

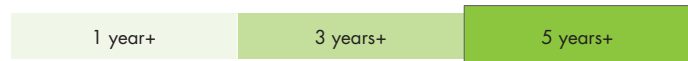
# OLD MUTUAL PREMIUM EQUITY FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to provide investors with long-term capital growth through investment in an actively managed and a well-diversified selection of some of the largest equity securities listed on the JSE. The fund is constructed to provide an attractive combination of outperformance and lower risk than the benchmark.

### WHO IS THIS FUND FOR?

This fund is suited to investors seeking long-term capital growth from an actively managed and a well-diversified portfolio of equity securities that provides a modest buffer in a falling market.

### INVESTMENT MANDATE

In addition to its exposure to domestic listed equity securities, the fund may also have exposure to listed and unlisted derivatives, unlisted equity securities, listed property, cash, money market instruments and non-equity securities. Exposure to foreign assets is not allowed. The fund may from time to time gain exposure to domestic securities by investment in participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes registered in the Republic of South Africa. The fund will also comply with its ASISA classification category limits, which, among others, currently require a minimum 80% exposure to equities.

### REGULATION 28 COMPLIANCE

The fund will hold a higher allocation to equity securities than what is allowed in terms of Regulation 28 of the Pension Funds Act and is therefore not Regulation 28 compliant.

<b>BENCHMARK:</b>	Shareholder Weighted Index (SWIX)
<b>ASISA CATEGORY:</b>	South African – Equity – General
<b>FUND MANAGER(S):</b>	Nelisiwe Nzama & Shamik Jeewa (Old Mutual Customised Solutions (Pty) Ltd)
<b>LAUNCH DATE:</b>	01/07/2013
<b>SIZE OF FUND:</b>	R34m

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

Date	Dividend	Interest	Total	Total %
30/06/2018	1.79c	2.85c	4.64c	1.69%
31/12/2017	1.60c	2.75c	4.35c	1.49%

\* Class A fund distributions

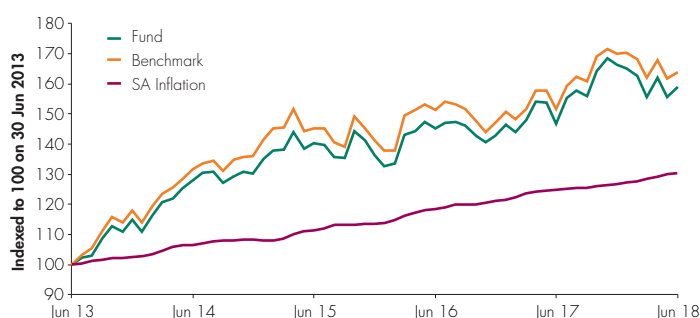
## FUND PERFORMANCE as at 30/06/2018

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception*
Fund (Class B1)	8.3%	4.2%	9.7%	-	-	9.7%
Benchmark	7.9%	4.1%	10.4%	12.2%	10.8%	10.4%

\* Performance since inception of the fund. Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	28.1%	9.5%	-3.1%

### Performance Since Inception



Past performance is no indication of future performance.

Risk Statistics (Since Inception)	
Maximum Drawdown	-8.2%
Months to Recover	20
% Positive Months	60.0%
Annual Standard Deviation	10.1%

## FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION	
Liquid Assets	37.6%
Industrials	33.0%
Financials	15.0%
Resources	10.8%
SA Property	2.8%
Financial Instruments	0.8%

## PRINCIPAL HOLDINGS

HOLDING	% OF FUND
Naspers Ltd	14.0%
Investec NCD 8.15% 20/12/2018	6.0%
Absa NCD 8.0% 20/12/2018	6.0%
Nedcor NCD 8.0% 20/12/2018	6.0%
FirstRand NCD 7.925% 20/12/2018	6.0%
Sasol Ltd	3.5%
Investec NCD 8.375% 27/11/2018	3.0%
Standard NCD 8.025% 20/12/2018	3.0%
Standard Bank Group Ltd	3.0%
British American Tobacco	2.7%

Funds are also available via Old Mutual Wealth

Helpline 0860 234 234 Fax +27 21 509 7100 Internet www.omut.co.za Email unittrusts@oldmutual.com



# OLD MUTUAL PREMIUM EQUITY FUND

## FUND MANAGER INFORMATION



**NELISIWE NZAMA**  
PORTFOLIO MANAGER

- BCom Accounting, BCom Actuarial Science (Hons), MBA
- 16 years of investment experience



**SHAMIK JEEVA**  
PORTFOLIO MANAGER

- BBBusSc
- 10 years of investment experience

## FUND COMMENTARY as at 30/06/2018

Global market volatility continued into the second quarter of 2018, with a looming US-China trade war and surging US dollar being the main culprits. The tit-for-tat trade tariff row between the US and China has kept investors guessing, introducing uncertainty into global growth forecasts. Scarce US dollar liquidity has seen capital outflows from emerging markets, sending their currencies lower. The rand, in particular, has come under immense selling pressure as it is the most traded developing market currency and hence viewed as a proxy for emerging markets in general. Notwithstanding that, poor local economic data – most notably, sharply lower than expected GDP growth in Q1 2018 and a widening current account deficit – has weighed heavily on the rand.

After a dismal start to the year, the second quarter of 2018 brought some welcome relief to domestic equity markets, albeit with much volatility. The FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX) was down 0.8% over the quarter. Resources rallied 21.7%, largely due to the rand weakening by 15.9% relative to the US dollar, which was also the catalyst for financials falling 6.6%. Industrials recouped some of the losses from the previous quarter, adding 5.3% over Q2.

The SA Volatility Index (an indicator of uncertainty and risk aversion) fell 1.0% from the end of March 2018 to 17.2% at the end of June 2018. However, the 20-day realised volatility only rose slightly from the previous quarter to end the second quarter of 2018 at 19.8%.

When volatility levels are higher we get paid more for selling options, and vice versa.

The short-dated options have continued to provide a significant amount of return enhancement within a risk-controlled framework.

Source: Old Mutual Investment Group as at 30/06/2018

## OTHER INVESTMENT CONSIDERATIONS

### ONGOING

	Class B1
Annual service fees (excl. VAT)	1.00%

ISIN CODES: **Class B1** ZAE000179313

Total Expenses (Incl. Annual Service Fee) (31/03/2018)	36 Months	12 Months
	Class B1	Class B1
Total Expense Ratio (TER) Incl. VAT	1.22%	1.32%
Performance Fee (incl. in TER)	0.26%	-
Transaction Cost (TC)	0.05%	0.05%
Total Investment Charge	1.27%	1.37%

Please note the annual service fees changed with effect from 1 January 2017 from performance based fees to flat fees. Historical performance fees were charged and will reflect in the fund's TER for 3 years from the date of service fee change. Historical performance fees were accrued daily and paid to the management company on a monthly basis (details on website). 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 of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

### Funds are also available via Old Mutual Wealth

Helpline 0860 234 234 Fax +27 21 509 7100 Internet [www.omut.co.za](http://www.omut.co.za) Email [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)



We aim to treat our clients 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 fund fees and costs that we charge for managing your investment are disclosed in this Minimum Disclosure Document (MDD) and in the table of fees and charges, both of which are available on our public website or from our contact centre.
- Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained, free of charge, from Old Mutual Unit Trust Managers (RF) (Pty) Ltd, from our public website at [www.omut.co.za](http://www.omut.co.za) or our contact centre on 0860 234 234.
- 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 Index Funds and Old Mutual Multi-Managers Fund of Funds range at 17:00 close). Daily prices are available on the public website and in the media.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily ruling 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 on issue.
- 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. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 30 June 2018. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

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