

Momentum MoM Target Factor 5 Portfolio

July 2013

Investment strategy

This investment portfolio is aimed at members of a retirement fund who are in the consolidation phase of investing. These members would have a medium-term investment horizon and should be invested in a balance of growth and defensive assets. This balance is achieved by the portfolio being benchmarked against a 45% benchmark allocation to local equities and property as well as global equities to achieve growth. The remaining 55% is benchmarked against investments that should preserve the purchasing power of the capital accumulated. The portfolio has a significantly lower policy fee and the use of performance fees is limited.

Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	27.50%	FTSE/JSE Shareholder Weighted All-Share Index
Local property	10.00%	FTSE/JSE SA Listed Property Index
Local bonds	20.00%	Bond Exchange Association of SA All Bond Index
Local cash	10.00%	Short-term Fixed Interest Composite Index
Local ILB	10.00%	Barclays BEASSA SA Government ILB Index
Local commodities	2.50%	Short-term Fixed Interest Composite Index
Global equities	7.50%	MSCI World Index
Global bonds	12.50%	Citigroup World Government Bond Index

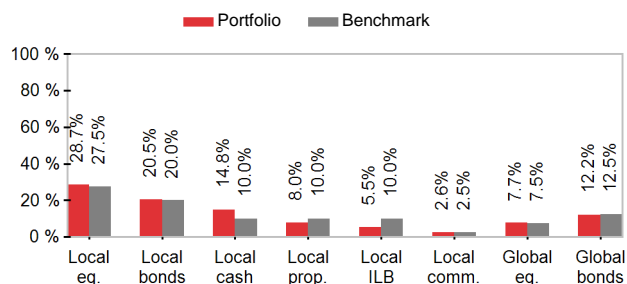
Investment returns

	One Month	Three Months	One Year	Since Inception
Portfolio	1.56%	0.84%	12.96%	14.53%
Benchmark	1.03%	0.75%	13.94%	16.50%
CPI + 5.0% p.a			10.57%	10.52%

Risk analysis

(Calculation based on one-year period)	Portfolio	Benchmark
Volatility	4.7%	4.1%
Maximum drawdown	-2.7%	-2.2%
Information ratio	-0.7	
Worst month	-2.7%	-2.2%
Best month	2.2%	2.3%

Asset allocation



Investment portfolio mandate

The long-term return objective of this portfolio is inflation plus 5% a year over five-year rolling periods. All combinations of asset classes are considered and an optimum allocation is selected to achieve this objective with a high degree of certainty. The risk of exposure to losses in the short term is continually managed by maximising diversification to investment managers, strategies and asset classes. This portfolio is managed in accordance with the investment limitations set out in Regulation 28 of the Pension Funds Act.

Investment portfolio information

Inception Date	August 2011
Investment Horizon	Medium term
Risk Profile	
Asset Management Fee	Negotiable for policyholders

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers			
Salient Value Beta	0.86%	8.13%	2.1%
Grindrod AM	4.72%	17.88%	3.1%
Dibanisa	3.26%	19.23%	20.1%
SIM Momentum	5.11%	28.73%	3.7%
Local property managers			
Dibanisa Property	-2.22%	5.45%	8.0%
Local bond managers			
Prescient	-0.49%	2.57%	21.6%
Local cash managers			
Taquanta	0.52%		6.8%
Momentum Asset Management	0.55%	6.29%	6.4%
Liquidity			0.0%
Global equity managers			
Blackrock (developed markets)	5.01%	47.84%	6.9%
Blackrock (emerging markets)	4.16%	25.06%	0.8%
Global bond managers			
State Street Global Advisors	1.01%	15.18%	12.4%
Local inflation-linked bond manager			
Momentum Asset Management	1.94%	8.24%	5.5%
Local commodity managers			
Absa capital	7.19%	-3.87%	2.6%
Total			100%

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