

## WEALTH MANAGER ACCELERATOR FLEXIBLE PORTFOLIO

**INCEPTION DATE:** May 2017

**PERFORMANCE TARGET:** GLOBAL FLEXIBLE COMPOSITE

### INVESTMENT OBJECTIVE

The Wealth Manager Accelerator Flexible Portfolio represents a model investment strategy that seeks to grow capital at a high pace for investors with an investment horizon beyond seven years. It invests in a range of unit trust funds diversified across local and international growth assets and asset managers utilising specialist mandates. The mandate uses a blend of active and passive funds. The local equity mandates target a 75%/25% and global equity 25%/75% split between active and passive managed funds respectively.

This strategy aims to achieve high capital growth over a long-term horizon and therefore has 100% exposure to growth assets encompassing both local and international equities and property.

### RETURN OBJECTIVE

The investment strategy targets returns above the benchmark over rolling seven year periods.

### BENCHMARK

The Wealth Manager Accelerator Flexible Portfolio is measured against a Market Composite Index: 40% JSE SWIX; 40% MSCI ACWI; 10% JSE SA ListedProperty; 10% FTSE EPRA/NAREIT Developed Index

### REGULATION 28 COMPLIANCE

This portfolio is not compliant with Regulation 28.

### PORTFOLIO FEES

Discretionary Management Fee (incl. VAT): 0.115% p.a.

#### Unit trust fund fees:

Weighted Average Total Investment Charge (TIC): 1.04%

### PERFORMANCE DATA\*

	% performance (annualized)					
	3 months	6 months	9 months	1 year	2 years	Since Inception
Portfolio	-0.54%	-6.07%	2.05%	N/A	N/A	4.86%
Benchmark	-1.13%	-5.08%	3.23%	N/A	N/A	6.53%

\* Model portfolio performance and gross benchmark returns, both including reinvested income. All returns are calculated in ZAR net of underlying portfolio fees but gross of any discretionary fund management and investment vehicle administration fees. Client specific net returns are provided in the reports of the chosen Linked Investment Service Provider (LISP). Where life funds are held, performance is calculated based on holding of the untaxed class. Performance data and risk statistics may only be provided once the track record reaches 6 months, in line with legislation.

Source: Morningstar and Old Mutual Wealth TFP as at 30 April 2018

### PORTFOLIO ALLOCATION

Fund Allocation	Manager Allocation	Actual	Target
SIS Management Company Limited - SIS Property Equity FoF T	Sesikile Catalyst	9.03%	9.00%
SIS Management Company Limited - SIS Equity FoF T	Coronation Prudential Visio Capital Bateleur Capital Laurium Capital 36One Steyn Capital	23.84%	22.50%
SIS Management Company Limited - SIS International Growth FoF B6	Orbis State Street - Gins Global Harris Associates Coronation (emerging markets) Ballie Gifford	12.09%	12.50%
SIS International Flexible FoF B6	Catalyst Blackrock	10.51%	11.00%
Satrix Managers (Pty) Limited - Satrix MSCI World Equity Index FF B2	SATRIX	36.70%	37.50%
Old Mutual Unit Trust Mgrs - Old Mutual Capped SWIX Index B1	Old Mutual	7.84%	7.50%

### ASSET CLASS HOLDINGS

Asset Allocation	Actual Weight
Domestic Cash	2.45%
Domestic Equity	27.99%
Domestic Fixed Interest	0.03%
Domestic Property	10.72%
International Cash	0.34%
International Equity	46.94%
International Property	11.52%
Other	0.02%
Total	100.00%

### RISK STATISTICS\*

	Portfolio
Maximum drawdown	-11.38%
Sharpe Ratio	-0.44
Standard deviation	11.21%

**PORTFOLIO MANAGER**

Roland Gräbe is the portfolio manager responsible for the management of this model portfolio and clients' assets following the portfolio strategy. He received his CFA charter in 2004 and has more than 17 years' investment experience specialising in investment consulting and multi-management.

**DIVERSIFICATION**

Utilising fund manager research performed by Old Mutual Multi-Managers, we select and monitor the underlying funds, while the fund managers themselves have flexibility to decide which underlying assets to buy within the fund mandate. We carefully blend fund managers with complimentary investment styles to achieve a well-diversified but dynamic mix of equities, money market instruments, conventional bonds, inflation-linked bonds and listed property.

**INVESTMENT COMMITTEE**

Investment decision-making is managed within a formally constituted Investment Committee (IC.) The IC consists of investment professionals from OMW Tailored Fund Portfolios, Old Mutual Multi-Managers and representatives of WEALTH MANAGER. The role of the IC is to look after the management and monitoring of this investment strategy. The practice representatives appointed to attend IC meetings are: Jonathan Moodie

**FUND COMMENTARY**

Global markets were dominated by three developments in April: the surging oil price, the increase in US bond yields to a four-year high, and first quarter earnings results. In general, equities rebounded from March's sell-off, but it hasn't been a very convincing bounce in the US. Though US companies have generally reported very strong first quarter earnings growth – applying the new, lower corporate tax rate for the first time – the market did not reward earnings and sales beating expectations by as much as in the past.

Nonetheless, after the negative first quarter, the MSCI All Countries World Index posted a 1% gain in April, and is now flat year-to-date. Over 12 months, global equities returned a decent 14% in US dollars. The local equity market recovered some of the losses of February and March, helped along by firmer commodity prices and a weaker rand. The FTSE/JSE All Share index (ALSI) returned 5.4% in April, virtually wiping out the year-to-date loss.

Bonds had a negative month as the rand retreated and global bonds sold off. The ALBI's 2018 return of 7.3% is still well above cash, while 13.7% return over 12 months means it is still the top performing asset class for local investors over this period.

**CONTACT DETAILS**

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**Entities making the Discretionary Model Portfolios available**

Old Mutual Wealth Tailored Fund Portfolios ("TFP") is a division of Old Mutual Life Assurance Company South Africa Limited ("OMLIACSA"), registration number 1999/004643/06, which is a discretionary financial services provider authorised in terms of the Financial Advisory and Intermediary Service Act 37 of 2002 ("FAIS") with licence number 703.

Old Mutual Investment Services (Pty) Ltd ("OMIS"), registration number 1996/000452/06, is an administrative financial services provider authorised in terms of FAIS.

Unit Trust Managers registered in terms of the Collective Investment Scheme Control Act 45 of 2002.

**What are Discretionary Model Portfolios?**

A Discretionary Model Portfolio is a combination of Old Mutual or other unit trust funds that are grouped together by TFP and made available by OMIS on its administrative platform.

**Unit Trust Disclaimers**

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, investment capital or return on your investment cannot be guaranteed. How a fund has performed in the past does not necessarily indicate how it will perform in the future. The fees and costs charged for managing your investment are accessible on the relevant fund's Minimum Disclosure Document (MDD) or table of fees and charges, both available on the manager's public website. 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 underlying fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue. Should the underlying fund hold assets in foreign countries it 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. A fund of fund is a portfolio that invests in other funds which levy their own charges, which could result in a higher fee structure for the fund of funds. 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. Performance returns are the time-weighted return over the performance period measured. A manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.