

ANNUAL INVESTOR REPORT 2020

SEPTEMBER 2020

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 2020.

It has been another busy but very different year for Itransact Fund Managers ("IFM") as we learnt to deal with junk status, covid-19, volatile markets and working from home.

It has been a tough year for emerging markets and South Africa was no exception. Throw in the weakening fundamentals across the South African economy such as the increasing unemployment and the reduced tax base (exacerbated vastly by lockdown) as well as the USA / China trade war, and we get the perfect mix for uncertainty and volatility.

Positive market news of late with regards to the many covid-19 vaccines being available in the near future and the US election outcome will hopefully benefit emerging markets going forward but it won't be easy as we continue to grapple with contraction, low inflation and low interest rates, and second waves of virus infections.

The overall assets of IFM continue to grow and at year end were over R3.3 billion across the six funds, compared to R2.9 billion the previous year. We are expecting this growth to continue due to commitments that are in process of transitioning into the funds.

We are pleased to report that our two retail focused funds have substantially outperformed their respective benchmarks over the year – refer below to the performance tables.

During the year we saw the appointment of T Gqubule-Mbeki to the board. Thandeka brings with her, vast experience on the economics front. She is currently Economics Editor at the SABC.

From all at IFM we wish you a safe and enjoyable festive season and hope 2021 is far improved on 2020.

Yours sincerely

CM Gill
Managing Director

Trustee's Report



15 December 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 2019 to 30 September 2020 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

Marian Rutters
Manager Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

MARKETS: GSS TRUSTEE SERVICES

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RMB a division of FirstRand Bank Limited, is an Authorised Financial Services and Credit Provider NCRCP20. Reg. No. 1929/001225/06.

Summarised Information for the year ending 30 September 2020

	IFM Balanced Value Fund of Funds	IFM Bond Fund	IFM Equity Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)
OPERATING INCOME	3 029	(3 708)	(177 922)
Deemed income and rebates	26	1 190	1 034
Net gains/(loss) on disposal of assets	3 003	(4 898)	(178 956)
OPERATING EXPENSES	(694)	(904)	(2 264)
Administration and management fees	622	764	1 899
Audit fee	34	88	90
Bank charges	4	7	11
Trustee fees	34	45	264
OPERATING GAINS/(LOSSES)	2 335	(4 612)	(180 186)
Investment Income	647	37 120	57 299
PROFIT/(LOSS) FOR THE YEAR	2 982	32 508	(122 887)
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
ASSETS			
Portfolio investments	39 184	499 806	1 461 504
Current assets	2 034	36 650	69 194
TOTAL ASSETS	41 218	536 456	1 530 698
CAPITAL AND LIABILITIES			
Capital value of unit portfolio	41 122	491 051	1 462 510
Current liabilities	93	22 702	34 094
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	41 215	513 753	1 496 604
Portfolio Composition	(%)	(%)	(%)
Basic materials	-	-	15
Bonds	-	83	-
Consumer goods & services	-	-	21
Financials	-	-	17
Health care	-	-	3
Industrials	-	-	-
Oil & gas	-	-	-
Property	-	-	-
Technology and telecommunications	-	-	8
Collective Investment Schemes	95	14	24
Other	-	-	10
Cash	5	3	2
TOTAL	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2020	6,97	2,20	-9,10
Benchmark: one year up to 30/09/2020	-13,87	3,60	-5,00
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	1,43	0,86	0,86
Other	1,37	0,01	0,03
Total Expense Ratio (TER)	2,80	0,87	0,89

Summarised Information for the year ending 30 September 2020

	IFM Global Diversified Fund	IFM Income Fund	IFM Technical Fund
Condensed Statement of Comprehensive Income	(R'000)	(R'000)	(R'000)
OPERATING INCOME	118 960	(9 265)	7 210
Deemed income and rebates	(89)	297	1
Net gains/(loss) on disposal of assets	119 049	(9 562)	7 209
OPERATING EXPENSES	(3 421)	(923)	(928)
Administration and management fees	2 295	706	822
Audit fee	90	89	35
Bank charges	21	36	9
Commission and other charges	631	-	-
Trustee fees	384	92	62
OPERATING GAINS/(LOSSES)	115 539	(10 188)	6 282
Investment income	2 802	24 956	914
PROFIT/(LOSS) FOR THE YEAR	118 341	14 768	7 196
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
ASSETS			
Portfolio investments	803 893	300 127	45 594
Current assets	133 613	14 079	9 889
TOTAL ASSETS	937 506	314 206	55 483
CAPITAL AND LIABILITIES			
Capital value of unit portfolio	936 432	303 465	55 269
Current liabilities	537	5 370	107
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	936 969	308 835	55 376
Portfolio Composition	(%)	(%)	(%)
Basic materials	1	-	10
Bonds	7	86	-
Consumer goods & services	8	-	12
Financials	3	3	9
Health care	3	-	-
Industrials	-	-	-
Property	-	-	-
Telecommunications	2	-	13
Collective Investment Schemes	64	8	38
Other	4	-	-
Cash	14	3	18
TOTAL	100,00	100,00	100,00
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2020	13,30	5,10	13,17
Benchmark: one year up to 30/09/2020	19,60	6,20	-1,02
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	0,86	0,86	1,43
Other	0,05	0,00	0,14
Total Expense Ratio (TER)	0,91	0,86	1,57

Summarised Information for the year ending 30 September 2020

	December 2019	March 2020	June 2020	September 2020	Total
Distribution Per Unit (cents per unit)	c	c	c	c	c
IFM Balanced Value Fund of Funds	-	-	-	-	-
IFM Bond Fund Class E	-	348,20	-	405,90	754,10
IFM Bond Fund Class Z	-	372,39	-	444,81	817,20
IFM Equity Fund Class E	-	134,83	-	159,14	293,97
IFM Equity Fund Class Z	-	147,02	-	180,76	327,78
IFM Global Diversified Fund Class E	-	-	-	-	-
IFM Global Diversified Fund Class Z	-	11,48	-	-	11,48
IFM Income Fund Class E	146,93	193,22	142,17	108,12	590,44
IFM Income Fund Class Z	155,51	202,03	153,84	118,76	630,14
IFM Technical Fund	-	0,06	-	-	-

Company Information

Itransact Fund Managers (RF) (Pty) Ltd



Board of Directors

Johan Zwarts (Chairman)*, Mark Gill (Managing Director), Mark Baisley, Chris Meyer**, Thandeka Gqubule-Mbeki*

**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

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Website

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.