



# OLD MUTUAL GLOBAL EQUITY FUND

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

NOVEMBER 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>	R25.4bn

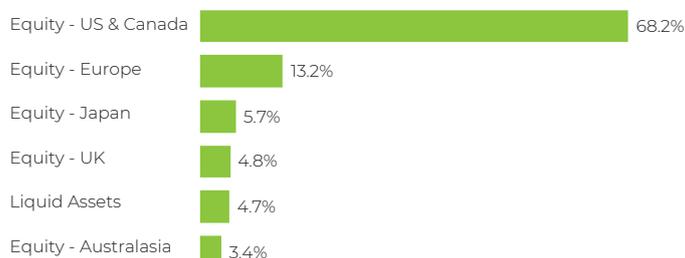
### DISTRIBUTIONS: (Half-yearly)\*

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 30/11/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	28.8%	21.3%	16.6%	16.4%	21.6%	14.1%
Fund (Class A) <sup>2</sup>	27.7%	20.3%	15.6%	15.5%	20.8%	-
Fund (Class B1) <sup>3</sup>	28.3%	20.8%	16.2%	16.0%	-	-
Benchmark	26.6%	23.3%	18.3%	17.3%	20.8%	14.5%

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

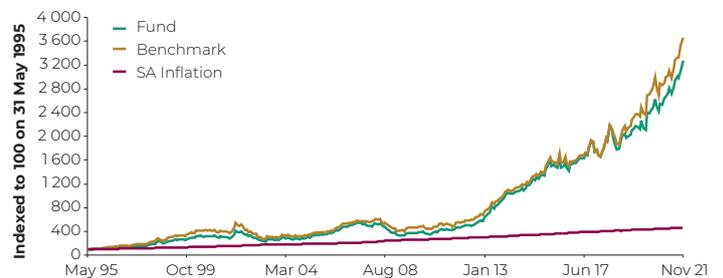
<sup>2</sup> Inception: 30 April 2000.

<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%	15.3%	-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	16.5%

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 30/09/2021

HOLDING	% OF FUND
Microsoft Corporation	3.9%
Apple Computer	3.6%
Alphabet Inc	3.1%
Amazon Com Inc	1.8%
Facebook	1.8%
Visa Inc Class A Shares	1.1%
ASML Holdings NV	1.0%
Adobe Inc	1.0%
United Healthcare Group Inc	0.9%
Verizon Communications	0.8%



# OLD MUTUAL GLOBAL EQUITY FUND

NOVEMBER 2021

## FUND MANAGER INFORMATION



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



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

shrugged off, multiple bouts of COVID anxiety during the summer. The introduction of vaccines, as well as the realised challenges associated with rolling them out, has removed possible outcomes at both ends of the spectrum, offering hope for "normality" while imposing the realisation that such a return will not come easily. However, as the quarter moved towards the end, it was revealed through economic data that the highly contagious delta coronavirus variant has had a negative impact on consumer spending and on job market recovery. Unemployment applications in the US have been rising faster than expected in recent weeks. This obviously contributed to the market downturn in September.

Inflation has always been an ongoing concern, and this was the case in the first month of the quarter, when the US Federal Reserve (Fed) left rates unchanged after the FOMC meeting at the end of July, while adjusting its language to suggest the potential for future tapering guidance. As the quarter proceeded, it became clear that inflation had revealed itself as an issue, and a wide range of companies voiced concerns about its impact on their finances, while energy price inflation also caused concerns even for households. Although the Fed's clarification in September on tapering seemed to be in line with market expectations, the market will be watching this closely, as well as potential rate hikes afterwards.

During the early part of the quarter, macro data seemed mixed. A few negative data points resulted in continued worsening in the Economic Surprise Index and in consumer confidence. This led to episodes of flight to quality behaviour in equity markets. With inflation, COVID and other negative data points causing uncertainties later in the quarter, the VIX Index showed clear spikes in the middle of September, with a high over 25%, clearly higher than the highs of 21%, 22% and 21% through June, July, and August, though still considerably lower than the VIX highs of 37%, 29%, 28% seen in January, February, and March respectively in Q1.

The changing trend in inflation expectations continued to coincide with a large reversal in the factor space. Over the first two months of the third quarter, there was a significant shift towards growth and quality, and away from value stocks. However, this trend reversed quite quickly in September, causing value and quality to be in a more balanced position, compared to the pro-value and away-from-quality move which we saw most of the time in Q2. The overall positioning ending the quarter was close to that in Q1.

A reduction in uncertainty was also seen across factors when measured by realised volatility. Factors were very volatile during the first half of 2021 but quietened considerably through the summer. It is reasonable to assume that in line with increased market volatility, seen in the VIX Index for example in September, factor volatility might increase in the future. This is most apparent with value, whose volatility has reduced by around a third since the turn of the year, but which started increasing somewhat at the end of the period. However, this phenomenon is not restricted to value, with all our factors realising lower levels of volatility than at the beginning of the year. Falling factor volatility is yet another sign of "normalisation" within the factor space whereby factor behaviour more closely resembles history. We are hopefully moving away from an environment where most equity market moves can be explained by coronavirus infection rates, making it easier to find diversification.

The increased macro variability in September has helped our market dynamics stock selection criterion, which incorporates both price momentum and reversals, to post the strongest performance contribution over the course of the quarter. Sustainable growth also contributed positively to fund returns in the quarter, which is quite pleasing especially in an environment where the market is rotating away from growth as in September. The positive contribution was partially offset by the negative performance from our other stock selection criteria like dynamic valuation, analyst sentiment and company management. The quieter summer months did not seem to help these stock selection criteria, but diversification helped the fund to deliver a positive outcome overall.

During the first two months of the quarter, risk appetite continued trending downwards (as it had in Q2), but in the third month of the quarter it started to increase, moving to a more balanced positioning. This meant there was an internal positioning change between value and quality, but overall, our dynamic valuation criterion seems reasonably stable. This positioning change in the summer did not seem to have benefited performance except in the last month of the quarter. The shift in risk appetite in September slightly increased the weight of our dynamic valuation criterion overall, reducing quality to around 6% and increasing the criterion's valuation component to 12%, a more balanced positioning and closer to Q1 this year.

Source: Old Mutual Investment Group as at 30/09/2021

## FUND COMMENTARY AS AT 30/09/2021

Global equity markets experienced a strong rally of more than 5% in the first two months and then gave it all back to end the quarter with slightly negative returns, with the MSCI World Index down -0.35% in USD terms. The loss in the MSCI World Index was driven by heavy losses in Asia Pacific, with the MSCI All Country Asia Pacific (ex-Japan) Index down -9.16%. Huge losses in the Chinese stock market were due to economic slowdown, clamping down on gambling stocks and worries about the potential default of one of China's biggest property developers, Evergrande. Otherwise, with rally and then drawdown obvious in many market indexes, markets were marginally up. For example, the S&P 500 Index and MSCI Europe Index gained 0.23% and 0.34% respectively. Different as usual to other markets, the Japan Nikkei 225 Index was up 2.3% for the quarter.

In the first couple of months of the quarter, the mood towards COVID was in line with earlier in the year, looking through a third wave of COVID infections and expecting or experiencing an orderly, vaccine-inspired reopening. While the ongoing impact of coronavirus is clearly a source of uncertainty, equity markets have experienced, and largely

## 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) (30/09/2021)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	2.07%	1.61%	1.21%	2.06%	1.60%	1.19%
Transaction Cost (TC)	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Total Investment Charge	2.22%	1.76%	1.36%	2.21%	1.75%	1.34%

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

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 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 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 30 November 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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Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

Issued: December 2021