

June 2021

# General Investor Report

## Cordatus Worldwide Flexible Prescient Fund of Funds A1



### Return for the quarter ending 30 June 2021 %

CORDATUS		WORLDWIDE FLEX FOF	3.7
SA Equity		FTSE/JSE All Share	0.0
SA Property		FTSE/JSE SA Listed Property	12.1
SA Bonds		BEASSA All Bond	6.9
SA Preference shares		FTSE/JSE Preference Share	3.8
SA Cash		STeFI Call Deposit	0.9
SA Inflation		Urban, All Areas	1.4

### Change in holdings 06.2021 03.2021

PSG SA Equity Fund Class D	16.8	16.5
Cordatus Worldwide Flexible Fund B3	16.6	15.6
Nedgroup Invest Global Equity Feeder Fund B2	16.5	15.4
Ninety One Global Franchise Feeder Fund H	16.5	14.9
Coronation Bond Fund P	14.9	0.0
Coronation Global Emerg Mkts Flexible Fund B4	9.4	15.1
Sygnia Itrix Global Property ETF	5.1	0.0
Nedgroup Invest Global Emerging Markets Fund	3.8	4.0
Coronation Strategic Income Fund B4	0.0	14.6

### Manager return & contribution over the quarter (%) Return Contri

Ninety One Global Franchise Feeder Fund Class H	7.3	1.2
PSG SA Equity Fund Class D	5.9	1.0
Coronation Bond Fund P	7.8	0.8
Nedgroup Investments Global Equity Feeder Fund B2	3.8	0.6
Cordatus WW Flex Fund B3	1.8	0.3
Sygnia Itrix Global Property ETF	6.0	0.3
Coronation Strategic Income Fund B4	2.6	0.2
Prescient Income Provider Fund B1	1.8	0.0
Nedgroup Investments GEM Fund	-1.9	-0.1
Coronation Global Emerging Markets Flex Fund B4	-3.0	-0.4

### Asset Allocation % 06.2021 03.2021

Equity	75.6	77.1
Property	5.9	0.8
Bonds	14.1	13.9
Prefs	0.0	0.1
Cash	4.5	8.9
Other	-0.8	-0.8
Domestic	34.6	36.0
Offshore	65.4	64.0

### Risk: Drawdown



### Risk: Rolling period returns as at 06.2021 5 yrs 3 yrs 1 yr

Maximum return over	10.0	13.1	27.7
Average return over	5.6	5.6	7.2
Minimum return over	1.9	-1.1	-9.2

### All figures in ZAR %

Offshore Equity	MSCI World Index	4.2
Offshore Property	FTSE EPRA Nareit Global	4.1
Offshore Bonds	FTSE WGBI	-2.4
Offshore Inflation	US BLS Urban All Areas	-7.6
Offshore Cash	ICE BofA Overnight	-3.3
ZAR	vs USD	3.5
ZAR	vs GBP	3.2

### Manager activity during the quarter

Broadly, 3 portfolio actions were undertaken during the quarter. Firstly, domestic bonds were increased within the portfolio as Coronation Bond Fund was re-established after a quick hiatus as rising global inflation threatened. The multi-asset income exposure (lower duration assets) was used to fund this increase in duration within the portfolio. Secondly, global property was introduced via a passive ETF, being funded by portfolio cash resources. Thirdly, the dedicated global emerging market exposure within the portfolio was reduced by 5.5 percentage points, with the proceeds being allocated amongst the higher "quality" global equity managers. A material exposure to both SA and emerging equity remains.

### Contributions to FoF quarterly return

The portfolio benefitted from exposure to developed market risk assets (Ninety One & Nedgroup), SA bonds (Coronation) and SA orientated shares (PSG) as global conditions remain supportive of these areas. Emerging market exposure (Coronation & Nedgroup) come under pressure during the quarter.

### Changes in asset allocation

The slight decrease in equity exposure and large decrease in cash holdings funded the increase in offshore property exposure within the portfolio. The portfolio remains overweight vs our long-term strategic allocation to equities of 70% as conditions remain generally supportive of the exposure. While bond exposure shows a marginal increase from last quarter, the duration (sensitivity to changes in interest rates) of the portfolio has been materially increased as part of the portfolio risk management process.

### A note on portfolio risk

Drawdown measures the peak-to-trough decline during a specific period, quoted as a percentage between the latest peak and subsequent trough of the FoF, before a new peak is achieved. It is instructive when measuring the loss to the portfolio during a period and the subsequent return required to return to the previous peak of the portfolio. The drawdown profile shown alongside depicts the increased volatility being experienced in risk markets over the past 5 years. Asset allocation intervention during such periods is necessary to compress the recovery time factor and/or limit further downside. The appropriate period over which to measure performance of the FoF is rolling 5-year periods, given the risk profile and recommended holding period. Shorter measurement periods are linked to a higher variance in returns (see table below left).

### Adherence to Fund Policy Objective

The FoF has adhered to its Policy Objective, as stated in the Supplemental Deed, in all respects during the quarter. There are no unresolved breaches to report from prior periods.

### Total Investment Charge (TIC) % 03.2021 03.2020 03.2019

Worldwide Flex FoF Class A1	1.51	1.57	1.78
Worldwide Flex FoF Class A2	2.14	2.20	2.41

### Income Distribution (cpu) 03.2021 03.2020 03.2019

Worldwide Flex FoF Class A1	2.80	3.70	3.38
Worldwide Flex FoF Class A2	1.83	2.86	2.46

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