

28 February 2022

Accatax Cautious

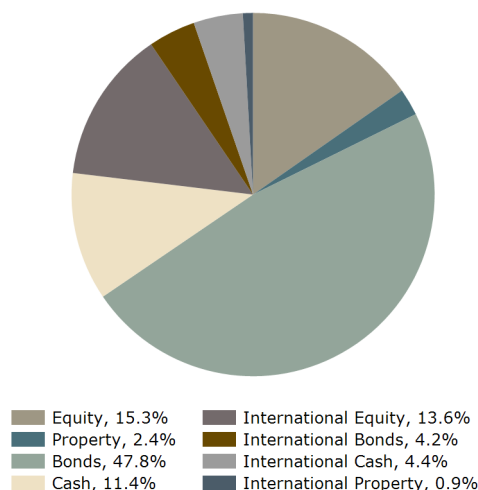
Fund Details

Fund Category	SA Multi Asset Low Equity
Benchmark	CPI+3%
Risk Profile	Cautious
Investment period	3 years
Launch Date	01 August 2011
Fund Size	R 94 million
Platform	Glacier

Fund Objective

The wrap fund aims to provide investors with stable income and a high level of capital stability. The probability of capital loss over the medium to long term is low. The fund will consist primarily of income orientated assets with a below average exposure to equities (maximum of 40%). Investors in this fund should have a minimum investment horizon of 3 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation

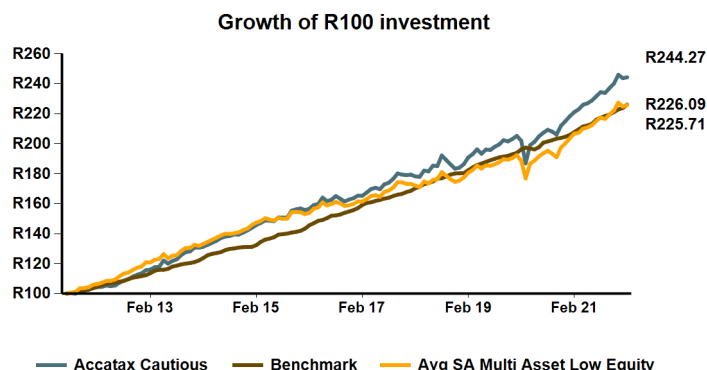


Investor Profile

This fund is suitable for investors looking for:

- Stable income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 3 years

Cumulative performance since launch *



Performance (%)	Fund	Fund Benchmark	Avg SA Multi Asset Low Equity
1 Month	0.25	1.03	0.44
3 Months	1.75	2.28	1.63
6 Months	4.21	4.01	3.85
1 Year	10.52	8.86	9.17
2 Years (annualised)	9.98	7.35	9.40
3 Years (annualised)	8.59	7.44	7.71
5 Years (annualised)	8.14	7.29	6.94
YTD	-0.68	1.47	-0.72
Since Launch	8.81	8.01	8.00

Risk statistics (2 years)	Fund
Returns (annualised)	9.98%
Standard deviation (annualised)	7.91%
% Positive months	79.17%
Maximum drawdown	-7.44%
Sharpe ratio	0.71

Manager Selection (%)

Amplify SCI Defensive Balanced	15.00	Old Mutual Global Equity	7.50
Amplify SCI Flexible Equity	7.00	Prescient Income Provider	17.00
Coronation Strategic Income	17.00	Satrix Bond Index	5.00
Fairtree Equity Prescient	3.00	Satrix Low Equity Balanced	7.00
Ninety One Cautious Managed	10.00	SIM Inflation Plus	11.50

Monthly Fund Performance (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2022	-0.92	0.25											-0.68
Fund 2021	1.51	1.27	0.85	1.36	0.44	0.81	1.25	1.20	-0.23	1.39	1.25	2.44	14.39
Fund 2020	1.02	-1.58	-7.44	6.45	1.14	1.79	1.19	0.95	-0.58	-0.95	2.86	1.44	5.86

Fees (% incl. VAT)

Annual wrap fee	0.29
Underlying Manager TER's	0.68

* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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Manager Comment

Following a difficult start to the year for global markets, the month of February did no favours in easing such difficulty. Most nations ended the month in negative territory, but once again South African markets showed resilience and advanced. The prospects of tightening monetary policy continue to weigh on investor sentiment, with expectations on the number of interest rate hikes increasing significantly in the US and Europe in their efforts to get inflation under control. Furthermore, global markets declined initially because of Russia's troop buildup along the Ukraine border and then the eventual invasion of Ukraine, delivering a further hit to growth expectations.

Global equity markets were relatively flat during the first half of the month but retreated as soon as the Russian invasion of Ukraine took hold. Headlines suggesting, Vladimir Putin placed his nuclear deterrent forces on high alert, raising fears of the conflict escalating beyond Ukraine and leaving investors exiting risky assets. Developed equity markets experienced its second consecutive month in negative territory, as the MSCI World Index returned -2.65% m/m in USD and -2.76% in ZAR. Despite most S&P 500 companies reporting strong earnings in 4Q21, the S&P 500 (US\$) closed the month at -3.00%, as the new developments of Russia's invasion of Ukraine weighed on US stocks. European equities were hurt even more during the month, with the Euro Stoxx 50 (€) returning -5.89% m/m.

As expected, the current environment hurt emerging markets more than developed market peers, the MSCI Emerging Market Index returned -3.06% m/m in USD and -3.17% in ZAR. Russian assets bore the brunt of the sell-off, with the MSCI Russia Index down around 53% m/m. Some emerging markets fared better, particularly those with significant commodity exports such as Brazil and South Africa, which ended the month higher.

The South African equity market continued its strong start to the year, as the FTSE/JSE All Share Index closed the month at 2.95%. The local bourse was amongst only a few major global markets to end the month in positive territory and year-to-date is only second to the Brazilian stock market. Mining shares once again pushed the JSE higher, as well as financial counters.

On a sector basis, Resources led the pack by some distance, returning 16.07% m/m, with gold and platinum miners the best performers in the sector. Financials lagged at -4.66% m/m, but banks released better-than-expected trading updates, showing strong earnings momentum (Nedbank, Standard Bank and FirstRand delivered strong returns). Industrials returned -7.73% m/m, noticeably Naspers (around -22% m/m) and Prosus (around -26% m/m) weighing on the sector. Bonds continued to gain slightly, as the All Bond Index (ALBI) closed at 0.54% m/m. SA listed property lost more ground for the second month, returning -3.26% m/m. Cash (STeFI) delivered a moderate return of 0.32% m/m. South African value managers (8.40% m/m) outperformed growth managers (0.54% m/m), consistent with what occurred globally.

The ZAR managed to end the month relatively unchanged m/m against major currencies. The ZAR won as much as 0.11% against the USD and sterling, losing as much as 0.04% and 0.08% against the Japanese yen and euro respectively.

Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

Estelle van Wyk
Christiaan Steyn
Rainier van der Nest
Niël Hougaard
Michael Steyn

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Portfolio Manager



Niël Hougaard, CFA

BCom Management Sciences
BCom (Hons) Financial Analysis
CFA Charterholder

About the Portfolio Manager

Niël has over 10 years of experience in the financial industry across the UK and SA. Having graduated in 2007 from Stellenbosch University with an honours degree in Financial Analysis, he took up a role with PwC UK (London) in 2008 as a member of their Anti-Money Laundering team. In 2009 he returned to South Africa where he joined up with State Street Southern Africa, serving as a Portfolio Administrator. Having always had the ambition of entering the asset management industry he eventually teamed up with Autus Fund Managers, a small Cape Town based boutique fund manager, in 2010. He gained a wealth of experience in managing various direct equity and multi-asset portfolios. He is a CFA charter holder having obtained the designation in 2014.

Manager Information

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