



## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to offer superior returns over the medium to longer term through investing in a broad spectrum of local instruments.

### WHO IS THIS FUND FOR?

This fund is suited to investors seeking long-term capital growth through a broadly diversified portfolio of shares. The investor can tolerate stock market volatility.

### INVESTMENT MANDATE

It invests in shares across all sectors of the stock market, focusing predominantly on the Top 100 blue-chip shares. The fund aims to achieve its performance objectives through well-researched and superior share selection. 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\*:** ASISA Category Average  
 \* Please note: The benchmark changed to the ASISA SA-Equity-General category effective 1 July 2017.

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

**FUND MANAGER(S):** Peter Linley & Meryl Pick  
 (Old Mutual Investment Group – Equities)

**LAUNCH DATE:** 01/10/1966

**SIZE OF FUND:** R13.3bn

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

Date	Dividend	Interest	Total	Total %
31/12/2018	489.42c	40.27c	529.69c	1.43%
30/06/2018	579.24c	52.46c	631.70c	1.58%

\* Class A fund distributions

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION

Industrials	38.8%
Financials	36.8%
Resources	20.2%
Liquid Assets	4.2%

## FUND PERFORMANCE AS AT 30/04/2019

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	2.0%	2.0%	5.0%	9.8%	13.1%	16.6%
Fund (Class A) <sup>2</sup>	1.6%	1.7%	4.7%	9.5%	12.9%	-
Fund (Class A7) <sup>3</sup>	1.6%	1.3%	-	-	-	-
Fund (Class B1) <sup>3</sup>	2.0%	2.1%	5.0%	-	-	-
Fund (Class B7) <sup>3</sup>	2.0%	1.7%	-	-	-	-
Benchmark*	1.3%	4.0%	6.3%	10.7%	14.2%	17.7%

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

<sup>2</sup> Inception: 30 June 2007.

<sup>3</sup> Inception: 30 April 2016.

<sup>4</sup> Class B1 inception: 31 July 2013. Class B7 inception: 30 April 2016. Class B1 and B7 are 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)	96.0%	19.0%	-45.7%

### Cumulative Performance: 10 Years to 30 April 2019



Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-51.9%
Months to Recover	80
% Positive Months	63.5%
Annual Standard Deviation	17.6%

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

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



## PRINCIPAL HOLDINGS AS AT 31/03/2019

HOLDING	% OF FUND
Naspers Ltd	13.8%
Sasol Ltd	6.6%
British American Tobacco	6.1%
Nedbank Group Ltd	5.5%
ABSA Group Ltd	5.2%
Old Mutual Ltd	4.4%
Investec Ltd	3.7%
BHP Group Plc	3.7%
FirstRand Ltd	3.3%
Glencore Plc	3.3%



## FUND MANAGER INFORMATION



**PETER LINLEY |**  
**PORTFOLIO MANAGER**  
 • BA Economics, BCom (Hons)  
 • 33 years of investment experience



**MERYL PICK |**  
**PORTFOLIO MANAGER**  
 • BScEng (Chem), MBA  
 • 6 years of investment experience

the other hand, was aggressively sold off in the fourth quarter of 2018, down 30%, on the back of two trending news headlines: The proposal to ban menthol flavoured cigarettes in the US and the proliferation of e-cigarettes.

Contributing positively to fund performance were select holdings in SA Inc. (companies generating the majority of their earnings locally), namely Absa and Netcare.

During the quarter, we increased our exposure to the banks, buying more FirstRand in the fund. The sector came under pressure early in the third quarter through a combination of political and economic uncertainty. In our view, this provided an opportunity to buy a quality business at a reasonable price. FirstRand is a potentially high return business with a return on equity (ROE) greater than 20%, supported by comfortable capital levels and offering a dividend yield of a tad under 5%.

FirstRand is well positioned in the South African financial sector, with the FNB and Wesbank businesses. FNB holds a customer sweet spot that is well entrenched within the eBucks ecosystem. This ecosystem provides many benefits to both customers and the bank – thereby widening the bank's "moat" or sustainable competitive advantage. It helps to retain customers by

improving engagement with the customer and improving its ability to sell another product. This supports fee growth in times when lending income may slow through slower GDP growth.

The FirstRand group is also diversifying and laying the foundation for long-term growth opportunities in insurance and investment management capabilities in South Africa. In addition, it's diversifying by geography in the UK with the acquisition of niche lender Aldermore. While we are generally circumspect on any deal by a South African company in the UK, an important consideration here is that the bank will access the UK market as a funding source, which is key for long-term sustainability of the franchise.

The latter half of 2018 was characterised by heightened volatility, which may well continue into 2019. This is a result of a prolonged global bull market, politically based outcomes (Brexit and the European Union, US/China trade conflict and South Africa's leadership changes) and slowing global growth. By having a sound philosophy and guided principles, the fund is well positioned to take advantage of opportunities that present themselves in this environment.

Source: Old Mutual Investment Group as at 31/03/2019

## FUND COMMENTARY AS AT 31/03/2019

The local market had a weak quarter with the FTSE/JSE Capped SWIX Index down 4% while the MSCI World Index declined 19%, both in rand terms. Notable detractors of performance within the fund were owning British American Tobacco (BAT) and Sasol. Sasol's share price is highly correlated to the rand oil price and has had to contend with both a weak rand (down 19% against the US dollar in 2018) and a 40% drop in crude oil prices since October. BAT, on

## 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.

TAX REFERENCE NUMBER: 9430/021/60/1

## ONGOING

	Class A	Class B1*	Class R	Class A7	Class B7*
Annual service fees (excl. VAT)	1.35%	1.00%	1.00%	1.35%	1.00%

\* Please note: The Class B1 and Class B7 Funds are only available through investment platforms such as Old Mutual Wealth. Class A7 and Class B7 are only available for tax-free investments.

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, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

### ISIN CODES:

<b>Class A</b>	ZAE00097473
<b>Class A7</b>	ZAE000217626
<b>Class B1</b>	ZAE000179289
<b>Class B7</b>	ZAE000217634
<b>Class R</b>	ZAE000020830

Total Expenses (Incl. Annual Service Fee)	36 Months					12 Months				
	Class A	Class B1*	Class R	Class A7	Class B7*	Class A	Class B1*	Class R	Class A7	Class B7*
Total Expense Ratio (TER) Incl. VAT	1.43%	1.06%	1.16%	1.52%	1.13%	1.57%	1.57%	1.16%	1.16%	1.16%
Performance Fee (incl. in TER)	0.04%	0.04%	-	-	-	-	-	-	-	-
Transaction Cost (TC)	0.26%	0.26%	0.26%	0.26%	0.26%	0.23%	0.23%	0.23%	0.23%	0.23%
Total Investment Charge	1.69%	1.32%	1.42%	1.78%	1.39%	1.80%	1.80%	1.39%	1.39%	1.39%

\* Please note: The Class B1 and Class B7 Funds are only available through investment platforms such as Old Mutual Wealth. Class A7 and Class B7 are only available for tax-free instruments.

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). 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 funds, the investment decisions of the investment manager and the TER.

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

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 April 2019. 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.

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