

COVISION WEALTH MODERATE

Monthly Model Portfolio Factsheet as of 30 Jun 2024



Portfolio Information

Discretionary Fund Manager	COVISION WEALTH
Client Need	Medium Income, Medium Growth
Outcome Objective	SA CPI +3-4% over rolling 4-yr period
Benchmark	(ASISA) South African MA Medium Equity - Average
Launch Date	01 July 2023
Risk Profile	Moderate
Regulation 28 Compliant	Yes

Risk Description

This portfolio is suitable for investors who seek exposure to a diversified mix of asset classes, including growth assets, while limiting the risk of capital loss over the medium term. These investors have an investment time horizon of at least five years and are willing to accept periods of moderate market volatility in exchange for the possibility of receiving inflation-beating returns.

Investment Objective

This portfolio seeks to provide moderate long-term growth of capital and good income, with a low probability of capital loss over the medium term. Its objective is to outperform the ASISA South African MA Medium Equity peer group average and to achieve a return of SA CPI plus 3-4% p.a. over a rolling four-year period.

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	0.84%
Underlying Funds TIC incl. VAT	0.98%

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	5.2%	10.3%	12.0%	9.6%	9.5%	9.3%
Benchmark	5.2%	9.9%	11.5%	8.5%	8.4%	8.3%
CPI+3% (1 month lag)	3.8%	8.2%	8.8%	9.0%	8.0%	8.1%

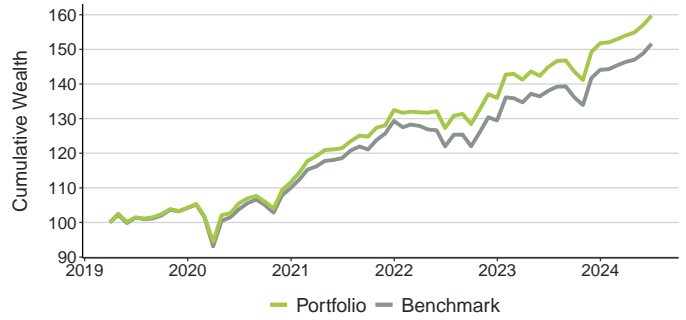
Returns greater than one year are annualised.

* Returns are net of Investment Fees.

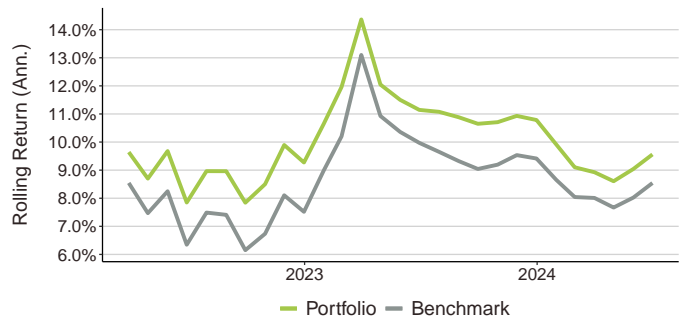
Risk Statistics - Last 3 Years

	Portfolio	Benchmark
Volatility	6.75%	6.97%
Max. Drawdown	-3.93%	-5.69%
Sharpe Ratio	0.50	0.35

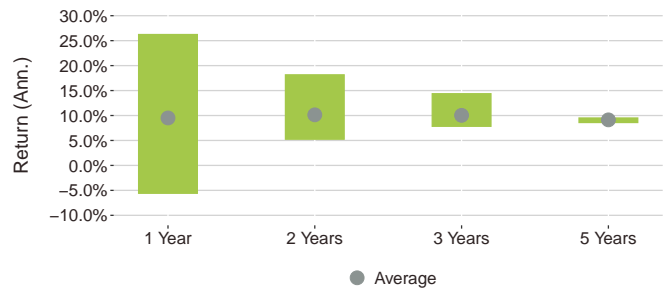
Investment Growth*



3 Year Rolling Return Chart - Since Inception*

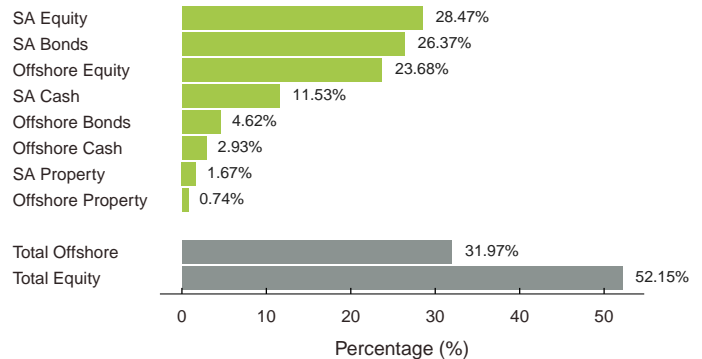


Rolling Return Distribution



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 was marginally behind in Q1 but has done well in the past year.
- Locally, it was only SA cash and SA property that delivered positive returns for the quarter. Offshore equities delivered double digit returns in rand terms.
- Ninety One Cautious Managed performed well in Q1. Offshore equities was the main driver with the likes of ASML, Microsoft and Visa being amongst the top performers. Rand hedge stocks such as BTI and Prosus also contributed positively to performance.
- ABAX Absolute Prescient displayed its defensive profile in Q1 as investors started pushing out their interest rate expectations, most asset classes sold off. The fund also had more global equities compared to peers and this added to returns.
- M&G Inflation Plus had a tough quarter as a result of their underweight in offshore equities and overweight in SA equities and nominal bonds. Stock selection also detracted.
- 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?
Asset Allocation	<ul style="list-style-type: none"> • SA Bonds 	<ul style="list-style-type: none"> • SA and Global Equity
Manager Selection	<ul style="list-style-type: none"> • Ninety One Cautious Managed Fund • ABAX Absolute Prescient Fund 	<ul style="list-style-type: none"> • M&G Inflation Plus Fund • Bateleur Flexible Prescient Fund

Underlying Managers and Approach

	Invest High Equity Balanced Pasv FoF	ABAX SA Absolute Prescient	Bateleur SA Flexible Prescient	Coronation Balanced Defensive	Laurium SA Flexible Prescient
Investment Approach and Role within Solution	<ul style="list-style-type: none"> • Passively managed multi-asset fund. • Helps to reduce overall cost in the Solution. • Limited deviation from SAA - adding certainty to asset allocation and tracking error. 	<ul style="list-style-type: none"> • Conservatively managed with a strong focus on capital preservation. Helps to reduce the overall risk of the Solution. • Adds a quality and GARP style. • Use of non-traditional assets (e.g. convertible bonds and derivatives) differentiates it from others in the Solution. 	<ul style="list-style-type: none"> • Traditionally been a cash/equity play but will take advantage of opportunities in other asset classes. • Smaller size adds more alpha levers than larger managers (i.e. active in mid-caps). • Hedge fund background adds a risk management focus – absolute return mindset • Aims to provide equity-like returns at lower levels of risk. 	<ul style="list-style-type: none"> • Large balanced manager with capabilities across all asset classes. • Absolute return mindset – allows for some benchmark drift (tracking error). • No significant style bias aiding the style agnostic nature of the Solution. 	<ul style="list-style-type: none"> • A slightly more aggressive return profile than most other flexible funds in the Solution i.e. Bateleur. • Adds more domestic equity exposure compared to Bateleur and Truffle. • Considers downside protection. • Adds additional alpha by taking opportunistic short-term positions.
	M&G Inflation Plus Fund	Ninety One Cautious Managed	STANLIB MM Global Flexible FoF	Truffle SCI Flexible	
Investment Approach and Role within Solution	<ul style="list-style-type: none"> • Strategic asset allocation approach. • Fund has a relatively high, strategic allocation to ILB's. • Complements flexible funds that do not typically have a reasonable exposure to SA Government Bonds, ILB's and property. • Equity selection follows a benchmark-aware, relative value approach with no significant style bias. 	<ul style="list-style-type: none"> • Adds a quality style to the overall Solution. • Absolute return mindset – allows for some benchmark drift (tracking error). • Less flexible in terms of TAA - taking longer term views. 	<ul style="list-style-type: none"> • 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. • Provides the solution with exposure to well diversified and highly rated offshore-based managers. 	<ul style="list-style-type: none"> • Bottom-up, relative valuation approach. • Equity centric but utilises more levers (asset classes) compared to other 'cash/ equity' type flexible funds • Aims to provide equity-like returns within a well managed risk framework. 	

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: INN8 Invest and 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 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 18 March 2016. 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.

Advice Fee | INN8 Invest does not provide financial advice and therefore does not charge advice fees. However, where an annual advice fee has been negotiated between the investor and their financial adviser, the advice fee will be paid by the LISP via a repurchase of units from the investor's account.

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 portfolio might have limitations on the information provided in respect to their own 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.