When blending this fund, care should be taken to include funds with other style specific biases such as growth (like the Nedgroup Investments Global Equity fund) or quality (like the Investec Global Franchise fund).

Qualitative Highlights

The Orbis Global Equity fund has a rich history, with an impressive track record since its launch in January 1990. Orbis as an investment house, has a well-established investment philosophy that is very clearly articulated and well understood. The strategy utilises both regional and global sector specialists, increasing the fund's ability to cover a wide variety of different markets and opportunities. Overall, the strategy is supported by 42 investment analysts and portfolio managers, with five members having many years of experience at either Orbis or Allan Gray, 18 between 5 and 10 years' experience and 15 members having between 0 and 5 years' experience. Orbis' unique performance management system results in investment leaders being identified early in their careers, but also leads to a high turnover in early years. The process and culture of Orbis embraces individual decision-making and accountability, while empowering investment team members to express unpopular views if an investment thesis is cogent. This is a truly global focussed manager with a strong, agile investment team and an investment philosophy which exhibits less dogmatism about style and traditional valuation methods.

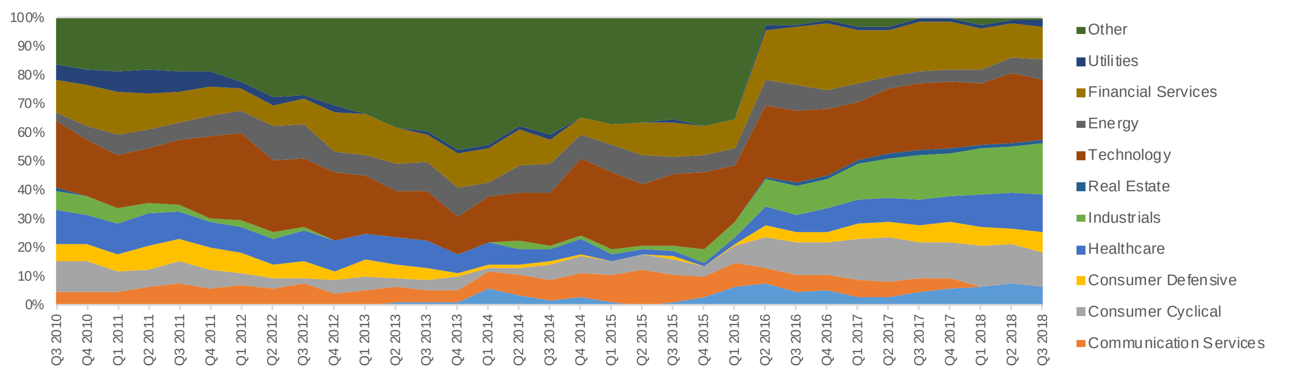
Quantitative Highlights

The fund has consistently outperformed the FTSE World TR USD Index as well as the MSCI World NR USD Index, over three and seven-year static periods, as well as over longer static periods such as 10, 15, and 20 years and since inception. On a rolling three and five-year basis, the fund has outperformed the benchmark over short and long periods. On a rolling five-year basis, the fund has outperformed the benchmark 84.5% of the time since inception. While the fund has recorded higher levels of volatility over the short and long term periods (on rolling and static periods), this volatility is compensated for, as displayed in a better risk-adjusted return profile of the fund, since inception. Over short and longer periods, the fund demonstrates higher drawdowns when compared to the FTSE World, MSCI World and the MSCI World Value benchmarks. The fund exhibits a higher tracking error as compared to its style benchmark, the MSCI World Value Index; however, its information ratio (active return per unit of active risk) is well above the MSCI World Value Index. This demonstrates the fund's ability to generate benchmark-beating returns.

Current Portfolio Positioning

The Orbis Global Equity fund delivered a return of +2.7% over the one-year period, underperforming its benchmark, the FTSE World Index, which delivered a return of +11% over the same year. The fund has also underperformed peers by 4.2% over the one-year period, but has outperformed peers over the long term. From Q2 2018 to Q3 2018, the fund delivered a muted return of +0.72%, underperforming the FTSE World Index by 4.17%. The fund's underperformance has largely been driven by its substantial exposure to emerging markets. The past two quarters have seen a downward pressure on emerging markets as the MSCI EM surrendered 1.09% for the quarter and 0.81% over a trailing one-year period. This depressed performance was mostly due to global trade tensions between the US and China, and rising US yields. NetEase (-9.40%) was one of the leading detractors in the portfolio, and continues to be one of the largest emerging market positions of the fund. Sberbank of Russia (-10.71%) was also among the leading emerging market stocks that weighed negatively on the fund's quarterly performance. Stocks that contributed positively to quarterly performance were XPO Logistics (+13.9%), Arconic (+29.76%) and Vale SA (+19.01%). In terms of portfolio holdings, the largest stock position in the portfolio is XPO Logistics (7.7%) (up from 7% in Q2 2018), followed by NetEase (6.3%) (up from 5.3% in Q2 2018) and AbbVie (5.3%) (up from 4.8% in Q2). In terms of regional exposure, the fund continues to be largely invested in North America, and over the quarter, exposure to North America was slightly increased from 47% in Q2 2018 to 49.9% in Q3 2018. Exposure to Asia (ex-Japan) increased from 17.4% in Q2 2018 to 18% in Q3 2018. Currency exposure is actively managed in the fund, with 52% allocated to the US dollar, 16% allocated to the Euro and 10% allocated to the Japanese Yen. In terms of quarterly changes in the Top 10 holdings of the fund, three new stocks are now in the Top 10 holdings, while four existing stocks have been relegated. New stocks in the Q3 2018 Top 10 were Anthem (+2.9% weighting), Apache (+2.9% weighting) and Alphabet (+2.6% weighting) while stocks that were relegated from the Top 10 were Symantec, Mitsubishi, Sberbank of Russia and NIKE.

Long Term Asset Allocation



SANLAM FOUR STABLE GLOBAL EQUITY

Fund manager	Lorenzo Dicorrado, Colin McQueen and Stephen Walker	**No of quarters**	7
Benchmark	MSCI All-Country World Index	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	10 September 2012
Return Focus	Relative	**Fund Size (£b)**	$82.6
Philosophy	Bottom-up, value approach (focus on high quality, non-cyclical companies)	**Fee Description (retail class)**	Annual management fee
Category	Global equities	**Annual management fee**	0.75%
		FSB Approved	Yes

Key Insights

The Sanlam FOUR Stable Global Equity fund is a concentrated equity portfolio, typically holding between 20 and 30 stocks. The number of holdings has historically been in a range of 23 to 26 stocks. The team applies a disciplined value approach to a subset of companies exhibiting strong and recurring cash flows. The idea is to focus exclusively on high quality companies with durable business models that are able to produce consistent positive cash flow with low cyclicality. The fund aims to deliver attractive real returns over time with a performance target of US CPI+6%. The strategy is designed to be high conviction, unconstrained and benchmark unaware. Due to the fund's narrow focus on companies with stability, resilience and having an attractive valuation, only 25 - 30% of the overall market is applicable as part of their investment universe. As a result, the fund should outperform the MSCI ACWI Index in a weak or moderately rising market but may lag during periods when the market is rising rapidly. Despite the fund's unconstrained nature in terms of region and sectors, as well as its bottom-up approach, the portfolio managers try to maintain a wide range of macro-economic drivers and variables in order to avoid becoming overly dependent on a single common factor or economic outcome. Furthermore, the fund is an actively managed fund and aims to be fully invested, with a maximum weighting in cash of 5%.

Fund Use

The Sanlam FOUR Stable Global Equity fund is suitable for investors seeking concentrated exposure to developed market value stocks. Due to the fact that this fund is focussed on a combination of value investing within high quality companies, investors need to have a long investment time horizon and should be willing to stomach short-term volatility and drawdowns. This fund should ideally be used in conjunction with a less concentrated global equity fund, such as the Schroder QEP Global Core fund.

Qualitative Highlights

Sanlam FOUR was founded in 2006 and is majority owned by the Sanlam Group. It can be characterised as the core investment engine for Sanlam in the UK which comprises of seven investment teams. These investment teams are defined as follows: Global Equities, European Equities, UK Equities, US Equities, Multi-Strategy, Fixed Income and Fund Solutions. Each investment team at Sanlam FOUR executes their own investment philosophies and processes autonomously as there is no house view overseen by a Chief Investment Officer. The Sanlam FOUR Stable Global Equity fund is managed by Colin McQueen, Stephen Walker, Gregg Bridger and Lorenzo Dicorrado. Moreover, the investment process is a team-based approach, which is led by McQueen, who is the ultimate decision maker. The investment process is ultimately a bottom-up stock selection process which is driven by five stages: idea generation, intrinsic value assessment, decision making, portfolio construction and ongoing monitoring and risk control. Furthermore, there are three fundamental characteristics that each respective company needs to have in order to be considered as an investment idea. These companies need to be strong and resilient businesses and need to have an attractive valuation. The portfolio managers spend most of their time monitoring existing positions to ensure that they are fully informed and constantly aware of changes that might prompt them to rethink their investment thesis.

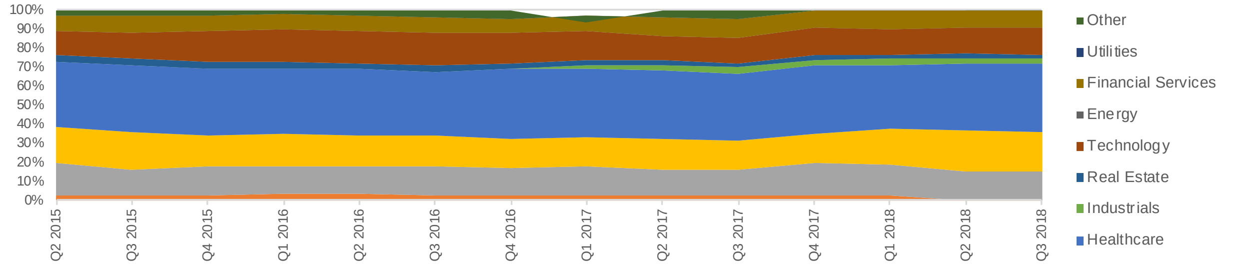
Quantitative Highlights

The fund has outperformed the MSCI ACWI Index on a year-to-date basis, while on a trailing one and three-year basis, the fund has underperformed the benchmark. The fund doesn't yet have a five-year track record. Since inception, however, the USD class of this fund has underperformed its benchmark. The fact that the fund has historically displayed a slightly higher volatility profile in comparison to its benchmark makes sense, as it is a highly concentrated fund of 25 to 30 stocks, and is benchmark agnostic, with a tracking error of 4.50% since inception. The fact that the fund has not yet experienced a market crisis or a market correction such as the 2008 global financial crisis implies that the robustness of the fund's strategy is yet to be tested in extreme adverse market condtions. In addition to this, the fund has underperformed category peers during a time when quality investing as a style has been in favour. The underperformance since inception is thus concerning, and as a result this fund's position in the Navigate range is currently under review. However, it must be said that with the fund's bias towards undervalued large capitalisation quality stocks, it is presumed that the fund's defensive qualities would be unearthed during market extremes, although that ability remains to be seen. The fund's underperformance since inception, coupled with higher volatility levels, makes it unsurprising that on a risk-adjusted basis the fund has achieved fourth quartile performance since inception. As alluded to above, year-to-date figures are more encouraging, with the fund achieving third quartile risk- adjusted performance in 2018 so far. On a rolling three-year basis, the fund has outperformed the benchmark only 37.5% of the time since inception, while achieving outperformance 39% of the time on a rolling two-year basis. Relative to the fund's CPI+6% objective, the fund has outperformed 58% of the time on a rolling three-year basis, since inception.

Current Portfolio Positioning

The Sanlam FOUR Stable Global Equity fund delivered positive returns, outperforming its benchmark for the third quarter of 2018, but underperforming over the one-year period ending September 2018. The fund returned 6.29% in USD (7.15% in GBP) for the third quarter and 7.15% in USD (10.24% in GBP) for the year ending September 2018. In the third quarter of 2018, the fund's main detractor from a sectoral perspective was the consumer discretionary sector. From a stock specific perspective however, major detractors were Tupperware Brands (-17.19%), WPP (-6.90%) and Publicis Groupe SA (-13.11%). Other counters which detracted include Imperial Brands (-5.58%) and eBay Inc (-8.94%). Leading contributors during the third quarter of 2018 were Express Script Holding Co (+23.05%), Oracle Corp (+17.48%) and Microsoft Corp (+16.43%), while further contributors included Medtronic (+16.17%), Zimmer Biomet Holdings (+18.19%) and UnitedHealth Group Inc (+8.80%). The fund's benchmark, the MSCI ACWI Index, returned 4.28% in USD (5.57% in GBP) for the third quarter of 2018 and 9.77% in USD (12.94% in GBP) for the one-year period ending September 2018. The fund's longer term underperformance relative to its benchmark comes at a time of a broad-based stock market rally, which the fund failed to participate in due to its value bias.. Furthermore, the underperformance is because market gains have been driven by a strong equity rally among cyclical sectors, while the fund has predominatly been invested in non-cyclical areas. The fund's regional exposure has changed slightly with equity exposure to North America increasing by 2% to 70.8% from Q2 2018 to Q3 2018, while equity exposure to the United Kingdom decreased marginally by 1.2% to 13.3% from Q2 2018 to Q3 2018 and the equity exposure to Europe decreased slightly by 0.4% to 10.8% from Q2 2018 to Q3 2018. The total equity exposure to Asia (including Japan) decreased slightly by 0.5% to 5.0% from Q2 2018 to Q3 2018. At a sector level, the fund still favours the healthcare sector, which accounts for 35.6% of the portfolio, and the consumer staples sector, which accounts for 20.8% of the portfolio, followed by the technology and consumer discretionary sector, which account for 14.0% and 15.2% respectively.

Long Term Asset Allocation



Fund manager	Alex Tedder	**No of quarters**	7
Benchmark	MSCI World NR	**Risk Description**	Aggressive
Role of Benchmark	Agnostic	**Inception Date**	29 July 2005
Return Focus	Relative	**Fund Size ($m)**	$ 1051.53
Philosophy	Growth-orientated	**Fee Description (retail class)**	Annual management fee
Category	Global Equity General	**Annual management fee**	1.50%
		FSB Approved	Yes

Key Insights

Schroders is a very experienced asset management house, and has been managing money for the past 200 years. Having said this, there is no house view portfolio and each capability within Schroders is represented by an independent team with its own investment philosophy. The Global Equity team is owner-managed, with 52% equity in employee hands. The team leverages off research conducted by the regional Schroder teams, situated in Asia, Europe, the UK & the US. Their clear philosophy, focussing on finding the 'Growth Gap', which is forward earnings growth not yet identified by the market, includes three key areas: persistent inefficiencies, market inefficiencies that cause material differences between fundamentals and market estimates, and disciplined investment in stocks delivering positive earnings surprises. This philosophical base is effectively translated to their repeatable process that has been optimised by Alex Tedder since his arrival. The fund will invest at least two-thirds of its assets in a concentrated range of equities worldwide. According to Schroders' philosophy, the 'Alpha' in the fund name refers to investing in companies in which the manager has high conviction and there is significant future prospects not reflected in the price. Further differentiating factors include the team's exceptional data science capabilities, as well as a strong focus on integrating ESG factors into the valuation process.

Fund Use

The Schroder ISF Global Equity fund is suitable for an investor seeking worldwide equity exposure, predominantly to developed markets, but the fund will have emerging market exposure of 8 - 10%. The portfolio will be reasonably concentrated, usually holding between 40 and 60 large-cap stocks. This concentrated approach increases fund volatility, and thus investors need to be willing and able to stomach short to medium-term fluctuations. The fact that currency hedging is not employed could exacerbate fluctuations further, with increased volatility through exchange rate movements. The fund should be utilized as a longer-term holding. The fund's return-based style is predominantly large-cap growth and will thus work well with a fund like the Investec Global Franchise fund, the Dodge & Cox Worldwide Global Stock fund or the Orbis Global Equity fund, due to its low correlation to large-cap growth.

Qualitative Highlights

The arrival of Alex Tedder has definitely brought clarity to the investment philosophy and has added discipline and robustness to the investment process. It is also encouraging to see that the Global Equity Alpha team has been bolstered further recently, with the addition of Frank Thorburn, who will assist Tedder and Simon Webber with portfolio management duties. When assessing an investment process it is important to test for discipline and repeatability – from idea generation right through to portfolio construction. The improvements to the buy and sell discipline, combined with the introduction of the proprietary screen and enhanced team resources are all positive changes. In addition, the fund leverages off a wide and diverse team of global sector specialists who play an important role in selecting the best research ideas available. However, these changes have all been made over the last 36 months. Although seemingly positive, the process alterations implemented by Tedder will not fully bear fruit over the short term; in order to truly evaluate the robustness of this process, it will have to be exposed to at least one full market cycle. We will continue to monitor these developments closely, in order to evaluate the true effect of the optimisations that have been made.

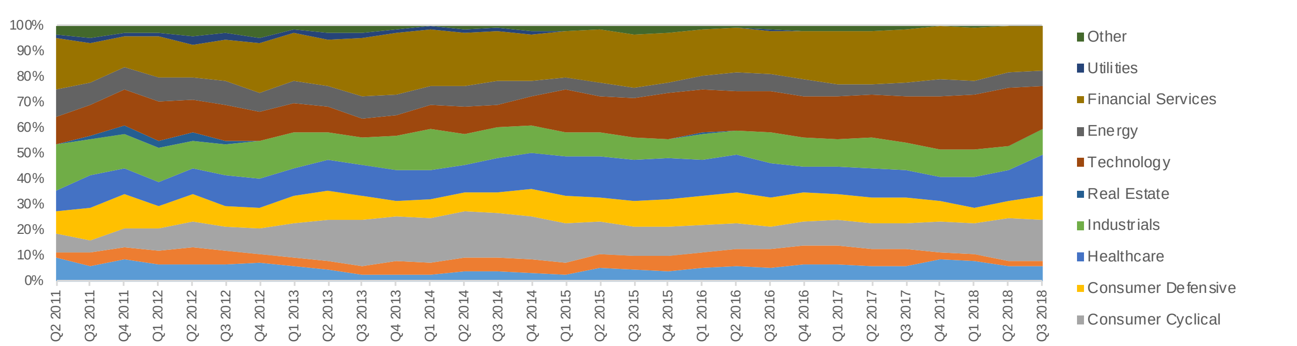
Quantitative Highlights

On a static returns basis, the Schroder ISF Global Equity Alpha fund has underperformed the MSCI World NR USD over most meaningful periods since inception. The fund's performance over shorter periods has improved somewhat, when evaluated on a rolling three-year basis, but despite the clear improvements made to the process since the arrival of Alex Tedder, the fund has not managed to outperform the benchmark over a three-year period (in both USD and GBP terms). The fund has also displayed higher volatility than the benchmark and the category average since inception. Given the higher volatility and periods of underperformance, this fund has delivered poorer risk-adjusted returns than its benchmark and the category average. The fund has not been able to generate significant alpha since inception. When analysing the up and down capture ratios over the last ten years, we note that the fund tends to capture all of the upside, but will capture slightly more of the downside than the benchmark will. The fund has, since inception, typically had a similar drawdown profile to both the category average and the benchmark. Importantly however, over the same period, the fund has produced lower maximum drawdowns than the benchmark. Over the shorter term, however, it tends to have greater drawdowns than both the peer average and its benchmark, due to its concentrated, high beta-growth holdings profile. This is further reflected upon analysis of the fund's returns based style regression, which confirms that the majority of returns can be explained by large-cap growth stocks. On a rolling three-year basis, over a ten-year period, the fund has underperformed the benchmark more than 90 percent of the time.

Current Portfolio Positioning

The Schroders ISF Global Equity Alpha fund produced a positive return during the third quarter of 2018 (3.48% in USD terms, and 4.77% in GBP terms), but did not manage to outperform the benchmark. Stock selection detracted from performance over the period, with the strong sectoral performance contributions from healthcare and consumer staples being undone by weakness in the fund's technology, consumer discretionary and financials holdings. From a regional perspective, UK holdings contributed, while North American and Emerging Market exposure detracted from performance. As alluded to above, the fund has underperformed the benchmark over a 12-month period (over the period the fund has delivered 8.78% in USD terms, and 11.92% in GBP terms, underperforming the benchmark by about 2.5% in both cases), with the major sectoral detraction coming from IT. Exposure to consumer discretionary and consumer staples contributed to performance over the period however, with a zero allocation to utilities also contributing to relative performance. From a regional perspective, emerging markets detracted from performance, as did North America. The UK exposure and Asia ex-Japan contributed to performance. During the quarter, geographic exposure was adjusted slightly, as North American exposure was increased by nearly three percent to 70.3% of the fund, and exposure to Europe was decreased by 1.4% to 15.3%. Stock picks contributing to performance over the quarter were Amazon (+17.84%), Thermo Fisher Scientific (+17.92%), Visa (+13.49%) and Adobe (+10.72%), whilst the leading detractors over the period were Intel Corp (-4.29%), Texas Instruments (-2.14%), Bank of America Corp (+5.01%) and The Home Depot (+6.72%).

Long Term Asset Allocation



SCHRODER QEP GLOBAL CORE

Fund manager	Justin Abercrombie	**No of quarters**	7
Benchmark	MSCI World NR Index	**Risk Description**	Aggressive
Role of Benchmark	Cognisant	**Inception Date**	03 June 1993
Return Focus	Relative	**Fund Size ($b)**	$ 2576.30
Philosophy	Focus on value and quality	**Fee Description (retail class)**	Annual management fee
Category	Global equities	**Annual management fee**	0.35%
		FSB Approved	Yes

Key Insights

The Schroder ISF QEP Global Core Fund is an actively-managed fund designed to deliver modest incremental outperformance of the MSCI World Index by 1% p.a gross of fees with limited index-relative risk. The investment team analyses global companies to identify attractive opportunities, applying index-relative constraints at a stock, sector and regional level in order to ensure effective diversification. Essentially, this strategy offers investors the benefits of index-based investing from a risk and cost perspective with the advantage of relative upside performance. Stock selection is based on the analysis of company fundamentals indicating value and business quality, where the fund will typically exhibit a bias towards both of these factors. Moreover, the investment approach is both fundamental and quantitative, where a macro overview is superimposed as part of risk management during portfolio construction. The portfolio will typically have a holding of 500+ stocks which is optimised daily, with cash usually representing less than 1% of the portfolio. Off-benchmark stocks have historically been in a range of 12% to 20%, while stock weights are constrained to ±0.5% relative to the benchmark, and sector and regional weights are constrained to ±2.5% relative to the benchmark. Furthermore, the portfolio manager aims to build a portfolio that maximises exposure to stocks with a higher probability of outperformance and avoids or underweights stocks that have a lower probability of outperformance.

Fund Use

The Schroder ISF QEP Global Core fund is suitable for investors seeking broad-based, diversified exposure to developed global equity markets. The fund is ideal for investors with a long investment time horizon who are able to stomach short-term volatility and drawdowns. The fund can be used as a single, stand-alone fund offering global equity exposure as part of a wider diversified portfolio, or it can be used in conjunction with other global equity managers. Managers that follow a more concentrated fundamental, benchmark agnostic approach or pure top-down macro approach would work well with this fund.

Qualitative Highlights

Schroder Investment Management has been managing money for over 200 years. Schroder US and Schroder UK consolidated in 2007. There are various investment capabilities across Schroders, independent of one another, as there is no single house view. The Quantitative Equity Product (QEP) investment team was established in 1996 and has been managing money since 2000. The team is led by Justin Abercrombie and consists of 25 members based in London, Sydney, New York and Hong Kong. Moreover, the QEP team utilises Schroders' global resources in areas such as trading, IT, risk and compliance. Abercrombie joined Schroders in 1996 and was the founder of the QEP team. Abercrombie is the lead portfolio manager of the QEP Global Core fund and is further supported by David Philpotts (Head of Research), four senior analysts/portfolio managers, seven analysts and three implementation analysts. The investment team is spread across various offices with Abercrombie based in London. The team is principally based in London, with additional research team members based in Sydney and New York. Abercrombie has successfully managed the QEP Global Core fund using a quantitative model that he himself has developed. The quant model applied here is unique given that it is purely focussed on valuations and quality, rather than trends and earnings. Value is measured on an absolute and relative basis including an assessment of dividends, cash flow, earnings, sales, and assets. Quality is captured through analysing the underlying building blocks of a company, namely profitability, stability, and financial strength. Furthermore, portfolio managers are responsible for the day-to-day management of the fund, which involves checking each trade, risk management and forward-looking research, while analysts are responsible for new investment insights and enhancing the quant model.

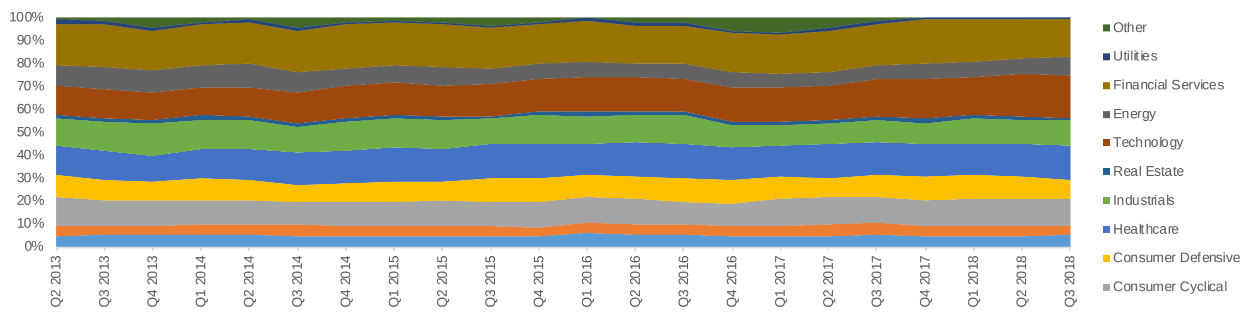
Quantitative Highlights

The fund has marginally underperformed the MSCI World Index over all meaningful periods shorter than seven years. Over periods longer than seven years, however, and thanks to this fund's long track record, the fund has in fact managed to outperform this very challenging benchmark over both a 10-year and 15-year period. The QEP Global Core fund displays a higher volatility profile as measured by standard deviation in comparison to its benchmark. This is to be expected, as the fund has the objective of producing excess alpha relative to the benchmark by taking added selective risks in areas of the market where the process deems the most value to be on offer. Over periods of ten years or longer, the fund has also managed to produce risk-adjusted returns in excess of the benchmark. Over static periods longer than three years, the fund has managed to produce first or second quartile risk-adjusted returns. The focus on risk management has typically enabled the fund to handle adversity better than most of its peers. This is evident by better maximum drawdowns over a ten-year period, as well as an improved down capture ratio. Upside capture has typically been the source of the fund's periodic underperformance, reflected in its capture of just under 100% or upside performance over ten years. Furthermore, over a 10-year period, the fund's return signature can be explained mainly by large capitalisation core stocks and large capitalisation growth stocks, followed by large capitalisation value stocks. On a rolling three-year basis, the fund has outperformed its benchmark 73% of the time over the last 10 years. On a rolling five-year basis, the fund has outperformed 79% of the time.

Current Portfolio Positioning

The fund outperformed the benchmark (MSCI World Index) during the third quarter of 2018, delivering 5.03% while the benchmark produced 4.98%. Over the one-year period ending September 2018, the fund has marginally underperformed, returning 11.14%, while the benchmark produced 11.24%. The fund invests at least two thirds of its assets in a diversified portfolio of companies worldwide, and currently holds 557 stocks, which speaks to the diversified approach of this fund. Over the period Q2 2018 to Q3 2018, the fund's regional equity exposure has not changed significantly, bearing in mind that the fund is constrained relative to its benchmark's sector and regional exposure weights, with equity exposure to North America remaining relatively unchanged at 63.1%, equity exposure to Europe increasing marginally from 14.5% to 15.0%, equity exposure to Japan increasing from 8.1% to 8.3%, and equity exposure to the United Kingdom remaining unchanged. Moreover, the fund has a diversified sector exposure. Technology, healthcare, materials, energy and telecommunication services are the main sector overweights relative to the benchmark, while financials, consumer discretionary, and industrials, are the main sector underweights relative to the benchmark. Healthcare contributed to performance most significantly during the quarter, followed by technology and industrials. On a stock level, the leading contributors to the fund's Q3 2018 quarterly performance were Apple (+22.38%), Microsoft (+16.43%), Amazon (+17.84%) and Johnson & Johnson (+14.63%), while Exxon Mobil (3.83%), Alphabet (6.90%), and JP Morgan Chase (8.88%) detracted from performance.

Long Term Asset Allocation



NAVIGATE OPTIMISED MODEL PORTFOLIOS

NAVIGATE OPTIMISED MODEL PORTFOLIOS

by Glacier International

glacier
by Sanlam

NAVIGATE BY GLACIER INTERNATIONAL IS A HIGHLY GUIDED LIST OF INVESTMENT CHOICES TO HELP SIMPLIFY INTERNATIONAL INVESTMENTS.

The portfolios have been constructed to not only appeal to investors who are new to offshore investing and require guidance, but also to seasoned investors who merely require a simple offshore investment solution. The portfolios are also aimed at investors or intermediaries who do not want the risk of portfolio management.

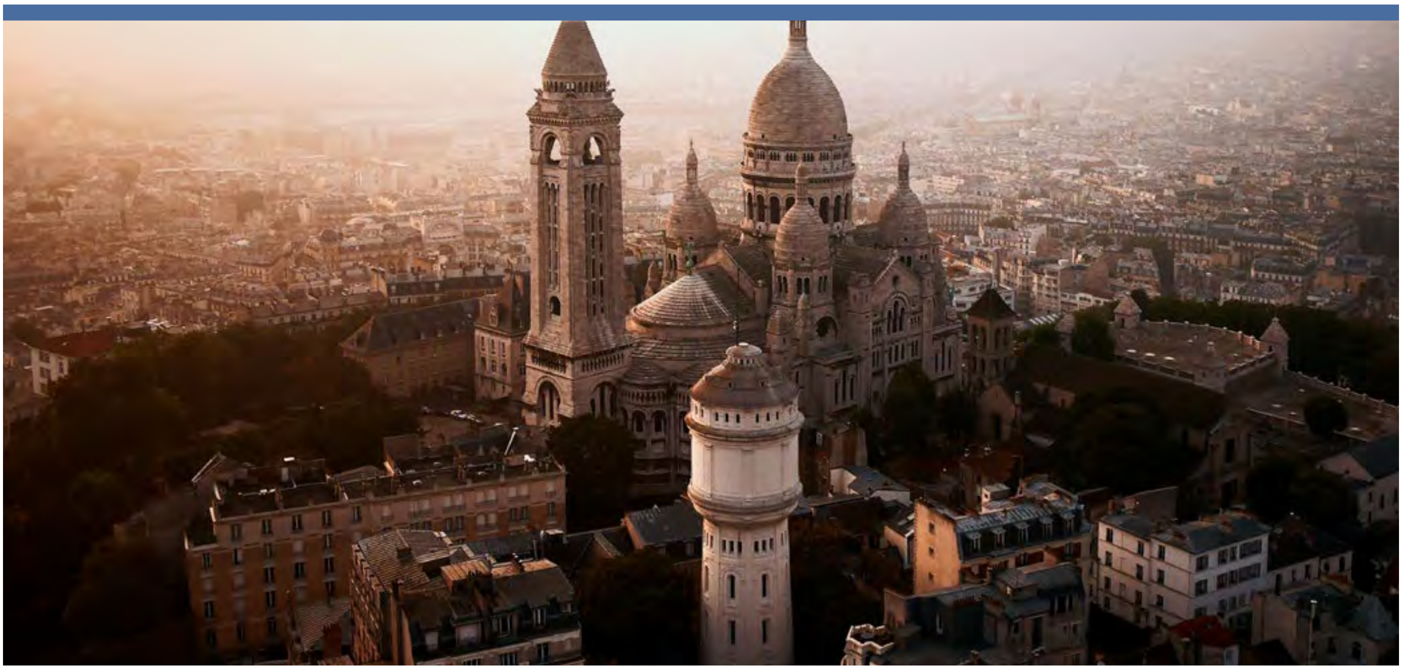
Model portfolio risk profiles

Portfolios are constructed in accordance with specific risk profiles and investment objectives, and each consists of a range of funds with optimised weightings in the portfolio.

Optimised Cautious Growth	Optimised Moderate Growth	Optimised Aggressive Growth
This portfolio aims to produce positive returns over the longer term with relatively low volatility. Preserving capital is a key objective of funds in this category. When markets fall, the funds in this portfolio should not fall as much as those with higher equity weightings.	This portfolio provides diversified exposure to global assets with the aim to maximise risk-adjusted returns over the longer term. The portfolio will typically invest in actively-managed funds where the fund managers have a large degree of flexibility to allocate investments across asset classes and underlying investments as they consider appropriate.	This portfolio aims to provide high exposure to global equities, and will aim to produce a relatively high level of capital growth over the long term. Investors in this portfolio should be prepared to tolerate high fluctuations in the value of their investment over the short term. The portfolio will typically hold global equity funds that are actively managed, with the managers having a large degree of flexibility in terms of which stocks to hold.

The model portfolios are available in USD and GBP.

March 2018



WHY CHOOSE NAVIGATE MODEL PORTFOLIOS?

Investors will enjoy the guidance and simplicity which these optimised portfolios provide.

- Once the risk profile and currency choice have been established, an optimised portfolio can be chosen for the client.
- These portfolios are optimised using a multifactor model taking into account clients' risk return objectives and time horizons.
- Glacier International then administers and monitors the portfolios.
- Rebalances and fund changes are applied.
- The investor has 24-hour online access to monitor his/her investment.
- Intermediaries have access to monthly portfolio performance reports, as well as other technical and in-depth analyses.

How do we select our funds and construct the optimised portfolios?

We are meticulous in our research and monitoring process. Due diligences are conducted on the investment capabilities of each asset management company, initially and on an ongoing basis. The selected funds are managed by fund management companies with strong performance track records. Differences in their philosophies and approaches to investing add diversification to the portfolios. As such, investors receive portfolios which contain a variety of investment views from some of the world's most esteemed fund managers.

Of key importance are the relationships we establish and maintain with the asset managers we choose. These ensure that we receive timely information regarding the funds and that we work with fund managers who are committed to providing high-quality feedback to our investors — in the form of ongoing reporting, responses to questions, as well as participation in the annual investment seminars held in South Africa, where intermediaries get the opportunity to meet and interact with the fund managers themselves.

Once we have selected our funds we construct the portfolios using a multifactor model taking into account clients' risk vs. return objectives and time horizons. Here we consider the risk tolerance of each portfolio, incorporating factors such as value at risk, acceptable drawdowns and correlations (to mention a few) to ensure there is an optimal blend of investment philosophies, styles, geographical and regional exposures as well as economic sectors. We also look at the synergies within the portfolio and how the underlying funds contribute to performance and risk over various time horizons. The optimised portfolios are monitored and rebalanced as market conditions or managers change with the aim to meet clients' financial needs and expectations.

Additional benefits of the Navigate model portfolios

The Navigate model portfolios are available via the Global Life Plan, which has a number of advantages, including consolidated reporting, access to other investment opportunities which can be held within the same plan, tax-efficiency and simplicity, estate-planning efficiencies and protection from creditors. The portfolios are also available via the Global Collection Plan.

Competitive fees

The Navigate model portfolios are offered at a portfolio management fee of 0.25%.

CHANGES TO THE NAVIGATE OPTIMISED MODEL PORTFOLIOS OCTOBER 2017

By Andrew Brotchie, Head of Glacier International

The optimised portfolios are monitored and rebalanced as market conditions or managers change in order to continue to meet clients' financial needs and expectations.

The latest rebalances are indicated below, along with the reasoning behind the changes. All existing investments will be rebalanced automatically and these changes have already been initiated on all model portfolios. No specific action is required from investors in model portfolios.

Navigate Optimised Model Portfolio - Cautious Growth (USD)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
Coronation Global Strategic Income	20.0%	20.0%	0.0%
Janus Henderson Cautious Managed	20.0%	20.0%	0.0%
Investec GSF Global Multi-Asset Income	8.5%	15.0%	6.5%
Investec GSF Global Franchise	6.0%	5.0%	-1.0%
MFS Meridian Global Total Return	11.5%	15.0%	3.5%
Nedgroup Investments Global Cautious	20.0%	15.0%	-5.0%
Nedgroup Investments Global Equity	14.0%	5.0%	-9.0%
Dodge & Cox Worldwide - Global Stock	0.0%	5.0%	5.0%
Total	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

The most notable change in the Cautious Growth (USD) portfolio is the reduced exposure to the Nedgroup Investments Global Equity fund. This highly concentrated fund of between 25 and 40 stocks can experience increased levels of volatility, and therefore the Dodge and Cox Worldwide Global Stock fund has been included to create a more balanced profile. The Dodge & Cox Worldwide Global Stock fund, with 80 to 90 holdings, has a low correlation to the majority of its peers.

The MFS Meridian Global Total Return fund is an unconstrained global return fund with a static asset allocation of 60/40 to equities and bonds. It provides increased stability and better risk-adjusted returns. This fund also adds a value bias to the portfolio and therefore acts as a good diversifier within the portfolio.

Navigate Optimised Model Portfolio - Moderate Growth (USD)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
BlackRock Global Funds (BGF) - Global Allocation	11.0%	10.0%	-1.0%
Dodge & Cox Worldwide - Global Stock	8.0%	7.0%	-1.0%
Janus Henderson Cautious Managed	17.0%	17.0%	0.0%
MFS Meridian Global Total Return	9.5%	10.0%	0.5%
Nedgroup Investments Global Equity	9.5%	10.0%	0.5%
Nedgroup Investments Global Flexible	20.0%	10.0%	-10.0%
Nedgroup Investments Global Cautious	0.0%	5.0%	5.0%
Orbis Global Equity	4.5%	5.0%	0.5%
Sarasin IE GlobalSar - Dynamic	16.0%	0.0%	-16.0%
Schroder ISF QEP Global Core	4.5%	0.0%	-4.5%
Coronation Global Strategic Income	0.0%	6.0%	6.0%
Investec GSF Global Franchise	0.0%	10.0%	10.0%
Investec GSF Global Strategic Managed	0.0%	10.0%	10.0%
Total	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

The Nedgroup Investments Global Flexible fund has struggled to produce expected returns over the last five years. It is also skewed towards developed market equities, particularly US equities with little emerging market exposure, and high levels of cash. Exposure to this fund has therefore been reduced in the optimised portfolio, in favour of managers with more depth in terms of their fixed income investments (Nedgroup Investments Global Cautious, Coronation Strategic Income and Investec GSF Global Strategic Managed), which are more closely aligned to the model portfolio's mandate.

The Sarasin IE GlobalSar Dynamic fund has a moderate approach to taking on risk, which is driven by thematics. Due to the inclusion of the Investec GSF Global Strategic Managed fund, a fund which is highly correlated to the Sarasin IE GlobalSar Dynamic fund, the Sarasin fund's exposure has been reduced to zero to offset the potential for higher volatility.

The Investec GSF Global Franchise fund was included due to the fact that this fund works well in conjunction with certain other funds, such as the Dodge & Cox Worldwide Global Stock fund, as it has low correlation with the majority of its peers.

The Investec GSF Global Strategic Managed fund has also been included in the optimised portfolio because of its ability to blend with equity-biased funds and reduce overall portfolio volatility.

Navigate Optimised Model Portfolio - Aggressive Growth (USD)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
Dodge & Cox Worldwide - Global Stock	25.0%	25.0%	-5.0%
Janus Henderson Cautious Managed	7.0%	10.0%	3.0%
MFS Meridian Global Equity	4.0%	10.0%	6.0%
Nedgroup Investments Global Equity	10.0%	10.0%	0.0%
Orbis Global Equity	12.0%	15.0%	3.0%
Satrix World Equity Tracker	17.0%	5.0%	-12.0%
Schroder ISF QEP Global Core	25.0%	10.0%	-15.0%
Investec GSF Global Franchise	0.0%	15.0%	15.0%
MFS Meridian Global Total Return	0.0%	5.0%	5.0%
Total 100.0%	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

The Dodge & Cox Global Stock fund was reduced by 5% to a 20% allocation. This is due to the fact that a large single allocation does not contribute towards diversification and can increase the overall risk in the portfolio. This slight reduction does not convey lower conviction of the individual fund, but rather is a risk management measure to reduce excessive concentration risk.

The Satrix World Equity Tracker and the Schroder ISF QEP Global Core funds were both reduced by 12% and 15% respectively. The Satrix fund is a pure tracker fund while the Schroder ISF fund is an active fund with tracker-like qualities – it tracks the region and sector weights of its benchmark. Active management is preferred to passive management and implementing these switches simply reduces the overall passive allocation of the portfolio as a whole to 15%.

Reducing the overall passive allocation allowed the introduction of the Investec GSF Global Franchise fund, which has a quality bias, and the increased allocation to the MFS Meridian Global Equity fund, which is more growth orientated. This expansion of style diversification successfully complements the value bias present in the Orbis Global Equity fund and the Dodge & Cox Worldwide Global Stock fund.

Lastly, the Janus Henderson Cautious Managed fund increased by 3%, and the MFS Meridian Global Total Return fund was added to the portfolio. This will reduce the overall risk of the portfolio and potentially increase the risk-adjusted returns as both of these funds are multi-asset funds.

Navigate Optimised Model Portfolio - Cautious Growth (GBP)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
Baillie Gifford Managed	5.0%	8.0%	3.0%
Coronation Global Capital Plus	11.0%	17.0%	6.0%
Janus Henderson Cautious Managed	13.5%	16.0%	2.5%
M&G Episode Allocation	13.0%	10.0%	-3.0%
M&G Episode Income	20.0%	10.0%	-10.0%
Old Mutual Global Equity	13.5%	5.0%	-8.5%
Sarasin IE GlobalSar - Income	20.0%	20.0%	0.0%
Schroder MM Diversity Balanced	4.0%	0.0%	4.0%
MFS Meridian Global Total Return	0.0%	14.0%	14.0%
Total	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

The most notable change in this portfolio is the addition of the MFS Meridian Global Total Return fund (14%). This fund is an unconstrained global return fund with a relatively static asset allocation between equities and fixed income. It follows a value approach with a bias towards quality, which provides good diversification when used in conjunction with other funds.

The 6% allocation to the Coronation Global Capital Plus fund will provide additional capital protection, as one of the primary targets of this fund is to produce no negative returns over any 12-month rolling period.

The allocation to the Old Mutual Global Equity fund was reduced considerably due to the volatility it brings to the portfolio. The fund is a global equity fund and will be fully invested in equities at all times.

The portfolio was aligned to only include single manager funds. The Schroder Multi-Managed Diversity Balanced fund was therefore removed from the portfolio, as it is a fund of funds.

The Baillie Gifford Managed fund allocation increased within the portfolio, as it can be considered to be an "all-weather" fund with a strong balanced strategy, investing across equities, bonds and cash. It serves as a strong complementary holding to the other funds.

The final alteration was to reduce the allocation to the M&G Episode Income fund by 10%. The purpose of this change is to further reduce volatility, as this fund is one of the more aggressively managed funds in the cautious category and has a maximum equity exposure of 60%.

Navigate Optimised Model Portfolio - Moderate growth (GBP)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
Baillie Gifford Managed	5.0%	11.0%	6.0%
Coronation Global Capital Plus	11.0%	0.0%	-11.0%
Dodge & Cox Worldwide - Global Stock	20.0%	15.0%	-5.0%
M&G Episode Allocation	5.5%	5.0%	-0.5%
MFS Meridian Global Equity	1.5%	0.0%	-1.5%
Old Mutual Global Equity	20.0%	20.0%	0.0%
Sarasin IE GlobalSar - Income	17.0%	17.0%	0.0%
Schroder MM Diversity Balanced	20.0%	0.0%	-20.0%
M&G Episode Income	0.0%	7.0%	7.0%
MFS Meridian Global Total Return	0.0%	15.0%	15.0%
Janus Henderson Cautious Managed	0.0%	10.0%	10.0%
Total	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

The portfolio was aligned to only include single manager funds. The Schroder Multi-Managed Diversity Balanced fund was therefore removed from the portfolio as it is a fund of funds.

The removal of the Schroder fund allowed a large allocation of 15% to be made to the MFS Meridian Global Total Return fund, which can best be described as a top-down, bottom-up, relative value fund with a quality bias, and will therefore provide good diversification when used in conjunction with other funds in the portfolio.

The Baillie Gifford Managed fund allocation increased within the portfolio, as it can be considered to be an "all-weather" fund with a strong balanced strategy, investing across equities, bonds and cash. It serves as a strong complementary holding to the other funds.

The Coronation Global Capital Plus fund was removed from the portfolio due to its weaker risk-return profile relative to peers - both in the category and the portfolio, whilst the Janus Henderson Cautious Managed fund was included on the basis of its better risk-adjusted returns.

Navigate Optimised Model Portfolio - Aggressive Growth (GBP)

Fund Name	Current holding in portfolio	Holding in rebalanced portfolio	Change
Baillie Gifford Managed	5.0%	8.0%	3.0%
BlackRock Global Funds (BGF) – Global Equity Income	5.5%	5.0%	-0.5%
Dodge & Cox Worldwide - Global Stock	25.0%	20.0%	-5.0%
MFS Meridian Global Equity	25.0%	20.0%	-5.0%
Old Mutual Global Equity	25.0%	20.0%	-5.0%
Schroder ISF Global Equity Alpha	14.5%	15.0%	0.5%
Janus Henderson Cautious Managed	0.0%	12.0%	12.0%
Total	**100.0%**	**100.0%**	**0.0%**

Motivation for the portfolio rebalance

Notable changes in the portfolio include reduced allocations to the Dodge & Cox Global Worldwide Stock fund, MFS Meridian Global Equity fund and Old Mutual Global Equity fund, which were each reduced by 5% to a final allocation of 20%. This is due to the fact that a large single allocation does not contribute towards diversification and can increase the overall risk in the portfolio. This slight reduction does not convey lower conviction of the individual funds, but rather is a risk management measure to reduce excessive concentration risk.

A notable change was the new 12% allocation to the Janus Henderson Cautious Managed fund, a multiasset fund, which will introduce a less risky profile to the portfolio in the current investment environment. With this in mind, the exposure to the Baillie Gifford Managed fund, the only other multiasset fund in the portfolio, was increased by 3%.

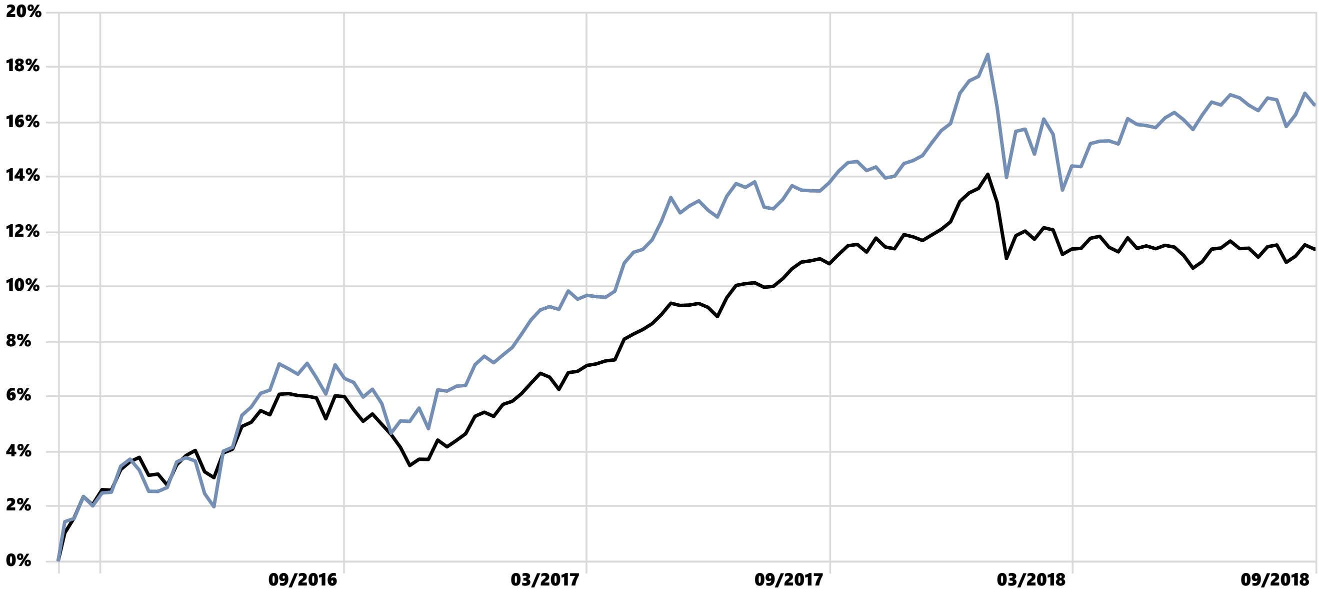
Please contact your financial intermediary should you require any further information. Alternatively you can contact our Communication Centre.

Portfolio Date: 30/09/2018

	Portfolio Weighting %	Inception Date	1 Year	3 Years (Annualised)	Morningstar Rating Overall
Janus Henderson Cautious Mgd I Acc USDH	20.00	11/08/2014	3.21	6.14	★★★
Coronation Global Strategic USD Inc A	19.80	30/12/2011	1.41	1.59	★★
Investec GSF Glb MltAst Inc A Acc USD	14.93	27/09/2013	2.39	4.37	★★★★★
Nedgroup Inv Funds Global Cautious A Acc	14.88	13/05/2014	1.83	3.56	★★★★
MFS® Meridian Global Total Ret A1 USD	14.71	31/01/2001	0.74	6.14	★★★★
Investec GSF Glb Franchise A Acc USD	5.39	04/07/2009	11.51	12.28	★★★★★
Nedgroup Inv Funds Global Equity A Acc	5.28	13/05/2014	8.27	12.89	★★★★
Dodge & Cox Worldwide Global Stk USD Acc	5.01	01/12/2009	3.34	13.55	★★★★

Portfolio Investment Growth

Time Period: 01/03/2016 to 30/09/2018



— Navigate Optimised Cautious Growth USD 16.6% — Category Average USD Cautious Allocation 11.4%

Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	1 month	3 month	6 month	1 year	2 year	2 year (cum)	Since Inception (Cum)
Navigate Optimised Cautious Growth USD	-0.15	0.78	1.95	2.49	4.57	9.34	16.62
Category Average USD Cautious Allocation	-0.13	0.63	0.00	0.48	2.51	5.07	11.37

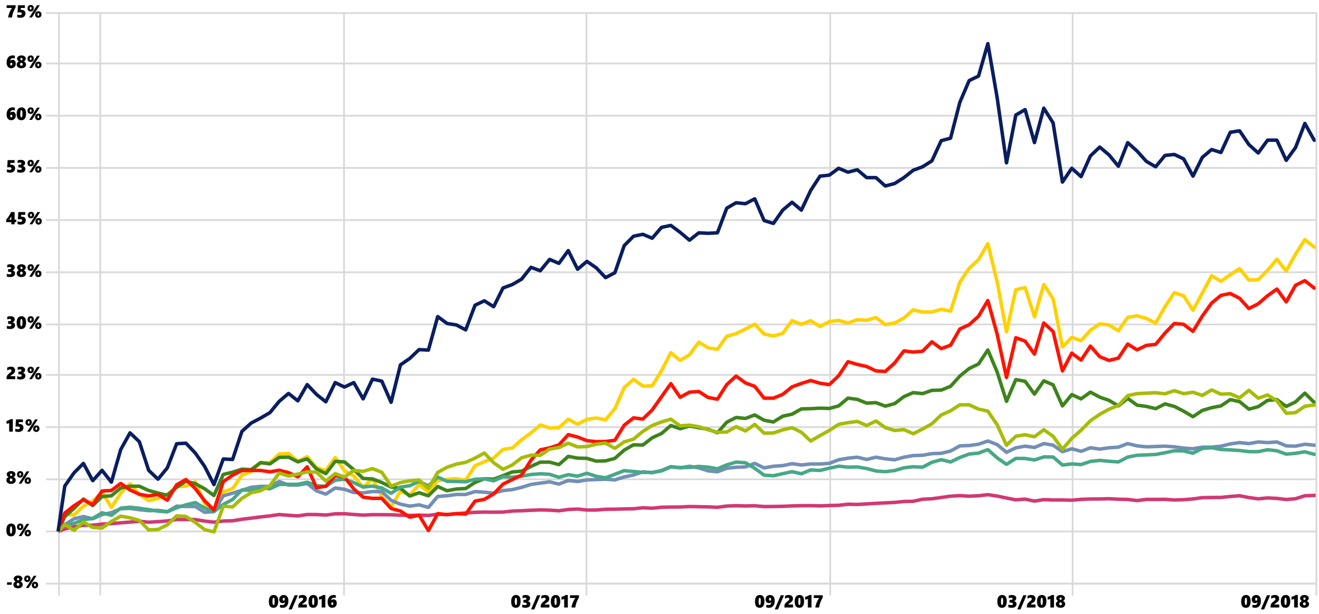
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 year	2 year (cum)
Navigate Optimised Cautious Growth USD	0.94	0.85
Category Average USD Cautious Allocation	0.70	0.72

Fund Investment Growth

Time Period: 01/03/2016 to 30/09/2018



Coronation Global Strategic USD Inc A	5.2%	Dodge & Cox Worldwide Global Stk USD Acc	56.5%	Investec GSF Glb Franchise A Acc USD	35.2%
Investec GSF Glb MltAst Inc A Acc USD	12.5%	Janus Henderson Cautious Mgd I Acc USDH	18.3%	MFS® Meridian Global Total Ret A1 USD	18.6%
Nedgroup Inv Funds Global Cautious A Acc	11.1%	Nedgroup Inv Funds Global Equity A Acc	41.1%		

Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	6 month	1 year	2 year	2 year (Cum)	3 year	3 year (Cum)	5 year	5 year (Cum)
Coronation Global Strategic USD Inc A	0.67	1.41	1.28	2.58	1.59	4.83	1.47	7.56
Dodge & Cox Worldwide Global Stk USD Acc	2.66	3.34	13.80	29.51	13.55	46.40	8.73	51.97
Investec GSF Glb Franchise A Acc USD	7.48	11.51	11.95	25.33	12.28	41.57	9.05	54.23
Investec GSF Glb MltAst Inc A Acc USD	0.46	2.39	2.96	6.00	4.37	13.68	3.77	20.34
Janus Henderson Cautious Mgd I Acc USDH	4.25	3.21	4.72	9.66	6.14	19.59		
MFS® Meridian Global Total Ret A1 USD	-0.94	0.74	3.83	7.81	6.14	19.59	3.89	21.05
Nedgroup Inv Funds Global Cautious A Acc	1.27	1.83	1.66	3.35	3.56	11.07	3.48	18.68
Nedgroup Inv Funds Global Equity A Acc	10.20	8.27	13.90	29.73	12.89	43.86	8.95	53.48

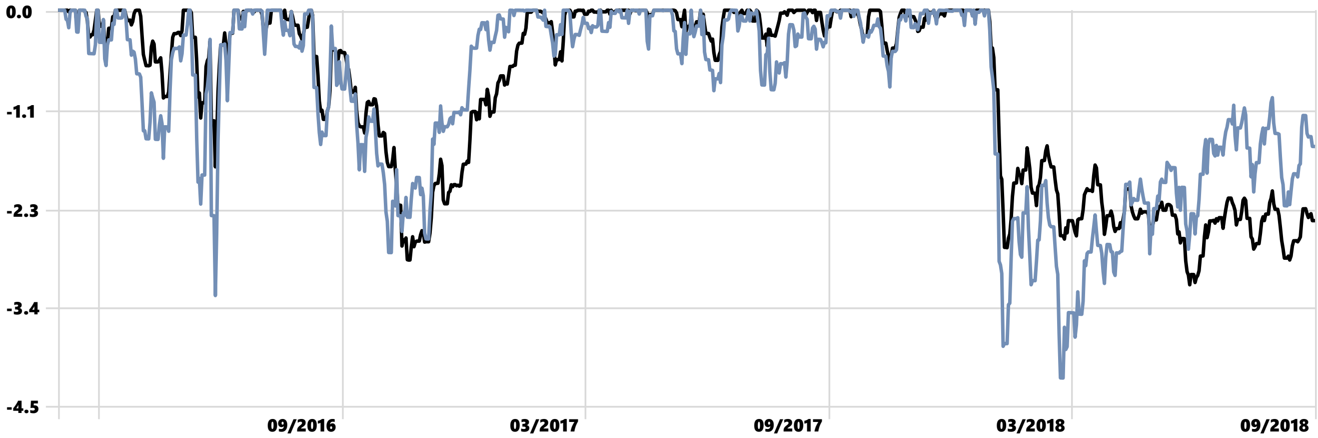
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 Year	3 Year (Cum)	5 Year (Cum)
Coronation Global Strategic USD Inc A	0.39	0.34	0.33
Dodge & Cox Worldwide Global Stk USD Acc	3.09	3.50	3.44
Investec GSF Glb Franchise A Acc USD	2.06	2.48	2.80
Investec GSF Glb MltAst Inc A Acc USD	0.51	0.90	1.05
Janus Henderson Cautious Mgd I Acc USDH	1.65	1.42	
MFS® Meridian Global Total Ret A1 USD	1.71	1.76	1.80
Nedgroup Inv Funds Global Cautious A Acc	0.62	0.89	1.06
Nedgroup Inv Funds Global Equity A Acc	2.91	3.08	2.93

Portfolio Drawdown

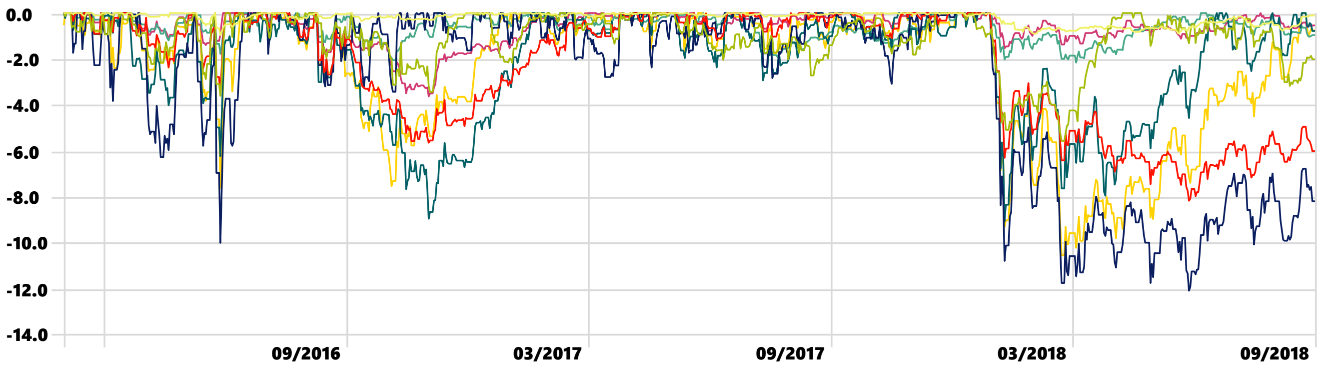
Time Period: 01/03/2016 to 30/09/2018



— Navigate Optimised Cautious Growth USD — Category Average USD Cautious Allocation

Funds Drawdown

Time Period: 01/03/2016 to 30/09/2018



— Coronation Global Strategic USD Inc A
— Dodge & Cox Worldwide Global Stk USD Acc
— Investec GSF Glb Franchise A Acc USD
— Investec GSF Glb MltAst Inc A Acc USD
— Janus Henderson Cautious Mgd I Acc USDH
— MFS® Meridian Global Total Ret A1 USD
— Nedgroup Inv Funds Global Cautious A Acc
— Nedgroup Inv Funds Global Equity A Acc

Market Performance

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

	Best Month	Worst Month	Best Quarter	Worst Quarter
Navigate Optimised Cautious Growth USD	2.86	-2.04	3.09	-1.33
Category Average USD Cautious Allocation	2.75	-1.40	2.36	-1.24
Coronation Global Strategic USD Inc A	1.05	-0.80	1.30	-0.56
Dodge & Cox Worldwide Global Stk USD Acc	9.04	-4.98	9.97	-2.77
Investec GSF Glb Franchise A Acc USD	5.71	-3.92	10.35	-4.96
Investec GSF Glb MltAst Inc A Acc USD	2.43	-1.60	2.47	-0.71
Janus Henderson Cautious Mgd I Acc USDH	4.15	-1.85	5.88	-3.39
MFS® Meridian Global Total Ret A1 USD	5.08	-3.52	4.10	-3.49
Nedgroup Inv Funds Global Cautious A Acc	2.64	-1.21	3.62	-0.35
Nedgroup Inv Funds Global Equity A Acc	6.01	-4.58	8.89	-2.88

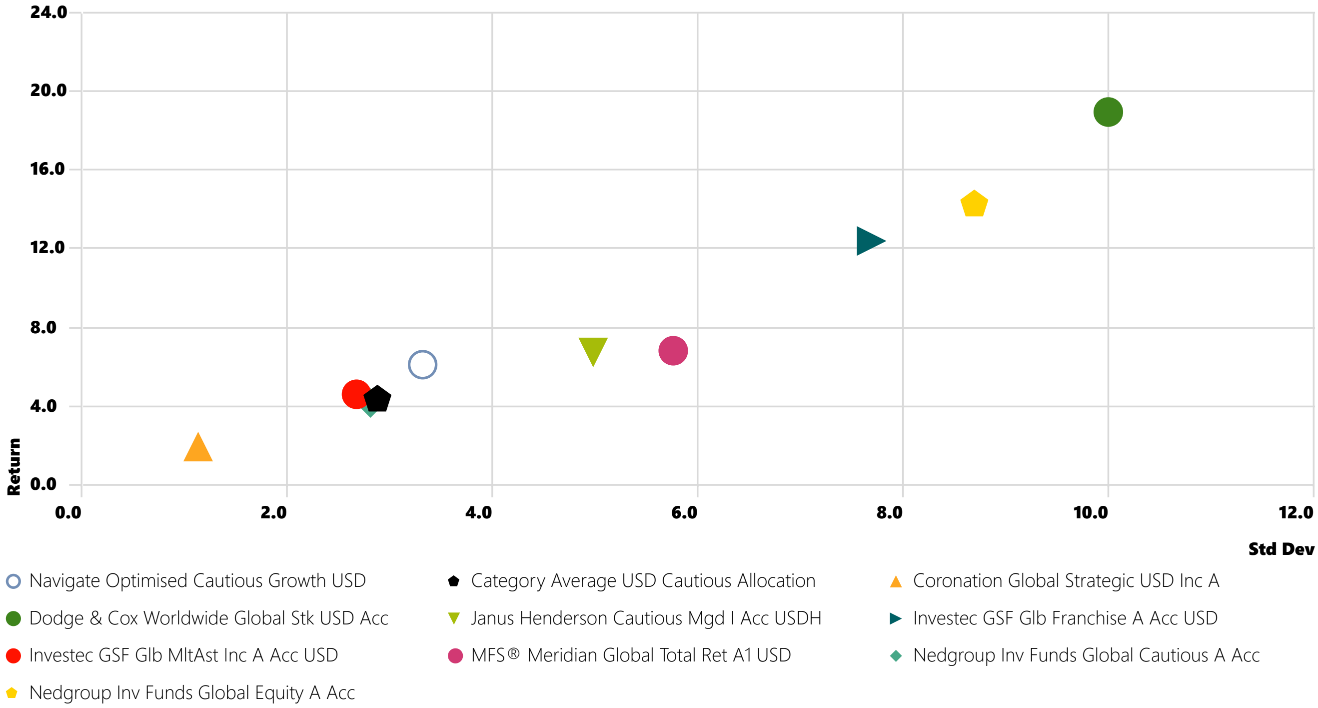
Correlation Matrix

Time Period: Since Common Inception (01/09/2014) to 30/09/2018

	1	2	3	4	5	6	7	8
1 Coronation Global Strategic USD Inc A	1.00							
2 Dodge & Cox Worldwide Global Stk USD Acc	0.74	1.00						
3 Investec GSF Glb Franchise A Acc USD	0.63	0.68	1.00					
4 Investec GSF Glb MltAst Inc A Acc USD	0.68	0.65	0.84	1.00				
5 Janus Henderson Cautious Mgd I Acc USDH	0.58	0.46	0.47	0.62	1.00			
6 MFS® Meridian Global Total Ret A1 USD	0.75	0.80	0.87	0.85	0.43	1.00		
7 Nedgroup Inv Funds Global Cautious A Acc	0.58	0.68	0.57	0.64	0.55	0.64	1.00	
8 Nedgroup Inv Funds Global Equity A Acc	0.64	0.83	0.77	0.66	0.42	0.82	0.61	1.00

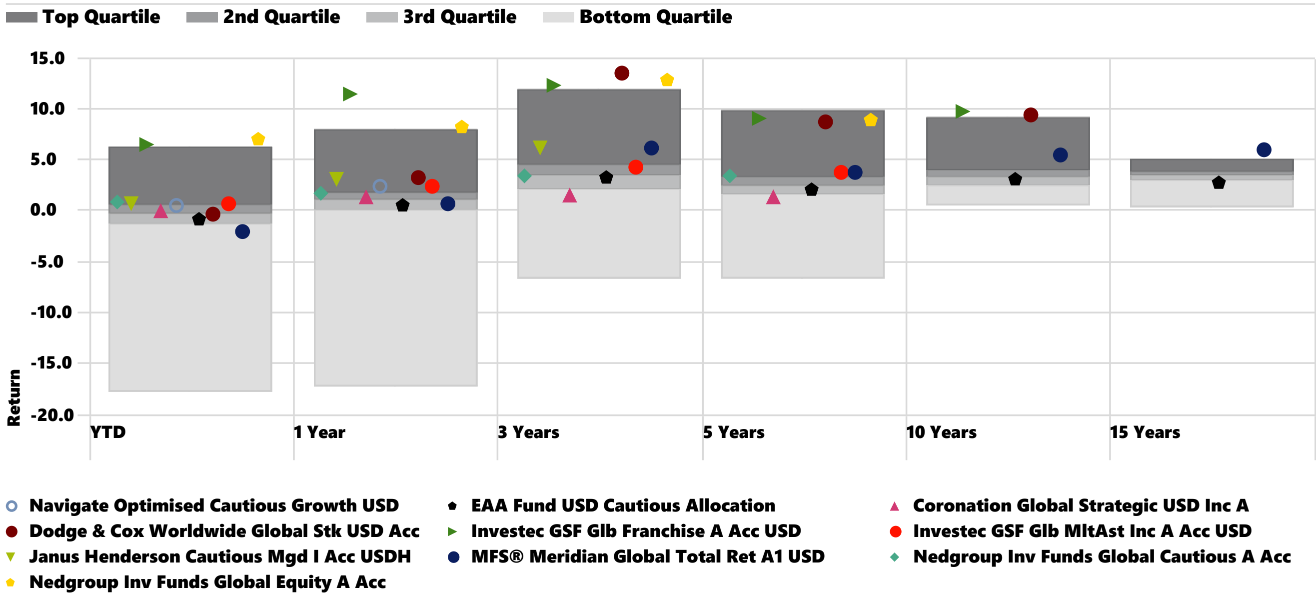
Risk-Reward

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

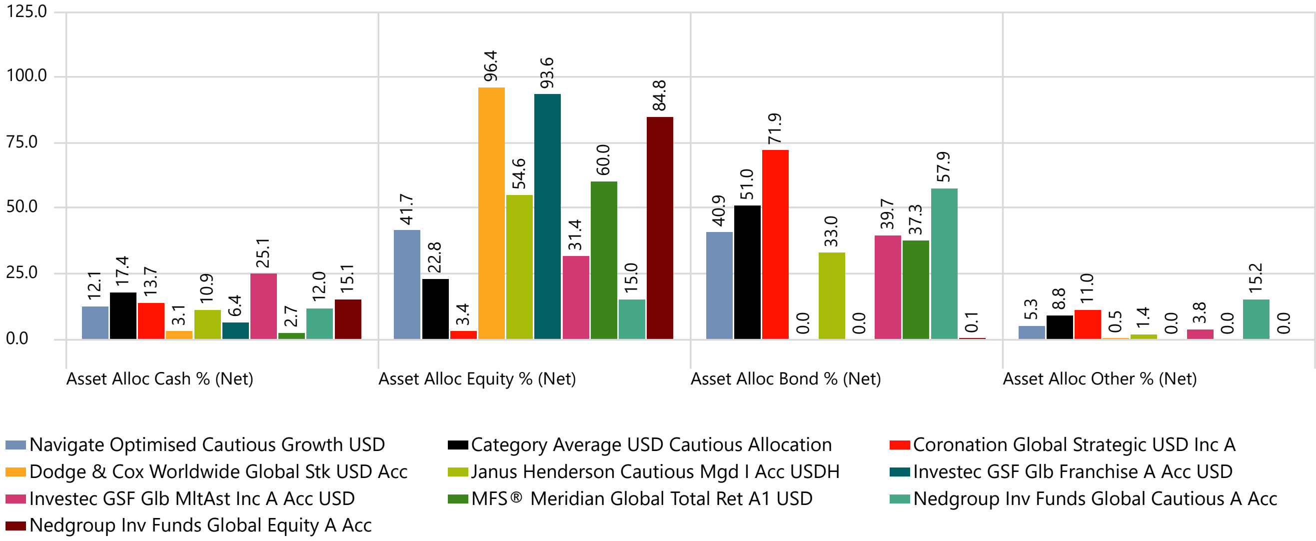


Performance Relative to Peer Group

Peer Group (1-100%): Open End Funds - Europe/Africa/Asia - USD Cautious Allocation

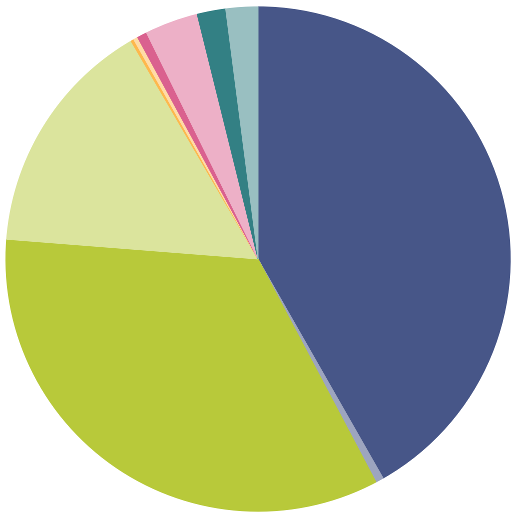


Supplementary Data



Navigate Optimised Cautious Growth USD - Equity Regional Exposure

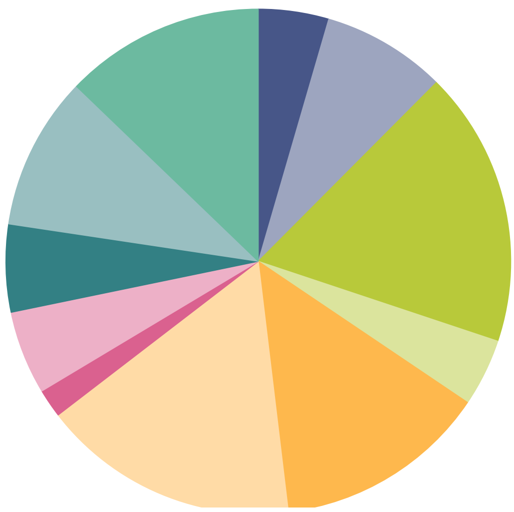
Portfolio Date: 30/09/2018



	%
North America	41.7
Latin America	0.5
United Kingdom	34.0
Europe dev	15.4
Europe emrg	0.2
Africa/Middle East	0.3
Australasia	0.6
Japan	3.4
Asia dev	1.8
Asia emrg	2.0
Total	**100.0**

Navigate Optimised Cautious Growth USD - Equity Sectors (Morningstar)

Portfolio Date: 30/09/2018



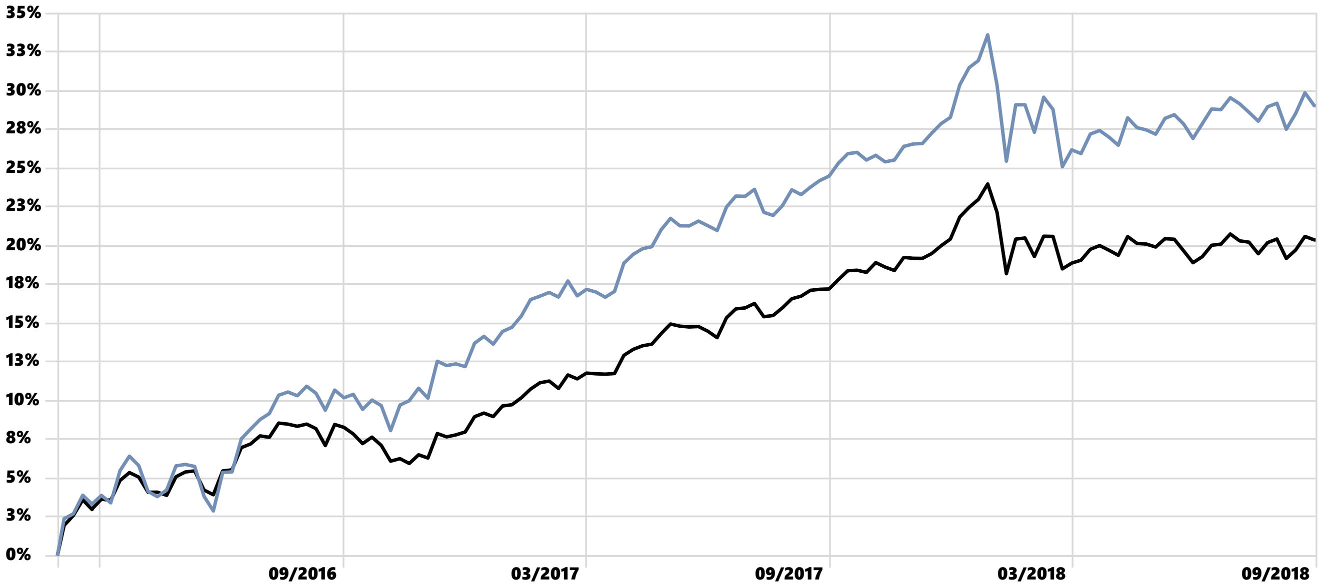
	%
Basic Materials	4.5
Consumer Cyclical	8.0
Financial Services	17.7
Real Estate	4.3
Consumer Defensive	13.6
Healthcare	16.5
Utilities	1.8
Communication Services	5.4
Energy	5.6
Industrials	9.8
Technology	12.8
Total	**100.0**

Portfolio Date: 30/09/2018

	Portfolio Weighting %	Inception Date	1 Year	3 Years (Annualised)	Morningstar Rating Overall
Janus Henderson Cautious Mgd I Acc USDH	16.87	11/08/2014	3.21	6.14	★★★
Investec GSF Glb Franchise A Acc USD	10.69	04/07/2009	11.51	12.28	★★★★★
Nedgroup Inv Funds Global Equity A Acc	10.47	13/05/2014	8.27	12.89	★★★★
Nedgroup Inv Funds Global Flexible A Acc	10.01	13/05/2014	4.43	8.30	★★★★★
BGF Global Allocation A2	9.82	03/01/1997	1.67	5.94	★★★★
MFS® Meridian Global Total Ret A1 USD	9.73	31/01/2001	0.74	6.14	★★★★
Investec GSF Glb StratMgd A Acc USD	9.70	22/06/2005	0.62	6.50	★★★
Dodge & Cox Worldwide Global Stk USD Acc	6.96	01/12/2009	3.34	13.55	★★★★
Coronation Global Strategic USD Inc A	5.89	30/12/2011	1.41	1.59	★★
Orbis Global Equity	4.94	31/12/1989	2.75	16.01	★★★★
Nedgroup Inv Funds Global Cautious A Acc	4.92	13/05/2014	1.83	3.56	★★★★

Portfolio Investment Growth

Time Period: 01/03/2016 to 30/09/2018



—Navigate Optimised Moderate Growth USD **29.0%** **—Category Average USD Moderate Allocation** **20.4%**

Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	1 month	3 month	6 month	1 year	2 year	2 year (cum)	Since Inception (Cum)
Navigate Optimised Moderate Growth USD	-0.12	1.67	2.26	3.65	8.21	17.09	29.00
Category Average USD Moderate Allocation	-0.05	1.24	1.26	2.70	5.44	11.16	20.35

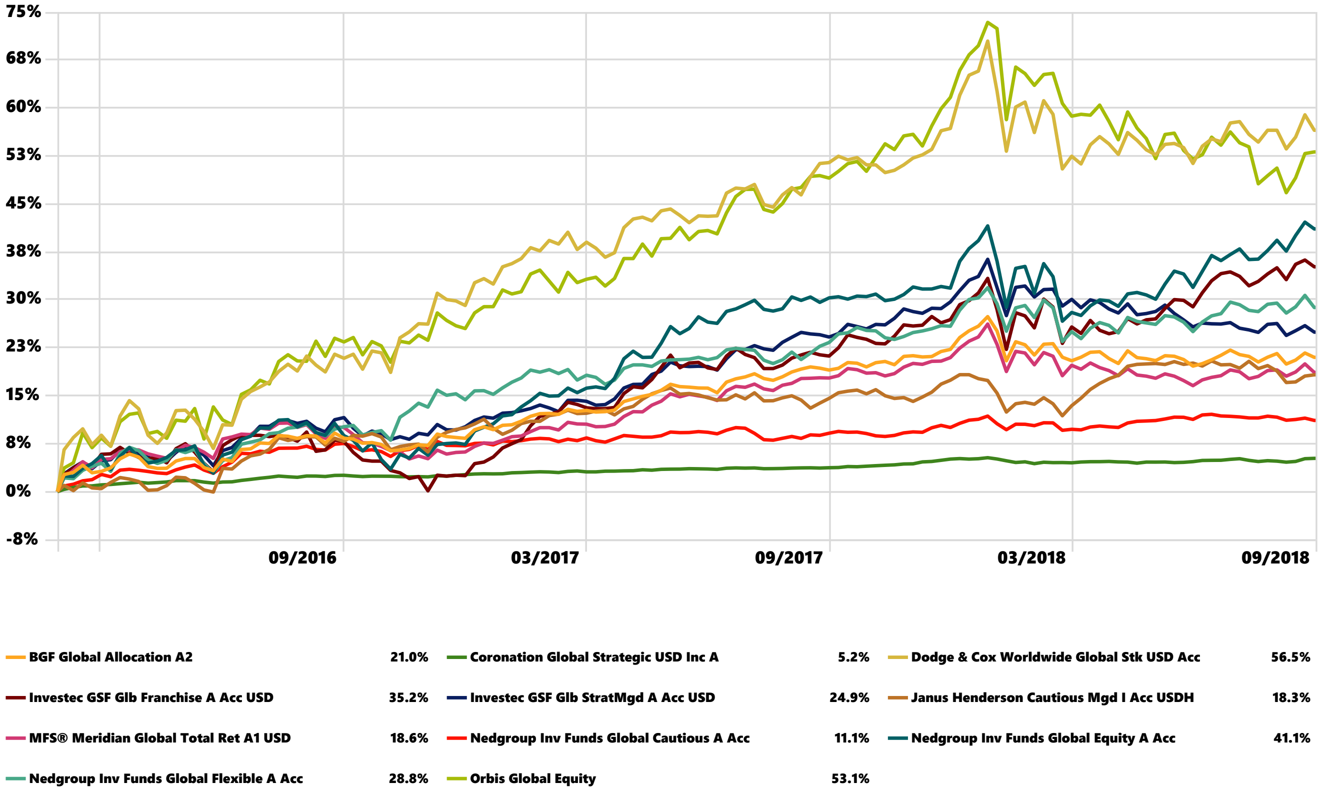
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 year	2 year (cum)
Navigate Optimised Moderate Growth USD	1.54	1.27
Category Average USD Moderate Allocation	1.23	1.05

Fund Investment Growth

Time Period: 01/03/2016 to 30/09/2018



Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	6 month	1 year	2 year	2 year (Cum)	3 year	3 year (Cum)	5 year	5 year (Cum)
BGF Global Allocation A2	0.44	1.67	5.67	11.66	5.94	18.89	3.71	20.00
Coronation Global Strategic USD Inc A	0.67	1.41	1.28	2.58	1.59	4.83	1.47	7.56
Dodge & Cox Worldwide Global Stk USD Acc	2.66	3.34	13.80	29.51	13.55	46.40	8.73	51.97
Investec GSF Glb Franchise A Acc USD	7.48	11.51	11.95	25.33	12.28	41.57	9.05	54.23
Investec GSF Glb StratMgd A Acc USD	-3.94	0.62	5.82	11.97	6.50	20.80	4.12	22.39
Janus Henderson Cautious Mgd I Acc USDH	4.25	3.21	4.72	9.66	6.14	19.59		
MFS® Meridian Global Total Ret A1 USD	-0.94	0.74	3.83	7.81	6.14	19.59	3.89	21.05
Nedgroup Inv Funds Global Cautious A Acc	1.27	1.83	1.66	3.35	3.56	11.07	3.48	18.68
Nedgroup Inv Funds Global Equity A Acc	10.20	8.27	13.90	29.73	12.89	43.86	8.95	53.48
Nedgroup Inv Funds Global Flexible A Acc	3.02	4.43	8.13	16.92	8.30	27.03	5.78	32.43
Orbis Global Equity	-3.52	2.75	11.39	24.08	16.01	56.12	7.20	41.55

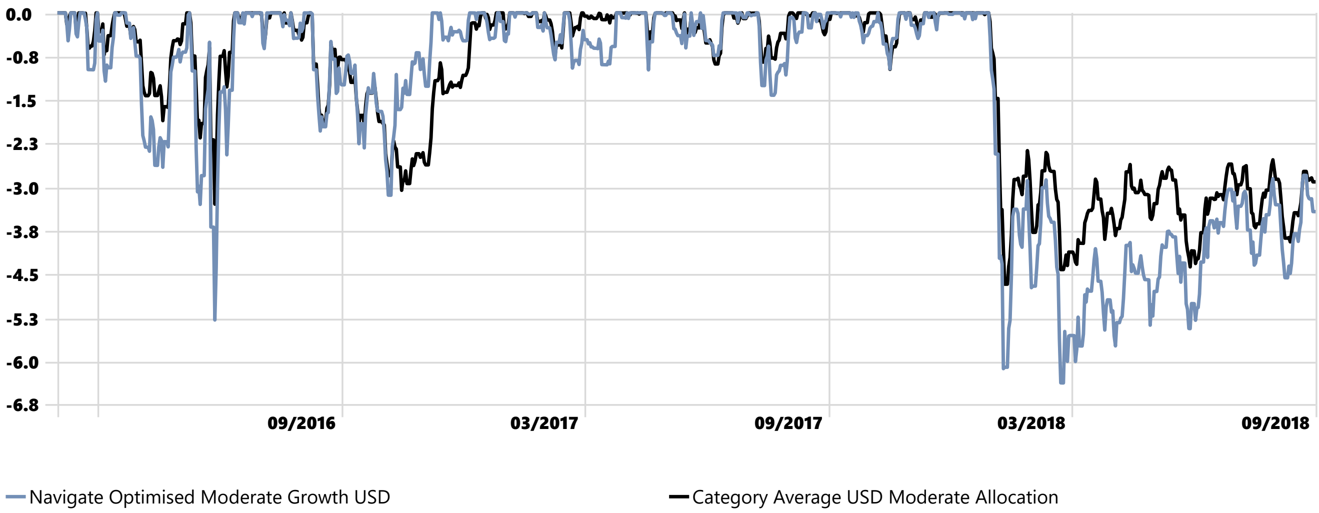
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 Year	3 Year (Cum)	5 Year (Cum)
BGF Global Allocation A2	1.66	1.82	1.82
Coronation Global Strategic USD Inc A	0.39	0.34	0.33
Dodge & Cox Worldwide Global Stk USD Acc	3.09	3.50	3.44
Investec GSF Glb Franchise A Acc USD	2.06	2.48	2.80
Investec GSF Glb StratMgd A Acc USD	1.74	1.98	2.02
Janus Henderson Cautious Mgd I Acc USDH	1.65	1.42	
MFS® Meridian Global Total Ret A1 USD	1.71	1.76	1.80
Nedgroup Inv Funds Global Cautious A Acc	0.62	0.89	1.06
Nedgroup Inv Funds Global Equity A Acc	2.91	3.08	2.93
Nedgroup Inv Funds Global Flexible A Acc	1.85	2.24	2.05
Orbis Global Equity	3.33	3.43	3.55

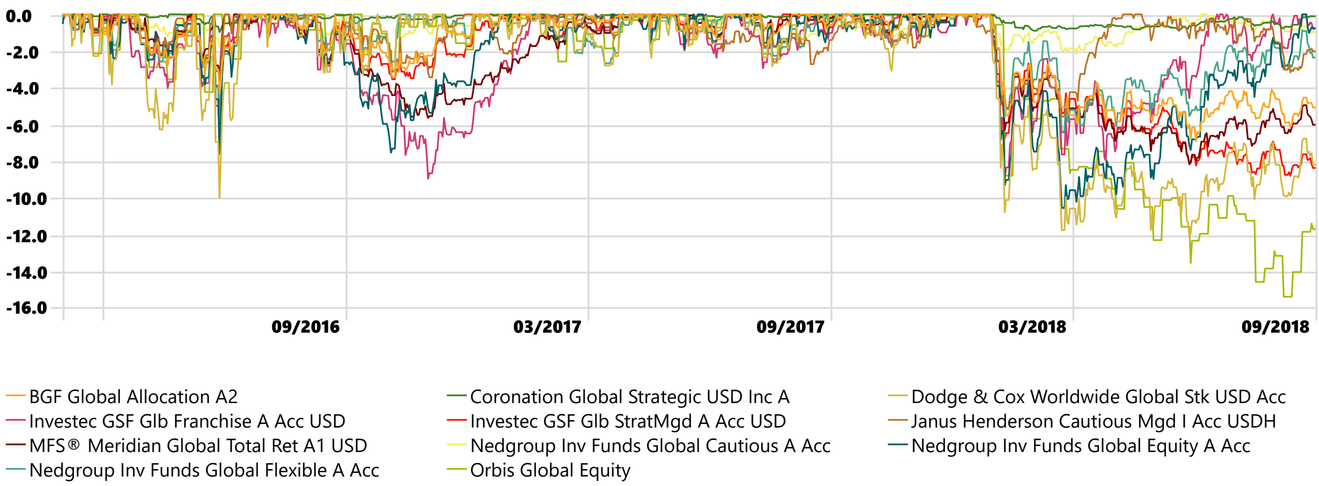
Portfolio Drawdown

Time Period: Since Common Inception (01/03/2016) to 30/09/2018



Funds Drawdown

Time Period: 01/03/2016 to 30/09/2018



Market Performance

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

	Best Month	Worst Month	Best Quarter	Worst Quarter
Navigate Optimised Moderate Growth USD	4.38	-2.96	5.25	-1.63
Category Average USD Moderate Allocation	3.96	-2.20	3.46	-1.21
BGF Global Allocation A2	4.21	-2.64	4.15	-1.45
Coronation Global Strategic USD Inc A	1.05	-0.80	1.30	-0.56
Dodge & Cox Worldwide Global Stk USD Acc	9.04	-4.98	9.97	-2.77
Investec GSF Glb Franchise A Acc USD	5.71	-3.92	10.35	-4.96
Investec GSF Glb StratMgd A Acc USD	5.08	-2.81	5.39	-3.31
Janus Henderson Cautious Mgd I Acc USDH	4.15	-1.85	5.88	-3.39
MFS® Meridian Global Total Ret A1 USD	5.08	-3.52	4.10	-3.49
Nedgroup Inv Funds Global Cautious A Acc	2.64	-1.21	3.62	-0.35
Nedgroup Inv Funds Global Equity A Acc	6.01	-4.58	8.89	-2.88
Nedgroup Inv Funds Global Flexible A Acc	4.54	-2.53	5.19	-0.67
Orbis Global Equity	8.38	-4.25	10.98	-4.22

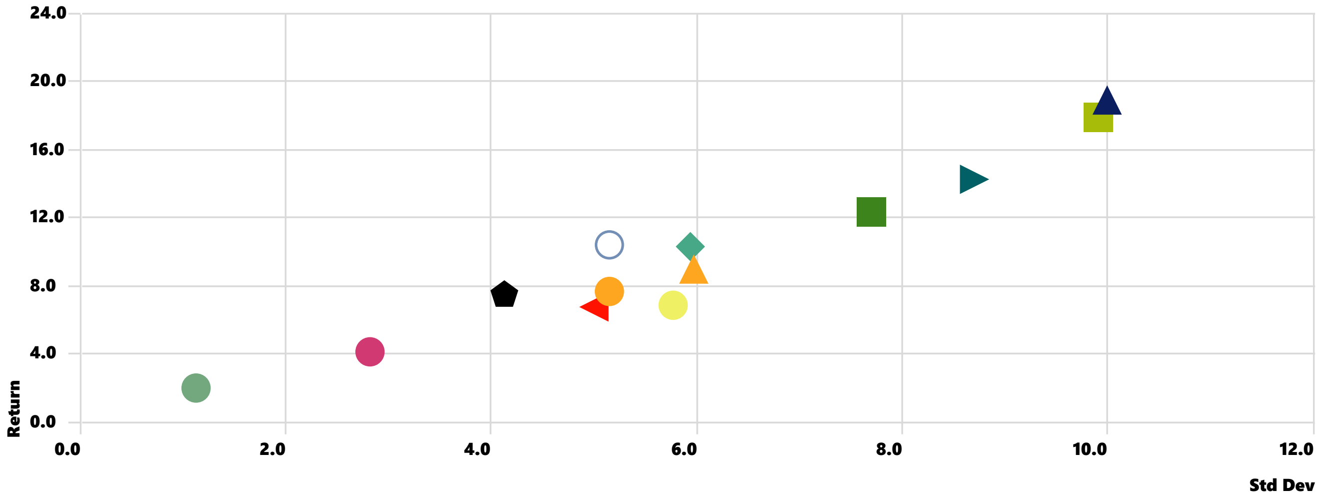
Correlation Matrix

Time Period: Since Common Inception (01/09/2014) to 30/09/2018

	1	2	3	4	5	6	7	8	9	10	11
1 BGF Global Allocation A2	1.00										
2 Coronation Global Strategic USD Inc A	0.73	1.00									
3 Dodge & Cox Worldwide Global Stk USD Acc	0.94	0.74	1.00								
4 Investec GSF Glb Franchise A Acc USD	0.79	0.63	0.68	1.00							
5 Investec GSF Glb StratMgd A Acc USD	0.94	0.73	0.85	0.77	1.00						
6 Janus Henderson Cautious Mgd I Acc USDH	0.55	0.58	0.46	0.47	0.47	1.00					
7 MFS® Meridian Global Total Ret A1 USD	0.88	0.75	0.80	0.87	0.90	0.43	1.00				
8 Nedgroup Inv Funds Global Cautious A Acc	0.74	0.58	0.68	0.57	0.68	0.55	0.64	1.00			
9 Nedgroup Inv Funds Global Equity A Acc	0.90	0.64	0.83	0.77	0.84	0.42	0.82	0.61	1.00		
10 Nedgroup Inv Funds Global Flexible A Acc	0.90	0.63	0.92	0.63	0.79	0.46	0.72	0.71	0.86	1.00	
11 Orbis Global Equity	0.91	0.74	0.91	0.69	0.87	0.41	0.83	0.64	0.84	0.83	1.00

Risk-Reward

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

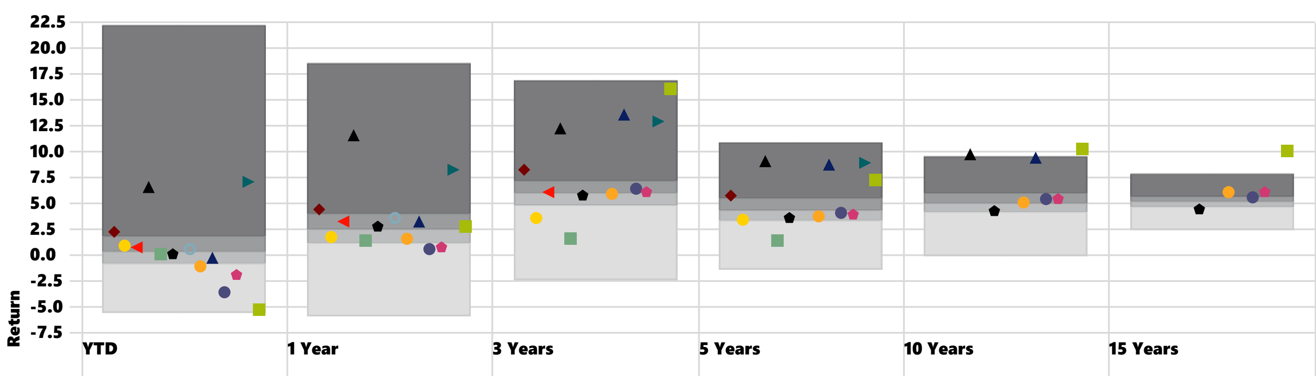


- Navigate Optimised Moderate Growth USD
- Category Average USD Moderate Allocation
- BGF Global Allocation A2
- Coronation Global Strategic USD Inc A
- Dodge & Cox Worldwide Global Stk USD Acc
- Investec GSF Glb Franchise A Acc USD
- Investec GSF Glb StratMgd A Acc USD
- Janus Henderson Cautious Mgd I Acc USDH
- MFS® Meridian Global Total Ret A1 USD
- Nedgroup Inv Funds Global Cautious A Acc
- Nedgroup Inv Funds Global Equity A Acc
- Nedgroup Inv Funds Global Flexible A Acc
- Orbis Global Equity

Performance Relative to Peer Group

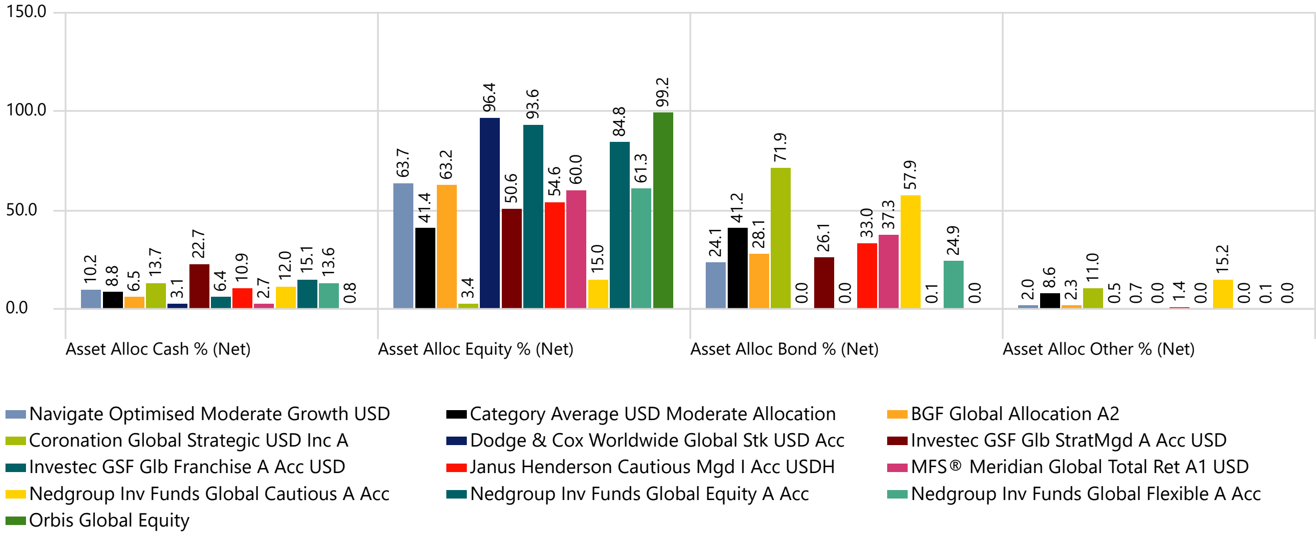
Peer Group (1-100%): Open End Funds - Europe/Africa/Asia - USD Moderate Allocation

Top Quartile **2nd Quartile** **3rd Quartile** **Bottom Quartile**



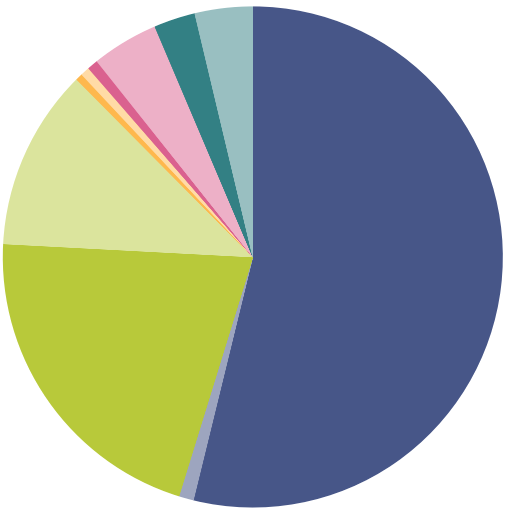
- **Navigate Optimised Moderate Growth USD**
- **Category Average USD Moderate Allocation**
- **BGF Global Allocation A2**
- **Coronation Global Strategic USD Inc A**
- **Dodge & Cox Worldwide Global Stk USD Acc**
- **Investec GSF Glb Franchise A Acc USD**
- **Investec GSF Glb StratMgd A Acc USD**
- **Janus Henderson Cautious Mgd I Acc USDH**
- **MFS® Meridian Global Total Ret A1 USD**
- **Nedgroup Inv Funds Global Cautious A Acc**
- **Nedgroup Inv Funds Global Equity A Acc**
- **Nedgroup Inv Funds Global Flexible A Acc**
- **Orbis Global Equity**

Supplementary Data



Navigate Optimised Moderate Growth USD - Equity Regional Exposure

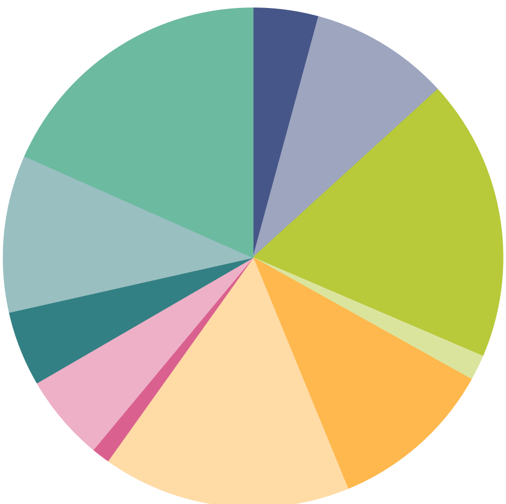
Portfolio Date: 30/09/2018



	%
North America	53.8
Latin America	1.0
United Kingdom	21.1
Europe dev	11.7
Europe emrg	0.5
Africa/Middle East	0.6
Australasia	0.7
Japan	4.3
Asia dev	2.7
Asia emrg	3.7
Total	**100.0**

Navigate Optimised Moderate Growth USD - Equity Sectors (Morningstar)

Portfolio Date: 30/09/2018



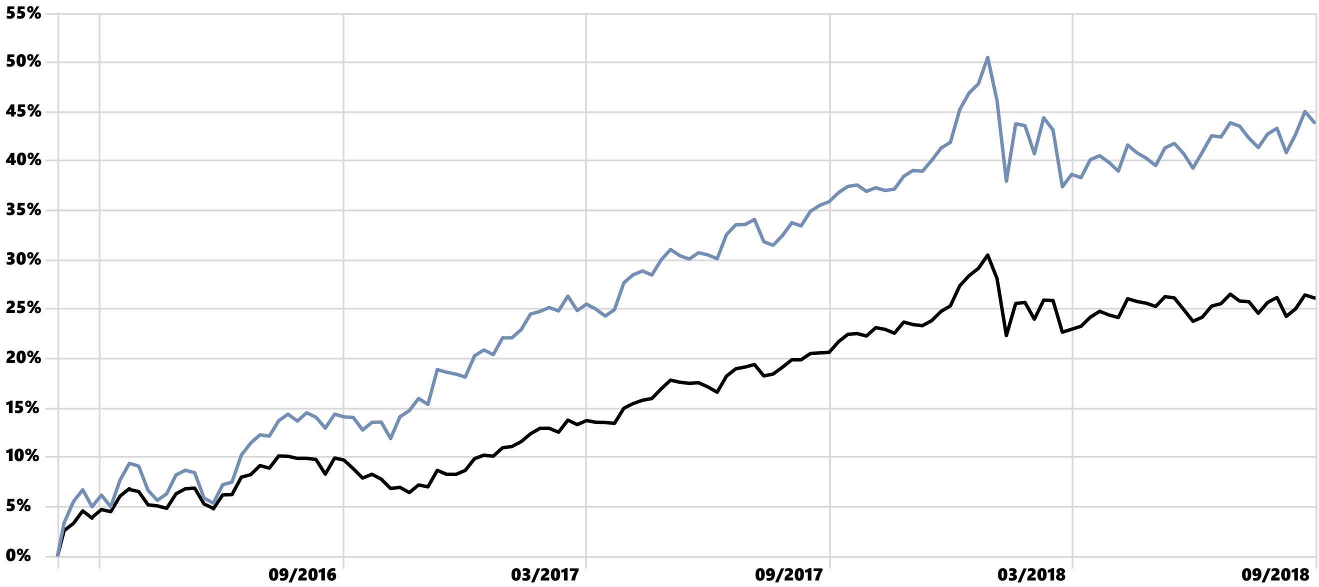
	%
Basic Materials	4.2
Consumer Cyclical	9.0
Financial Services	18.2
Real Estate	1.6
Consumer Defensive	10.7
Healthcare	16.1
Utilities	1.2
Communication Services	5.6
Energy	4.9
Industrials	10.2
Technology	18.3
Total	**100.0**

Portfolio Date: 30/09/2018

	Portfolio Weighting %	Inception Date	1 Year	3 Years (Annualised)	Morningstar Rating Overall
Dodge & Cox Worldwide Global Stk USD Acc	19.46	01/12/2009	3.34	13.55	★★★★
Investec GSF Glb Franchise A Acc USD	15.69	04/07/2009	11.51	12.28	★★★★★
Orbis Global Equity	14.51	31/12/1989	2.75	16.01	★★★★
Schroder ISF QEP Glbl Cor C Acc USD	10.45	17/01/2000	11.16	12.97	★★★★
Nedgroup Inv Funds Global Equity A Acc	10.25	13/05/2014	8.27	12.89	★★★★
MFS® Meridian Global Equity A1 USD	9.99	26/09/2005	6.14	11.18	★★★★
Janus Henderson Cautious Mgd I Acc USDH	9.71	11/08/2014	3.21	6.14	★★★
Satrix World Equity Tracker C USD Acc	5.19	16/08/2004	10.24	12.63	★★★★
MFS® Meridian Global Total Ret A1 USD	4.76	31/01/2001	0.74	6.14	★★★★

Portfolio Investment Growth

Time Period: 01/03/2016 to 30/09/2018



—Navigate Optimised Aggressive Growth USD 43.9% —Category Average USD Aggressive Allocation 26.2%

Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	1 month	3 month	6 month	1 year	2 year	2 year (cum)	Since Inception (Cum)
Navigate Optimised Aggressive Growth USD	0.42	3.32	3.80	5.90	12.31	26.12	43.94
Category Average USD Aggressive Allocation	-0.03	1.91	2.58	4.57	7.22	14.96	26.17

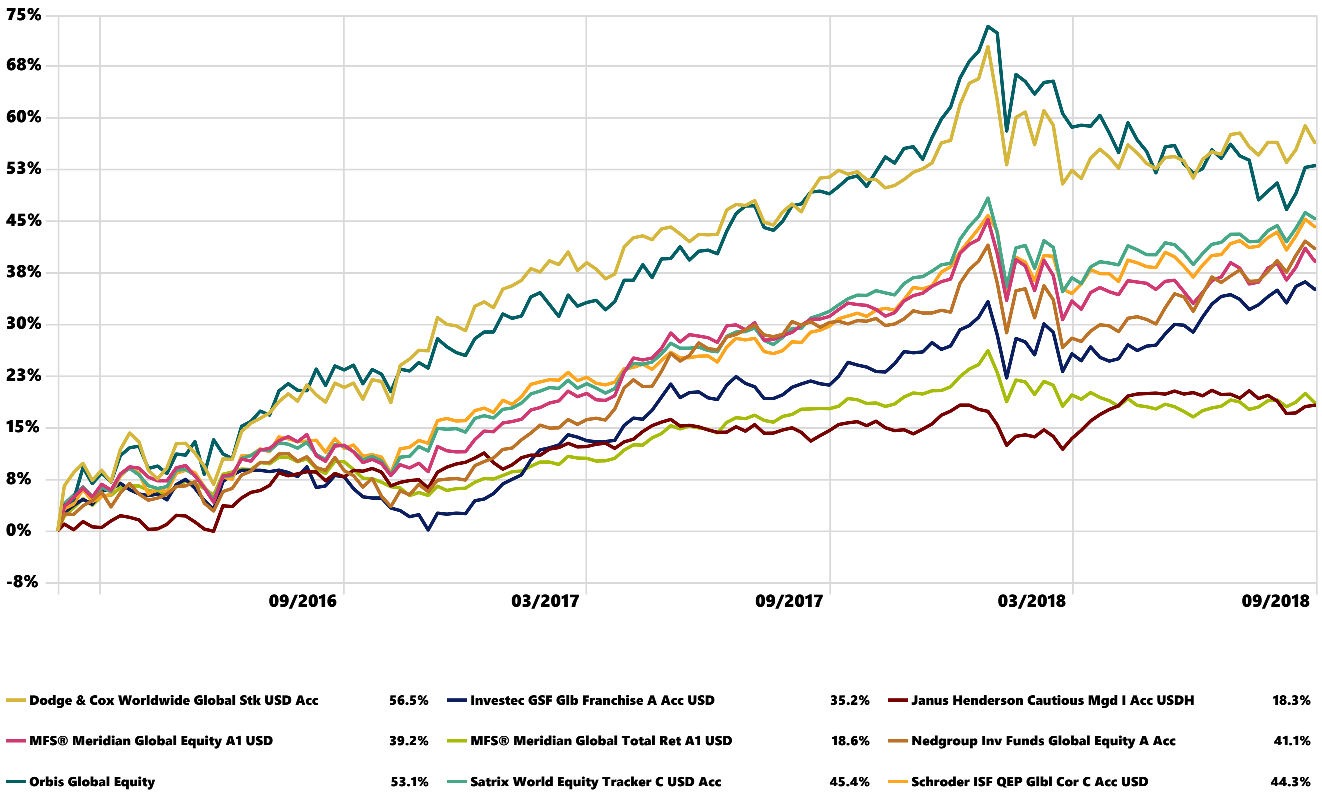
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 year	2 year (cum)
Navigate Optimised Aggressive Growth USD	2.30	1.83
Category Average USD Aggressive Allocation	1.76	1.46

Fund Investment Growth

Time Period: 01/03/2016 to 30/09/2018



Portfolio Returns

As of Date: 30/09/2018 Data Point: Return

	6 month	1 year	2 year	2 year (Cum)	3 year	3 year (Cum)	5 year	5 year (Cum)
Dodge & Cox Worldwide Global Stk USD Acc	2.66	3.34	13.80	29.51	13.55	46.40	8.73	51.97
Investec GSF Glb Franchise A Acc USD	7.48	11.51	11.95	25.33	12.28	41.57	9.05	54.23
Janus Henderson Cautious Mgd I Acc USDH	4.25	3.21	4.72	9.66	6.14	19.59		
MFS® Meridian Global Equity A1 USD	4.36	6.14	11.28	23.83	11.18	37.43	7.42	43.00
MFS® Meridian Global Total Ret A1 USD	-0.94	0.74	3.83	7.81	6.14	19.59	3.89	21.05
Nedgroup Inv Funds Global Equity A Acc	10.20	8.27	13.90	29.73	12.89	43.86	8.95	53.48
Orbis Global Equity	-3.52	2.75	11.39	24.08	16.01	56.12	7.20	41.55
Satrix World Equity Tracker C USD Acc	6.31	10.24	13.80	29.51	12.63	42.89	8.50	50.38
Schroder ISF QEP Glbl Cor C Acc USD	7.23	11.16	13.50	28.82	12.97	44.19	8.56	50.80

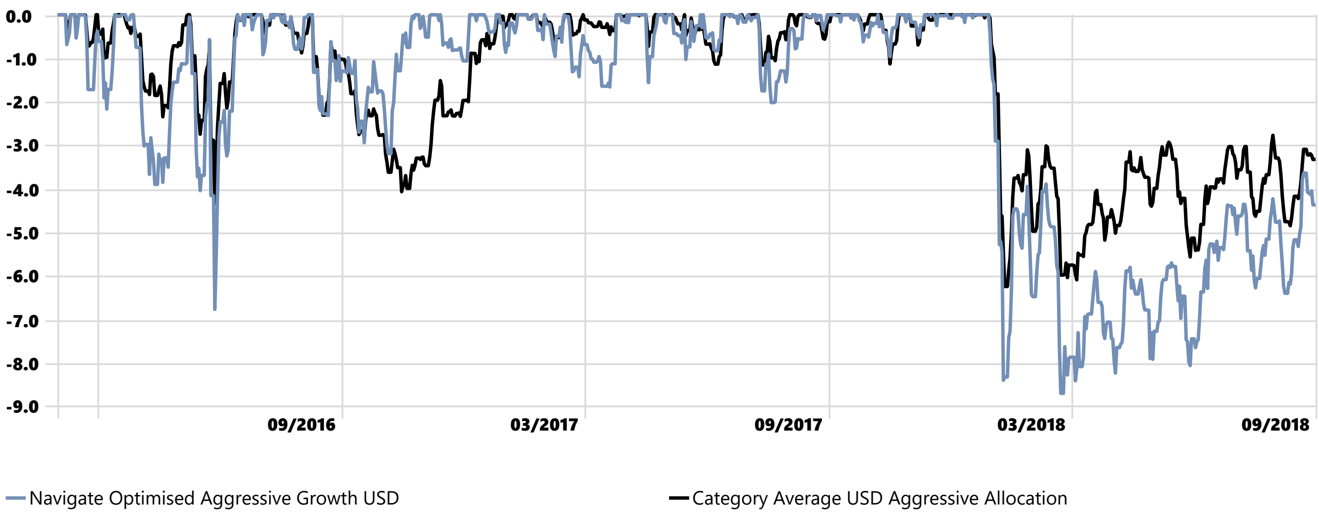
Trailing Standard Deviation Returns

As of Date: 30/09/2018 Data Point: Std Dev

	1 Year	3 Year (Cum)	5 Year (Cum)
Dodge & Cox Worldwide Global Stk USD Acc	3.09	3.50	3.44
Investec GSF Glb Franchise A Acc USD	2.06	2.48	2.80
Janus Henderson Cautious Mgd I Acc USDH	1.65	1.42	
MFS® Meridian Global Equity A1 USD	2.61	2.72	2.88
MFS® Meridian Global Total Ret A1 USD	1.71	1.76	1.80
Nedgroup Inv Funds Global Equity A Acc	2.91	3.08	2.93
Orbis Global Equity	3.33	3.43	3.55
Satrix World Equity Tracker C USD Acc	2.34	2.60	2.73
Schroder ISF QEP Glbl Cor C Acc USD	2.50	2.84	2.88

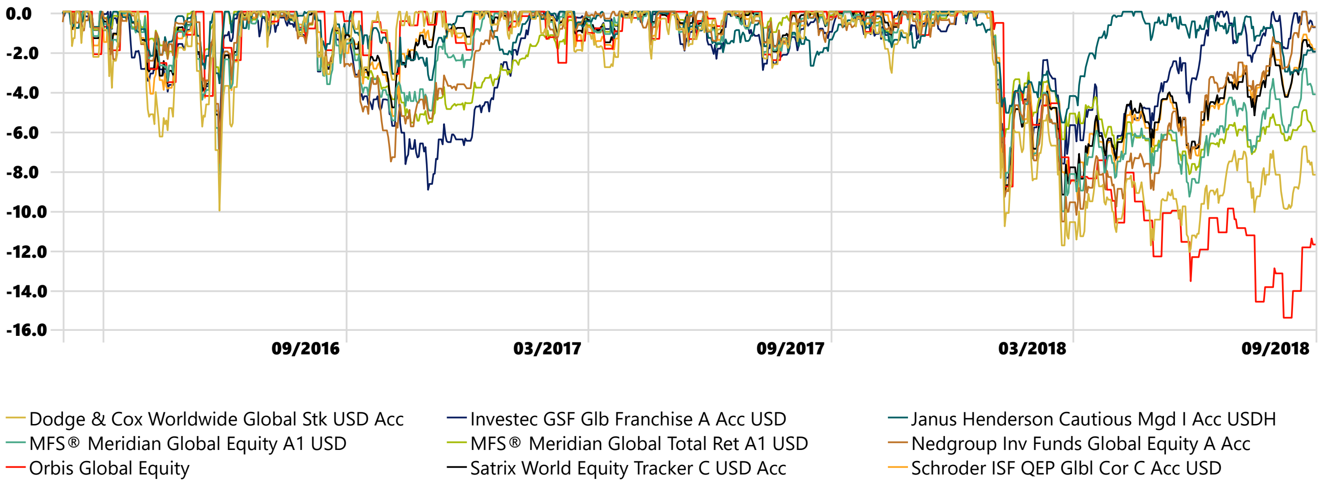
Portfolio Drawdown

Time Period: 01/03/2016 to 30/09/2018



Funds Drawdown

Time Period: 01/03/2016 to 30/09/2018



Market Performance

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

	Best Month	Worst Month	Best Quarter	Worst Quarter
Navigate Optimised Aggressive Growth USD	6.46	-4.07	6.81	-2.29
Category Average USD Aggressive Allocation	5.19	-2.98	4.70	-1.75
Dodge & Cox Worldwide Global Stk USD Acc	9.04	-4.98	9.97	-2.77
Investec GSF Glb Franchise A Acc USD	5.71	-3.92	10.35	-4.96
Janus Henderson Cautious Mgd I Acc USDH	4.15	-1.85	5.88	-3.39
MFS® Meridian Global Equity A1 USD	6.97	-4.81	7.61	-2.33
MFS® Meridian Global Total Ret A1 USD	5.08	-3.52	4.10	-3.49
Nedgroup Inv Funds Global Equity A Acc	6.01	-4.58	8.89	-2.88
Orbis Global Equity	8.38	-4.25	10.98	-4.22
Satrix World Equity Tracker C USD Acc	6.58	-4.04	6.16	-1.52
Schroder ISF QEP Glbl Cor C Acc USD	6.49	-4.01	6.66	-2.81

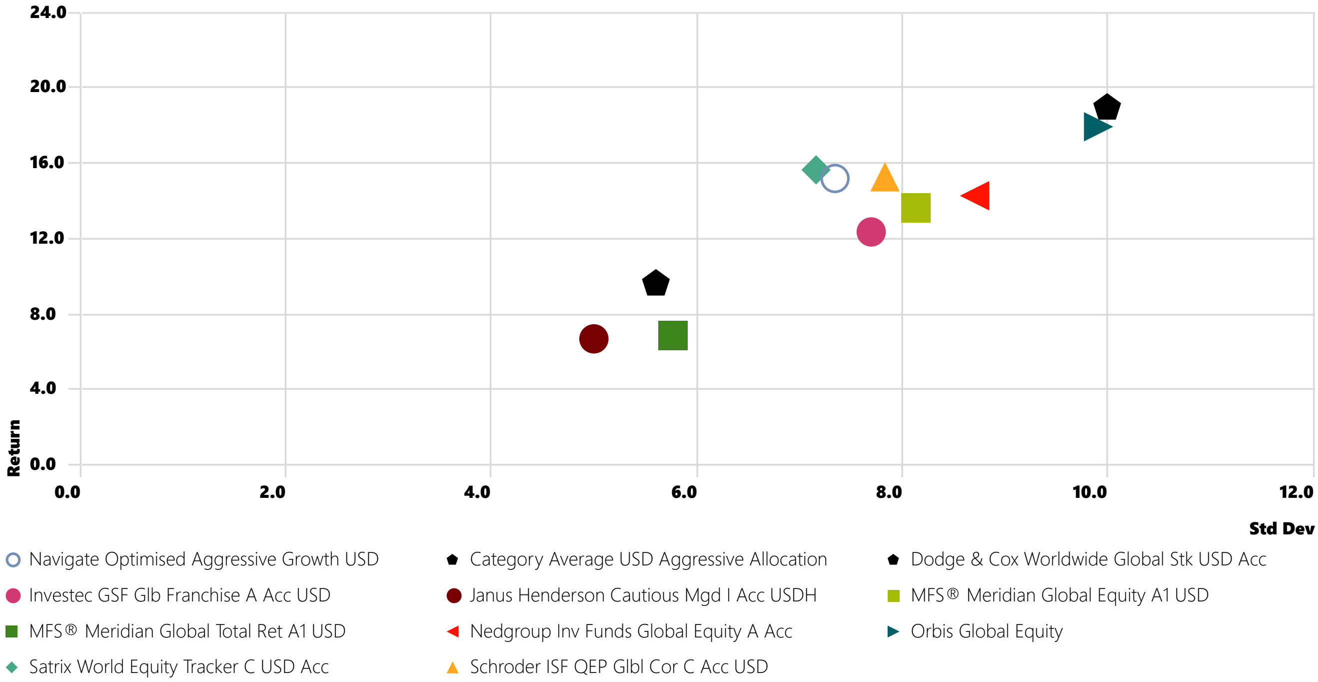
Correlation Matrix

Time Period: Since Common Inception (01/09/2014) to 30/09/2018

	1	2	3	4	5	6	7	8	9
1 Dodge & Cox Worldwide Global Stk USD Acc	1.00								
2 Investec GSF Glb Franchise A Acc USD	0.68	1.00							
3 Janus Henderson Cautious Mgd I Acc USDH	0.46	0.47	1.00						
4 MFS® Meridian Global Equity A1 USD	0.91	0.85	0.51	1.00					
5 MFS® Meridian Global Total Ret A1 USD	0.80	0.87	0.43	0.92	1.00				
6 Nedgroup Inv Funds Global Equity A Acc	0.83	0.77	0.42	0.87	0.82	1.00			
7 Orbis Global Equity	0.91	0.69	0.41	0.83	0.83	0.84	1.00		
8 Satrix World Equity Tracker C USD Acc	0.94	0.83	0.50	0.97	0.89	0.90	0.88	1.00	
9 Schroder ISF QEP Glbl Cor C Acc USD	0.94	0.74	0.51	0.93	0.81	0.89	0.88	0.97	1.00

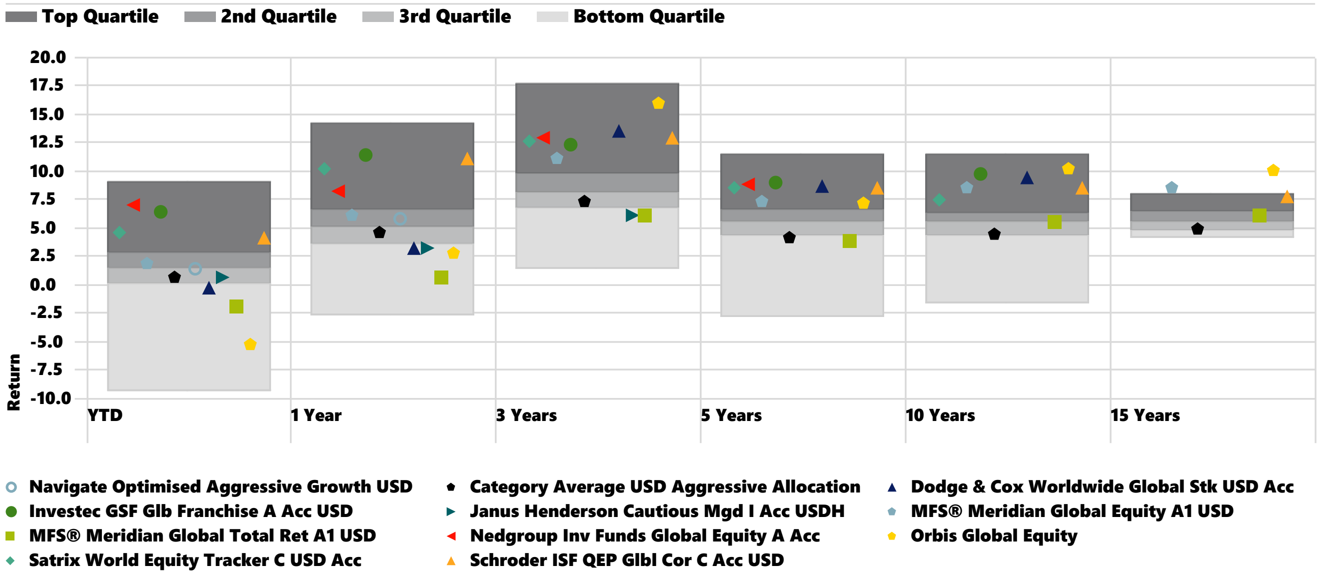
Risk-Reward

Time Period: Since Common Inception (01/03/2016) to 30/09/2018

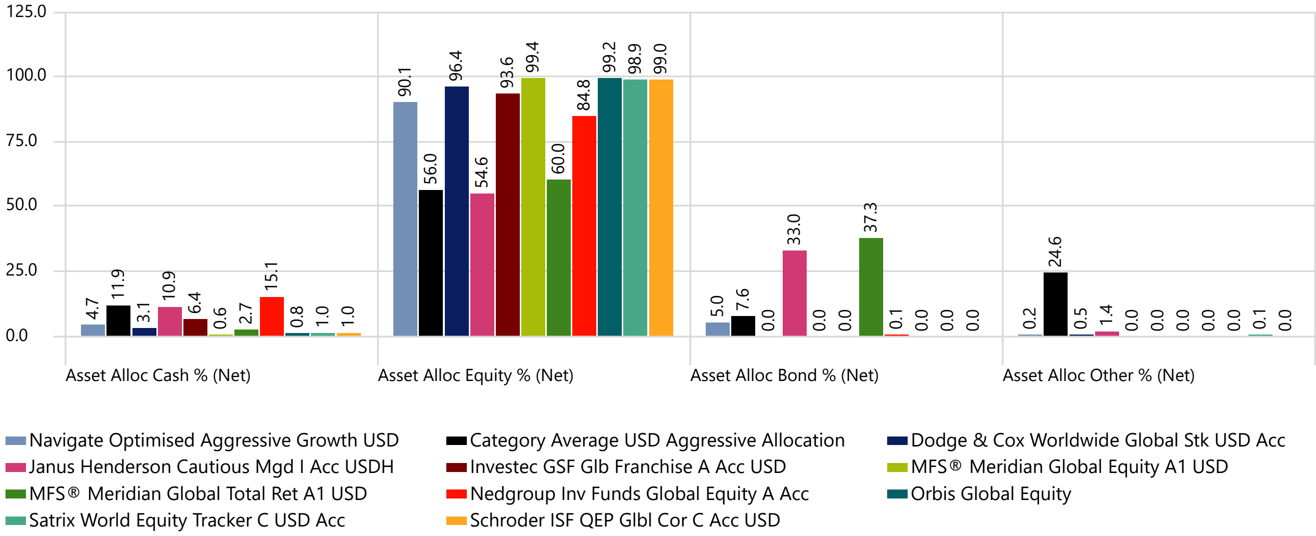


Performance Relative to Peer Group

Peer Group (1-100%): Open End Funds - Europe/Africa/Asia - USD Aggressive Allocation

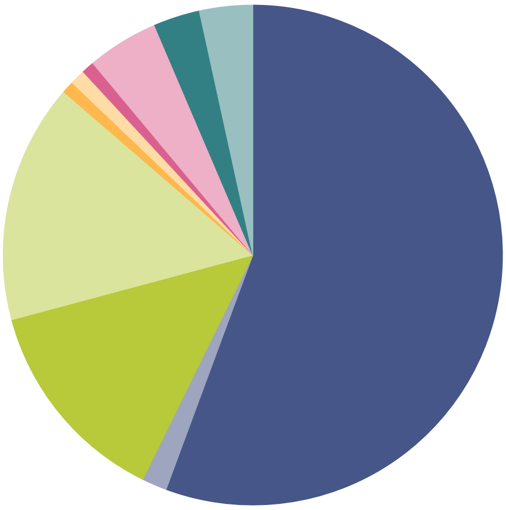


Supplementary Data



Navigate Optimised Aggressive Growth USD - Equity Regional Exposure

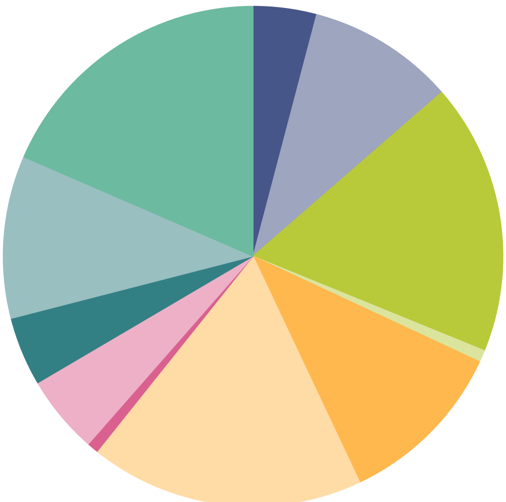
Portfolio Date: 30/09/2018



	%
North America	55.6
Latin America	1.6
United Kingdom	13.6
Europe dev	15.5
Europe emrg	0.8
Africa/Middle East	1.0
Australasia	0.8
Japan	4.6
Asia dev	3.0
Asia emrg	3.4
Total	**100.0**

Navigate Optimised Aggressive Growth USD - Equity Sectors (Morningstar)

Portfolio Date: 30/09/2018

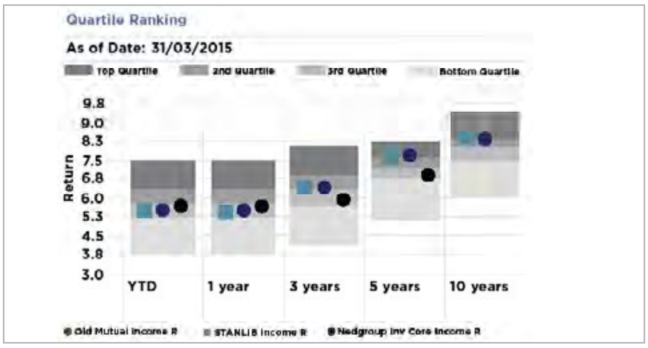


	%
Basic Materials	4.1
Consumer Cyclical	9.5
Financial Services	17.6
Real Estate	0.8
Consumer Defensive	11.0
Healthcare	17.8
Utilities	0.7
Communication Services	5.1
Energy	4.5
Industrials	10.5
Technology	18.5
Total	**100.0**

Performance & Quartile Rank

The quartile ranking table below includes both the total return and the associated quartile ranking for the specified period. Each marker represents a fund's return and quartile ranking.

Asset Allocation



The asset/sector allocation of the fund is indicated for funds that have exposure to different asset classes/sectors (e.g. Flexible, Equity General). "Current" indicates the latest allocation as at 31 December 2015. The previous quarter's allocation is shown as 1Q ago and asset allocation goes back three quarters.

Fund Size (Rm)

The market value of assets under management at time of going to print.

Glacier Consistency Rating

The Glacier Consistency Rating is an indication of the number of consecutive times a fund has appeared on the Shopping List. Should a fund be removed from the list and subsequently reinstated, the consistency history will no longer be applicable.

12 Month Yield (%)

This figure refers to the yield of the fund for the previous year. It is calculated by dividing the total distributions for the past year by the fund price at the beginning of the period. This gives an indication of the yield received by an investor for the previous one-year period. One must remember that annual managment company fees (as indicated by the TER) are deducted before distributions are paid and therefore the yield may be lower than expected. This is especially applicable in the case of funds with performance fees.

Modified Duration

Duration is a useful measure of the sensitivity of a bond or income fund to changes in interest rates. For example, if a fund has a modified duration of 3.5 years, for every 1% drop in interest rate, the capital portion of the fund will grow by 3.5% and vice versa.

Total Investment Charge (TIC)

Total Investment charge is the sum of Total Expense Ratio (TER) and Transaction Costs (TC) (TER+TC).

TER

TER indicates the percentage of the Net Asset Value (NAV) that was paid as expenses within the fund. This includes performance fees charged by the fund manager. It is also valuable when comparing fees on funds of funds as it includes the fees of the underlying funds. As far as possible, the latest available TER is indicated.

TC

TC is the cost incurred in the buying and selling administration of the fund and impacts on the fund's returns.

Maximum Drawdown

The maximum monthly drawdown in the period is given. This indicates the maximum monthly capital loss experienced within the time period used.

Positive/Negative Months

This indicates the number of monthly periods during which the fund generated a positive/negative return.

Sharpe Ratio

This indicates the excess return generated per unit of risk. A fund's Sharpe ratio should be compared to that of its peers – a higher ratio means the fund generated higher risk-adjusted returns. This could be due to either higher returns or lower volatility, or a combination of the two.

Rolling Returns Chart

Rolling one-year/three-year returns are shown to illustrate the performance of funds over moving periods (to remove end-point bias). Each point on the chart represents the fund's one-year/three-year return up to that point. Monthly data points were used for the past 5 years.

Investor Risk Profiles

A **conservative investor** requires stable investment growth or a high level of income. The primary investment goal is capital protection. This investor may require access to the investment within three years.

A **cautious investor** requires stable growth in his/her investment and is uncomfortable when investment values decline. The investor may require a moderate level of income and is likely to have an investment horizon of at least three years. The primary investment goal is capital protection.

A **moderate investor** invests for the longer term (at least five years) and requires no income. The investor can tolerate fluctuations in the value of his or her investments from time to time. The primary investment goal is capital growth.

A **moderately aggressive** investor invests for the long term (at least seven years) and requires no income. Typically, this investor is prepared to accept more risk than a moderate investor, but does not want full exposure to equities. The primary investment goal is capital growth.

An **aggressive investor** invests for the long term (at least ten years) and seeks the highest possible growth. Typically, the investor is prepared to accept substantial fluctuation in the value of his or her investment. The primary investment goal is long-term capital growth.

Source: Morningstar Direct

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