

# COVISION WEALTH GROWTH

Monthly Model Portfolio Factsheet as of 30 Jun 2024



## Portfolio Information

Discretionary Fund Manager	COVISION WEALTH
Client Need	High Growth, Low Income
Outcome Objective	SA CPI +4-5% over rolling 7-yr period
Benchmark	(ASISA) South African MA High Equity - Average
Launch Date	01 July 2023
Risk Profile	Moderately Aggressive
Regulation 28 Compliant	Yes

## Risk Description

This portfolio is suitable for investors who seek long-term capital growth. These investors have an investment time horizon of more than seven years and are comfortable with medium to high levels of market volatility and the potential of capital loss over the short to medium term. This portfolio has a high allocation to growth assets and should therefore be seen as a moderately high-risk strategy.

## Investment Objective

This portfolio seeks to provide long-term growth of capital and modest income, with a low probability of capital loss over the long term. It aims to outperform the ASISA South African MA High Equity peer group average and achieve an outcome of SA CPI plus 4-5% p.a. (i.e. to provide a real return of 5% p.a.) over a rolling seven-year period. Typically, this portfolio's exposure to equities will be between 40% and 75%, but this may vary depending on market conditions.

## Investment Strategy

This portfolio uses a multi-manager approach with a flexible asset allocation strategy. Asset allocation decisions are largely outsourced to the underlying portfolio managers. Manager selection and blending is an integral part of the service provided by Covision Wealth. As the appointed DFM of the portfolio, Covision Wealth will monitor the portfolio on a continuous basis, ensuring alignment to all of the stated objectives.

## What Costs Can I Expect to Pay?

Model Portfolio Charge (MPC) incl. VAT	0.40%
Underlying Funds TER incl. VAT	0.92%
Underlying Funds TIC incl. VAT	1.08%

Please refer to the end of the factsheet for detailed notes on fees.

## Performance\*

	YTD	1 Year	2 Years	3 Years	5 Years	Since Inception
Portfolio	5.8%	10.5%	13.4%	10.2%	10.8%	10.5%
Benchmark	5.5%	10.3%	12.5%	9.2%	9.1%	8.9%
CPI+4% (1 month lag)	4.2%	9.2%	9.8%	10.0%	9.0%	9.1%

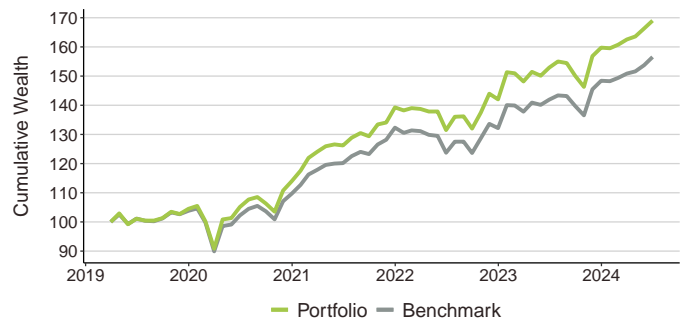
Returns greater than one year are annualised.

\* Returns are net of Investment Fees.

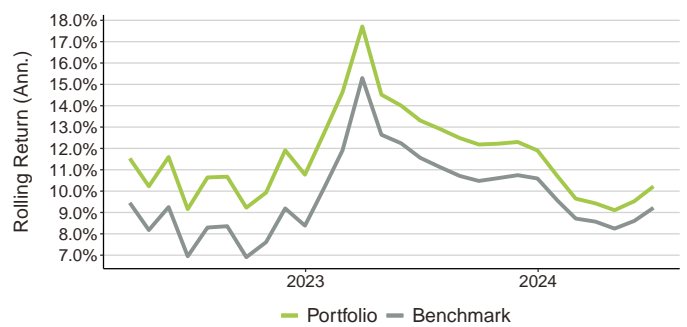
## Risk Statistics - Last 3 Years

	Portfolio	Benchmark
Volatility	8.81%	8.05%
Max. Drawdown	-5.62%	-6.56%
Sharpe Ratio	0.47	0.39

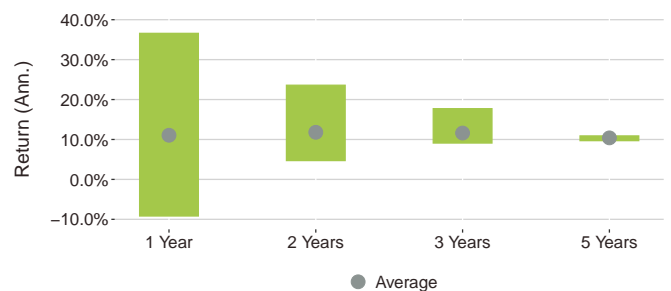
## Investment Growth\*



## 3 Year Rolling Return Chart - Since Inception\*

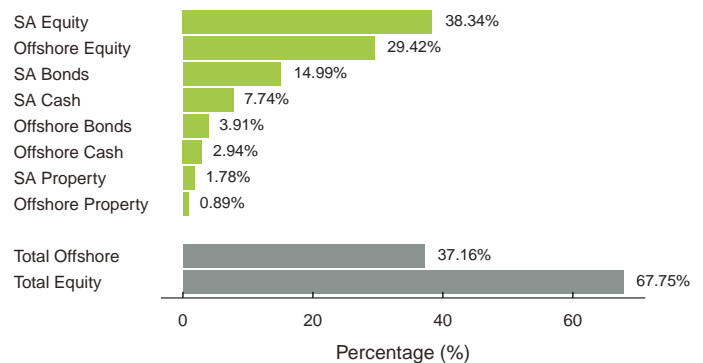


## Rolling Return Distribution



The rolling return distribution chart illustrates the highest, lowest, and average annualized returns over the specified period.

## Asset Allocation



## Portfolio Holdings



\* The STANLIB Multi-Manager Global Flexible FoF is a multi-managed fund invested in a combination of skilful global asset managers such as Pimco, Blackrock, JP Morgan, Veritas, Sands Capital, Arrowstreet, Hosking, Sanders, Amundi, Brandywine and Alliance Bernstein.

## Quarterly Comments - As at 31 March 2024

- The solution performed well over the quarter and the year, delivering a positive return ahead of the average of peers.
- Locally, it was a tough market with only cash and property delivering positive returns. Offshore equities delivered double digit returns in rand terms.
- The Coronation Balanced Plus Fund enjoyed a very strong peer relative quarter. Top quartile performance was driven by high global exposure (+45%), with the majority in global equity. They enjoyed good SA Equity alpha.
- Ninety One Opportunity performed relatively better. Offshore equities was the main driver with the likes of TSMC, ASML, Visa and Microsoft being amongst the top performers. Rand hedge stocks such as BTI and Prosus contributed positively to performance. Gold further enhanced performance.
- M&G Balanced Plus had a tough quarter as a result of their overweight in SA equities and nominal bonds. Stock selection in offshore equities also detracted. The fund was significantly underweight gold and platinum companies in Q1 and overweight MTN, Sasol and Spar hurt its performance
- In Bateleur Flexible Prescient Fund's case, it was predominantly stock selection that detracted (Remgro, African Rainbow Minerals and FirstRand).

## Performance Drivers - As at 31 March 2024

	What helped?	What detracted?
<b>Asset Allocation</b>	<ul style="list-style-type: none"> <li>Global Equity and SA Bonds</li> </ul>	<ul style="list-style-type: none"> <li>SA Cash</li> </ul>
<b>Manager Selection</b>	<ul style="list-style-type: none"> <li>Coronation Balanced Plus Fund</li> <li>Ninety One Opportunity Fund</li> </ul>	<ul style="list-style-type: none"> <li>M&amp;G Balanced Plus Fund</li> <li>Bateleur Flexible Prescient Fund</li> </ul>

## Underlying Managers and Approach

	Invest High Equity Balanced Pasv FoF	Bateleur SA Flexible Prescient	Coronation Balanced Plus	Fairtree Balanced Prescient	Laurium SA Flexible Prescient
<b>Investment Approach and Role within Solution</b>	<ul style="list-style-type: none"> <li>Passively managed multi-asset fund.</li> <li>Helps to reduce overall cost in the Solution.</li> <li>Limited deviation from SAA - adding certainty to asset allocation and tracking error.</li> </ul>	<ul style="list-style-type: none"> <li>Traditionally been a cash/equity play but will take advantage of opportunities in other asset classes.</li> <li>Smaller size adds more alpha levers than larger managers (i.e. active in mid-caps).</li> <li>Hedge fund background adds a risk management focus – absolute return mindset</li> <li>Aims to provide equity-like returns at lower levels of risk.</li> </ul>	<ul style="list-style-type: none"> <li>Large balanced manager with capabilities across asset classes.</li> <li>Reduces benchmark risk in the Solution.</li> <li>Valuation-driven and derives alpha from relative valuation.</li> <li>Offers some flexibility in terms of TAA.</li> <li>No significant style bias aiding the style agnostic nature of the Solution.</li> </ul>	<ul style="list-style-type: none"> <li>Aggressive, benchmark agnostic offering from a boutique manager that should provide an alpha kicker.</li> <li>Multi-asset construct provides access to multiple asset classes.</li> </ul>	<ul style="list-style-type: none"> <li>A slightly more aggressive return profile than most other flexible funds in the Solution i.e. Bateleur.</li> <li>Adds more domestic equity exposure compared to Bateleur and Truffle.</li> <li>Considers downside protection.</li> <li>Adds additional alpha by taking opportunistic short-term positions.</li> </ul>
	M&G Balanced Fund	Ninety One Opportunity	STANLIB MM Global Flexible FoF	Truffle SCI Flexible	
<b>Investment Approach and Role within Solution</b>	<ul style="list-style-type: none"> <li>Relative value approach to asset allocation adds some TAA alpha.</li> <li>Benchmark aware allowing for some increased tracking error in the Solution.</li> <li>No significant style bias aiding the style agnostic nature of the Solution.</li> </ul>	<ul style="list-style-type: none"> <li>Adds a quality style to the overall Solution.</li> <li>Absolute return mindset – allows for some benchmark drift (tracking error).</li> <li>Less flexible in terms of TAA – taking longer term views.</li> </ul>	<ul style="list-style-type: none"> <li>Multi-managed global equity and fixed interest offering which aims to deliver long-term growth of capital and income within a well-managed risk framework.</li> <li>Provides the solution with exposure to well diversified and highly rated offshore-based managers.</li> </ul>	<ul style="list-style-type: none"> <li>Bottom-up, relative valuation approach.</li> <li>Equity centric but utilises more levers (asset classes) compared to other 'cash/ equity' type flexible funds</li> <li>Aims to provide equity-like returns within a well managed risk framework.</li> </ul>	

## Fee Disclaimer

The Solution charges a Model Portfolio Charge of 0.35% p.a., ex VAT (0.40% incl. VAT), and this fee is accrued daily and paid monthly via a repurchase of units from the investor. Charges relating to the underlying portfolios are included in the TER and TIC, and these are payable within the underlying portfolios' NAV.

**Underlying Funds TER:** The weighted-average of the Total Expense Ratios (TER) of the underlying portfolios. Each fund's TER represents the fund's charges, levies and fees. A higher fund's TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs.

**Underlying Funds TIC:** The weighted average of the Total investment Charge of the underlying portfolios. TIC represents the fund's TER plus brokerage, securities transfer taxes and STRATE levies.

Source: Morningstar. Quoted returns are net of MPC and TIC but are gross of tax, platform fees, advisory fees. The Solution launch date is 01 July 2023, and any performance prior to this is modelled using actual historical returns of the underlying portfolios as at inception for illustrative purposes. The Since Inception return figures reflect annualized performance since the start of the back-testing period of the model portfolio (not the period since the model was launched). The Since Inception date is 12 January 2017. It is not possible to calculate back-tested returns for periods earlier than this due to a lack of performance history for one or more of the underlying funds used in the model portfolio. Returns are not guaranteed and historical returns are not an indication of expected future returns.

Effective Annual Cost (EAC) | For EAC calculations of the Solution, please refer to the investor's LISP statement. The Model Portfolio charge will be reflected in the "Other" category of the EAC table, whilst the in-fund fees of the underlying portfolios in the "Fees for Investment Management" category.

Disclaimer: Covision Wealth is a division of Covision Group, a registered financial Services Provider (51184). Covision Wealth relies on a thorough research process to develop and create portfolios. Therefore, all investors must be aware that any particular portfolio might have limitations on the information provided in respect to their own particular needs and objectives. Information and disclosures made in this document are meant to be informative to investors and this content does not constitute as advice, hence Covision Wealth is not guaranteeing suitability for an investor and one should be seeking advice from a registered financial advisor before making any financial decisions. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, expressed or implied is made regarding future performance. There may be risks associated with the information, products, or securities, including the risk of loss of any capital amounts invested or traded due to market fluctuations.