

ADVICEWORX OLD MUTUAL INFLATION PLUS 3 – 4% FUND OF FUNDS

August 2021

Adviceworx guides clients along their journeys in achieving lasting financial well-being. Our range of strategy funds is specifically designed and managed to match clients' Wealth strategy objectives. Our experienced investment team researches and selects asset managers and continually monitors the funds to ensure that they remain appropriate and efficient.

Inception date	April 2014
Investment manager	Adviceworx (Pty) Ltd FSPII Licence no. 44914
Benchmark	CPI
Performance target	CPI+3 – 4% over the minimum investment term and is not guaranteed
ASISA category	SA Multi-Asset – Medium Equity
Regulation 28	Compliant
Fund size	R1.3 billion
Tax reference number	1338/497/18/1

Risk profile



Minimum investment term



Strategy objective

This is a multi-managed asset allocation fund that aims to produce returns of inflation plus 3-4%, net of fees, over a rolling 3 to 5-year time horizon.

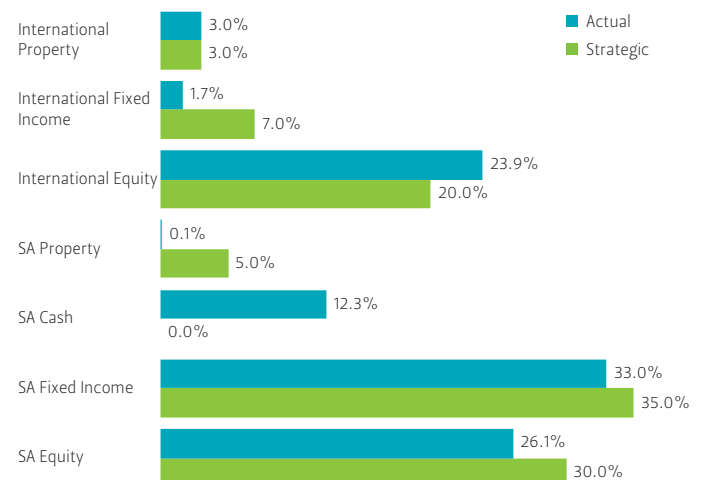
Investment universe

The strategy mainly invests in domestic and international collective investment scheme funds and exchange traded funds with exposure to domestic and international equities, fixed income, property and cash.

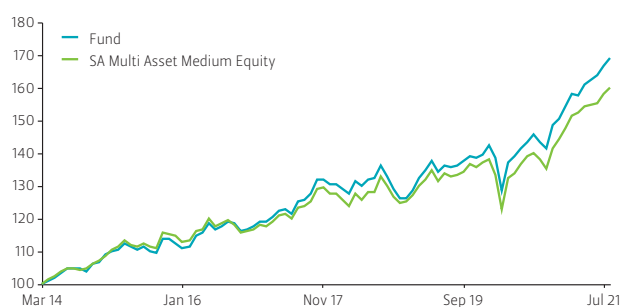
Underlying asset managers

SA Equity	  
SA Fixed Income	  
SA Cash	
International Equity	       
International Property	  
International fixed income	

Asset allocation

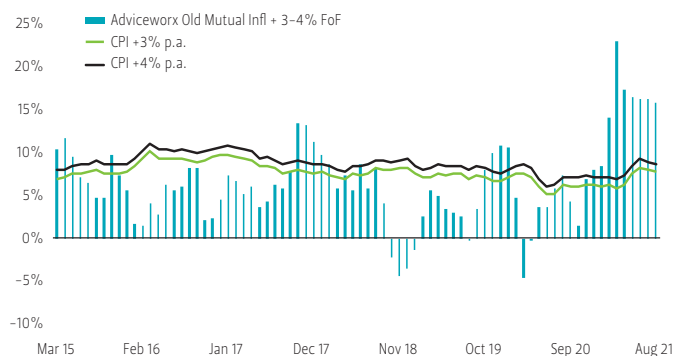


Cumulative investment performance



Source: Morningstar

12-Month rolling performance



Source: Old Mutual Multi-Managers

Market performance

	1 Month	3 Months	6 Months	YTD	1 Year	3 years
SA Equity	2.0%	1.5%	9.2%	18.6%	30.8%	5.5%
SA Bonds	1.7%	3.7%	6.8%	7.7%	14.8%	10.0%
SA Property	7.5%	10.4%	21.2%	27.4%	51.0%	-7.3%
SA Cash	0.3%	0.9%	1.9%	2.5%	3.8%	5.9%
International Equity	1.4%	10.3%	8.9%	14.5%	10.3%	14.4%
International Bonds	-1.5%	5.5%	-4.2%	-3.8%	-14.2%	4.1%
International Property	0.2%	11.8%	12.8%	19.7%	13.8%	7.1%

Market returns: SA Capped Swix | ALBI |SAPY | Stefi | MSCI ACWI Index | Barclays Global Agg Bond | FTSE/EPRA Nareit

Portfolio performance

	Fund	CPI	CPI + 3%
1 Year	15.8%	4.6%	7.6%
3 Years	7.5%	3.9%	6.9%
5 Years	7.3%	4.3%	7.3%

Source: Morningstar

Rolling 12-month return

	Highest	Average	Lowest
Fund (since inception)	22.8%	6.5%	-4.6%

Monthly performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014				0.80%	1.20%	1.34%	1.23%	0.29%	-0.26%	-0.75%	2.32%	0.29%	6.6%
2015	2.32%	0.85%	0.36%	1.87%	-0.73%	-0.95%	0.65%	-1.20%	-0.43%	4.09%	0.01%	-1.25%	5.6%
2016	-1.41%	0.61%	2.91%	0.60%	2.62%	-1.55%	0.97%	0.91%	-0.40%	-1.86%	0.33%	0.83%	4.5%
2017	1.28%	-0.16%	1.44%	1.50%	0.41%	-0.99%	2.80%	0.65%	1.39%	3.30%	0.05%	-0.99%	11.1%
2018	-0.05%	-1.17%	-1.04%	2.81%	-1.10%	1.79%	0.14%	2.93%	-2.39%	-2.97%	-2.20%	-0.03%	-3.4%
2019	2.01%	2.87%	1.79%	2.16%	-2.40%	1.41%	-0.34%	0.29%	0.94%	1.27%	-0.32%	0.64%	10.7%
2020	1.90%	-2.58%	-7.26%	6.81%	1.44%	1.42%	1.64%	1.66%	-1.81%	-1.45%	5.07%	1.57%	8.0%
2021	2.36%	2.42%	-0.09%	2.04%	0.70%	1.11%	1.62%	1.40%					12.1%

Source: Morningstar

Top 10 equity exposure as at 30 June 2021

Holding	Sector	% of Fund
Naspers	Technology	2.5%
Anglo American	Basic Materials	1.8%
FirstRand	Financials	1.3%
Glencore	Basic Materials	1.1%
MTN Group	Telecommunications	1.0%
Absa Group	Financials	1.0%
British American Tobacco	Consumer Staples	0.9%
Prosus	Technology	0.9%
Impala Platinum	Basic Materials	0.9%
Standard Bank	Financials	0.8%
		12.1%

Fund returns within expected range of returns *



* This is based on historical data using the strategic allocations per asset class for this investment strategy and the historical returns of each asset class. The bars show the range of returns (highest and lowest returns) experienced over each rolling investment terms over this period. In other words, the longer the investment period, the smaller the difference between the highest and the lowest return, indicating reduced volatility. The strategic asset allocations of the investment strategies used in this analysis may not be the same as the actual allocations of the fund. The investment performance is for illustrative purposes and is calculated by taking the actual initial fees and all ongoing fees into account and income is re-invested on the reinvestment date

Fund Commentary as at 31/08/2021

Local equities were positive in August as measured by the FTSE/JSE Capped SWIX, our benchmark. On the other hand, the FTSE/JSE Capped All Share Index was negative in the month due to its greater exposure to mining companies and Naspers. The FTSE/JSE Capped SWIX returned 2.0% in the month, which lifted the return for the first eight months of the year to 18.6% and the 12-month return to 30.8%.

Weaker commodity prices pulled down the shares of mining companies, though Sasol was positive. The resources index lost 4.8% in the month but has still given investors a 25.5% return over 12 months.

The industrials index was also deeply negative in August due to double digit losses from Richemont and Naspers. It lost 4.5% in August, dragging year-to-date returns down to 9.8% and 12-month returns to 16%.

On the other hand, financials were strongly positive in August, gaining 12%. Banks and life insurers both delivered double digit returns. This means the financials index returned 51% over 12 months, but it remains somewhat below pre-pandemic levels due to its greater exposure to the South African economy.

Fees (VAT inclusive) (30/06/2021)	36 Month	12 Month
Total expense ratio (TER)	1.72%	1.69%
Transaction cost (TC)	0.08%	0.08%
Total Investment Charge (TIC)	1.80%	1.77%

Total expense ratio (TER) is a historical measure of the impact the deduction of management and operating costs have on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER should not be regarded as an indication of future TERs. Transaction Costs (TC) are costs relating to the buying and selling of the underlying managers' assets. TC are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment managers and the TER.

The TIC includes:

- Fund of funds service fee of 0.85% (excl VAT), which is inclusive of 0.55% (excl VAT) FSP11 investment management fees.
- Underlying fund's management fee, which is accrued daily and paid on a monthly basis (certain managers may charge performance fees).
- Other charges incurred by the underlying funds are deducted from their portfolios.
- As the weightings of the underlying funds may change from time to time, the total fees may vary.

Disclosures

We aim to treat our clients fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments.

- We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- The fees and costs that we charge for managing your investment are disclosed in the relevant fund's Minimum Disclosure Document (MDD) or table of fees and charges, both available on our public website or from our contact centre.
- Additional information on this proposed investment can be obtained, free of charge, from our contact centre.
- Fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the manager by 14:00 each business day to receive that day's price. For the manager to receive the requests by 14:00 from Old Mutual Investment Services (Pty) Limited (OMIS), you must submit your request to OMIS by 15:00 the previous business day.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily price is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue. Daily prices are available from Old Mutual Unit Trusts or Adviceworx contact centres.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macro-economic situations, foreign exchange, tax, settlement, and the availability of information.
- A fund of fund is a portfolio that invests in other funds which levy their own charges, which could result in a higher fee structure for the fund of funds.
- Old Mutual Unit Trusts is the manager of this co-branded fund and has full legal responsibility for it.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 31 August 2021. Sources: Morningstar and Old Mutual Wealth.

Adviceworx partnered with Old Mutual Unit Trust Managers (RF) (Pty) Ltd to create a range of co-branded collective investment scheme funds of funds underlying the investment strategies offered by Adviceworx to their clients. Adviceworx and OMUT are both part of the Old Mutual Wealth group.

Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trusts has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Tel: 0860 234 234, Internet: www.omut.co.za, Email: unittrusts@oldmutual.com. Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

Issued: September 2021

Listed property was also up strongly in August. The FTSE/JSE All Property Index returned 7.5% in the month and 27.4% so far this year to lift 12-month returns to 51.0%. Despite this impressive recent performance, the index has yet to return to pre-pandemic levels.

The All Bond Index returned 1.7% in August and 14.8% over one year. Inflation-linked bonds similarly posted a 1.2% return in the month and a 13.6% return over 12 months. In both cases, the return is well ahead of the 3.5% money market return.

The rand was volatile in August, but managed to end the month slightly stronger at R14.47 per dollar once investors gained confidence in the Fed's policy plans. Over the past year, the rand gained 14% against the dollar, detracting from the dollar returns from global equities and property from the point of view of local investors.

Source: Old Mutual Multi-Managers as at 31 August 2021

Distributions (quarterly)	
For the last 12 months:	7.57c per unit
30/06/2021	1.04c per unit
31/03/2021	3.81c per unit
31/12/2020	0.90c per unit
30/09/2020	1.82c per unit