

# THE WORLD THROUGH OUR EYES

## INVESTMENT MANAGERS' CONFERENCE

### NAVIGATING DIVERGENT DEVELOPED MARKET CONDITIONS

IAN HESLOP, HEAD OF GLOBAL EQUITIES,  
OLD MUTUAL GLOBAL INVESTORS



DO GREAT THINGS



**OLD MUTUAL**  
INVESTMENT GROUP

# FOCUSING ON CHANGING EXPECTATIONS...

... rather than making predictions



- Chinese concerns
- An uncertain outlook
- Unachievable reform?

# FOCUSING ON CHANGING EXPECTATIONS...

... rather than making predictions



- 'Will they, won't they?'
- Shifting Fed goalposts continue to dominate proceedings

# FOCUSING ON CHANGING EXPECTATIONS...

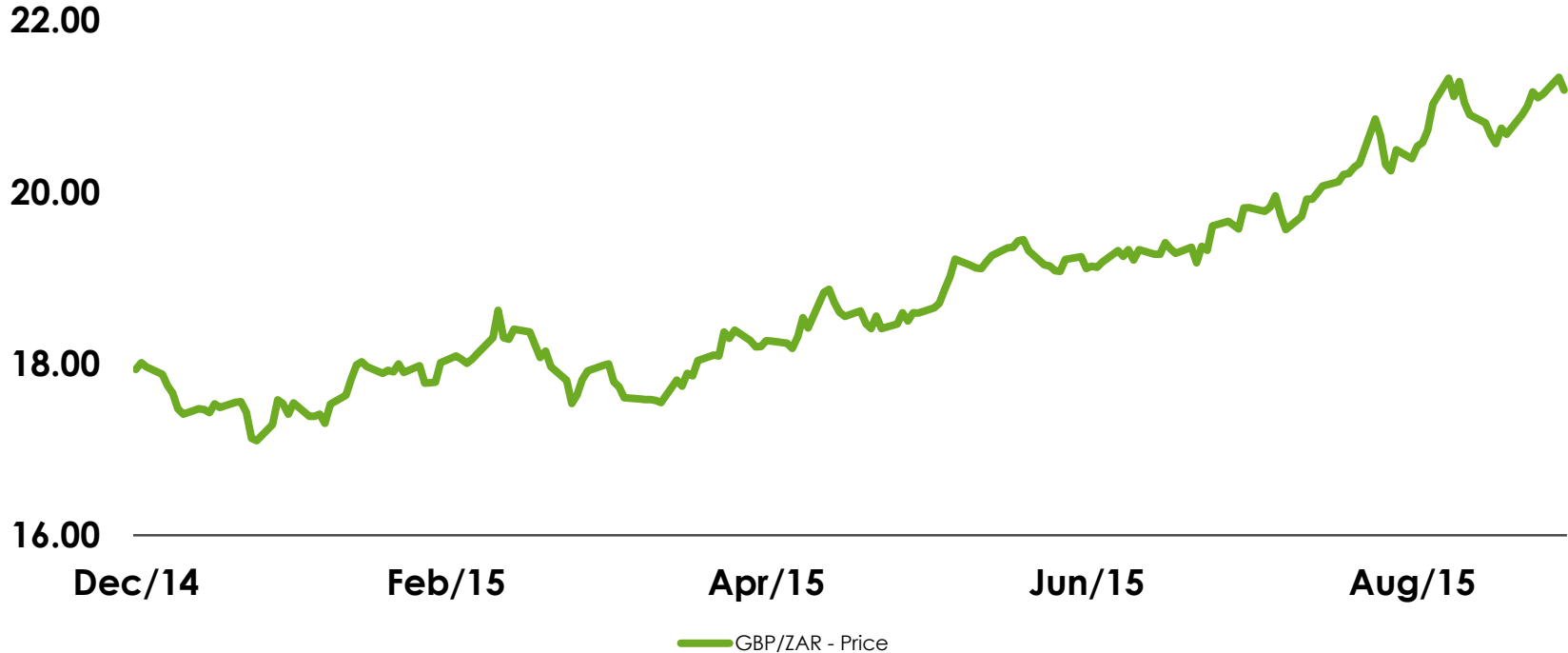
... rather than making predictions



- EM currencies suffer on China worries
- The rand – still a one-way bet?
- Commodity-price weakness weighs heavy
- All eyes on the Fed

# RAND EXTENDS WEAKNESS VERSUS STERLING

GBP/ZAR weakens 16.2% in past year, 57.4% in past three years and 93.7% in past five years



# EM EQUITIES UNDERPERFORM

Emerging market stocks diverge from developed peers over the summer

120



(INDEX) MSCI The World Index - Price

(INDEX) MSCI EM (Emerging Markets) - Price

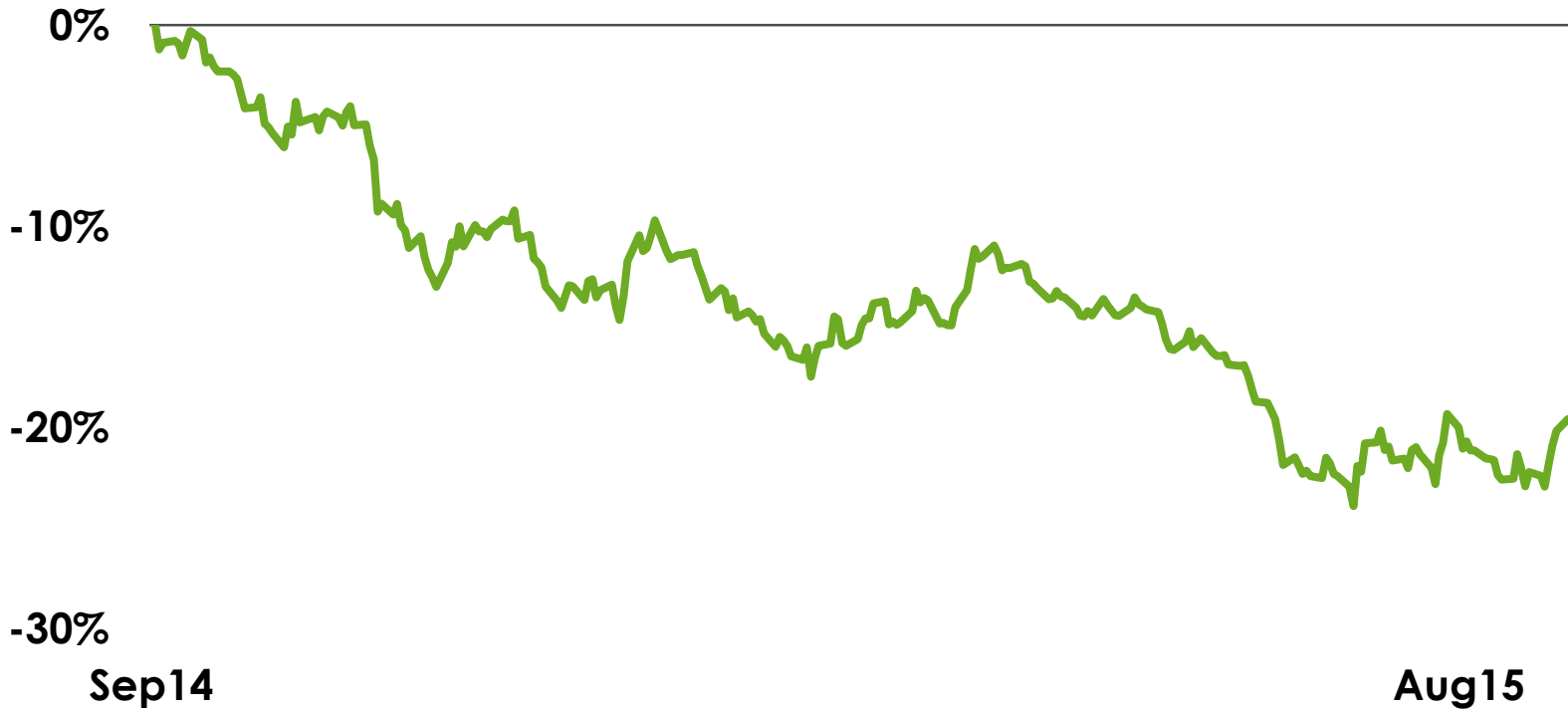
80

Dec/14

Sep/15

# NORTH AMERICA

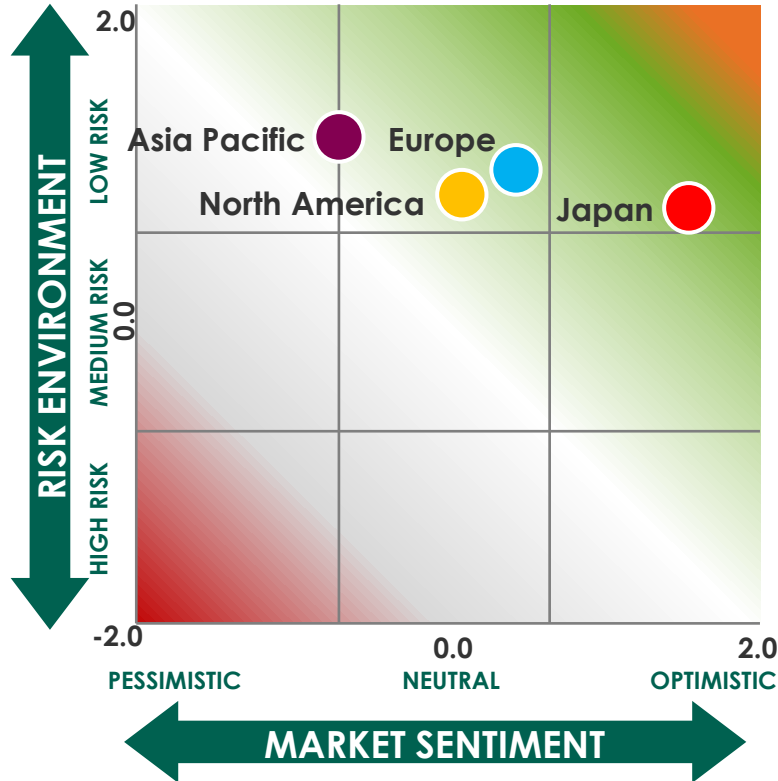
## Book to price performance



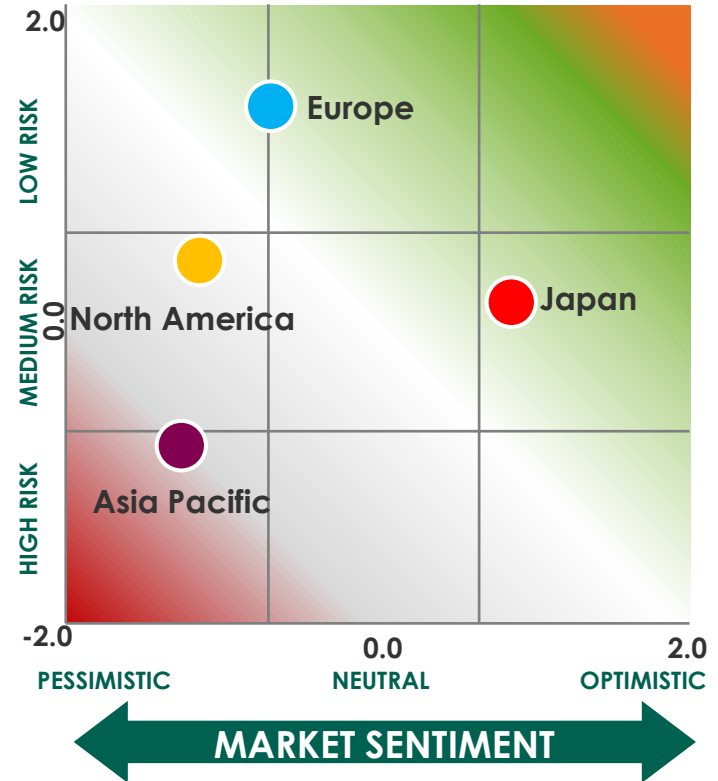
# MARKET ENVIRONMENT: POSITIONING

Across regions – where we were

31 December 2014



29 September 2015





# STOCK SELECTION CRITERIA



**DYNAMIC  
VALUATION**



**MARKET  
DYNAMICS**



**SUSTAINABLE  
GROWTH**



**ANALYST  
SENTIMENT**



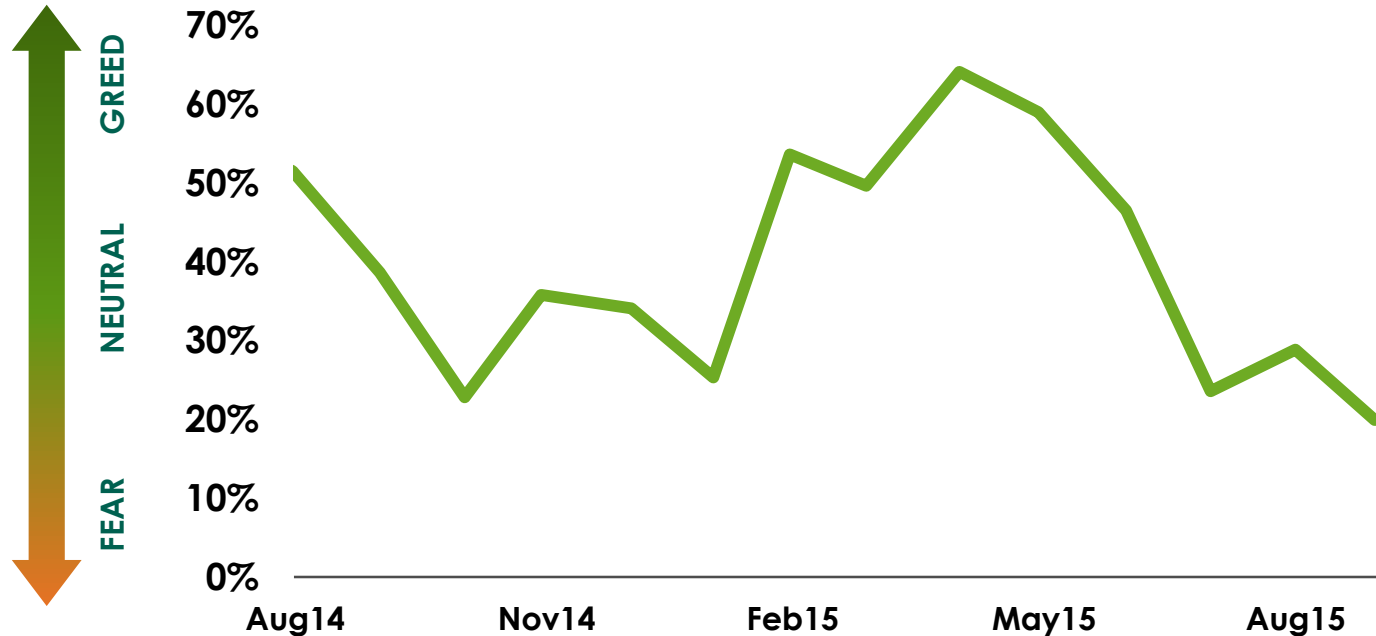
**COMPANY  
MANAGEMENT**

# AN UNCOMFORTABLE 12 MONTHS FOR INVESTORS...

Dynamic mix of 'risk-on/risk-off'

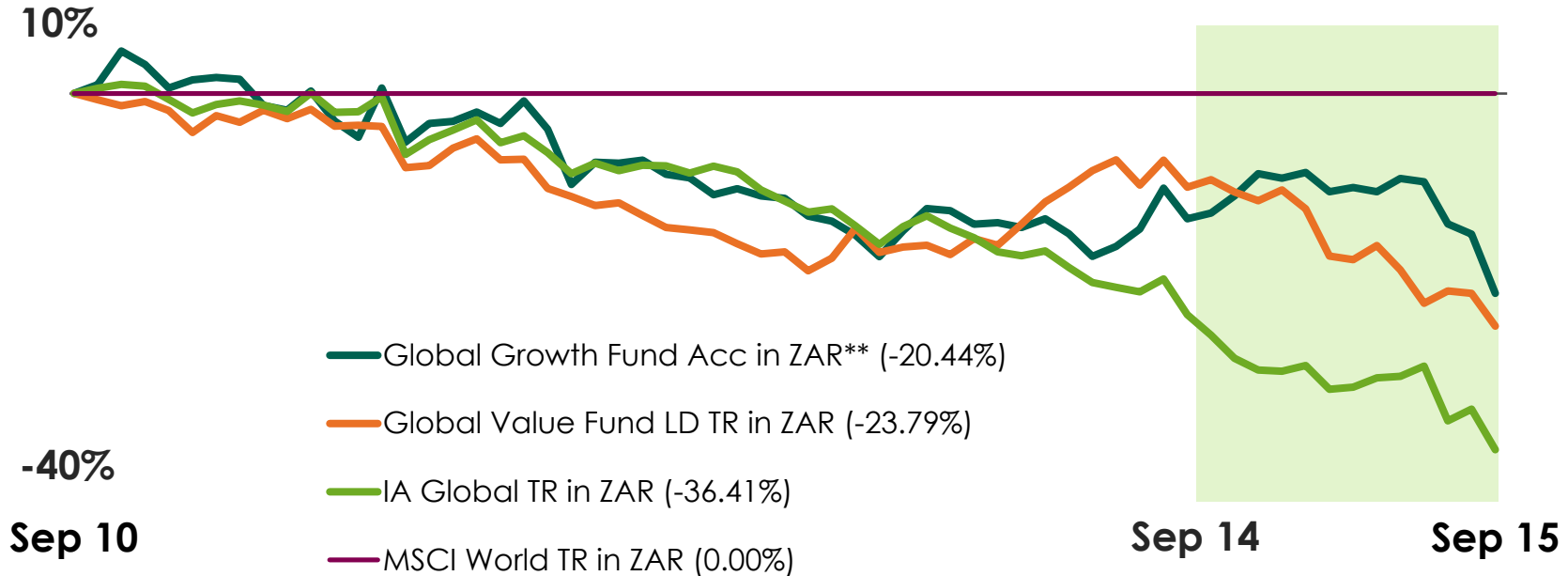
GLOBAL MARKET ENVIRONMENTS SEPTEMBER 2015

PROPRIETARY  
ANALYSIS TO  
EVALUATE  
GLOBAL RISK  
APPETITE



# ... EXACERBATED BY UNCONSCIOUS STYLE BIAS

No one style will always be right



\*\*The History of this unit/share class has been extended, at FE's discretion, to give a sense of a longer track record of the fund as a whole.

Source: FE, Total Return Bid-Bid monthly line chart over 60 months (from end Sept 2010 to end Sept 2015) against benchmark "MSCI World" from UK IA universe. Rebased in Rand

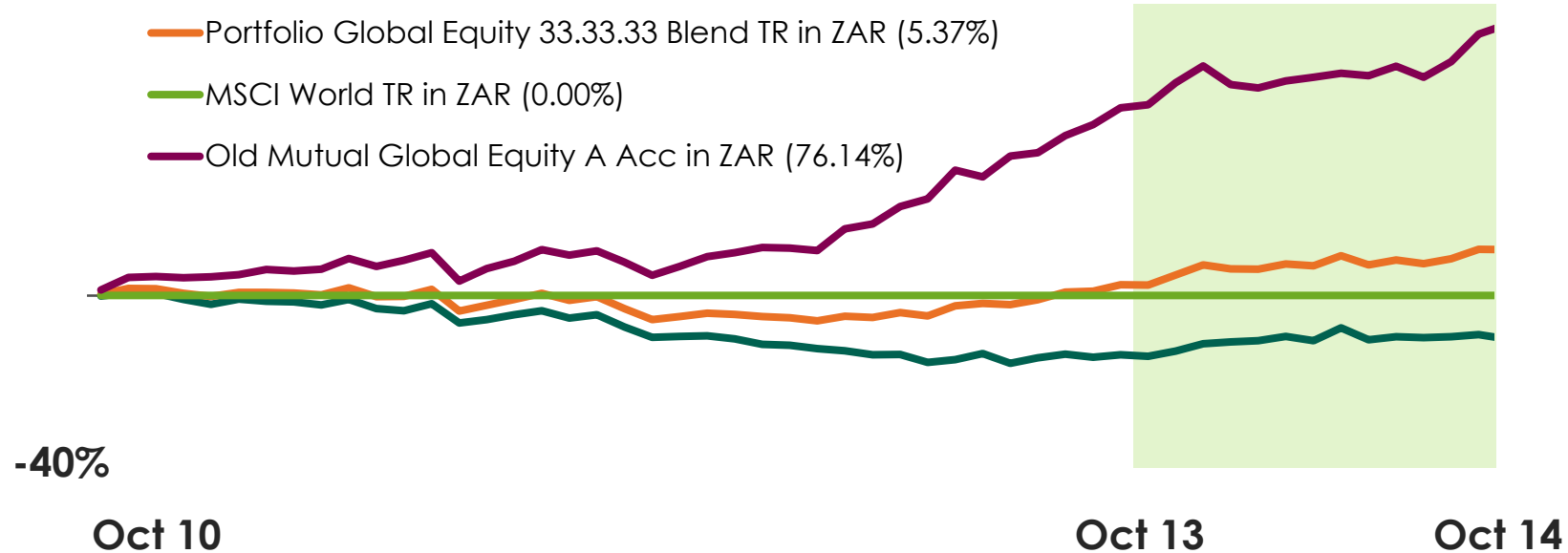
Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed..

# SO, HOW BEST TO RIDE IT OUT?

## Diversification across styles is key

80%

- Portfolio Global Equity 50.50 Blend TR in ZAR (-22.62%)
- Portfolio Global Equity 33.33.33 Blend TR in ZAR (5.37%)
- MSCI World TR in ZAR (0.00%)
- Old Mutual Global Equity A Acc in ZAR (76.14%)



-40%

Oct 10

Oct 13

Oct 14

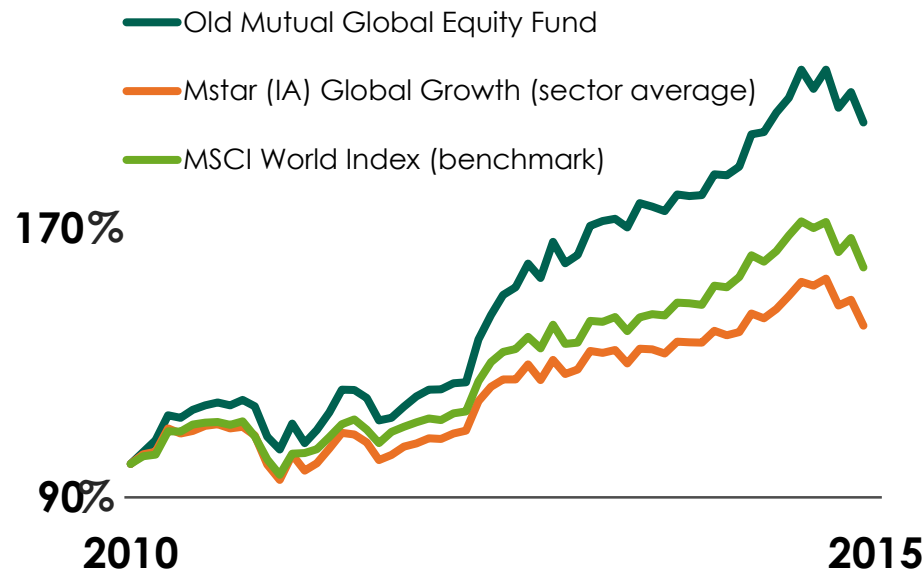
Source: FE, Total Return Bid-Bid monthly line chart over 60 months (from end Sept 2010 to end Sept 2015) against benchmark "MSCI World" from UK IA universe. Rebased in Rand. The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performance may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Past performance is not a guide to future performance. Annualised returns are the weighted average compound growth rate over the performance period measured. The actual highest, average and lowest actual 12-month return figures since inception to 30 September 2015 of the Old Mutual Global Equity Fund are 75.0% (highest), 15.5% (average) and -40.3% (lowest). The fund was launched on 17/05/1995.

# OLD MUTUAL GLOBAL EQUITY FUND

Keeping ahead of its peers

## CUMULATIVE PERFORMANCE

250%



## CUMULATIVE PERFORMANCE

Period	Actual Fund %	Annualised Fund %	Sector average %	Annualised Sector Avg %	Quartile rank
1 year	4.9	4.9	-0.7	-0.7	1
3 years	59.7	16.9	29.2	8.9	1
5 years	94.9	14.3	40.9	7.1	1

## CALENDAR PERIOD PERFORMANCE

Year	Fund %	Sector average %	Quartile rank
YTD	-1.9	-4.7	2
2014	14.9	7.0	1
2013	39.2	22.2	1
2012	12.9	10.1	1
2011	-3.9	-9.5	1

Faciset (see important information). Bid to bid, net income reinvested, Sterling terms. Performance as at 31/08/2015. Sector average: IA Global Growth

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# OLD MUTUAL GLOBAL EQUITY FUND (SA)

Period	Fund %	Benchmark
1YR	23.8	20.2
2YR	25.5	23.3
3YR	35.1	29.8
5YR	30.3	25.6
7YR	15.1	14.3
10YR	14.1	13.9
15YR	9.3	8.2

OMGI, Performance as at 31/08/2015. (Returns in Rand)

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# REGULATORY INFORMATION

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