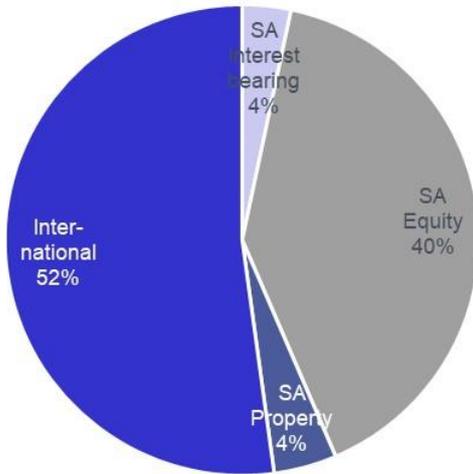


**Benchmark Asset Allocation**



**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**

R88.5m

**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)

**Market Commentary**

Global markets experienced a sharp sell-off in February, ending the month at its worst levels, as the combined impact of the spread of the Covid-19 virus, a slump in oil prices, and fears of an accelerated slowdown in economic growth, accentuated the disconnect between recent strong market performance, and deteriorating economic fundamentals. On the local front, the national budget was well received by the market, but was quickly overtaken by negative global factors. The risk of credit rating downgrades has increased, but is largely priced in, as could be seen by the relative performance of bonds (+3%) to equities (-9%). Risk-off sentiment was evident in capital flows into the US, with the dollar strengthening, US bond yields falling to just above 1%, and demand for precious metal commodities. The rand has been the worst performing EM currency YTD, depreciating by 10.6% against the USD. Counterintuitively, despite the risk-off sentiment, the MSCI EM index (-5.3%), supported by the MSCI China index (+1%) outperformed the S&P 500 (-8.4%), highlighting the effectiveness of quick action by the People's Bank of China in response to the Coronavirus.

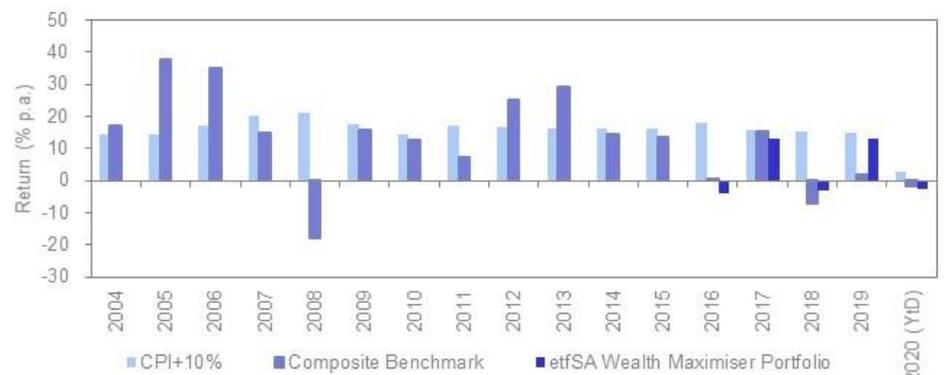
**Theoretical Model Portfolio Investment Returns vs. Market Performance**

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	3.4	7.1	7.1	7.1	6.5
FTSE/JSE All Bond Index (ALBI)	3.4	8.9	9.1	7.2	8.7
FTSE/JSE Capped SWIX Index (Capped SWIX)	-7.1	-9.6	-1.2	-0.3	9.2
FTSE/JSE SA Listed Property Index (SAPY)	-17.5	-19.1	-10.4	-4.8	8.0
MSCI World Index in ZAR (MXWR)	3.1	13.9	11.5	10.1	14.4
<b>etfSA Wealth Maximiser LA Fund</b>	<b>-1.1</b>	<b>2.4</b>	<b>5.7</b>		
etfSA Wealth Maximiser - Model Portfolio	-2.7	-1.6	2.9	4.6	14.6

**Model Portfolio Holdings**

Asset class	Description	Weight (%)	
SA Interest bearing	Cash	3.3	
	Coreshares SA Top50 ETF	6.3	
	Satrix INDI ETF	4.9	
	Ashburton Mid Cap ETF	6.0	
SA Equity	NewFunds Equity Value ETF	4.4	
	Coreshares Sci-Beta MF ETF	4.4	
	Satrix RAFI ETF	4.5	
	NewFunds Tgt Vol High Growth Equity ETF	4.3	
	NewFunds Equity Momentum ETF	5.4	
	CoreShares SA Property Income ETF	4.3	
SA Property	Satrix MSCI World ETF	4.8	
	Sygnia Itrix S&P 500 ETF	2.9	
	CoreShares Global Dividend Aristocrats ETF	7.5	
	CoreShares Global Property ETF	3.9	
Offshore	Satrix MSCI Emerging Market ETF	11.7	
	Firststrand USD Custodial Certificates	4.7	
	AMI Africa ex-SA Big50 ETF	6.2	
	NewGold ETF	3.3	
	Commodities	1invest Platinum ETF	3.0
		New Palladium ETF	4.3

**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.