INDEXATION

OLDMUTUAL

INVESTMENT GROUP
CUSTOMISED SOLUTIONS

MARKET EXPOSURE AT LOW COST

We are one of the largest indexation managers in South Africa, currently managing in excess of R90 billion across local and global indices on behalf of South African and international clients. Our transformed portfolio management team has the depth and breadth of expertise in tracking both vanilla and emerging, less liquid and complex markets.

We are also the only indexation manager in South Africa that makes extensive use of a dedicated Responsible Investment (RI) team.

The team is passionate about continuous systems improvements, which is demonstrated by almost two decades of tracking error excellence. Our subsequent economies of scale ensure the best possible fees for our clients.

OUR COMPETITIVE EDGE

PERFORMANCE IS EVERYTHING

Our team has a 19-year track record of successfully achieving tight differentials and minimising tracking error.

CONTINUOUS PRODUCT INNOVATION

We have managed complex international mandates for clients since 2011, which coupled with our relentless pursuit of best-in-class processes, has led to the development of proprietary systems, allowing for electronic oversight, operational leverage and tight differentials against the benchmark.
Our process works, whether it is applied to tracking vanilla or highly complex and illiquid indices.

CUSTOMISED END-TO-END SOLUTIONS

We offer you a high-touch, client-centric investment management service to solve your investment challenges and assist you in efficiently accessing market returns.

SCALE

As one of South Africa's largest index managers we:

- Have invested in the best people and global systems.
- Have the strength of balance sheet and business continuity.
- Operate within a stringent governance framework and according to global best practice.
- Operate on a scale that translates into higher efficiencies, lower costs and ultimately lower fees for our clients.

PIONEERING RESPONSIBLE INVESTING

We invest for a future that matters and take responsible investing seriously. We are the only index manager with a dedicated RI team. Being invested in an index fund does not mean the absence of active ownership. The fiduciary responsibility of voting on shareholder resolutions and the ability to influence companies through management engagement become even more important within an index tracking portfolio, as there is not always the same flexibility to exclude index constituents.

- We use our collective weight (index and active mandates) to actively influence corporate South Africa.
- Our RI team actively engages with company management of investee companies to address ESG considerations and encourage sustainable business practices.
- We use proxy voting as a tool to support good governance practices.
- We were the first South African manager to launch ESG index strategies across both developed and emerging markets. We currently manage more than USD1.7bn on behalf of clients across these strategies.

A NOTCH ABOVE THE REST. "We have built our expertise and track record by collaborating with our clients, both globally and locally, rather than prescribing off-the-shelf, 'one size fits all' solutions. Clients see us as a trusted partner, rather than a service provider. This approach has assisted us in growing into one of the largest indexation managers in South Africa, with a substantial portion of our assets under management (AUM) tracking global indices. Our clients benefit from the experience and learnings gained through global client interactions and the management of complex global mandates."
Kieyam Gamieldien, Boutique Head

INDEXATION INVESTMENT TEAM

Our transformed Indexation Investment Team is shown below:

KIEYAM GAMIELDIEN
Boutique Head & Head of Indexation
(20 YRS)
BCom (Honours), HDip Tax, CA(SA)

FRANK SIBIYA
Portfolio Manager
(11 YRS)
BSc (Mathematical Science)

BERNISHA LALA
Portfolio Manager
(15 YRS)
MSc (Advanced Analytics & Decision Sciences), BSc (Financial Engineering) (Honours), CFA

STANLEY BISHO
Portfolio Manager
(10 YRS)
BSc (Actuarial Science), CFA

ANELISA BALFOUR
Portfolio Manager
(8 YRS)
BEcon

THOBILE MFELANG
Jnr Investment Analyst
(6 YRS)
BCom Hons (Investment Management)

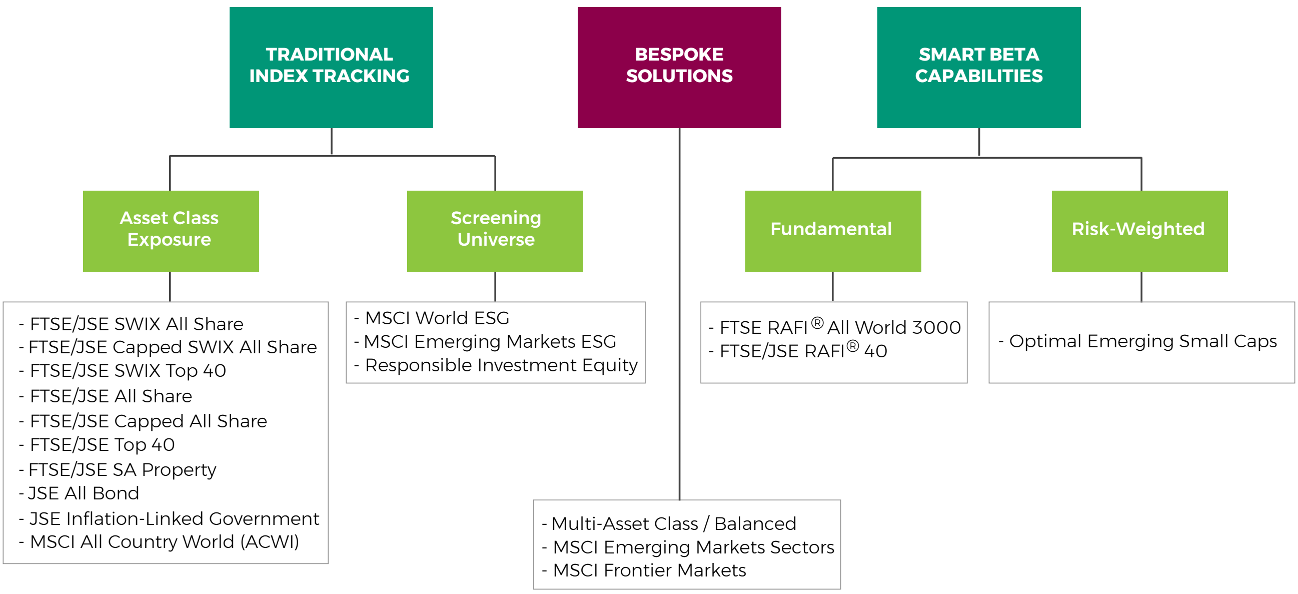
DEPTH OF EXPERIENCE

We believe that the depth and breadth of experience in this team is unparalleled in the South African market.

We are a tried and tested team with a 19-year track record. Our team-based approach ensures all skill-sets are leveraged, whilst continuously promoting new learnings across the team.

CAPABILITIES

Our index tracking process encompasses a wide spectrum of styles including vanilla, ESG and smart beta indices. Our systems and experience enable us to track any listed index. We currently invest across all asset classes, including global and domestic, equity, listed property and fixed interest. The indices which we track are shown below:



INVESTMENT PHILOSOPHY

We believe that beta is the cornerstone of portfolio construction. Cost-effective, technology-dominated indexation solutions can add significant value to a fund's overall portfolio construction. We aim to construct portfolios that deliver the return of the underlying benchmark or investment strategy with very low tracking error, and at much lower cost than traditional active management.

INVESTMENT PROCESS

We apply a mathematical, systematic approach to index tracking. We employ highly numerate, meticulous and experienced investment professionals to match indices with skilled precision and accuracy.

STEP 1: INVESTABLE UNIVERSE

The strategy's universe comprises all constituents of the underlying index. Using analytical tools, and taking liquidity requirements into consideration, we aim to fully replicate the index but may optimise for efficiency purposes.

STEP 2: PORTFOLIO CONSTRUCTION

We set up and manage client portfolios with the use of a Portfolio Management System.

The Portfolio Manager will effect changes to the strategy based on any index changes and corporate events. Our team continuously assesses and monitors our positions relative to the market and the effect of any corporate actions on the index.

STEP 3: SELL DISCIPLINE

Our sell discipline is a balancing act between incurring tracking error and reducing market impact costs. Our systems forecast what the index will look like in the case of a rebalance or corporate actions, which enables us to sell illiquid stocks before the index changes take effect. We also use post-trade execution tools to ensure that the stocks being sold do not have a detrimental impact on the price relative to the close.

STEP 4: TRADING & PORTFOLIO IMPLEMENTATION

Throughout our trading and portfolio implementation processes, we have stringent risk control measures in place. Order processes are automated, with a further electronic sign-off by two authorised signatories with clear segregation of duties, before being submitted for execution.

STEP 5: RISK MANAGEMENT

On completion of the trading process, the strategy is run through a global portfolio analytics and risk management system, which alerts us to any potential areas for slippage.

Tracking error reports are generated daily and best execution on our strategies is monitored daily.

On a weekly basis, the strategy is reviewed by the indexation investment team, who is responsible for ensuring all strategies' tracking errors are maintained within mandate restrictions.

WE ARE ONE OF THE LARGEST INDEX TRACKER MANAGERS IN SOUTH AFRICA WITH NICHE EXPERTISE IN TRACKING LOCAL AND GLOBAL INDICES. ECONOMIES OF SCALE ARE SECURED FOR OUR CLIENTS.

CONTACT DETAILS

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