



# Alexander Forbes Investments Jersey Limited

Alexander Forbes Investments Global Fund

General Investor Report  
For the quarter ending 30 September 2018

GLOBAL

	Strategic Global Aggressive Fund		Strategic Global Balanced Fund		Strategic Global Conservative Fund																																																																																					
Number of participatory interests (units)	"A Class" 1 351 317.9472	"D Class" 328 605.5289	"A Class" 39 941 540.8951	"D Class" 21 426 926.3118	"A Class" 693 657.8065	"D Class" 2 775 824.1437																																																																																				
Net asset value (NAV) per participatory interest (unit)	"A Class" US\$ 1.6797	"D Class" US\$ 1.6269	"A Class" US\$ 1.6896	"D Class" US\$ 1.6120	"A Class" US\$ 1.2995	"D Class" US\$ 1.2587																																																																																				
<b>Total expense ratio and transaction costs breakdown - "A Class" and "D Class"</b> Period (rolling one-year) <b>01 October 2017 to 30 September 2018*</b>	"A Class"	"D Class"	"A Class"	"D Class"	"A Class"	"D Class"																																																																																				
Total expense ratio (TER) <sup>1</sup>	1.52%	2.27%	1.40%	2.15%	1.44%	2.19%																																																																																				
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<sup>1</sup> **Total Expense Ratio (TER):** The percentage of the value of the portfolio that was incurred as expenses relating to the administration (charges, levies and fees) of the portfolio. TER is calculated over a rolling one-year period (or since inception, where applicable), to the most recent calendar month. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.

<sup>2</sup> **Transaction Costs (TC):** The percentage of the value of the portfolio that was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction costs are a necessary cost in administering the Fund and impacts returns. It should not be considered in isolation as returns may be impacted by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager and the TER. Calculations are based on actual data where possible and best estimates where actual data is not available.

<sup>3</sup> **Total Investment Charge (TIC):** The percentage of the portfolio that was incurred as costs relating to the investment of the portfolio. It is the sum of the TER and TC.

\*With effect from the period ending 30 June 2018, the charges are calculated for the latest rolling one-year period. Historically, they were calculated for the annualised, rolling three-year period.

	Strategic Global Equity Fund		Strategic Global Moderate Fund		Strategic Sterling Liquidity Fund
Number of participatory interests (units)	"A Class" 999 558.0745	"D Class" 536 003.4433	"A Class" 1 496 324.3773	"D Class" 8 421 382.1762	"A Class" 630 055.7025
Net asset value (NAV) per participatory interest (unit)	"A Class" US\$ 29.0126	"D Class" US\$ 28.3949	"A Class" US\$ 1.4798	"D Class" US\$ 1.4330	"A Class" GBP 13.9561

**Total expense ratio and transaction costs breakdown - "A Class" and "D Class"**

Period (rolling one-year)

01 October 2017 to 30 September 2018\*

	"A Class"	"D Class"	"A Class"	"D Class"	"A Class"
Total expense ratio (TER) <sup>1</sup>	1.46%	1.96%	1.44%	2.19%	0.41%
Transaction costs (TC) <sup>2</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Total investment charges (TER + TC) <sup>3</sup>	1.46%	1.96%	1.44%	2.19%	0.41%

**Analysis of the portfolio**

The portfolio is meeting its policy objectives. The "A" and "D" classes have both delivered positive returns since inception, but have underperformed the benchmark.

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**Statement of changes in portfolio composition**

**Changes**

No changes were made to the benchmark, investment policy, charges or name of this portfolio during the quarter. Changes were made to the underlying managers of the Class Fund. Refer to Annexure A for more details. The asset allocation changed as follows from the previous quarter:

**Asset allocation**

	Previous Quarter	Current Quarter	Variance
Equity excl. Prop.	92.59%	92.46%	0.14%
Property	1.68%	1.73%	-0.05%
Bonds	0.00%	0.00%	0.00%
Cash	5.73%	5.82%	-0.09%
Commodities	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

Figures in the report may not add up due to rounding of decimals.

**Changes**

No changes were made to the benchmark, investment policy, charges or name of the portfolio during the quarter. Changes were made to the underlying managers of the Class Fund. Refer to Annexure A for more details. The asset allocation changed as follows from the previous quarter:

**Asset allocation**

	Previous Quarter	Current Quarter	Variance
Equity excl. Prop.	49.76%	50.46%	-0.71%
Property	9.08%	9.36%	-0.29%
Bonds	18.60%	23.62%	-5.02%
Cash	22.57%	16.55%	6.02%
Commodities	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

Figures in the report may not add up due to rounding of decimals.

**Changes**

No changes were made to the underlying managers, benchmark, investment policy, charges or name of the portfolio during the quarter. The asset allocation changed as follows from the previous quarter:

**Asset allocation**

	Previous Quarter	Current Quarter	Variance
Equity excl Prop	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	0.00%
Commodities	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

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**Strategic U.S. Dollar Liquidity Fund**

Number of participatory interests (units)	"A Class" 162 277.0272
Net asset value (NAV) per participatory interest (unit)	"A Class" US\$ 12.5416

**Total expense ratio and transaction costs breakdown - "A Class" and "D Class"**

Period (rolling one-year)

01 October 2017 to 30 September 2018\*

Total expense ratio (TER) <sup>1</sup>	"A Class" 0.41%
Transaction costs (TC) <sup>2</sup>	0.00%
Total investment charges (TER + TC) <sup>3</sup>	0.41%

**Analysis of the portfolio**

The portfolio is meeting its policy objectives. The "A" class has delivered a positive return since inception, but has underperformed the benchmark.

**Statement of changes in portfolio composition****Changes**

No changes were made to the underlying managers, benchmark, investment policy, charges or name of the portfolio during the quarter. The asset allocation changed as follows from the previous quarter:

**Asset allocation**

	Previous Quarter	Current Quarter	Variance
Equity excl Prop	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%
Bonds	0.00%	0.00%	0.00%
Cash	100.00%	100.00%	0.00%
Commodities	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>

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## Annexure A

### Changes made to the Alexander Forbes Investments Global Fund range

Alexander Forbes Investments continually monitors and reviews its portfolios, to ensure its **Living\*Investing™** framework is aligned to meet clients' objectives. The Living\*Investing framework is a risk-led, forward-thinking investment approach, aiming to achieve client outcomes with a greater degree of certainty.

As part of our process, we have made some changes to the selection of underlying portfolios within the Class Funds of the Alexander Forbes Investments Global Fund.

### Change to the Strategic Global Balanced Fund during the third quarter

With the evolution of our investment process, which is focused on managing risk and specific exposures, we have changed the Strategic Global Balanced Fund, by moving from a balanced to a specialist approach. The Class Fund will retain its flexibility, through Alexander Forbes Investments applying dynamic asset allocation (DAA) in determining which underlying portfolios to invest into, to alter exposure to different asset classes and factors. We believe that this approach will help us to better implement our best view, to meet client outcomes with a greater degree of certainty.

There is no change to the risk profile or the benchmark of the Class Fund. It continues to be aimed at generating capital appreciation over the medium to long term by investing in a mix of collective investment funds. The portfolio is suitable for investors who want to maximise capital growth over the medium to long term (five to seven years). It is aimed at investors who have a relatively low aversion to risk and would like exposure to equity markets. The Class Fund's relatively high weighting to equities is designed to increase the possibility of returns above inflation in the medium to long term (five to seven years). The benchmark of the Class Fund is the MorningStar EAA Fund USD Moderate Allocation Category Average.

### New structure of the range (during the third quarter and into the fourth quarter)

In 2014, Mercer Africa purchased a 34% (currently 33.01%) holding in the Alexander Forbes Group. Since then, Alexander Forbes and Mercer have been working to expand their global capabilities. Mercer LLC is 100% owned by Marsh & McLennan (NYSE: MMC), and is one of the largest multi-managers in the world, with USD240 billion under management (at 31 March 2018).

Through its strategic alliance with Mercer, Alexander Forbes Investments has unfettered access to global skills, research and experience that it can use, to improve outcomes for clients. Clients may benefit from this relationship, through access to international, professional expertise and investment propositions.

This global opportunity set, which is available through Mercer, supports the outcomes-based investment strategy of Alexander Forbes Investments, and allows the Mercer funds to be used within the Class Funds of the Alexander Forbes Investments Global Fund to achieve the desired asset allocation to underlying investment managers, styles and strategies.

The table below shows the new structure of the Class Funds in the range that are fund of funds:

	Strategic Global Equity Fund (%)	Strategic Global Aggressive Fund (%)	Strategic Global Moderate Fund (%)	Strategic Global Conservative Fund (%)	Strategic Global Balanced Fund (%)
<b>Equity</b>	<b>99.0</b>	<b>74.0</b>	<b>52.5</b>	<b>32.5</b>	<b>60.0</b>
MGI Global Equity Fund	19.8	19.5	15.0	20.0	20.0
Mercer Passive Global Equity Fund	19.8	17.5	10.0	7.5	20.0
Mercer Passive Emerging Markets Equity Fund	10.0	7.5	5.0		7.5
Dimensional Global Core Equity Fund	19.8	19.5	15.0		12.5
Nedgroup Investments Global Equity Fund	14.8	10.0	7.5	5.0	
Investec Global Strategic Equity Fund	14.8				
<b>Real Assets</b>	<b>0.0</b>	<b>10.0</b>	<b>7.5</b>	<b>5.0</b>	<b>10.0</b>
iShares Developed Real Estate Index Fund		10.0	7.5	5.0	10.0
<b>Growth Fixed Income</b>	<b>0.0</b>	<b>7.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
Mercer Global High Yield Bond Fund		7.0	5.0	5.0	5.0
<b>Defensive Fixed Income</b>	<b>1.0</b>	<b>9.0</b>	<b>35.0</b>	<b>57.5</b>	<b>25.0</b>
MGI Bond Fund		5.0	10.0	20.0	6.5
Coronation Global Strategic USD Dollar Income Fund			20.0	20.0	17.5
Mercer USD Cash Fund				12.5	
Cash	1.0	4.0	5.0	5.0	1.0

The implementation of these changes started in June 2018, with the inclusion of Mercer portfolios taking place during July 2018.

### Fees and charges

There will be no change to the fees and charges within the Class Funds.

**Disclaimer**

This document is for information purposes only and the information in this document is not advice, as defined in the *Financial Advisory and Intermediary Services Act (No. 37 of 2002)*. This document does not form part of the Alexander Forbes Investments Global Fund (formerly Investment Solutions Strategic Global Fund) (the "Fund") Prospectus, and is not an invitation to subscribe for participatory interests (units) in the Fund or in any of its Class Funds. The Prospectus is available upon request from Alexander Forbes Investments Jersey Limited (formerly Investment Solutions (Jersey) Limited (the "Manager"). The matters set out herein should not be relied upon for the purposes of making an investment in the Fund. The Fund is an open-ended collective investment scheme, which was established in Jersey on 28 April 1997 as an unclassified fund. Unclassified funds are not covered by the Compensation for Investors (Jersey) Regulations 1988. The Fund is an unregulated collective investment scheme in the UK and its promotion in the UK is restricted by the *Financial Services Act 1986*. The Fund is a foreign collective investment scheme approved to solicit investments from members of the South African public, in terms of section 65 of the *Collective Investment Schemes Control Act (No. 45 of 2002)*. At the time of publication, the information in this document was correct. However, the information is subject to change. South African Investors should review the **SCHEDULE OF SIMILARITIES AND DIFFERENCES** (the "Schedule"), reflecting the key differences and similarities between the regulations applicable to the Fund, and those applicable to South African registered collective investment schemes. Click on the name to download the document.

**Risks (portfolio specific)**

**Derivatives:** There is no assurance that a portfolio's use of a derivative strategy will succeed. A portfolio's management may employ a sophisticated risk management process, to oversee and manage derivative exposures within a portfolio, but the use of derivative instruments may involve risks different from, and, in certain cases, greater than, the risks presented by the securities from which they are derived.

**Exposure to foreign securities:** Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

**Fund of funds:** A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds.

**Feeder funds:** A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

**Drawdown:** The potential magnitude of loss - the largest peak-to-trough decline in returns over the period, also known as the 'maximum drawdown'.

**Liquidity:** The risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).

**Equities:** The value of equities may vary according to company profits and future prospects, as well as more general market factors. In the event of a company default, the owners of their equity rank last in terms of any financial payment from that company.

**Bonds:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Bonds issued by major governments and companies, will be more stable than those issued by emerging markets or smaller corporate issuers. If an issuer experiences financial difficulty, there may be a risk to some, or all, of the capital invested. Any historical or current yields quoted should not be considered reliable indicators of future performance.

For a detailed description of these risks, and other risks that are relevant to the portfolio, please refer to the **PROSPECTUS**. Click on the name to download the document.

**General disclosure**

Collective investment schemes (unit trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending assets). The Manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A **SCHEDULE OF FEES AND CHARGES** and maximum commissions is available on request from the Manager or click on the name to download the document. Forward pricing is used.

**Specific disclosures****Income distribution**

This Fund is an accumulation fund and does not distribute income.

**Redemptions**

If you disinvest from a Class Fund soon after you invested in the Class Fund, the charges you have paid may be more than the growth on the investment. Should this happen, you will not receive the full value of your original investment amount.

**Prices**

**PRICES** are published daily on our website. Click on the name to download the document.

**Performance fees**

Performance fees are not levied on the portfolio.

**Performance returns**

Lump-sum performance returns are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the Manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. The performance is calculated for the fee class. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request.

**Valuation and transaction cut-off times**

The Valuation Point is close of business in all financial markets on the Subscription Day. The Subscription Price will be available at 4:30pm Jersey time on the following Subscription Day. The Manager must receive correctly completed application forms and notification of deposits before 11:00am Jersey time for the investment instruction to be carried out on that day. If received after the applicable cut-off time, the Manager will invest the money at the Unit Price of the following day. The 11:00am cut-off time also applies to redemptions and switches.

**Additional information**

For additional information on the portfolio, refer to the following documents, available on our website [www.alexanderforbesinvestments.co.je](http://www.alexanderforbesinvestments.co.je), or on request from the Manager, free of charge.

- **PROSPECTUS**
- **APPLICATION FORMS**
- **ANNUAL REPORT AND HALF-YEARLY REPORT**
- **FEE SCHEDULE**

**Complaints and conflict of interest**

The Manager follows the Fund Administrator's complaints policy and procedure, as well as the **CONFLICTS OF INTEREST MANAGEMENT POLICY**. Click on the name to download the document. Associates of the Manager may be invested within certain portfolios, and the details thereof are available from the Manager.

**Contact details****Manager**

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The Manager is regulated by the Jersey Financial Services Commission.

**Investment Adviser and Fund Administrator Details**

Alexander Forbes Investments Limited

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The Investment Adviser and Fund Administrator is an authorised Financial Services Provider (FSP) in terms of section 8 of the *Financial Advisory and Intermediary Services Act (FAIS)* and is a member of the Association for Savings and Investment South Africa (ASISA). This information is not advice, as defined in FAIS. Please be advised that there may be representatives acting under supervision.

**Trustee**

BNP Paribas Depository Services (Jersey) Limited

IFC1, The Esplanade, St Helier, Jersey, Channel Islands

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The Trustee is regulated by the Jersey Financial Services Commission for the conduct of fund services business.

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