

Cogence

Moderate Portfolio

Minimum Disclosure Document

29 February 2024



Portfolio Details

Portfolio manager	Cogence (Pty) Ltd
Asset allocation advised by BlackRock	
Launch date of portfolio	29 August 2022
Currency denomination	ZAR
ASISA category	(ASISA) SA Multi Asset Medium Equity
Risk profile	Medium
Reg 28 compliant	Yes
TER	1.35%
Model portfolio fee (incl. VAT) ¹	0.23%
Total model fees ²	1.58%

Notes

1. Cogence charges a Model Portfolio Fee of 0.20% p.a., ex VAT (0.23% incl. VAT). This fee is accrued daily and paid monthly via a repurchase of units from the investor.

2. "Total Model Fees: These fees reflect the overall weighted investment management fees plus all other associated costs of the model portfolio solution. Included in the Total Model Fees are the Model Portfolio Fees plus the Total Expense Ratio (TER) of the underlying portfolios and the costs associated with the administration, pricing and unitization of the Cogence Funds.

The cost of financial advice and any applicable Linked Investment Service Provider (LISP) fees are excluded from the Total Model Fees calculation.

Illustrative cumulative performance for a R100 lump-sum investment



Back tested data prior to 31 July 2022.

The simulated analysis before launch date was created using actual historical returns of the underlying funds and is for illustrative purposes only. It provides an indication of hypothetical past performance, given historic asset and fund allocation, and cannot be construed as providing an indication of expected future performance. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding model portfolio fees. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the model portfolio due to timing differences of investments or disinvestments of the client.

Investment policy

The strategy will aim to target long-term capital growth and outperform the benchmark over a rolling three year period. The strategy will have exposure to a broad range of markets across multiple asset classes, including both local and offshore investments. Underlying Investments may include both actively managed and index-tracking strategies. The strategy is constructed with a medium allocation to equities.



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Who this investment may be suitable for

This portfolio is suitable for investors who seek income and capital growth in the long term and an investment diversified across multiple asset classes. These investors are willing to withstand moderate levels of short-term market volatility.

Historical Performance

Period (annualised)	Portfolio	ASISA Category
1 year	9.02%	6.96%
3 year	7.96%	8.04%
5 year	10.07%	7.95%
Since Inception (Ann.)	11.26%	10.30%
Since Inception (Cum.)	17.41%	15.88%

Risk Statistics (5 years)

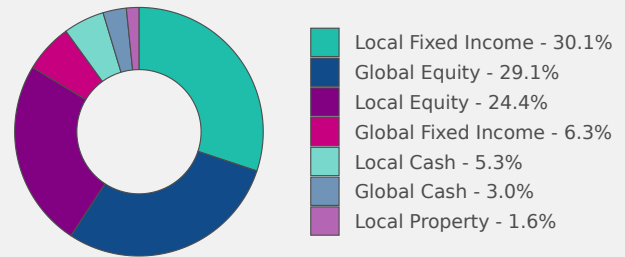
Statistic	Portfolio
Volatility	9.34%
Maximum drawdown	-9.06%
Highest one-year return	28.06%
Lowest one-year return	-3.13%
Sharpe ratio (Rf = 0%)	1.08

Back tested data prior to 31 July 2022.

Underlying Fund Allocation

Name	Allocation
Discovery Strategic Bond Fund	10.3%
iShares MSCI USA ESG Enhanced UCITS ETF	7.3%
BlackRock Advantage US Equity Fund	6.2%
Satrix Swix Top40 Index Fund	5.3%
Vunani BCI Bond Fund	5.1%
GQG Partners US Equity - USD	4.2%
Coreshares Yield Selected Bond Index Fund	4.1%
Ninety One SA Equity Fund	4.0%
Satrix Bond Index Fund	3.9%
Discovery Diversified Income Fund	3.4%
BlackRock Global Funds-Continental European Flexible Fund-USD	3.4%
Nedgroup Collective Investments Money Market Fund	3.3%
Schroders ISF Emerging Markets Fund	3.2%
Laurium BCI Strategic Income	2.7%
All Weather BCI Equity Fund	2.7%
Aeon Active Equity Prescient Fund	2.7%
Ninety One Active Quants Fund	2.6%
Prescient Core Capped Equity Fund	2.4%
Perpetua SCI Institutional Relative Equity Fund	2.2%
Fairtree Equity Prescient Fund	2.2%
Satrix Mid Cap Index Fund	2.0%
iShares MSCI Japan ESG Enhanced UCITS ETF	1.8%
1vest Inflation Linked Bond Index Tracker Fund	1.7%
Cash USD	1.6%
Ishares Core Corp Euro Bond Ucits Etf	1.4%
PGIM Global Investment Grade	1.4%
iShares Edge MSCI World Value Factor UCITS ETF	1.4%
Wellington Global High Yield Bond Fund	1.0%
iShares Core FTSE 100 UCITS ETF Dist	1.0%
Sesfikile BCI Property Fund	0.9%

Asset allocation chart



Monthly Market Commentary

South African assets generally underperformed their global counterparts. Over the month, Local Equity fell 2.19%, lagging from global equity by more than 6% in local currency terms. Local fixed income also lost 0.58% over the month. In 2024 local Equity has underperformed by c.9.8% in local currency terms. On 21st February, Enoch Godongwana the finance minister, said the government would transfer R150bn from Gold and Foreign Exchange Contingency Reserves Account (GFECRA) in order to stabilize government's gross loan debt to stabilise at 75.3% of gross domestic product in 2025/26, slightly lower than the level of 77.7% projected in the 2023 Medium-Term Budget Policy Statement. This would result in less future government borrowing and a smaller deficit compared to what was estimated previously. On Fiscal side, softer prints for production and business activity along with a reduction in broad commodity prices posed concern for the local equity market in February. Annual mining production disappointed on the downside, registering a modest 0.6% growth in December, well below market forecasts of a 4.9% increase. Meanwhile, manufacturing production grew by 0.7% in December, below consensus forecasts of 2.5%. Headline (5.3%) and core inflation (4.6%) showed signs of picking up a well in January. The South African Reserve Bank chief Lesetja Kganyago signaled caution on rate cuts saying "the job of taming inflation is not yet done."

The Rand weakened against the dollar in February by another 3% reaching R19.3/¢ in late February. Year to Date to Rand has depreciated close to 5%.

Contact details

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