



**KEY FACTS**

|                            |   |
|----------------------------|---|
| <b>Launch date:</b>        | 1 November 2009   |
| <b>Size of fund:</b>       | R1.2 billion  |
| <b>Vehicle:</b>            | Segregated or pooled                                    |
| <b>Benchmark:</b>          | FTSE/JSE Capped Weighted All Share Index (Capped SWIX)* |
| <b>Minimum investment:</b> | R150m   |
| <b>Fees:</b>               | Available on request                                    |

\* The benchmark changed from the FTSE/JSE SWIX to the FTSE/JSE Capped SWIX in July 2017.

**INVESTMENT DESCRIPTION**

The Premium Equity portfolio is an actively managed equity fund that holds a diversified portfolio of equities listed on the JSE. The portfolio is constructed to provide an attractive combination of equity outperformance with lower risk than the benchmark. The Portfolio aims to outperform the FTSE/JSE Capped Weighted All Share Index over rolling three year periods.

**INVESTMENT STRATEGY**

We construct a well-diversified portfolio of blue-chip South African equities that will deliver solid long-term returns. Our equity selection process is constructed around managing benchmark risk and creating a suitable platform for alpha generation.

- We improve the overall performance of our portfolio by selectively capturing option premiums where market conditions allow.
- The team spends a significant amount of time researching and considering macro factors to understand the likely drivers of risk and return in the current environment. In addition, analysis is performed to ensure that we are comfortable with the risks and exposures within the portfolio.
- The Premium Equity portfolio is expected to outperform the market over time, with lower volatility than the market. Our active returns will generally have a low correlation to other equity funds.

**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

**INVESTMENT TEAM**



**NELISIWE NZAMA**  
Portfolio Manager



**POOJA TANNA**  
Portfolio Manager

**PERFORMANCE AS AT 31/08/2022**

**Gross Composite Returns**

|                 | Portfolio (%) | Benchmark (%) | Alpha (%) |
|-----------------|---------------|---------------|-----------|
| 3 Months        | -4.4%         | -6.1%         | 1.7%      |
| Year to Date    | -2.1%         | -3.2%         | 1.1%      |
| 1 Year          | 3.3%          | 3.7%          | -0.4%     |
| 3 Years         | 10.0%         | 9.4%          | 0.6%      |
| 5 Years         | 5.9%          | 4.6%          | 1.3%      |
| 10 Years        | 9.7%          | 8.9%          | 0.9%      |
| Since Inception | 12.0%         | 10.4%         | 1.6%      |

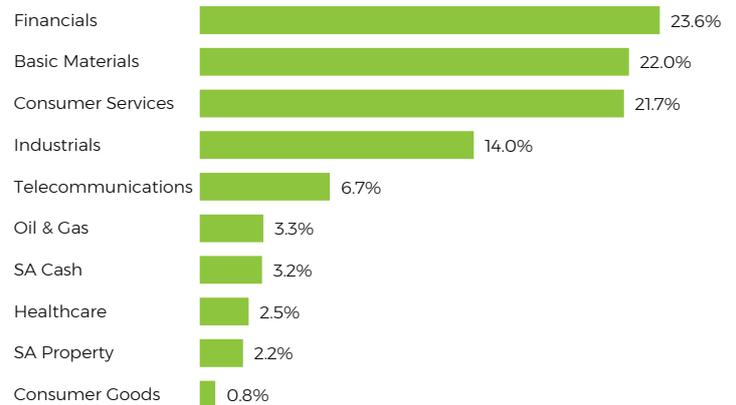
Sources: Old Mutual Investment Group, JSE. Returns greater than 12 months are annualised.

**RISK STATISTICS AS AT 31/08/2022 - 3 YEARS (ANNUALISED)**

| Measure            | Strategy (%) | Benchmark (%) |
|--------------------|--------------|---------------|
| Tracking Error     | 2.4%         |               |
| Information Ratio  | 0.24         |               |
| Standard Deviation | 16.6%        | 18.5%         |
| Maximum Drawdown   | -23.8%       | -26.6%        |

Sources: Old Mutual Investment Group, JSE.

**ASSET ALLOCATION AS AT 31/08/2022**



Source: Old Mutual Investment Group

**TOP 10 HOLDINGS AS AT 31/08/2022**

| Holding                  | (%) |
|--------------------------|-----|
| NASPERS LTD              | 9.7 |
| FIRSTRAND LTD            | 6.4 |
| ANGLO AMERICAN PLC       | 5.3 |
| MTN GROUP LTD            | 4.6 |
| PROSUS                   | 4.1 |
| RICHEMONT                | 4.1 |
| STANDARD BANK GROUP LTD  | 4.0 |
| BRITISH AMERICAN TOBACCO | 3.6 |
| SASOL LTD                | 3.4 |
| CAPITEC BANK HOLDINGS    | 3.2 |

Source: Old Mutual Investment Group



#### QUARTERLY COMMENTARY (30 JUNE 2022)

It has been a difficult second quarter for domestic equity markets after eight straight positive quarters. Q2 of 2022 saw a strong negative market reaction with a sell-off and rising implied volatility levels. Recession fears continued to mount as slow economic growth, coupled with rising inflation and interest rates, weighed on participants locally and globally. US stocks ended the quarter lower with the S&P 500 Index recording its worst first half performance in more than 50 years. Locally, the Capped SWIX ALSI delivered a total return of -10.6% in Q2 of 2022. Resources performed the worst declining 21.9% over the quarter. The financial and industrial sectors declined 15.6% and 2.6% respectively. Given the extreme market volatility over the second quarter, Premium Equity earned some option income, helping it outperform its benchmark.

#### CONTACT DETAILS

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