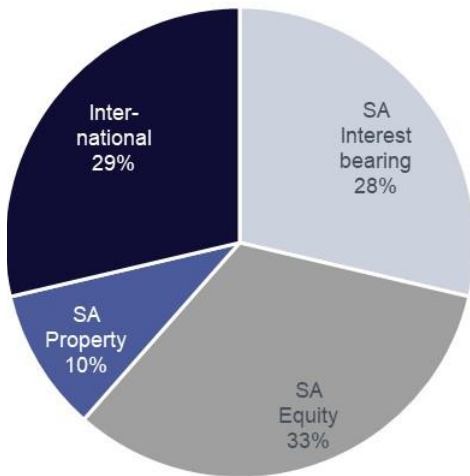


Benchmark Asset Allocation



'International' includes physical commodities

Key Information

ASISA Sector

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

Composite Benchmark

15% STeFI + 15% ALBI + 30% Capped SWIX
+ 15% SAPY + 25% MXWR

Return Target

CPI+3% over rolling three years

Risk Profile

Low to Medium (LM)

Minimum investment

Monthly debit order: R 300 p.m.
Lump sum: R 5 000
Subsequent investments: R 1 000

Total Fees

Portfolio Management Total Expense Ratio (TER)

0.30% incl. VAT p.a.

Launch date

Sep-2013

Contact Us

etfSA RA Fund – Principal Officer

Mike Brown
mikeb@etfsa.co.za
+27 10 446 0377

Portfolio Manager

Nerina Visser, CFA
nerinav@etfsa.co.za
+27 10 446 0376

Client liaison

Suzan Ramotshabi
RAfunds@etfsa.co.za
+27 10 446 0374

Website

www.etfsa.co.za

Market Commentary

The brewing storm in emerging markets turned up a notch in August as further deterioration in Argentina and Turkey pushed closer to the edge. The rand bore the brunt of the fall-out, as it weakened by almost 13%, the biggest monthly decline in seven years. As expected, this pushed global investments (in rand terms) strongly higher, and amongst the JSE sectors, resources and dual-listed shares were the clear winners. Within interest-bearing investments, bonds came under pressure, as fear of inflation, interest rate hikes and credit rating downgrades increased. The local currency has probably moved too much too quickly, so some short-term relief can be expected, but over the longer term, the risks remain. Investors are cautioned against rash and emotional decisions to increase offshore and rand-hedge investments after such a blow-off phase; of key importance now is the upcoming Medium Term Budget Policy Statement (MTBPS) in October – Finance Minister Nene needs to outline government interventions that can put the domestic economy on a path of sustainable higher growth and address the high unemployment. Domestic investments are in desperate need of such fresh impetus.

Portfolio Investment Returns compared to Market Performance

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	3.3	6.8	7.2	6.7	6.8
FTSE/JSE All Bond Index (ALBI)	-1.3	8.0	7.5	7.9	8.8
FTSE/JSE Capped SWIX Index (Capped SWIX)	-2.3	2.4	5.2	9.2	11.2
FTSE/JSE SA Listed Property Index (SAPY)	-1.5	-12.4	-0.3	8.7	13.4
MSCI World Index in ZAR (MXWR)	28.4	25.4	13.5	16.1	11.9
CPI+3%		7.6	8.4	8.5	8.8
etfSA Wealth Conservator RA Fund	6.6	4.7	5.9	8.4	
CPI+3% Model Portfolio	3.3	3.0	5.1	7.4	9.0

Refer to note 1 on back page

Actual Portfolio Holdings

Asset class	Reg. 28 Category	Description	Weight (%)
	Cash (max 100%)	Cash	14.5
SA Interest bearing	Debt (max 75%)	Ashburton Inflation-linked GOVI ETF	4.8
		NewFunds GOVI ETF	4.6
		CoreShares PrefTrax ETF	4.8
SA Equity	Equities (max 75%)	CoreShares SA Top50 ETF	18.0
		Ashburton Mid Cap ETF	2.8
		Satrix Quality ETF	4.6
		CoreShares Dividend Aristocrats ETF	3.9
		Satrix Divi+ ETF	3.5
		Stanlib Property ETF	5.8
SA Property	Immovable Property (max 25%)	Proptrax Ten ETF	4.1
		Satrix MSCI World ETF	16.1
Offshore	Foreign exposure (max 30% + 10% in Africa)	CoreShares Global Dividend Aristocarts ETF	4.5
		Satrix MSCI Emerging Market ETF	3.2
		CoreShares Global Property ETF	4.8

Historical Performance





Portfolio description

The **etfSA Wealth Conservator Portfolio** aims to preserve the purchasing power of assets over time by achieving targeted returns of 3% in excess of the level of inflation (as measured by the Consumer Price Index, or CPI) over rolling three 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 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 relatively short term investment horizon – investors who are close to retirement, who wish to preserve the value of their retirement savings and require maximum income from their investment. The portfolio is well-suited for conservative investors with real return objectives, seeking long term wealth creation, who in terms of their liabilities, have to earn investment returns in excess of inflation. 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.

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 Conservator 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.

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)

Disclaimer

© 2018 **etfSA.co.za** This document has been approved by etfSA.co.za (“etfSA”). It should not be considered as an offer or solicitation of an offer to sell, buy or subscribe for any securities or investment products. Some of the information contained herein has been obtained from public sources and persons who etfSA believes to be reliable. This document is not guaranteed for accuracy, completeness or otherwise. It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions. 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. etfSA, its sponsors, administrators, contributors and product providers disclaim any liability for any loss, damage, or expense that might occur from the use of or reliance on the data and services provided through this document. Unless expressly stipulated as such, etfSA makes no representation or warranty in this document. The information contained in this document may not be construed as legal, accounting, regulatory or tax advice and is given without any liability whatsoever. Past performance is no guarantee of future returns. Any modelling or back-testing data contained in this document should not be construed as a statement or projection as to future performance. This document is being made available in the Republic of South Africa to persons. All trademarks, service marks and logos used in this report are registered trademarks or service marks of etfSA. etfSA.co.za is the registered trading name of M F Brown, an authorised Financial Services Provider (FSP No 39217). etfSA.co.za is licensed to provide financial services in the following categories: Collective Investment Schemes; Shares and Securities; Retail Pension Fund Benefits; Long-term Insurance, Short-Term deposits; and Friendly Society Benefits. 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. The etfSA Portfolio Management Company (Pty) Ltd (Reg No 2012/019954/07), is a division of etfSA Investment Services (Pty) Ltd (Reg. No. 2006/001083/07), an authorised financial services provider (FSP No 40107), Block 4, 3 Anerley Rd, Parktown, 2196, South Africa.