


**BERNISHA LALA**  
 Portfolio Manager

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 Portfolio Manager

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 Portfolio Manager

## BALANCED INDEX FUND

### KEY FACTS

<b>Launch Date:</b>	July 2012
<b>Portfolio Category:</b>	Worldwide Asset Allocation
<b>Product Vehicle:</b>	Pooled, unitised fund policy as defined in the Long-term Insurance Act, 1988.
<b>Target:</b>	CPI + 5% over rolling three- to five-year periods
<b>*Benchmark</b>	Composite Asset Allocation Benchmark
<b>Minimum Investment:</b>	R10 million
<b>Fees:</b>	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 31/03/2019

#### Gross Composite Returns

	3 Months	1 Year	3 Years	5 Years	Since Inception
Portfolio	4.8%	4.1%	4.9%	7.1%	10.4%
Target: CPI+5%	2.8%	9.7%	9.9%	10.0%	10.4%

Source: Old Mutual Investment Group

### ASSET ALLOCATION AS AT 31/03/2019

Asset Class	Building Block/ Benchmark	Actual Asset Allocation
Domestic Equity incl. property	FTSE/JSE Capped SWIX Index Fund	50.2%
Domestic Property	SA Listed Property Index Fund	5.5%
Domestic Bonds	All Bond Index Fund	7.6%
Domestic Bonds	Domestic ILB Index Fund	6.1%
Domestic Cash	Old Mutual Core Money Market Fund	5.6%
<b>Domestic Total</b>		<b>75.0%</b>
International Bonds	Citigroup Group-of-Seven (G7) Index	11.2%
International Equity	MSCI ACWI ESG Index Fund	10.8%
International Equity	Old Mutual FTSE RAFI All World Index Fund	2.9%
<b>International Total</b>		<b>25.0%</b>

Source: Old Mutual Investment Group

### BUILDING BLOCK RETURNS

1-year Annualised Returns	Fund	Benchmark	Differential
FTSE/JSECapped SWIX Index Fund	(2.59)	(2.56)	(0.03)
SA Listed Property Index Fund	(5.57)	(5.68)	0.11
All Bond Index Fund	3.52	3.46	0.06
Domestic ILB Index Fund	(3.48)	(5.68)	2.20
OM Core Money Market Fund	7.88	6.93	0.95
MSCI ACWI ESG Index Fund	25.60	25.37	0.24
OM FTSE RAFI All World Index F	20.04	20.07	(0.03)
Group-of-Seven (G7) Index	19.19	20.69	(1.49)

\* Two year annualised returns  
 \*\* Net Total Returns

### TOP TEN SA EQUITY HOLDINGS AS AT 31/03/2019

HOLDING	JSE CODE	SECTOR	% OF SA EQUITY
Naspers N	NPN	Consumer Discretionary	10.8%
Sasol	SOL	Materials	5.0%
Standard Bank Group	SBK	Financials	4.7%
Anglo American Plc	AGL	Materials	4.1%
Firststrand	FSR	Financials	4.0%
Mtn Group	MTN	Communication Services	3.2%
British American Tobacco	BTI	Consumer Staples	3.0%
Sanlam	SLM	Financials	2.6%
Bhp Group Plc	BHP	Materials	2.3%
ABSA Group	ABG	Financials	2.1%
<b>Total</b>			<b>41.8%</b>

Source: Old Mutual Investment Group

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