



GLOBAL BALANCED

OLDMUTUAL

INVESTMENT GROUP

INVESTMENT DESCRIPTION

This USD denominated strategy is actively managed with diversified exposure to global equities, global bonds and global currencies. Investments in other asset classes such as property and gold are also considered for inclusion to enhance returns or manage risk. The strategy is managed on a "fund of funds" approach using active allocations to specialist underlying asset class portfolios and appropriate exchange traded funds and contracts.

The strategy seeks to produce long-term performance through achieving a balance between risk and reward as well as a balanced allocation to all major international regions.

PRODUCT FEATURES

Table with 2 columns: Feature Name and Description. Features include Asset Allocation Strength, Distinctive Approach, Delivering Over the Long Term, Best-of-Breed Approach, and Benefiting from Economies of Scale.

MEET THE TEAM

Urvesh Desai is the lead Portfolio Manager of our Global Balanced offering. He is a qualified actuary and a CFA Charterholder. Urvesh is responsible for portfolio construction as well as appointing the underlying managers. Our team-based approach ensures there is strength in the diverse input that goes into our investment decisions.

Team member profiles including: Urvesh Desai (Lead Portfolio Manager, 19 Yrs exp), Graham Tucker (Portfolio Manager, 21 Yrs exp), Peter Brooke (Portfolio Manager, 26 Yrs exp), Zain Wilson (Strategist, 12 Yrs exp), Jason Swartz (Portfolio Manager & Strategist, 21 Yrs exp), and John Orford (Portfolio Manager, 20 Yrs exp).



Accountability



Thematic and Macro Input

(years industry experience)

WHAT WE BELIEVE ABOUT INVESTING

Our investment philosophy captures both the theme (environment) and price (valuation) in a two-dimensional approach. We believe in the following:

- **Top-down matters:** Macro-economic and thematic drivers have a crucial influence on the outlook of an asset class or a share. A key part of our process is to evaluate the impact of these top-down drivers.
- **Valuation matters:** Fundamental valuation drives long term asset returns.
- **Long term perspective:** It is critical to look at the long term, as this enables us to contextualise the current short-term movements.
- **Integrated solutions:** We build portfolios taking into account the interaction of positions across and within asset classes. Importantly top-down views are used to add value at a more granular level than just at the large generic asset class building blocks.

The diagram illustrates our Theme and Price philosophy framework with the implicit portfolio action shown within each block



What is a Theme?

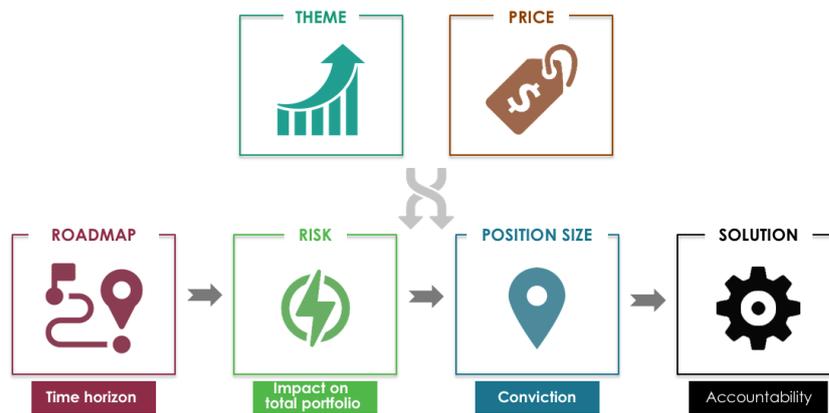
- A **material driver** in the environment that we believe will (or will continue) to have an impact on the asset price.
- It must have **extent** (size) or **duration** (long-term) and be investable.
- It has direction: the environment is either **improving** or **deteriorating** (tailwinds or headwinds).
- To determine a theme, we use our customised tools, historic performance databases and macroeconomic data. For example, when analysing a sector, we use Porter's model: evaluating competitors, suppliers, barriers to entry in the sector/industry, regulation and capital allocation.
- A theme in the equity space can be macro, industry, company specific or ESG driven.
- Themes are not based on economic forecasts!

HOW WE MANAGE THIS STRATEGY

- We construct the strategy diversifying individual manager and style risk while using a small number of managers and mandates.
- We are responsible for manager selection, blending and allocation. Managers are specifically selected for their style of investing and their ability to exploit their selected risk premium. By blending together managers with exposure to different styles and risk premiums, we aim to achieve superior outcomes, i.e. a greater outperformance for the same risk taken (in terms of tracking error).
- Over and above the allocation to individual managers, we can overlay our specific global view within the strategy with the use of derivatives, selective passive exposures or individual securities.
- Beyond equities and bonds, we may use individual managers for niche specialist asset classes such as credit, property and money market assets.

INVESTMENT PROCESS

We have a disciplined repeatable investment process which is applied across our range of strategies. Each investment included in the final portfolio is evaluated based on the process depicted.



THEME AND PRICE FRAMEWORK

We take into consideration the valuation of the opportunity relative to the market (price) as well as the macroeconomic and thematic drivers which will have a crucial influence on the outlook of the opportunity (theme).

Roadmap

We refer to the expected time horizon of an opportunity to come to fruition as the Roadmap. We then consider how long it will take for the opportunity to play out. Opportunities can be medium to shorter term in nature, as volatile markets create tactical opportunities over the shorter term (one to three years) which we can then exploit. We also document the nature of the investment and our assessment of how we think a particular theme will play out

Risk consideration

Before we invest in an opportunity, we assess its potential impact on the portfolio. This includes analysing its volatility, how it interacts with the market and how it contributes to the portfolio's overall sensitivity to different macro drivers such as currency or interest rate risk. As we build an integrated portfolio across asset classes, we will analyse how its inclusion will fit in with the rest of the portfolio.

Position size

Our theme and price framework allows us to capture our conviction of an investment opportunity with confidence. Our conviction infers our position size. We continually cross check that our investment ideas make sense in a changing environment.

Solution

Although we operate on a team-based approach there is individual accountability for the portfolio construction and performance of the strategy.

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

REGULATORY INFORMATION:

Old Mutual Investment Group (Pty) Ltd (Reg No 1993/003023/07) is a licensed financial services provider, FSP 604, approved by the Financial Sector Conduct Authority (www.fsca.co.za) to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. Old Mutual Investment Group (Pty) Ltd is wholly owned by the Old Mutual Investments (Pty) Ltd and is a member of the Old Mutual Investment Group. Old Mutual Investment Group is a member of the Old Mutual Group. The investment portfolios are market linked. Pooled products may either be policy based via a linked policy of insurance issued by Old Mutual Life Assurance Company of South Africa Ltd, which is a registered Long Term Insurer, or unitized in collective investment schemes. Investors' rights and obligations are set out in the relevant contracts. Market fluctuations and changes in rates of exchange or taxation may have an effect on the value, price or income of investments. Since the performance of financial markets fluctuates, an investor may not get back the full amount invested. Past performance is not necessarily a guide to future investment performance. This document is not an advertisement and it is not intended for general public distribution. The information herein does not constitute an offer to sell or a solicitation of an offer to buy any securities. This document is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under applicable law.



INVESTMENT GROUP