



WEALTH
TAILORED FUND PORTFOLIOS

TAILORED FUND PORTFOLIOS USD CONSERVATIVE PORTFOLIO

MONTHLY PORTFOLIO REPORT

MARCH 2020

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



INCEPTION DATE: 12 August 2018

INVESTMENT OBJECTIVE

The investment strategy targets returns of US inflation plus 3% p.a. over rolling four year periods.

RETURN OBJECTIVE/PERFORMANCE TARGET

The investment strategy targets returns of US inflation plus 3% p.a. over rolling four year period.

BENCHMARK

The Tailored Fund Portfolios USD Conservative Portfolio is measured against US Headline inflation plus 3% (USD).

REGULATION 28

This model portfolio is not managed to comply with Regulation 28

PORTFOLIO FEES

Discretionary Management Fee (incl. VAT): 0.40% p.a.

Unit trust fund fees: Weighted Average Total Investment Charge (TIC): 0.22%

PERFORMANCE DATA*

	% PERFORMANCE (> 1 YEAR ANNUALISED)					
	1 months	6 months	1 year	3 years	5 years	6 years
Portfolio	-6.25%	-5.01%	-1.59%	2.54%	2.31%	1.91%
Benchmark	0.03%	2.04%	4.66%	4.86%	4.91%	4.59%

RISK STATISTICS*

Measure	Portfolio
Maximum Drawdown	-8.15%
Sharpe Ratio	0.95
Standard Deviation	5.71%

ASSET ALLOCATION

ASSET CLASS	ACTIVE/ PASSIVE SPLIT	STRATEGIC (%)	TACTICAL (%)
Global Cash	None	5.0	5.0
Global Equity	None	28.0	32.0
Global Fixed Income	None	62.0	56.0
Global Property	Active	5.0	7.0

ASSET MANAGERS IN SOLUTION



The Fund invests in equities (that is, shares and other similar kinds of assets) of real estate investment trusts (REITs) and Real Estate Holding & Development companies which make up the Index. Real Estate Holding and Development companies are involved in real estate activities such as the ownership, trading and development of income-producing real estate.

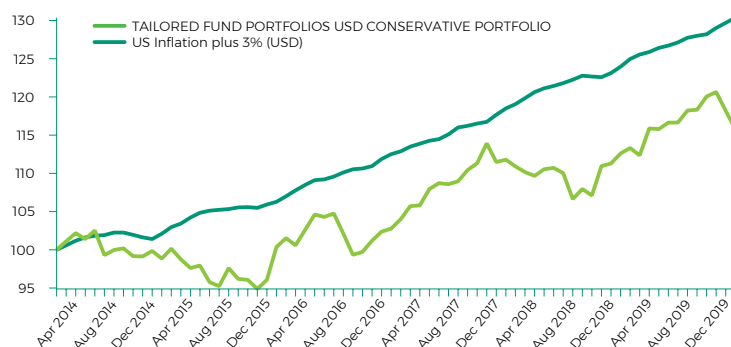


The investment objective of the Strategy is to replicate the MSCI Emerging Markets ESG Leaders Index (the "Benchmark Index") and MSCI World ESG Leaders Index through the management of a diversified portfolio of equity securities with high Environmental, Social and Governance (ESG) performance relative to their sector peers in Developed and Emerging Markets Worldwide.



The objective of the Fund is to track the performance of global investment grade fixed rate bond markets.

CUMULATIVE PERFORMANCE*



*Model portfolio performance was calculated using the index returns including reinvested income. All returns are calculated in USD net of underlying portfolio fees but gross of any discretionary fund management and investment vehicle administration fees. The above-mentioned returns have been simulated using the long-term strategic asset allocation of the model portfolio to create the return series. The table above includes simulated returns from September 2009 until inception of the model portfolio. We used the following market indices to determine the returns. Global Equity - MSCI World Equity ESG Index, emerging Markets - Emerging Markets Equity ESG Index, MSCI Emerging Markets Equity ESG Index and Global Bonds - Barclays Global Aggregate Bond Index..



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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 index tracking capabilities to provide asset class exposure and where available we make use of indices that have a Environmental, Social and Governance screen. Asset allocation expertise of Old Mutual Multi-Managers are used to create multi-asset class portfolios consisting across a mix of asset classes such as Developed and Emerging Markets equities, Global Property and Global Bonds in order to target the relative US inflation objective.

The management of the Tailored Fund Portfolio USD range is performed in line with the requirements of the CAT 2 Discretionary Fund Manager licence held by OMLACSA. Active manager selection, Asset allocation and portfolio construction is based on the research process of Old Mutual Multi-Managers. 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 Tailored Fund Portfolios, in their capacity as a division within Old Mutual Wealth.

FUND COMMENTARY

As the coronavirus spread rapidly across the world and more and more countries were forced to implement 'social distancing' measures, including full lockdowns, it became clear that the world would enter a sharp and painful recession. Global equity markets suffered a rapid slump. Compounding the sell-off, investors facing the prospects of weeks if not months without income scrambled to raise cash, dumping their most liquid assets.

The US S&P500 lost 12.3% in March, and 19.6% in the first quarter to end 23% below its peak. The return over one year was -9%, which was not too bad all things considered. Our global equity benchmark, the MSCI All Country World Index, lost 13% in March and 21% in the first quarter. Over 12 months its return was -9% in dollars.

When equities sold off, investors usually flee to the safety of bonds. However, during the month the bond market experienced liquidity problems as many investors sold bonds to raise cash. This prompted an unprecedented liquidity injection by the US Federal Reserve and other central banks. The Bloomberg Global Aggregate bond index, which covers the spectrum of fixed income from sovereign debt to corporate credit was negative in March and the first quarter. Its 12-month performance of 4.2% is still ahead of equities.

Global listed property sold off with other risk assets. The FTSE EPRA/NAREIT Developed index lost 22.8% in dollars in the month, with the one-year return down to -24%.

Local equities did not escape the indiscriminate global selling. The FTSE/JSE All Share index lost 12% in March and 21.4% in the first quarter. This dragged one-year returns further into the red at -18.4%. The FTSE/JSE Capped Swix index lost 17% in the month and 27% in the first quarter.

Listed property bore the brunt of the market sell-off. The FTSE/JSE All Property Index slumped by 36% in March. The sector basically halved in the first three months of 2020, having already been under pressure before that.

Local bond prices fell sharply in March, leading to surging yields. The 10-year government bond yield spiked dramatically to a high of 12.7% before receding somewhat to end the month at 11.24%. Longer-dated bonds suffered even worse price declines. The All Bond index lost 9.7% in March, the worst month on record.

The rand slumped along with other emerging markets as panic gripped global markets. It lost 14% against the US dollar in March, and, having already declined in January and February, was down 27% at the end of the first quarter and 23% weaker over four quarters.

CONTACT DETAILS

BUSINESS CONTACT AND DFM QUERIES: Email tfp@omwealth.co.za

SERVICE CONTACT: Tel 0860 999 199 | Email service@omwealth.co.za

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.