



ALLIANCE SEGREGATED FUND (ASF) 1st Quarter 2021 Factsheet

Asset Managers: STANLIB Asset Management Limited
Allan Gray (Pty) Ltd
Ninety One Asset Management Co.

Inception Date: April 2011

Benchmark: CPI + 3%

Fund Description

The Alliance Segregated Fund currently offers exposure to various asset classes by investing in different unit trusts.

The Fund assets are segregated from the rest of the Insurer's assets to ensure further protection to the retirement portfolio investors.

The Fund combines listed equities, bonds, property and money market instruments held in South Africa, Lesotho and Offshore into a single portfolio which is constructed to yield optimal returns to the investor.

Benefiting from leading asset manager's knowledge and expertise, the exposure to any asset class is managed in accordance with the investment mandates, market and economic conditions.

Value is added to the funds through the implementation of strategic and tactical asset allocation strategies that is applied by the different asset managers.

Fund Objectives

The objective of the fund is to provide the investor with steady real investment growth. The portfolio combines prudent risk management and strategic market outperformance to meet its objectives. The aim is to provide long term wealth creation for investors through risk diversification by investing in a range of asset classes.

The fund is suitable for retirement savings as it offers capital preservation while providing a return.

Return Mechanisms

Portfolio returns are generated through changes in the unit prices of the underlying unit trusts. The final bonus declared is based on the portfolio returns earned on the underlying assets net of applicable management fees. The final bonus declared is credited to the respective schemes invested in the Fund.

Asset Allocation

The fund invests in the following unit trusts:

Fund	Allocation (%)
Stanlib Balanced Fund B1	31.54
Stanlib Balanced Cautious Fund B1	12.49
Stanlib Global Equity Feeder Fund B1	0.62
Stanlib Global Balanced Feeder Fund B1	24.45
Allan Gray Balanced Fund	16.90
Ninety One Global Franchise FF I	11.99
Ninety One Money Market FF [B]	0.80
Allan Gray Money Market Fund Class A	1.21

Historic Bonus Declarations

Year	Bonus	CPI + 3%
2020	2.50%	8.11%
2019	9.74%	8.20%
2018	1.00%	7.00%
2017	7.71%	8.18%
2016	6.00%	9.63%
2015	10.5%	6.20%
2014	10.5%	8.44%



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Month	Return	CPI+3%
2021 Jan	2.22%	0.69%
2021 Feb	1.46%	0.70%
2021 Mar	-0.30%	0.77%

	Cash & Cash Equivalents	Bonds	Property	Equity	Commodities	Total
Lesotho	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA	5.02%	30.99%	0.10%	16.51%	0.15%	52.78%
Offshore	2.21%	6.6%	2.56%	35.72%	0.14%	47.22%
Total	7.23%	37.59%	2.66%	52.23%	0.29%	100.00%

Commentary

Market Overview

- The Chinese National Bureau of Statistics (NBS) showed that GDP grew by a record high of 18.3% on the year in Q1 and a quarterly growth rate of 0.6% in Q1.
- Growth assets, led by South African equities, had another strong quarter
- The brisk pace of recovery put pressure on bond markets around the world as inflation concerns increased, resulting in the worst quarter for US Treasuries since 1980
- The US government delivered an additional 1.9 trillion USD stimulus package
- The US saw a surge in hiring as vaccinations increased
- Policy interest rates around the globe remain low, this will continue to result in depressed returns on cash holdings.
- Inflation expectations are still looming high, and long bond yields have recently increased. This combination has resulted in an outperformance of the non-dominant index shares.
- In the UK, another step has been taken in the roadmap to easing social restrictions, which have been made possible by the successful rollout of the Covid-19 vaccination programme. 45.1% of the population have received the first dose of the vaccine.
- It isn't all good news coming out of Europe, as some countries have very much been gripped by the third wave, therefore being forced to introduce new restrictions to halt the spread of the virus.
- The UK/ EU trade tensions and vaccine wars continue.
- The news of blood clot risks is causing more countries to suspend the use of AstraZeneca/ Oxford vaccine



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Looking Ahead

- On interest rate policy, the US Fed stated that rates would not rise until maximum employment was achieved and inflation was at 2% and rising further
- It is hard to tell, but this may be a start of a bull market
- The IMF projected Europe's GDP to rebound by 4.5 percent in 2021. The IMF estimated growth of 5.1% for advanced economies this year, with the United States expanding by 6.4%
- Policy makers continue to provide emergency support to households and firms