



**WEALTH**  
TAILORED FUND PORTFOLIOS

# WEALTH MANAGER RETIREMENT INCOME PORTFOLIO

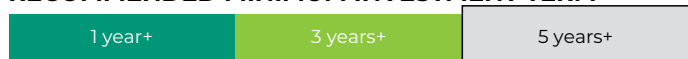
## MONTHLY PORTFOLIO REPORT

NOVEMBER 2019

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



**INCEPTION DATE:** 30 August 2018

### INVESTMENT OBJECTIVE

The Wealth Manager Retirement Income Portfolio represents a model investment strategy that seeks to target inflation-beating returns over the long term for post-retirement investors with an investment horizon in excess of ten years. It invests in a blend of a smooth growth fund together with a range of unit trust funds. The unit trust funds are diversified across various asset classes and asset managers utilising specialist mandates.

The smooth growth fund uses smoothing to substantially reduce the market volatility experienced by investors. The allocation to the smooth growth fund will be 50% of the total model portfolio.

A Market Value Adjustment (MVA) may be 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.

### RETURN OBJECTIVE/PERFORMANCE TARGET

The investment strategy targets returns of CPI + 5% p.a. over periods in excess of ten years. Return objectives are not guaranteed.

### BENCHMARK

The Wealth Manager Retirement Income Portfolio is measured against Headline CPI (urban) plus 5%.

### REGULATION 28

This model portfolio is managed to comply with Regulation 28

### PORTFOLIO FEES

Discretionary Management Fee (incl. VAT): 0.58% p.a.  
Guaranteed fund fees: Asset management fees: 0.95% p.a. Capital charge: 0.20% p.a. Unit trust fund fees: Weighted Average Total Investment Charge (TIC): 1.07%

### PERFORMANCE DATA\*

|           | % PERFORMANCE (> 1 YEAR ANNUALISED) |          |        |         |         |         |
|-----------|-------------------------------------|----------|--------|---------|---------|---------|
|           | 1 months                            | 6 months | 1 year | 3 years | 5 years | 6 years |
| Portfolio | -0.32%                              | 2.37%    | 6.69%  | 5.88%   | 7.13%   | 8.90%   |
| Benchmark | 0.41%                               | 4.02%    | 8.81%  | 9.73%   | 10.14%  | 10.32%  |

### RISK STATISTICS\*

| Measure            | Portfolio |
|--------------------|-----------|
| Maximum Drawdown   | -3.83%    |
| Sharpe Ratio       | 0.87      |
| Standard Deviation | 4.35%     |

### ASSET ALLOCATION

| ASSET CLASS            | ACTIVE/PASSIVE SPLIT | STRATEGIC (%) | TACTICAL (%) |
|------------------------|----------------------|---------------|--------------|
| SA Equity              | 75/25                | 26.5          | 25.5         |
| SA Fixed Income        | Active               | 6.0           | 9.3          |
| SA Property            | Active               | 2.5           | 1.3          |
| Global Equity          | Passive              | 11.0          | 12.0         |
| Global Fixed Income    | None                 | 2.5           | 0.0          |
| Global Property        | Active               | 1.5           | 2.0          |
| Absolute Smooth Growth | Smooth Bonus         | 50.0          | 50.0         |

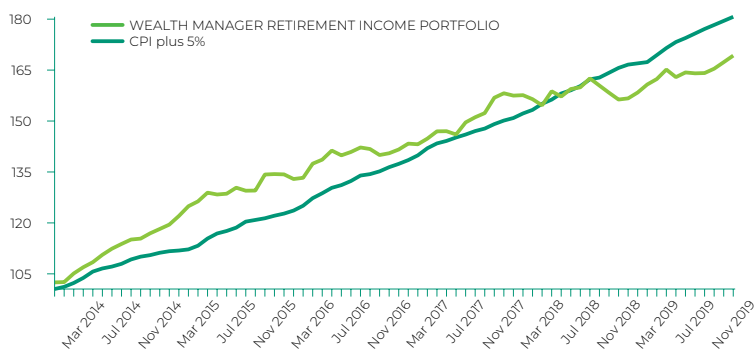
### ASSET CLASS EXPOSURES

| Asset Class                  | Actual Weight |
|------------------------------|---------------|
| African Equity               | 0.65%         |
| Domestic Equity              | 47.85%        |
| Domestic Fixed Interest      | 16.30%        |
| Domestic Property            | 4.85%         |
| Domestic Alternatives        | 3.20%         |
| International Equity         | 21.40%        |
| International Fixed Interest | 2.05%         |
| International Property       | 2.00%         |
| International Alternatives   | 1.70%         |

### ASSET MANAGERS IN SOLUTION



### CUMULATIVE PERFORMANCE\*



\* For model portfolio performance returns, both include 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. In the table above, all returns prior to the inception date is based on simulated returns.





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### FUND MANAGER INFORMATION



Kim Johnson has been in the investment management industry for 16 years and her experience includes both active and passive management. Prior to joining the team, Kim was a Portfolio Manager in the indexation team at Old Mutual Customised Solutions. In addition to her portfolio management responsibilities, she was responsible for the team's retail business development. Kim has completed an MBA at the University of Stellenbosch.

### DIVERSIFICATION AND MANAGEMENT

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.

The management of this model portfolio range is performed through a partnership between Wealth Manager and Tailored Fund Portfolios. Both parties hold a CAT 2 Discretionary Fund Manager licence. Active manager selection, Asset allocation and portfolio construction is based on the research process of Old Mutual Multi-Managers in consultation with Wealth Manager. The selection of passive investment vehicles is performed by the Tailored Fund Portfolio team. This range is managed and monitored on an ongoing basis by both parties. Model Portfolio reporting and feedback is provided at least quarterly to Wealth Manager. The representative of Wealth Manager at quarterly meetings is: Jonathan Moodie

### FUND COMMENTARY

Emerging market equities were negative in November, with the MSCI Emerging Markets index posting a small loss in dollar terms. The 10.3% return for the first 11 months of the year also lags developed markets. Among the individual emerging markets, China posted the best performance (1.8%), while Brazil (-4.4%), and Korea (-1.5%) were the worst performers. The MSCI All Countries World index, combining developed and emerging markets, returned 2.5% in dollars in November, and 23% for the year to date.

Developed market bonds were negative in aggregate in November, with the FTSE World Government bond index losing 0.8% in dollars. Year-to-date, the return is 6.4%. The benchmark US 10-year government bond yield rose from 1.7% to 1.8% during the month, but is still well below 2.6% where it started the year. Global listed property followed bonds lower and not equities higher during the month. Our benchmark, the FTSE EPRA/NAREIT Developed index, lost 1.2% in November. Year-to-date, the 21.4% dollar return is not too far behind global equities.

Local equities did not follow developed markets higher in November, instead tracking emerging markets lower. The FTSE/JSE All Share index lost 1.8%, and this reduced year-to-date and one-year returns to 8.5% and 13% respectively. Our benchmark, the less-concentrated FTSE/JSE Capped SWIX fared slightly better with a 1.4% loss, but still lags over 11 and 12 months with returns of 3.5% and 6.2% respectively. It has a higher weighting to financials and a lower weighting to resources than the All Share index.

Local listed property was flat in November, and the year-to-date return on the FTSE/JSE All Property remains stuck at only 1.2% (though much better than 2018's -25%). Local bonds were marginally positive in November, with the All Bond index posting a 0.2% return. This lifted the year-to-date return to 8.2%, ahead of the 6.6% return form cash. The generic 10-year government bond yield was a few basis points lower during the month, closing at 9.45%.

### CONTACT DETAILS

BUSINESS CONTACT AND DFM QUERIES: Email [tfp@omwealth.co.za](mailto:tfp@omwealth.co.za)

SERVICE CONTACT: Tel 0860 999 199 | Email [service@omwealth.co.za](mailto:service@omwealth.co.za)

Old Mutual Life Assurance Company (SA) limited

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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 ("OMLACSA"), 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.