



## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### 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)

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

**FUND MANAGER(S):** Grant Watson & Warren McLeod (Old Mutual Customised Solutions (Pty) Ltd)

**LAUNCH DATE:** 23/12/1998

**SIZE OF FUND:** R1.5bn

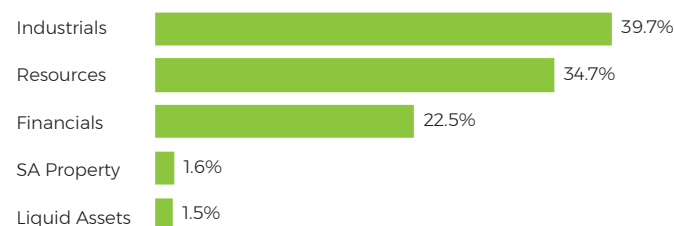
### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
30/06/2020	184.04c	10.73c	194.77c	2.60%
31/12/2019	100.75c	11.28c	112.03c	1.33%

\* Class A fund distributions

### FUND COMPOSITION

#### ASSET & PERCENTAGE ALLOCATION



## FUND PERFORMANCE AS AT 30/09/2020

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class A)	-3.4%	-4.6%	-0.8%	2.9%	7.4%	12.3%
Fund (Class B) <sup>2</sup>	-3.0%	-4.2%	-0.5%	-	-	-
Benchmark <sup>3</sup>	-5.0%	-2.4%	1.4%	4.3%	8.3%	14.0%

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

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

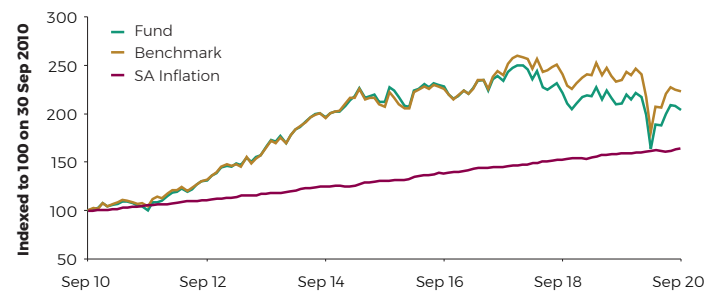
<sup>3</sup> Benchmark:

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%	13.5%	-31.5%

### Cumulative Performance: 10 Years to 30 September 2020



Past performance is no indication of future performance.

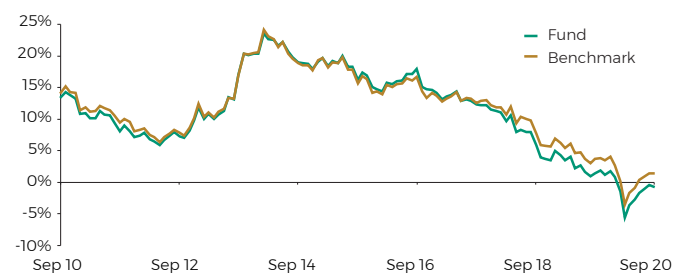
<sup>3</sup> Benchmark: SWIX Index from 1 July 2009 to 30 June 2017. Capped SWIX Index from 1 July 2017 to date.

### Risk Statistics (Since Inception)

Maximum Drawdown	-36.3%
Months to Recover	20
% Positive Months	61.3%
Annual Standard Deviation	15.0%

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
Naspers Ltd	10.6%
Anglo American Plc	5.2%
British American Tobacco	4.0%
Prosus NV	4.0%
FirstRand Ltd	3.7%
Gold Fields Ltd	3.0%
AngloGold Ashanti Ltd	3.0%
BHP Group Plc	3.0%
Standard Bank Group Ltd	2.9%
Impala Platinum Holdings Ltd	2.8%



## FUND MANAGER INFORMATION



### GRANT WATSON |

PORTFOLIO MANAGER

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



### WARREN MCLEOD |

PORTFOLIO MANAGER

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

## FUND COMMENTARY

2020 has been a roller-coaster year both in the geopolitical and investment arenas. Working from home has been entrenched as the norm for many businesses. There has been growth in the economy but it is still a long way off from levels before the onset of Covid-19. Many uncertainties persist including the potential second waves and vaccine developments. The global economy has survived surprisingly well amid the pandemic. This is related to central banks providing liquidity and politicians stating, "We will do whatever it takes to ensure the economy grows going forward." The US Federal Reserve (the Fed) has maintained the policy rate close to zero and is expected to do so for

the remainder of the year, and potentially to 2023. Consequently, this may enable emerging markets' currencies to strengthen against the US dollar.

The COVID-19 related economic downturn in South Africa has been more severe than in the global economy, since it impacted an economy that was already in recession and one which has had poor economic growth over the past decade. This worsening growth situation was exasperated by the ever-widening budget deficit and the rising government debt ratio (debt as share of GDP). The June Supplementary Budget has attempted to counter the economic state of the country by announcing further spending cutbacks. In reality, the fiscal state can only be improved on a sustainable basis by improved economic growth. A better prognosis will be the materialisation of a supportive global environment in terms of growth, inflation and the strengthening of commodity prices. Government needs to follow through its promise to give access - by reducing "red tape" - to development finance for small, medium and micro business. We remain optimistic about the future as we await the Medium-Term Budget Policy Statement, which should unpack opportunities for much-needed growth.

The FTSE JSE Capped Shareholder Weighted Index (Capped SWIX) ended the third quarter positively, up 1.01%. Yet the return for the index was negative for the year (-9.78%) despite the strong rally in the second quarter and a positive return in the third quarter. Market returns remain volatile with a wide dispersion in both the industry sector and subsector returns. The best performing industry sector was basic materials with a return of 6.00%,

in contrast to healthcare, which was the worst performing industry sector posting a decline of 7.20% for the quarter ending September 2020. At subsector level, platinum and precious metals were up 21.63% whereas pharmaceuticals and biotechnology declined 17.00%.

For the quarter, our overweight position in materials and our underweight position in real estate added good performance relative to the Capped SWIX. Looking at the portfolio at a share level our overweight positions in Capitec, Gold Fields and Northam Platinum contributed the most in adding performance relative to the Capped SWIX.

We continuously focus on constructing a portfolio which is positioned to outperform the Capped SWIX. This is achieved by the systematic analysis of varying market themes and share-related measures, e.g. growth, profitability, ESG etc. We strongly believe our strategy separates shares that are expected to outperform the Capped SWIX from those expected to underperform the index. It is through this investment belief and rigorous risk management that we are capable of achieving long-term capital growth. Prevalent sector tilts remain. The resources sector is preferred whereas banks and property shares are unattractive. Medium-term momentum or sentiment and company profitability are attractive. The portfolio will benefit by shares that are "geared" to the market. The portfolio is positioned accordingly.

Source: Old Mutual Investment Group as at 30/09/2020

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

### INITIAL CHARGES (Incl. VAT)\*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.45%. Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

\* Please note: Initial charges do not apply to the Class B funds.

## 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	Class B1
	ZAE000135786	ZAE000199139

Total Expenses (Incl. Annual Service Fee) (30/06/2020)	36 Months		12 Months	
	Class A	Class B1*	Class A	Class B1*
Total Expense Ratio (TER) Incl. VAT	1.58%	1.18%	1.58%	1.17%
Transaction Cost (TC)	0.29%	0.29%	0.15%	0.15%
Total Investment Charge	1.87%	1.47%	1.73%	1.32%

\* 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.

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

Helpline 0860 234 234 Fax +27 21 509 7100 Internet [www.oldmutualinvest.com](http://www.oldmutualinvest.com) Email [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

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 the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds 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 2020. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

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.

Issued: October 2020