



## OVERVIEW

The Value Equity Investments boutique invests shares that are out of favour with other investors, yet have solid fundamentals that are likely to drive performance over the long term, ultimately delivering attractive returns to our investors.

Our goal is to offer superior investment returns across a variety of equity-only portfolios, through our expert ability to recognise undervalued companies. We construct our portfolios through in-depth fundamental analysis, finding stocks or sectors which are at a deep discount relative to fair value.

The fund managers in our team are dedicated to ensuring that they remain true to valuation fundamentals, seeking to provide excellent returns over the long term. However, this contrarian, value-driven approach means that the portfolios can perform very differently to other equity managers in the shorter term.

This boutique is one of the 16 that have been established by the Old Mutual Investment Group (SA) (OMIGSA). Autonomous and entrepreneurial, these investment boutiques are structured so that they can focus solely on delivering performance in their particular area of investment specialisation, with business and operational support provided by OMIGSA's world class shared services.

## INVESTMENT PHILOSOPHY

We see value investing as being contrarian: buying out-of-favour shares that do not reflect their intrinsic values and seeking opportunities to sell once the shares have moved too strongly onto the radar screens of other fund managers.

We believe that the market focuses too often on the short term and overreacts to disappointing earnings, negative publicity or legal issues. We identify situations where investors have become too negative and when they are unduly questioning the longer term prospects of a business that is fundamentally sound. Essentially we distrust forecasts and instead prefer to focus on valuations. We search for situations that are likely to benefit from improving expectations.

## WHY RETAIL CLIENTS CHOOSE US

- ▲ International analysis shows value stocks consistently outperform other styles and the market as a whole.
- ▲ We are a dedicated and independent team who believe in the long term superiority of the 'value' philosophy.
- ▲ Our focus is on generating wealth for our clients through a disciplined process with a proven, consistent and competitive track record.
- ▲ Access to one of the best-resourced research teams in the country.

## TEAM

Michael Schroder – Joint Boutique Head

Feroz Basa – Joint Boutique Head

### RETAIL INVESTMENT OFFERINGS

▲ Old Mutual High Yield Opportunity Fund

▲ Old Mutual Value Fund

These funds are collective investment schemes and are accessible via Old Mutual Unit Trusts.

Refer to the Quarterly Fund Performance Guide for further information.