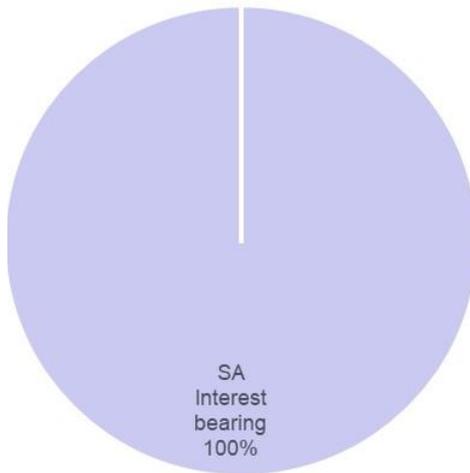


Benchmark Asset Allocation



Key Information

Structure

Prescient Life Policy

Benchmark

STeFI Call Deposit

Return Target

CPI over rolling three years

Risk Profile

Low (L)

Portfolio Fees

Portfolio Management Total Expense Ratio (TER)

0.25% p.a. incl. VAT (maximum)

Reg. 28 Compliant?

Yes

Inception date

August 2016

AUM

R56.6m

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Market Commentary

It has been a tough first half of the year for local markets as local economic realities and global geopolitical tension weighed on equities and listed property. The JSE declined by 1.7% (including dividends) in the first 6 months of the year, whereas the SA Listed Property Index slumped by more than 21%. Bonds were the best performers of the local market, gaining 4%, but weakness in the Rand towards the end of the first half, also lifted both global investments and physical commodities, with double digit returns recorded in many of these. It is thus not surprising to see Resources counters strongly outperforming both Financial and Industrial stocks. Pressure on the consumer continues to increase, with the full effect of petrol price and VAT increases still to filter through to consumer inflation numbers. It is unlikely that the SARB will be able to consider further interest rate cuts, and the next move is most likely up, although hopefully only in 2019. The positive economic growth outlook globally is currently overshadowed by tough talk on trade tariffs and continued Brexit uncertainty – a cautious approach to investments is advisable in the current context.

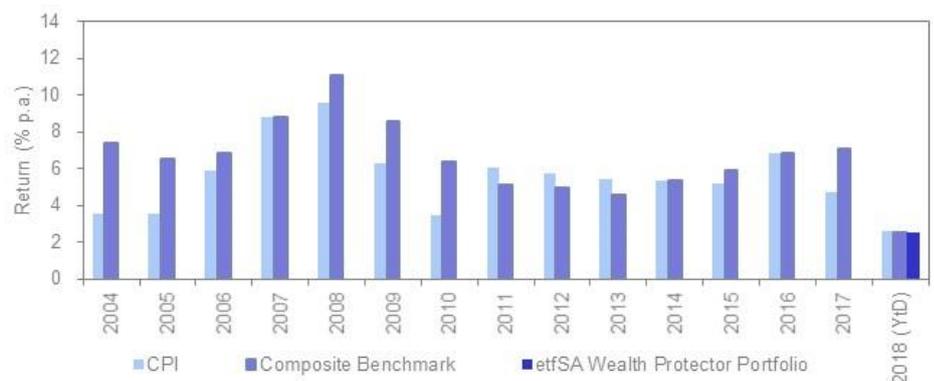
Portfolio Investment Returns Compared with Market Performance

| (%) | 6m | 1yr | 3yrs (pa) | 5yrs (pa) | 10yrs (pa) |
|--------------------------------------|------------|------------|------------|-----------|------------|
| Cash - ST Fixed Income Index (STeFI) | 3.1 | 7.0 | 7.2 | 6.6 | 6.9 |
| CPI | | 4.6 | 5.3 | 5.5 | 6.0 |
| etfSA Wealth Protector Fund | 3.6 | 7.5 | 7.4 | | |

Actual Portfolio Holdings

| Asset class | Bank and Call Deposits | Weight (%) |
|---------------------|--------------------------|------------|
| | Nedbank | 25.1 |
| | Firstrand Bank | 23.2 |
| | Standard Bank | 23.1 |
| SA Interest bearing | ABSA | 22.8 |
| | HSBC Bank Africa | 3.1 |
| | Republic of South Africa | 1.4 |
| | Societe Generale SA | 1.3 |

Illustrative Performance



Portfolio description

The **etfSA Wealth Protector Portfolio** aims to preserve the purchasing power of assets over time by achieving targeted returns of the level of inflation (as measured by the Consumer Price Index, or CPI) over rolling three year periods, while protecting the initial capital and providing immediate liquidity to investors. The portfolio is invested in short term money market instruments of the highest quality.

The portfolio is suitable for an investor with a very short term investment horizon, or a very risk-averse appetite for investments. The portfolio is well-suited for very conservative investors looking for capital preservation with no additional real return objectives. 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 allowable credit exposures according to Reg. 28 criteria. The portfolio invests only in domestic money market assets, i.e. with maximum 12-month duration.

Although the Portfolio does not offer an explicit capital guarantee, the ultra-low risk exposure achieves protection to invested capital. However, negligible portfolio value fluctuations may occur in the short term. Underlying investments are held in money market fund investments 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.co.za

etfSA.co.za 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 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 **etfSA Wealth Protector Portfolio** represents the performance of the actual portfolio, including all investment cash 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 the STeFI index 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

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