



Fulcrum

Is the pen mightier than even the African spear – symbol of courage and personal challenge? Put it to the test with the Fulcrum portfolios – **suitable for those whose higher tolerance of risk has the potential to bring them greater rewards.**



Fulcrum Balanced

This portfolio offers capital stability with the potential for capital growth through a balanced mix of equities and fixed interest investments. The portfolio may adopt an aggressive and active asset allocation strategy.

About the Fulcrum range

The Fulcrum range provides risk-targeted solutions that are modeled against a fixed asset allocation benchmark. The objective of this range is to outperform the benchmark, on a risk adjusted basis. We implement a flexible asset allocation overlay strategy to benefit from what we perceive as points of material valuation deviation in the underlying asset classes.

Portfolio mandate

The asset allocation of the portfolio is dynamically managed relative to the benchmark. Underlying managers have been given broad active mandates within their specific market segments. The portfolio is expected to outperform the benchmark by ensuring that the blend is comprised of high quality risk. That means performance is driven by managers' stock selection skill. Style and industry biases are minimised where possible at the aggregate portfolio level. A guiding principle in our portfolio construction is that the alpha drivers for each of the specialist managers be derived from highly different sources. In addition the tactical asset allocation component is expected to add value in market extremes by adjusting the portfolio's exposure to mispriced assets.

Investment strategy

- Specialist underlying managers mandated to run portfolios within their segment of investment specialisation
- Asset mix and risk profile dynamically managed relative to an Index Composite Benchmark.
- Regulation 28 compliant
- Tactical asset allocation component allows for a relatively wide deviation from the benchmark asset allocation

Investor profile

Time horizon

- Long term (12 years +)

Needs

- Long term capital growth in excess of inflation

Risk meter

- The portfolio may experience a high degree of volatility in the short term due to the high equity content
- Possibility of capital loss over short term due to high equity content
- Low income yield



A tactical asset allocation process

This product has a tactical asset allocation process that enhances performance without compromising on either the acceptable level of risk in the portfolio, or the probability of achieving our targeted performance. The tactical asset allocation process uses a combination of fundamental and technical signaling techniques to detect when markets show considerable long term momentum, or extreme points of valuation. The tactical asset allocation process will adjust the actual asset allocation by upweighting or downweighting an asset class from the strategic allocation with a maximum tolerance limit, according to the risk budget of the portfolio.

Asset allocation and benchmark

This portfolio has a strategic asset allocation and benchmark of:

60% Domestic equity

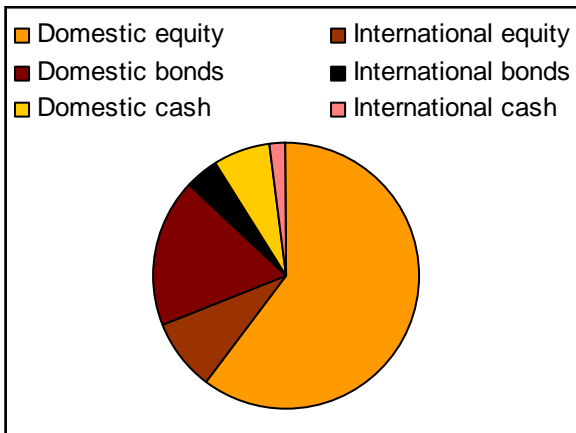
9% International equity

18% Domestic bonds

4% International bonds

7% Domestic cash

2% International cash



Specialist manager mandate allocations

Local equities

- Investec
- Foord
- Coronation
- Active index

Tactical asset allocation

- Advantage

Private equity

- Momentum

Local bonds

- RMB
- Futuregrowth

Local cash

- RMB
- Prescient

International

- RMB

Note: The portfolio complies with the prudent investment guidelines set out in Regulation 28 of the Pension Funds Act. This fact sheet does not purport to offer advice or make any recommendation. Always consult with your professional advisor before making any investment related decision.

- Authorised as a financial services provider (FSP) under the Financial Advisory and Intermediary Services Act, 2002 number 19840
 - Registered as an administrator in terms of Sec 13B of the Pension Funds Act, number 24/401
- E&OE

Contact details: