MitonOptimal Core Indexation Balanced (Reg 28) - Allan Gray

As of 2024/03/31

Suitable Investor

Suitable for clients who are saving for retirement via a retirement annuity or for investors who have a medium to long term financial objective they wish to achieve over the moderate to long term. Investors should be in a position to tolerate medium to higher levels of investment risk and can tolerate volatile markets over the medium term.

Investment Strategy

This investment strategy includes a diversification of asset classes, managed by some of the most talented fund managers. The strategy aims to outperform SA inflation by 5% p.a. (5% real return) net of fund management fees over a rolling 6 year period. The strategy aims to provide investors with income and capital growth over the long term within acceptable risk parameters. The strategy only invests in asset allocation, target return and money market unit trust funds and aims to limit downside volatility.

Suitable Products

Suitable products would include Retirement Annuities, Preservation Pension/ Provident Funds, Endowments and Discretionary investment vehicles.

Risk Profile

Model Portfolio Details

Lead Manager	Jacques de Kock, MitonOptimal
Co-Manager	Roeloff Horne, MitonOptimal
Inception Date	2014/02/03
Reg 28 Compliant	Yes
Benchmark	(ASISA) South African MA High Equity
Return Objective	RSA CPI +5%
Annual Mandate Fee (%)	0,18
Model TER (%)	0,70

Monthly Market & Portfolio Commentary

The global market landscape witnessed significant shifts in March 2024, largely influenced by the Monetary Policies of major Central Banks and various economic indicators. In a year where election results of half the world could change the landscape in an instant, it is important to keep focus on what is relevant and try to cut out the noise of the market.

In March, Central Banks emerged as key drivers of market sentiment. The US Federal Reserve's release of its quarterly "dot plot," formally known as the Summary of Economic Projections, was a pivotal moment. This document detailed interest rate expectations, revealing anticipation for three rate cuts totalling 75 basis points within the year. Fed Governor Jerome Powell reinforced the expectation of lower rates, citing the trajectory of inflation towards the 2.0% target. Similarly, the European Central Bank signalled a potential rate cut at its June meeting, influencing market expectations. These announcements underscored Central Banks' commitment to supporting economic recovery amidst evolving global challenges.

Against the backdrop of Central Bank actions, the S&P 500 continued its upward trajectory, reaching new record highs by the end of March. The index's 3.1% gain for the month extended its year-to-date growth to 10.2%. This surge was underpinned by robust earnings growth, although valuations remained elevated. Expectations for positive earnings and revenue growth in Q1 2024 provided further support for market optimism. However, concerns lingered regarding the sustainability of the rally amid lingering uncertainties surrounding geopolitical tensions and potential shifts in Monetary Policy.

In South Africa, the FTSE/JSE All Share Index marked its first monthly gain of the year, showcasing resilience amidst global economic uncertainties. The index's performance was particularly buoyed by strong showings from mining companies, reflecting the country's significant presence in the mining sector.

Despite the relatively robust performance of the Rand against the US Dollar during the period, indicating some resilience in the currency markets, government borrowing rates climbed. This trend defied a relatively benign global interest rate environment and highlighted underlying economic challenges facing South Africa. The SA 10-year government borrowing rate advanced by 0.6% to end the month at 12.3%, signalling investor concerns over fiscal sustainability and sovereign risk.

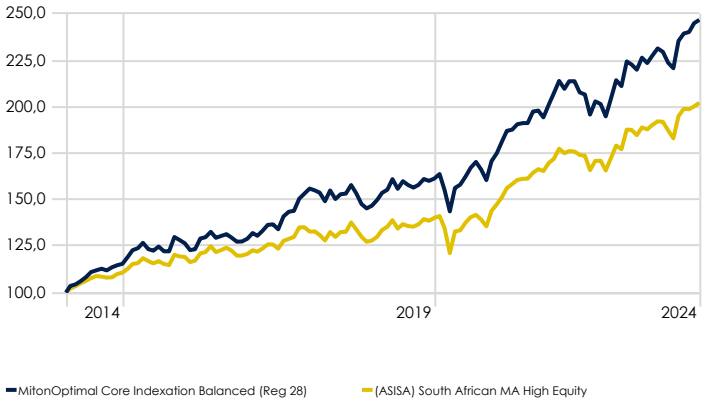
The overall performance of the South African market and the ever-growing threat of an US correction and "reversion to the mean" underscored the importance of a diversified investment strategy tailored to flexibility. While certain sectors, such as mining, demonstrated strength, challenges in other areas, including inflation management and fiscal policy, underscored the need for cautious investment approaches. And with all the uncertainty surrounding local (and global) election outcomes, we feel that our funds and portfolios are well diversified, but positioned to take advantage of opportunities if inherent risks subside.

Source of all data Morningstar, unless otherwise stated.

MitonOptimal Core Indexation Balanced (Reg 28) - Allan Gray

As of 2024/03/31

Investment Growth (Since Inception)



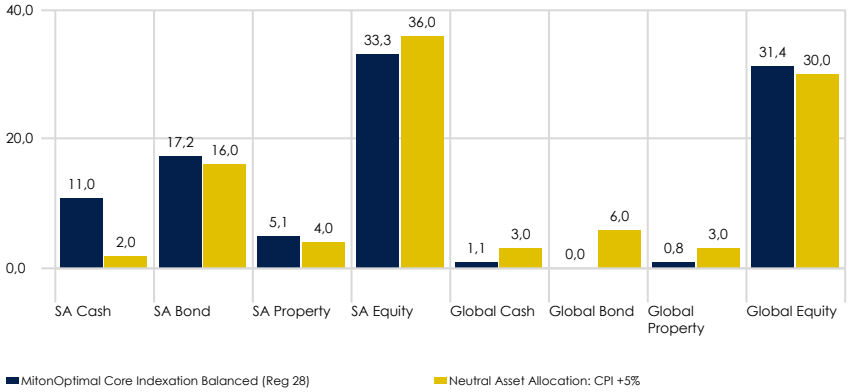
Discrete Calendar Performance (%)

	2020	2021	2022	2023	YTD
MitonOptimal Core Indexation Balanced (Reg 28)	8,44	22,23	-1,31	13,41	3,07
(ASISA) South African MA High Equity	5,19	20,32	-0,17	12,25	1,63

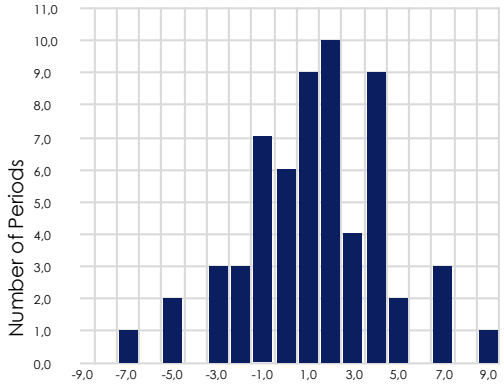
Annualised Performance (%)

	1 Year	3 Years	5 Years	Since Inception
MitonOptimal Core Indexation Balanced (Reg 28)	12,19	9,55	9,69	8,99
(ASISA) South African MA High Equity	9,43	8,46	8,34	7,01

Asset Allocation [Portfolio vs Neutral] (%)



Monthly Returns



Model Portfolio Composition (%)

	Weight	Mgmt Fee	TER
Satrix MSCI World Equity Index FF	27,00	0,58	0,86
IP Active Beta	25,00	0,53	0,96
Gryphon All Share Tracker	15,00	0,00	0,29
Satrix Bond Index	15,00	0,52	0,50
Satrix Smartcore Index	10,00	0,69	0,70
Allan Gray Money Market	4,00	0,29	0,29
Satrix Property Index	4,00	0,52	0,52

About MitonOptimal

MitonOptimal is an independent, owner-managed investment management business delivering focused investment solutions and support to enable advisers to meet their clients' investment objectives. As a Discretionary Fund Manager (DFM) we partner with advisers, sharing the investment decision-making and administration with them.

MitonOptimal South Africa (Pty) Limited and MitonOptimal Portfolio Management (Pty) Ltd are Authorised Financial Services Providers regulated by the Financial Sector Conduct Authority.

Data provided by Morningstar. Care has been taken to ensure that the information is correct but the suppliers neither warrant, represent nor guarantee the contents of the information, nor do they accept any responsibility for errors, inaccuracies, omissions or any inconsistencies herein. The Model TER (%) of the value of the financial product was incurred as expenses relating to the administration of the financial product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. It should not be considered in isolation as returns may be impacted by many factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. All Fees are expressed ex VAT. MitonOptimal Portfolio Management (Pty) Ltd (MOPM) and MitonOptimal South Africa (Pty) Ltd (MOSA) are both Category II Financial Service Providers which are owned by MitonOptimal Holdings (Pty) Ltd. MitonOptimal Holdings has a shareholding in IP Management Company. MOPM Registration No. 2000/000717/07 FSP 734 & MOSA Reg No. 2005/032750/07 FSP 28160 PO Box 23303 Claremont 7700 Tel (021) 6896908 Fax (021) 6896896. Collective Investments are generally medium to long term investments. The value of participating interests may go down as well as up and past performance is not necessarily a guide to the future. A model portfolio may invest in Collective Investment Schemes and other financial instruments where available on the administrative platforms. The model portfolio may contain IP Manco funds, which levy their own charges and may be managed by the Fund Management Company, MitonOptimal, for services rendered. An approved FSP distribution partner may be compensated for their contribution to the investment committee meetings, marketing and or distribution costs of the model portfolios for services rendered. Performance figures are sourced by the data providers' systems for lump sum investments including income distribution, at NAV to NAV basis. The performance figures do not include annual LISP Administration fees, DIM or the Advisor fees. Collective Investment prices are calculated on a Net Asset Value basis and auditor's fees, bank charges, trustee and RSC levies are levied against the portfolio. Should you have any further queries or complaints please contact our Compliance Department on Tel: 021-6893579, Fax: (021) 6896896 Email: compliance@mitonoptimal.com. For your information, the FAIS ombudsman provides an independent and objective advisory service. Should you not be satisfied with the outcome of a complaint handled by MitonOptimal, please write to: The Ombudsman, PO Box 74571, Lynnwoodridge, 0040.Telephone (012) 470 9080/99. Fax(012) 348 3447. Email: info@faisombud.co.za