



# OLD MUTUAL CAPPED SWIX INDEX FUND

JUNE 2019

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to provide long-term capital growth and income by tracking the performance of companies listed on the FTSE/JSE Capped Shareholder Weighted All Share Index (J433).

### WHO IS THIS FUND FOR?

This fund is suitable for investors who want to grow capital over the long term by tracking the FTSE/JSE Capped Shareholder Weighted All Share Index. The investor can tolerate stock market volatility.

### INVESTMENT MANDATE

The fund tracks the FTSE/JSE Capped Shareholder Weighted All Share Index as closely as possible and invests in instruments included in the index. The portfolio is tailored to match the performance of the FTSE/JSE Capped Shareholder Weighted All Share Index. The fund may gain exposure to offshore assets listed on the index. Derivatives may be used for efficient portfolio 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:** FTSE/JSE Capped Shareholder Weighted All Share Index (J433)

**ASISA CATEGORY:** South African – Equity – General

**FUND MANAGER(S):** Frank Sibiya & Bernisha Lala (Old Mutual Customised Solutions (Pty) Ltd)

**LAUNCH DATE:** 31/05/2017

**SIZE OF FUND:** R219m

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

Date	Dividend	Interest	Total	Total %
30/06/2019	3.07c	0.53c	3.60c	1.81%
31/12/2018	2.53c	0.53c	3.06c	1.61%

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION

Industrials	40.5%
Financials	28.7%
Resources	19.8%
SA Property	7.2%
Liquid Assets	3.8%

## FUND PERFORMANCE as at 30/06/2019

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class A)	0.2%	-	-	-	-	2.0%
Fund (Class B) <sup>2</sup>	0.4%	-	-	-	-	2.3%
Benchmark	1.1%	2.8%	4.3%	10.2%	-	2.6%

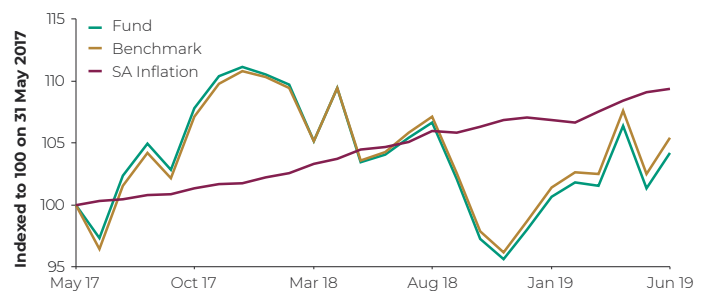
<sup>1</sup> Performance since inception of the fund.

<sup>2</sup> Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

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)	6.9%	-3.2%	-13.4%

### Performance Since Inception



Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-14.0%
Months to Recover	N/A
% Positive Months	56.0%
Annual Standard Deviation	11.2%

Risk statistics are calculated based on monthly performance data from inception of the fund.

### 5-Year Annualised Rolling Returns (Fund vs Benchmark)



## PRINCIPAL HOLDINGS

HOLDING	% OF FUND
Naspers Ltd	9.6%
Standard Bank Group Ltd	4.8%
FirstRand Ltd	4.1%
Anglo American Plc	4.1%
Sasol Ltd	3.7%
MTN Group Ltd	3.6%
British American Tobacco	2.7%
Sanlam Ltd	2.6%
ABSA Group Ltd	2.4%
BHP Group Plc	2.2%

THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

Funds are also available via Old Mutual Wealth and MAX Investments.

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## FUND MANAGER INFORMATION



**FRANK SIBIYA |**  
PORTFOLIO MANAGER

- BSc Mathematical Sciences
- 10 years of industry experience



**BERNISHA LALA |**  
PORTFOLIO MANAGER

- CFA
- MSc Advanced Analytics & Decision Sciences
- BSc Financial Engineering (Hons)
- BSc Financial Mathematics
- 14 years of industry experience

## FUND COMMENTARY as at 30/06/2019

The Old Mutual Capped SWIX Index Fund tracks the FTSE/JSE Capped Shareholder Weighted All Share Index (SWIX) and its holdings replicate the constituents that make up this benchmark. At month-end, the benchmark sector allocation was as follows:

Sector	Weight (%)
Financials	37.3%
Consumer Discretionary	18.4%
Materials	20.1%
Consumer Staples	11.6%
Telecommunication Services	5.8%
Healthcare	2.4%
Industrials	3.2%
Energy & Utilities	0.9%
Information Technology	0.2%

Cash exposure is kept as low as possible to give investors the full benefit of being invested in equities. Investment flows are matched with the corresponding market transactions on a daily basis to ensure that the performance of the fund is in line with its benchmark. Futures contracts are used, when appropriate, to minimise trading costs and gain exposure to equities.

Long-term investors choose this fund because they are looking for a pure equity fund and are

cost-conscious. Investors seeking consistency can use this fund as their core portfolio strategy and assign smaller portions to other investment vehicles that aim to outperform the market.

The FTSE/JSE Capped SWIX returned 2.88% for the month of June 2019. The best performing sectors for the quarter were telecommunications and consumer goods with returns of 18.65% and 5.63% respectively. The worst performing sector was healthcare with a return of -8.26% for the quarter. The FTSE/JSE Capped SWIX was up for the quarter and over the one-year period with returns of 2.90% and 1.11% respectively.

The fund rebalances once every quarter in line with the index. There was no constituent addition to or deletion from the index for the quarter. The rebalanced index is effective as at open on Monday 24 June 2019.

Some of the top individual stock performers in the index for the quarter ending June 2019 were EOH Holdings Ltd, Cartrack Holdings Ltd and Gold Fields Ltd with returns of 88.2%, 46.3% and 44.1% respectively. Some of the main detractors were Rebosis Property Fund Ltd, Tongaat Hulett Ltd and Intu Properties Plc with returns of -64.8%, -38.7% and -32.9% respectively.

Source: Old Mutual Investment Group as at 30/06/2019

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

### INITIAL CHARGES (Incl. VAT)\*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.45%. Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

\* Please note: Initial charges do not apply to the Class B funds.

### EXIT FEE:

Old Mutual Unit Trusts will charge an exit fee of 2.30% if exiting within 2 weeks of entry and reserves the right to charge this fee if exiting within 6 months of entry. The exit fee will not apply to investments in the fund via the Old Mutual Unit Trusts Tax-Free Investment.

## ONGOING

	Class A	Class B1*
Annual service fees (excl. VAT)**	0.50%	0.25%

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, include audit, custodian and trustee charges and service fees of collective investment schemes in which the fund holds interests. These are included in the TER.

\* Please note: The Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

\*\* Please note: The annual service fees have been reduced effective from 1 April 2018. Previously, they were 0.60% (Class A) and 0.35% (Class B1).

## TAX REFERENCE NUMBER: 9203/101/23/4

ISIN CODES:	Class A	ZAE000242947
	Class B1	ZAE000242954

Total Expenses (Incl. Annual Service Fee) (30/06/2019)	36 Months		12 Months	
	Class A	Class B1*	Class A	Class B1*
Total Expense Ratio (TER) Incl. VAT	0.79%	0.49%	0.73%	0.44%
Transaction Cost (TC)	0.18%	0.18%	0.20%	0.20%
Total Investment Charge	0.97%	0.67%	0.93%	0.64%

\* Please note: The Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

Please note: The 36-month TER does not have a full 3-year history and is negatively impacted by fixed costs at the inception of the fund. TER is a historic measure and clients are expected to experience a significantly lower fee going forward.

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. The TER and TC cannot be determined accurately for the funds that are less than one year old. Calculations are based on actual data where possible and best estimates where actual data is not available.

## 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.oldmutualinvest.com](http://www.oldmutualinvest.com) 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 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.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- 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 2019. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

Old Mutual Customised Solutions (Pty) Ltd is a Licensed Financial Services Provider.

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.

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