Growing your wealth

with a clear target in mind

Using model portfolios to ensure alignment and suitability

Successful investing begins with a plan

We want you to achieve your desired outcome. Specific, clearly defined and quantified goals must be determined to identify the return that needs to be targeted for you to achieve your objectives. Your portfolio can then be expertly constructed to optimise the risk for the specific return that is targeted.

This process is illustrated below:

Your investment objective

How much do you need and when do you need it?

+

How much do you have to invest?

=

The required return needed to achieve your objective

Target return

Create a strategy and investment solution that targets your required return

↓

Determine how much of each asset class should be included

↓

Define the minimum risk required to achieve the target return

Optimise the risk and return profile of your investment

Asset class diversification

+

Fund diversification

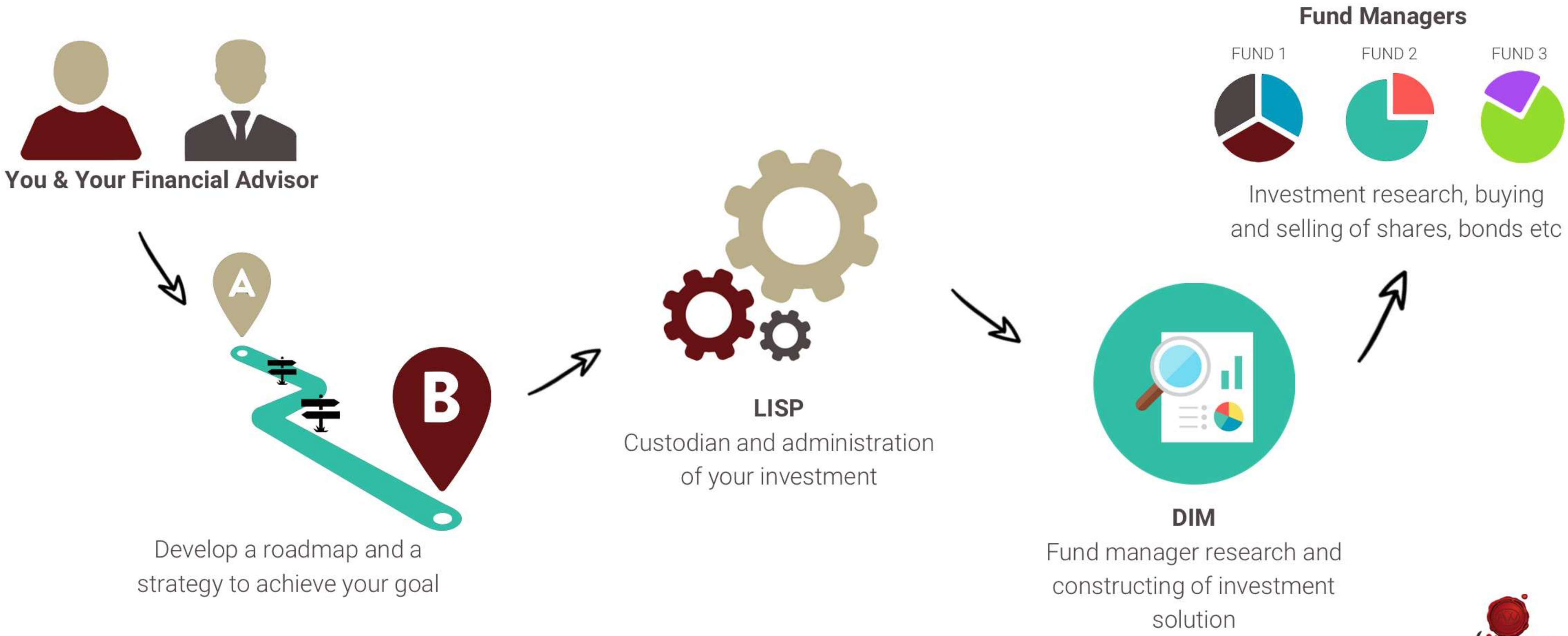
+

Geographic diversification

Managing your wealth requires a team of professionals

Your wealth management team consists of your **Financial Advisor**, a **Linked Investment Service Provider** (LISP), a **Discretionary Investment Manager** (DIM) and different **Fund Managers**.

Your financial advisor is solely responsible for your financial plan and the investment strategy that is required to achieve your goal. All the other team members provide the vehicles through which the investment strategy can be implemented efficiently and effectively. Each member of the wealth management team has a specific role to fulfil.



The main role of each professional

	Financial Advisor	LISP	DIM Amity Wealth	Fund manager
Primary role	Financial planning and providing guidance to financial wellbeing	Providing and administrating financial and investment products	Construction and management of model portfolios	Fund management
Functions	• Identify and articulate your financial goals • Develop a road map to achieve your goals • Identify, evaluate and monitor appropriate financial and investment products suitable for your objectives • Guide you to stay your course	• Supply financial and investment products • Providing effective and efficient implementation of financial and investment products • Facilitation of transactions • Administration and record keeping	• Comprehensive fund due diligence and research • Risk-return optimised portfolio construction • Continuous risk analysis • Ongoing monitoring and rebalancing of model portfolios	• Comprehensive research of shares, bonds and other investment instruments • Identifying and diversifying between investment opportunities • Buying and selling of investment instruments
Value add	Expert partner to maintain the appropriate course of action to achieve your goals	Efficiency and flexibility in managing your money	Optimised, diversified and cost effective investment solutions that ensures alignment and suitability with targeted return outcomes	Generate returns greater than appropriate benchmarks

The Amity Wealth Model Portfolio Solutions

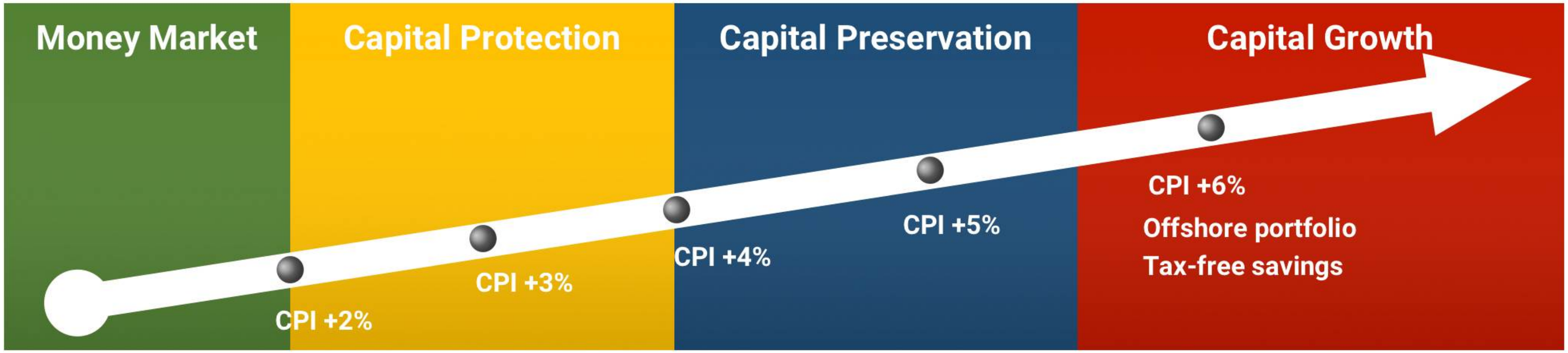
What is a model portfolio?

A model portfolio bundles a selection of unit trusts into an efficient investment solution. Each model portfolio has a specific and unique objective. Your financial advisor selects the most suitable model portfolios that are best aligned with your specific objectives. Your money is invested in the Amity Wealth Model Portfolios through a linked investment services provider (LISP).

The Amity Wealth Model Portfolio range

Amity Wealth offers a range of optimised, diversified and cost effective model portfolios. The model portfolios are designed to target specific inflation-linked returns that allows alignment with the required returns needed to achieve your financial objectives. Each model portfolio consists of a number of unit trusts, which, in combination, enhance the risk-return profile of the model portfolio. This is achieved by combining the strengths and unique qualities of different funds and their managers.

Amity Wealth offers the following range of model portfolios:



Why target return model portfolios?

All the Amity Wealth model portfolios have inflation-linked return targets - this is intentional for the following benefits:

- Growth links directly to the purchasing power of your money
- Provides a clear indication of the required risk needed to achieve the target return
- Allows your required return objectives to be accurately linked to a similar targeted return model portfolio
- Provides a measure to monitor the progress made towards your financial objectives

Benefits of the Amity Wealth Model Portfolios

Cost effective, efficient, active portfolio management

The cost of the Amity Wealth model portfolios compares favourably with that of single manager funds but with the added benefit of enhanced diversification and active portfolio management. Continuous research and rebalancing by Amity Wealth, results in the efficient management of your money.

Favourable risk profile

Combining funds and fund managers with different strengths, styles and strategies, lead to enhanced diversification and improved risk-return profiles for the Amity Wealth model portfolios.

Alignment

You ensure consistent alignment with your required return by investing in the appropriate Amity Wealth model portfolio.

Peace of mind investing in the Amity Wealth Model Portfolios

While Amity Wealth has discretion regarding the funds selected within the model portfolios, your money is always invested directly with the underlying fund managers through a LISP platform.

You also have the added peace of mind that in the unlikely event that something should happen to your financial advisor, the model portfolios continue to be managed by Amity Wealth in accordance with the model portfolio objective.

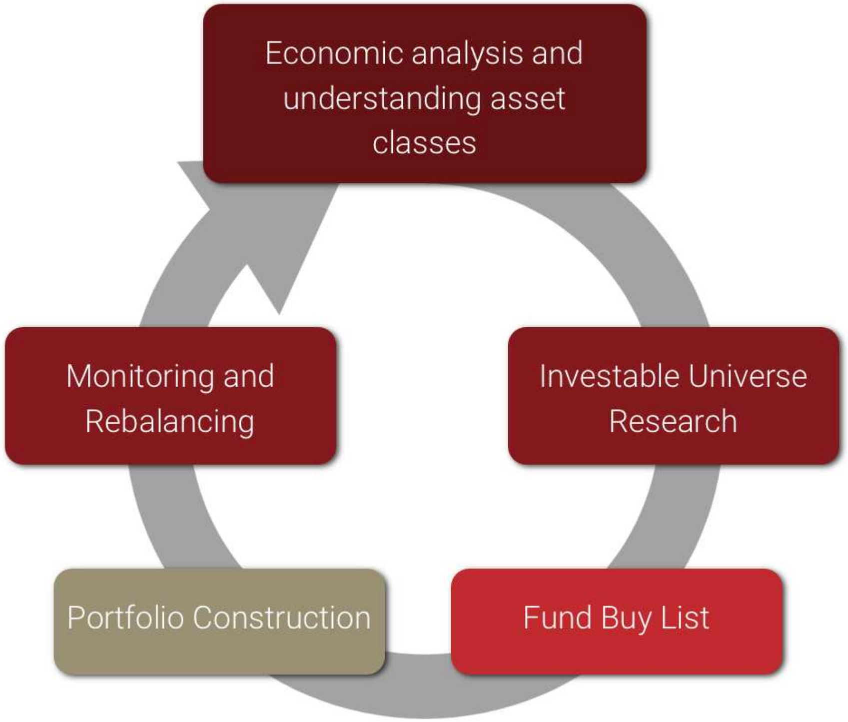
The discretionary mandate between Amity Wealth and the client

By signing a discretionary mandate with Amity Wealth, you give us permission to make changes to the underlying funds of the model portfolios to maintain alignment with the targeted returns. Amity Wealth can only select funds from the range of funds approved by and available on the LISP platform.

Amity Wealth

The Amity Wealth portfolio management process

Amity Wealth follows a rigorous, scientific and continuous process to manage model portfolios with the intent to increase the likelihood of achieving the targeted returns.



Step 1

Analysis of economic events and factors and the likely effect it could have on asset classes and funds.

Step 2

Rigorous examination of asset management companies followed by qualitative and quantitative analysis of their funds.

Step 3

The list of funds that are deemed optimal, forms the approved list of funds considered for inclusion within model portfolios.

Step 4

Model portfolios are constructed with a selection of funds from the approved list. A clearly defined portfolio construction process is followed to select the mix of underlying funds which enhance the risk-return profile of each model portfolio.

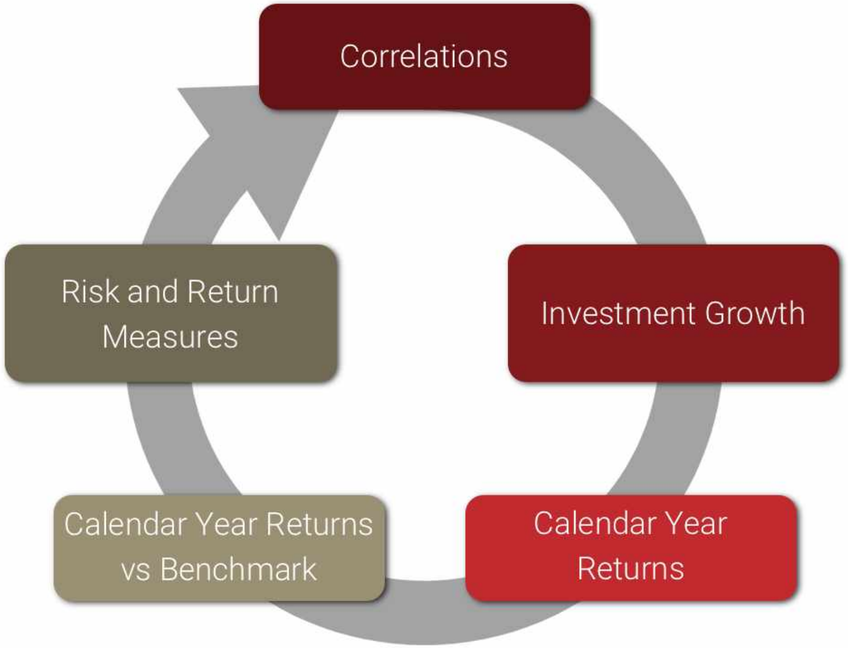
Step 5

The underlying fund managers as well as the risk-return profile of the model portfolios are constantly monitored. Where required, rebalancing and fund switches are done.

Manager Selection & Portfolio Construction Considerations

The funds on the Amity Wealth Fund Buy List are the result of comprehensive fund research and analysis. Only funds on the Buy List are considered for inclusion in our model portfolios. In constructing the model portfolios, a range of criteria is used to identify which combination of funds will optimise the risk-return profile of each model portfolio.

There are many qualitative and quantitative factors that need to be considered when constructing a portfolio. While past performance is informative it is not necessarily indicative of future performance. Other factors such as the correlation between styles, the consistency of performance over time and relative risk-return measures should also be assessed.



Active management of model portfolios

Active management and regular rebalancing of the model portfolios is necessary to ensure consistent alignment with the targeted returns and maintain appropriate levels of liquidity. To achieve this the model portfolios are regularly reviewed and adjusted, as and when required. Amity Wealth is sensitive to the fact that any adjustments could have capital gains tax implications and this is taken into account when portfolios are constructed.

Who is Amity Wealth?

Amity Wealth is an independent discretionary investment manager approved by the Financial Services Board. The company manages investments on behalf of a network of independent financial professionals since 2008 and services thousands of investors.

We are continuously motivated by our core purpose: enriching others to realise their full potential. This ideology focuses our actions to constantly identify ways to add value to all stakeholders and to assist them in being the best they can be. Our actions are guided by our core purpose and values namely trust, excellence, partnership and stewardship.

Amity Wealth has a national presence while the management of investments are done from our office in Pretoria. Our team consists of 19 highly qualified and dedicated individuals, who are all committed to adding value to all stakeholders.

Heading up our team

Marius van der Merwe CFP®
CEO and Director

Marius van der Merwe completed a BCom (Hons) degree in Business Management (Cum Laude) at the University of Pretoria. Marius has worked in private wealth management since 2000 at both Citadel and ABSA Private Bank during which time he completed his postgraduate Diploma in Financial Planning at the University of the Free State, and was accepted as a member of the Financial Planning Institute. He is a founding member of Amity Wealth and has been CEO since the company's inception in 2008.

Anton Swanepoel CFP®
Director

Anton Swanepoel is a Certified Financial Planner® and was one of six finalists of the FPI/Personal Finance Financial Advisor of the Year Competition in 2003. Anton holds a B Juris degree (University of South Africa, 1986) and a Master's degree in Mercantile Law (University of the Free State, 2007). Anton worked in the financial planning and investment industry since 1989 employed with Alexander Forbes, Citadel and PSG in various capacities. He is a founding member and Director of Amity Wealth.

Investment Team

Jessica Fannin
Investment Strategist

Jessica completed her BCom (Hons) in Investment Management at the University of Pretoria in 2012 where she gained her degree with distinction and was admitted to the Golden Key Academic Society. In addition, she passed Level III of the CFA Program in 2016. Jessica joined Amity Wealth in 2013 as a fund analyst focused on the universe of unit trusts available to South African investors. As investment strategist, she is responsible for fund research, economic research and portfolio construction of the Amity Wealth range of investment solutions.

Roné Venter
Fund Analyst

Roné completed her BCom (Hons) in Investment Analysis in 2014 at the University of Stellenbosch and completed Level I of the CFA Program. She joined Amity Wealth in February 2015 as a fund analyst. Roné is responsible for fund research of the investable unit trust universe.

Elbie Louw, CFA, CIPM
Investment Analyst

Elbie Louw holds a PhD from the University of Pretoria as well as the CFA and CIPM designations. Prior to joining Amity Wealth in March 2016 permanently, she was in academia with her research and consulting endeavours focused on retirement financing, unit trusts and portfolio management. She has been involved with Amity Wealth in a consulting role from 2012. Elbie is responsible for macro-economic research, asset class valuations and fund research.

BOUTIQUE INVESTMENT PARTNERS

Boutique Investment Partners

In addition, the investment team is supported by the expertise of Boutique Investment Partners (BIP), an independent investment consulting firm. They consult the investment team by providing additional fund and macro-economic research.

Amity Wealth

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