Liberty Global Equity Offshore Tracker Portfolio

As at 31 July 2020

General information

Portfolio manager(s) Liberty Financial Solutions
Asset manager(s) Liberty Group Limited
Benchmark MSCI World Net Total Return USD Index
Portfolio size $ 6 million as at 30/06/2020
Launch date 20 September 2017
Regulation 28 Non-compliant
Guarantee available No

Cost ratios

Annualised (including VAT) as at 31 December 2019
Based on period from 21 September 2017
Total Expense (TER) 0.50%
Transaction Costs (TC) 0.00%
Total Investment Charge (TIC) 0.50%

Please refer to Cost ratios section of Disclosures for important information relating to the above.

Portfolio objective

This portfolio tracks a basket of Global Equities using the MSCI World Total Return Index as a benchmark.

Investor profile

This portfolio is suited to the investor who:
• wants exposure to a single non South African asset and to currencies other than the Rand. The risk profile of this portfolio is based on the investment in the base currency
• has a high risk tolerance
• is willing to accept significant losses over the short term to maximise returns over the longer term
• has an investment horizon of 7-10 years in order to fully achieve both income and capital growth

Cost ratios

Annualised (including VAT) as at 31 December 2019
Based on period from 21 September 2017
Total Expense (TER) 0.50%
Transaction Costs (TC) 0.00%
Total Investment Charge (TIC) 0.50%

Please refer to Cost ratios section of Disclosures for important information relating to the above.

Risk profile

Local (Rand investor)

Conservative | Moderately Conservative | Moderate | Moderately Aggressive | Aggressive

Foreign (Assets held)

Conservative | Moderately Conservative | Moderate | Moderately Aggressive | Aggressive

Performance

Cumulative performance (%) from Launch

Returns

% YTD 1m 3m 6m 1y Launch
Portfolio (Taxed-I) -1.69 4.19 11.13 -0.88 5.88 5.77
Benchmark -2.23 5.20 13.55 -0.92 6.11 5.83
Inflation 1.26 -0.09 -0.80 0.98 2.23 3.84

Statistics

Since Launch

Best % 9.54 25.19
Worst % -18.58 -9.69
% Positive 73.53 65.22

Holdings

Asset allocation (%) as at 30/06/2020

Top equity holdings (%) as at 30/06/2020

USA 65.50
Other 15.50
Japan 8.00
UK 4.40
France 3.40
Switzerland 3.20

Geographical allocation (%) as at 30/06/2020

Importance: 100%
Portfolio manager(s)

Liberty Financial Solutions

LibFin is a centre of excellence for the management of Liberty Group’s market, credit and liquidity risks, as well as the management of its shareholder investment exposures.

LibFin’s primary responsibilities include the following: Management of asset-liability mismatch risks arising in the life insurance business, primarily resulting from the guaranteed investment product set and capitalised margins; Origination and management of credit assets backing the guaranteed investment product set (the “Credit Portfolio”); Management of the performance of shareholder investment exposures in the life insurance business (the “Shareholder Investment Portfolio”).

Commentary as at 30 June 2020

Market review

Global markets rallied on the back of fiscal and monetary stimulus. Economic activity improved over the quarter as many economies reopened. To minimize the COVID-19 economic damage to businesses and individuals, central banks and governments globally rolled out monetary and fiscal responses. In Q2 2020 MSCI World was up +17.28% while global Bonds struggled over the quarter returning 0.91%.

Fund review

The portfolio has performed in line with expectations.

Looking ahead

COVID-19 coverage will continue to dominate the headlines as rising infection rates could lead to further social distancing measures being imposed or voluntarily adopted. Globally asset classes are pricing in the V shaped recovery. We are seeing positive signs of global cooperation as governments are coming together to find a solution to defeat the pandemic. Consensus expectations are currently for the global economy to rebound in 2021 once the health crisis is resolved and indeed for this to begin in the second half of 2020.

Source: 1NVEST, Liberty

The commentary gives the views of the portfolio manager at the time of writing. Any forecasts or commentary included in this document are not guaranteed to occur.
Disclosures

General information and Holdings
All size and holdings data is updated quarterly.

Cost ratios
The Total Expense Ratio (TER) depicts the percentage of the value of the Financial Product that 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 TER’s.
The Transaction Costs (TC) depicts the percentage of the value of the Financial Product that was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. The TC are a necessary cost in administering the Financial Product and impacts Financial Product returns. The TC should not be viewed in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.
The Total Investment Charges (TIC), which is the sum of the TER and TC, depicts the percentage of the value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.
The TER, TC and TIC values represent the weighted average of all tax classes (where more than one tax class exists).
Please be advised that for portfolios that invest 100% into an underlying collective investment scheme portfolio (CIS) the TER, TC and TIC shown represent that of the underlying CIS.
Please note that the implicit fees are disclosed on the website under each fact sheet range.

Performance
Cumulative Performance and Returns
All returns shown are in USD.
The single premium investment returns shown are gross of Liberty product charges but net of implicit portfolios fees and shareholder participation (where applicable). Individual investor performance may differ as a result of initial fees, the actual investment date and/or the date of reinvestment. Past performance is not indicative of future performance.
The performance of the portfolio benchmark over time provides the basis against which the portfolio manager will be measured. This may be changed from time to time. Benchmark performance is gross of all fees.
Statistics
Best % - the highest 1 month and 1 year RA return that the portfolio has delivered over the last 10 years or since inception.
Worst % - the lowest 1 month and 1 year RA return that the portfolio has delivered over the last 10 years or since inception.
% Positive - the number of positive 1 month RA returns, shown as a percentage of the total number of 1 month return periods during the last 10 years or since inception.
Volatility - this is a measure of how much a portfolio’s RA returns vary from the average of its RA returns over the relevant period.

The contents of this document are for generic information purposes only and do not constitute advice or intermediary services as contemplated in the Financial Advisory and Intermediary Services Act, Act No 37 of 2002 (FAIS).
Whilst every attempt has been made to ensure the accuracy of the information contained herein, Liberty cannot be held responsible for any errors that may be represented.
You are requested to consult your own accredited financial adviser prior to making any decisions of a financial nature.
Investment performance is generally shown gross of asset management fees, but in certain instances it is shown net of these fees. Performance also includes bonuses proportional for the period under considerations, and makes allowance for implicit charges, where applicable. Performance will depend on the growth in the underlying assets within the portfolio, which will be influenced by inflation levels in the economy and prevailing market conditions.
Past performance cannot be relied on as an indication of future performance. Unless stated otherwise, returns can be negative as well as positive. Expected return is after the deduction of tax but before any Liberty charges and fees.
No adjustment has been made to the risk profile for the guaranteed version of the portfolio.
Liberty may, from time to time, conduct securities lending activities on the assets in this portfolio. All of the risks in respect of these activities will be for Liberty’s shareholders and will not negatively impact on the returns provided to its policyholders.
Liberty Group Limited (reg no 1957/002788/06) is a registered Long-term Insurer and an Authorised Financial Services Provider (FAIS no. 2409).

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