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Our multi asset class funds: their diversification benefits and how they compare

Our multi asset class funds give investors the benefit of professional and actively managed exposure to different asset classes. By combining these different asset classes, investors can achieve their desired returns at lower levels of risk because asset valuations do not all move in the same direction at the same time.

The benefits of delegating the asset class decision to a professional manager means investors don't have to decide:

- how much money to put in each asset class
- when to change this allocation in response to changing asset valuations

Each fund has its own objective, benchmark, typical asset allocation and therefore minimum investment horizon. As a result, the funds will have different but complementary outcomes over time and different risk and return characteristics. These funds will hold their places in the suite of funds throughout the investment cycle.

The table below provides a comparison of our multi asset funds. We hope that this helps to identify the most appropriate multi asset class fund for the specific needs of an investor. *

	PSG Stable Fund	PSG Balanced Fund
Fund objective	Achieve capital appreciation with low volatility and low correlation to equity markets through all market cycles.	Provide long-term capital growth in a fully diversified portfolio.
Benchmark	Inflation +3% over a rolling 3-year period after costs	Inflation +5%
ASISA category	South African - Multi Asset – Low Equity	South African Multi Asset – High Equity
Income distribution frequency	Bi-annually	Bi-annually
Regulation 28 compliant	Yes	Yes
ASISA category limits	A maximum of 40% equity.	At least 75% of assets invested domestically, a maximum of 75% equity exposure, a maximum of 25% global investments, and a maximum of 25% in listed property.
Type of instruments held	A range of government bonds, credit, property non-equity securities, equity securities and assets in liquid form across all size segments (small, mid and large).	A range of government bonds, credit, property non-equity securities, equity securities and assets in liquid form across all size segments (small, mid and large).
Suggested minimum investment horizon	36 months or longer. Due to the nature of the instruments the Fund holds and its long-term objectives, there is a possibility that, over the short to medium term, your investment may experience a reduction in its capital value but this is highly unlikely over any rolling 36-month period or longer.	36 months or longer. Due to the nature of the instruments the Fund holds and its long-term objectives, there is a possibility that, over the short to medium term, your investment may experience a reduction in its capital value but this is highly unlikely over any rolling 36-month period or longer.
Suitable for investors who:	Have a low risk appetite but require capital growth in real terms; focus on a short- to medium-term investment horizon.	Would prefer the fund manager to make the asset allocation decisions and who aim to build wealth within a moderate to high risk investment.
Use this fund if:	You have money that can be left invested for 36 months or longer and are looking for capital growth with a low to medium exposure to risk. You are saving for retirement, since the Fund complies with Regulation 28 (the regulation limits exposure to specific asset classes so as to limit investors' risk exposure).	You have money that can be left invested for 36 months or longer and are looking for a medium-risk investment that, over time, will typically provide a return of around 65% of the equity investments but at around half the volatility. You are saving for retirement, since the Fund complies with Regulation 28 (the regulation limits exposure to specific asset classes so as to limit investors' risk exposure).

* Note: This article should in no way be interpreted as being financial advice regarding the appropriateness of these funds for individual investors. Fund choices should be made with the assistance of a qualified and experienced financial adviser having taken into account the financial position, risk profile and needs of the investor.