



# ABSOLUTE STABLE GROWTH PORTFOLIO

JULY 2021

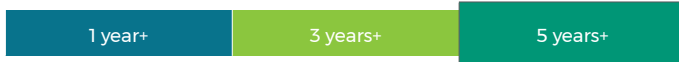
PRODUCT AVAILABILITY	Old Mutual Wealth	MAX
Investment Plan (LIFE)	•	•
Investment Plan (LISP)		
Retirement Annuity	•	•
Preservation Fund	•	•
Living Annuity	•	•

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The Absolute Stable Growth Portfolio targets inflation-beating returns over the long term (in excess of ten years), using smoothing to substantially reduce the market volatility experienced by investors.

### WHO IS THE FUND FOR?

This fund is aimed at investors who seek a real return with reduced market volatility and a partial guarantee on benefit payments. The fund is most suited to investors saving towards a specific goal over a period in excess of five years, such as retirement, a child's education or a significant future purchase.

### BONUS PHILOSOPHY AND SMOOTHING

The underlying investment of the fund is in line with that of an aggressive balanced fund. The returns earned on the underlying investments are smoothed and passed on to investors by way of bonuses declared monthly in advance.

This smoothing mechanism significantly reduces the short-term volatility associated with aggressive market-related investments. A Bonus Smoothing Reserve is maintained, which absorbs the impact of the peaks and troughs experienced in the market, while delivering real returns to investors in the long term.

### GUARANTEE AND MARKET VALUE ADJUSTMENT

The Absolute Stable Growth Portfolio offers a 80% guarantee on the net amount invested and bonuses earned in the fund. This guarantee applies to Defined Benefit Payments, where the full Fund Value is available for:

- Retirement Annuities, Preservation Funds and Living Annuities: retirement, death, ill-health retirement and annuity income payments.
- Investment Plans (LIFE): death and on the Guaranteed Smoothed Value Date, which is set 5 years from the day of the first investment into the fund, and every 5-year anniversary thereafter.

A Market Value Adjustment (MVA) is an adjustment applied to an investor's smoothed value to reflect current market conditions when the value of the underlying investments is less than the smoothed value. An MVA can only be applied on withdrawals from the fund (including switches) that are not Defined Benefit Payments as set out above.

Guarantees are backed by Old Mutual shareholders' capital.

Old Mutual reserves the right to remove the non-guaranteed element in poor markets by declaring a negative bonus.

<b>BENCHMARK:</b>	CPI
<b>PERFORMANCE TARGET:</b>	The portfolio has a growth objective of CPI + 4.5% p.a. (after fees). Over the medium term (5-10 years) the objective is to provide returns in excess of CPI. The growth objectives are targets and not guaranteed returns.
<b>FUND MANAGER(S):</b>	Old Mutual Investment Group
<b>LAUNCH DATE:</b>	01/12/2010
<b>SIZE OF FUND:</b>	R144.3bn

## FUND PERFORMANCE AS AT 31/07/2021

	% PERF. (P.A.)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception
Retirement Fund	10.8	4.3	5.2	7.1	9.3	9.5
Private Investor <sup>1</sup>	8.6	2.8	3.8	-	-	-
Benchmark <sup>2</sup>	4.9	3.8	4.2	4.6	5.0	5.0

<sup>1</sup> The Private Investor series opened during 2015.

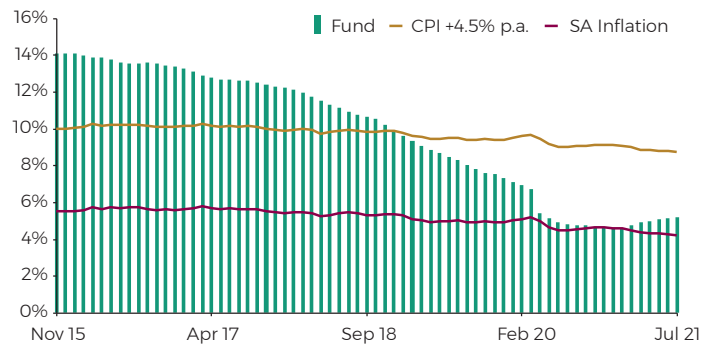
<sup>2</sup> The CPI figures are lagged by one month as it is calculated before this month's inflation rate was released.

Performance measurements over periods shorter than the recommended investment term may not be appropriate.

Past performance is no indication of future performance. Fund performance figures are net of the total investment charge, capital charge and tax where applicable and are based on the MAX Investment price series.

Sources: Old Mutual & Morningstar as at 31/07/2021

## Absolute Stable Growth Portfolio (5-Year Annualised Rolling)



Past performance is no indication of future performance.

Sources: Old Mutual & Morningstar as at 31/07/2021

## MONTHLY GROSS BONUS HISTORY

		Retirement Fund	Private Investor
2020	Aug	0.73%	0.59%
	Sep	0.74%	0.59%
	Oct	0.45%	0.36%
	Nov	0.77%	0.62%
	Dec	0.76%	0.61%
2021	Jan	0.76%	0.61%
	Feb	1.26%	1.06%
	Mar	1.25%	1.05%
	Apr	1.25%	1.05%
	May	1.25%	1.05%
	Jun	1.26%	1.06%
	Jul	0.75%	0.60%
	Aug	0.84%	0.69%

The bonus rate history is shown gross of investment management fees but net of capital charges and tax.

## FUND COMPOSITION AS AT 30/06/2021

ASSET & PERCENTAGE ALLOCATION	
SA Equity	49.1%
International Equity	20.5%
SA Interest Bearing	10.2%
SA Alternatives	6.5%
SA Property	6.2%
International Alternatives	3.8%
International Interest Bearing	2.5%
African Equity	1.2%



## OTHER INVESTMENT CONSIDERATIONS

### INITIAL CHARGES:

There is no initial administration charge on the fund.

### ONGOING

	Old Mutual Wealth	Max
Investment Management Fee (IMF)	0.95% p.a.	1.00% p.a.
Capital Charge	0.70% p.a.	0.70% p.a.

Bonuses are net of these fees.

Total Expenses	Old Mutual Wealth	Max
Total Expense Ratio (TER)	1.06%	1.11%
Transaction Cost (TC)	0.06%	0.06%
Total Investment Charge	1.12%	1.17%

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, is based on crude estimates of the fund's management and operating costs and may not necessarily be an accurate indication of future TERs. TER calculation methodologies are being refined on an ongoing basis to increase the accuracy of these figures over time. 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:** Tel +27 (0)860 999 199 | Fax +27 (0)860 999 197 | Email [service@omwealth.co.za](mailto:service@omwealth.co.za) | Internet [www.omwealth.co.za](http://www.omwealth.co.za)

**Max Investments:** Tel +27 (0)860 605 500 | Fax +27 (0)860 60 7500 / 9500 | Email [MaxInvestments@oldmutual.com](mailto:MaxInvestments@oldmutual.com) | Internet [www.oldmutual.co.za/max](http://www.oldmutual.co.za/max)

**Max Income:** Tel +27 (0)860 605 500 | Fax +27 (0)860 60 7500 / 9500 | Email [maxincome@oldmutual.com](mailto:maxincome@oldmutual.com) | Internet [www.oldmutual.co.za/max](http://www.oldmutual.co.za/max)