In January, we wrestled with a pleasant problem: how to rebuild your fund’s prior shape following large cash inflows from new investors during December and January. Not only are those two relatively illiquid months, but auctions of new debt instruments typically don’t take place until February. We were active in the secondary markets and successful in re-attaining the funds overall yield, which was about 9.7% at month-end. The easier problem of restoring targeted modified duration was dealt with swiftly using short and medium dated RSA bonds.

The net result was another month of pleasing outperformance of the fund’s benchmark.

In January bonds benefited from rand strength, lower domestic inflation, indications of softer monetary policy from the Fed in 2019 (not because of Trump’s interference!) and most of all, narrowing of South Africa’s sovereign spreads.

An analysis of factors affecting the adherence to the policy objective is contained in the fund manager commentary together with performance as reported. A detailed listing of changes from the previous quarter is available on request from info@miplan.co.za or clientservices@ipmc.co.za

Collective Investment Schemes are generally medium to long term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the manager. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager retains full legal responsibility for the Fund, regardless of Co-Naming arrangements. The fund is invested in portfolios of collective investment schemes that levy their own charges, and which could result in a higher fee structure for the fund.
The performance of this product was affected by the African Bank event. African Bank instruments were transferred into a retention fund from which units were issued to impacted investors. The composite performance of the retention fund and the main fund is used for comparative purposes. It is indicated above.

*Returns are annualised if period is longer than 12 months. Based on A1 class.

The portfolio may include foreign investments and the following additional risks may apply: liquidity constraints when selling foreign investments and risk of non-settlement of trades; macroeconomic and political risks associated with the country in which the investment is made; risk of loss on foreign exchange transactions and investment valuation due to fluctuating exchange rates; risk of foreign tax being applicable; potential limitations on availability of market information which could affect the valuation and liquidity of an investment. All of these risks could affect the valuation of an investment in the fund.

Publicly, MI-PLAN has a 37% ownership interest in IP Management Company (RF) (Pty) Ltd. IP Management is a registered Collective Investment Manager in terms of CISCA and performs administrative functions on co-branded MI-PLAN IP products. MI-PLAN offers investors a unique liability matching offering that matches the client's portfolio to their unique needs as documented at www.miplan.co.za. The complexity and uniqueness of this process and variability of each client's needs, required that technology be used to embed MI-PLAN's intellectual property in the financial service offering. In delivering this financial service, software is provided by MI-PLAN to advisers that determine a software that is the most appropriate for your needs.

The advisor's obligations to render unbiased, fair advice in the best interests of you, the client, remains with your advisor. Your advisor's obligation is to compare this software against all others and ensure it is the most appropriate for your needs.