

# ANNUAL INVESTOR REPORT 2019

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SEPTEMBER 2019

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Itransact Fund Managers (RF) (Pty) Ltd



# Managing Director's Report



I am pleased to share with you the highlights of Itransact Fund Managers collective investments for the financial year ended 30 September 2019.

It has been a very busy year for Itransact Fund Managers ("IFM") as we launched a further two institutional funds during the year, namely:

- The IFM Equity Fund; and
- The IFM Global Diversified Fund

to compliment the funds launched at the end of the prior financial year, namely:

- The IFM Income Fund; and
- The IFM Bond Fund.

The funds were launched in partnership with the Anchor Group with which IFM shares a strategic relationship. The four institutional funds are being used to provide Anchor institutional clients bespoke investment solutions. The four institutional funds are managed by Nest Asset Management on a multi-managed basis. Nest Asset Management is a joint venture between Corion Capital and Anchor Capital asset managers.

With the launch of the funds, we have seen a pleasing growth in IFM's assets under management from under R200 million across four funds as at 30 September 2018 to over R2.9 billion across six funds as at 30 September 2019.

In due course we plan to open retail classes for each of the new institutional funds should the demand arise.

It has also been a very interesting year from a market perspective. The weak local economic environment, together with the woes of our state-owned enterprises and the reduced global growth has resulted in market volatility, affecting investment returns. We are however pleased to report that our two retail focused funds have showed a marked improvement towards the end of the year – refer below for to the performance tables.

During the year we saw the retirement of JE van Heerden who served as an independent director. After many years of service, Wally has finally decided to take his foot off the pedal and focus more on his retirement. We also saw the resignation of J Solms who served as an independent director. Justin will be relocating to Europe. We thank both for their valuable service over the year and wish them well in their future endeavours.

We are in the process of making a new appointment to the board, which we will announce in due course once we have approval from the regulator.

Yours sincerely

CM Gill

Managing Director

# Trustee's Report

Reg. No. 1929/001225/06  
An Authorised Financial Services Provider



17 January 2020

The Directors  
Itransact Fund Managers (Pty) Ltd  
15 Philips Street  
Ferndale  
Randburg  
2194

Dear Sirs

## TRUSTEE REPORT ON THE IFM UNIT TRUST SCHEME

As Trustees to the IFM Unit Trust Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise for the period 1 October 2018 to 30 September 2019 we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by the Act; and
- (ii) the provisions of the Act and the relevant deeds.

We confirm that according to the records available to us there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolio in the year.

Yours faithfully

Nelia de Beer  
Head Trustee Services  
Rand Merchant Bank  
A division of FirstRand Bank Limited

Ruan van Dyk  
Quality Assurance Manager Trustee Services  
Rand Merchant Bank  
A division of FirstRand Bank Limited

## Summarised Information for the year ending 30 September 2019

	IFM Balanced Value Fund of Funds	IFM Bond Fund	IFM Equity Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)
<b>OPERATING INCOME</b>	<b>58</b>	<b>2 015</b>	<b>(4 207)</b>
Deemed income and rebates	13	807	3 778
Net gains/ (loss) on disposal of assets	45	1 208	(7 985)
<b>OPERATING EXPENSES</b>	<b>(697)</b>	<b>(821)</b>	<b>(4 064)</b>
Administration and management fees	632	754	3 870
Audit fee	42	28	13
Bank charges	3	4	15
Trustee fees	20	35	165
<b>OPERATING GAINS/ (LOSSES)</b>	<b>(639)</b>	<b>1 194</b>	<b>(8 271)</b>
Investment Income	456	16 220	25 219
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(183)</b>	<b>17 414</b>	<b>16 948</b>
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
<b>ASSETS</b>			
Portfolio investments	42 217	270 676	1 368 492
Current assets	458	11 671	38 154
<b>TOTAL ASSETS</b>	<b>42 675</b>	<b>282 347</b>	<b>1 406 646</b>
<b>CAPITAL AND LIABILITIES</b>			
Capital value of unit portfolio	42 439	271 517	1 381 328
Current liabilities	236	10 830	25 318
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>42 675</b>	<b>282 347</b>	<b>1 406 646</b>
Portfolio Composition	(%)	(%)	(%)
Basic materials	-	-	11
Bonds	-	96	-
Consumer goods	-	-	15
Consumer services	-	-	9
Financials	-	-	17
Health care	-	-	5
Industrials	-	-	2
Oil & gas	-	-	3
Property	-	-	2
Technology and telecommunications	-	-	2
International assets	23	-	-
Holdings in collective investments schemes - international	73	-	-
Holdings in collective investments schemes - local	-	-	34
Liquid assets	4	4	-
<b>TOTAL</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2019	3.61	**	**
Benchmark: one year up to 30/09/2019	-7,07	n/a	n/a
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	1,43	0,86	0,86
<b>Total Expense Ratio (TER)</b>	<b>2,40</b>	<b>0.86</b>	<b>0,86</b>

\*\* No data available – Fund only launched after 01/10/2018

## Summarised Information for the year ending 30 September 2019

	IFM Global Diversified Fund	IFM Income Fund	IFM Technical Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)
<b>OPERATING INCOME</b>	<b>(7 583)</b>	<b>2 550</b>	<b>(2 376)</b>
Deemed income and rebates	6	2 132	11
Net gains/ (loss) on disposal of assets	(7 589)	418	(2 387)
<b>OPERATING EXPENSES</b>	<b>(950)</b>	<b>(463)</b>	<b>(824)</b>
Administration and management fees	776	368	752
Audit fee	13	29	42
Bank charges	22	10	3
Trustee fees	138	56	27
<b>OPERATING GAINS/ (LOSSES)</b>	<b>(8 533)</b>	<b>2 087</b>	<b>(3 200)</b>
Investment income	1 919	13 336	1 131
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(6 613)</b>	<b>15 423</b>	<b>(2 068)</b>
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
<b>ASSETS</b>			
Portfolio investments	701 968	483 832	52 268
Current assets	73 041	14 887	1 912
<b>TOTAL ASSETS</b>	<b>775 009</b>	<b>498 719</b>	<b>54 180</b>
<b>CAPITAL AND LIABILITIES</b>			
Capital value of unit portfolio	773 543	488 686	54 071
Current liabilities	1 466	10 033	109
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>775 009</b>	<b>498 719</b>	<b>54 180</b>
Portfolio Composition	(%)	(%)	(%)
Basic materials	-	-	12
Bonds	-	82	-
Consumer goods	-	-	28
Financials	-	-	52
Health care	-	-	-
Industrials	-	-	3
Property	-	-	-
Telecommunications	-	-	5
International assets	23	-	-
Holdings in collective investments schemes - international	73	-	-
Holdings in collective investments schemes - local	-	17	-
Liquid assets	4	1	-
<b>TOTAL</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2019	**	8,17	4.79
Benchmark: one year up to 30/09/2019	n/a	7,38	-1,59
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	0,86	0.86	1,43
<b>Total Expense Ratio (TER)</b>	<b>0,91</b>	<b>0.86</b>	<b>2,34</b>

\*\* No data available – Fund only launched after 01/10/2018.

## Summarised Information for the year ending 30 September 2019

	December 2018	March 2019	June 2019	September 2019	Total
Distribution Per Unit (cents per unit)	c	c	c	c	c
IFM Balanced Value Fund of Funds	-	-	-	-	-
IFM Bond Fund Class E	-	-	-	378,75	378,75
IFM Bond Fund Class Z	-	411,88	-	424,52	836,40
IFM Equity Fund Class E	-	-	-	139,91	139,91
IFM Equity Fund Class Z	-	98,27	-	178,22	276,49
IFM Global Diversified Fund Class E	-	-	-	1,05	1,05
IFM Global Diversified Fund Class Z	-	-	-	16,85	16,85
IFM Income Fund Class E	125,26	186,47	43,66	216,82	572,21
IFM Income Fund Class Z	137,39	198,26	93,98	190,70	620,33
IFM Technical Fund	-	1,73	-	0,17	1,89

## Company Information

### Itransact Fund Managers (RF) (Pty) Ltd



#### Board of Directors

Johan Zwarts (Chairman)\*, Mark Gill (Managing Director), Mark Baisley, Chris Meyer\*\*

*\*Independent non-executive director*

*\*\*Non-executive director*

#### Registration Number

1999/012170/07

#### Bankers

First National Bank Limited

#### Auditor

BDO South Africa Incorporated

#### Trustee

First Rand Bank Limited acting through its RMB Trustee Services Division

#### Client Service

0861 11 60 75

#### Email

[admin@itransactfm.co.za](mailto:admin@itransactfm.co.za)

#### Website

[www.itransactfm.co.za](http://www.itransactfm.co.za)

Copies of the audited annual financial statements of the manager and of the scheme managed by it, are available, free of charge, on request by an investor.