

# MULTI-MANAGER FUNDS: YOU NEED TO KNOW THIS

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Find out how investing with SYm|metry Multi-Manager may help you avoid the dangerous limitations of chasing performance.

## Can't see the wood for the trees?

This old saying points out that if you spend too much time looking at individual trees, you will miss out on the experience of the forest, i.e. getting too caught up in the details means you may lose sight of the bigger picture.

The same goes for investing: if you are preoccupied with which unit trust is currently the best performer, you may get distracted from your long-term investment strategy and fall into the expensive trap of switching between funds in an attempt to follow performance.

Not only can this behaviour be costly, but it may negatively impact the overall performance of a portfolio. This is because it takes a lot of time, research and investment expertise to understand an asset management company, and in what market conditions they perform well or may underperform.

## Today's star may be tomorrow's dog...

Even if you buy today's best-performing fund, if the market suddenly shifts, does the portfolio manager have the ability to adjust to the new situation? History indicates that each asset manager responds differently to different stages of the investment cycle.

The table below illustrates this point perfectly, tracking the performance of two asset managers in the Asset Allocation-Flexible category from 1 January 2002 to 31 December 2010.

Calendar year	Best-performing manager	Worst-performing manager
2002		Manager A
2003	Manager A	
2005		Manager A
2006		Manager B
2008	Manager B	
2009	Manager B	Manager A
2010		Manager B

Source: Morningstar

## SYm|metry does all the work for you

In South Africa, there are over 900 unit trusts on the market. How do you even begin to go about selecting which unit trusts are best for your clients?

Making the right choice takes experience, expertise and in-depth analysis of an asset manager's philosophy, process and people.

At SYm|metry we do all this work for you. Our team spends over 10 000 hours analysing, monitoring and evaluating asset managers. Then we apply the latest technology available to enhance our research and portfolio construction process.

No single adviser or investor can hope to match that!

Based on our findings we select the best mix of managers to help us achieve a fund's investment objectives. This is not just about who is performing well; it is about selecting managers that complement each other's skills and philosophies. *Optimal manager diversification translates into competitive returns at reduced risk.*

## Complementary managers

Fred Liebenberg, Head of Absolute Return and Fixed Income Manager Research at SYm|metry, explains why the right blend of managers is more important than simply chasing performance.

"We aim to combine managers with different investment styles and philosophies that will tend to get their best performance during different times in the market cycle.

"For example, in our Balanced Fund of Funds, Prudential is very focused and does not deviate much from their long-term portfolio structure. This means that they can be quite risky over the short term when markets are weak, but they have the luxury of being able to invest in long-term opportunities that pay handsomely over time. Coronation is a much more active manager, and is constantly changing their portfolio structure to suit current conditions. Through this they are able to manage risk better over the short term, making them an ideal combination with a manager like Prudential."

## SYm|metry range of funds

Our **solution funds** are designed to meet the risk and return requirements of most investors. As asset allocation funds they offer excellent diversification, so the only thing you need to do is determine a client's risk profile, and select the appropriate fund from our range – we take care of the rest.

	SYm metry Cautious FoF	SYm metry Defensive FoF	SYm metry Balanced FoF
<b>Risk Target</b>	No capital loss over 9 months	No capital loss over 12 months	No capital loss over 18 months
<b>Long Term Return Target</b>	Cash+2%	CPI+5%	CPI+7%
<b>Investment Horizon</b>	Over 3 years	Medium term (less than 5 years)	Medium to long term (more than 5 years)
<b>Asset Classes Invested In</b>	Flexible Investment across all asset classes allowing managers freedom to control risk and maximise return. Cautious FoF is limited to max 40% in equity.		
<b>Launch Date</b>	September 2010	June 2001	June 2001

Visit [www.omut.co.za](http://www.omut.co.za) for more details on our full fund range, or ask your OMIGSA sales executive. These funds are available direct from Old Mutual Unit Trusts or through most major LSPs.

Unit trusts are generally medium- to long-term investments. Past performance is no indication of future performance. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's TER reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A schedule of fees, charges and maximum commissions is available from the Old Mutual Unit Trust Manager Ltd (OMUT). You may sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis (and 17h00 at month-end for Old Mutual RAFP® 40 Tracker Fund and Old Mutual Top 40 Fund). A fund of funds unit trust invests only in other collective investment schemes, which may levy their own charges. Certain funds may be capped to be managed in accordance with their mandates. Different classes of units apply to these portfolios and are subject to different fees and charges. The portfolio performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. The investment performance is for illustrative purposes only. It is calculated taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. Past performance is not necessarily an indication of future performance. Old Mutual Unit Trust Managers Ltd is a member of the Association for Savings and Investment South Africa (ASISA).

