

# DSV FLEXI RETIREMENT FUND

## DSV AGGRESSIVE FUND

# OLD MUTUAL MULTI-MANAGERS

FACT SHEET OCTOBER 2018

**INCEPTION DATE:** July 2017 (Old Mutual Multi-Managers)

### ASSETS UNDER MANAGEMENT:

Aggressive fund R621 475 234  
DSV Aggressive fund R407 515 383

**RISK PROFILE:** High

### FUND OBJECTIVE AND DESCRIPTION

This investment strategy seeks to grow your capital and income at a reasonable pace. It invests in a range of portfolios diversified across various asset classes, asset managers and high-quality instruments, including South African and international cash, fixed interest securities, listed property and listed shares. It aims to achieve a return in the range of 7% plus above inflation. Investment returns are not guaranteed.

**BENCHMARK:** CPI + 7%

### FUND RETURNS

	DSV Aggressive Fund	CPI + 7%
1 Month	-3.6%	1.0%
3 Months	-3.8%	2.9%
6 Months	-4.4%	6.1%
12 Months	-6.3%	12.2%
3 Years	2.9%	12.7%
5 Years	6.9%	12.6%
Since inception	11.1%	12.7%

- Returns reflected are net of all fees.
  - Historic returns were managed by a third party up from 28 February 2009 up until 27 July 2017.
- \* CPI refers to the CPI (all urban areas) as provided by Statistics South Africa, effective 1 January 2009. Prior to January 2009, the CPIX (all metropolitan and urban areas) was used as the measure for inflation for our funds.

The benchmark returns shown here are a composite of the two measures. The previous month's change in inflation is used as an estimate for the current month (since inflation numbers are released one month in arrears).

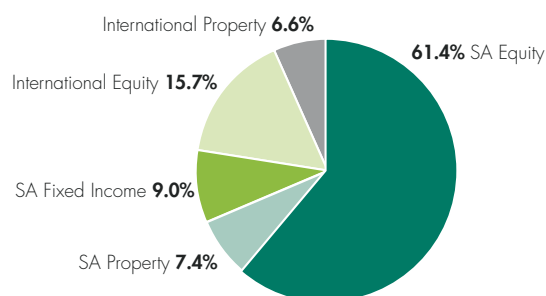
Source: Old Mutual Multi-Managers

### MANAGER RETURNS

	Asset Class	1 Month	3 Months	6 Months	12 Months	Since inception
Mazi & Sentio	Equity	-5.5%	-8.3%	-11.7%		-18.9%
Prudential	Equity	-4.7%	-7.9%	-8.6%	-6.9%	1.1%
Visio	Equity	-4.3%	-6.0%	-9.6%	-10.0%	-3.4%
Coronation	Equity	-3.8%	-7.6%	-10.6%	-11.5%	-4.7%
Catalyst	SA Property	-0.4%	1.1%	-8.2%	-13.1%	-7.3%
Sesfikile	SA Property	-0.7%	-0.1%	-9.2%	-12.3%	-5.9%
Coronation	SA Fixed Income	-1.0%	-2.3%	-2.7%	8.0%	6.7%
Prudential	SA Fixed Income	-0.7%	-1.1%	-0.6%	8.1%	6.7%
Futuregrowth	SA Fixed Income	-1.6%	-3.3%	-3.4%	8.6%	7.3%
Prudential	SA Index Linked Bonds	0.8%	0.9%	-0.3%	3.9%	3.7%
Prescient	SA Index Linked Bonds	0.8%	1.1%	0.5%	4.3%	4.3%
Coronation	International Equity	-5.1%	-5.9%	-5.3%	-18.1%	-6.0%
Old Mutual MsciWorld Esg Index	International Equity	-4.8%	4.5%	12.9%	3.0%	10.9%
Global Property Building Block	International Property	1.1%	9.7%	19.5%	7.8%	12.5%

Source: Old Mutual Multi-Managers

### ASSET ALLOCATION AS AT 31 OCTOBER 2018



Source: Old Mutual Multi-Managers

### MANAGER ALLOCATION AS AT 31 OCTOBER 2018

Local Equity	Coronation	20.0%	
	Visio Capital	8.7%	
	Mazi & Sentio	5.2%	
	Prudential	27.4%	
Local Property	Sesfikile	2.8%	
	Catalyst	4.6%	
Fixed Income	Coronation	4.0%	
	Prudential	4.1%	
	Futuregrowth	0.8%	
International Equity	Coronation	3.3%	
	Old Mutual	12.4%	
International Property	Global Property Building Block	Catalyst	1.7%
		BlackRock	3.3%
		Resolution	1.6%

Source: Old Mutual Multi-Managers

### COMMENTARY

#### Global

Despite a Halloween rally, October was nothing short of a horror story for global equities. This is despite the underlying earnings, growth and inflation picture still being pretty supportive. The MSCI All Countries World Index lost 7.4% in US dollars in the month, dragging year-to-date returns into negative territory. The high-flying US S&P 500 Index lost 6.8% in October, but is still positive in 2018 and up 7% over the past 12 months. Technology shares were particularly hard hit, with the tech-heavy NASDAQ losing 9% in the month.

Eurozone equities lost 5.5% in euros in October, dragging year-to-date and one-year returns on the Eurostoxx 600 into the red. The euro lost 2.4% against the dollar in the month.

Japanese equities lost 9% in October with the one-year return on the Nikkei 225 now only 1.6% in yen. The yen was 0.6% weaker against the dollar in October.

As can be expected amid global risk aversion, emerging market equities sold off sharply, with the MSCI Emerging Markets Index losing 8.7% in dollars in October. After handsomely outperforming developed markets in 2017, emerging markets have lost 15% this year compared to -1.8% for developed markets. Among the main emerging markets, China, Korea and South Africa all suffered double digit losses in dollar terms in October. Brazil bucked the trend, as the Bovespa and the real rallied due to the election of Jair Bolsonaro as President. South Africa and Turkey stand out as the worst emerging markets in 2018, with losses in dollar terms of 30% and 45% respectively (as measured by MSCI indices).

Developed market bonds were also negative in October, leaving global investors with almost nowhere to hide. The FTSE World Government Bond Index lost 1.2% in October (partly a function of a stronger dollar) and is in the red for 2018. The benchmark 10-year US Treasury yield rose from 3.07% at the start of the month to a seven-year high of 3.15%.

Global listed property did not escape the equity market turmoil, but also did not sell off as much. The FTSE EPRA/NAREIT Developed Index lost 3.7% in US dollars in October, wiping out 2018 gains, but it is still positive over one year.

Oil pulled back sharply in October due to a combination of risk aversion, surging American supply, hints that Saudi Arabia would increase output and concerns over demand growth. Brent crude oil ended the month 8% lower at \$76, a welcome relief for importing countries. Meanwhile, among industrial metals, iron ore and copper moved in opposite directions. Iron ore prices jumped by 8%, but copper was 3.6% lower in October.

After sliding for most of the year, the gold price finally caught a bid and ended October 2% higher at \$1224/oz, despite a stronger US dollar. Platinum was also positive, but ended the month at \$838/oz, 9% below the prevailing price a year ago. Palladium was negative in October but still 11% higher than a year ago at \$1082/oz.

#### Local

Local equities did not escape the global turmoil. The FTSE/JSE All Share Index lost 5.7% in October, extending the year-to-date loss to 9.8% and the one-year loss to 8.3%. The FTSE/JSE Capped SWIX, our preferred benchmark, fared worse, lost 6.1% in October and 13.6% year to date.

However, the sharp decline in Naspers this year (-24%) means the Capped Swix has in turn outperformed the SWIX.

Resources remains the best performing major sector this year, despite losing 4% in October. All resources sectors were negative in the month, apart from gold and platinum mines that jumped on higher precious metals prices. General mining (up 24%), chemicals (13%) and forestry and paper (13%) have all posted solid returns in 2018.

Industrials slumped 8% in October, dragging 2018 returns to -18% and one-year returns to -21%. Apart from fixed line telecommunications, all the subsectors were negative in October, with the heaviest losses coming from some of the largest. Media (Naspers) lost 15% in the month as the Tencent share price plunged along with other global tech titans. Pharmaceuticals (mostly Aspen) lost 7%, as did personal goods (Richemont). A softer rand also did not save the other big rand hedges like British American Tobacco (down 2.2%).

Financials lost 3.2% in October and 9.7% in 2018 to date. Banks lost 4.4% and life insurers 2.3% in October. Both sectors are in the red year to date, but have delivered double-digit returns over 12 months.

Listed property was also negative in October, but the losses weren't severe as for the broader equity market. The JSE All Property Index lost 0.4% in October, taking year-to-date returns to -20%.

Local bonds were also negative in October, with the All Bond Index losing 1.7%, dragging the year-to-date return to 3%. The yield on the benchmark 10-year government bond rose from 9% to 9.35% during the month. At the start of the year, it was 8.6%.

Inflation-linked bonds were positive in the month, returning 0.75%. However, linkers still lag nominal bonds and cash returns by some margin year to date and over one year.

The rand lost ground against the major currencies in October, but given the turmoil on global markets, it could've been much worse for the local currency. The rand closed October at R14.77 per dollar, losing 4% against the greenback during the month, extending the 2018 loss to almost 20%.



# DSV FLEXI RETIREMENT FUND

## DSV GROWTH FUND

OLD MUTUAL MULTI-MANAGERS  
FACT SHEET OCTOBER 2018

**INCEPTION DATE:** July 2017 (Old Mutual Multi-Managers)

### ASSETS UNDER MANAGEMENT:

Growth fund R1 296 367 045  
DSV Growth fund R427 817 566

**RISK PROFILE:** Moderate to High

### FUND OBJECTIVE AND DESCRIPTION

This investment strategy seeks to grow your capital and income at a reasonable pace. It invests in a range of portfolios diversified across various asset classes, asset managers and high-quality instruments, including South African and international cash, fixed interest securities, listed property and listed shares. It aims to achieve a return in the range of 5%-7% above inflation. Investment returns are not guaranteed.

**BENCHMARK:** CPI + 6%

### FUND RETURNS

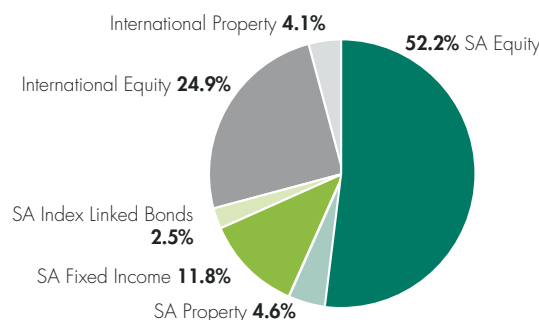
	DSV Growth Fund	CPI + 6%
1 Month	-3.6%	0.9%
3 Months	-3.4%	2.7%
6 Months	-3.5%	5.5%
12 Months	-4.8%	10.9%
3 Years	3.5%	11.3%
5 Years	7.2%	11.3%
Since inception	10.8%	11.6%

- Returns reflected are net of all fees.
- Historic returns were managed by a third party from 28 February 2009 up until 27 July 2017.
- \* CPI refers to the CPI (all urban areas) as provided by Statistics South Africa, effective 1 January 2009. Prior to January 2009, the CPIX (all metropolitan and urban areas) was used as the measure for inflation for our funds.

The benchmark returns shown here are a composite of the two measures. The previous month's change in inflation is used as an estimate for the current month (since inflation numbers are released one month in arrears).

Source: Old Mutual Multi-Managers

### ASSET ALLOCATION AS AT 31 OCTOBER 2018



Source: Old Mutual Multi-Managers

### MANAGER ALLOCATION AS AT 31 OCTOBER 2018

Local Equity	Coronation	17.0%
	Visio Capital	7.5%
	Prudential	4.6%
	Mazi & Sentio	23.1%
Local Property	Sesfikile	1.3%
	Catalyst	3.3%
Fixed Income	Coronation	3.9%
	Prudential	2.3%
	Futuregrowth	5.5%
Index Linked Bonds	Prescient	1.2%
	Prudential	1.3%
International Equity	Coronation	5.3%
	Old Mutual	19.6%
International Property	Global Property Building Block	Catalyst 1.0%
		BlackRock 2.0%
		Resolution 1.0%

Source: Old Mutual Multi-Managers

### MANAGER RETURNS

	Asset Class	1 Month	3 Months	6 Months	12 Months	Since inception
Mazi & Sentio	Equity	-5.5%	-8.3%	-11.7%	-18.9%	-18.9%
Prudential	Equity	-4.7%	-7.9%	-8.6%	-6.9%	1.1%
Visio	Equity	-4.3%	-6.0%	-9.6%	-10.0%	-3.4%
Coronation	Equity	-3.8%	-7.6%	-10.6%	-11.5%	-4.7%
Catalyst	SA Property	-0.4%	1.1%	-8.2%	-13.1%	-7.3%
Sesfikile	SA Property	-0.7%	-0.1%	-9.2%	-12.3%	-5.9%
Coronation	SA Fixed Income	-1.0%	-2.3%	-2.7%	8.0%	6.7%
Prudential I	SA Fixed Income	-0.7%	-1.1%	-0.6%	8.1%	6.7%
Futuregrowth I	SA Fixed Income	-1.6%	-3.3%	-3.4%	8.6%	7.3%
Prudential	SA Index Linked Bonds	0.8%	0.9%	-0.3%	3.9%	3.7%
Prescient	SA Index Linked Bonds	0.8%	1.1%	0.5%	4.3%	4.3%
Coronation	International Equity	-5.1%	-5.9%	-5.3%	-18.1%	-6.0%
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Global Property Building Block	International Property	1.1%	9.7%	19.5%	7.8%	12.5%

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### COMMENTARY

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Developed market bonds were also negative in October, leaving global investors with almost nowhere to hide. The FTSE World Government Bond Index lost 1.2% in October (partly a function of a stronger dollar) and is in the red for 2018. The benchmark 10-year US Treasury yield rose from 3.07% at the start of the month to a seven-year high of 3.15%.

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However, the sharp decline in Naspers this year (-24%) means the Capped Swix has in turn outperformed the SWIX.

Resources remains the best performing major sector this year, despite losing 4% in October. All resources sectors were negative in the month, apart from gold and platinum mines that jumped on higher precious metals prices. General mining (up 24%), chemicals (13%) and forestry and paper (13%) have all posted solid returns in 2018.

Industrials slumped 8% in October, dragging 2018 returns to -18% and one-year returns to -21%. Apart from fixed line telecommunications, all the subsectors were negative in October, with the heaviest losses coming from some of the largest. Media (Naspers) lost 15% in the month as the Tencent share price plunged along with other global tech titans. Pharmaceuticals (mostly Aspen) lost 7%, as did personal goods (Richemont). A softer rand also did not save the other big rand hedges like British American Tobacco (down 2.2%).

Financials lost 3.2% in October and 9.7% in 2018 to date. Banks lost 4.4% and life insurers 2.3% in October. Both sectors are in the red year to date, but have delivered double-digit returns over 12 months.

Listed property was also negative in October, but the losses weren't severe as for the broader equity market. The JSE All Property Index lost 0.4% in October, taking year-to-date returns to -20%.

Local bonds were also negative in October, with the All Bond Index losing 1.7%, dragging the year-to-date return to 3%. The yield on the benchmark 10-year government bond rose from 9% to 9.35% during the month. At the start of the year, it was 8.6%.

Inflation-linked bonds were positive in the month, returning 0.75%. However, linkers still lag nominal bonds and cash returns by some margin year to date and over one year.

The rand lost ground against the major currencies in October, but given the turmoil on global markets, it could've been much worse for the local currency. The rand closed October at R14.77 per dollar, losing 4% against the greenback during the month, extending the 2018 loss to almost 20%.



# DSV FLEXI RETIREMENT FUND

## DSV CONSERVATIVE FUND

# OLD MUTUAL MULTI-MANAGERS

## FACT SHEET OCTOBER 2018

**INCEPTION DATE:** July 2017 (Old Mutual Multi-Managers)

### ASSETS UNDER MANAGEMENT:

Conservative fund R143 464 210  
DSV Conservative fund R54 636 499

**RISK PROFILE:** Moderate

### FUND OBJECTIVE AND DESCRIPTION

This investment strategy seeks to grow your capital and income at a reasonable pace. It invests in a range of portfolios diversified across various asset classes, asset managers and high-quality instruments, including South African and international cash, fixed interest securities, listed property and listed shares. It aims to achieve a return in the range of 3%-5% above inflation. Investment returns are not guaranteed.

**BENCHMARK:** CPI + 4%

### FUND RETURNS

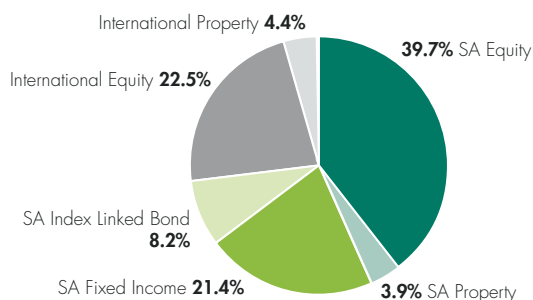
	DSV Conservative Fund	CPI + 4%
1 Month	-3.0%	0.8%
3 Months	-2.6%	2.2%
6 Months	-2.5%	4.5%
12 Months	-2.4%	8.9%
3 Years	4.5%	9.3%
5 Years	6.7%	9.3%
Since inception	9.2%	9.5%

- Returns reflected are net of all fees.
- Historic returns were managed by a third party from 28 February 2009 up until 27 July 2017.
- CPI refers to the CPI (all urban areas) as provided by Statistics South Africa, effective 1 January 2009. Prior to January 2009, the CPIX (all metropolitan and urban areas) was used as the measure for inflation for our funds.

The benchmark returns shown here are a composite of the two measures. The previous month's change in inflation is used as an estimate for the current month (since inflation numbers are released one month in arrears).

Source: Old Mutual Multi-Managers

### ASSET ALLOCATION AS AT 31 OCTOBER 2018



Source: Old Mutual Multi-Managers

### MANAGER ALLOCATION AS AT 31 OCTOBER 2018

Local Equity	Coronation	12.0%
	Visio Capital	7.4%
	Prudential	16.8%
	Mazi & Sentio	3.6%
Local Property	Sesfikile	0.5%
	Catalyst	3.3%
Fixed Income	Coronation	8.2%
	Prudential	8.8%
	Futuregrowth	4.4%
Index Linked Bonds	Prescient	3.7%
	Prudential	4.5%
International Equity	Coronation	5.0%
	Old Mutual	17.5%
International Property	Global Property Building Block	Catalyst 1.1%
		BlackRock 2.2%
		Resolution 1.1%

Source: Old Mutual Multi-Managers

### MANAGER RETURNS

	Asset Class	1 Month	3 Months	6 Months	12 Months	Since inception
Mazi & Sentio	Equity	-5.5%	-8.3%	-11.7%	-18.9%	-18.9%
Prudential	Equity	-4.7%	-7.9%	-8.6%	-6.9%	1.1%
Visio	Equity	-4.3%	-6.0%	-9.6%	-10.0%	-3.4%
Coronation	Equity	-3.8%	-7.6%	-10.6%	-11.5%	-4.7%
Catalyst	SA Property	-0.4%	1.1%	-8.2%	-13.1%	-7.3%
Sesfikile	SA Property	-0.7%	-0.1%	-9.2%	-12.3%	-5.9%
Coronation	SA Fixed Income	-1.0%	-2.3%	-2.7%	8.0%	6.7%
Prudential	SA Fixed Income	-0.7%	-1.1%	-0.6%	8.1%	6.7%
Futuregrowth	SA Fixed Income	-1.6%	-3.3%	-3.4%	8.6%	7.3%
Prudential	SA Index Linked Bonds	0.8%	0.9%	-0.3%	3.9%	3.7%
Prescient	SA Index Linked Bonds	0.8%	1.1%	0.5%	4.3%	4.3%
Coronation	International Equity	-5.1%	-5.9%	-5.3%	-18.1%	-6.0%
Old Mutual MsciWorld Esg Index	International Equity	-4.8%	4.5%	12.9%	3.0%	10.9%
Global Property Building Block	International Property	1.1%	9.7%	19.5%	7.8%	12.5%

Source: Old Mutual Multi-Managers



## COMMENTARY

### Global

Global equities were positive in September, with the MSCI All Country World Index returning 0.5% in US dollars. This took the year-to-date return to 4.2% and the 12-month return to 11%. The US continues to be the main driver of global equities. The S&P 500 clocked another positive month with a 0.57% return, taking 2018 gains to 11% and 12-month return to an impressive 18%.

Eurozone equities, though also positive in September, have only returned 1.5% year to date and 2.6% over one year in euros. The euro weakened marginally against the dollar in September, and by 1.4% over 12 months. Japanese equities had a strong month, returning 6.1%. Over 12-months, the Nikkei 225 returned 20.7% in yen on the way to a 27-year high of 24033 index points. The yen weakened by 2.4% against the dollar in September, but is only 1% weaker over the past year.

Emerging market equities were calmer in September following August's turmoil. The MSCI Emerging Markets Index lost 0.5% in dollars in the month, extending the year-to-date loss to 7.4%. Over 12 months, the return is only marginally positive. Among the major emerging markets, Russia benefited from the higher oil price and has returned 9.8% in 2018. Chinese equities in contrast lost 9% due to concerns over a trade war with the US and slowing economic growth. South Africa was the worst performer in dollars though, largely due to the decline in the rand.

Global property lost 2% in dollars. The FTSE EPRA/NAREIT Developed Index only returned 0.8% in 2018, and 5% over one year.

Global bonds lost almost 1% in September in dollars, extending the year-to-date loss on the FTSE World Government Bond Index to 2.4%. The index is negative over 12 months too. The 10-year US government bond yield rose from 2.8% to 3.07% during the month. A year ago, it yielded 2.5%. The German equivalent rose from 0.33% to 0.47% during the month. Italian bond yields spiked towards the end of September after the new populist government proposed spending plans that would increase its deficit by more than expected. Emerging market bonds stabilised in September following August's sharp sell-off. This was partly due to a 625 basis point hike in short-term rates by Turkey's central bank. The country's 10-year bond yield declined from 20% to 17%.

The oil price surged ahead to end the third quarter at \$81 per barrel amid concerns of supply shortages when US sanctions against Iran take effect in November. In 2018, the price of Brent crude oil jumped 22% and over 12 months, 41%. Other commodities also rallied in September, but none of the major commodities have fared nearly as well over longer periods. Copper gained 5% in the month but is 3% lower over 12 months. Iron ore gained 3.7% in the month and 13% over 12 months. Gold gained 5% in September but closed below the prevailing level a year ago. Though both gained during the month, the disparity between platinum and palladium continues. The former has rallied 18% over the past year, while the latter lost 11%.

### Local

Local equities slumped in September, pulling the third quarter numbers into the red. The FTSE/JSE All Share Index lost 4.1% in September, 2% in the third quarter and 3.8% year to date. The paltry one-year return of 3.3% lags inflation. For the FTSE/JSE Capped SWIX, our preferred benchmark, the monthly loss was 4.2% which extended the year-to-date loss to 7.4%. Over the past year, the Capped SWIX was barely positive.

Resources continues to be the best performing of the three major sectors, returning 1% in September and 21% year to date. The main driver continues to be the heavyweight diversified miners Anglo American and BHP Billiton who form part of the general mining index. It returned 3.5% in September and 28% year to date. Forestry and paper (Sappi and Mondi) lost 6% in the month but the year-to-date return is 23%. Platinum miners jumped 25% in the third quarter but are still in the red over five years.

Industrials lost 7.7% in September and is in the red by a similar amount over 12 months. All the major subsectors sold off in the month, particularly healthcare, knocked by the 41% decline in Aspen. Personal goods (Richemont) lost 9.7%, media (Naspers) lost 6.3% while tobacco (BAT) was down 6.2%. These share prices are all set in global, not local markets. However, telecoms, retailers, and food producers – who are predominantly local – did not fare much better.

Financials lost 2% in September, but the sector is positive over 12 months with an 8% return. Banks lost 3.4% in the month but life insurers returned 1.1%. Over one year, banks and life insurers returned 24% and 20% respectively. Most of the weakness therefore stems from the property sector.

Listed property lost a further 2.6% in September, extending losses over the past year to 15%.

Bonds were marginally positive in September, but negative in the third quarter as global investors pulled out of emerging market bond markets. Over the past year, the All Bond Index returned 8%, ahead of the cash (Stefi) return of 7.3%. The 10-year government bond yield ended the third quarter at 9.2%, compared to 8.7% at the start of the year.

Inflation-linked bonds continue to struggle. A negative third quarter means the asset class only delivered 1.4% over the past 12 months.

After slumping to R15.43 against the US dollar early in the month, the rand rebounded somewhat to end September at R14.15, a 3.4% gain. However, it is still 14% weaker than at the start of the year, and 4.6% weaker compared to a year ago. The local currency has similarly lost around 10% against both the pound and the euro in 2018.



# DSV FLEXI RETIREMENT FUND

## DSV MONEY MARKET FUND

OLD MUTUAL MULTI-MANAGERS  
FACT SHEET OCTOBER 2018

**INCEPTION DATE:** July 2017 (Old Mutual Multi-Managers)

### ASSET ALLOCATION AS AT 31 OCTOBER 2018

#### ASSETS UNDER MANAGEMENT:

Money market fund	R75 429 272
DSV Money Market fund	R37 701 861

**RISK PROFILE:** Low

#### FUND OBJECTIVE AND DESCRIPTION

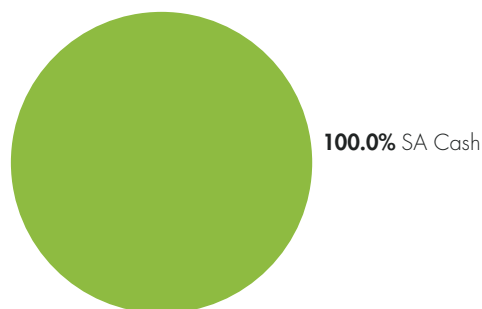
The Fund is an investment policy wrapped portfolio (in terms of the Long-Term Insurance Act) aimed to target 50 basis points (before fees) above inflation over the medium to long term. This policy-based investment is specifically designed for institutional investors and is managed to comply with Regulation 28 of the Pension funds Act of South Africa.

**BENCHMARK:** STeFI 3 Month

### MANAGER ALLOCATION AS AT 31 OCTOBER 2018

Local Cash	Prescient	46.1%
	SIM	53.9%

Source: Old Mutual Multi-Managers



Source: Old Mutual Multi-Managers

### FUND RETURNS

	DSV Money Market Fund	DSV Money Market Fund (Cost Reserve)	DSV Money Market Fund (DB monies)	DSV Money Market Fund (Fidelity Reserve)	STeFI 3 Month
1 Month	0.7%	0.7%	0.7%	0.7%	0.6%
3 Months	1.9%	1.9%	1.9%	1.9%	1.7%
6 Months	3.9%	3.9%	3.9%	3.9%	3.4%
12 Months	7.9%	7.9%	7.9%	7.9%	6.9%
3 Years	8.2%	8.2%	8.2%	8.2%	7.0%
5 Years	7.5%	7.5%	7.5%	7.5%	6.6%
Since inception	7.0%	7.0%	7.0%	7.0%	6.2%

- Returns reflected are net of all fees.
- Historic returns were managed by a third party from 28 February 2009 up until 27 July 2017.

Source: Old Mutual Multi-Managers

### MANAGER RETURNS

	1 Month	3 Months	6 Months	12 Months	Since inception
Prescient Money Market Fund	0.7%	2.0%	3.9%	8.0%	7.6%
SIM Money Market Fund	0.7%	1.9%	3.9%	8.1%	7.6%

Source: Old Mutual Multi-Managers

### MANAGER COMMENTARY

The investments are diversified across a number of issuers and instruments and are therefore considered less risky than a deposit with any one bank. According to the most recently available data, the Strategy's weighted average maturity is 118 days. The Strategy's term exposure is biased towards the short-end of the money market curve with close to 73% of instruments within six months of maturity. More than 97% of the strategy was exposed to F1/F1+ rated investments.



**HELPLINE** +27 21 524 4430 | **FACSIMILE** +27 21 441 1199 | **EMAIL** ommmsclientquery@ommm.co.za | **INTERNET** www.ommultimanagers.co.za

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CUSTOMISED SOLUTIONS

# SHARI'AH BALANCED PORTFOLIO

## FUND INFORMATION

**BENCHMARK:** 45% Customised SA Shari'ah Equity Index, 10% S&P Developed Markets Large & Mid-Cap Shari'ah Index, 40% STeFI Composite - 0.5% & 5% Three-month US Dollar LIBOR

**LAUNCH DATE:** 12 November 2010

**STRATEGY ASSETS:** R2.5bn

**VEHICLE:** This Portfolio invests through Class B1 Units (JSE code: OMAB1) in the Old Mutual Albaraka Balanced Fund.

**SHARI'AH COMPLIANCE:** An independent Shari'ah Supervisory Board oversees adherence to the applicable Shari'ah principles within the Old Mutual Albaraka Balanced Fund.

## INVESTMENT DESCRIPTION

The Shari'ah Balanced Portfolio is a Regulation 28 Shari'ah compliant asset allocation portfolio that offers investors access to local and international asset classes including equity and Shari'ah compliant cash investments. The Portfolio excludes companies whose core business involves dealing in alcohol, gambling, non-halal foodstuffs or interest-bearing instruments. The Portfolio adheres to the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as interpreted by the Shari'ah Supervisory Board.

The Portfolio aims to outperform the benchmark over rolling three year periods, whilst seeking to reduce absolute portfolio volatility. Interest income is stripped out of the Fund as impermissible income on a daily basis and is paid to the SA Muslim Charitable Trust.

## INVESTMENT STRATEGY

Allocation to equities is important for delivering long-term real returns. We maintain our local equity portion at 40% of the Portfolio and the offshore equity portion at 20% of the Portfolio.

The equity investment process applies our Managed Volatility strategy in conjunction with the principles of Shari'ah investing. This strategy strives to ensure a smoother return path for investors through opportunities created by the mispricing of risk. In addition, this strategy will provide you with an alternative source of outperformance as well as a low correlation with other active equity strategies.

The Portfolio has exposure to Shari'ah compliant cash investments or conduits as a substitute for traditional fixed income instruments. These instruments give investors much needed exposure to non-equities, thereby allowing us to offer investors a Shari'ah compliant balanced portfolio.

## SUITABLE INVESTORS

Retirement funds, corporates, asset aggregators, medical aids

- With a time horizon greater than 3 years
- And a moderate risk profile in an equity context

Mutualpark, Jan Smuts Drive, Pinelands 7405, PO Box 878, Cape Town 8000, South Africa.

Tel: +27 21 509 5022, Fax: +27 21 509 4663, website: [www.oldmutualinvest.com](http://www.oldmutualinvest.com)



**GRANT WATSON**

PORTFOLIO MANAGER

**SALIEGH SALAAM**

PORTFOLIO MANAGER

**WARREN MCLEOD**

PORTFOLIO MANAGER

## FUND PERFORMANCE as at 31/10/2018

### Gross Composite Returns

	3 months	1 Year	3 Years	5 Years	Since Inception
Fund	1.5%	1.8%	5.9%	8.0%	9.2%
Benchmark	2.8%	2.4%	6.7%	6.9%	9.0%

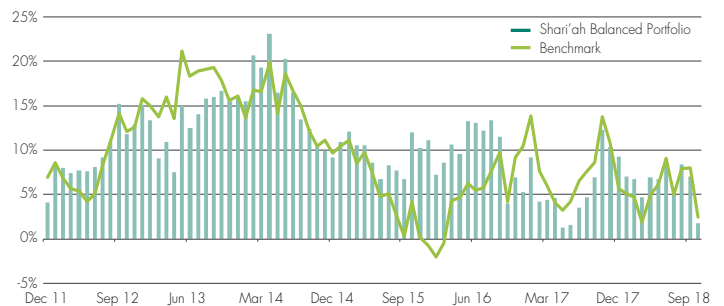
Sources: Old Mutual Investment Group, Bloomberg, S&P. Returns greater than 12 months are annualised.

## RISK STATISTICS as at 31/10/2018 – 3 years (annualised)

Measure	Portfolio	Benchmark
Standard Deviation	5.8%	7.2%
Tracking Error	4.2%	
Information Ratio	-0.2	

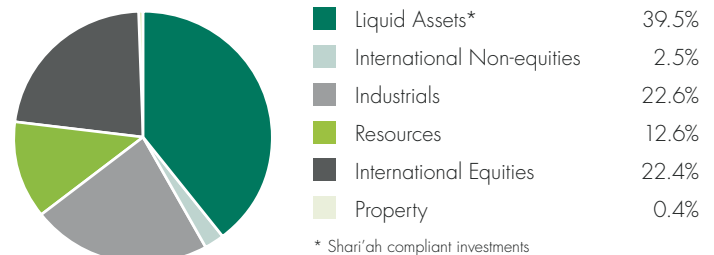
Sources: Old Mutual Investment Group, JSE.

## ROLLING ONE YEAR RETURNS TO 31/10/2018



Sources: Old Mutual Investment Group, Bloomberg and SAFEX.

## ASSET ALLOCATION



Source: Old Mutual Investment Group

## CONTACT DETAILS

**Theresa Delcarne** | Senior Business Development Executive

Tel: +27 21 509 5230 | Mobile: +27 82 441 5194

Email: [tdelcarne@oldmutualinvest.com](mailto:tdelcarne@oldmutualinvest.com)