

# Alliance Midmed Medical Scheme



## Monthly Consulting Report

28 February 2019

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## portfolio summary

### valuations

month	valuation (R)
February 2019	66,698,295
January 2019	60,927,324
November 2018	54,479,582
February 2018	39,787,315
February 2017	36,722,753
February 2016	31,147,830
February 2014	27,536,880

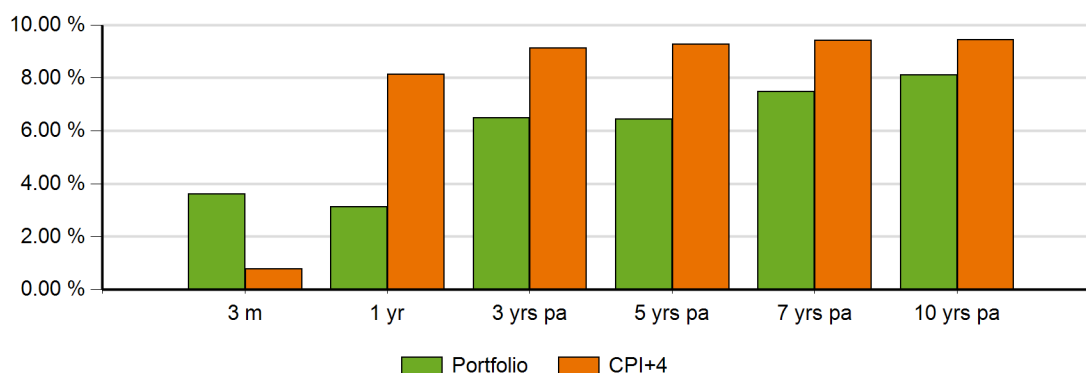
### underlying investments

investment	valuation (R)
Income Fund	20,913,724
Absolute Return Fund	22,506,400
Domestic Stable Medical Portfolio	23,278,171
total	66,698,295

### transaction history

traded	fund	transaction type	value (R)
14-Feb-2019	Allan Gray Life Limited - Domestic Stable Medical Portfolio	purchases	5,000,000
21-Dec-2018	STANLIB - Income Fund	purchases	5,000,000
21-Dec-2018	Coronation - Medical Schemes Portfolio	sales	17,639,986
21-Dec-2018	Allan Gray Life Limited - Domestic Stable Medical Portfolio	purchases	17,639,986
05-Oct-2018	STANLIB - Income Fund	purchases	5,000,000
26-Jul-2018	STANLIB - Income Fund	purchases	5,000,000
18-May-2018	STANLIB - Income Fund	purchases	5,000,000
18-Oct-2016	Prudential Portfolio Managers - Absolute Return Fund	purchases	1,000,000
13-Sep-2016	Prudential Portfolio Managers - Absolute Return Fund	purchases	1,000,000
24-Aug-2016	Prudential Portfolio Managers - Absolute Return Fund	purchases	1,000,000

### performance analysis



The CPI figures are lagged by one month as they were calculated before the current inflation rate was released.

	3 m	1 yr	3 yrs pa	5 yrs pa	7 yrs pa	10 yrs pa
Portfolio	3.62%	3.14%	6.52%	6.45%	7.51%	8.13%
CPI+4	0.80%	8.15%	9.16%	9.30%	9.45%	9.47%

## STANLIB - Income Fund

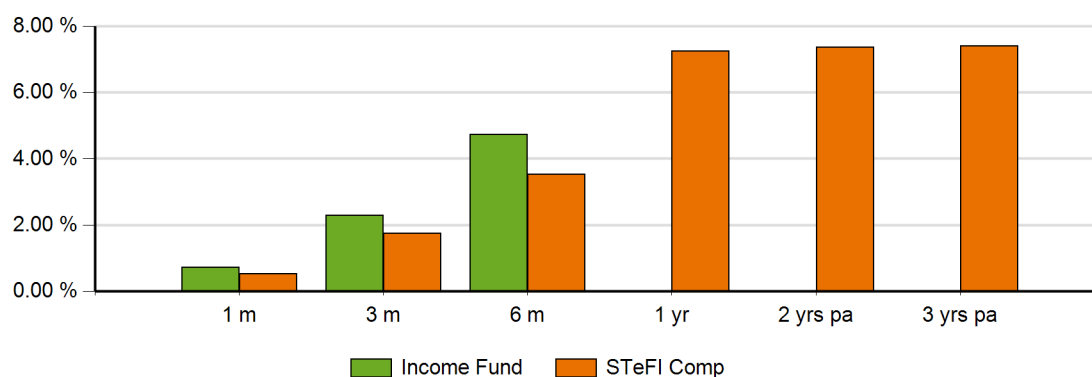
### valuations

month	valuation (R)
February 2019	20,913,724
January 2019	20,762,995
November 2018	15,460,542
February 2018	0
February 2017	0
February 2016	0
February 2014	0

### transaction history

traded	transaction type	value (R)
21-Dec-2018	purchases	5,000,000
05-Oct-2018	purchases	5,000,000
26-Jul-2018	purchases	5,000,000
18-May-2018	purchases	5,000,000

### performance analysis



	1 m	3 m	6 m	1 yr	2 yrs pa	3 yrs pa
Fund	0.73%	2.30%	4.74%			
STeFI Comp	0.55%	1.76%	3.55%	7.26%	7.37%	7.43%

## Allan Gray Life Limited - Domestic Stable Medical Portfolio

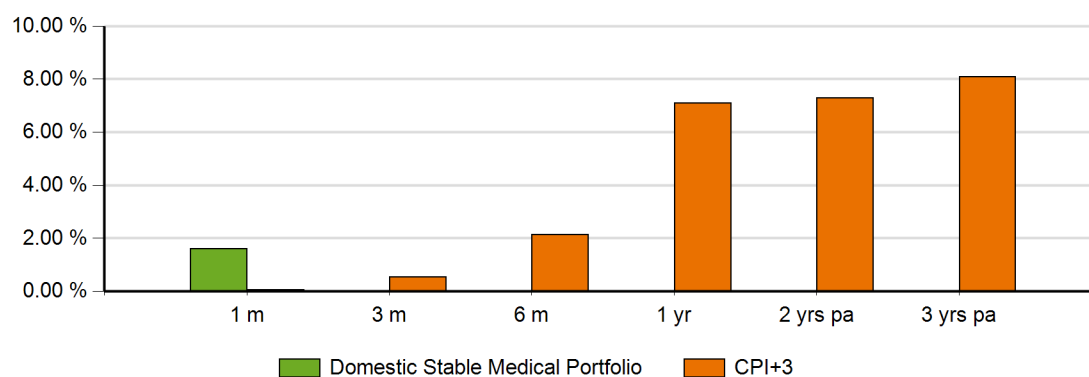
### valuations

month	valuation (R)
February 2019	23,278,171
January 2019	17,946,538
November 2018	0
February 2018	0
February 2017	0
February 2016	0
February 2014	0

### transaction history

traded	transaction type	value (R)
14-Feb-2019	purchases	5,000,000
21-Dec-2018	purchases	17,639,986

### performance analysis



The CPI figures are lagged by one month as they were calculated before the current inflation rate was released.

	1 m	3 m	6 m	1 yr	2 yrs pa	3 yrs pa
Fund	1.62%					
CPI+3	0.06%	0.56%	2.14%	7.11%	7.30%	8.11%

## Prudential Portfolio Managers - Absolute Return Fund

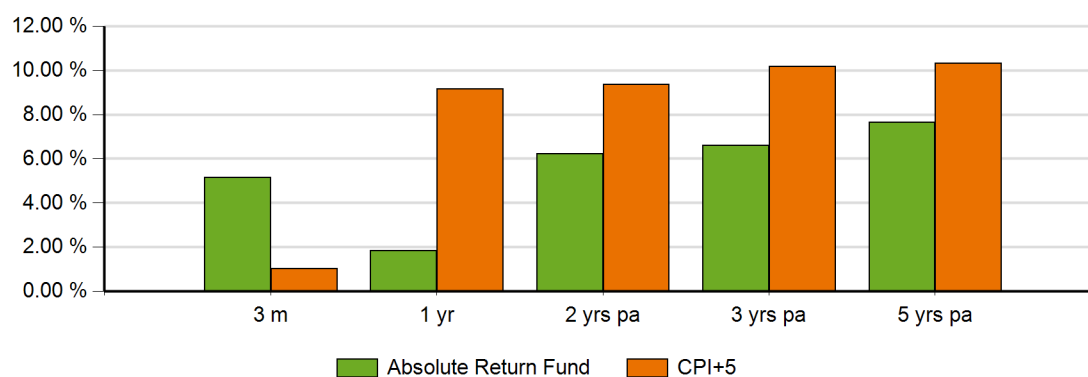
### valuations

month	valuation (R)
February 2019	22,506,400
January 2019	22,217,791
November 2018	21,398,392
February 2018	22,095,971
February 2017	19,938,423
February 2016	15,750,467
February 2014	11,534,363

### transaction history

traded	transaction type	value (R)
18-Oct-2016	purchases	1,000,000
13-Sep-2016	purchases	1,000,000
24-Aug-2016	purchases	1,000,000
04-Dec-2015	purchases	2,000,000
30-Nov-2012	purchases	10,000,000

### performance analysis



The CPI figures are lagged by one month as they were calculated before the current inflation rate was released.

	3 m	1 yr	2 yrs pa	3 yrs pa	5 yrs pa
Fund	5.18%	1.86%	6.24%	6.62%	7.66%
CPI+5	1.04%	9.18%	9.38%	10.20%	10.35%

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# Alliance Midmed Medical Scheme



## Treasury Management Report

February 2019

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# Alliance Midmed Medical Scheme

## Portfolio Analysis

average funds (R)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
call deposits	9,830,793	9,461,592	9,375,649	8,406,044	7,937,555	7,394,314	7,655,523	7,825,746	7,277,847
fixed deposits					1,265,153	1,589,114	1,941,791	2,615,441	3,911,016
<b>weighted totals</b>	<b>9,830,793</b>	<b>9,461,592</b>	<b>9,375,649</b>	<b>8,406,044</b>	<b>9,202,708</b>	<b>8,983,428</b>	<b>9,597,314</b>	<b>10,441,186</b>	<b>11,188,863</b>

average interest earned (R)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
call deposits	50,717	51,687	52,141	46,143	43,643	40,735	42,877	44,235	38,632
fixed deposits					6,302	8,066	10,459	14,827	20,321
<b>weighted totals</b>	<b>50,717</b>	<b>51,687</b>	<b>52,141</b>	<b>46,143</b>	<b>49,945</b>	<b>48,802</b>	<b>53,336</b>	<b>59,062</b>	<b>58,953</b>

**note: weighted totals are per month**



# Alliance Midmed Medical Scheme

## Performance Analysis

average investment returns (%)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
weighted totals	0.52	1.10	1.68	3.35	6.83	6.85	6.95	7.04	6.59

industry returns (%)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
cash benchmark: STeFI Call Index	0.50	1.06	1.61	3.21	6.57	6.60	6.71	6.94	6.39
STeFI Composite	0.55	1.16	1.76	3.55	7.26	7.27	7.37	7.43	6.98
STeFI 3 Month	0.52	1.10	1.68	3.39	6.92	6.93	7.02	7.06	6.63

**please note:** the 18 - 60 months returns are annualized

# Alliance Midmed Medical Scheme

## Cash flow Summary

contribution and withdrawals	number	total rand value
contribution	8	9,980,000
withdrawal	7	12,230,000

## Investment Summary

call balances	call cost (R)	call accrued int (R)	call total balance (R)	rate (%)
ABSA Bank Ltd	15,565	78	15,642	6.500
FirstRand Bank Ltd	585	3	588	6.500
Investec Bank Ltd	3,471,287	17,395	3,488,682	6.650
Nedbank Ltd	1,301,491	5,703	1,307,194	6.500
Nedbank Ltd	1,674,405	10,739	1,685,144	7.300
The Standard Bank of South Africa Ltd	3,467,102	16,800	3,483,902	6.550
<b>total</b>	<b>9,930,436</b>	<b>50,717</b>	<b>9,981,153</b>	

# Alliance Midmed Medical Scheme

# Alliance Midmed Medical Scheme

## Compliance Analysis

	moodys rating	exposure (%)	mandate requirement (%)	market value (R)
Absa Bank Ltd	Aa1.za	0.16	35.00	15,642.22
FirstRand Bank Ltd	Aaa.za	0.01	35.00	588.41
Investec Bank Ltd	Aa1.za	34.95	35.00	3,488,681.58
Nedbank Ltd	Aa1.za	29.98	35.00	2,992,337.93
The Standard Bank of South Africa Ltd	Aa1.za	34.90	35.00	3,483,902.46
<b>Total funds as at month end</b>				<b>9,981,152.60</b>

## Economic Commentary

The SARB has turned more cautious recently, in line with several other central banks. At its last meeting, it revised its oil price forecast sharply lower, which seemed to reduce its inflation forecast by 70bps to 4.8% for 2019. Of consequence was the fact that the QPM then shifted to show just one hike of 25bps required to reach the SARB's 4.5% inflation target, versus three hikes forecast in November 2018.

We believe that risks to the SARB's inflation outlook are now to the upside, after it has swung from too hawkish to too dovish between the last two meetings.

Despite the positive developments from an inflation perspective, the SARB is still mindful that risks to the inflation outlook are assessed to be moderately to the upside. These risks emanate from the possibility of higher administered and utilities prices, upside risks to food inflation, volatile international oil prices and threats to risk sentiment and its effect on EMs.

The SARB MPC meets again this month to deliberate on interest rates – we expect a similar dovish stance, as inflation has surprised to the downside and the rand has remained below the SARB's previous starting point of R14.30/USD. Furthermore, the Fed has become increasingly dovish in recent weeks, which may also keep the SARB hawks at bay.

We expect a downward revision to its growth forecasts, reflecting a profile similar to that projected by the NT, i.e., 1.5%, 1.7%, and 2.1% over the next three years. The SARB is likely to stress that growth risks remain to the downside.

Source: Nedbank Capital

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# Alliance Midmed Medical Scheme - Savings



## Treasury Management Report

February 2019

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# Alliance Midmed Medical Scheme - Savings

## Portfolio Analysis

average funds (R)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
call deposits				180,125	876,377	2,047,581	2,808,073	3,905,874	4,023,883
fixed deposits	5,375,000	7,010,081	8,350,806	11,745,027	18,112,612	21,052,025	21,847,388	21,561,025	20,885,699
<b>weighted totals</b>	<b>5,375,000</b>	<b>7,010,081</b>	<b>8,350,806</b>	<b>11,925,152</b>	<b>18,988,989</b>	<b>23,099,605</b>	<b>24,655,461</b>	<b>25,466,900</b>	<b>24,909,583</b>

average interest earned (R)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
call deposits				123	3,783	10,456	15,080	21,618	20,889
fixed deposits	32,083	44,819	54,517	77,118	120,026	140,240	147,441	145,758	133,176
<b>weighted totals</b>	<b>32,083</b>	<b>44,819</b>	<b>54,517</b>	<b>77,241</b>	<b>123,809</b>	<b>150,696</b>	<b>162,522</b>	<b>167,376</b>	<b>154,064</b>

**note: weighted totals are per month**



# Alliance Midmed Medical Scheme - Savings

## Performance Analysis

average investment returns (%)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
weighted totals	0.60	1.27	1.95	3.97	8.16	8.15	8.21	8.19	7.66

industry returns (%)	current month	ytd	3 months	6 months	12 months	18 months	24 months	36 months	60 months
cash benchmark: STeFI Call Index	0.50	1.06	1.61	3.21	6.57	6.60	6.71	6.94	6.39
STeFI Composite	0.55	1.16	1.76	3.55	7.26	7.27	7.37	7.43	6.98
STeFI 3 Month	0.52	1.10	1.68	3.39	6.92	6.93	7.02	7.06	6.63

**please note:** the 18 - 60 months returns are annualized

# Alliance Midmed Medical Scheme - Savings

## Cash flow Summary

contribution and withdrawals	number	total rand value
withdrawal	4	3,775,618

## Investment Summary

fixed deposit maturities	instrument	purchase date	maturity date	cost (R)	maturity value (R)	interest received (R)	rate (%)
Absa Bank Ltd	12 MONTH FTD	02/02/2018	01/02/2019	1,500,000	1,617,801	117,801	7.875
Absa Bank Ltd	12 MONTH FTD	23/02/2018	22/02/2019	500,000	538,893	38,893	7.800
Investec Bank Ltd	12 MONTH FTD	09/02/2018	08/02/2019	1,000,000	1,079,781	79,781	8.000
The Standard Bank of South Africa Ltd	12 MONTH FTD	16/02/2018	15/02/2019	500,000	539,142	39,142	7.850

fixed deposit balances	instrument	purchase date	maturity date	cost (R)	current value (R)	accrued interest (R)	rate (%)
FirstRand Bank Ltd	12 MONTH FTD	06/04/2018	05/04/2019	1,000,000	1,069,631	69,631	7.725
Investec Bank Ltd	12 MONTH FTD	29/03/2018	29/03/2019	500,000	535,870	35,870	7.770
Nedbank Ltd	12 MONTH FTD	09/03/2018	08/03/2019	2,000,000	2,152,581	152,581	7.800
The Standard Bank of South Africa Ltd	12 MONTH FTD	13/04/2018	12/04/2019	1,000,000	1,068,149	68,149	7.725
<b>total</b>				<b>4,500,000</b>	<b>4,826,231</b>	<b>326,231</b>	

# Alliance Midmed Medical Scheme - Savings

## Compliance Analysis

	moodys rating	exposure (%)	mandate requirement (%)	market value (R)
FirstRand Bank Ltd	Aaa.za	22.16	35.00	1,069,419.18
Investec Bank Ltd	Aa1.za	11.10	35.00	535,763.29
Nedbank Ltd	Aa1.za	44.60	35.00	2,152,153.42
The Standard Bank of South Africa Ltd	Aa1.za	22.13	35.00	1,067,937.67
Total funds as at month end				4,825,273.56

## Economic Commentary

The SARB has turned more cautious recently, in line with several other central banks. At its last meeting, it revised its oil price forecast sharply lower, which seemed to reduce its inflation forecast by 70bps to 4.8% for 2019. Of consequence was the fact that the QPM then shifted to show just one hike of 25bps required to reach the SARB's 4.5% inflation target, versus three hikes forecast in November 2018.

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