



Investment  
Solutions

WITH CONFIDENCE

# Investment Solutions Unit Trust Range

## Minimum Disclosure Document

January 2017

## Investment Solutions Multi-Manager Balanced Fund of Funds - Class A

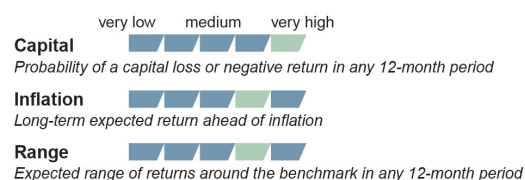
### Launch date

31 July 2003

### Fund size

R 1.4 billion

### Risk profile



### Denomination

South African Rand

### ASISA portfolio category

South African - Multi Asset - High Equity

### Minimum investment

R30 000 single premium, R500 monthly by debit order

### Income distribution

Declared on the last working day of March and September, paid within six (6) weeks of declaration date

### Benchmark

South African - Multi Asset - High Equity - ASISA Category Average

### Portfolio objective

The portfolio's strategy will focus on maximising long-term capital growth and will have a varying equity exposure of between 0% and 75%.

### Investment policy summary

The Investment Solutions Multi-Manager Balanced Fund of Funds will invest solely in a range of participatory interests of portfolios of collective investments schemes that have exposure to equities, bonds, listed property, cash and financial instruments, as permitted by the Collective Investment Schemes Control Act No. 45 of 2002 ("CISCA") and subordinate legislation promulgated thereunder. The portfolio's strategy will focus on maximising long-term capital growth and will have a varying equity exposure of between 0% and 75%. Where the portfolio is invested in portfolios administered in territories other than South Africa, the Manager and the Trustee shall ensure that the regulatory environment of that territory is of a sufficient standard to provide investor protection, at least equivalent to that in South Africa, or complies with any conditions which the Registrar may from time to time determine.

### Expected number of asset manager/s

For optimal diversification one can expect 3 to 5 managers in this portfolio

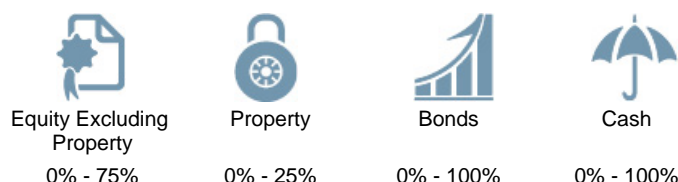
### Strategic asset allocation

### Managers/Portfolios

### SMA\*

### Style

|                               |       |                              |
|-------------------------------|-------|------------------------------|
| Coronation Balanced Plus Fund | 33.0% | Market oriented stock picker |
| Foord Balanced Fund           | 29.5% | Macro thematic stock picker  |
| Allan Gray Balanced Fund      | 25.0% | Contrarian value             |
| PSG Balanced Fund             | 7.0%  | Quality and value            |
| Obsidian SCI Balanced         | 5.0%  | Macro thematic               |
| Cash                          | 0.5%  |                              |

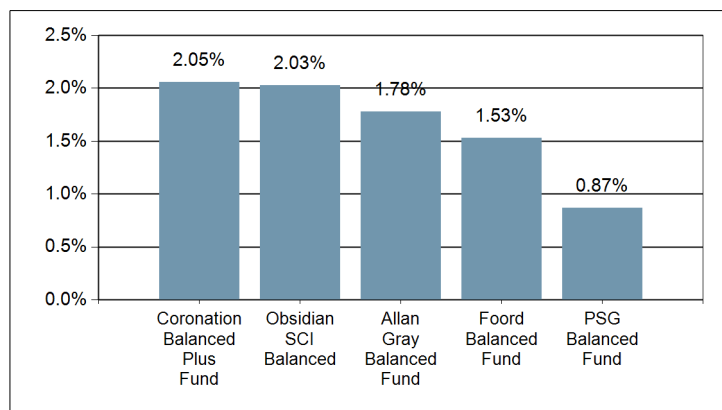


### \*Strategic manager allocation

### Portfolio performance (annualised) - Class A

|                 | Portfolio | Benchmark | Highest Annual (%) |           | Lowest Annual (%) |           |
|-----------------|-----------|-----------|--------------------|-----------|-------------------|-----------|
|                 |           |           | Portfolio          | Benchmark | Portfolio         | Benchmark |
| 1 Month         | 1.69%     | 1.66%     |                    |           |                   |           |
| 1 Year          | 6.69%     | 5.47%     |                    |           |                   |           |
| 3 Years         | 7.84%     | 7.00%     | 20.64%             | 19.52%    | 1.61%             | -0.40%    |
| 5 Years         | 12.05%    | 10.21%    | 26.85%             | 21.28%    | 1.61%             | -0.40%    |
| 10 Years        | 9.99%     | 9.24%     | 28.34%             | 31.32%    | -17.19%           | -20.01%   |
| Since Inception | 14.59%    | 14.06%    | 43.45%             | 43.53%    | -17.19%           | -20.01%   |

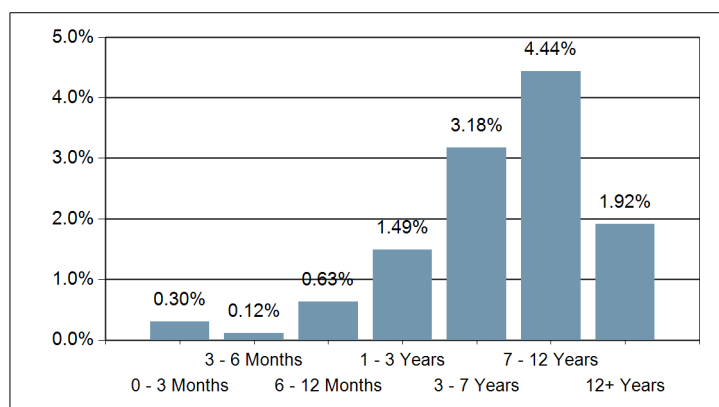
## Underlying returns (1 month to January 2017)



## Top 10 equity holdings (% of total portfolio)

|   |              |
|---|--------------|
| FOORD GLOBAL EQUITY FUND LUX. A : EQUITY EFFECT | 3.4%         |
| BRITISH AMERICAN TOBACCO PLC                    | 3.4%         |
| NASPERS   | 3.2%         |
| STANDARD BANK GROUP                             | 2.2%         |
| SASOL   | 2.1%         |
| STEINHOFF INTERNATIONAL HOLDINGS N.V.           | 1.9%         |
| COMPAGNIE FINANCIERE RICHEMONT AG               | 1.5%         |
| OLD MUTUAL                                      | 1.3%         |
| ASPEN PHARMACARE HOLDINGS                       | 1.3%         |
| CAPITAL & COUNTIES PROPERTIES PLC               | 1.2%         |
| <b>Total</b>                                    | <b>21.6%</b> |

## Maturity profile



## Market summary

|                       | 1 Month | 1 Year  | 3 Years | 5 Years | 10 Years |
|-----------------------|---------|---------|---------|---------|----------|
| FTSE/JSE All Share    | 4.31%   | 10.35%  | 8.52%   | 12.67%  | 10.73%   |
| FTSE/JSE SWIX         | 2.57%   | 9.32%   | 9.73%   | 13.75%  | 11.31%   |
| FTSE/JSE SA Property  | 1.63%   | 15.43%  | 18.15%  | 16.58%  | 15.01%   |
| All Bond Index        | 1.33%   | 11.82%  | 8.56%   | 7.20%   | 8.04%    |
| STeFI Composite index | 0.63%   | 7.47%   | 6.65%   | 6.13%   | 7.31%    |
| MSCI AC World         | 0.17%   | -1.40%  | 11.73%  | 21.09%  | 10.27%   |
| Citi WGBI             | -1.51%  | -15.35% | 4.92%   | 10.18%  | 9.74%    |

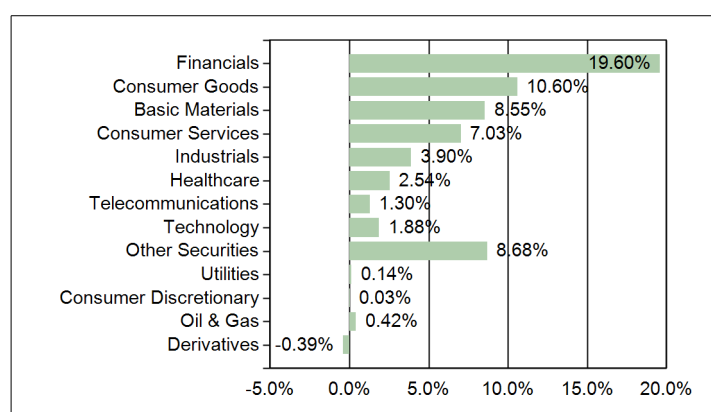
## Manager/portfolio weightings

|                               |               |
|-------------------------------|---------------|
| Coronation Balanced Plus Fund | 32.9%         |
| Foord Balanced Fund           | 29.4%         |
| Allan Gray Balanced Fund      | 24.9%         |
| PSG Balanced Fund             | 7.0%          |
| Obsidian SCI Balanced         | 5.0%          |
| Cash                          | 0.7%          |
| <b>Total</b>                  | <b>100.0%</b> |

## Asset allocation

|                           | Local        | Africa      | Global       | Combined      |
|---------------------------|--------------|-------------|--------------|---------------|
| Equity Excluding Property | 40.0%        | 1.0%        | 15.3%        | 56.2%         |
| Property                  | 5.5%         | 0.0%        | 2.6%         | 8.1%          |
| Bonds                     | 9.7%         | 0.3%        | 2.1%         | 12.1%         |
| Cash                      | 13.1%        | 0.0%        | 1.4%         | 14.5%         |
| Commodities               | 2.9%         | 0.0%        | 0.1%         | 3.0%          |
| Balanced                  | 5.0%         | 0.0%        | 1.2%         | 6.2%          |
| <b>Total</b>              | <b>76.0%</b> | <b>1.3%</b> | <b>22.8%</b> | <b>100.0%</b> |

## Industry sector breakdown (% of total portfolio)



## Top 10 issuers (% of total portfolio)

|  |              |
|--|--------------|
| SOUTH AFRICA (REPUBLIC OF)                               | 3.5%         |
| FIRSTRAND BANK LIMITED                                   | 1.4%         |
| STANDARD BANK GROUP LTD                                  | 1.3%         |
| NEDBANK GROUP LTD  | 1.0%         |
| BRAZIL (FEDERAL REPUBLIC OF)                             | 0.8%         |
| BARCLAYS AFRICA GROUP LIMITED                            | 0.7%         |
| IMPALA PLATINUM HOLDINGS LTD                             | 0.6%         |
| MOBILE TELEPHONE NETWORKS HOLDINGS (PROPRIETARY) LIMITED | 0.5%         |
| INVESTEC BANK LIMITED                                    | 0.4%         |
| ALLAN GRAY INTERNATIONAL PROPRIETARY LIMITED             | 0.3%         |
| <b>Total</b>   | <b>10.5%</b> |

## Total expense ratio and Transaction cost breakdown - Class A

Period (Annualised, rolling three-year period): 01 Jan 2014 to 31 Dec 2016

|  |              |
|--|--------------|
| Investment Fee   | 0.57%        |
| Underlying fund expense                                | 1.06%        |
| Other expenses   | 0.01%        |
| <b>Total Expense Ratio (TER)<sup>1</sup></b>           | <b>1.64%</b> |
| <b>Transaction Costs (TC)<sup>2</sup></b>              | <b>0.00%</b> |
| <b>Total Investment Charges (TER + TC)<sup>3</sup></b> | <b>1.64%</b> |

## Income distribution (cent per unit)

| Date           | Interest | Dividend |
|----------------|----------|----------|
| September 2016 | 2.0400   | 1.4000   |
| March 2016     | 1.9600   | 1.4500   |

## Disclosures

1. This percentage of the value of the portfolio was incurred as expenses relating to the administration (charges, levies and fees) of the portfolio. The investment fee has not changed and is inclusive of VAT. We therefore expect the TER to stay the same. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.
2. This percentage of the value of the portfolio was incurred as costs relating to the buying and selling of the assets underlying the portfolio. TC are a necessary cost in administering the portfolio and affect its returns. It should not be considered in isolation as returns may be affected by many other factors over time, including market returns, the type of financial product, the investment decisions of the investment manager and the TER.
3. This percentage of the portfolio was incurred as costs relating to the investment of the portfolio. It is the sum of the TER and TC.

Collective investment schemes (unit trusts) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The Manager does not provide any guarantee, either with respect to the capital or the return of a portfolio. Different classes of participatory interests (units) apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the Manager, or is available on the website <https://sa.investmentsolutions.co.za/Products-Services/Individual-Investments-Unit-Trust-Fees>.

Forward pricing is used. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised.

Foreign securities within portfolios may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information.

Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Investors are reminded that an investment in a currency other than their own may expose them to a foreign exchange risk.

Lump-sum investment performances are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations.

NAV to NAV figures have been used for the performance calculations, as calculated by the Manager at the valuation point defined in the deed, over all reporting periods.

Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date.

The performance is calculated for the portfolio and is sourced from the Statpro Performance and Attribution system. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital, interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy.

Prices are published daily in the Business Report (South Africa's National Financial Daily) and are made available on our website <https://sa.investmentsolutions.co.za/Download-Centre/Daily-Unit-Prices>.

Actual annual figures are available to the investor on request.

The portfolios are valued at the end of the day using the latest available prices at close of business, and the transaction cut-off time is 13h00.

You can obtain additional information on the proposed investment, free of charge, from brochures, application forms and the annual report and any half-yearly report, which are available on our website <https://sa.investmentsolutions.co.za/Products-Services/Individual-Investments-Unit-Trust-Forms>.

The complaints policy and procedure, and the conflicts of interest management policy are available on our website <https://sa.investmentsolutions.co.za/Risk-Compliance/Corporate-Governance>.

Associates of the Manager may be invested within certain portfolios, and the details thereof are available from the Manager.

### The Manager's details are:

Investment Solutions Unit Trusts Limited, **Registration number:** 2001/015776/06, **Physical address:** 115 West Street, Sandown, 2196. **Postal address:** PO Box 786055, Sandton, 2146. **Telephone number:** + 27 (0)11 505 6000. **E-mail address:** [investmentsolutions@ishltd.co.za](mailto:investmentsolutions@ishltd.co.za). **Website:** [www.investmentsolutions.co.za](http://www.investmentsolutions.co.za).

### The Trustee's details are:

FirstRand Bank, acting through Rand Merchant Bank Custody & Trustee Services. **Physical address:** First Floor, No. 3 First Place, Bank City, Cnr Jeppe & Simmonds Street, Johannesburg, 2000. **Telephone number:** +27 (0) 87 736 1732.

The Manager and Trustee are registered and approved under the Collective Investment Schemes Control Act (No. 45 of 2002). Alexander Forbes Limited is a member of the Association for Savings and Investment South Africa (ASISA).

### The Investment Manager's details are:

Investment Solutions Limited, Registration number: 1997/000595/06 is an authorised Financial Services Provider (FSP 711) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), to act in the capacity as Investment Manager. The address is the same as the Manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No. 37 of 2002). Please be advised that there may be representatives acting under supervision.

A fund of funds is a portfolio that invests in portfolios of collective investment schemes (unit trusts) that levy their own charges, which could result in a higher fee structure for the fund of funds. Investment Solutions does not charge performance fees on its portfolios. However, the underlying managers may have a performance fee within underlying portfolios of the fund of funds.

### Advice fees

An initial fee of up to 3.42% (including VAT) may be charged by your financial adviser as well as an ongoing annual fee of up to 1.14% (including VAT). These fees may be negotiated between yourself and your adviser.

The most expensive class for this portfolio is the A Class.

Figures in the report may not add up due to rounding of decimals.