

# OLD MUTUAL TOP COMPANIES FUND

## FUND INFORMATION

RISK RATING 1 2 3 4 5

### 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.

### RECOMMENDED MINIMUM INVESTMENT TERM

1 year+      3 years+      5 years+

### INVESTMENT MANDATE

This portfolio is invested fully in shares. Derivatives may be used for risk 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.

**BENCHMARK:** Shareholder Weighted Index (SWIX)

**PERFORMANCE TARGET:** SWIX + 2% p.a. (gross of fees)

**RISK OBJECTIVE:** Lower volatility than the equity market.

**CATEGORY BENCHMARK:** FTSE/JSE All Share Index

**ASISA CATEGORY:** Domestic Portfolios - Equity - General Portfolios

### FUND MANAGER(S):

Richard Hasson & Neil Brown (OMIGSA - ELECTUS)

**LAUNCH DATE:** 01/11/1991

**SIZE OF FUND:** R1.7bn

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

Date	Dividend	Interest	Total
31/12/2011	23.51c	3.98c	27.49c
30/06/2011	14.70c	3.39c	18.09c

\* Class A fund distributions

**TAX REFERENCE NUMBER:** 9000/033/60/6

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

### INITIAL CHARGES (All fees are VAT inclusive):

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:

Performance fees apply as follows:

Annual service fee (min./max.): 0.86% / 2.85% p.a. (Class A)

Fee hurdle: SWIX - 2%

Sharing rate: 15%

Fee at hurdle/target: 0.86% / 1.54% p.a.

Total expense ratio (TER):

**Class A:** 1.01% (includes performance fee of 0.14% as at 31/03/2012)

**Class R:** 1.15% (closed to new business)

Manager shares in any performance above the fee hurdle. The performance fee is based on rolling one-year periods (details on website). It is accrued daily and paid to the management company on a monthly basis. Additional charges are deducted from the fund's portfolio and may be included in the TER. 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.

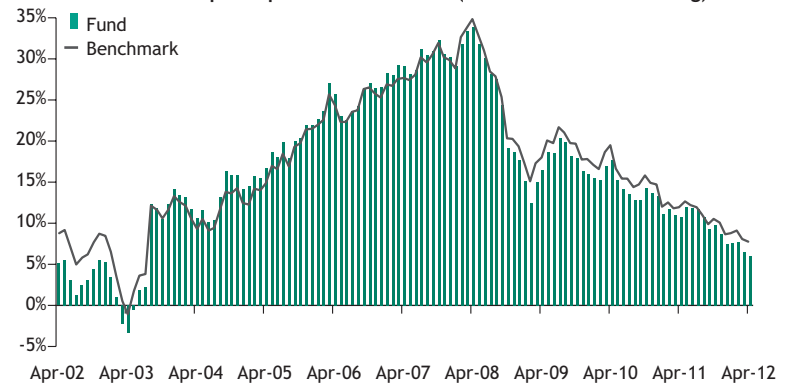
TER is a historic measure and includes the annual service fee.

## FUND PERFORMANCE as at 30/04/2012

	% PERFORMANCE (p.a.)					Since Inception
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	
Fund (Class R)	5.4	20.2	6.0	15.6	17.0	15.0
Fund (Class A)*	5.6	20.0	-	-	-	6.8
Benchmark	11.8	22.8	7.8	18.1	17.3	15.6
Tax-exempt Investor	5.4	20.2	6.0	15.6	17.0	15.0
Corporate Investor	5.3	20.1	5.9	15.5	16.8	14.3
Private Investor	5.3	20.0	5.9	15.5	16.8	14.3
Retirement Fund	5.4	20.2	6.0	15.6	16.9	14.4

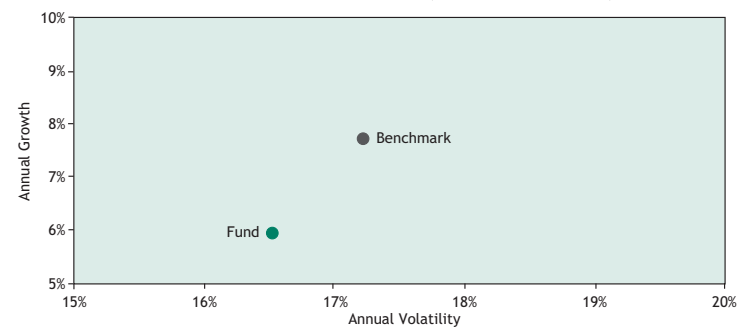
\* Inception: 30 June 2007

Old Mutual Top Companies Fund Class R (5-Year Annualised Rolling)

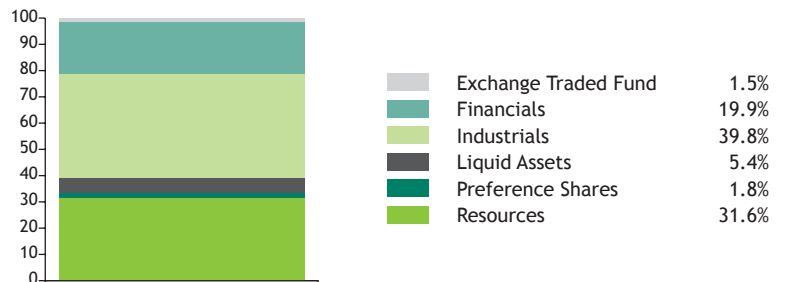


RISK STATISTICS (5 YEARS ANNUALISED)	FUND	JSE ALL SHARE
Annual Standard Deviation	16.5%	18.6%

Risk/Return Profile Class R (5 Years Annualised)



## FUND COMPOSITION



## CURRENT PRINCIPAL HOLDINGS as at 31/03/2012

HOLDING	SECTOR	% OF FUND
MTN Group Limited	Telecommunications	9.0
Anglo American plc	Basic Resources	8.9
Naspers Ltd	Media	6.6
Trencor Ltd	Industrials	6.5
Sasol Ltd	Oil & Gas	6.5
Old Mutual plc	Life Insurance	5.4
BHP Billiton plc	Basic Resources	5.0
Standard Bank Group Ltd	Banks	4.9
Netcare Limited	Healthcare	3.3
Investec plc	Banks	3.0

# OLD MUTUAL TOP COMPANIES FUND

## FUND MANAGER INFORMATION



**RICHARD HASSON**

### QUALIFICATIONS:

BCom  
CA (SA)  
CFA

### CURRENT RESPONSIBILITY:

Richard is responsible for jointly managing the ELECTUS boutique and funds with Neil Brown. Richard became co-manager of the boutique and these long only equity funds, with full accountability, in August 2006. Richard has also co-managed equity hedge funds with Neil since November 2005 and 130/30 funds since May 2008.

The retail offerings within the ELECTUS boutique include Old Mutual Top Companies Fund, which Richard has jointly managed with Neil since August 2006, and the Old Mutual Growth Fund, which Richard has managed since April 2002.

With 14 years' investment experience, Richard has an ability to analyse and understand company financial statements in detail and uncover key trends that lie behind these numbers. Having spent the early part of his career in the small cap sector, Richard has an in-depth understanding of this sector in the market, which is typically under-researched.

### PREVIOUS EXPERIENCE:

Richard joined OMIGSA in June 1997 after completing his auditing articles. He started out as a small cap equity analyst and in December 1998 he became the Small Cap Sector Head.

In April 2002, he took over management of the Old Mutual Growth Fund (unit trust), which he continues to manage.

In June 2004 he moved from the small cap sector to the financial sector and became Head of Financial Sector and portfolio manager of the award-winning (S&P and Raging Bull) Old Mutual Financial Fund (unit trust).



**NEIL BROWN**

### QUALIFICATIONS:

MBA (Finance)  
National Diploma Co. Admin.

### CURRENT RESPONSIBILITY:

Neil is jointly responsible for managing the ELECTUS boutique and funds with Richard Hasson. Neil became co-manager of the boutique and these long only equity funds, with full accountability, in August 2006. Neil has also co-managed equity hedge funds with Richard since November 2005.

The core retail offering within ELECTUS is the Old Mutual Top Companies Fund, jointly managed by Neil and Richard since August 2006, while Neil has managed the Nedgroup Investments Growth Unit Trust Fund since April 2001.

With 18 years of investment experience and an MBA in Finance, Neil has an ability to understand the strategic and financial business plans employed by companies. Having spent eight of these years as a small and mid-cap sector specialist, Neil has an in-depth understanding of this sector in the market, which is typically under-researched.

### PREVIOUS EXPERIENCE:

Neil joined OMIGSA in June 2004 as a Senior Portfolio Manager and Small Cap Sector Head and portfolio manager for these institutional and retail funds.

Neil has been an institutional analyst and fund manager, managing both pension funds and unit trusts, but primarily focusing on the mid- and small cap sectors of the JSE. He has managed two unit trusts, the NIB Emerging Companies Fund (now named Nedgroup Investments Entrepreneur Fund) since its inception in 1997, until June 2004, and the NIB Growth Fund (now named Nedgroup Investments Growth Fund) since April 2001 to date.

From April 2003, until its closure in June 2004, he worked for Quaystone (previously BOE Asset Management), before joining OMAM in June 2004. From 1996, until its closure in April 2003, Neil worked for Syfrets Managed Assets and its successors, NIB & Franklin Templeton NIB. From 1992 to the end of 1995, he worked for Syfrets Private Bank, managing segregated private client portfolios.

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|METRY 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 30 April 2012. Sources: Morningstar and OMIGSA (estimated inflation figure for month of April 2012). 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).

## FUND COMMENTARY as at 30/04/2012

For the month of April 2012, the FTSE/JSE All Share Index (ALSI) gained 2.8% while the FTSE/JSE Shareholder Weighted All Share Index (SWIX) gained 2.7%. Industrials performed best, gaining 3.2%, while resources and financials gained 2.5% and 2.6% respectively. Large caps gained 2.9%, mid-caps 2.7% and small caps 1.2%.

Within the resources sector, we continue to have a bias towards the large diversified and high quality mining companies, as they are typically low-cost producers with diversified income streams across various commodities and geographies. We also hold selected single-commodity shares in businesses that we believe have a competitive position in their respective industries.

In the South African industrial sector, we have reduced exposure to a few of the domestic consumer industrials as they have now reached full value. With the proceeds, we have slightly increased exposure to selected, high quality and better-value rand-hedge industrial shares. We have also purchased some great quality mid- and small cap local industrial businesses that are trading at attractive valuations.

Within financials, we retain our preference for Standard Bank and Investec in the banking sector. Old Mutual remains our preferred holding in the life assurance sector and we continue to believe more upside potential exists in its restructuring initiatives.

At the end of April, the fund remained highly focused, with the top 15 shares comprising over 60% of the fund. The fund currently has a weighted price:earnings (p:e) ratio of 10.8 times on rolling earnings, with earnings per share growth of 20% expected over the next 12 months, while the weighted fund dividend yield is currently 3.3% on a rolling basis.