



# OLD MUTUAL INVESTORS' FUND

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

OCTOBER 2021

## FUND INFORMATION

### RISK PROFILE



### 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 through investing in a broad spectrum of local instruments.

### WHO IS THIS FUND FOR?

This fund is suited to investors seeking long-term capital growth through a broadly diversified portfolio of shares. The investor can tolerate stock market volatility.

### INVESTMENT MANDATE

It invests in shares across all sectors of the stock market, focusing predominantly on the Top 100 blue-chip shares. The fund aims to achieve its performance objectives through well-researched and superior share selection. Derivatives may be used for efficient portfolio management purposes.

### REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and therefore may hold a higher allocation to equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

**BENCHMARK:** ASISA Category Average\*  
\*The FTSE/JSE Capped SWIX Index is referenced for exposure management purposes.

**ASISA CATEGORY:** South African – Equity – General

**FUND MANAGER(S):** Siboniso Nxumalo, Neelash Hansjee & Arthur Karas  
(Old Mutual Investment Group – MacroSolutions)

**LAUNCH DATE:** 01/10/1966

**SIZE OF FUND:** R13.1bn

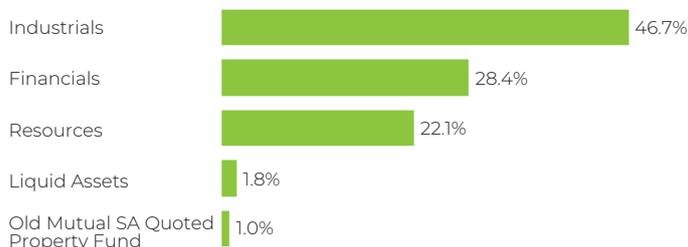
### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
30/06/2021	207.66c	5.48c	213.14c	0.55%
31/12/2020	107.61c	3.33c	110.93c	0.34%

\* 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.

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## FUND PERFORMANCE AS AT 31/10/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	42.8%	6.1%	3.6%	3.8%	8.7%	15.9%
Fund (Class A) <sup>2</sup>	42.2%	5.6%	3.3%	3.4%	8.4%	-
Fund (Class A7) <sup>4</sup>	42.2%	5.6%	3.2%	-	-	-
Fund (Class B1) <sup>3</sup>	42.8%	6.1%	3.7%	3.8%	-	-
Fund (Class B7) <sup>4</sup>	42.8%	6.1%	3.7%	-	-	-
Benchmark <sup>5</sup>	36.0%	9.5%	6.7%	6.1%	10.5%	17.2%

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

<sup>2</sup> Inception: 30 June 2007.

<sup>3</sup> Inception: 31 July 2013.

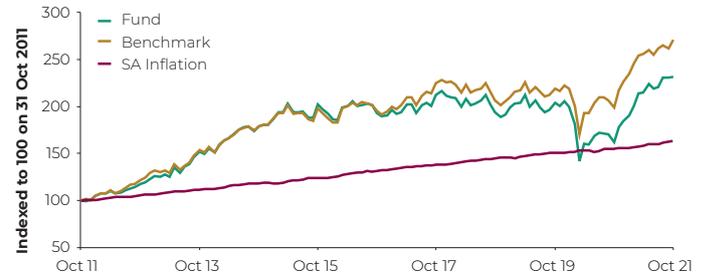
<sup>4</sup> Inception: 30 April 2016.

<sup>5</sup> Benchmark: SA – Equity – General sector from inception of fund to 30 Sept 2007. SWIX Index from 1 Oct 2007 to 30 June 2017. SA – Equity – General sector from 1 July 2017 to date. Please note: Class B1 and B7 funds are 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)	96.0%	18.3%	-45.7%

### Cumulative Performance: 10 Years to 31 October 2021



Past performance is no indication of future performance.

<sup>5</sup> Benchmark: SWIX Index from 1 Oct 2007 to 30 June 2017. SA - Equity - General sector from 1 July 2017 to date.

### Risk Statistics (Since Inception)

Maximum Drawdown	-51.9%
Months to Recover	80
% Positive Months	63.3%
Annual Standard Deviation	17.8%

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
FirstRand Ltd	8.4%
MTN Group Ltd	8.2%
ABSA Group Ltd	7.2%
Sasol Ltd	6.5%
Anglo American Plc	6.1%
Standard Bank Group Ltd	5.6%
Prosus NV	4.8%
British American Tobacco	4.0%
Transaction Capital Ltd	3.1%
The Foschini Group Ltd	3.1%



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OCTOBER 2021

## FUND MANAGER INFORMATION



**SIBONISO NXUMALO |**  
PORTFOLIO MANAGER

- BCom (Hons), MBA (UCT)
- 15 years of investment experience



**NEELASH HANSJEE |**  
PORTFOLIO MANAGER

- BCom (Hons), CA (SA)
- 14 years of investment experience



**ARTHUR KARAS |**  
PORTFOLIO MANAGER

- BCom, CFA
- 30 years of investment experience

Over the past year, driven by our research, we had identified the following key themes that would drive the investment returns clients hire us to deliver.

### Globally

- **Earnings over ratings:** This means we see a strong but maturing global recovery where returns will be driven increasingly by fundamental earnings rather than a price-earnings (PE) re-rating (which was the key driver from the bottom of the pandemic-induced recession).
- **Regime change:** This means that we are anticipating higher inflation over the medium term. Inflation will be driven by supply chain disruptions, high commodity prices and the record volumes of stimulus that central banks used to drive the recovery.

### South Africa

- **Cyclical recovery:** The higher commodity prices have (in the short term) created a terms of trade windfall. A continuing vaccination drive and global recovery will fuel a cyclical recovery in South Africa.
- **Cash is trash:** Low rates will drive return-seeking investors to growth assets and away from cash.

Thus, with the above themes, we positioned and continue to position clients' funds in favour of cyclical/economically sensitive companies. We have positioned the fund towards South Africa, given the compelling valuations relative to emerging and global markets. We have also positioned clients' funds favouring "value" rather than "growth" shares. Earnings per share (EPS) growth in this recovery has not been scarce, so paying a lower price for EPS growth makes sense.

Over the past quarter, our overweight positions in MTN (+36.9%), OMNIA (+31.2%) Sasol (+27.7%) and Old Mutual (+24.6%), including some strong returns from the big four banks and Investec, contributed meaningfully to the returns. Our underweight

position in the Naspers/Prosus complex was also a key contributor to client returns. This particular investment call illustrates the advantage of our multi-faceted investment approach. Naspers is a market darling and a very sizeable position in many portfolios. Market commentators tend to agree that the Naspers/Process complex offers compelling fundamental bottom-up value. That's before you add the discount that they trade at relative to their stake in the Chinese tech company Tencent. While we do not materially disagree with the market's view that Tencent is a world-class business that should warrant a very high rating given its market opportunity, that famous Albert Einstein adage needs to be mentioned here: "Not everything that can be counted counts and not everything that counts can be counted."

Our thematic lens into the world raised concerns about the regulation of tech companies. This concern and our cyclical recovery and value > growth theme meant that we had been reducing our stake in Naspers/Prosus at higher valuations, and deploying that in domestically focused, economically sensitive SA Inc companies. This proved to be a highly profitable decision, as the draconian regulatory decisions in China took their toll on the Tencent share price, leading to a substantial underperformance in the companies from their peaks earlier in the year.

Following a substantial price recovery, we have been reducing our platinum group metal and diversified miners holdings. We have continued buying Investec, Discovery, Pepkor and Anheuser-Busch on the back of weakness in the price.

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

## FUND COMMENTARY AS AT 30/09/2021

We apply a pragmatic approach to building and managing equity, property and multi-asset class solutions. We seek to invest in assets that are both attractively priced and experiencing tailwinds to their growth prospects. To do this, we blend top-down and bottom-up research, use quantitative tools and apply our philosophy of theme and price.

## 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%.

TAX REFERENCE NUMBER: 9430/021/60/1

## ONGOING

	Class A	Class B1*	Class R	Class A7	Class B7*
Annual service fees (excl. VAT)	1.35%	1.00%	1.00%	1.35%	1.00%

\* Please note: The Class B1 and Class B7 funds are available through investment platforms such as Old Mutual Wealth. Class A7 and Class B7 are only available for tax-free investments. 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.

### ISIN CODES:

Class A	ZAE000097473
Class A7	ZAE000217626
Class B1	ZAE000179289
Class B7	ZAE000217634
Class R	ZAE000020830

Total Expenses (Incl. Annual Service Fee) (30/06/2021)	36 Months					12 Months				
	Class A	Class B1*	Class R	Class A7	Class B7*	Class A	Class B1*	Class R	Class A7	Class B7*
Total Expense Ratio (TER) Incl. VAT	1.57%	1.16%	1.16%	1.57%	1.16%	1.56%	1.16%	1.16%	1.57%	1.16%
Transaction Cost (TC)	0.28%	0.28%	0.28%	0.28%	0.28%	0.19%	0.19%	0.19%	0.19%	0.19%
Total Investment Charge	1.85%	1.44%	1.44%	1.85%	1.44%	1.75%	1.35%	1.35%	1.76%	1.35%

\* Please note: The Class B1 and Class B7 funds are available through investment platforms such as Old Mutual Wealth. Class A7 and Class B7 are only available for tax-free instruments.

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.
- 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 October 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.

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 Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

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

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