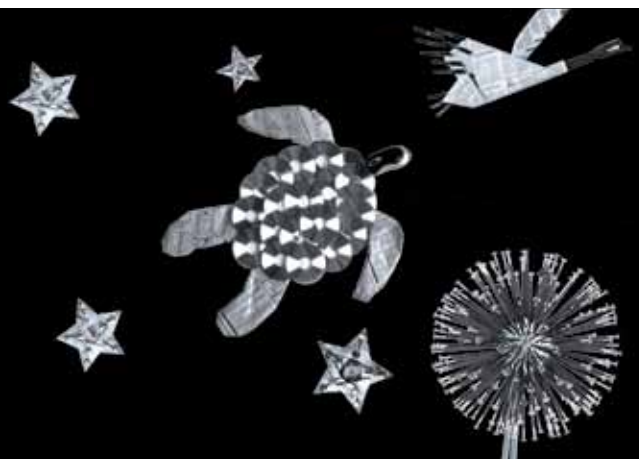


# Introducing the Global Equity Portfolio

*Growth through leading global stocks*



## A globally focused investment solution

Our Global Equity Portfolio has been specifically developed for South African investors who are looking to diversify their investment portfolio and invest in some of the world's leading multinational companies.

Our primary objectives are to deliver long-term capital growth from a concentrated portfolio of approximately 20 stocks and to ensure diversification of the portfolio from both a regional and industry point of view.

### The way we manage your Portfolio

**Flexible, active management** - Through careful analysis of the global economy and investment cycle, we invest in what makes sense rather than the contents of a benchmark or the latest fad. We take a flexible approach to investing and are not index trackers. The MSCI World Index, in dollar terms, will be used solely as a point of reference and will not dictate the contents of the portfolio. This allows us to harness opportunities and defend against threats, creating consistent, long-term performance.

**Investment approach** - The stocks held will be well-known, leading global companies in

attractive industries, which offer potential for consistent capital appreciation underpinned by growing shareholder returns in the form of dividends. The investment process combines the skills of the Ashburton Asset Allocation team with the expertise of the Regional Equity teams and a rigorous stock selection process based on fundamental valuations and management quality.

**Portfolio protection** - Our approach seeks to protect our investors against severe volatility. However, the risk profile of the portfolio will be high given the concentrated nature of the portfolio holdings.

### Who should invest in the Global Equity Portfolio?

The Global Equity Portfolio has been specifically developed for High Net Worth individuals who are looking to diversify their equity exposure outside of the JSE but within a concentrated

portfolio of global stocks. It is suitable for those with an aggressive attitude to risk looking for superior long-term capital appreciation within a disciplined investment management process.

### Key Features

#### Minimum investment

- R3 million (or currency equivalent)

#### Investment period

- Designed for clients with a medium to long-term investment horizon.

#### Portfolio holdings

- 15 to 20 global stocks in well known leading multinational companies with over \$15bn market cap.
- Selection will be top-down driven based on industry attractiveness and leadership potential and will include emerging markets.

**Currency** - Clients can choose to have the portfolio reported in USD, GBP or EUR

**Benchmark** - MSCI World Index (\$)

**Performance target** - long-term outperformance of the benchmark

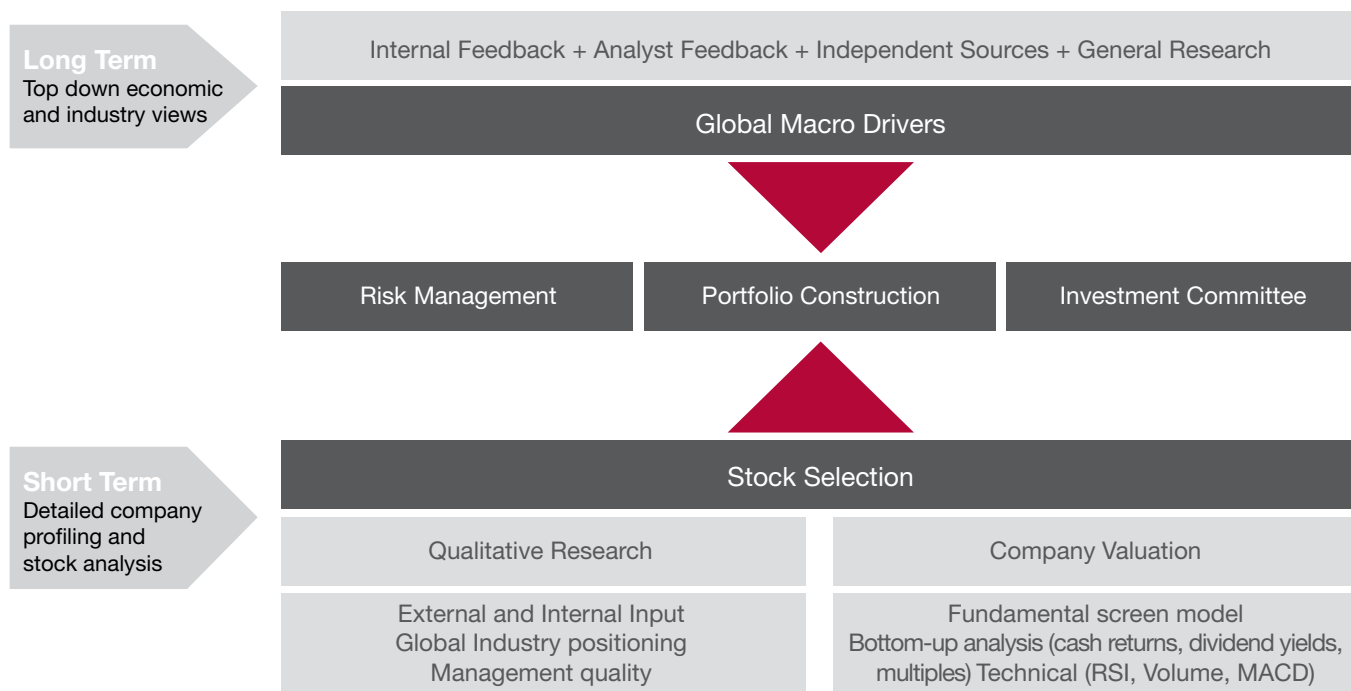
**Investment style** - Growth at a Reasonable Price (GARP)

**Annual Management Fees** - Sliding Scale

### Portfolio Reporting

In addition to continuous monitoring, we also correspond with investors on a quarterly basis, providing:

- An economic overview.
- A current overview of the portfolio and underlying stocks.
- Performance report of the portfolio.
- A detailed activity report.



Investment ideas are generated by combining top-down views with bottom-up equity analysis including qualitative and quantitative considerations.

- **Qualitative research** identifies market position and management quality of potential targets - profiling business exposure, input from external analysts complemented by company visits.

- **Quantitative research** analyses a company's valuation by using an in-house **Equity Screening Model** to rank the stocks within a specific global sector according to quality, growth, value and analyst revisions. This helps us to screen and rank a large universe of equities in order to arrive at a smaller group of stocks which warrant more detailed **bottom-up analysis**.

The bottom-up analysis is based on a **cash return on capital invested (CROCI)** approach, complemented by a multiple and dividend yield screen and includes balance sheet metrics. **Consideration is given to both current valuation and the potential for future improvement in cash returns and dividend yields.**

Who manages the Bespoke Portfolio?



**Nick Lee**

Nick Lee is an Investment Director at Ashburton and joined the company in 1988. He is part of the Asset Allocation team with responsibility for the core services of Asset Management, Cash & Fixed Income and Equities Management and has direct responsibility for the Global Equity Portfolio Service through the Specialist Managers. From 1979 to 1988, he worked in the Investment Management team at Barclays de Zoete Wedd, firstly as an investment analyst and then as a pension fund manager. Nick is a Member of the Chartered Institute for Securities and Investment.



**Paolo Senatore**

Paolo Senatore holds a MSc (Mechanical Engineering) and initially started his career at the CSIR. In 1995 he joined Rand Merchant Bank (RMB) gaining exposure to a number of areas within the bank. By 1997 he had joined London & Dominion Trust, wholly owned by RMB, and the foundation of the RMB Private Bank Portfolio Management operations. There he gained experience in private client portfolio management and was responsible for the development of the institutional business line. He became Chief Investment Officer (CIO) in 2005 and subsequently CIO for the FNB Wealth Segment.

Alongside Nick and Paolo specialist expertise from other members of the investment team will be brought in to ensure that the portfolio is taking advantage of their knowledge in particular markets, making certain that the portfolio is investing in the right assets at the right time.

For more information

If you would like to find out more about Ashburton's Global Equity Portfolio, please contact your usual sales representative.

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