



KEY FACTS

| | |
|----------------------------|---|
| Launch Date: | July 2012 |
| 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.



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Portfolio Manager



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CONTACT DETAILS

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FUND PERFORMANCE AS AT 31/10/2019

Gross Composite Returns

| | 3-Months | 1 Year | 3 Years | 5 Years | Since Inception |
|----------------|----------|--------|---------|---------|-----------------|
| Fund | 3.1% | 7.9% | 6.1% | 6.4% | 10.1% |
| Benchmark* | 3.0% | 8.0% | 6.3% | 6.5% | 10.1% |
| Target: CPI+5% | 2.0% | 8.9% | 9.6% | 10.0% | 10.3% |

* The Fund aims to track the components of the benchmark.

Source: Old Mutual Investment Group

ASSET ALLOCATION AS AT 31/10/2019

| Asset Class | Building Block/ Benchmark | Actual Asset Allocation |
|--------------------------------|--------------------------------|----------------------------|
| Domestic Equity excl. property | FTSE/JSECapped SWIX Index Fund | 50.4% |
| Domestic Property | SA Listed Property Index Fund | 5.9% |
| Domestic Bonds | All Bond Index Fund | 7.1% |
| Domestic Inflation-linked Bond | Domestic ILB Index Fund | 6.1% |
| Domestic Cash | OM Core Money Market Fund | 6.5% |
| Domestic Total | | 76.0% |
| International Equity (MSCI) | MSCI ACWI ESG Index Fund | 10.6% |
| International Equity (RAFI) | OM FTSE RAFI All World Index F | 10.3% |
| International Bonds | Group-of-Seven (G7) Index | 3.0% |
| International Total | | 24.0% |

Source: Old Mutual Investment Group

BUILDING BLOCK RETURNS

| 1-year Annualised Returns | Fund | Benchmark | Differential |
|--------------------------------|------|-----------|--------------|
| FTSE/JSECapped SWIX Index Fund | 5.8 | 6.0 | -0.2 |
| SA Listed Property Index Fund | 0.7 | 0.8 | -0.1 |
| All Bond Index Fund | 12.8 | 13.0 | -0.1 |
| Domestic ILB Index Fund | 2.3 | 2.4 | 0.0 |
| OM Core Money Market Fund | 7.9 | 7.0 | 1.0 |
| MSCI ACWI ESG Index Fund | 17.9 | 17.3 | 0.6 |
| OM FTSE RAFI All World Index F | 9.7 | 10.3 | -0.6 |
| Group-of-Seven (G7) Index | 11.3 | 12.4 | -1.1 |

Source: Old Mutual Investment Group

TOP TEN SA EQUITY HOLDINGS AS AT 31/10/2019

| Holding | JSE Code | Sector | % of SA Equity |
|--------------------------|----------|--------------------|----------------|
| Naspers Ltd -N- | NPN | Consumer Services | 8.6% |
| Standard Bank Group Ltd | SBK | Financials | 4.4% |
| Firststrand Ltd | FSR | Financials | 4.1% |
| Anglo American plc | AGL | Basic Materials | 4.1% |
| Prosus PRX | PRX | Consumer Services | 3.3% |
| MTN Group Ltd | MTN | Telecommunications | 3.3% |
| Sasol Limited | SOL | Oil & Gas | 3.0% |
| British American Tob plc | BTI | Industrials | 3.0% |
| Sanlam Limited | SLM | Financials | 2.7% |
| BID Corporation Ltd | BID | Industrials | 2.3% |
| Total | | | 38.8% |

Source: Old Mutual Investment Group

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