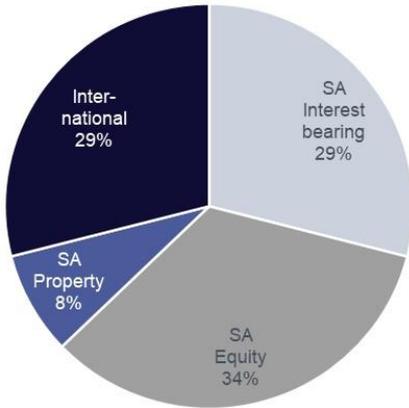




Benchmark Asset Allocation



Key Information

ASISA Sector

SA Multi-Asset – Medium Equity
(Reg.28 compliant)

Composite Benchmark

10% STeFI+20% ALBI+33% Capped SWIX
+ 10% SAPY + 27% MXWR

Risk Profile

Medium (M)

Minimum investment

Monthly debit order: R300 p.m.
Lump sum: R5,000 initial
Subsequent investments: R1,000

Portfolio Fees

TER: 0.30% p.a. incl. VAT
TIC: 0.30% p.a. incl. VAT

Portfolio size

R9.35m

Launch date

Feb-2019

Contact Us

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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.

Portfolio Investment Returns compared to Market Performance

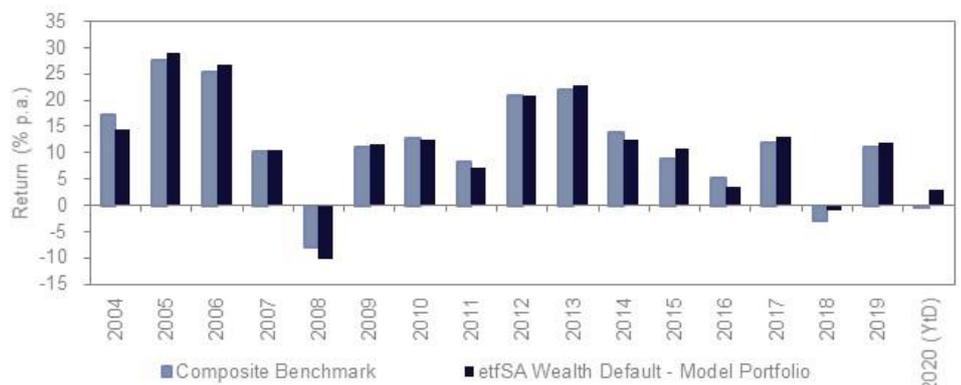
(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - Short Term Fixed Income Index (10%)	2.8	6.3	6.8	7.0	6.4
Bonds - FTSE/JSE All Bond Index (20%)	0.7	4.2	7.7	7.6	7.7
Equities - FTSE/JSE Capped SWIX Index (33%)	5.1	-2.4	-2.2	1.3	9.2
Property - FTSE/JSE SA Listed Property Index (10%)	-32.4	-44.3	-22.7	-12.2	2.4
Global - MSCI World Index in ZAR (27%)	24.3	28.1	17.7	13.7	18.0
Composite Benchmark	5.3	2.9	4.2	5.6	10.8
etfSA Default RA Fund	5.7	6.3			
etfSA Wealth Default - Model Portfolio	8.2	6.3	6.3	7.2	11.4

Refer to note 1 on back page

Actual Portfolio Holdings

Asset class	Reg. 28 Category	Description	Weight (%)
SA Interest bearing	Cash (max 100%)	Cash	10.3
	Debt (max 75%)	NewFunds GOVI ETF	18.7
SA Equity	Equities (max 75%)	CoreShares SA Top50 ETF	33.8
SA Property	Immovable Property (max 25%)	1invest SA Property ETF	8.2
Offshore	Foreign exposure (max 30% + 10% in Africa)	Satrix MSCI World ETF	29.0

Historical Performance





Portfolio description

The objective of the **etfSA Wealth Default Portfolio** is to offer a static strategic asset allocation into a limited range of vanilla asset class ETFs, with a low tracking error allowance. This default investment portfolio is offered to comply with Section 36 of the Pension Funds Act, No. 24 of 1956, as amended on 25 August 2017, with specific reference to Regulation 37-40.

The fund is ideal for investors who are self-employed or already contributing to an employer's retirement fund and would like to make additional savings for retirement.

The portfolio is suitable for an investor with a medium-to-long-term investment horizon. The portfolio makes no claims to generating alpha from any source, but rather offers a low tracking error and passive allocation to strategic asset classes. The portfolio is well-suited for moderate risk-taking investors desiring market-related returns, whatever those may be.

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 can drift around the optimised strategic asset allocation levels, within pre-defined tolerance limits.

Top 10 Holdings – Weight (%)

SA Equities (ex REITs) 61.1		Overall portfolio 28.5	
Share	Weight	Security	Weight
Naspers -N	10.2	R186 10.50% 211226	3.9
BHP Group	10.1	Naspers -N	3.4
Anglo American	9.9	BHP Group	3.4
Richemont	9.6	Anglo American	3.4
Prosus	4.2	Richemont	3.3
Anglo-Ashanti	3.9	R2030 8.00% 310130	2.5
Firstrand	3.7	R2048 8.75% 280248	2.4
Gold Fields	3.7	Standard Bank NCDs	2.2
Mondi plc	2.9	Firstrand Bank NCDs	2.1
BAT	2.9	Nedbank NCDs	2.0

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 Retirement Annuity Fund** (certificate of registration 12/8/38021) provides investors with retirement annuity funds that exclusively utilise Exchange Traded Products (ETPs) as the underlying investment.

For more information on etfSA, its transaction platform for ETPs and its Retirement Annuity Funds, visit the website www.etfsa.co.za or contact the call centre on 010 446 0374.

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 of the **etfSA Wealth Default Portfolio** represents the performance of the actual portfolio, including all investment flows, since inception.
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.

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