

Suitable Investor

Suitable for investors who are risk averse and have a low to moderate volatility investment profile.

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 2% p.a. (2% real return) net of fund management fees over a rolling 3 year period. The strategy aims to provide investors with a regular income while it aims to provide consistent real returns over the medium 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

This portfolio can be utilised as an income option via a Living Annuity or as a Discretionary draw-down plan. Other suitable products would include low volatility Preservation Pension/Provident Fund savings, i.e. close to retirement risk averse investors.

Risk Profile



Model Portfolio Details	
Lead Manager	IFSA (Pty) Ltd
Sub-Investment Manager	MiltonOptimal
Inception Date	2009/07/06
Reg 28 Compliant	Yes
Benchmark	(ASISA) South African MA Low Equity
Return Objective	RSA CPI +2%
Annual Mandate Fee (%)	0,60
Model TER (%)	0,88

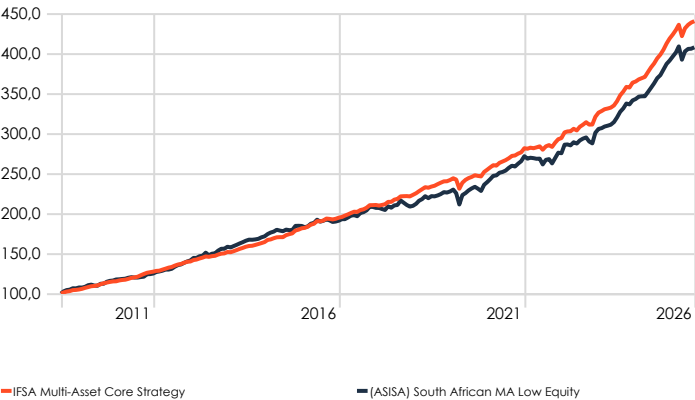
Monthly Market & Portfolio Commentary

July 2026 was a month of striking divergence across global markets. In aggregate, world equities delivered a largely flat return — the MSCI All Country World Index returned just +0.08% in USD — but the surface-level calm masked material dispersion beneath. The Hang Seng Index was the standout global performer, surging +13.43% in USD on improved sentiment toward Chinese assets, while the UK's FTSE 100 advanced +5.07% in USD and Japan's JPX-Nikkei 400 added +1.86% in USD. In sharp contrast, the NASDAQ 100 declined -6.59% in USD for the month — a meaningful reversal for the index that had powered global equity gains through the first half of 2026 — while the S&P 500 ended broadly flat at -0.08% in USD. Emerging markets retreated -3.07% in USD despite Hong Kong's exceptional performance, underscoring the importance of selective regional positioning rather than broad index exposure. Global listed property continued to perform well, with the S&P Global REIT Index returning +2.61% in USD in July and extending its year-to-date gain to +15.17% in USD. Year-to-date, emerging markets (+20.04% in USD), Japan (+17.44% in USD) and global listed property lead the performance tables — a strong reminder that diversification beyond US mega-cap equity has been richly rewarded in 2026.

Closer to home, South African markets delivered a mixed result. The FTSE/JSE All Share Index returned +1.18% in ZAR for the month, though the index remains down -1.81% in ZAR year-to-date, reflecting the persistent headwinds of foreign selling — with foreign investors having net sold approximately R60bn of SA equities year-to-date. SA Listed Property was the strongest local asset class, returning +2.30% in ZAR (+7.01% year-to-date in ZAR), while SA bonds came under pressure, with the FTSE/JSE All Bond Index declining -1.38% in ZAR. This pullback in bonds followed the SARB's July MPC decision to hold the repo rate at 7.00% in a 4-2 vote split, characterised by ETM Analytics as a hawkish hold rather than a dovish pause. FRA markets were pricing approximately three further 25 basis point hikes at the time of the meeting. The domestic inflation backdrop did, however, improve meaningfully during July. June CPI printed at 4.6%, food CPI fell to a 17-month low of 1.6% supported by a record maize harvest of 17.25 million tonnes, and Oxford Economics revised their 2026 full-year CPI forecast down to 4.1%. Oxford retains a 25bp hike in their base case, projecting the policy rate to end 2026 at 7.3% before easing toward 6.3% by end-2027. GDP growth expectations remain subdued at 1.1% for 2026, with the ABSA PMI contracting to 47.3 and consumer confidence falling sharply to -19 in Q2. Eskom's return to profitability and improved electricity reliability represents genuine structural progress, while Transnet's continued operational dysfunction remains the single largest constraint on South Africa's growth potential. With November's local elections approaching, the ANC's ongoing erosion — having recorded a net loss of 48 seats across 435 by-elections since 2021 — adds a layer of political uncertainty that the investment team monitors as a medium-term factor for the domestic investment thesis.

Against this backdrop, the investment team's July strategy meeting reinforced several key portfolio convictions. The NASDAQ 100's sharp decline validated the team's deliberate underweight to concentrated US mega-cap technology, with the preference shifting toward downstream AI beneficiaries — including cybersecurity, defence and clean energy — accessed through diversified thematic exposure. The team's base case holds that 7.00% likely represents the peak of the SARB rate cycle, making front-end SA government bonds increasingly attractive, a view supported by strong June foreign inflows into SA bonds of R15.2bn. SA equities are viewed as a compelling value and income opportunity — with dividend yields of 5–8% and banks the only positive JSE sector year-to-date — albeit against a structurally weak growth backdrop. The investment team continues to favour a multi-asset, geographically diversified approach, with 2026 year-to-date returns providing meaningful evidence that disciplined diversification away from US benchmark concentration continues to protect and create value for clients.

Investment Growth (Since Inception)



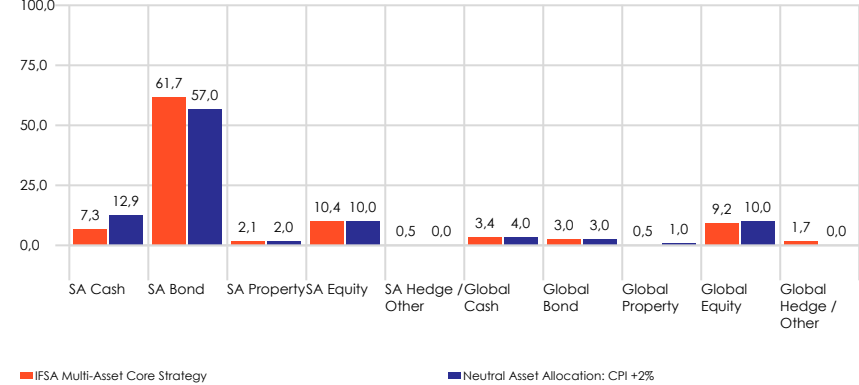
Discrete Calendar Performance (%)

	2022	2023	2024	2025	YTD
IFSA Multi-Asset Core Strategy	4,50	10,82	11,95	16,11	3,93
(ASISA) South African MA Low Equity	1,36	11,05	12,25	15,51	2,88

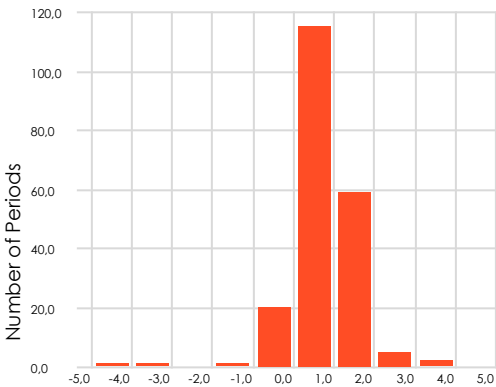
Annualised Performance (%)

	1 Year	3 Years	5 Years	Since Inception
IFSA Multi-Asset Core Strategy	11,78	12,30	10,37	9,05
(ASISA) South African MA Low Equity	10,45	11,58	9,67	8,47

Asset Allocation [Portfolio vs Neutral] (%)



Monthly Return Distribution



Model Portfolio Composition (%)

	Weight	Mgmt Fee	TER
Amplify SCI Defensive Balanced Fund A1	15,00	0,92	0,94
Amplify SCI Strategic Income Fund A1	15,00	0,58	0,59
Otto1890 FR Flexible Income A	15,00	0,69	0,77
Coronation Balanced Defensive P	12,00	0,86	1,04
Prescient Income Provider A2	12,00	0,58	0,60
Allan Gray Stable C	11,00	0,98	1,43
Allan Gray Income C	10,00	0,58	0,58
MitonOptimal FR Active Beta Fund A	10,00	0,53	1,22

About IFSA

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.

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