



BALANCED INDEX FUND

KEY FACTS

Launch Date:	July 2012
Portfolio Category:	Worldwide Asset Allocation
Product Vehicle:	Pooled, unitised fund policy as defined in the Long-term Insurance Act, 1988.
Target:	CPI + 5% over rolling three- to five-year periods
*Benchmark	Composite Asset Allocation Benchmark
Minimum Investment:	R10 million
Fees:	30bps

*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 Balanced 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 growth while limiting the 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 5% (CPI+5%).

RISK CHARACTERISTICS

This is a moderate risk fund exposed to share price, interest rate and currency fluctuations. A balanced, diversified portfolio across local and global asset classes helps lessen these fluctuations.

SUITABLE INVESTORS

This fund is suitable for investors wanting moderate to high 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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PERFORMANCE AS AT 28/02/2019
Gross Composite Returns

	3 Months	1 Year	3 Years	5 Years	Since Inception
Portfolio	5.0%	1.4%	6.4%	7.3%	10.4%
Target: CPI+5%	1.7%	9.1%	9.8%	10.1%	10.3%

Source: Old Mutual Investment Group

ASSET ALLOCATION AS AT 28/02/2019

Asset Class	Building Block/ Benchmark	Actual Asset Allocation
Domestic Equity incl. property	FTSE/JSE Capped SWIX Index Fund	50.6%
Domestic Property	SA Listed Property Index Fund	5.6%
Domestic Bonds	All Bond Index Fund	7.7%
Domestic Bonds	Domestic ILB Index Fund	6.2%
Domestic Cash	Old Mutual Core Money Market Fund	5.5%
Domestic Total		75.6%
International Bonds	Citigroup Group-of-Seven (G7) Index	2.8%
International Equity	MSCI ACWI ESG Index Fund	10.9%
International Equity	Old Mutual FTSE RAFI All World Index Fund	10.7%
International Total		24.4%

Source: Old Mutual Investment Group

BUILDING BLOCK RETURNS

1-year Annualised Returns	Fund	Benchmark	Differential
Capped SWIX Index Tracker	(6.26)	(6.19)	(0.07)
Property Index Tracker	(5.21)	(5.20)	(0.01)
Inflation Linked Bond Tracker	1.70	1.70	-
ALBI Bond Tracker	4.47	4.21	0.26
RAFI All World Index Tracker**	15.56	15.34	0.22
Futuregrowth Core Money Market	7.95	6.92	1.03
MSCI ACWI ESG	19.22	19.34	(0.12)

* Two year annualised returns
** Net Total Returns

TOP TEN SA EQUITY HOLDINGS AS AT 28/02/2019

HOLDING	JSE CODE	SECTOR	% OF SA EQUITY
Naspers Ltd	NPN	Consumer Services	10.1%
Standard Bank Group Limited	SBK	Financials	5.0%
Sasol Ltd	SOL	Oil & Gas	4.8%
FirstRand Ltd	FSR	Financials	4.1%
Anglo American plc	AGL	Basic Materials	3.9%
MTN Group Limited	MTN	Telecommunications	3.0%
Sanlam Ltd	SUM	Life Insurance	2.7%
British American Tobacco	BTI	Consumer Goods	2.6%
ABSA Group Limited	ABG	Financials	2.5%
Nedbank Group Ltd	NED	Financials	2.3%
Total			41.1%

Source: Old Mutual Investment Group

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