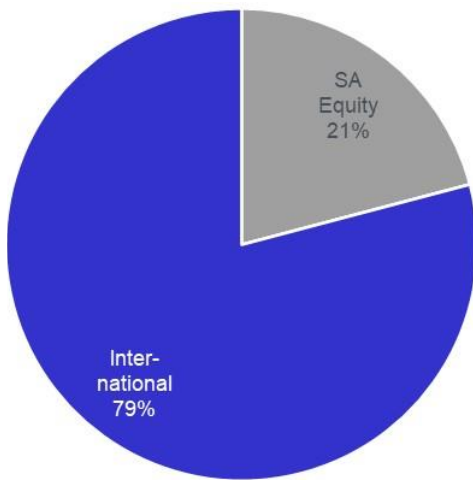


**Benchmark Asset Allocation**



**Key Information**

**Structure**

27four Life Policy

**Composite Benchmark**

0% STeFI + 0% ALBI + 30% Capped SWIX  
+ 20% SAPY + 50% MXWR

**Return Target**

CPI+10% over rolling seven years

**Risk Profile**

High (H)

**Portfolio Fees**

TER: 0.25% p.a. incl. VAT

TIC: 0.25% p.a. incl. VAT

**Reg. 28 Compliant?**

No

**Inception date**

July 2015

**AUM**

R135.4m

**Market Commentary**

After some decent recovery from the March lows, domestic investment assets paused in August, with most headline indices largely unchanged for the month. Bonds marginally outperformed equities in aggregate, but financials were the biggest disappointment, led lower by banks, life assurance and property shares. Offshore investments continued their outperforming trend, despite a strengthening bias for the rand, as US equities, and tech stocks in particular (e.g. Nasdaq), continued to power ahead. China led the way for emerging markets, although they have yet to catch up to their US counterparts. On the domestic front, economic growth remains on the back foot (the next three months will be critical for the SA recovery, as UIF funding reduces and the extra grant payments come to an end next month), and with inflation expectations still largely under control, it does provide scope for the SARB to cut interest rates one more time at one of the remaining MPC meetings in 2020. The inflation outlook is supported by a lack of demand in the economy, and with the US dollar at two-year lows, it supports a stronger relative picture for the rand against the dollar, as opposed to other currencies.

**Theoretical Model Portfolio Investment Returns vs. Market Performance**

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	2.8	6.3	6.8	7.0	6.4
FTSE/JSE All Bond Index (ALBI)	0.7	4.2	7.7	7.6	7.7
FTSE/JSE Capped SWIX Index (Capped SWIX)	5.1	-2.4	-2.2	1.3	9.2
FTSE/JSE SA Listed Property Index (SAPY)	-32.4	-44.3	-22.7	-12.2	2.4
MSCI World Index in ZAR (MXWR)	24.3	28.1	17.7	13.7	18.0
<b>etfSA Wealth Maximiser LA Fund</b>	<b>10.3</b>	<b>12.3</b>	<b>6.5</b>		
etfSA Wealth Maximiser - Model Portfolio	2.9	-0.2	1.5	5.1	14.3

**Model Portfolio Holdings**

Asset class	Description	Weight (%)
SA Interest bearing	Cash	3.0
	Coreshares SA Top50 ETF	3.8
	Satrix INDI ETF	5.8
	Satrix RESI ETF	5.7
SA Equity	NewFunds Equity Momentum ETF	4.8
	Ashburton Global Equity 1200 ETF	9.3
	Sygnia Satrix S&P 500 ETF	6.7
	Satrix Nasdaq ETF	6.2
Offshore	Sygnia Itrix FTSE100 ETF	4.5
	Sygnia Itrix 4th Industrial Revolution ETF	8.1
	Satrix MSCI Emerging Market ETF	5.5
	Satrix MSCI China ETF	8.5
	NewGold ETF	9.1
	New Palladium ETF	7.4
Commodities	1invest Rhodium ETF	8.5
	Standard Bank Oil ETN	3.0

**Contact Us**

[etfSA.co.za](http://etfSA.co.za)

Mike Brown

[mikeb@etfSA.co.za](mailto:mikeb@etfSA.co.za)

+27 10 446 0377

**etfSA – Portfolio Manager**

Nerina Visser

[nerinav@etfSA.co.za](mailto:nerinav@etfSA.co.za)

+27 10 446 0376

**Administration**

Suzan Ramotshabi

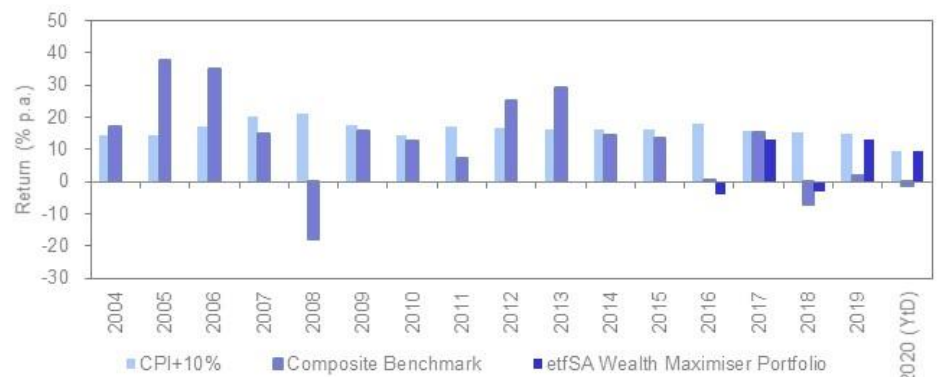
[suzanr@etfSA.co.za](mailto:suzanr@etfSA.co.za)

+27 10 446 0374

**Website**

[www.etfSA.co.za](http://www.etfSA.co.za)

**Illustrative Performance**



Note: This illustrative performance is based on the strategic asset allocation and reference index performance of the ETPs selected for this Portfolio

## Portfolio description

The **etfSA Wealth Maximiser Portfolio** aims to preserve the purchasing power of assets over time by achieving targeted returns of 10% in excess of the level of inflation (as measured by the Consumer Price Index, or CPI) over rolling seven year periods, while reducing the volatility associated with market-linked investments. The Portfolio is constructed through strategic allocations into a range of exchange traded products, exposed to different asset classes, which optimises the cost efficiency and transparency of the Portfolio.

The Portfolio is ideal for investors who want a low cost, transparent investment-linked living annuity. The portfolio is suitable for an investor with a very long investment horizon, who want to maximise the potential capital growth of his retirement savings through a very high targeted real return. The portfolio is only suitable for investors with both a very high tolerance for risk, and sufficient capital to withstand significant potential drawdowns in the near term. The portfolio does not pay out dividends – any distributions received from underlying investments are automatically reinvested into the portfolio to allow for additional compounded growth.

## Portfolio Construction Strategy

The portfolio construction follows a transparent and rules-based passive portfolio management style. Investment objectives are achieved by adhering to strict risk control measures, including appropriate diversification and tolerance-based rebalancing of optimal asset class weights. The portfolio employs a strategic asset allocation strategy into a diversified range of asset classes. These include domestic and international equities, domestic interest-bearing assets, listed property, investments into physical commodities and cash. Although the portfolio aims to add an element of protection to invested capital, it does not offer capital or performance guarantees, therefore and portfolio value fluctuations may occur in the short term. Intra-period (between rebalancing) the effective asset class weights are allowed to drift around the optimised strategic asset allocation levels, within pre-defined tolerance limits. Asset class specific tolerance limits around the strategic asset allocation levels are defined to allow for some momentum drift within individual asset classes. Rebalancing methodologies are continuously evaluated and optimised for cost efficiency. Underlying Portfolio components are held in Exchange Traded Products (ETFs and ETNs) to allow for maximum cost benefit to the investor. Distributions received from underlying investments are re-invested into the portfolio immediately when received to maximise total returns and optimise tax efficiency.

## About etfSA

**etfSA** is the “Home of Exchange Traded Funds” and is an internet based information and transaction website that provides simple and efficient solutions for investors wishing to discover, understand, manage and profit from the world of Exchange Traded Funds (ETFs).

The **etfSA** range of **Wealth** management portfolios provide investors with investment portfolios that exclusively utilise Exchange Traded Products (ETPs) as the underlying investments.

For more information on etfSA, its transaction platform for ETPs and its tax free, retirement and living annuity investment options, visit the website [www.etfSA.co.za](http://www.etfSA.co.za) or call (010) 446-0371

## About the Portfolio Manager

**Nerina Visser, CFA**

for the **etfSA Portfolio Management Company (Pty) Ltd**  
a division of

**etfSA Investment Services (Pty) Ltd**

a Category II Financial Service Provider  
(license number 40107)

## Notes:

1. The performance of the **Model Portfolio** represents the theoretical performance of the optimised strategic asset allocation without the impact of actual investment cash flows. The performance numbers are simulated and not actual, using a back testing method.
2. All returns quoted are net of fees – that is, after deduction of all expenses as quoted in the Portfolio Management TER. Returns for periods exceeding one year are annualised. All returns are in Rands.
3. The benchmark is a composite benchmark as per the weights and indices as indicated on the first page. The return is an estimate and is displayed as a general guide which is subject to change without notice to investors.
4. All holdings information is based on latest available data. There may be differences in totals due to rounding.

## Disclaimer

© 2020 **etfSA.co.za** This investment portfolio is administered by 27four Life (RF) Limited (“27four”), a registered long-term insurer and an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act (FAIS Act) FSP licence number 44077. The investment manager is etfSA Portfolio Management Company (Pty) Ltd (“etfSA”), an authorised financial services provider in terms of the FAIS Act, FSP licence number 40107. This fact sheet has been compiled to provide factual information on the policy offered and does not constitute advice as defined and contemplated in the FAIS Act. etfSA recommends that financial advice be sought should any party seek to place any reliance on the information contained herein or for purposes of determining the suitability of the products for the investor as mentioned in this document. etfSA and its officers, directors, agents, advisors and employees, including persons involved in the preparation or issuance of this document, may from time to time act as manager or advisors in relation to the securities or investment products which are the subject of this document. All returns are quoted after the deduction of portfolio management fees. Past investment returns are not indicative of future returns and the value of investments will fluctuate over time. Any modelling or back-testing data contained in this document should not be construed as a statement or projection as to future performance. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, 27four and etfSA do not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. etfSA.co.za is the registered trading name of M F Brown, an authorised Financial Services Provider (FSP No 39217). Professional Indemnity Insurance is maintained. etfSA.co.za®, and etfSA The Home of Exchange Traded Funds® are registered trademarks in the Republic of South Africa.