



CONSERVATIVE INDEX FUND

KEY FACTS

Launch Date:	May 2015
Portfolio Category:	Worldwide Asset Allocation
Product Vehicle:	Pooled, unitised fund policy as defined in the Long-term Insurance Act, 1988.
Target:	CPI + 3% over rolling three- to five-year periods
*Benchmark:	Composite Asset Allocation Benchmark
Minimum Investment:	R10 million
Fees:	0.30% per annum

*The fund aims to track the components of the benchmark. Please refer to the table alongside for further details of the benchmark

INVESTMENT DESCRIPTION

The Conservative Index fund is a fully diversified portfolio investing in a mix of local and offshore equities, listed property, interest bearing assets (including inflation linked bonds) and cash.

The fund invests in funds targeting the return of an index. Index funds offer the benefits of substantially lower fees and significantly reduce the uncertainty of fund performance relative to the market. Lower fees and efficient investment indexation processes minimise the tracking error on the overall returns.

INVESTMENT OBJECTIVE

Through a well-diversified mix of asset classes, this fund aims to deliver long-term conservative growth with low volatility in returns. The portfolio is Regulation 28 compliant and rebalanced, in line with its strategic allocation, in March every year. Rebalancing the portfolio annually keeps trading costs to a minimum while ensuring that the portfolio partakes in the intended combination of returns originating from each asset class. The fund has a long-term real return target of 3% (CPI+3%).

RISK CHARACTERISTICS

This is a conservative risk fund with some exposure to share price, interest-rate and currency fluctuations. A conservatively balanced, diversified portfolio across local and global asset classes helps lessen these fluctuations.

SUITABLE INVESTORS

This fund is suitable for investors wanting conservative to moderate long term growth with less volatility than pure equity.

INVESTMENT TEAM

The Fund is managed by the Indexation investment team within the Customised Solutions boutique.

CONTACT DETAILS

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BERNISHA LALA
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FRANK SIBIYA
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Portfolio Manager

PERFORMANCE AS AT 31/05/2018

	3 Months	1 Year	3 Years	5 Years	Since Inception
* Benchmark	2.0%	7.4%	8.3%	-	8.3%
CPI + 3% p.a.	0.3%	5.4%	6.3%	-	5.5%

Source: Old Mutual Investment Group

* The Fund aims to track the components of the benchmark

STRATEGIC BENCHMARK ASSET ALLOCATION

Asset Class	Building Block/ Benchmark	Actual Asset Allocation
Domestic Equity incl. property	FTSE/JSE SWIX Index Fund	22.9%
Domestic Property	SA Listed Property Index Fund	4.3%
Domestic Bonds	All Bond Index Fund	17.6%
Domestic Bonds	Domestic ILB Index Fund	9.0%
Domestic Cash	Old Mutual Core Money Market Fund	27.2%
Domestic Total		81.0%
International Equity	Old Mutual FTSE RAFI All World Index Fund	5.9%
International Equity	Old Mutual MSCI ACWI ESG Index Fund	5.9%
Global Bonds	Citigroup Group-of-Seven (G7) Index	7.2%
International Total		19.0%

Source: Old Mutual Investment Group

BUILDING BLOCK RETURNS

1-year Annualised Returns	Fund	Benchmark	Differential
Capped SWIX Index Tracker	3.04	3.35	(0.31)
Property Index Tracker	(6.43)	(6.45)	0.02
Inflation Linked Bond Tracker	3.47	3.48	(0.01)
ALBI Bond Tracker	10.46	10.44	0.02
RAFI All World Index Tracker**	5.88	6.11	(0.23)
Futuregrowth Core Money Market	8.04	7.04	1.00

* Net Total Returns

TOP TEN SA EQUITY HOLDINGS AS AT 31/05/2018

HOLDING	JSE CODE	SECTOR	% OF SA EQUITY
Naspers Ltd	NPN	Consumer Services	9.1%
Standard Bank Group Limited	SBK	Financials	5.3%
Sasol Ltd	SOL	Oil & Gas	5.1%
MTN Group Limited	MTN	Telecommunications	4.1%
FirstRand Ltd	FSR	Financials	3.8%
Anglo American plc	AGL	Basic Materials	3.4%
British American Tobacco	BTI	Consumer Goods	3.1%
Sanlam Ltd	SUM	Life Insurance	2.6%
Old Mutual plc	OML	Life Insurance	2.4%
Barclays Africa	BGA	Financials	2.1%
Total			41.0%

Source: Old Mutual Investment Group

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