

# OLD MUTUAL GLOBAL TECHNOLOGY FUND

## FUND INFORMATION

**RISK RATING** 1 2 3 4 5

The risk rating does not take the impact of exchange rate fluctuations into account.

### FUND OBJECTIVE

The fund aims to offer superior returns over the longer term by investing in technology shares from around the world.

### WHO IS THIS FUND FOR?

This fund is suited to investors seeking growth through a spread of investments in companies from across the globe that operate in the field of technology. The investor can tolerate equity and exchange rate volatility.

### RECOMMENDED MINIMUM INVESTMENT TERM

1 year+ 3 years+ 5 years+

### INVESTMENT MANDATE

The fund selectively invests in companies across the globe that operate in the field of technology. Opportunities are identified in companies that develop technology, are technologically driven, or are using technology to re-engineer their business. In particular, the fund targets the IT, telecommunications and media sectors.

This fund is subject to a ballot and if successful, will merge into the Old Mutual Global Emerging Market Fund on 29 February 2012. This fund will cease to exist at that time.

### COMPOSITE BENCHMARK:

85% MSCI High Tech Index, 15% FTSE/JSE Information Tech Index

### ASISA CATEGORY:

Worldwide - Equity - Technology Sector

### FUND MANAGER(S):

Jonathan Larcombe (OMIGSA - Equity Research)

**LAUNCH DATE:** 24/03/1999

**SIZE OF FUND:** R71m

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

| Date       | Dividend | Interest | Total |
|------------|----------|----------|-------|
| 31/12/2011 | 0.00c    | 0.00c    | 0.00c |
| 30/06/2011 | 0.00c    | 0.00c    | 0.00c |

\* Class R fund distributions

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

This fund is temporarily closed to new investments.

### INITIAL CHARGES:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.42%.

Investment transactions below the R500 fund minimum incur a 2.28% administration charge.

### ONGOING:

Annual service fee: 2.28% p.a. (Class A)

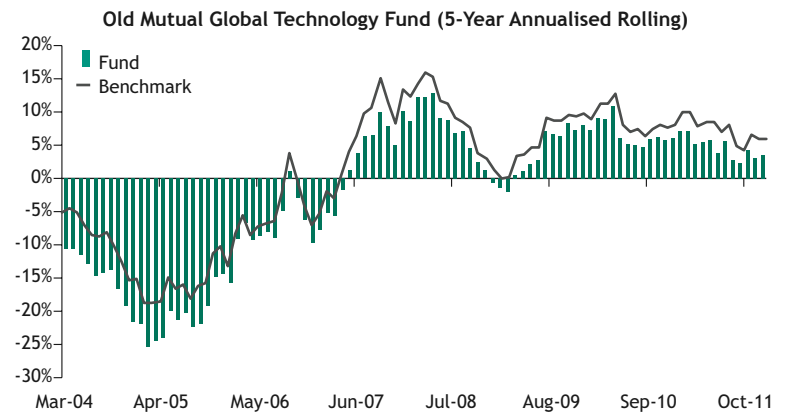
The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER.

Total expense ratio (TER): 2.45%

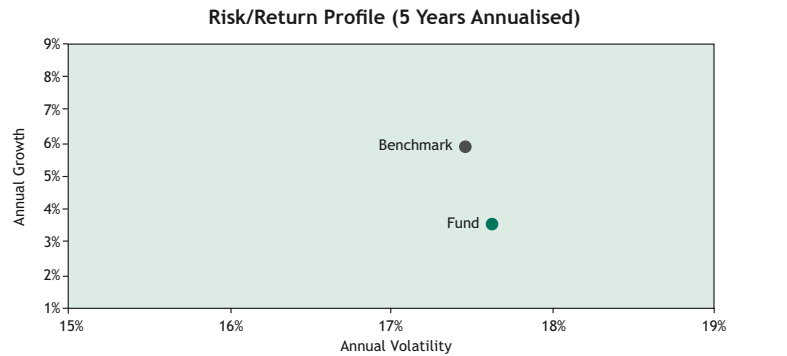
TER is a historic measure and includes the annual service fee.

## FUND PERFORMANCE as at 31/12/2011

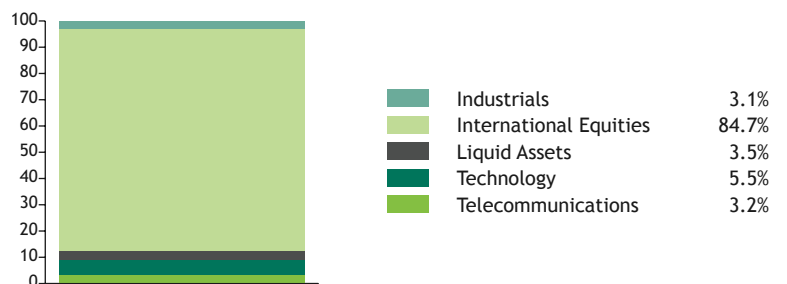
|                     | % PERFORMANCE (p.a.) |      |      |      |       |                 |
|---------------------|----------------------|------|------|------|-------|-----------------|
|                     | 1-Yr                 | 3-Yr | 5-Yr | 7-Yr | 10-Yr | Since Inception |
| Fund                | 6.9                  | 14.8 | 3.5  | 7.4  | -3.3  | -1.3            |
| Benchmark           | 11.0                 | 18.8 | 5.9  | 9.8  | -0.9  | 2.7             |
| Tax-exempt Investor | 6.9                  | 14.8 | 3.5  | 7.4  | -3.3  | -1.3            |
| Corporate Investor  | 6.9                  | 14.8 | 3.5  | 7.4  | -3.3  | -1.3            |
| Private Investor    | 6.9                  | 14.8 | 3.5  | 7.4  | -3.3  | -1.3            |
| Retirement Fund     | 6.9                  | 14.8 | 3.5  | 7.4  | -3.3  | -1.3            |



| RISK STATISTICS (5 YEARS ANNUALISED) | FUND  | BENCHMARK |
|--------------------------------------|-------|-----------|
| Annual Standard Deviation            | 17.6% | 17.5%     |



## FUND COMPOSITION



## CURRENT PRINCIPAL HOLDINGS

| HOLDING                    | SECTOR                 | % OF FUND |
|----------------------------|------------------------|-----------|
| Apple Computers            | Information Technology | 6.5%      |
| Sandisk Corporation        | Information Technology | 6.1%      |
| Intel Corporation          | Information Technology | 5.3%      |
| Microsoft Corporation      | Information Technology | 5.1%      |
| Oracle Systems Corporation | Information Technology | 5.0%      |
| Qualcomm Inc               | Information Technology | 4.6%      |
| Dell Computers Corporation | Information Technology | 4.5%      |
| Check Point Software       | Information Technology | 3.7%      |
| EMC Corp/Mass              | Information Technology | 3.5%      |
| Nvidia Corporation         | Information Technology | 3.4%      |

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## FUND MANAGER INFORMATION



**JONATHAN LARCOMBE**

### QUALIFICATIONS:

BCompt (Hons)  
CA (SA)  
CFA Charterholder

### CURRENT RESPONSIBILITY:

Jonathan joined the Toros Equity boutique in April as a portfolio manager.

His broad research background (three years in Private Equity and three years in Listed Equity Research) provides a strong fundamental input into the decision-making process. His experience across sectors is supported by a solid technical ability.

### PREVIOUS EXPERIENCE:

Jonathan worked as an equity analyst in the Equity Research boutique and was responsible for companies in the telecommunications, healthcare, food, fishing and packaging sectors of the JSE. He also managed the Global Technology Unit Trust Fund.

Prior to that he worked in private equity as an analyst upon joining Old Mutual Investment Group South Africa (OMIGSA) in 2004. His responsibilities included evaluating, research, analysis and structuring of both listed and unlisted investments.

Before that he spent three years in London with Credit Suisse, firstly in audit and then as a business analyst in the hedge fund cluster. He served articles at Grant Thornton, Cape Town.

## FUND COMMENTARY as at 31/12/2011

For the fourth quarter of 2011, the Morgan Stanley Tech Index increased by 6.0% in US dollar terms and 6.4% in rand terms. Locally, the FTSE/JSE Technology Index increased 12.1%, and the FTSE/JSE Telecommunications Index increased 6.7% over the period.

The MS Tech Index, which is a geared play on economic growth, saw a reversal of third quarter losses. Following a volatile year, the last quarter saw buyers return to acquire select blue-chip tech stocks that had previously been sold off aggressively, e.g. Google, Adobe, Cisco, Intel and HP.

Moving into an uncertain global macro environment for 2012, we would expect tech stocks with above average industry profit margins, good exposure to emerging markets, strong balance sheets and dividend yields, to outperform.

We continue to favour focused plays on networking, cloud services, software and security, with IBM, Microsoft and Oracle especially attractive. With the expected proliferation of smart mobile devices and increasing commoditisation of these and tablet devices, we are cautious on the outlook for certain communication players, e.g. Research in Motion and Nokia.

Net income for tech companies is expected to rise by 11% in 2012 according to a large sample of analyst estimates. We find the sector attractive in general, with revenues and earnings generally outstripping nominal GDP growth.

At the end of December, the fund held 36 shares with 85% invested in offshore companies, 11% local and the balance of 4% in cash.

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 adviser fees is available from Old Mutual Unit Trust Managers 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 RAFI® 40 Tracker Fund, Old Mutual Top 40 Fund and SYM | mENTRY Equity Fund of Funds). The Old Mutual Money Market Fund unit price aims to be static but investment capital is not guaranteed. The total return is primarily made up of interest (declared daily at 13h00), but may also include any gain/loss on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. 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. Lump sum basis. Performances are in ZAR and as at 31 December 2011. Sources: Morningstar and OMIGSA (estimated inflation figure for month of December 2011). Past performance is not necessarily an indication of future performance.

Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).

Funds are also available via Fairbairn Capital and MAX Investments.

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