



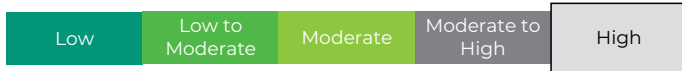
WEALTH
TAILORED FUND PORTFOLIOS

WEALTH MANAGER USD BALANCED ASSET SWAP PORTFOLIO

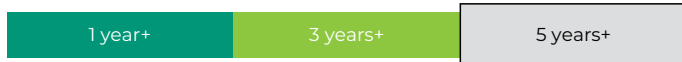
MONTHLY PORTFOLIO REPORT

FEBRUARY 2020

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



INCEPTION DATE: 04 March 2019

INVESTMENT OBJECTIVE

The Wealth Manager USD Balanced Asset Swap Portfolio represents a model investment strategy that seeks to grow capital and income at a reasonable pace for investors with an investment horizon beyond five years. It invests in a range of unit trust funds diversified across various asset classes and asset managers utilising specialist mandates.

Where available the asset managers utilise an ESG factor tilt to provide investors with a Responsible Investment strategy. Within our global equity exposure we have an allocation to both Developed and Emerging markets equities. The model portfolio is available as an asset swap rand denominated model portfolio utilising feeder fund unit trust investment vehicles. The risk and return of the underlying managers is experienced in USD terms. However, as we are using asset swap funds in addition the investor is exposed to Rand/Dollar exchange rate volatility. Returns are therefore reported in ZAR.

RETURN OBJECTIVE/PERFORMANCE TARGET

The investment strategy targets returns of US Inflation + 4% p.a. over rolling five year periods.

BENCHMARK

The Wealth Manager USD Balanced Asset Swap Portfolio is measured against Headline US Inflation (urban) plus 4% (ZAR).

REGULATION 28

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): 0.60%

PERFORMANCE DATA*

	% PERFORMANCE (> 1 YEAR ANNUALISED)					
	1 months	6 months	1 year	3 years	5 years	6 years
Portfolio	-0.60%	5.78%	18.04%	13.68%	11.40%	11.81%
Benchmark	5.52%	6.57%	19.03%	12.83%	12.65%	12.68%

RISK STATISTICS*

Measure	Portfolio
Maximum Drawdown	-13.90%
Sharpe Ratio	0.61
Standard Deviation	12.48%

ASSET ALLOCATION

ASSET CLASS	ACTIVE/ PASSIVE SPLIT	STRATEGIC (%)	TACTICAL (%)
Global Equity	Passive	63.0	67.0
Global Fixed Income	Passive	32.0	26.0
Global Property	Active	5.0	7.0

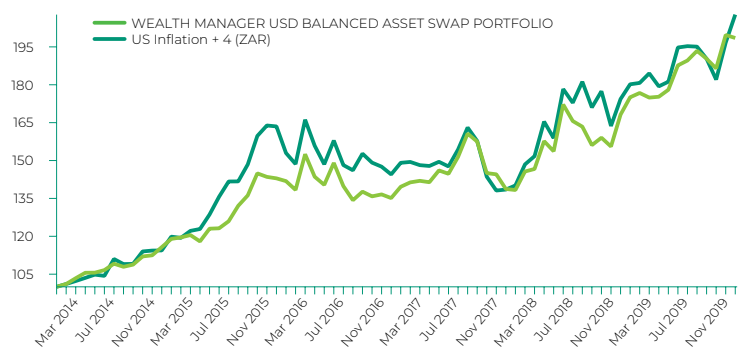
ASSET MANAGERS IN SOLUTION

OLDMUTUAL INVESTMENT GROUP The building block aims to provide long-term capital growth by primarily gaining exposure to the MSCI World ESG Leaders Index and the MSCI Emerging Markets ESG leaders indices. Both are free float-adjusted market capitalisation weighted indices designed to measure the equity market performance of companies with high Environmental, Social and Governance (ESG) performance relative to their sector peers across developed markets worldwide. Investors will gain exposure to Global Equity through two asset swap funds providing access to Developed and Emerging Market Equities respectively.

RESOLUTION CAPITAL The manager aims to offer investors exposure to global listed real estate securities through a professionally managed portfolio of global real estate investment trusts (REITs) and other property-related companies. Resolution Capital is a specialist investment manager with primary expertise in managing global listed real estate securities. Their disciplined investment process emphasises a global sectoral perspective and focuses on long-term wealth preservation and appreciation.

STYLO INVESTMENTS The objective of this building block is to get broad exposure to global bonds. It makes use of a strategic asset allocation methodology and an indexed investment style. Typically, exchange traded funds (ETFs) are used. The Fund will aim to deliver capital preservation and maximize income returns without placing undue risk on the capital of the investor.

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 Rassou 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

When news broke of a substantial jump in infections outside China, including in the US, equity markets sold off faster than at any time since the Global Financial Crisis, posting double-digit losses in the final week of February. This pushed all major equity indices into the red year-to-date.

The US S&P500 lost 8.2% in February, and halved one-year returns to 8%. The Eurostoxx 600 similarly lost 8.3% in euros, cutting on-year returns to 4.4%. Emerging markets lost less than developed markets in February, but this is largely because China, the largest constituent of the MSCI Emerging Markets index, sold off in January already. Emerging markets lost 5% in February in dollars, and 1.5% over 12 months.

Our global equity benchmark, the MSCI All Countries World Index, lost 8% in February. Over 12 months its return has been reduced to 4.5% in dollars.

As equities sold off, investors sought the safety of bonds. The benchmark US 10-year bond yield fell to a record low of 1.12% by the end of the month. The Bloomberg Global Aggregate bond index, which covers the spectrum of fixed income from sovereign debt to corporate credit, returned 0.7% in February. Its 12-month performance of 7.9% is now ahead of equities.

Global listed property did not benefit from the decline in bond yields, but rather sold off with other risk assets. The FTSE EPRA/NAREIT Developed index lost 8% in dollars in the month, with the one-year return now only 3%.

Local equities did not escape the indiscriminate global selling, with double digit losses in February across the main JSE benchmarks, will all but eight shares posting declines. The FTSE/JSE All Share index lost 9% in February, dragging one-year returns into the red at -5.7%. The FTSE/JSE Capped Swix index lost 9.5% in the month and a similar amount over one year.

Listed property bore the brunt of the selling in February, with the FTSE/JSE All Property Index losing 15.7%. Over one year, the sector is down 18.5%.

Bonds rallied after the Budget Speech, but that only lasted a day before the spike in global risk aversion hit the local bond market. The All Bond index was flat in February, but is still ahead of cash over one year with a return of 8.9%.

The rand sold off in line with other emerging markets, losing 4.8% against the US dollar in February. The local currency is 12% weaker against the greenback year-to-date and a similar percentage over 12 months. This has cushioned the blow of declines in offshore asset declines from the perspective of local investors.

CONTACT DETAILS

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Old Mutual Life Assurance Company (SA) limited

Licensed Financial Services Provider

93 Grayston Drive & West Road South, Sandton, Johannesburg 2196



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.