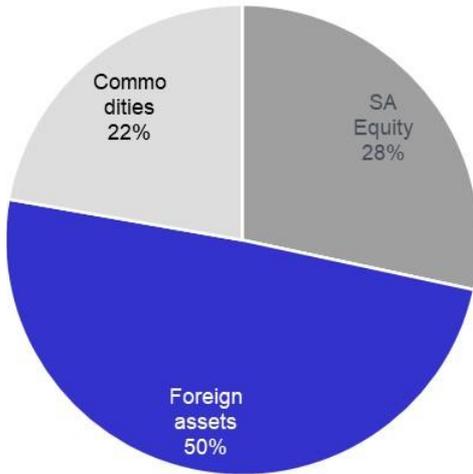


**Benchmark Asset Allocation**



**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**

R237.3m

**Contact Us**

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**Market Commentary**

March saw a moderation of recent strong equity market performance globally, and SA was no different. Some consolidation, after a very sharp recovery from the recent lows, is always a good thing. Equities outperformed both bonds and cash, and within equities, it was the mid and small caps that presented the best value. SA bonds took their cue from the weaker global bond markets, exacerbated by rising inflation pressures and poor domestic fundamentals. The strength of the rand (it is now back at the same levels as five years ago), took some shine off global investments, although some performed very well in hard currency terms. European equities were relative outperformers amongst the developed markets, despite the US and UK leading the vaccine rollout. Fiscal stimulus in the US remains at historically high levels, which is fuelling both asset prices and inflation, but with the expectation that it will spill over into the real economy. China led the decline in emerging markets, as regulators in the second largest economy in the world, tighten their rules. But the economy continues to lead both Asia and the world out of the Covid pandemic slump, and this should support renewed market growth in the region.

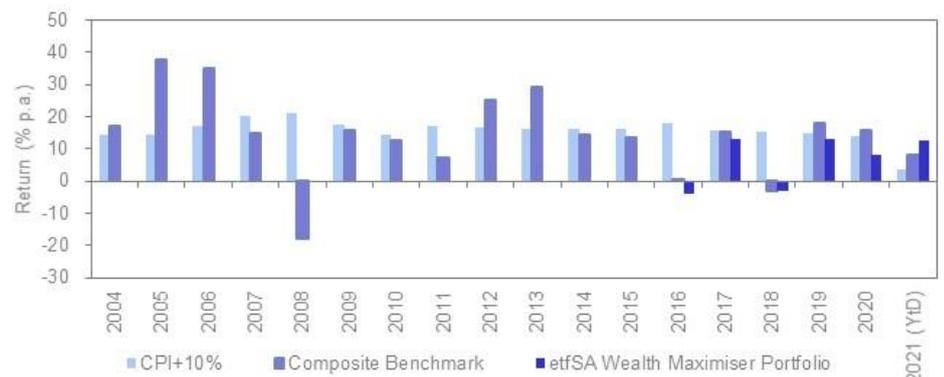
**Portfolio Investment Returns vs. Market Performance**

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	1.6	4.1	6.1	6.6	6.2
FTSE/JSE All Bond Index (ALBI)	4.9	17.0	5.5	8.7	8.2
FTSE/JSE Capped SWIX Index (Capped SWIX)	24.2	57.5	5.4	4.8	9.9
FTSE/JSE SA Listed Property Index (SAPY)	30.0	34.4	-12.9	-9.0	4.4
MSCI World Index in ZAR (MXWR)	4.7	25.6	19.3	11.3	16.5
<b>etfSA Wealth Maximiser LA Fund</b>	<b>13.2</b>	<b>30.5</b>	<b>12.2</b>	<b>7.4</b>	

**Model Portfolio Holdings**

Asset class	Description	Weight (%)
SA Interest bearing	Cash	1.0
SA Equity	Satrix40 ETF, Satrix INDI ETF, Satrix RESI ETF, NewFunds Equity Momentum ETF	28.1
Foreign assets	Ashburton Global Equity 1200 ETF, Satrix S&P 500 ETF, Satrix Nasdaq ETF, Sygnia Itrix FTSE100 ETF, Sygnia Itrix 4th Industrial Revolution ETF, Satrix MSCI Emerging Market ETF, Satrix MSCI Emerging Market ESG Enhanced ETF, Satrix MSCI China ETF, UBS AnBro Unicorn ETN	48.9
Commodities	1invest Platinum ETF, Newgold Palladium ETF, 1invest Rhodium ETF	22.0

**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 be 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. 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.
2. 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.
3. All holdings information is based on latest available data. There may be differences in totals due to rounding.

## Disclaimer

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