

November 2021

ASISA Category	SA Multi Asset High Equity	Portfolio Manager	Johan Gouws
Launch Date	01-Dec-2012	Benchmark	SA Multi Asset High Equity Category Average

Portfolio Description

The portfolio is managed as a core-satellite portfolio, combining active management and index investment strategies. The core of the portfolio is invested in passively-managed portfolios, while the satellites are invested in actively-managed, "high-alpha" portfolios. This portfolio is aimed at investors with a long-term investment horizon. It has an inflation objective of CPI plus 6% over any rolling 6-year period.

The asset composition of the fund is compliant with Regulation 28 of the pension Funds Act of 1956.

The actual asset allocation of the portfolio may vary from strategic asset allocation due to market movement or tactical asset allocation decisions made from time to time by Sasfin Asset Managers.

Investment Objective

The Fund aims to provide investment income and capital growth over the long term through investing primarily in local and international equity, fixed interest and cash instruments. The fund is optimized to have the highest probability of meeting the real return target over a 6-year investment period while minimising volatility. The Fund is actively managed by a combination of leading investment managers and value is added through specialist manager expertise and allocation skills.

Manager Weightings

Fund Managers	Weights
Bateleur Equity	6.95%
Sasfin BCI Opportunity Equity	8.76%
Top 40	8.41%
Fairtree Prescient Equity	11.00%
Absa Property	9.03%
Coronation Strategic Income	2.00%
Sasfin BCI Flexible Income Fund	12.53%
BCI Income Plus Fund	1.17%
Managed Cash	3.00%
USD Cash	1.15%
Sygnia Itrix S&P Global 1200 ESG ETF	5.66%
Vanguard World	20.14%
Domestic Bonds	10.20%
Total	100.0%

Risk Profile

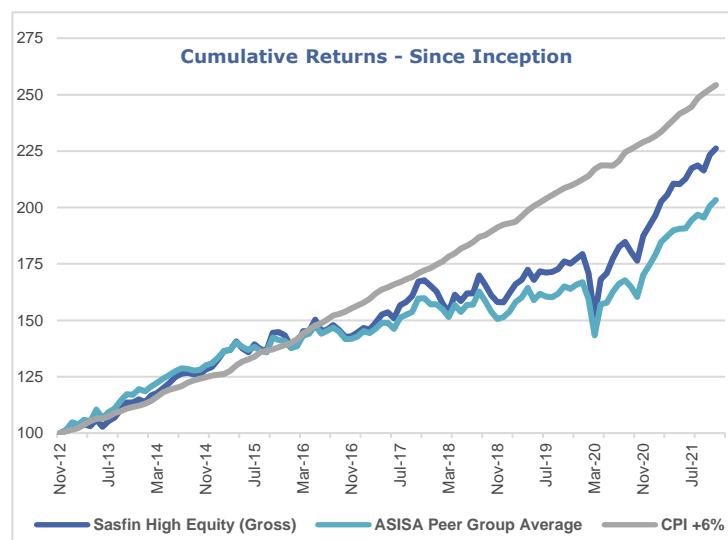
Conservative	Cautious	Moderate	Assertive	Aggressive
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Minimum Recommended Investment Term

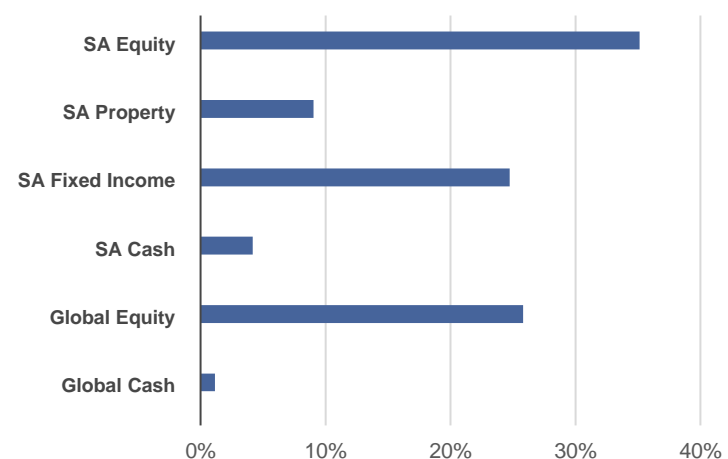
+ 3 Months	+ 1 Year	+ 3 Years	+ 5 Years	+ 7 Years
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Performance vs. Benchmark

	1 Year	3 Year	5 Year	Since Inception
Portfolio Return (Gross)	20.6%	12.7%	9.6%	9.5%
Portfolio Return (Net)	20.2%	12.1%	9.0%	8.9%
ASISA Peer Group Average (Net)	19.4%	10.5%	7.5%	8.2%



Asset Allocation



Monthly Commentary

Markets tumbled in November on the news of the Omicron variant. This was on the back of a fourth Covid wave already racing through Europe. However, growth in Asia is set to recover as mobility has increased significantly. While quantitative easing is expected to end in 2022, the central bank balance sheets will not shrink, and global policy rates will see only a mild increase.

Rising uncertainty around Covid will allow monetary policy to stay more accommodative for longer. Natural gas prices in Europe surged more than 17% on news that German energy regulators suspended certification proceedings for the Nord Stream 2 natural gas pipeline. The pipeline would allow Russia to double its exports to Germany. Meanwhile, relations between the US and China have improved with President Joe Biden reiterating that the US doesn't seek to change China's political system and doesn't support Taiwan independence. A lowering of tariffs would provide an upside risk to Chinese and US growth. US October headline inflation increased by the most since 1990 at 6.2%. However, inflation expectations remain well anchored and within the range consistent with the Fed achieving its 2% personal consumption expenditure (PCE) target.

South African finance minister Enoch Godongwana emphasised government's "unflinching commitment to fiscal sustainability" in his first medium term budget policy statement. Treasury estimates debt will peak at 78.1% in 2025/6, down from 88.9% forecasts in February this year.

Although the budget overall was well balanced, the annual reports of State-Owned Enterprises show that several of the 26 larger and more familiar entities are close to total failure. These include Eskom, the SABC, PetroSA, Denel and the Land Bank.

As a result, South African bond yields remain very attractive, pricing in the risk that exists with the highest prospective real yield in the investable universe (Colchester Oct 2021). A conservative Monetary Policy Committee raised interest rates 25 basis points (bps) in November. The South African Reserve Bank's quarterly projection model implies a 25bps rate hike at every MPC meeting next year, with the repo rate rising to 6% by the end of 2023, below its previous assumption. The FTSE/JSE SWIX Index climbed 0.7%, Industrials were up 6.4% and Financials fell 2.6%. The JSE All Bond Index increased 0.7%, while the rand depreciated by 5.4% relative to the US dollar.

Notes and Disclaimer

- Performance returns are calculated at both gross and net of fees.
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Top 10 Holdings

Naspers Ltd	2.20%
Prosus	1.80%
Lighthouse Capital Ltd	1.80%
Nepi Rockcastle Plc	1.60%
Anglo American Plc	1.40%
Hammerson Plc	1.40%
Compagnie Financiere Richmont SA	1.40%
BHP Group Plc	1.30%
Impala Platinum Holdings	1.10%
Redefine Properties Ltd	1.00%

Fees

Platform	Up to 0.09%
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Fees are quoted per annum and excluding VAT. The investment manager fees are based on strategic weightings and may vary from time to time. The portfolio may include investment managers with performance fee structures. This may result in higher overall fees, but only when performance targets agreed have been exceeded. Details of performance fees paid to underlying managers over the previous calendar year will be provided to clients on request.

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