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 Houseview Global Balanced Portfolio

The assets in the Long-term Growth Portfolio are split as follows amongst the four different asset managers:

Allan Gray 30%, Foord 30%, Investec 20% and Coronation Houseview Global Balanced Fund: 20%. This split applies to future contributions as well.

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).