

Index trackers

Investment management capabilities

Our index tracker portfolios are designed to tightly track their benchmark indices at a low cost. Investment horizons are similar to those of traditional equity investments. Clients are exposed to market risk, but not share specific risk.

Rules and regulations

Our portfolios are managed in accordance with the appropriate acts and regulations controlled by the Financial Sector Conduct Authority (FSCA). The FSCA is the regulator for all financial institutions. In addition, our governing body, the Association for Savings and Investment South Africa (ASISA), provides best practice guidelines to make sure the investor is the focal point of everything we do.

	Portfolio outcomes Benchmark returns Capital growth
	Investment horizon 3 to 7 years
	Risk Medium to high

The role of index trackers in a client's investment portfolio

Our index trackers are suitable for investors who:

- want low cost exposure to an equity index, and
- want certainty that returns would be in line with the benchmark.

It makes sense for large funds to index a component of their portfolios, as with expanding size, liquidity becomes an issue and hence adding value through share selection becomes challenging.

Investment horizons for the different index trackers portfolios

Capped SWIX All Share Index: Three to seven years

Top 40 Index: Three to seven years

Mid & Small Cap Index: Three to seven years

Real Growth Property Index: Three to seven years

Understanding the risk profile

In general, investment risk is split into two components, namely market risk and share-specific risk. Index trackers are only exposed to market risk.

Our investment philosophy and process

The following set of beliefs encapsulates our index tracker philosophy:

- Markets are largely efficient and shares normally trade at prices where they should, reflecting all available information and views of market participants, allowing index trackers to be highly competitive from cost, return and risk perspectives.
- An index tracker is a vital tool to use alongside (as opposed to 'instead of') active investments to achieve the desired investment outcome.
- A robust investment process is key to delivering consistent returns.

While our investment process mostly involves index replication, we use optimisation techniques and derivatives where it makes sense for efficient portfolio management.

We measure success by performance relative to the applicable benchmark. Fund returns should be in line with benchmark returns.

Index tracker benchmarks

We are able to track any index for which there is sufficient demand and at the moment we offer portfolios tracking the indices below:

- FTSE/JSE Capped Shareholder Weighted All Share index
- FTSE/JSE Top 40 index
- FTSE/JSE SA Property index
- MMI Proprietary Mid and Small Cap Index

Responsible investing

Environmental, social, and governance (ESG) investing is integral in our investment process. Our investment process is supported by an experienced and highly rated team of ESG specialists. We see ESG as part of our duty to protect your money. We participate in proxy voting and actively engage with management teams of those companies that we are invested in when ESG issues arise.

Index tracker team



Wayne Dennehy
Head of Systematic Strategies and Structuring
 BCom, BSc (Hons), FIA
 Industry experience: 28 years



Loftie Botha
Portfolio manager
 B Eng Industrial, B Com (Hons)
 Investment Management, M Com
 Business Management
 Industry experience: 26 years



Imtiaz Mohammed Alli
Assistant portfolio manager
 B Compt
 Industry experience: 16 years



Rekha Bawa
Index Tracking Specialist
 BCom Investment Management
 Industry experience: 15 years

Index tracker portfolio range

Name	Portfolio manager	Benchmark Target	Risk	Term
Capped SWIX All Share Index	Loftie Botha, Imtiaz Mohammed Alli	FTSE/JSE Capped Shareholder Weighted All Share index	Benchmark risk	3 to 7 years
Top 40 Index	Loftie Botha, Imtiaz Mohammed Alli	FTSE/JSE Top 40 index	Benchmark risk	3 to 7 years
Mid & Small Cap Index	Loftie Botha, Imtiaz Mohammed Alli	MMI Proprietary Mid and Small Cap Index	Benchmark risk	3 to 7 years
Real Growth Property Index	Loftie Botha, Imtiaz Mohammed Alli	FTSE/JSE SA Property index	Benchmark risk	3 to 7 years

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