



OLD MUTUAL

Investment Group

**Value Equity
Investments**

Value Portfolio

Portfolio Manager |
Michael Schroder



INVESTMENT DESCRIPTION

As a dedicated and independent team of portfolio managers, we believe in the long-term superiority of the 'value' philosophy – buying shares when they are cheap and selling them when they price in expectations which we believe to be unrealistic. International analysis shows that value stocks consistently outperform other styles and the market as a whole and we aim to provide above-average capital growth over the medium to long term by investing particularly in those situations, where shares are undervalued in relation to the underlying companies' intrinsic value. Particular attention is paid to those situations, where the market overreacts to negative news like disappointing earnings, negative publicity or legal issues. At the same time, we are seeking selling opportunities where shares have moved too much onto the radar screens of the broader fund management industry.

INVESTMENT OBJECTIVE

Typically the investment objective of the portfolio is to out-perform the SWIX. However other benchmarks can be considered on request, taking into account the risk constraints and the expected performance targets.

INVESTMENT COMPOSITION

The portfolios typically consist of shares that are undervalued. They typically exhibit the characteristics of lower price to earnings ratios, higher dividend yields and lower price to book ratios than the overall market. This should give investors a portfolio which exhibits a lower volatility to the market and ultimately higher risk-adjusted returns.

SUITABLE INVESTORS

The portfolio is suitable for investors who have a tolerance for short term fluctuations in capital value or periods of underperformance. They need to be aware that the portfolio comprises stocks that are typically 'unloved' by the market and that the timing as to the market eventually coming to realise their value, is uncertain. Accordingly, the investor should be willing to accept these risks in order to achieve superior returns over the longer term.

INVESTMENT TEAM

This portfolio is managed by Mike Schroder. Mike has 18 years of investment experience and has won numerous awards. He is supported by portfolio managers Varusha Daljee and Feroz Basa, as well as one of the largest teams of equity analysts in South Africa. OMIGSA's macro strategy, quantitative and risk teams provide additional assistance.

Launch Date

January 2007

Portfolio Category

Specialist Equity

Product Vehicle

The client is the beneficial owner of the assets held in the portfolio.

Benchmark

Dependent on client mandate.

Minimum Investment

R100 million

Contact details: Old Mutual Investment Group (South Africa) (Pty) Limited, P.O. Box 878, Cape Town 8000. Tel: +27 21 509 5022 Fax: +27 21 509 4663 www.omigsa.com

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