



OLD MUTUAL MANAGED ALPHA EQUITY FUND

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

SEPTEMBER 2021

FUND INFORMATION

RISK PROFILE

Low	Low to Moderate	Moderate	Moderate to High	High
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RECOMMENDED MINIMUM INVESTMENT TERM

1 year+	3 years+	5 years+
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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 achieve steady growth of capital and a higher return than the average general equity fund. It is managed using a proprietary quantitative investment process.

WHO IS THIS FUND FOR?

This fund is suited to investors with a long-term investment horizon seeking to maximise growth and who are able to accept the risks associated with equity funds.

INVESTMENT MANDATE

The fund invests in equities listed on the JSE Securities Exchange (JSE). 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:	FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX)
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ASISA CATEGORY: South African – Equity – General

FUND MANAGER(S):	Grant Watson & Warren McLeod (Old Mutual Customised Solutions (Pty) Ltd)
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LAUNCH DATE: 23/12/1998

SIZE OF FUND: R1.8bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
30/06/2021	76.51c	2.78c	79.29c	0.87%
31/12/2020	51.68c	1.83c	53.51c	0.66%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

Industrials	41.2%
Resources	27.4%
Financials	24.0%
SA Property	4.3%
Liquid Assets	3.3%

FUND PERFORMANCE AS AT 30/09/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class A)	27.9%	5.5%	2.7%	4.1%	10.1%	12.9%
Fund (Class B1) ²	28.4%	5.9%	3.1%	-	-	-
Benchmark ³	30.3%	6.5%	5.1%	5.8%	10.8%	14.7%

¹ Performance since inception of the fund.

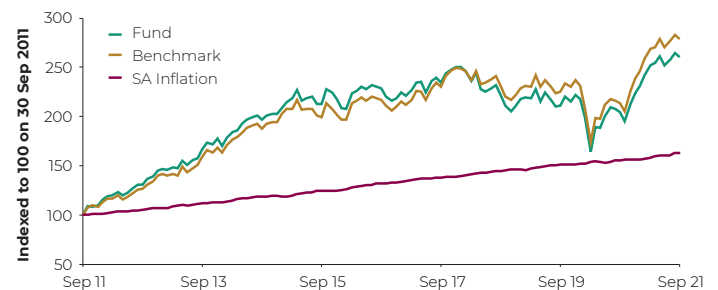
² Inception: 31 January 2015. Class B1 fund is available through investment platforms such as Old Mutual Wealth.

³ Benchmark:

SA - Equity - General sector from inception of fund to 30 June 2009, SWIX Index from 1 July 2009 to 30 June 2017. Capped SWIX Index from 1 July 2017 to date. 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)	64.5%	13.8%	-31.5%

Cumulative Performance: 10 Years to 30 September 2021



Past performance is no indication of future performance.

³ Benchmark: SWIX Index from 1 July 2009 to 30 June 2017. Capped SWIX Index from 1 July 2017 to date.

Risk Statistics (Since Inception)

Maximum Drawdown	-36.3%
Months to Recover	20
% Positive Months	61.9%
Annual Standard Deviation	14.9%

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

5-Year Annualised Rolling Returns (Fund vs Benchmark)



PRINCIPAL HOLDINGS

HOLDING	% OF FUND
FirstRand Ltd	6.0%
Prosus NV	5.8%
Anglo American Plc	4.8%
MTN Group Ltd	4.2%
Naspers Ltd	4.1%
Standard Bank Group Ltd	3.6%
Sasol Ltd	3.3%
Impala Platinum Holdings Ltd	2.8%
BHP Group Plc	2.4%
Sibanye Stillwater Ltd	2.2%

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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OLD MUTUAL MANAGED ALPHA EQUITY FUND

SEPTEMBER 2021

FUND MANAGER INFORMATION



GRANT WATSON | PORTFOLIO MANAGER

- BCom, MCom, MBA, CMMD, SAIS
- 24 years of investment experience



WARREN MCLEOD | PORTFOLIO MANAGER

- BBusSc (Hons), BCom (Hons), MBusSc
- 21 years of investment experience

FUND COMMENTARY

The past quarter has been eventful. There is uncertainty around the repercussions of Covid-19's Delta variant infections. This primarily impacts the service sectors, and it has stalled recovery in the hospitality sector employment rate. The global market has kept its eyes on the pace of the US Federal Reserve Board's actions on employment and inflation. The employment recovery is ongoing and at this pace it will take a further eight months for employment to reach pre-Covid levels. US inflation has risen more than expected since the beginning of the year, but the monthly rate of change in the CPI is nevertheless low. If the recoveries continue at this rate, we expect the first interest rate increase in the US by approximately mid-2023. A further worry in the markets is the prospect of the Chinese economy.

Recent changes to the regulatory environment have resulted in concerns that the Chinese economy is returning to a "purer" level of communism. We disagree, as we have seen similar actions in the past without a move in that direction. Similarly, we don't see it being a stumbling block to the "growth in capitalism" in China. We anticipate policy easing in China to ensure that the economy continues at a pace strong enough to support the remainder of the world economy.

South Africa has experienced a tumultuous quarter with the devastating July unrest having economic consequences. The Covid infections were at high levels in the third quarter, which hurt the hospitality and alcoholic beverage sectors. The quicker than expected rollout of Covid vaccines was good news for South Africa. Unexpectedly, the second quarter GDP growth was higher than many economists had forecast, so many have revised their growth forecasts upwards. The growth was supported by strong performance from exports due to high commodity prices, and an increase in household consumption expenditure and fixed investment growth, mostly in the private sector. We are expecting gradual local growth to reach stronger and more sustainable levels. This is likely to assist the rand to be more stable in the medium term compared to the past eight years.

The FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX) ended the third quarter of calendar 2021 with a modest return of 1.51%. The returns were widespread across the various sectors and industries. The Fini5 achieved a good return of 7.97%, but the returns of the Indi25 and the Resi10 disappointed at -3.66% and -0.64% respectively. The wide spread of returns within resources was evident from the very poor -14.76% for precious metals and mining, while industrial metals and mining achieved a strong

3.18%. A phenomenal difference of returns within industrials was illustrated by telecommunications' extraordinary 17.91% whereas technology was hit hard with a quarterly return of -18.88%. This is evidence that both high-level selection and sector classification at a lower level are required to achieve good returns. The rand was volatile against the US dollar for the quarter, starting at R14.31 and ending the quarter at R15.37 per US dollar (weakening by 7.41%). It also weakened by 2.83% against the British pound and by 1.03% against the euro.

Our philosophy is that different themes or factors separate the better performing shares from the weaker performers on a relative basis. These themes are dynamic and change over time. This investment philosophy and rigorous risk management assist us in achieving better portfolio returns over the medium to long term, compared to those of the market. The portfolio is currently positioned as follows to achieve this objective:

- Prevalent sector tilts remain, with resources being the preferred sector, as reflected in the overweight position in basic materials excluding precious metals and gold. The portfolio is underweight financials excluding the banks and has mixed exposure to industrials.
- The portfolio is seeking to gain alpha with positive exposure to the analysts' earnings revisions.
- The portfolio has positive exposure to the US market.
- The portfolio is expecting good relative performance through positive exposure to upward movements in short-term interest rates.

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

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*
Annual service fees (excl. VAT)	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: 9218/095/18/1

ISIN CODES:	Class A	ZAE000135786
	Class B1	ZAE000199139

Total Expenses (Incl. Annual Service Fee) (30/09/2021)	36 Months		12 Months	
	Class A	Class B1*	Class A	Class B1*
Total Expense Ratio (TER) Incl. VAT	1.57%	1.17%	1.57%	1.17%
Transaction Cost (TC)	0.18%	0.18%	0.18%	0.18%
Total Investment Charge	1.75%	1.35%	1.75%	1.35%

* 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 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 30 September 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.

Old Mutual Customised Solutions (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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