

MACROSOLUTIONS

INVEST WITH PERSPECTIVE

*The trouble with*

## ^ **PORTFOLIO OPTIMISATION: A LOCAL PERSPECTIVE**

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MACROSOLUTIONS,  
OLD MUTUAL INVESTMENT GROUP

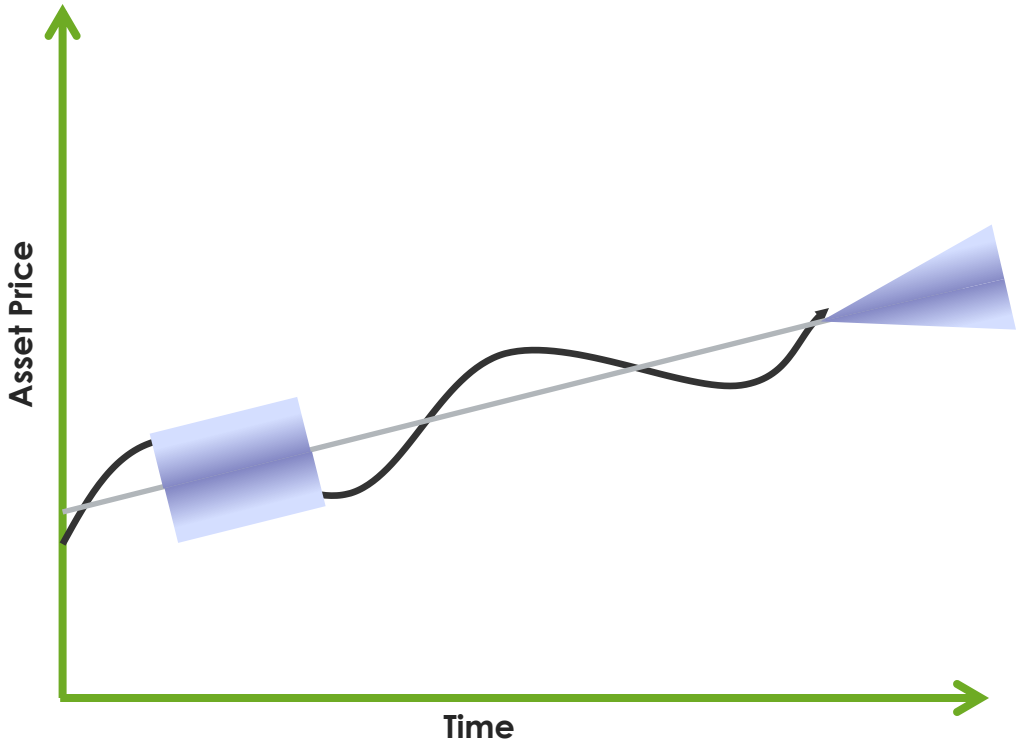


DO GREAT THINGS

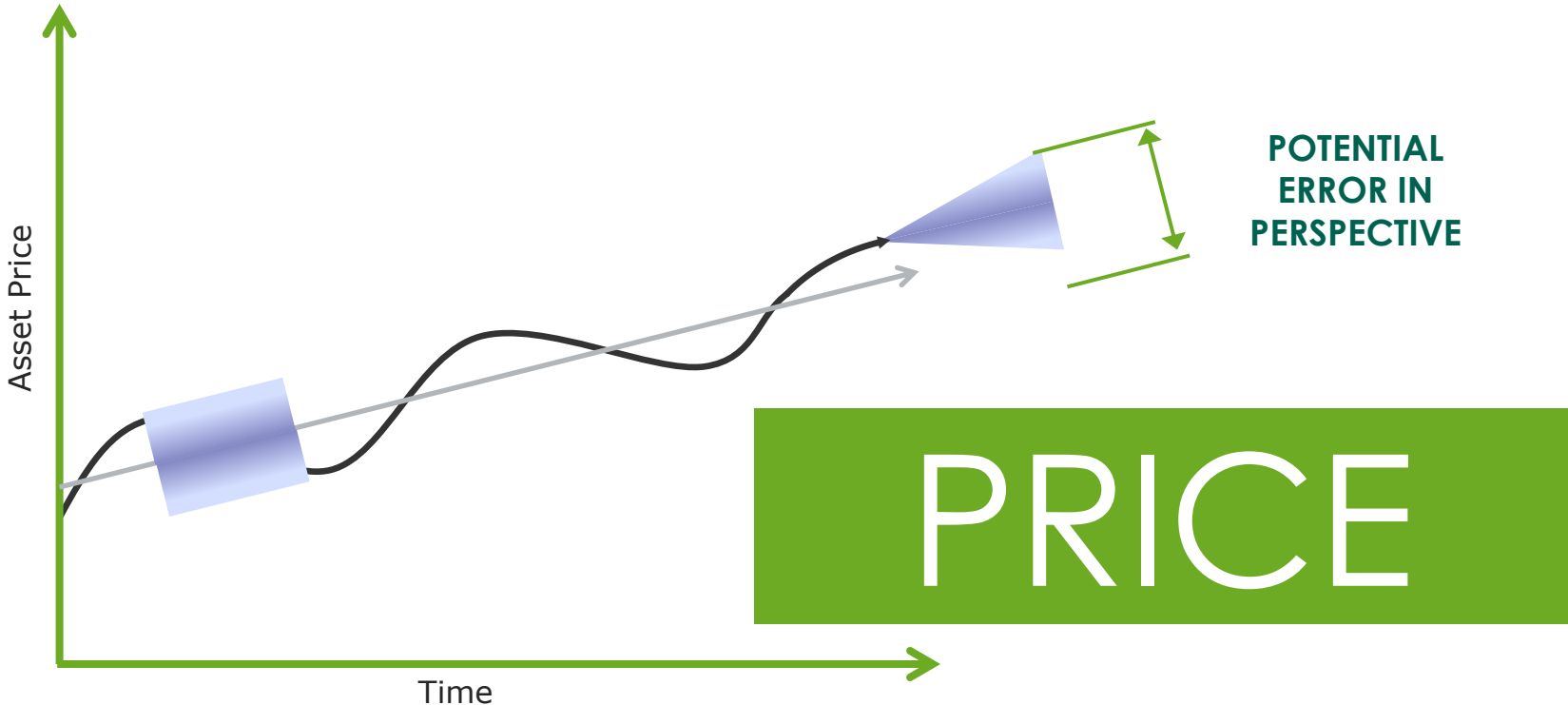


**OLD MUTUAL**  
INVESTMENT GROUP

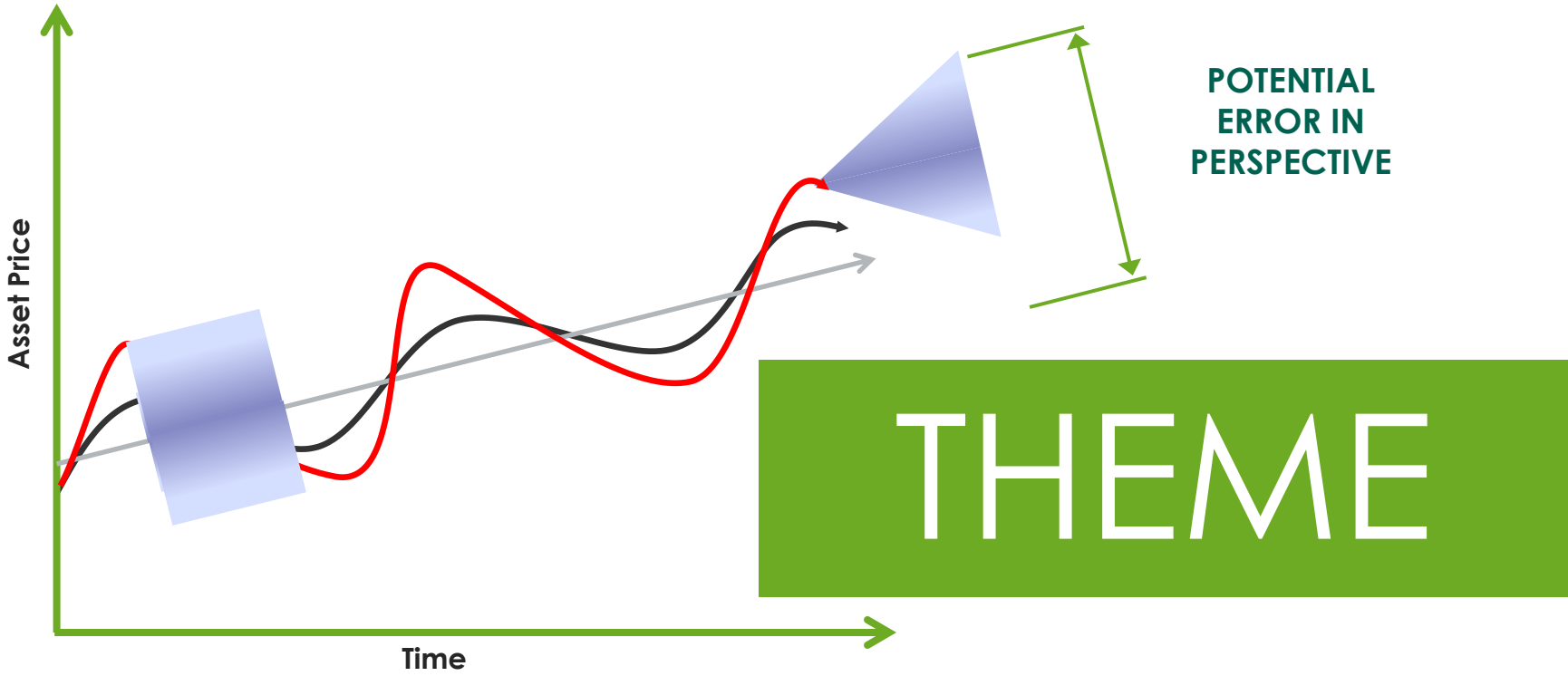
# OPTIMISATIONS – AN AVERAGING PROCESS



# OPTIMISATIONS – PERSPECTIVE IS IMPORTANT



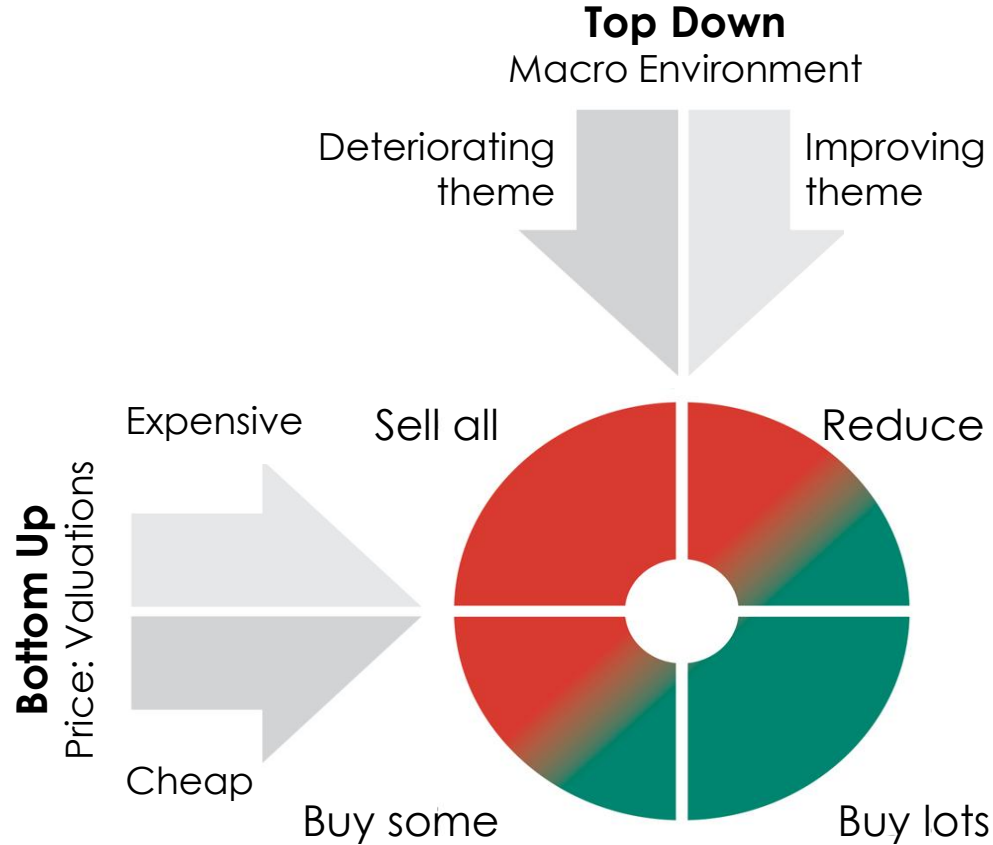
# OPTIMISATIONS – PERSPECTIVE IS IMPORTANT



POTENTIAL  
ERROR IN  
PERSPECTIVE

THEME

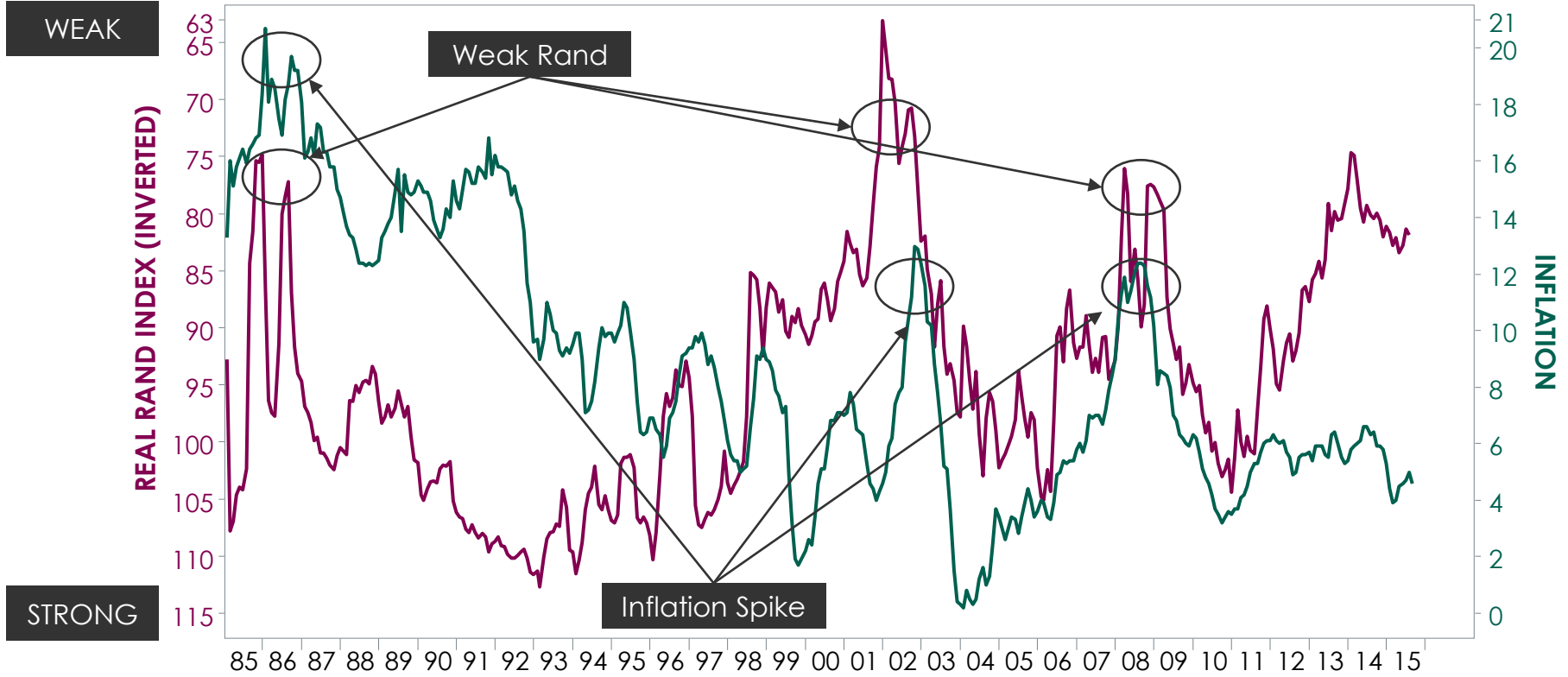
# PHILOSOPHY: THEME AND PRICE



# OPTIMISATIONS – A LOCAL PERSPECTIVE

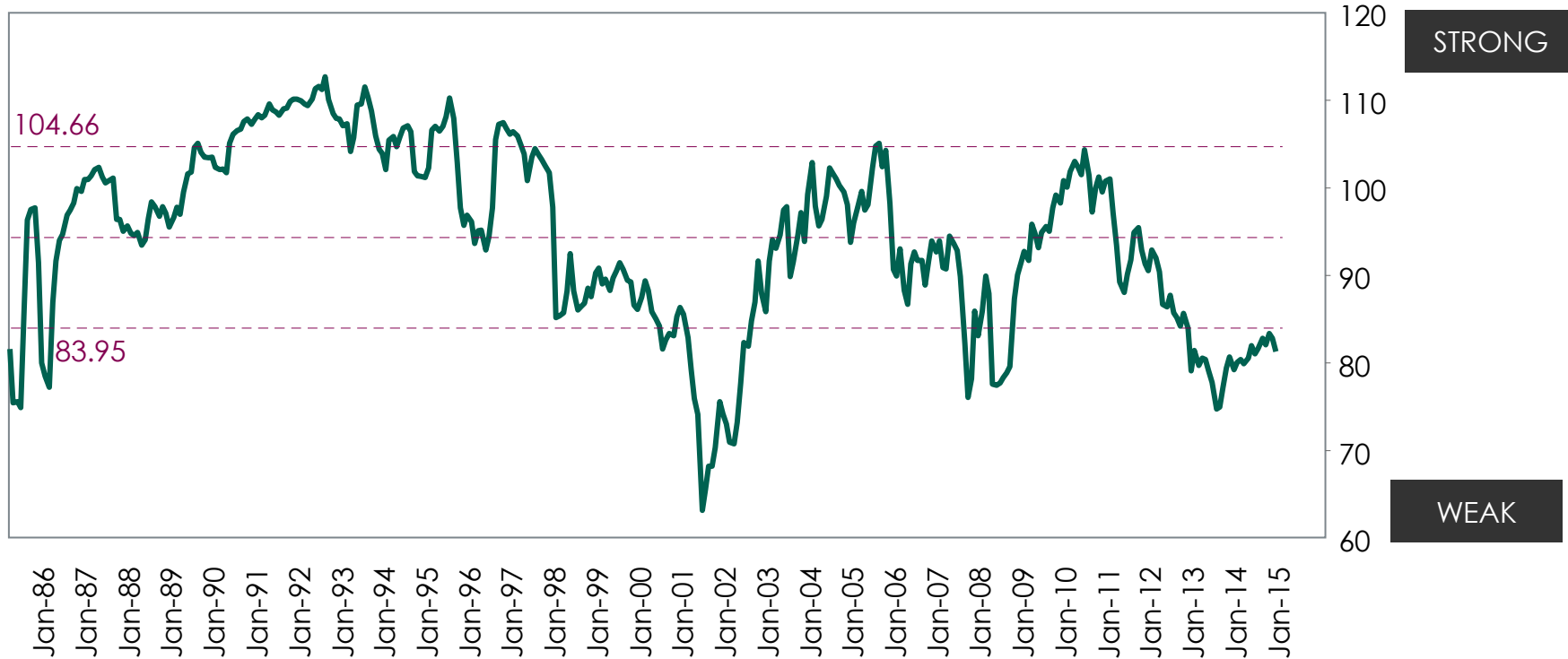


# OPTIMISATIONS – A LOCAL PERSPECTIVE



# PRICE - REAL EFFECTIVE EXCHANGE RATE

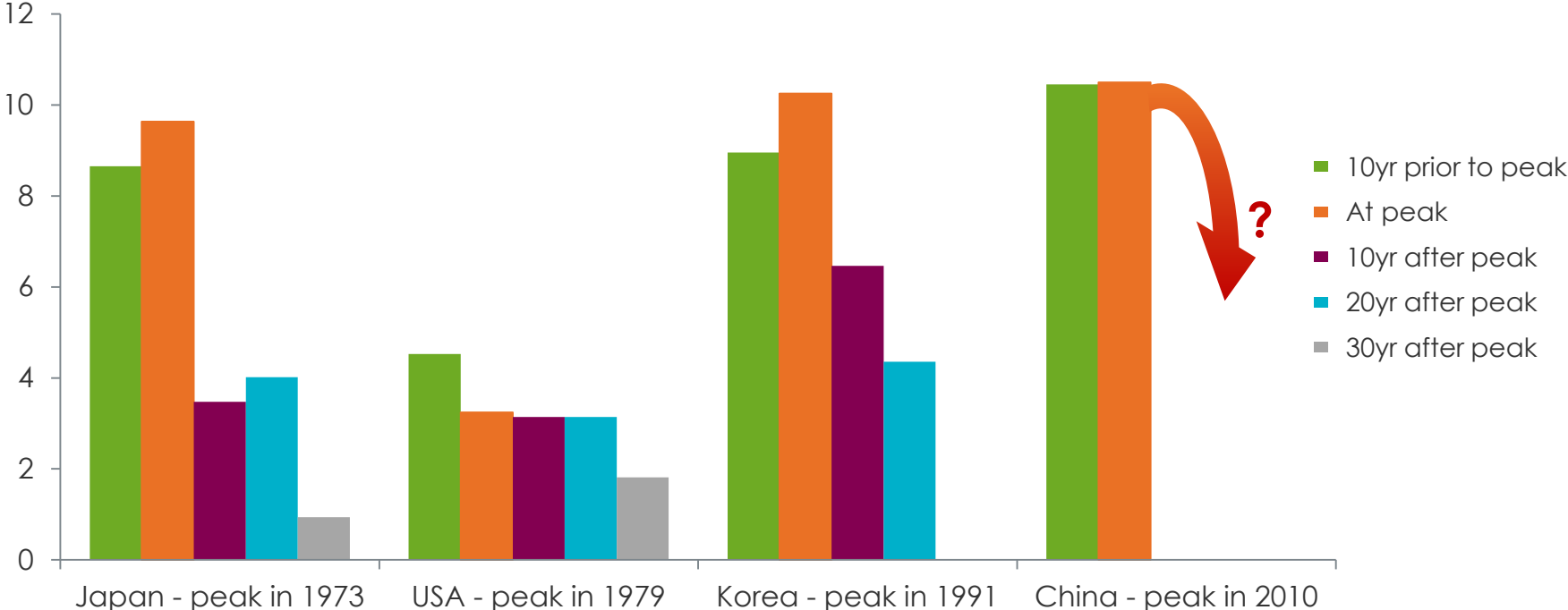
Already pretty weak



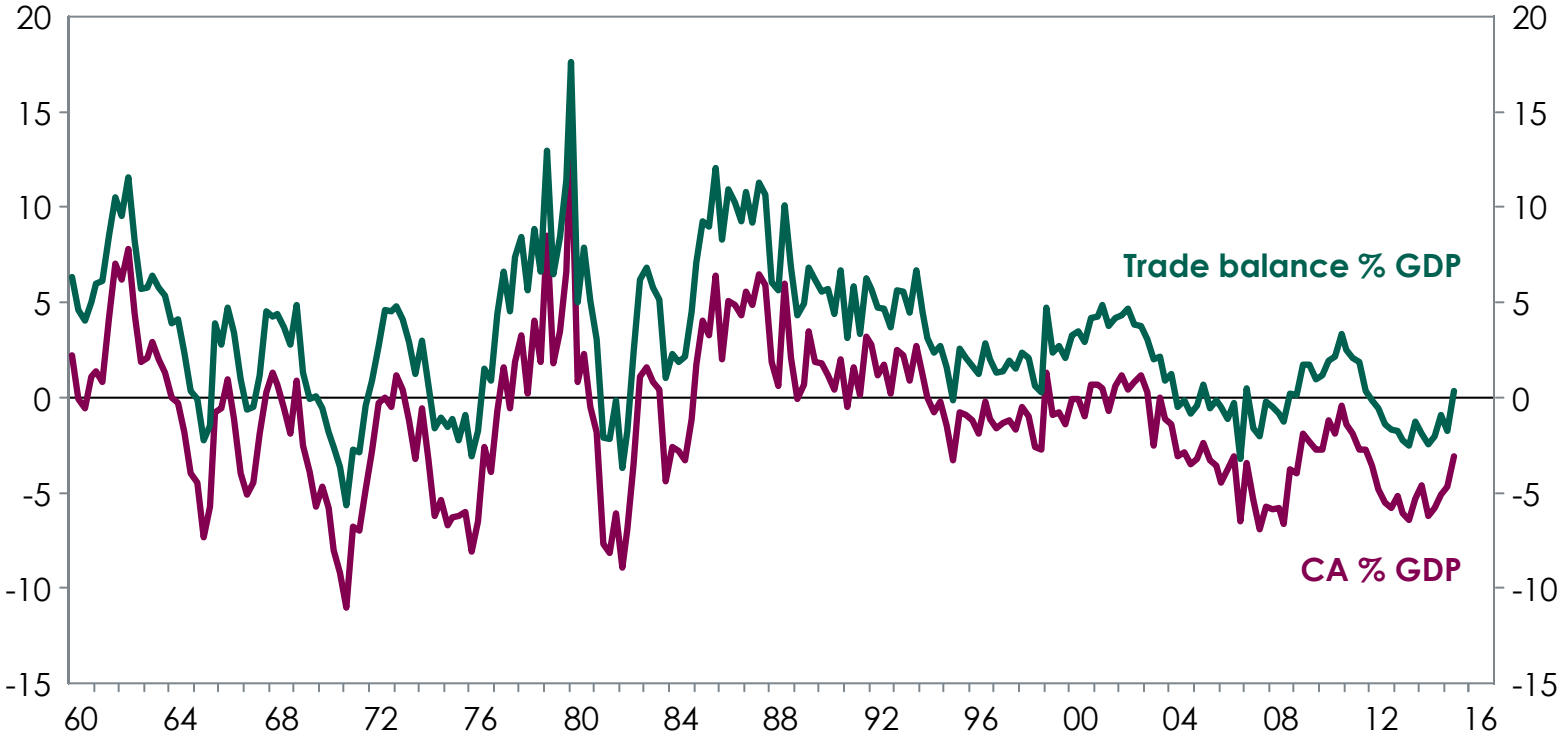


# THEME - CHINA TRANSITION

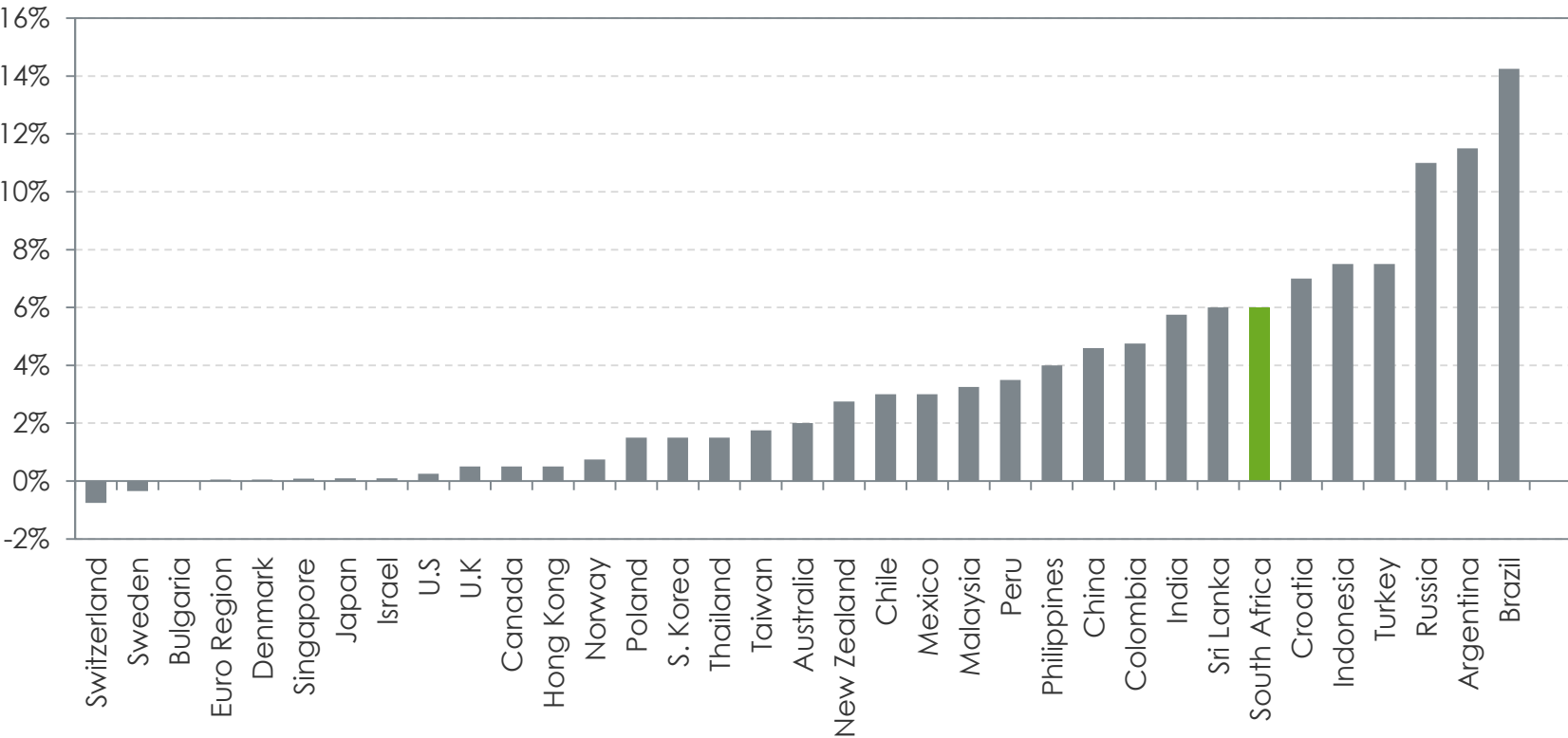
## GDP growth after investment rate peaks



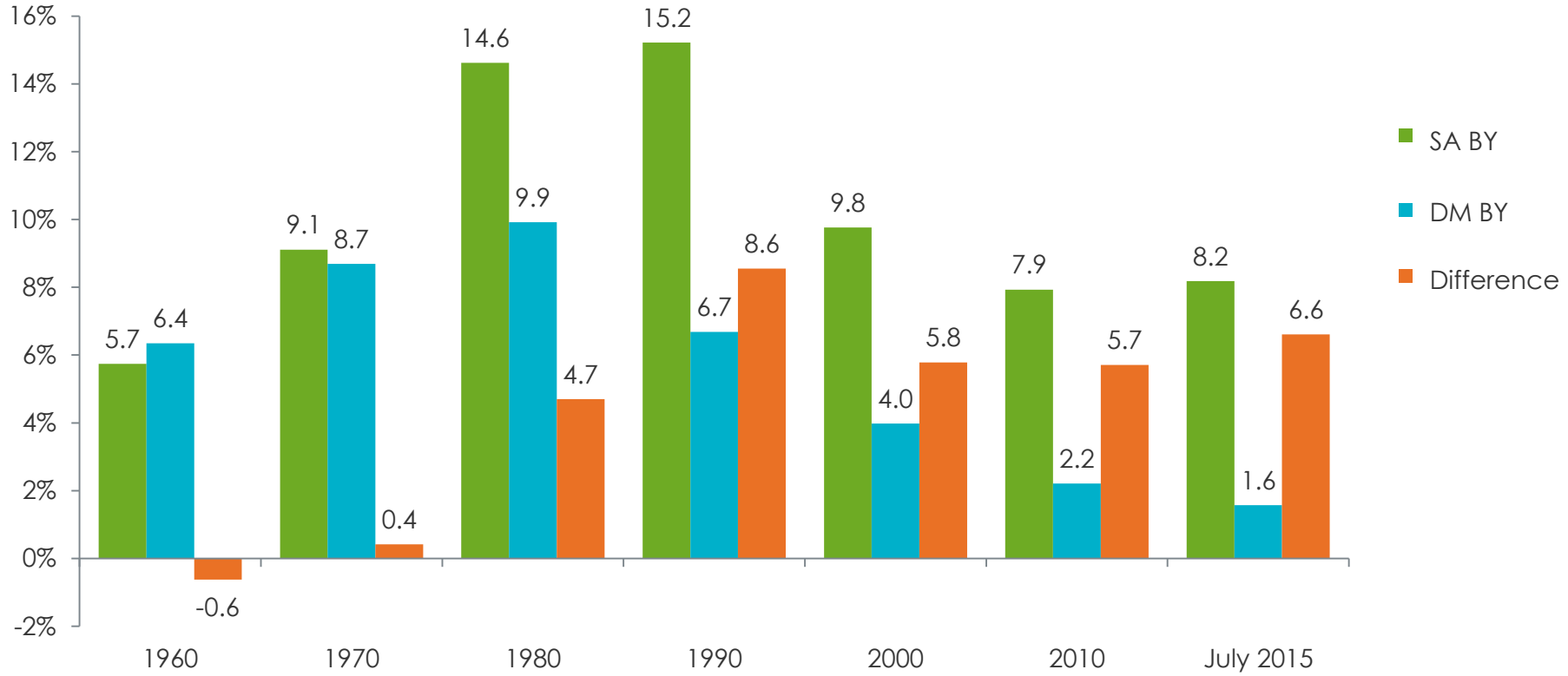
# THEME - IMPROVEMENT IN TRADE BALANCE



# PRICE – INTEREST RATES (CENTRAL BANK / POLICY RATES)



# PRICE – YIELD ON OFFER IN SA BONDS



# SA SUFFERS

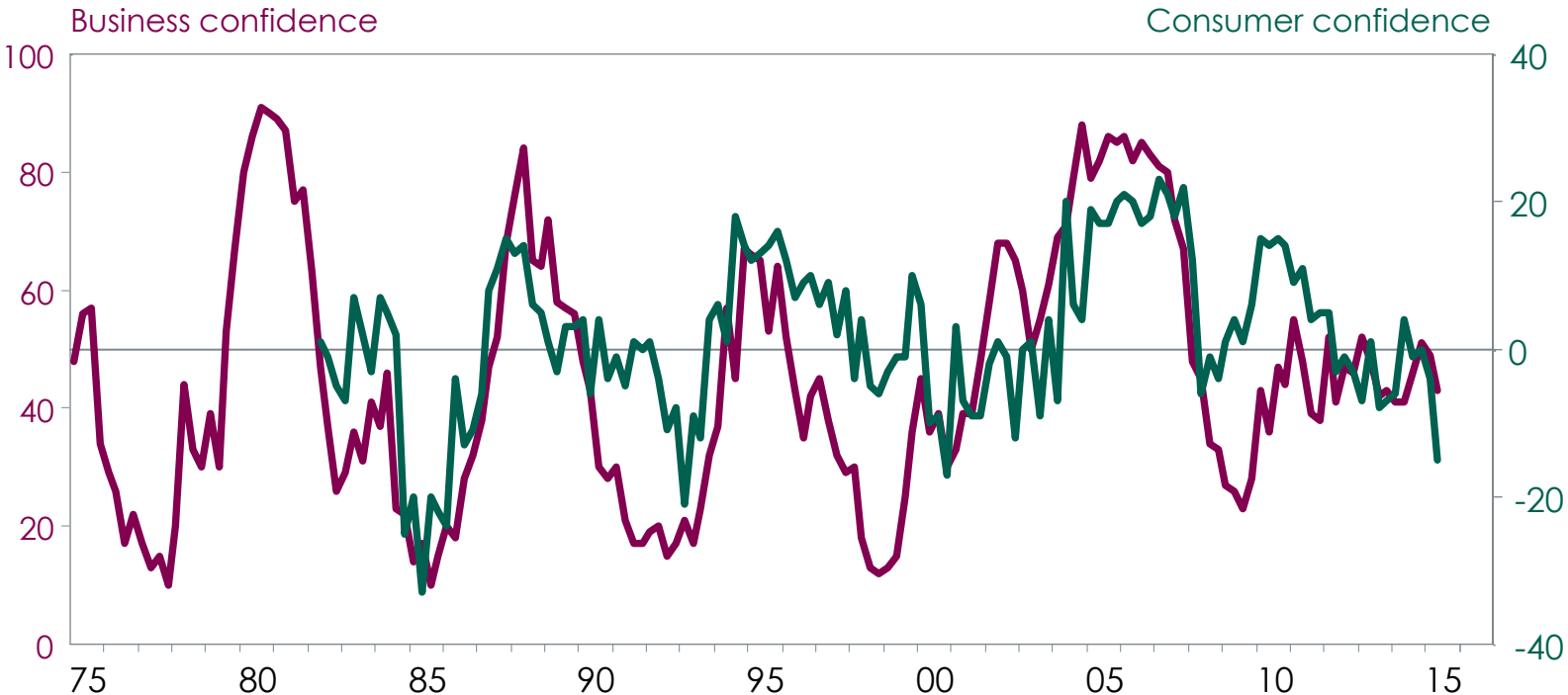


Inflation  
Growth  
Employment  
Deficits  
Policy



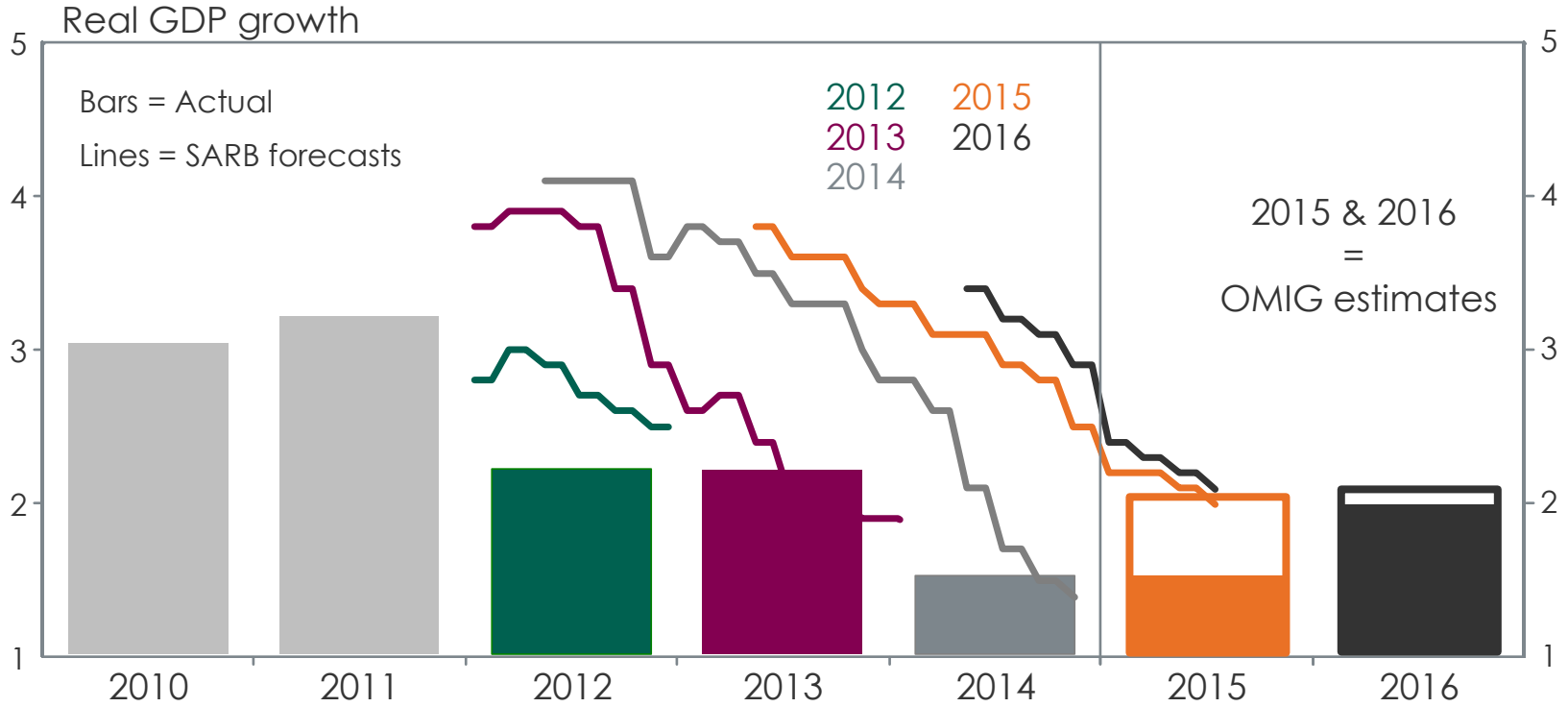
# THEME - NO CONFIDENCE

BER business & consumer confidence

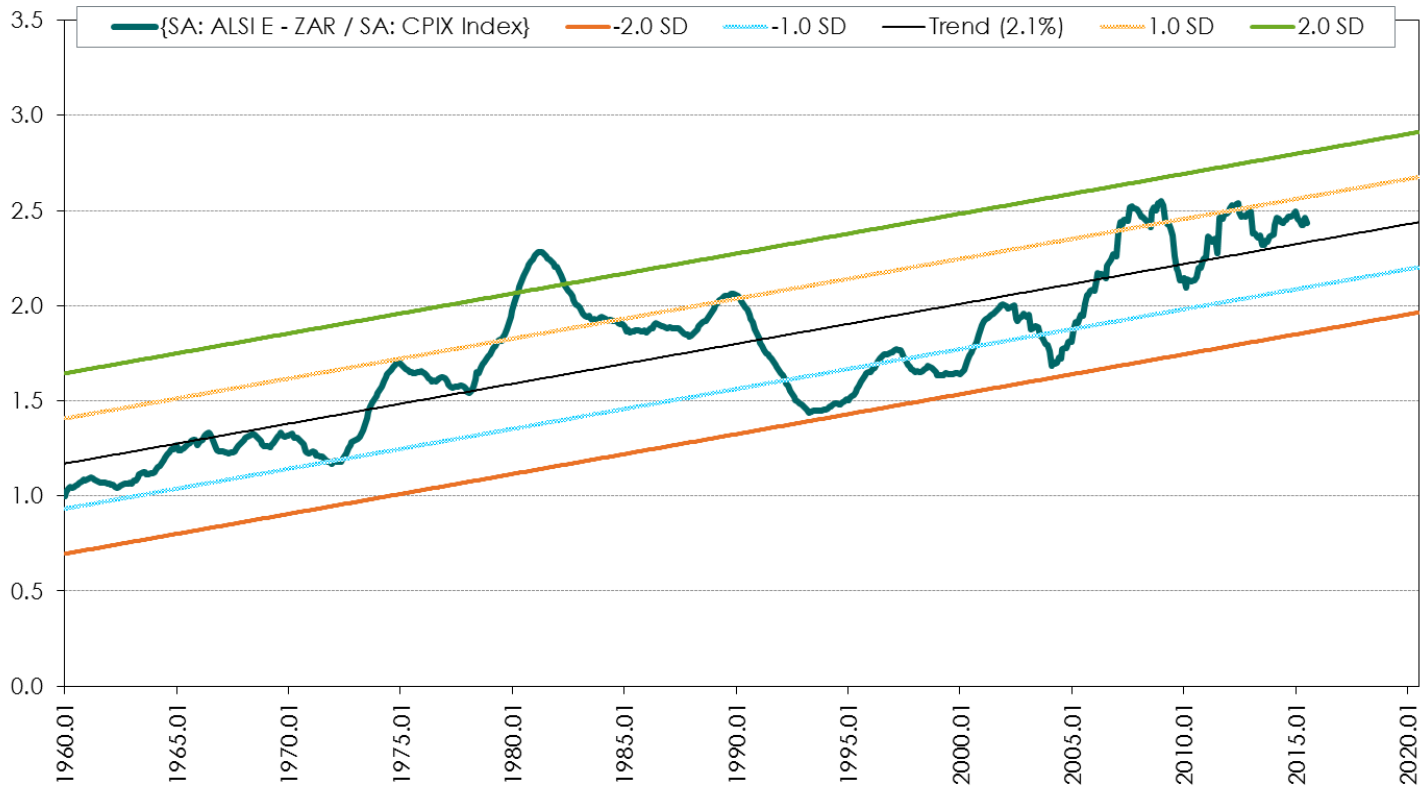


# THEME - GROWTH DISAPPOINTMENT

Actual GDP growth and forecasts for each year: SARB forecasts

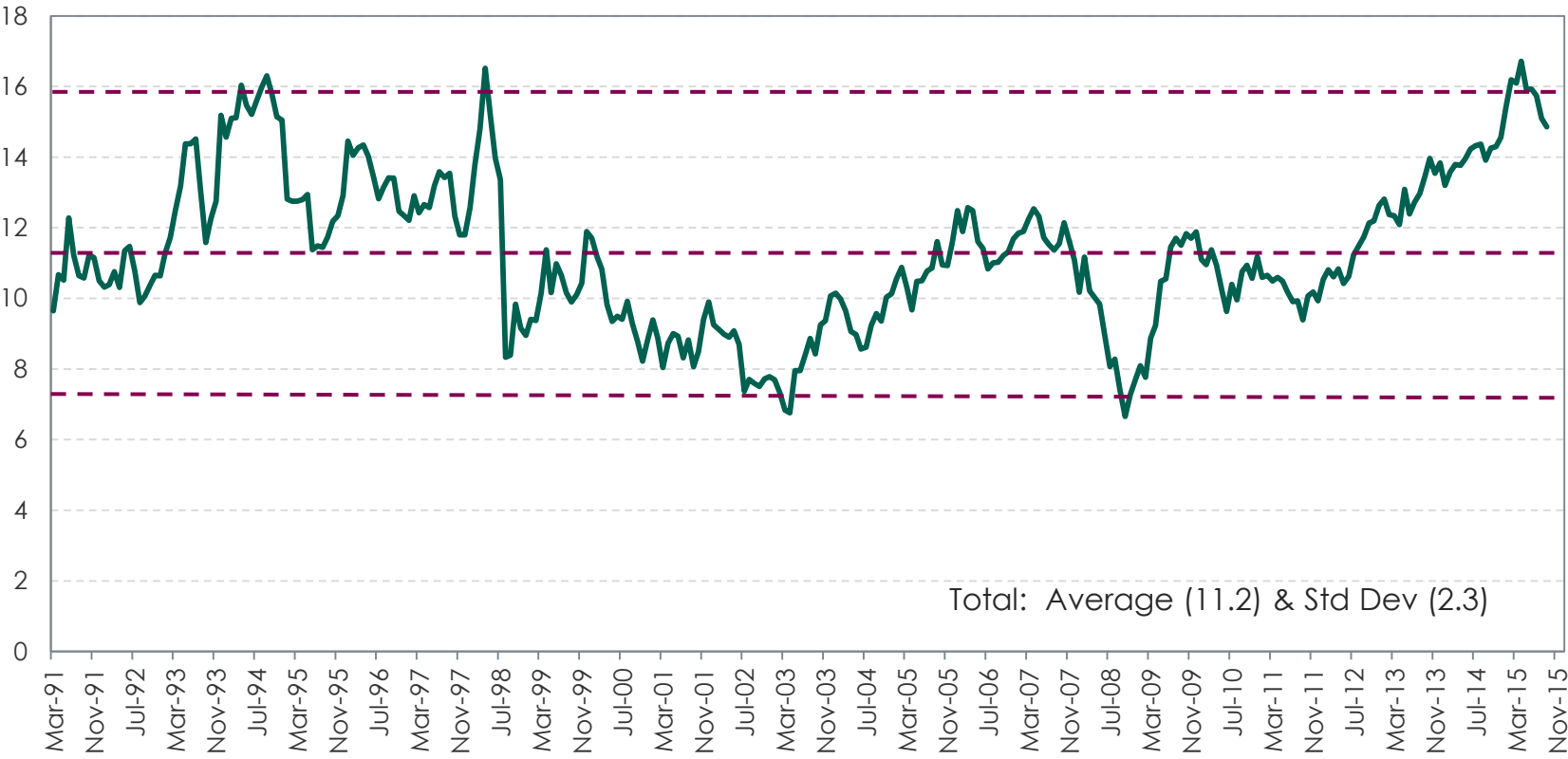


# THEME – SA EQUITY PROFITS UNDER PRESSURE



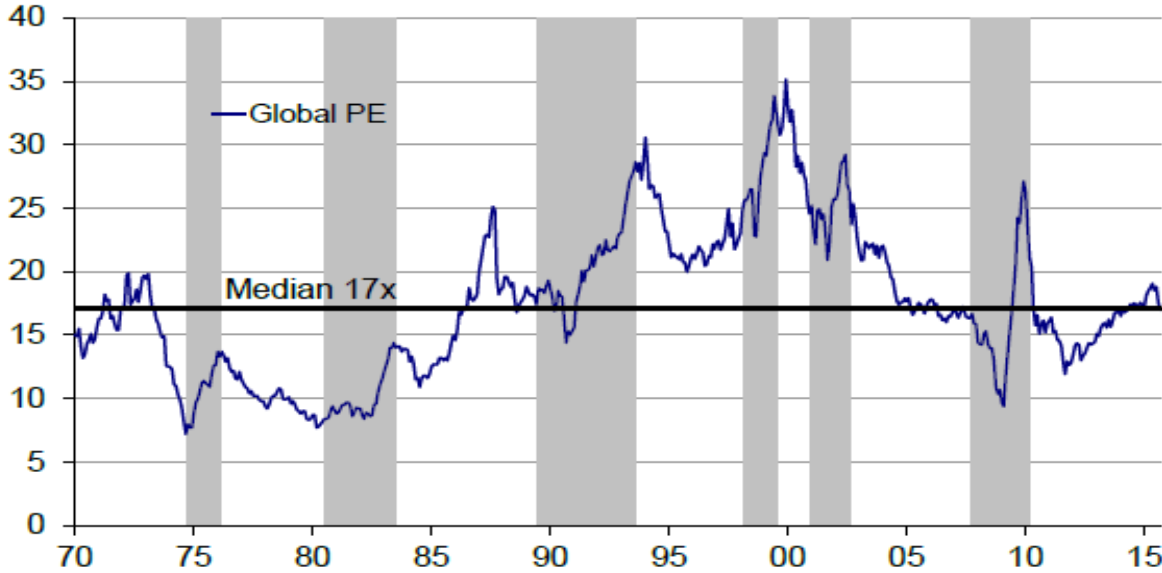


# PRICE – SA EQUITY FORWARD PE RATIO



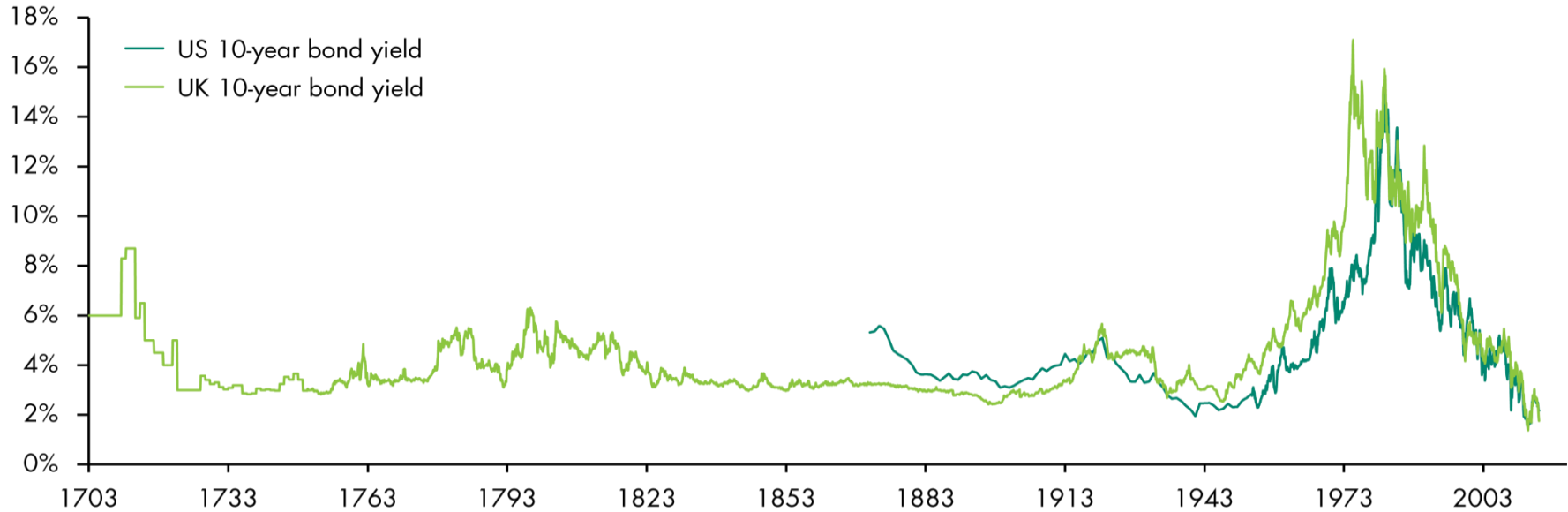
# PRICE – GLOBAL EQUITY PE

Figure 16. MSCI AC World Trailing PE



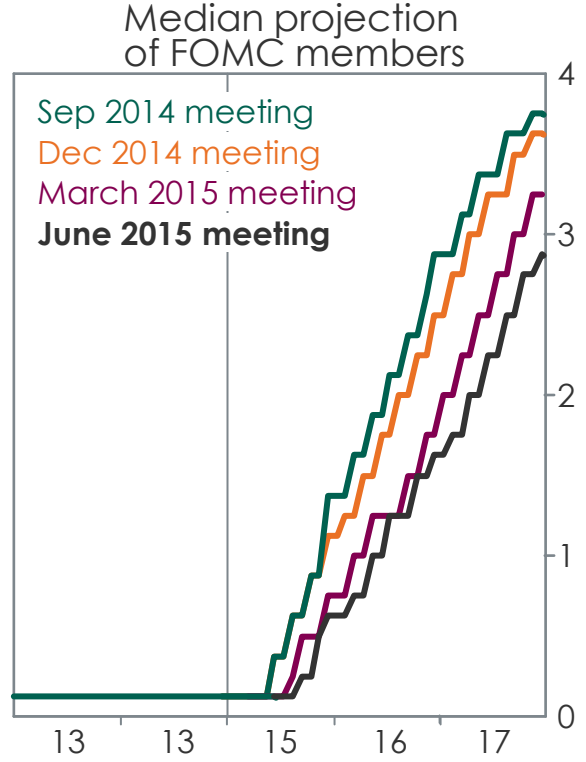
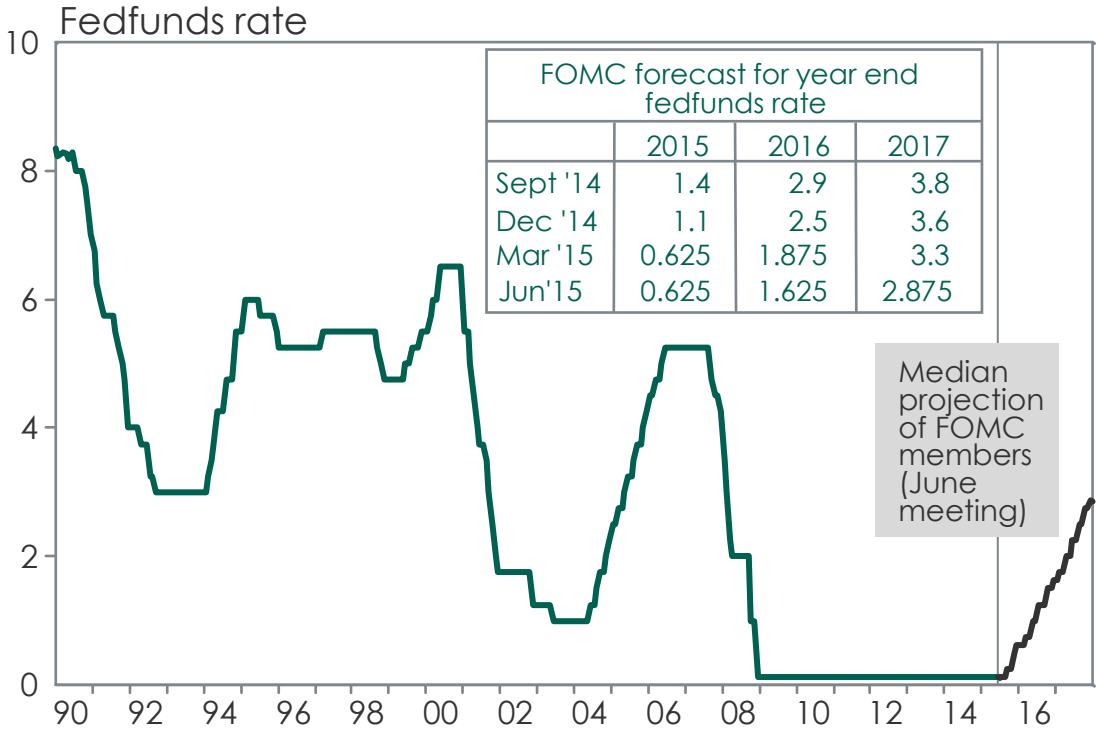
# PRICE - GLOBAL BOND YIELDS ARE LOW COMPARED TO HISTORY

1703 - 2014

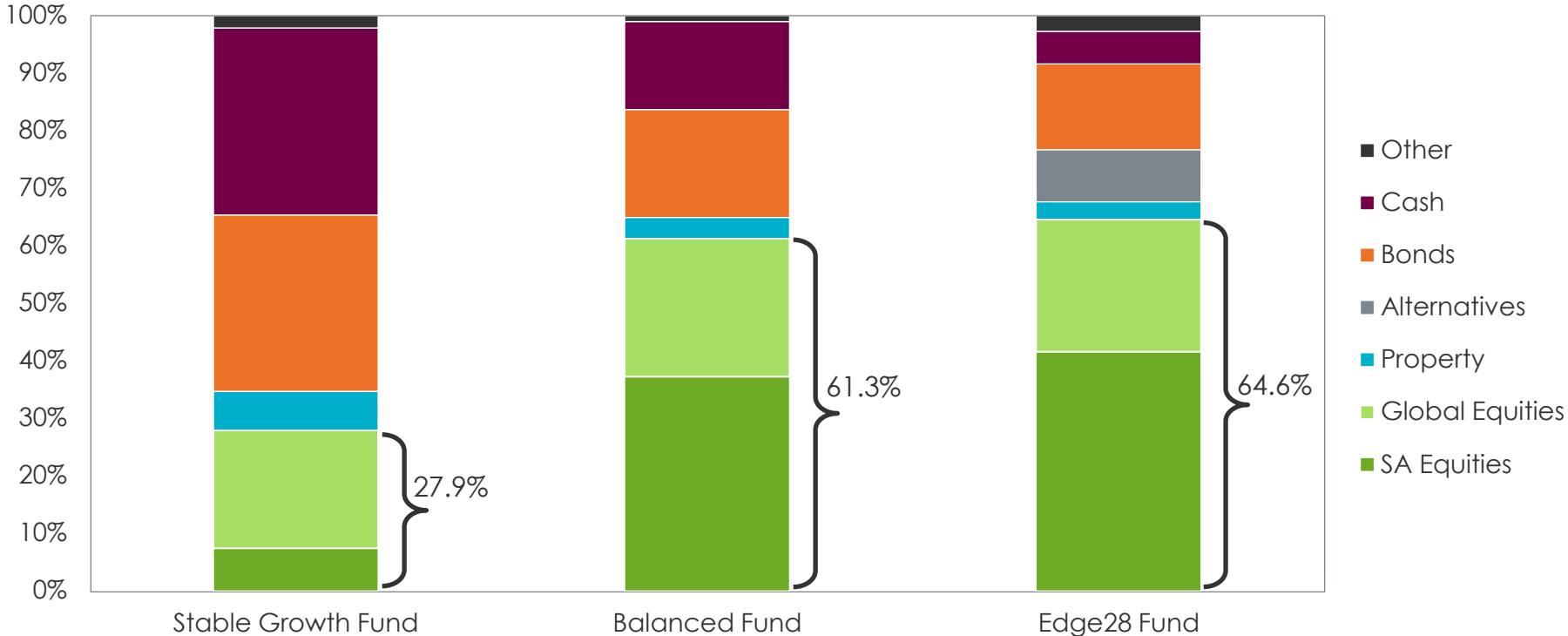


# THEME - FED'S EXPECTED RATE PROFILE

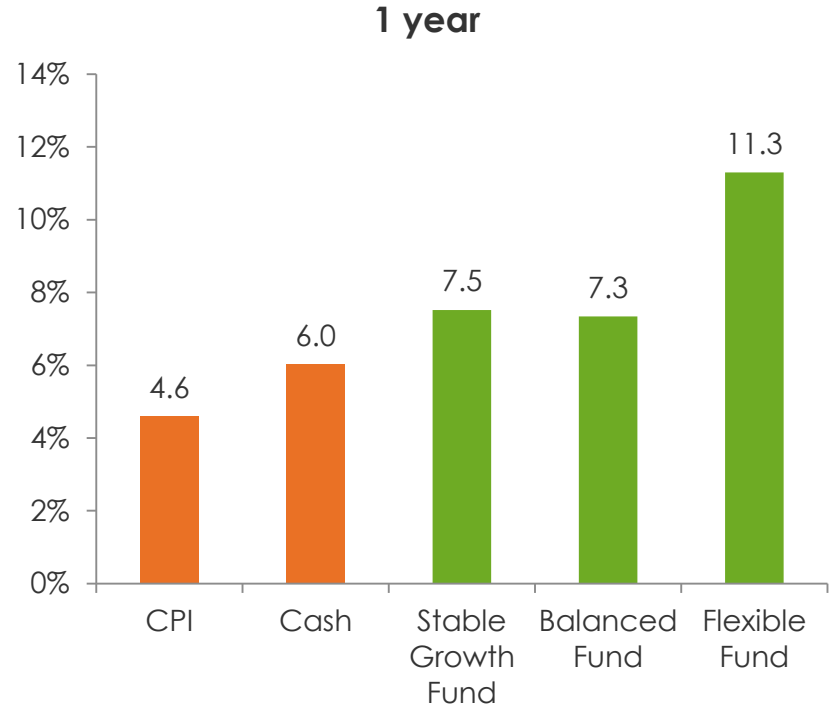
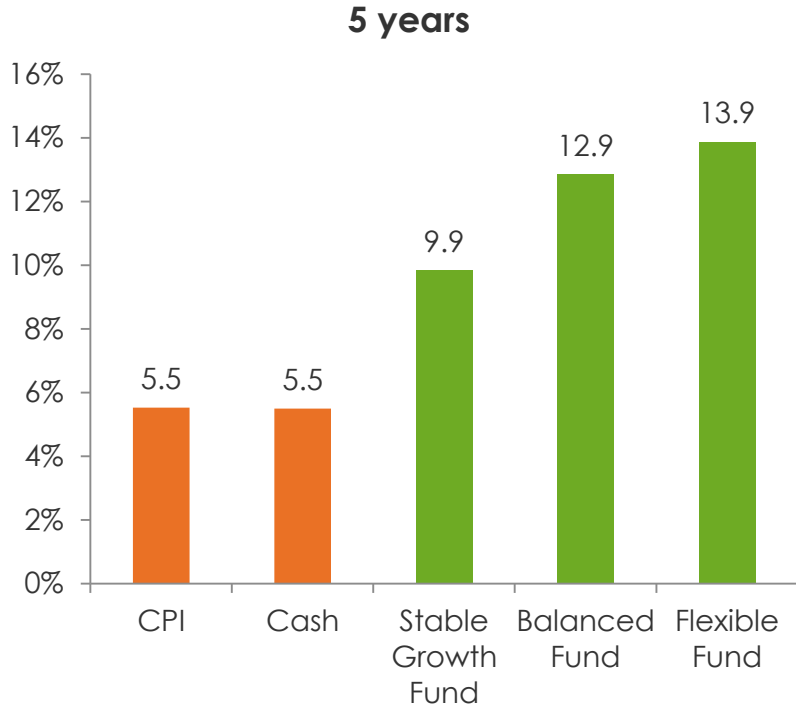
2016 & 2017 year-end median forecast lowered



# MACROSOLUTIONS – POSITIONED TO DELIVER



# MACROSOLUTIONS – DELIVERING IN A LOWER RETURN WORLD



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 are:

Fund	Highest	Average	Lowest	Inception
Old Mutual Balanced Fund	45.5%	14.3%	-23.2%	01/03/1994
Old Mutual Flexible Fund	54.0%	15.4%	-26.9%	20/08/1996
Old Mutual Stable Growth Fund	18.6%	9.2%	-5.3%	01/07/2007

# IMPORTANT INFORMATION

We aim to treat our customers fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments. We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions. You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future. The fees and costs that we charge for managing your investment are provided in the relevant fund's Minimum Disclosure Document (MDD) or Table of fees and charges, both available on our public website or from our contact centre. Our cut-off time for client instructions (e.g. buying and selling) is at 15:00 each working day for all our funds, except the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds to determine the daily ruling price (other than at month-end when we value the Old Mutual Top 40 Fund and the Old Mutual Multi-Managers Equity Fund of Funds at 17:00). Daily prices are available on the OMUT public website and in the media. Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in script lending. The daily price is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units in issue. Some funds hold assets in foreign countries and therefore may have risks regarding liquidity, the repatriation of funds, political and macro-economic situations, foreign exchange, tax, settlement, and the availability of information. Please contact us for risks specific to each country. OMUT has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. 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. Morningstar and Old Mutual Investment Group calculated the performance of the fund as at 30 September 2015.

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Telephone number: +27 21 509 5022

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