



# OLD MUTUAL GLOBAL EQUITY FUND

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

AUGUST 2021

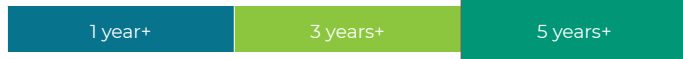
## FUND INFORMATION

### RISK PROFILE



The risk profile does not take the impact of exchange rate fluctuations into account.

### RECOMMENDED MINIMUM INVESTMENT TERM



### ESG FUND RATING

The environmental, social and governance (ESG) fund ratings are based on the exposure of the underlying assets held to industry-specific ESG risks and the ability to manage those risks relative to peers.

### FUND OBJECTIVE

The fund aims to offer superior returns over the medium to longer term by investing in shares from developed countries around the world.

### WHO IS THIS FUND FOR?

This fund is suited to investors wanting to diversify their portfolios by adding an international equity component or investors who are taking a specific view on the performance of global equity relative to other asset classes.

### INVESTMENT MANDATE

The fund has a broad-based exposure to quality shares from developed countries across the globe. The fund is managed by Jupiter Fund Management, who aim to maximise returns by managing country and sector exposure. This fund remains as fully invested in foreign equities as possible, given regulatory constraints.

### REGULATION 28 COMPLIANCE

The fund aims to offer exposure to a specific asset class. It therefore holds a higher allocation to international assets and equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

<b>BENCHMARK:</b>	MSCI World Index
<b>ASISA CATEGORY:</b>	Global – Equity – General
<b>FUND MANAGER(S):</b>	Ian Heslop & Amadeo Alentorn (Jupiter Fund Management PLC)
<b>LAUNCH DATE:</b>	17/05/1995 (Class A opened on 1 May 2000)
<b>SIZE OF FUND:</b>	R23.0bn

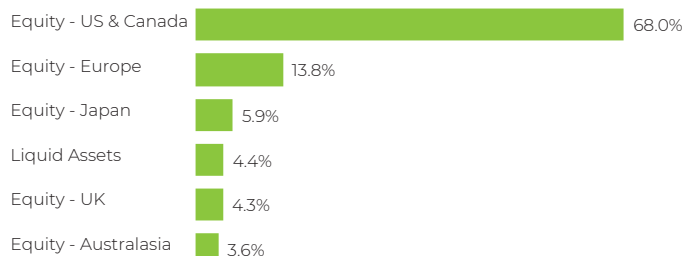
### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
30/06/2021	0.00c	0.00c	0.00c	0.00%
31/12/2020	0.00c	0.00c	0.00c	0.00%

\* Class A fund distributions

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

Funds are also available via Old Mutual Wealth and MAX Investments.

Helpline 0860 234 234 Fax +27 21 509 7100 Internet www.oldmutualinvest.com Email unittrusts@oldmutual.com

## FUND PERFORMANCE AS AT 31/08/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	14.9%	10.9%	14.1%	15.7%	21.8%	13.8%
Fund (Class A) <sup>2</sup>	13.9%	10.0%	13.1%	14.8%	21.0%	-
Fund (Class B1) <sup>3</sup>	14.5%	10.5%	13.6%	15.2%	-	-
Benchmark	11.3%	15.1%	15.0%	16.3%	21.2%	14.3%

<sup>1</sup> Performance since inception of the fund.

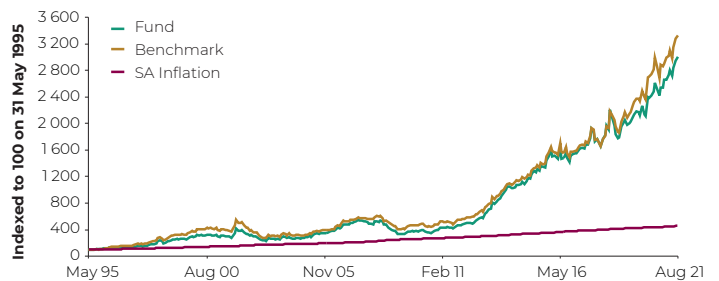
<sup>2</sup> Inception: 30 April 2000.

<sup>3</sup> Inception: 31 December 2012. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	75.0%	15.2%	-40.3%

### Performance Since Inception



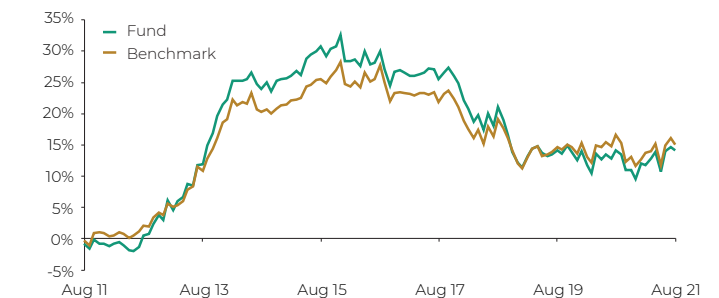
Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-44.1%
Months to Recover	39
% Positive Months	59.4%
Annual Standard Deviation	16.6%

Risk statistics are calculated based on monthly performance data from inception of the fund.

### 5-Year Annualised Rolling Returns (Fund vs Benchmark)



## PRINCIPAL HOLDINGS AS AT 30/06/2021

HOLDING	% OF FUND
Microsoft Corporation	3.8%
Apple Computer	3.3%
Alphabet Inc	2.5%
Amazon Com Inc	1.9%
Facebook	1.8%
Visa Inc Class A Shares	1.2%
Adobe Inc	1.0%
ASML Holding NV	1.0%
United Healthcare Group Inc	0.9%
Netflix Com Inc	0.9%



# OLD MUTUAL GLOBAL EQUITY FUND

AUGUST 2021

## FUND MANAGER INFORMATION



**IAN HESLOP |**  
PORTFOLIO MANAGER  
• BA (Chemistry), PhD  
(Medicinal Chemistry)



**AMADEO ALENTORN |**  
PORTFOLIO MANAGER  
• BEng (Robotics), MSc  
(Computer Science), PhD  
(Computational Finance),  
CFA Charterholder

and June, there were spikes in equity volatility as inflation concerns and more hawkish rhetoric from the US Federal Reserve (Fed) tempered economic growth enthusiasm. The US 10-year breakeven inflation rate continued its upward charge at the beginning of the quarter, peaking above 2.5% in mid-May before retreating back to 2.3%. It finished the quarter where it had started but still materially above its 2% position at the turn of the year. One persistent contributor to inflation concerns were commodity prices, with Brent crude moving from US\$60 to US\$75 per barrel during the quarter as global growth improved and the OPEC cartel disagreed on production levels. Energy stocks benefited from this upward trend in oil, particularly towards the end of the quarter, while the fate of other cyclicals mirrored breakeven inflation, with materials and financials up over 9% before they reversed towards the end of the quarter.

value stocks, are already thin. More commonly, value is considered pro-cyclical to broader economic growth which aids operating conditions and facilitates debt repayment.

Our market environment analysis captures the impact of the varying macroeconomic inputs on market sentiment and volatility profiles. Consistent with much of this year, all regions were firmly positioned in optimistic territory this quarter, as investors looked through a third wave of COVID infections and anticipated an orderly, vaccine-inspired, reopening. The risk environment steadily reduced during the quarter, with Europe and Japan now exhibiting medium levels of risk. However, North America and Asia Pacific were still stubbornly placed inside high risk, highlighting the wide set of possible outcomes which still exist and underlining the requirement for responsive, dynamic positioning.

The changing trend in inflation expectations coincided with a large reversal in the factor space. In the last six weeks of the quarter, there was a significant shift towards growth and away from value stocks, which had performed exceptionally well during 2021 until this point. Both the Dow Jones and Citigroup Global Value indices were down more than 6% during June, with growth, up by around 3%, only partially offsetting these losses.

Risk appetite remained high during the quarter, facilitating tilts to value over quality inside the fund's dynamic valuation component. This positioning has contributed positively to performance during the year so far, despite a sell-off in value in June. Towards the end of the quarter, there was a reduction in risk appetite in Japan and Asia Pacific, indicating more caution ahead. In these regions, risk appetite was slower to react positively to vaccine news late last year, so it is unsurprising that they would also be the first to change direction. This recent shift in risk appetite has reduced the weight of our dynamic valuation component whilst retaining a tilt towards value over quality inside the component.

The extent to which inflation expectations provide a causal link to the relative performance of value versus growth is debatable. Value stocks typically have higher levels of leverage, suggesting inflation is helpful. However, the effect of inflation on operating performance is much more nuanced, often hurting margins which, typically in the case of

Source: Old Mutual Investment Group as at 30/06/2021

## FUND COMMENTARY AS AT 30/06/2021

Global equity markets had another strong quarter, with the MSCI World Index up 7.3% in USD terms. Equity markets continued to have reopening optimism priced in and looked through increasing COVID infection rates, preferring to focus on improving economic growth prospects during the quarter. Analysts forecasted 39% global earnings growth in 2021 and a further 10% in 2022. Monthly industrial production remained positive during the period and the ISM manufacturing report sat at more than 60 during the quarter, clearly indicating expansion.

Improving economic growth does, however, increase the prospect of both stimulus tapering and a challenging inflation environment. In May

## OTHER INVESTMENT CONSIDERATIONS

### INVESTMENT CONTRACT MINIMUMS\*

- Monthly: R500
- Lump sum: R10 000
- Ad hoc: R500

\* These investment minimums are not limited to this fund. They can be apportioned across the funds you have selected in your investment contract.

### INITIAL CHARGES (Incl. VAT):

Initial adviser fee will be between 0% and 3.45%.

## ONGOING

	Class A	Class B1*	Class R
Annual service fees (excl. VAT)	1.75%	1.35%	1.00%

\* Please note: The Class B1 fund is available through investment platforms such as Old Mutual Wealth.

The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

TAX REFERENCE NUMBER: 9000/041/60/9

ISIN CODES: **Class A** ZAE000023859  
**Class B1** ZAE000171153

Total Expenses (Incl. Annual Service Fee) (30/06/2021)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	2.08%	1.62%	1.21%	2.05%	1.59%	1.19%
Transaction Cost (TC)	0.15%	0.15%	0.15%	0.14%	0.14%	0.14%
Total Investment Charge	2.23%	1.77%	1.36%	2.19%	1.73%	1.33%

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TER is a historic measure of the impact the deduction of management and operating costs has 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, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is 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, the investment decisions of the investment manager and the TER.

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- 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 fund fees and costs that we charge for managing your investment are disclosed in this Minimum Disclosure Document (MDD) and in the table of fees and charges, both of which are available on our public website or from our contact centre.
- Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained, free of charge, from Old Mutual Unit Trust Managers (RF) (Pty) Ltd, from our public website at [www.oldmutualinvest.com](http://www.oldmutualinvest.com) or our contact centre on 0860 234 234.
- Our cut-off time for client instructions (e.g. buying and selling) is at 15:00 each working day for all our funds, except for our money market funds, where the cut-off is at 12:30.
- The valuation time is set at 15:00 each working day for all our funds, excluding our money market funds which is at 13:00, to determine the daily ruling price (other than at month-end when we value the Old Mutual Index Funds and Old Mutual Multi-Managers Fund of Funds range at 17:00 close). Daily prices are available on the public website and in the media.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily ruling 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.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- 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 Investment Group (FSP no. 604).
- MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings ("the information") provide environmental, social and governance data with respect to underlying securities within more than 31 000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the information constitutes an offer to buy or sell, or a promotion or recommendation of any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the information assumes the entire risk of any use it may make or permit to be made of the information. Futuregrowth Asset Management (Pty) Ltd is a Licensed Financial Services Provider.

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Issued: September 2021