



## ETF Allocation



## Key Information

## Regulation

Fully compliant with Section 12T of the Income Tax Act

## Investment Objective

Balance between income and capital growth

## Risk Profile

Low to Medium

## Investment Limits

Minimum R1 000 – debit order or lump sum  
Maximum R36 000 p.a. (current legislation)

## Total Fees

Portfolio Management Total Expense Ratio (TER)

0.50% incl. VAT p.a.

Administration and Custody

0.50% incl. VAT p.a.

All transaction costs, incl. the reinvestment of distributions, are included in these fees

## Contact Us

Computershare – Administrator  
Computershare (Pty) Ltd

etfSA – Portfolio Manager & Advisor  
[TaxFree@etfsa.co.za](mailto:TaxFree@etfsa.co.za)

Mike Brown  
[mikeb@etfsa.co.za](mailto:mikeb@etfsa.co.za)  
+27 10 446 0377

Nerina Visser  
[nerinav@etfsa.co.za](mailto:nerinav@etfsa.co.za)  
+27 10 446 0376

Wendy Hlatshwayo  
[wendyh@etfsa.co.za](mailto:wendyh@etfsa.co.za)  
+27 10 446 0371

## Website

[www.etfsa.co.za](http://www.etfsa.co.za)

## 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.

## Comparative Performance Statistics

(%)	6m	1 yr	3 yrs (p.a.)	5 yrs (p.a.)
<b>Comparative Benchmark Performance</b>				
Bonds - SA Government Bond Index	4.8	14.4	5.6	8.5
SA Equities - JSE All Share Index	24.2	54.0	9.7	8.2
<b>Portfolio ETF Performance</b>				
NewFunds GOVI ETF (25%)	4.8	16.7	4.9	8.1
Satrix 40 ETF (25%)	23.2	53.4	10.9	8.6
1Invest Global REIT ETF (15%)	7.6	12.2	13.8	4.0*
Ashburton Global 1200 Equity ETF (35%)	5.8	25.8	20.0	11.3*
ETFIA Balanced Account - Model Portfolio	8.3	24.8	6.3	4.8

\* Prior to inception, the theoretical historic performance is based on the performance of the respective reference indices of the ETFs selected for this ETFIA Account.

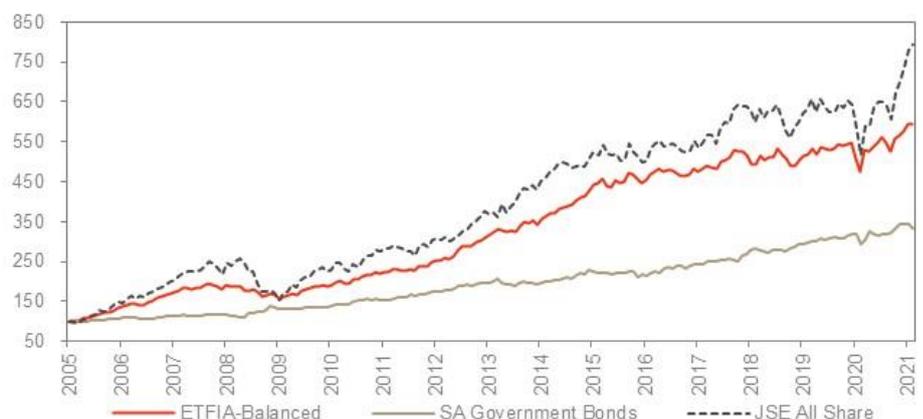
\*\* Refer to Note 1 on back page. Please note historic performance may not be replicated in future.

**Please note: This portfolio has been updated for the 2021/2022 tax year. Investments made in previous tax years will remain unchanged unless requested to switch.**

## Current Portfolio Holdings

Asset class	Description	Weight (%)
SA Interest bearing	NewFunds GOVI ETF	24.3
SA Equity	Satrix 40 ETF	25.3
Global Property	1Invest Global REIT ETF	15.3
Global Equity	Ashburton Global 1200 Equity ETF	35.1

## Historical Performance



Note: The theoretical historic performance of the Balanced Portfolio is based on the selected ETF allocations and reference index performance of the ETFs chosen for this ETFIA



### Tax free accounts offered under Section 12T of the Income Tax Act

In February 2015, the SA Government announced a new tax dispensation whereby SA individuals of all ages can invest up to R36 000 per annum, and a lifetime limit of R500 000, in a special tax incentive account. There is no form of tax payable on these accounts – no capital gains tax, no dividend withholding tax, no interest tax and no securities transfer tax. This allowance has been enabled through Section 12T of the Income Tax Act, 1962 and the investors are advised to familiarise themselves with the regulations applying thereto.

### Features of the ETF Tax Free Investment Account (ETFIA)

- ❖ Tax-free accounts using only low cost, transparent and liquid ETFs as components.
- ❖ Low Costs – 1% per annum includes VAT, total administration, portfolio management and advisory fees. All transaction costs, incl. the reinvestment of distributions, are also included in this fee.
- ❖ Modular design allows for contributions from R1000 at any time, up to a maximum of R36 000 per tax year.
- ❖ A selection of four portfolios offered, giving differentiated exposures and risk profiles. You can also invest in individual ETFs for the full R36 000 amount.
- ❖ Tax-free accounts fully compliant with Section 12T of the Income Tax Act.
- ❖ Administrator – Computershare (Pty) Ltd.
- ❖ Portfolio Managers and Financial Advisers – etfSA Portfolio Management Company (Pty) Ltd.

### Who should invest in the Balanced Portfolio?

An ETFIA is ideal for investors who want a low cost, transparent investment-linked tax-free account. The Balanced Portfolio is suitable for an investor with an investment horizon of 3-5 years – investors who wish to preserve the value of their near-term tax-free savings and investments.

The portfolio is well-suited for more conservative investors. The intention of this portfolio is to provide a low-to-medium risk balanced fund tax-free account. Any capital gains realised in this account will also be tax-free.

The portfolio does not pay out interest or dividends – any distributions received from underlying investments are automatically reinvested into the portfolio to allow for additional compounded growth on a tax-free basis.

### 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 **ETF Tax Free Investment Account** provides investors with a managed portfolio of selected Exchange Traded Funds (ETFs) as the underlying investment.

For more information on etfSA, its transaction platform for ETPs and its related products and services:

visit the website [www.etfsa.co.za](http://www.etfsa.co.za)  
or contact us on (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 **Model Portfolio** represents the theoretical performance of the selected ETF allocation without the impact of actual investment cash flows or periodic rebalancing. The performance achieved by an individual investor will depend on the timing and size of specific cash flows.
2. Returns as quoted are net of Portfolio Management and Advisory fees, and Administration and Custody fees – that is, after deduction of all expenses as quoted in the Portfolio Management Total Expense Ratio (TER), transaction costs and administration charges.
3. Returns for periods exceeding one year are annualised. All returns are in Rands.
4. All holdings information is based on latest available data. There may be differences in totals due to rounding.

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