



INVESTMENT INSIGHTS

The elections have brought significant changes to the political landscape, with confirmation of a Government of National Unity (GNU). This is likely to expedite the implementation of existing reform policies, spur pro-growth initiatives, accelerate fiscal consolidation and enhance oversight of financial management and State-Owned Enterprise (SOE) shortcomings. Collectively these advancements are expected to boost business confidence and accelerate economic growth.



However, the low voter turnout, particularly among the youth, underscores the challenges that lie ahead.

South Africa has approximately 11.7 million eligible voters aged between 18 and 40. Despite this substantial number, less than 20% of those aged 18-19 and around 40% of those aged 20-29, registered to vote. The overall voter turnout for the 2024 elections was recorded at 58.57%, highlighting a critical disengagement especially among younger voters.

The implications of these statistics are profound for South Africa's future. The youth represent a significant portion of the population and their disengagement from the political process could lead to policies that do not fully address their needs and aspirations.

Reflecting on Youth Month

To improve these numbers, there must be a concerted effort to educate and engage young voters about the importance of their participation in shaping the country's future.

As we reflect on Youth month, it is essential to emphasise the importance of financial literacy and planning for the youth. Engaging young South Africans in the political process is crucial, but equally important is ensuring they are vested in their financial futures. Financial freedom and proactive investment strategies are key to achieving economic empowerment. Encouraging the youth to plan and invest wisely will not only secure their individual futures but also contribute to the overall economic stability and growth of South Africa.

Investment Insights

In this publication, we bring you an edition that's both insightful and informative. We delve into various crucial topics and share some insights that are designed to aid you in guiding your clients towards making informed decisions to grow their wealth in the coming years and decades.

We also debunk some common myths surrounding the new Two-Pot System. Additionally, we present the performance results from the last quarter, highlighting that two of our global funds have achieved top quartile performance across most investment periods since their inception.

Warm regards

Gontse Tsatsi

Head: Retail Clients | Old Mutual Investment Group

LONG TERM PERSPECTIVES

The 10th edition of our annual **Long-Term Perspectives (LTP)** was recently published and continues to be an informative and insightful source of information. There are key themes identified by tracking investment market performance for over 90 years and draw investors' attention to the long-term patterns in asset class behaviour, while putting shorter-term volatility into perspective. Look out for the LTP webinar in August, where Graham Tucker will share informative lessons that we believe empower the long-term investor.

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TWO-POT RETIREMENT SAVINGS SYSTEM

President Ramaphosa signed into legislation the Revenue Laws Amendment Bill of 2023 which will formalise the introduction of South Africa's two-pot retirement system on 1 September 2024. The objective is to encourage long term preservation of retirement savings whilst enabling access to a portion of clients' investments in times of financial distress, limited to once a tax year. As Old Mutual, we encourage investors to take a long term view. There are several myths about the new system and Gontse addresses some here.

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OMUT PERFORMANCE UPDATE

The most notable performance was recorded from the Old Mutual Global Equity Fund, which showed top quartile performance over all investment periods. The Old Mutual MSCI World ESG Index Feeder Fund and Old Mutual SA Quoted Property Fund are also showing top quartile performance over all periods depicted. The Old Mutual Core Balanced Fund is also top quartile over one and three years. Over the short term (one year period), the Old Mutual Core Moderate Fund, Old Mutual Mid and Small-Cap Fund and Old Mutual Income Fund have showed top quartile performance too. Several multi-manager funds as well as the Old Mutual Core Conservative Fund, are now above median for one year.

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ELECTIONS UPDATE AND MACRO-ECONOMIC VIEW

Following South Africa's recent elections, a Government of National Unity (GNU) has been formed due to the ANC gaining its majority. The speaker and deputy speaker were elected. President Cyril Ramaphosa has been re-elected and key cabinet positions recently announced. The GNU aims to stabilise the political landscape, already boosting market confidence, and is prioritising economic growth and private sector involvement to address logistical challenges. Meryl Pick and Jason Swartz reflected as events unfolded and shed some light on the elections and investments.

POST ELECTIONS WEBINAR

[CLICK TO WATCH](#)

JASON'S POST ELECTIONS ANALYSIS

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UPDATE ON DISTRIBUTION TEAM

Muel Veeckash Ramawhar, the Business Development Manager for Old Mutual's Investment Group Retail Distribution, Veeckash brings a wealth of experience and expertise to his role, shaping strategies that drive growth and innovation in client services. Beyond his professional accomplishments, Veeckash shares info about his career journey and background, revealing a multifaceted personality.

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FUTUREGROWTH

The Centre for Affordable Housing in South Africa (CAHF) reports a high demand for affordable rental housing, especially in Gauteng. Futuregrowth is tackling this by investing R2 billion, with another R1.05 billion planned. Partnering with Africrest Properties works because they provide quality, affordable rentals whilst integrating marginalised households into urban areas with essential amenities.

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OLD MUTUAL MULTI-MANAGERS ON HEDGE FUNDS

Busi Ngqondoyi, Head of Properties and Hedge Funds at Old Mutual Multi Managers, looks at why local investors who are concerned about how a changing socio-political environment may adversely affect their investment portfolios are increasingly turning to the absolute return and downside protection promises of hedge funds.

[PLEASE CLICK HERE](#)

OLD MUTUAL GLOBAL MANAGED ALPHA EQUITY FEEDER FUND

We are excited to announce that the Old Mutual Global Managed Alpha Fund, rated five-star by Morningstar, is now available to retail investors as the Old Mutual Global Managed Alpha Equity Feeder Fund. The Old Mutual Global Managed Alpha Equity Feeder Fund is a unique addition to Old Mutual's range of global unit trust funds as it offers exposure to both developed and emerging markets. The fund is run by Old Mutual Investment Group's expert South African investment team, including co-portfolio managers Warren McLeod and Reza Fakie and Mario Fisher, Head of Investment Research.

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INSIGHTS FROM CITYWIRE SA: OLD MUTUAL'S SUCCESS IN ALEXFORBES SHARI'AH REPORT

The Old Mutual's Global Islamic Equity fund tops in the latest Alexforbes Shariah report, highlighted in CityWire SA. The fund's strategic investments in US mega-cap tech stocks have significantly bolstered its performance.

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