INVESTMENT REPORT

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BRENTHURST
THE HOME OF WEALTH

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BRENTHURST LAUNCHES LOW COST GLOBAL EQUITY FUND

By Brian Butchart, Managing Director Brenthurst Wealth Management

BRENTHURST is proud to announce the launch of its GLOBAL EQUITY FUND. This is the first SA-approved fund offering local investors exposure to the top index trackers in the world including Vanguard, Black Rock and other global giants. It offers investors exposure to global stock markets at the lowest possible cost. The fund will become a central building block of our global investment portfolios.

The fund will be overseen by Glyn Owen from Momentum Global Investment Management (MGIM) who has been managing the top performing Brenthurst Global Balanced Fund since inception eight years ago.

In a dynamic investment universe, with increased global volatility and a stagnant local economy, Brenthurst is continuously adapting and innovating our investment offering to ensure we continue to offer value and new investment opportunities to our clients at competitive prices.

Over the past few years Brenthurst spent a significant amount of time developing and managing new investment structures and funds for the benefit of our clients in order to maximise efficiency and improve performance.

Some of our recent initiatives include our local risk profiled **fund of funds** which allow investors access to multiple, actively managed funds via three risk-profiled solutions all within one easy to manage portfolio. **The Brenthurst fund of funds,** developed in association with Boutique Collective Investments (BCI) incorporates our local strategy and investment ideas into an efficient and tax effective investment solution for our clients.

Internationally, the **Brenthurst Global Balanced Fund** has been successfully managed by Glyn Owen at MGIM over the last eight years. This fund has a solid track record beating similar funds of large, well-known South African and international asset managers in the same investment category and now we can boast a low cost International Equity fund solution.

IN THIS ISSUE

THE BRENTHURST WEALTH GLOBAL EQUITY FUND
is the latest addition to the range of funds we offer our clients and will give clients exposure to leading companies, regions, currencies and countries at a fraction of the cost of other internationally managed equity funds.

FOR MORE INFO CONTACT US
www.brenthurstwealth.co.za

BRENTHURST RANKED BEST BOUTIQUE WEALTH MANAGER IN SA 2017 AND RUNNER-UP IN 2018 AT INTELLIDEX WEALTH MANAGER AND PRIVATE BANKS AWARD

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THE BRENTHURST GLOBAL EQUITY FUND is the latest addition to the range of funds we offer our clients and will give clients exposure to leading companies, regions, currencies and countries at a fraction of the cost of other internationally managed equity funds.

The Brenthurst Global Equity Fund is currently invested across a wide range of well-known tracker and ETF managers such as Vanguard and iShares (managed by BlackRock).

WHAT IS AN EXCHANGE –TRADED FUND OR ETF?

An exchange-traded fund, or ETF, is a marketable security that tracks a certain index and trades on a major stock exchange. ETFs are available to invest in stocks, commodities, and bonds, and have some of the properties of a managed unit trust fund and some of the properties of a common stock.

An ETF allows clients to pool their money in order to allow smaller investors access to asset classes which may be difficult to hold in small denominations.

ETF's are publicly traded securities (much like any share on a stock exchange); tax would be attributable to the investor in terms of capital gains and interest for fixed income investments (dividends tax is withheld at company level for individual investors).

As far as we can determine, the Brenthurst Global Equity Fund is the only FSCA approved international fund investing entirely in ETF's. The fund is also available at a very competitive fee structure.

Glyn and his team reviewed over 40 new solutions on top of the regular research MGIM conducts into passive equity solutions in order to produce our current investment portfolio on behalf of Brenthurst for their clients.

KEY THEMES INCORPORATED INTO THE FUND ARE:

- ✓ The portfolio is fully invested in equities other than a working cash balance of 2%.
- ✓ The portfolio is underweight in US stocks compared to the MSCI All Countries (AC) World Index and overweight the rest of the world, on the basis of current valuations and MGIM's five-year, real expected return model.
- ✓ The MSCI AC World Index includes emerging markets.
- ✓ The portfolio will be overseen using a combination of investment styles (value, quality and momentum) and is currently overweight in value and quality relative to momentum, given the strong out performance of momentum in 2017.
- ✓ The portfolio's asset allocation policy (plus the regional allocation and style allocation) will be actively managed using the same quantitative and qualitative inputs MGIM uses for all their strategies.
- ✓ The fund is FSCA approved

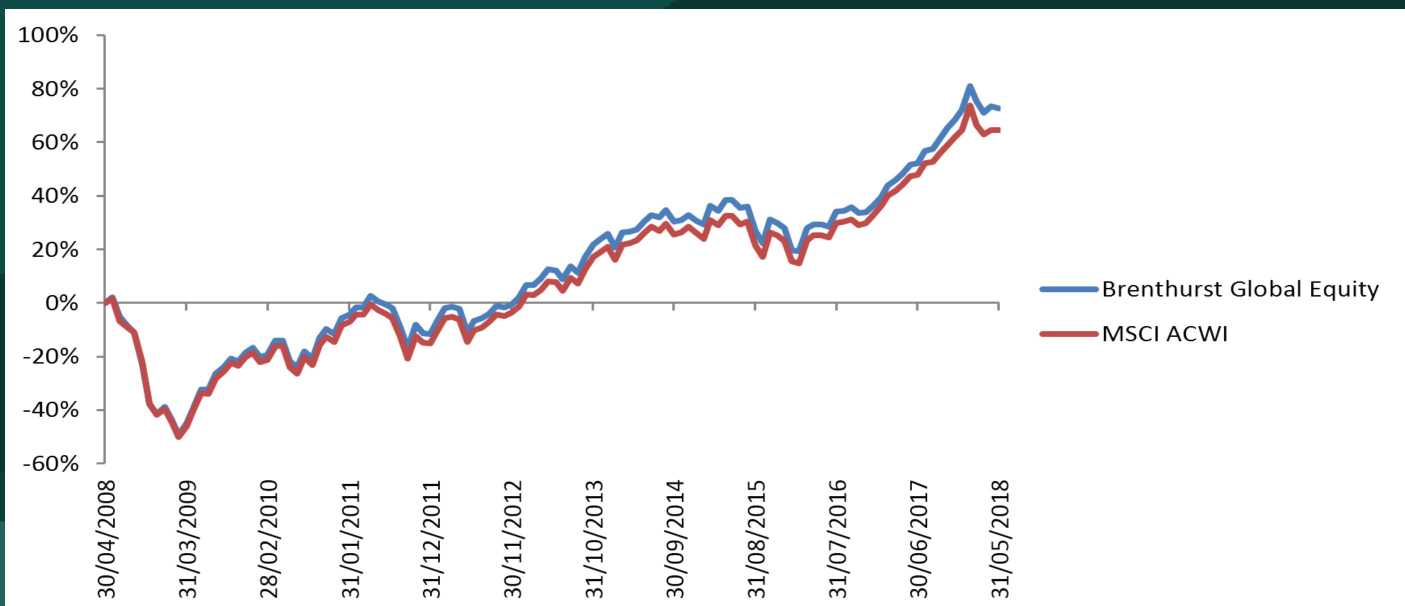
THIS NEW GLOBAL EQUITY FUND PROVIDES A DIVERSE ALLOCATION ACROSS GEOGRAPHIES, INVESTMENT STYLES AND THEMES, WHICH REDUCES RISK IN THE CURRENT GLOBAL ENVIRONMENT.

The fund has been back-tested over 3, 5 and 10 years using the current portfolio composition and the results were healthy returns over all periods.

The annual volatility is substantially lower than most international equity funds due to the diverse nature of the portfolio which outperformed the MSCI world index over the last 10 years on a back-tested basis.

The lower cost also resulted in better outcomes than some of the managed general equity funds over the same period.

PERFORMANCE OF THE BRENTHURST GLOBAL EQUITY FUND (BACK-TESTED) AGAINST THE MSCI WORLD INDEX OVER THE LAST 10 YEARS



FOR MORE INFORMATION ON THE BRENTHURST GLOBAL EQUITY FUND OR FOR INCLUSION INTO YOUR INVESTMENT PORTFOLIO, PLEASE CONSULT YOUR FINANCIAL ADVISOR AT BRENTHURST

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