

# ANNUAL INVESTOR REPORT 2023

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SEPTEMBER 2023

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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 2023.

It has been a difficult year for the local economy due to a lack of investor confidence and continued weak performance of the economy as a result of ongoing loadshedding, high inflation, low export volumes, increasing public debt, reduced tax revenue collection, a high repo rate and a weak domestic currency. Having said that, the year ended on a positive note for local equities with gold stocks being the big winner for the year.

Looking forward locally, investment in power generation will be the main growth driver in the short term which will keep imports high in the face of weaker global demand and reduced exports. Inflation is expected fall and remain with the Reserve Banks' target range despite the risk of dry weather conditions pushing up food prices. Political election uncertainty could however weigh on investor confidence and slow the progress in addressing the energy crisis, prolonging energy constraints resulting in the increased cost of doing business.

Although 2023 was set to be a tough year for global equity markets still recovering from COVID-19 and the war in Ukraine, the excitement over artificial intelligence saw the S&P 500 index up 24% for the year. At the end of the day, it was the 7 mega technology stocks that drove the Nasdaq up 66% for the year.

Global growth is however expected to decline for the 3<sup>rd</sup> successive year in 2024 reflecting amongst others, the effects of tight monetary policies. The heightened geopolitical risks and escalation of the Middle east crisis could dampen global growth which is still coping with the continued war in Ukraine and the lingering effects of the COVID-19 pandemic.

Locally, the focus (and distraction) will be on the elections and the ramifications of the various potential outcomes and the continued erosion of state-owned enterprises, with Transnet now fully in the spotlight.

The overall assets of IFM continue to grow and at financial year end were R5.882 billion across the six funds, compared to R4.959 billion the previous year end. We are expecting this growth to continue.

Year-to-date, while the four institutional funds have continued to outperform their benchmarks, the two retail focused funds have underperformed their benchmarks but are well positioned for the coming year.

From all at IFM we wish you a safe and healthy 2024.

Yours sincerely

CM Gill  
Managing Director

# Trustee's Report



09 February 2024

The Directors  
Itransact Fund Managers (Pty) Ltd  
28 Peter Place  
Lyme Park  
Sandton  
2060

Dear Sir/Madam

## 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 2022 to 30 September 2023 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 Portfolios in the year.

Yours faithfully

Anton Rijntjes  
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

## CORPORATE AND INVESTMENT BANKING

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Sandton 2198

PO Box 798273  
Sandton 2146  
South Africa

Switchboard +27 11 282 8000  
Website [rmb.co.za](http://rmb.co.za)

RMB is a division of FirstRand Bank Limited, is an Authorised Financial Services and Credit Provider NCRCP20. Reg. No. 1829/01125/06.

## Summarised Information for the year ending 30 September 2023

	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>1 869</b>	<b>(36 551)</b>	<b>107 843</b>
Deemed income and rebates	(40)	-	4 176
Net gains/(loss) on disposal of assets	1 909	(36 551)	103 667
<b>OPERATING EXPENSES</b>	<b>(493)</b>	<b>(3 404)</b>	<b>(14 319)</b>
Administration and management fees	476	3 230	13 846
Audit fee	(19)	77	150
Bank charges	1	2	25
Trustee fees	34	91	298
<b>OPERATING GAINS/(LOSSES)</b>	<b>1 376</b>	<b>(39 955)</b>	<b>93 524</b>
Investment Income	1 080	112 468	101 455
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>2 456</b>	<b>72 513</b>	<b>194 979</b>
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
<b>ASSETS</b>			
Portfolio investments	29 519	1 067 549	2 424 318
Current assets	147	56 116	84 241
<b>TOTAL ASSETS</b>	<b>29 666</b>	<b>1 123 665</b>	<b>2 508 559</b>
<b>CAPITAL AND LIABILITIES</b>			
Capital value of unit portfolio	29 314	1 066 425	2 343 104
Current liabilities	176	85 942	82 727
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>29 490</b>	<b>1 037 722</b>	<b>2 425 831</b>
Portfolio Composition	(%)	(%)	(%)
Basic materials	-	-	20
Bonds/ Debt	-	96	-
Consumer goods & services	-	-	24
Financials	-	-	27
Health care	-	-	3
Property	-	-	-
Technology and telecommunications	-	-	9
Collective Investment Schemes	100	-	3
Other	-	-	12
Cash	-	4	2
<b>TOTAL</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2023	6,39	6,50	13,20
Benchmark: one year up to 30/09/2023	10,29	7,20	11,90
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	1,44	0,86	0,86
Other	1,48	0,02	0,02
<b>Total Expense Ratio (TER)</b>	<b>2,92</b>	<b>0,88</b>	<b>0,88</b>

## Summarised Information for the year ending 30 September 2023

	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>398 259</b>	<b>5 253</b>	<b>696</b>
Deemed income and rebates	(45)	-	-
Net gains/(loss) on disposal of assets	398 304	5 253	696
<b>OPERATING EXPENSES</b>	<b>(10 222)</b>	<b>(1 696)</b>	<b>(648)</b>
Administration and management fees	9 344	1 528	544
Audit fee	150	45	24
Bank charges	6	34	9
Commission and other charges	216	-	-
Trustee fees	506	89	71
<b>OPERATING GAINS/(LOSSES)</b>	<b>388 037</b>	<b>3 557</b>	<b>48</b>
Investment income	16 772	21 157	1 819
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>404 809</b>	<b>24 714</b>	<b>1 867</b>
Condensed Statement of Financial Position	(R'000)	(R'000)	(R'000)
<b>ASSETS</b>			
Portfolio investments	1 780 296	301 847	24 800
Current assets	63 233	13 324	6 888
<b>TOTAL ASSETS</b>	<b>1 843 530</b>	<b>315 171</b>	<b>31 688</b>
<b>CAPITAL AND LIABILITIES</b>			
Capital value of unit portfolio	1 834 894	295 038	29 664
Current liabilities	4 318	10 066	1 012
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>1 839 212</b>	<b>305 104</b>	<b>30 676</b>
Portfolio Composition	(%)	(%)	(%)
Basic materials	1	-	20
Bonds/ Debt	4	91	-
Consumer goods & services	7	2	26
Financials	3	1	-
Health care	4	-	-
Utilities	2	-	-
Property	-	2	-
Telecommunications	1	-	7
Collective Investment Schemes	70	2	21
Other	4	-	7
Cash	4	2	19
<b>TOTAL</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Investment Performance	(%)	(%)	(%)
One year up to 30/09/2023	23,80	8,80	7,91
Benchmark: one year up to 30/09/2023	20,70	7,50	13,58
Fees	(%)	(%)	(%)
Maximum initial fee	0,00	0,00	0,00
Service fee (including VAT)	0,86	0,86	1,44
Other	0,04	0,07	0,24
<b>Total Expense Ratio (TER)</b>	<b>0,90</b>	<b>0,93</b>	<b>1,68</b>

# Summarised Information for the year ending 30 September 2023

	December 2022	March 2023	June 2023	September 2023	Total
Distribution Per Unit (cents per unit)	c	c	c	c	c
IFM Balanced Value Fund of Funds	-	-	-	1,08	1,08
IFM Bond Fund Class E	-	444,85	-	472,08	916,93
IFM Bond Fund Class Z	-	476,73	-	522,25	998,98
IFM Equity Fund Class E	-	182,00	-	311,00	493,00
IFM Equity Fund Class Z	-	208,00	-	344,00	552,00
IFM Global Diversified Fund Class E	-	-	-	-	-
IFM Global Diversified Fund Class Z	-	59,92	-	51,66	111,58
IFM Income Fund Class E	145,80	200,22	237,15	224,62	807,79
IFM Income Fund Class Z	158,04	272,56	148,55	238,52	817,67
IFM Technical Fund	-	2,62	-	13,51	16,13

## Company Information

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



#### Board of Directors

Johan Zwartz (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

0861 11 60 75

#### Email

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#### 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.