Fact Sheet: RISE CPI +7% TFSA Portfolio

31 August 2021

RISE
RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE

OBJECTIVES

The RISE CPI +7 TFSA is an aggressive multi-asset global balanced portfolio that targets CPI+6% over rolling seven years with the primary goal of maximising capital appreciation over the long term.

GENERAL INFORMATION

Regulation 28 Compliant Yes

Benchmark Consumer Price Index plus 6% over a rolling seven-year period

INVESTMENT HORIZON

Less Risk/Return — More Risk/Return

0-1 yrs	3 yrs+	5yrs+	7 yrs+	10 yrs+

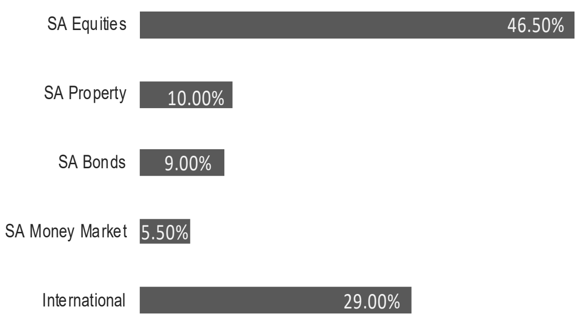
INVESTMENT FEES (TER)

Asset Management Fee 0.90% including VAT

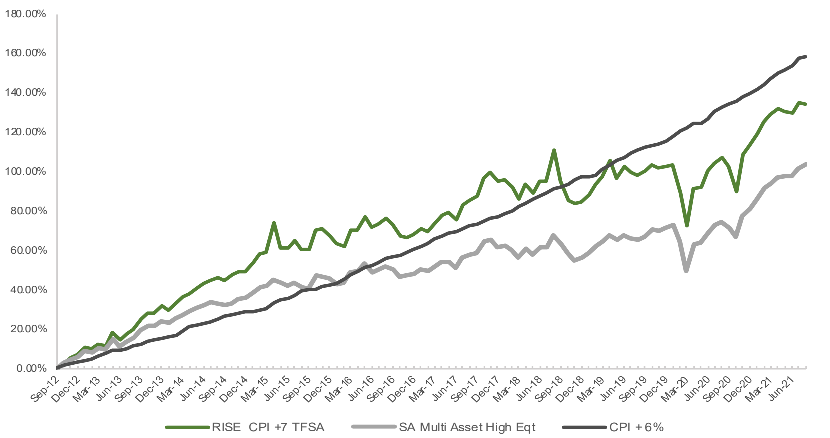
ASSET MANAGERS

MANAGER	PERCENTAGE
NF SWIX 40 ETF(TR)	46.50%
Stanlib SA Property ETF	10.00%
NFGOVI	9.00%
NFTRACI	5.50%
SATRIX MSCI ETF	29.00%

ASSET ALLOCATION



CUMULATIVE PERFORMANCE



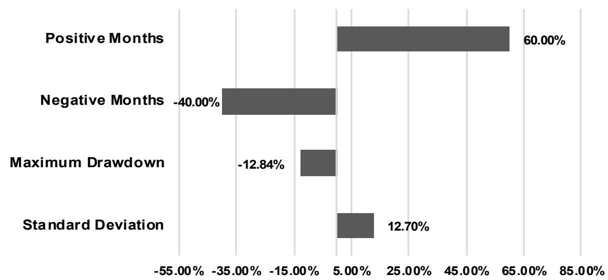
TOP TEN

South Africa, Republic Of (Government)	8.84%
Prosus NV	6.03%
Naspers	4.89%
Firstrand Ltd	2.83%
Growth Properties Ltd	2.67%
Anglo American Plc	2.50%
Nepi Rockcastle	2.30%
MTN Group Ltd	2.24%
Standard Bank Group Ltd	1.78%
Impala Platinum Holdings Ltd	1.65%

PERFORMANCE SUMMARY

PERIODIC PERFORMANCE	FUND	CPI+6
1 Month	-0.48%	0.30%
3 Months	1.68%	2.62%
6 Months	4.00%	5.73%
1 Year	13.21%	11.12%
3 Years	3.57%	10.52%
5 Years	5.88%	10.65%

RISK STATISTICS



Monthly Returns (%)

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	2.8	2.7	1.6	1.3	-0.6	-0.4	2.6	-0.5					9.8
2020	0.2	-7.1	-8.8	11.0	0.4	4.3	1.9	1.5	-2.1	-6.5	10.1	2.2	5.2
2019	2.2	2.8	1.9	4.2	-4.3	2.9	-1.6	-0.7	1.0	1.6	-0.7	0.4	9.9
2018	0.5	-2.2	-3.1	4.0	-2.2	3.3	-0.2	8.2	-7.5	-5.0	-0.9	0.4	-5.4
2017	1.9	-0.8	2.0	2.8	0.7	-2.2	4.6	0.9	1.2	5.0	1.3	-2.2	16.0

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Latest Market Commentary

GLOBAL MARKETS

Developed market equities continued to power ahead in August on the back of stronger-than-expected corporate earnings despite the growing number of new Delta-variant Covid-19 cases.

Markets also received a boost from Fed Chair Jerome Powell's speech at Jackson Hole. The speech was by no means 'dovish'; however, markets were expecting a more aggressive tone. Earlier this year, Powell set two goals for the Fed to start tapering its massive Covid-19 bond-buying programme: A 2% average inflation rate and full employment.

In his Jackson Hole speech, Powell stated that the Fed had met its first goal and that there has also been clear progress towards meeting the second goal. He reiterated that it might be appropriate for the Fed to start tapering this year. This statement struck a neutral tone relative to more aggressive expectations - markets were expecting the Fed to bring forward its timeline for tapering given that the US Non-Farm Payroll report for July showed an increase of 943,000 jobs (beating estimates of 870,000), and June's report was revised upwards from 850,000 to 938,000.

As was the case in July, market gains were constrained by the rise in Delta variant Covid-19 cases in August. The Centres for Disease Control and Prevention (CDC) describes the Delta variant as more than twice as contagious as previous variants and more transmissible than the common cold. Unlike with previous variants, vaccinated people are just as infectious as unvaccinated people, albeit for a shorter time. However, the existing vaccines continue to provide strong protection against serious illness and death.

While developed market equities have remained resilient in the face of the delta variant, the decline in risk appetite can be seen in other asset classes.

The MSCI Emerging Market's Index ended the month up 2.6% in USD, while the MSCI China Index was flat for the month. After a very poor performance year-to-date, emerging market equities experienced a 'bounce' in August from over-sold levels. Emerging markets remain vulnerable to risk-off sentiment, a slowdown in Chinese growth, softer commodity prices, and continued uncertainty around the regulatory crackdowns in China (including new data and privacy laws for on-line prescriptions and the liquor industry.

SOUTH AFRICA

Local equities ended the month 0.4% higher. However, as is often the case, the headline number hides big moves at sector and stock level. Resources ended the month down 4.9% as commodity prices continued to fall on the back of stimulus withdrawal in China, while Index heavy-weight Naspers shed 12.1%, as Tencent felt the impact of Chinese authorities restricting online gaming for minors to just 3-hours a week. On the other hand, SA Financial and Industrial stocks produced a strong performance in August. SA Banks were up 15.5%, Life Insurers up 12.3%, Industrial Materials up 6.8% and the Small Cap Index up 7.0%.

The official unemployment rate of South Africa increased by 1.8 percentage points 34.4% in the second quarter of 2021. The number of people employed decreased by 54 000 to 14.9 million.

The Council for Scientific and Industrial Research (CSIR) released a new report which shows that South Africa experienced its worst load-shedding in 2020, while 2021 has started off even worse, with 1,284GWh of energy shed and 650 hours of outages recorded in the first six months of the year. These shocking statistics highlight the growing need for private renewable energy production in South Africa.

Listed property experienced a sharp rebound following the July riots as the actual financial impact of riots was revised downwards from initial estimates. The presence of comprehensive insurance cover and SASRIA cover by most malls meant that in most cases, both structural damage and income loss from the riots would be compensated for. The Property sector was up 7.5% for the month but is still down 7.3% per year, over the past 3 years.

The JSE All Bond Composite ended the month up 1.7% with gains concentrated in the long end of the curve. Long-dated bonds (12+ years) rallied as STATSSA restated SA GDP for 2020 upwards by 11%, improving the key bond markets risk metric, debt-to-GDP. Inflation-linked bonds underperformed nominals, with the Composite Inflation Linked Bond Index (CILI) gaining 1.2%. The Rand gained 0.7% against the dollar and 0.9% against the Euro.

CONTACT INFORMATION

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DISCLAIMER