

INN8 INVEST FLEXIBLE INCOME

Monthly Model Portfolio Factsheet as of 31 Mar 2024



Portfolio Information

Discretionary Fund Manager	INN8 Invest
Client Need	Income Generation and Liquidity
Outcome Objective	SA CPI +1-2% over rolling 2-yr period
Benchmark	(ASISA) South African MA Income - Average
Launch Date	01 January 2022
Risk Profile	Conservative
Regulation 28 Compliant	Yes
Gross Yield as of 31 Mar	9.80%
Weighted Duration as of 31 Mar	2,06

Risk Description

This is a high-income portfolio and is suitable for investors who prioritise the preservation of capital over market returns. Investors in this portfolio typically have an investment time horizon of at least one year. These investors are not willing to tolerate periods of high market volatility and are comfortable with returns that match, or slightly outpace inflation.

Investment Objective

This portfolio seeks to provide a stable income with capital protection. Its objective is to outperform the South African MA Income peer group average and achieve a return of CPI plus 1-2% p.a. over a rolling two-year period. As a risk-averse strategy, the portfolio is largely comprised of money market and income assets, with a very low allocation to growth assets.

Investment Strategy

The 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 INN8 Invest. As the appointed DFM of the portfolio, INN8 Invest 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	0.23%
Underlying Funds TER incl. VAT	0.48%
Underlying Funds TIC incl. VAT	0.50%

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	0.9%	8.8%	8.1%	7.9%	7.7%	8.1%
Benchmark	1.1%	8.2%	7.5%	7.3%	7.0%	7.3%
CPI+1% (1 month lag)	1.3%	6.6%	7.3%	7.1%	6.1%	5.9%

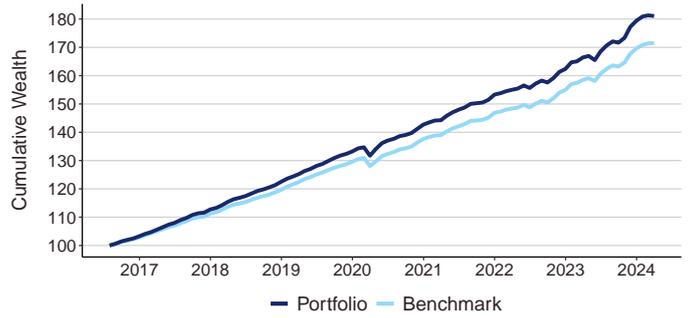
Returns greater than one year are annualised.

* Returns are net of Investment Fees.

Risk Statistics - Last 3 Years

	Portfolio	Benchmark
Volatility	2.24%	1.94%
Max. Drawdown	-0.88%	-0.61%
Sharpe Ratio	0.89	0.72

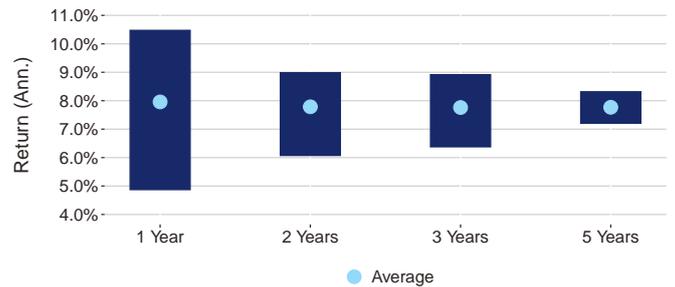
Investment Growth*



3 Year Rolling Return Chart - Since Inception*

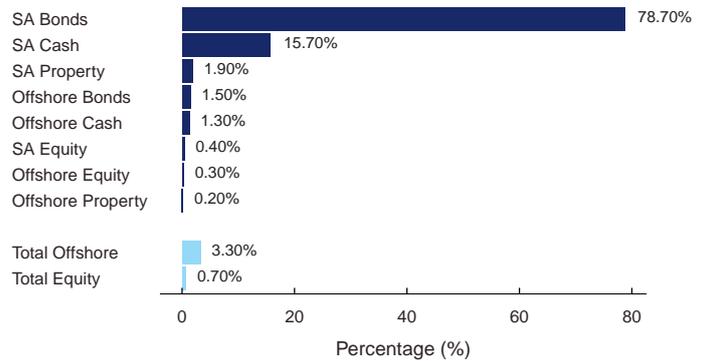


Rolling Return Distribution

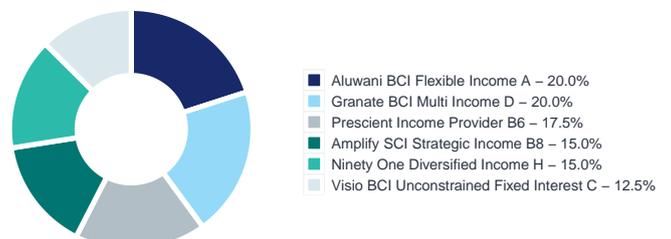


The rolling return distribution chart illustrates the highest, lowest, and average annualized returns over the specified period.

Asset Allocation



Portfolio Holdings



Quarterly Comments - As at 31 December 2023

- The solution outperformed its benchmark over the quarter.
- All managers performed well within the solution with higher duration being rewarded.
- Visio and Amplify produced stellar returns over the quarter. Both funds benefitted from their higher duration positioning as bond yields fell in Q4. Amplify's relatively high allocation to SA property also aided performance.
- Ninety One lagged in Q4 after three consecutive quarters of outperformance. The fund is more conservative with a high exposure to short dated instruments.
- Prescient's lower duration (relative to some of their peers) negatively impacted returns. Their absolute return mindset tends to lead to underperformance during strong bond market rallies.

Performance Drivers - As at 31 December 2023

	What helped?	What detracted?
Asset Allocation	<ul style="list-style-type: none"> • Longer duration SA Nominal Bonds 	<ul style="list-style-type: none"> • SA cash
Manager Selection	<ul style="list-style-type: none"> • Visio BCI Unconstrained Fixed Interest • Amplify SCI Strategic Income 	<ul style="list-style-type: none"> • Ninety One Diversified Income • Prescient Income Provider

Underlying Managers and Approach

	Aluwani BCI Flexible Income	Amplify SCI Strategic Income	Granate BCI Multi Income	Ninety One Diversified Income	Prescient Income Provider
Investment Approach and Role within Solution	<ul style="list-style-type: none"> • Fixed income focussed active manager with in-depth skill within the sector. • Detailed credit analysis and understanding of the market. • Focused on generating alpha on a risk-adjusted basis. 	<ul style="list-style-type: none"> • Managed by Terebinth Capital – a small boutique manager. • Uses a macro top-down approach as well as quantitative tools. • Does fundamental bottom-up credit analysis. 	<ul style="list-style-type: none"> • Boutique asset manager that plays multiple levers. • Smaller size allows them to venture where larger managers do not necessarily go. 	<ul style="list-style-type: none"> • Large asset manager seen as the stable component in the Solution. • Typically not as aggressive on duration and credit relative to peers. • Supported by a strong local and offshore fixed interest team. 	<ul style="list-style-type: none"> • Differentiated offering due to quantitative fixed income approach. • Absolute return mindset.
	Visio BCI Unconstrained Fixed Intst				
Investment Approach and Role within Solution	<ul style="list-style-type: none"> • Focused on risk adjusted returns. • Aims to provide bond like returns at lower volatility. • Makes use of multiple alpha levers. • Highly flexible in terms of duration exposure. 				

Fee Disclaimer

The Solution charges a Model Portfolio Charge of 0.20% p.a., ex VAT (0.23% 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 underlying fund fees but are gross of tax, platform fees, advisory fees. The Solution launch date is 01 January 2022, 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 05 July 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.

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