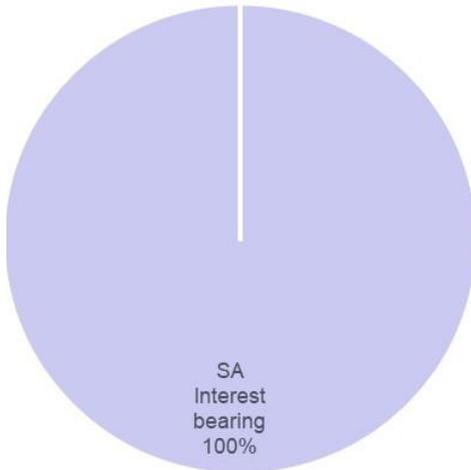


Benchmark Asset Allocation



Key Information

Structure

27four Life Policy

Benchmark

STeFI Call Deposit

Return Target

CPI over rolling three years

Risk Profile

Low (L)

Portfolio Fees

TER: 0.25% p.a. incl. VAT

TIC: 0.25% p.a. incl. VAT

Reg. 28 Compliant?

Yes

Inception date

August 2016

AUM

R21.3m

Market Commentary

The rand raced to its strongest level in 6 months on the last day of 2019, closing at R14/\$. Although this level was short-lived, the snapshot of portfolio performance – especially those with above-average exposure to rand-hedges and offshore investments – reflects the impact of rand strength, and reminds us why global diversification, coupled with domestic exposure, remains crucial. This improved sentiment came courtesy of improved emerging market risk appetite, while investors appear less pessimistic on SA, encouraged by government’s resolution on SAA and some real progress in economic reforms and prosecutions relating to corruption. On the global front, in dollars, the US (+29.1%) was the only major developed market to outperform China (+20.9%) in 2019, and emerging markets as a group put in a credible performance of +16.5%. The MSCI SA index (+7.4%) underperformed its EM peers in 2019, although it outperformed in the latter half of the year, led by SA Resources. SA bonds (+10.3%) outperformed cash (+7.3%) and equities (Capped SWIX +6.8%) in 2019, despite growing expectations of an imminent credit rating downgrade. 2020 is shaping up for a continuation of the positive market trends established in 2019, despite current negative perceptions.

Portfolio Investment Returns Compared with Market Performance

(%)	6m	1yr	3yrs (pa)	5yrs (pa)	10yrs (pa)
Cash - ST Fixed Income Index (STeFI)	3.5	7.1	7.2	7.1	6.5
CPI		4.2	4.9	5.1	5.2
etfSA Wealth Protector Fund	3.8	7.5	7.6	7.3	

Actual Portfolio Holdings

Asset class	Bank and Call Deposits	Weight (%)
SA Interest bearing	Nedbank	24.2
	Standard Bank	21.9
	Firststrand Bank	19.5
	ABSA	15.4
	Investec	7.9
	Nedgroup CIS	4.7
	Southchester	2.5
	Standard Chartered	1.3
	Other	2.6

Contact Us

etfSA.co.za

Mike Brown

mikeb@etfSA.co.za

+27 10 446 0377

Portfolio Manager

Nerina Visser

nerinav@etfSA.co.za

+27 10 446 0376

Administration

Suzan Ramotshabi

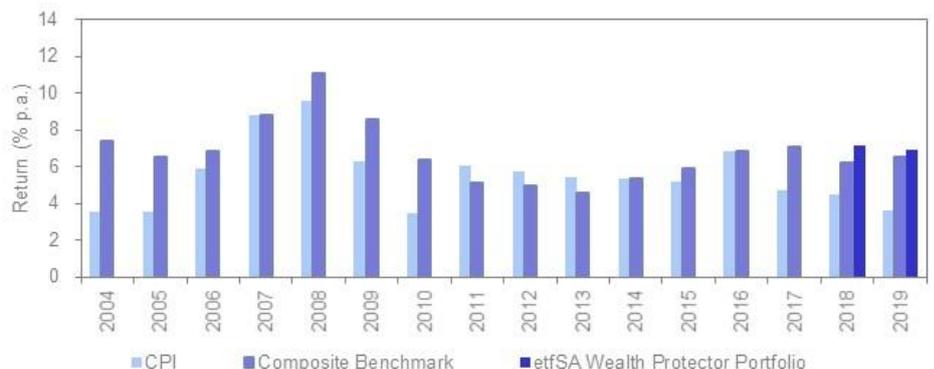
suzanr@etfSA.co.za

+27 10 446 0374

Website

www.etfSA.co.za

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.

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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.

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