FACT SHEET: LONG-TERM GROWTH PORTFOLIO

Investment objective

The investment objective of the Long-term Growth Portfolio is to achieve a real return (after deducting management expenses) relative to SA price inflation of 5.5% p.a. over any rolling 5-year period. Please note that this level of return is not guaranteed. This portfolio is available only to members who choose to invest according to the Life Stage Model.

Asset allocation

The strategic asset allocation of the Portfolio is approximately 70% to equities and 30% to bonds and cash. Approximately 23% of the total assets are invested in developed markets outside South Africa. The actual allocation of the Portfolio will vary substantially around this strategic asset allocation. It is important to highlight that the split between SA and international investments particularly will depend on market conditions.

Performance characteristics

This portfolio does not provide a guarantee. It aims to deliver a good return relative to inflation. It has a long-term investment horizon and one should not measure its performance over periods of less than 5 years.

The SA equity component is managed according to the value style and international equities also have a value bias. A key feature of the value style is that it tends to provide greater protection of capital in weak markets, but it is likely to under-perform the market significantly in speculative bull markets. The performance of this portfolio is thus likely to be significantly different from that of the average retirement fund – it should generally deliver better performance in weak markets, but under-performance in strong markets. There are however no guarantees of this.

Investment managers

The investment vehicle is a pooled portfolio, and the investments are split between four asset managers. The managers are:

- Allan Gray Life Limited
- Investec Asset Management (Pty) Limited
- Foord Unit Trusts Limited
- Coronation Life Assurance Company Limited,

The assets in the Long-term Growth Portfolio is currently split between four asset managers as follows:

- Coronation Houseview Global Balanced Fund 20%
- Investec (Value) Balanced Fund 20%
- Allan Gray Global Balanced Fund 30%
- Foord Global Balanced Fund 30%

With effect from June 2016 the Long-term growth Portfolio split will be changed as follows:

- Coronation Houseview Global Balanced Fund 25%
- Investec (General Equity) Balanced Fund 25%
- Allan Gray Global Balanced Fund 25%
- Foord Global Balanced Fund 25%

Costs

The following charges apply to this portfolio:

- Investment management fees: The member pays the investment manager fees (the fees are deducted from the investment return credited to you).
FACT SHEET: OWN CHOICE – ALLAN GRAY; INVESTEC VALUE
CORONATION HOUSEVIEW AND FOORD PORTFOLIOS

For information on the “Own Choice” Allan Gray, Investec Value, Coronation Houseview and Foord Portfolios, please refer to the previous fact sheet – Long-term Growth Portfolio. The information on that Fact sheet applies also to these four Own Choice Portfolios, with the following differences:

- These four portfolios do not form part of the Life Stage Portfolios. They are only available to members wanting to invest differently from the Life Stage Model.
- Each portfolio is invested exclusively with one asset manager – Allan Gray, Investec, Coronation or Foord. There is no pooling between managers like the Long-term Growth Portfolio.
FACT SHEET: MEDIUM-TERM PROTECTION PORTFOLIO

Investment objective

The investment objective of the Medium-term Protection Portfolio is to achieve a real return (after deducting management expenses) relative to price inflation of 3% p.a. over any rolling 5-year period. This level of return is not guaranteed.

*This portfolio is available both in the Life Stage Portfolios and the Own Choice Portfolios.*

Asset allocation

The portfolio can be termed an “absolute return” fund. However this is a very broad category of fund, and there are many different strategies which investment managers use to try to achieve absolute returns. Some of these strategies can be extremely complex. The portfolio is invested in equities (up to a maximum of 75%), bonds and cash and some offshore assets. The allocation between these asset classes is highly variable and depends on the manager’s view of current market conditions. One of the two asset manager’s use “derivatives” to reduce the amount of risk in the investments.

Performance characteristics

This portfolio does not provide any performance guarantees or capital guarantees. However, the portfolio should produce consistent positive (absolute) returns that are targeted to beat inflation over 3- to 5-year periods. It is possible that in any given month the return could be negative. However, the negative return is not likely to be material, and it is unlikely that there will be a material negative return over any 12-month period.

It is important to understand that whilst negative returns over a 12-month period are unlikely, they are not impossible. In summary, over periods of 3 to 5 years you can expect:

- a low probability of capital losses, and
- a high probability of returns above inflation.

*It will not protect your capital as well as the Money Market Portfolio,* but it is expected to provide a better investment return than cash over 3 to 5 years.

Investment manager

The managers are Coronation Asset management (and their product is the Coronation Inflation Plus Fund) and Allan Gray Asset Management (and their product is the Allan Gray Global Stable Fund).

The asset weighting is on a 50% - 50% basis between the two asset managers.

Costs

The following charges apply to this portfolio:

- Investment management fees: The member pays the investment manager fees (the fees are deducted from the investment return credited to you).
FACT SHEET: SHARI’AH PORTFOLIO

Investment objective

The investment objective of the 27Four Shari’ah Multi-Managed Balanced Fund aims to deliver a real return of 4.5% (after deducting management expenses) in excess of SA price inflation over any rolling 5-year period. This investment return is not guaranteed and will depend on market returns and investment manager skill.

This portfolio does not form part of the Life Stage Portfolios.

Asset allocation

The 27Four Shari’ah Multi-Managed Balanced Fund has approximately 63% allocation to shares and 37% allocation to bonds (sukus) and cash. The chart below shows the asset allocation and the current asset manager combination:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Manager</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA Shari’ah Compliant Equity</td>
<td>Old Mutual Albaraka Equity Fund</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>27Four Shari’ah Active Equity Fund</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kagiso Islamic Equity Fund</td>
<td></td>
</tr>
<tr>
<td>International Shari’ah Compliant Equity</td>
<td>ETF Dow Jones Islamic</td>
<td>18%</td>
</tr>
<tr>
<td>SA Cash Assets</td>
<td>Murabaha contracts and non-interest bearing cash</td>
<td>32%</td>
</tr>
<tr>
<td>Global sukus</td>
<td>Franklin Templeton</td>
<td>5%</td>
</tr>
</tbody>
</table>

Performance characteristics

The assets of the 27Four Shari’ah Multi-Managed Balanced Fund are invested in a mix of Shari’ah compliant shares and “Islamic bonds” (local and offshore). The Fund has a lower weighting to equities and a higher weighting to fixed income than the CPUTRF’s Long Term Growth Portfolio. This means that the Shari’ah portfolio should provide a somewhat greater cushion against negative returns in the short term than the CPUTRF Long Term Growth Portfolio.

This portfolio is exposed to the performance of markets, and the return you earn from this option over shorter periods may be positive or negative depending on market conditions.

Investment manager
The manager is 27Four Investment Managers (an authorised financial services provider) as the multi-manager responsible for the construction of the Fund’s Shari’ah compliant investment portfolio. All investments meet Shari’ah principles as interpreted and laid down by the 27Four Shari’ah Supervisory Board. The investment process ensures adherence to Shari’ah principles which the 27Four Shari’ah Supervisory Board monitors closely on a regular basis. The specific investment product is the **27Four Shari’ah Multi-Managed Balanced Fund**.

**Multi-Manager investment process**

27Four combines different asset managers, each with different skills. The portfolio is therefore diversified by investing in a combination of Shari’ah compliant equity fund managers locally and internationally, and Sukuk (“Islamic bonds”) and some direct physical exposure to gold or platinum.

**Costs**

The following charges apply to this portfolio:

- Investment management fees and multi-manager fees: The member pays these fees, which are deducted from the investment return credited to you.
FACT SHEET: MONEY MARKET PORTFOLIO

Investment objective

The investment objective of the Money Market Portfolio is to achieve maximum security of capital. People who expect deflationary conditions would tend to invest in this portfolio.

*This portfolio forms part of the Life Stage Portfolios.*

Asset allocation

The portfolio is invested 100% in SA money market instruments.

Performance characteristics

This portfolio aims to protect capital, but without guarantees. However, of all of the Fund’s portfolios it is the **closest** to providing a guarantee of capital in all economic conditions. Over the long term it is expected to achieve a real return (after deducting management expenses) relative to SA price inflation of 1 - 2% p.a. over any rolling 2-year period.

Investment managers

The investment manager for this portfolio is Investec Assurance Limited, and the product is their Money Fund.

Costs

The following charges apply to this portfolio:

- Investment management fees: The member pays the investment manager fees (the fees are deducted from the investment return credited to you).