Glacier Invest Global Moderate Tracker

May 2024

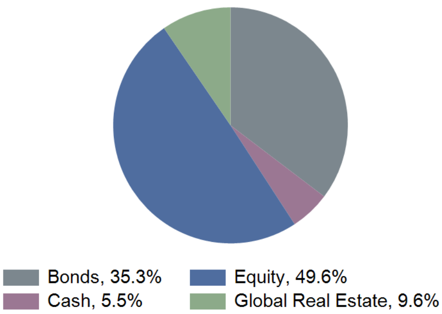
Fund Details

Currency	USD($)
Risk profile	Moderate
Investment period	6 years or longer
Launch date	01 July 2022

Fund Objectives

The investment objective of the Fund is to provide medium to high levels of capital growth through higher levels of exposure to global equity markets over a market cycle. This Fund is suitable for investors who want to grow capital significantly over a 6-year or longer timeframe. The Fund can have a maximum equity exposure of 70%, depending on the investment manager's investment strategy for a Moderate portfolio at the time.

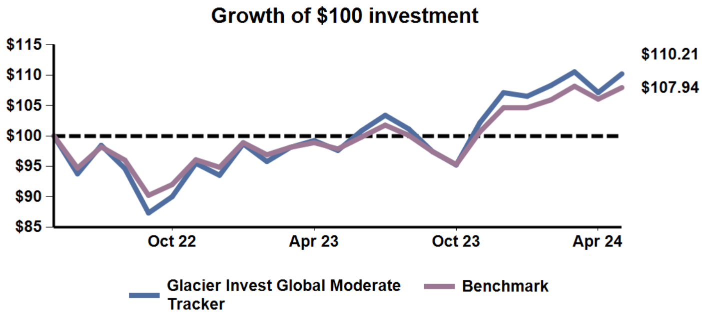
Global Asset Allocation



Holdings as at Month End	%
iShares Core Global Aggregate Bond UCITS ETF	35.25
iShares Core MSCI Emerging Markets IMI UCITS ETF	4.75
iShares Core MSCI World UCITS ETF	45.00
iShares Developed Real Estate Index	9.50
Schroder ISF US Dollar Liquidity	5.50

Key Information	%
Benchmark	
EAA OE USD Moderate Allocation	100.00
Fees (incl. VAT)	
Annual Wrap fee	0.29
Underlying Manager TER's	0.17

Cumulative performance - 2 years*



Performance (%)	Fund*	Benchmark
1 Month	2.88	1.78
3 Months	1.77	1.91
6 Months	7.87	7.22
YTD	2.89	3.16
1 Year	12.91	10.30
2 Years (annualised)	4.98	3.89
Since Launch (annualised)	8.80	7.07

Risk statistics (2 years)	Fund*	Benchmark
Returns (annualised)	4.98%	3.89%
Standard deviation (annualised)	14.01%	10.56%
% Positive months	54.17%	58.33%
Maximum drawdown	-12.68%	-9.78%
Sharpe ratio	0.51	0.58

* * The simulated analysis before launch date was created using Morningstar and is for illustrative purposes only. It provides an indication of hypothetical past performance given historic asset and manager allocation, and cannot be construed as providing an indication of expected future performance. The investor is liable for CGT on any transactions in the unit trusts of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Dual-listed wraps will reflect combined fund sizes and will reflect primary platform performance information. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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Commentary

Market Review

After markets experienced a brief hiccup in April, global equities resumed their forward march in May. The positive move was largely driven by inflation data which continued to show signs of a slowing US economy, as inflation cooled to 3.4%. Furthermore, the month was characterised by weakening labour data, in the form of new job creation data being softer than expected, which boosted hopes of a soft landing later this year. The S&P 500 and Nasdaq reached new all-time highs during the month, driven largely by renewed "Magnificent 7" optimism, this after Nvidia reported bumper quarterly earnings. UK stocks also rose on the positive sentiment, as did the Nikkei. Markets came under pressure towards the latter end of the month, however, as global inflation data – particularly from Europe – showed signs of persistency. Despite global inflation scepticism, investors continued taking cues from the US Federal Reserve (Fed),and grew more confident that rate cuts remain likely to materialise later this year. This view was supported by the Swedish Riksbank, which delivered its first rate cut; as of the time of writing, the Bank of England similarly lowered rates, as the UK economy continues its recovery.

Developed markets (DM) outperformed emerging markets (EM) during the month. After delivering an impressive start to the year and recouping some of the relative underperformance of the past few years, Hong Kong and Chinese mainland stocks fell back in May. Unfortunately, supportive economic data along with the announcement of further monetary support, were partially offset by the prospect of more US trade tariffs on various industries.

From an index perspective the MSCI All Country World Index (ACWI) ended the month 4.1% stronger in dollar terms. EM stocks lagged their DM peers but ended in positive territory with the MSCI EM Index ending at 0.56% higher month-on-month (m/m) in dollar terms. Among the continued Nvidia exuberance, the S&P 500 was in positive territory, posting 3.22% m/m. Global bonds and global property ended the month positively at 1.31% and 3.48% respectively, both in dollar terms. The FTSE gained 1.61% m/m in pound. The Euro Stoxx Index gained 2.12% for the month. At the sector level, 2024's standout IT sector continues to deliver returns, followed by utility stocks. The Fed's outlook for interest rates, coupled with AI's significant demand for electricity, has made the sector more attractive. Energy stocks, although positive for the month, underperformed as WTI crude prices hit a 3-month low, falling more than 2%.

Outlook

Relative to the strategic asset allocation of the portfolio, the Global Moderate Tracker portfolio was positioned, going into May, slightly overweight to DM and EM equities, underweight to global bonds and global property, and slightly overweight to cash.

Our DM equity tracker outperformed the global equity benchmark by 0.45%, while our EM equity tracker outperformed the EM equity benchmark by 0.02%.

Our global property tracker underperformed the FTSE/EPRA Nareit Developed Market Property Index by 0.05%.

Our bond tracker led that of the Bloomberg Global Aggregate Bond Index by just 0.01%.

Our income manager, utilised for cash management, underperformed its cash benchmark by 0.03%.

Overall, relative to the Fund's strategic asset allocation, tactical asset allocation contributed positively to returns, while tracker returns contributed 0.03% to performance. The net result was outperformance relative to our strategic asset allocation benchmark of 0.31%, and outperformance of 1.23% versus the portfolio's benchmark, the EAA Fund USD Moderate Allocation peer group.

Major central banks are all still expected to cut interest rates in the second half of the year as they attempt to avoid the implications of persistently higher interest rates, and thus the risk of undermining growth. While inflation has been trending towards central banks' respective targets, cutting interest rates too early or aggressively may also increase the risk of prolonging inflation. In China, weak consumption and investment continues to weigh on activity, despite improved manufacturing output and trade balance figures. In the euro area, activity is expected to rebound further, after a challenging 2023, when high energy prices and tight monetary policy restricted demand. Many other economies continue to show resilience, with growth accelerating in Brazil, India, and Southeast Asia's major economies.

We therefore currently maintain a balanced, but increasingly constructive stance to growth assets (such as equities and property). Similarly, while we retain a neutral approach to fixed income, we recognise that the risks and rewards for duration assets are finely balanced, and a dynamic and flexible attitude is warranted.