

Index Solutions Balanced A

2024-02-29

The portfolio's objective is to offer diversified exposure to domestic and international equity, fixed income, real estate, and money market asset classes while maintaining a high level of risk. The portfolio complies with Regulation 28 of the Pension Funds Act.

Each investor owns a fully segregated portfolio that we manage individually. We calculate the fact sheet performance by aggregating all investors in the portfolio. Individual portfolios may vary due to differences in investment size and timing.

Portfolio Information

The Manager	Index Solutions
The Distributor	The Itransact Investment Platform
Fund Category	Managed Portfolio of Exchange Traded Funds
Benchmark	Sector : SA Mt South African Multi Asset High Equity TR in ZA
Risk Band	Growth
Inception Date	2013-05-10
TIC	0.59%
Daily Portfolio Information	www.itransact.co.za
Custodian/Trustees	ABSA Investor Services
Minimum Monthly Investment	ZAR 300
Minimum Lump Sum	ZAR 5,000
Distributions	Reinvested

Investment Strategy

This portfolio is an actively managed, multi-asset investment which comprises of low cost JSE-listed Exchange Traded Funds (ETFs). The ETFs undergo a meticulous screening process using proprietary rule-based, quantitative algorithms to identify the most efficient and well diversified ETFs before capital is allocated according to the portfolio's specific risk parameters

Asset Allocation

Instrument Name	Weighting
1Nvest S&P500 InfoTech ETF	35.96%
1Nvest SA Bond ETF	17.46%
Satrix Indi ETF	14.98%
Satrix Namibia Bond ETF	12.60%
Satrix Traci 3 Month Money ETF	11.36%
Satrix Fini ETF	6.29%

Asset Class	Domicile	Weighting
Equity	Foreign	35.96%
Equity	Domestic	21.27%
Bond	Domestic	17.46%
Bond	Foreign	12.60%
Money	Domestic	11.36%

Performance

The performance table below is the performance as of 2024-02-29. The performances shown are net of all the Manager's total expenses and net of all expenses of the underlying ETF manager. The benchmark is the Sector : SA Mt South African Multi Asset High Equity TR in ZA.

Invested Period	Period Return	Benchmark
1 Month	3.01%	0.62%
3 Months	8.17%	3.24%
6 Months	12.32%	5.22%
Invested Period	Annualised Return	Benchmark
1 Year	18.15%	6.76%
3 Years	11.02%	8.54%
5 Years	10.08%	8.54%
10 Years	8.77%	6.95%
Inception (2013-05-10)	7.80%	

Suitability Of This Investment Plan

This portfolio product is suitable to those who:

1. Prefer to be exposed to a balanced multi asset investment strategy.
2. Prefer higher levels of investment risk.
3. Prefer higher amounts of equity exposure.
4. Require a medium to long-term savings vehicle.

Fees

We calculate fees and charges on a daily basis and deduct them from the portfolio at the end of each calendar quarter. Total investment fees and charges comprise an annual investment management fee of 0.30% (excluding Vat), and other cost such trade fees, brokerage fees, settlement costs, statutory costs and Vat.

How To Invest

Our portfolios are accessible to investors through the Itransact investment platform, conveniently located at www.itransact.co.za

Online Support

Investors and financial advisors are encouraged to sign up for online services with Itransact at www.itransact.co.za, where they can view all their investment information online.

Manager Report - 2023 Q3

Global Market Overview

General Trends:

1. Equities: Global shares fell in October due to concerns about prolonged higher US interest rates and geopolitical tensions in the Middle East.
2. Bonds: Yields rose sharply, impacting bonds negatively.
3. Gold: Rose as investors sought safe haven assets amid market uncertainties.

Regional Insights:

South Africa:

1. Private sector activity grew in August, indicating a turnaround.
2. Business costs rose at the slowest rate since January, supporting a slower increase in output charges.
3. Challenges include power cuts, weak currency, and supply disruptions.

Namibia:

1. Real GDP growth rose to 4.6% in 2022.
2. Inflation averaged 6.1% in 2022, driven by global commodity prices.
3. Projected GDP growth for 2023 and 2024, with challenges including a higher import bill and lower SACU revenue.

US:

1. Equities fell in October due to delayed expectations of the end to the Federal Reserve's tighter policy.
2. US economy expanded at 4.9% in Q3 2023, driven by strong consumer spending.
3. Inflation remains elevated, and uncertainty prompts Fed Chair Powell to suggest further tightening.

Eurozone:

1. Eurozone shares fell in August, with energy and real estate the only positive sectors.
2. Annual inflation at 5.3% in August, stable from July.
3. Economic downturn signaled by flash HCOB PMI, contributing to debates on ECB's next move.

UK:

1. UK equities fell, especially impacting banks and domestically focused sectors.
2. Market interest rates rose, impacting consumer discretionary sectors.
3. Concerns about long-term inflation battle amid economic slowdown.

Japan:

1. Japanese equity market declined, benefiting financial stocks.
2. US and JGB yields rose, impacting the Bank of Japan's policy.
3. Mixed corporate earnings with weakness in technology but positive sentiment from domestic-oriented companies.

Asia (Ex Japan):

1. Equities weaker due to rising interest rates and geopolitical concerns.
2. South Korea, Indonesia, and the Philippines among the weakest markets.
3. Chinese shares fell amid economic slowdown and real estate debt crisis.

Emerging Markets:

1. EM equities lagged, with Turkey as the biggest underperformer.

- 2. Brazil, Thailand, and India marginally outperformed.
- 3. Concerns over inflation, conflict, and weaker currencies impacted various markets.

Financial Markets:

Global Bonds:

- 1. Prevailing narrative of expected high-interest rates drove bond markets.
- 2. US curve steepened; European rates outperformed.
- 3. ECB kept rates stable, and the Bank of Japan made minor tweaks to its policy.

Commodities:

- 1. S&P GSCI Index fell, with precious metals performing well.
- 2. Gold prices rose due to Middle East conflict.
- 3. Energy component saw natural gas rise but declines in crude oil and other products.
- 4. Agriculture gained, while industrial metals had mixed performance.

This summary provides an overview of the key points in the Manager Report for 2023 Q3, covering global and regional economic trends, market performance, and insights into specific regions and sectors.

Disclaimer

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