



FUND INFORMATION

LAUNCH DATE:	March 2021
PORTFOLIO CATEGORY:	South African - Equity - General
STRATEGY ASSETS:	R40m
PRODUCT VEHICLE:	Pooled, unitised fund policy as defined in the Long-term Insurance Act, 1988.
BENCHMARK:	FTSE/JSE Capped Shareholder Weighted All share Index
MINIMUM INVESTMENT:	R50 million
FEES:	Available on request.

INVESTMENT DESCRIPTION

The Old Mutual ESG Equity Portfolio is an actively managed equity portfolio. The portfolio aims to achieve long-term capital growth by primarily investing in attractively priced, good quality companies, with high ESG profile scores and a significantly lower carbon footprint relative to its benchmark.

The portfolio offers socially conscious and ethically motivated investors an opportunity to invest in companies with higher ESG and sustainability standards.

The portfolio is suitable for investors seeking to achieve long term capital growth through an actively managed, risk cognisant ESG portfolio.

INVESTMENT STRATEGY

The portfolio targets a significantly lower carbon footprint than that of the benchmark. It invests in companies involved in fewer ESG controversies and which have a higher ESG rating compared with the overall benchmark.

In addition, we seek to hold companies that offer good Quality, fundamental Value and Sentiment over the long-term. Therefore, we look for companies which are backed by good quality earnings and sustainable cash flows, attractively priced, and have good sentiment around them. We believe (and historical data suggests) that these businesses are usually well positioned to produce long term capital growth.

RISK CHARACTERISTICS

This is a moderate risk fund. Companies that employ sustainability practices in their business are less risky over the longer term than those who ignore sustainability issues.

SUITABLE INVESTORS

The portfolio is suitable for investors seeking to achieve long term capital growth through an actively managed, risk cognisant ESG portfolio.

INVESTMENT TEAM



FAWAZ FAKIER
Portfolio Manager



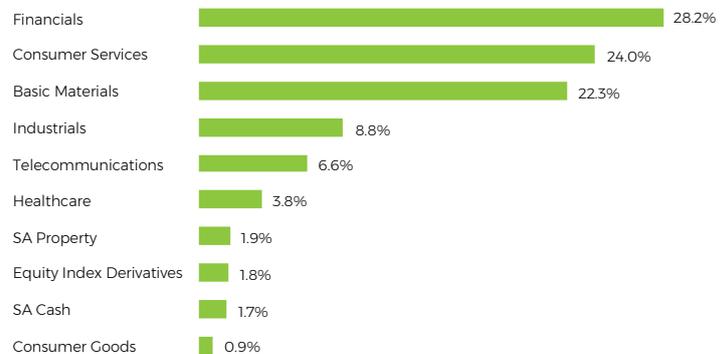
MAAHIR JAKOET
Portfolio Manager

FUND PERFORMANCE AS AT 31/08/2022

	Portfolio (%)	Benchmark (%)	Alpha (%)
3 Months	-6.9%	-6.1%	-0.7%
Year to Date	-5.8%	-3.3%	-2.5%
1 Year	0.3%	3.6%	-3.3%
3 Years	-	-	-
5 Years	-	-	-
10 Years	-	-	-
Since Inception	2.1%	4.1%	-2.1%

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

SECTOR ALLOCATION AS AT 31/08/2022



Source: Old Mutual Investment Group

PRINCIPAL EQUITY HOLDINGS AS AT 31/08/2022

Company	% of Equity
NASPERS LIMITED	13.5
ANGLO AMERICAN PLC	6.5
FIRSTRAND LIMITED	6.4
STANDARD BANK GROUP LIMITED	5.4
MTN GROUP LIMITED	4.9
IMPALA PLATINUM HOLDINGS LIMIT	3.5
BARCLAYS AFRICA GROUP LIMITED	3.0
SANLAM LIMITED	2.7
BID CORPORATION LTD	2.6
MEDICLINIC INTERNATIONAL PLC	2.6

Source: Old Mutual Investment Group

**QUARTERLY COMMENTARY (30 JUNE 2022)**

With a pessimistic view, the only good news was that South Africa (SA)'s unemployment rate declined very slightly, though remaining an eyesore at 35.3%. CPI in SA rose above the SA Reserve Bank (SARB)'s inflation target band for the first time, at 6.5%. We are currently witnessing the market pricing in aggressive rate hikes. The SARB's decision to hike will potentially be determined by higher wages and inflation, SA's negative output gap, and downside risks to GDP growth. SA also continues to battle with a roller-coaster schedule of load shedding.

Globally, the US Federal Reserve (Fed)'s front-loading of rate hikes should continue, and the US economy would be fortunate to escape with a soft landing. The Fed hiked the rate by 75 basis points (bps) and this came on the back of poor CPI inflation numbers, worsening inflation expectations, and quantitative tightening (QT) adding to the restrictiveness of the overall policy stance. Commodity price pressures are exacerbated by the Russia/Ukraine war, which continues with no end in sight.

Locally, the JSE All Share Index (ALSI) delivered -11.7% for the quarter where small caps outperformed large caps, returning -5.5% and -11.8% respectively. The US dollar has strengthened due to geopolitical uncertainty, a risk-off environment, and Fed tightening. The rand weakened by 11.5% against the US dollar. Furthermore, the local currency weakened by 3.3% and 5.6% against the sterling and euro respectively over the quarter. Globally, the S&P 500 Index decreased by 16.4% (USD) for the quarter ending in June 2022.

The Capped SWIX dropped 10.6%, with communication services and materials contributing the most to the decrease. Financials had a strongly negative quarter, with SA Inc slightly down, and rand hedges adding value, being the only place to really "hide".

Against this backdrop, the Old Mutual ESG Equity Fund was down around 12.7% for the quarter. The fund's overweights in healthcare and information technology added the most to performance, while our sector allocations to materials and consumer staples detracted from performance. Major contributors to performance were being overweight to Prosus and Mediclinic and underweight to Discovery Ltd. Our underweight positions in Naspers, British American Tobacco and Sasol were the biggest performance detractors at a stock level. In terms of current positioning, our biggest overweights from a sector perspective are financials and consumer discretionary, while the biggest underweight is consumer staples.

The fund has a premium of at least 20% more exposure to higher rated ESG companies, and at least a 40% reduction in carbon emissions relative to the Capped SWIX. In addition, we prefer stable companies with quality balance sheets and strong cash-generative abilities, which could help through these times. More volatility going forward seems highly likely, which is currently driven by geopolitics, rate hikes, and decreased stimulus. Having a quality and value factor bias can help through volatile markets.

We continue to seek superior returns by investing in companies that generate responsible, sustainable, good quality returns, with good growth prospects at a good price, all while meeting our sustainability objectives in our quest to consciously invest for a more sustainable and brighter future

CONTACT DETAILS

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

Tel: +27 21 509 5022, Fax: +27 21 509 4663, Email: futurematters@oldmutualinvest.com, Website: www.oldmutualinvest.com

DISCLAIMER: Old Mutual Investment Group (Pty) Ltd (Reg No 1993/003023/07) (FSP 604) and Old Mutual Customised Solutions (Pty) Ltd (Reg No 2000/028675/07) (FSP721), jointly referred to as the Investment Manager, are licensed financial services providers, approved by the Financial Sector Conduct Authority (www.fsca.co.za) to provide advisory and/or intermediary services in terms of the Financial Advisory and Intermediary Services Act 37, 2002. The above entities are wholly owned subsidiaries of Old Mutual Investments (Pty) Ltd.

Market fluctuations, changes in rates of exchange, or taxation may affect the value, price or income of underlying securities. The value of investments is dependent on the value of the underlying securities. Past performance is not necessarily a guide to future investment performance. Securities in certain markets and unlisted securities may have increased liquidity risks and may not be readily marketable. This may result in difficulty in obtaining reliable information about its value and/or exiting the security. Investors' rights and obligations are set out in the relevant agreements. Where investments comprise pooled, life wrapped products, the policies are issued, and underlying assets owned, by Old Mutual Life Assurance Company (South Africa) Ltd, who may elect to exercise any votes on these underlying assets independently of the Investment Manager. In respect of these products, no fees or charges will be deducted if the policy is terminated within the first 30 days.

Personal trading by staff is restricted to ensure that there is no conflict of interest. Employees are remunerated with salaries and standard incentives. Unless disclosed to the client, no commission or incentives are paid by the Investment Manager to any persons other than its representatives. All intra-group transactions are done on an arm's length basis. Investment administration of our local funds is outsourced to Curo Fund Services (Pty) Ltd, 50% of which is owned by Old Mutual Investments (Pty) Ltd. The Investment Manager has comprehensive crime and professional indemnity insurance.