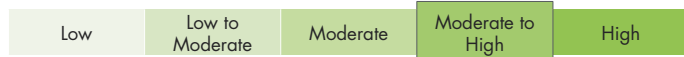


# OLD MUTUAL TOP COMPANIES FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to achieve high, long-term capital growth by investing in a concentrated portfolio of shares across all sectors of the JSE. The portfolio manager places emphasis on well-researched, superior, high-conviction share selection.

### WHO IS THIS FUND FOR?

This fund is suited to investors who want to tap the long-term wealth-generating power of the local stock market. The investor can tolerate stock market volatility.

### INVESTMENT MANDATE

This portfolio is invested fully in shares. 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.

<b>BENCHMARK*:</b>	ASISA Category Average
* Please note: The benchmark changed to the ASISA SAEquity-General category effective 1 July 2017.	
<b>ASISA CATEGORY:</b>	South African – Equity – General
<b>FUND MANAGER(S):</b>	Philip Short & Peter Linley (Old Mutual Investment Group – Equities)
<b>LAUNCH DATE:</b>	01/11/1991
<b>SIZE OF FUND:</b>	R1.6bn

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

Date	Dividend	Interest	Total	Total %
30/06/2018	18.36c	2.55c	20.90c	0.68%
31/12/2017	17.97c	1.81c	19.78c	0.63%

\* Class A fund distributions

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION

Asset Class	Percentage
Industrials	38.2%
Financials	21.8%
Old Mutual Top 20 Fund	20.4%
Resources	15.3%
Liquid Assets	4.3%

## FUND PERFORMANCE as at 30/09/2018

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	-3.5%	0.5%	3.8%	8.3%	8.9%	12.9%
Fund (Class A) <sup>2</sup>	-3.8%	0.3%	3.7%	8.3%	8.8%	-
Fund (Class B1) <sup>3</sup>	-3.5%	0.7%	4.0%	8.6%	9.2%	-
Benchmark	1.1%	5.3%	7.9%	12.8%	12.4%	15.3%

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

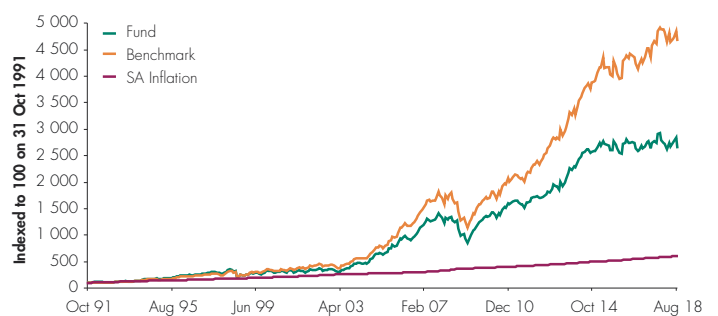
<sup>2</sup> Inception: 30 June 2007

<sup>3</sup> Inception: 30 June 2003. Class B1 Fund is only 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)	61.5%	14.7%	-36.0%

### Performance Since Inception



Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-41.8%
Months to Recover	46
% Positive Months	61.6%
Annual Standard Deviation	16.8%

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

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



## PRINCIPAL HOLDINGS

HOLDING	% OF FUND
Naspers Ltd	15.7%
British American Tobacco	8.6%
Sasol Ltd	7.3%
Old Mutual Ltd	4.9%
BHP Billiton Plc	4.1%
Investec Ltd	4.0%
ABSA Group Ltd	3.6%
Transaction Capital Ltd	3.5%
Aspen Pharmacare Holdings Ltd	3.4%
Netcare Ltd	3.0%

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

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



# OLD MUTUAL TOP COMPANIES FUND

## FUND MANAGER INFORMATION



**PHILIP SHORT**  
PORTFOLIO MANAGER

- BSc Mathematics, CFA Charterholder
- 16 years of investment experience



**PETER LINLEY**  
PORTFOLIO MANAGER

- BA Economics, BCom (Hons)
- 33 years of investment experience

## FUND COMMENTARY as at 30/09/2018

The local market was weak during the quarter, with the FTSE/JSE SWIX All Share Index declining by 3.3%, while in contrast the MSCI World Index appreciated by 8.5% in rand terms. The FTSE/JSE SWIX All Share Index declined by 7.8% for the nine months to the end of September, compared with the strong return of 21% (in rand terms) for the MSCI World Index. This reflects both the weakness in the rand and the stronger US dollar performance of developed markets. The fund does not invest in offshore companies, which has provided a headwind to performance compared with the peers over the quarter and for the year-to-date performance.

The environment remains tough and share prices are heavily penalised for any miss on market expectations, with the fund's holdings in Aspen, Blue Label and Naspers as the most significant detractors of performance over this quarter. Fortunately, the structure of the fund, with a bias to shares benefiting from a weaker rand, provided

some protection in a weak market. These include outperforming shares such as Sasol, BHP Billiton, Exxaro and Investec. The fund also benefited from not holding MTN, which was down 19% over the quarter, as the headlines were dominated by the challenges it faces with the regulators in Nigeria.

During the quarter, we took profits in Discovery, selling our position to zero as it was trading above our fair value. We used the proceeds to add to existing positions in Investec, Old Mutual, Aspen and BHP Billiton.

We have maintained a significant underweight to SA Inc. shares (i.e. companies generating the majority of their earnings locally), given the lack of value within consumer shares, in particular. We believe these companies will continue to operate in a very tough environment for the foreseeable future. Many reported results to the end of June 2018 and almost without exception, these results confirmed that earnings remain under pressure. Our

interactions with management, customers and suppliers would suggest that growth will be difficult to come by for the year ahead.

Our emphasis remains on building a highly concentrated portfolio, which requires patience and discipline when looking for opportunities in a weak market.

Source: Old Mutual Investment Group as at 30/09/2018

## 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*	Class R
Annual service fees (excl. VAT)	1.35%	1.00%	1.00%

\* Please note: The Class B1 Fund is only 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: 9000/033/60/6

ISIN CODES:	Class A	ZAE000097507
	Class B1	ZAE000130670
	Class R	ZAE000020806

Total Expenses (Incl. Annual Service Fee)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.34%	0.99%	1.17%	1.59%	1.19%	1.19%
Performance Fee (incl. in TER)	0.05%	0.05%	-	-	-	-
Transaction Cost (TC)	0.37%	0.37%	0.37%	0.42%	0.42%	0.42%
Total Investment Charge	1.71%	1.36%	1.54%	2.01%	1.61%	1.61%

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

Please note the annual service fees changed with effect from 1 January 2017 from performance based fees to flat fees. Historical performance fees were charged and will reflect in the fund's TER for 3 years from the date of service fee change. Historical performance fees were accrued daily and paid to the management company on a monthly basis (details on website).

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.omut.co.za](http://www.omut.co.za) 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 2018. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

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 2018