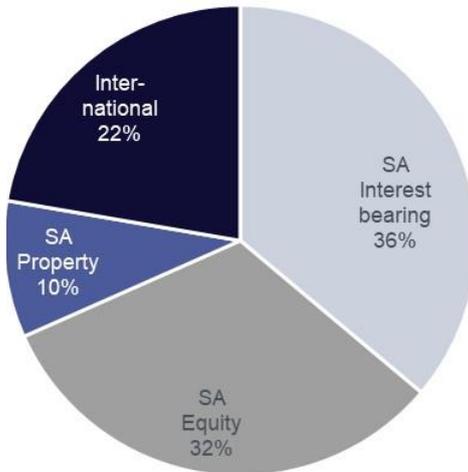


Benchmark Asset Allocation



'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

Portfolio Fees

Portfolio Management Total Expense Ratio (TER)

0.30% incl. VAT p.a.

Launch date

Sep-2013

Contact Us

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Market Commentary

The outlook for the global economy, and with that, investment markets, deteriorated sharply towards the end of 2018, with key risks cited by the IMF, an escalation in the US-China trade war, an uncertain Brexit path, and higher global interest rates. In contrast to the impact of the global financial crisis in 2008 (short and sharp, with a relatively quick recovery), the slow grind lower can result in much more pain, especially if it leads to inappropriate investment decisions – if your time horizon is long term (more than 7-10 years), the recent poor performance should not be the reason why you change your investment strategy. The best course of action is to stay invested (avoid selling-low-and-buying-high), to continue making regular contributions (benefit from rand-cost averaging over time) and increase diversification due to the high levels of volatility and increased uncertainties. The local market offers good value (currently still at 2014 levels), and after a sharp pullback in Q4-18, global markets are much less over-valued than they've been for a while. Stay the course!

Portfolio Investment Returns compared to Market Performance

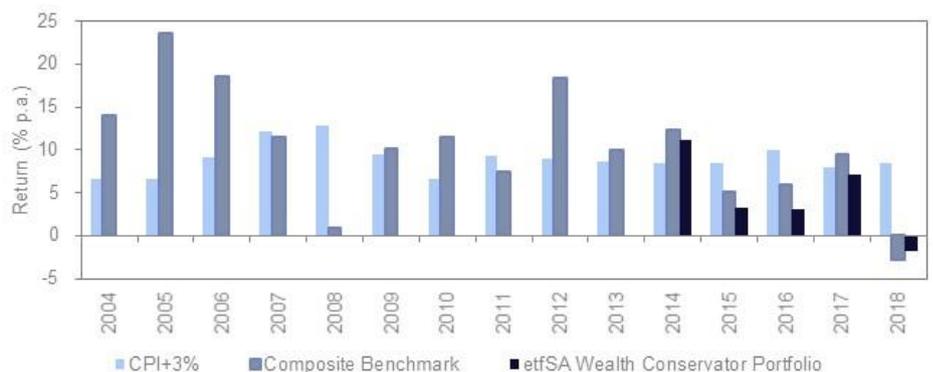
(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	3.5	6.8	7.3	6.8	6.7
FTSE/JSE All Bond Index (ALBI)	4.3	7.7	11.1	7.7	7.7
FTSE/JSE Capped SWIX Index (Capped SWIX)	-5.0	-10.8	3.1	5.1	12.5
FTSE/JSE SA Listed Property Index (SAPY)	-5.0	-25.3	-1.2	5.7	12.1
MSCI World Index in ZAR (MXWR)	-5.7	4.4	1.7	9.2	11.9
CPI+3%		7.7	8.4	8.4	8.6
etfSA Wealth Conservator RA Fund	-0.8	-1.7	2.8	5.1	
CPI+3% Model Portfolio	-0.1	-1.3	3.9	5.4	8.5

Refer to note 1 on back page

Actual Portfolio Holdings

Asset class	Reg. 28 Category	Description	Weight (%)
	Cash (max 100%)	Cash	21.2
SA Interest bearing	Debt (max 75%)	Ashburton Inflation-linked GOVI ETF	4.9
		NewFunds GOVI ETF	4.8
		CoreShares PrefTrax ETF	5.2
SA Equity	Equities (max 75%)	CoreShares SA Top50 ETF	17.5
		Ashburton Mid Cap ETF	2.8
		Satrix Quality ETF	4.6
		CoreShares Dividend Aristocrats ETF	3.7
		Satrix Div+ ETF	3.6
SA Property	Immovable Property (max 25%)	Stanlib Property ETF	5.5
		Proptrax Ten ETF	3.9
Offshore	Foreign exposure (max 30% + 10% in Africa)	Satrix MSCI World ETF	11.8
		CoreShares Global Dividend Aristocarts ETF	3.7
		Satrix MSCI Emerging Market ETF	3.0
		CoreShares Global Property ETF	3.7

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.

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 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.

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