



## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to offer superior returns over the medium to longer term by investing in mining and resources companies showing above average prospects for long-term capital growth.

### WHO IS THIS FUND FOR?

This fund is suitable for investors seeking long-term capital growth through investment in a focused portfolio of listed mining and resources companies. The investor can tolerate stock market and sector volatility.

### INVESTMENT MANDATE

The fund invests in mining and resources companies showing above average prospects for growth and may gain exposure to foreign assets up to a maximum of 30% of its portfolio (with an additional 10% for African ex-SA investments). The fund aims to achieve its performance objectives through well-researched and superior share selection. Derivatives may be used for efficient portfolio management purposes.

### REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and may hold a higher allocation to equities and a greater exposure to a single equity than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

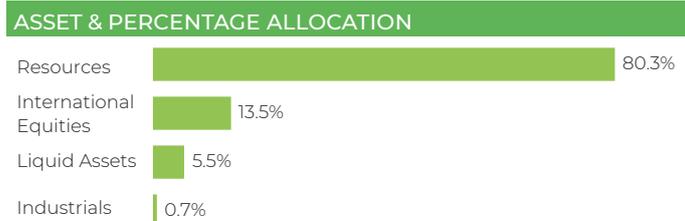
<b>BENCHMARK:</b>	ASISA Category Average
<b>ASISA CATEGORY:</b>	South African – Equity – Resources
<b>FUND MANAGER(S):</b>	Ian Woodley (Old Mutual Investment Group – Equities)
<b>LAUNCH DATE:</b>	01/07/1987
<b>SIZE OF FUND:</b>	R1.2bn

### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
30/06/2019	146.40c	3.43c	149.83c	1.74%
31/12/2018	104.63c	2.03c	106.66c	1.38%

\* Class A fund distributions

## FUND COMPOSITION



## FUND PERFORMANCE as at 30/06/2019

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	9.8%	18.4%	4.9%	6.6%	7.0%	15.2%
Fund (Class A) <sup>2</sup>	9.5%	18.1%	4.6%	6.2%	6.7%	-
Fund (Class B) <sup>3</sup>	10.0%	18.6%	5.1%	-	-	-
Benchmark	25.0%	15.9%	7.8%	8.6%	9.1%	15.0%

<sup>1</sup> Performance since inception of the fund.

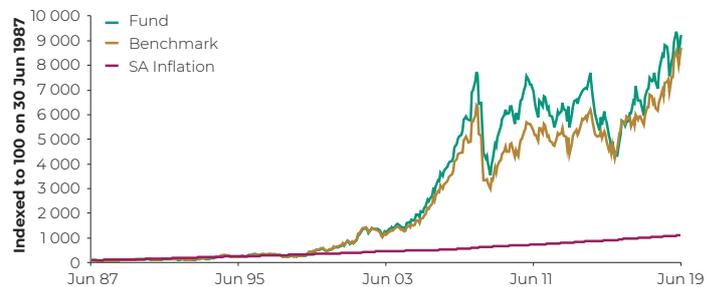
<sup>2</sup> Inception: 31 July 2007

<sup>3</sup> Inception: 31 July 2013. Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	109.0%	19.5%	-48.6%

### Performance Since Inception



Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-54.0%
Months to Recover	112
% Positive Months	57.8%
Annual Standard Deviation	23.1%

Risk statistics are calculated based on monthly performance data from inception of the fund.

### 5-Year Annualised Rolling Returns (Fund vs Benchmark)



## PRINCIPAL HOLDINGS

HOLDING	% OF FUND
BHP Group Plc	15.1%
Anglo American Plc	14.3%
Sasol Ltd	9.7%
Glencore Plc	6.7%
Impala Platinum Holdings Ltd	6.2%
Mondi Plc	5.4%
Exxaro Resources Ltd	5.4%
1st Quantum Minerals	5.3%
AngloGold Ashanti Ltd	5.0%
Gold Fields Ltd	4.6%



## FUND MANAGER INFORMATION



### IAN WOODLEY |

PORTFOLIO MANAGER

- BSc Mining Engineering (Hons), MBA, CFA Charterholder
- 25 years of investment experience

## FUND COMMENTARY as at 30/06/2019

Despite an uncertain economic outlook, Q2 has been a reasonable quarter for the resources sector. This has again highlighted the fact that the investable SA resources space is heavily exposed to iron ore (Kumba, ARM, Assore, Exxaro, BHP and Anglo American), platinum group metals (PMGs) and gold. All three of these commodity sectors had a good quarter, albeit for slightly different reasons.

Iron ore continued to benefit from the tight market conditions following the withdrawal of Brazilian tonnage after the tragic Brumadinho Dam collapse. The market for PMGs, specifically palladium and rhodium, remained strong and a generally weaker rand also helped. The gold price meanwhile started to regain its appeal as a safe haven in a period of uncertainty.

For those companies not having exposure to these commodities, times were tougher, although commodity exposure was sometimes only a part of the story. The lowlight of the quarter was probably Sasol. In mid-May, Sasol updated guidance on its Lake Charles project with a projected capex cost of US\$12.6-12.9bn, an increase on its guidance given in February 2019 of US\$11.6-11.8bn. A further review of why it took so long to identify the cost overrun has been commissioned. Another share to underperform this quarter was Glencore. Glencore's main commodity exposures are to base metals (primarily copper) and thermal coal. In the wake of the weakening economic environment, prices for both of these commodities were under pressure during the quarter. Copper appeared to be hit more for sentiment reasons – it is usually seen as a “play” on the Chinese economy and has traditionally been shorted by hedge funds when the Chinese economy appears to be weakening. Fundamentally, the copper market looks to be moving into a deficit this year as demand outpaces supply. The coal market is probably suffering from a more fundamental reason – more supply, notably from China, with weaker demand from both slower economic growth and higher environmental concerns.

Looking ahead for the current year, mining companies have generally kept themselves in check and not committed to massive expansions in capacity, despite their strong cash flows. Although there are new projects coming through across the suite of commodities, for now the companies have shown admirable restraint. Provided global economic activity is maintained at a reasonable rate, market tightness should be sufficient for commodity prices to be stronger than seen during 2018. The economic outlook, however, remains clouded by a number of issues, including: Is the trade war over now? Is China slowing down structurally? Can the US continue to grow after the tax stimulus seen last year? What impact will Brexit have on Europe?

Longer term, when the politics have been bedded down successfully, the market should adjust to the tighter supply side and, provided demand continues at a reasonable level, there is every expectation that another major upcycle is probable, albeit not at “supercycle” type levels.

During the quarter, the fund reduced its holdings in Sasol, Glencore and Mondi.

Source: Old Mutual Investment Group as at 30/06/2019

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

- Monthly: R500
- Lump sum: R10 000
- Ad hoc: R500

### INITIAL CHARGES (Incl. VAT):

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.45%.

Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

\* Please note: Initial charges do not apply to the Class B funds.

### ONGOING

	Class A	Class B1*	Class R
Annual service fees (excl. VAT)	1.25%	0.85%	1.00%

\* Please note: The Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

TAX REFERENCE NUMBER: 9430/003/60/9

ISIN CODES:	Class A	Class B1	Class R
	ZAE000097481	ZAE000179305	ZAE000020848

Total Expenses (Incl. Annual Service Fee) (30/06/2019)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.45%	1.00%	1.17%	1.46%	1.00%	1.17%
Transaction Cost (TC)	0.25%	0.25%	0.25%	0.30%	0.30%	0.30%
Total Investment Charge	1.70%	1.25%	1.42%	1.76%	1.30%	1.47%

\* Please note: The Class B1 fund is only available through investment platforms such as Old Mutual Wealth.

TER is a historic measure of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

Funds are also available via Old Mutual Wealth and MAX Investments.

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We aim to treat our clients fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments.

- We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- The fund fees and costs that we charge for managing your investment are disclosed in this Minimum Disclosure Document (MDD) and in the table of fees and charges, both of which are available on our public website or from our contact centre.
- Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained, free of charge, from Old Mutual Unit Trust Managers (RF) (Pty) Ltd. from our public website at [www.oldmutualinvest.com](http://www.oldmutualinvest.com) or our contact centre on 0860 234 234.
- Our cut-off time for client instructions (e.g. buying and selling) is at 15:00 each working day for all our funds, except the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds to determine the daily ruling price (other than at month-end when we value the Old Mutual Index Funds and Old Mutual Multi-Managers Fund of Funds range at 17:00 close). Daily prices are available on the public website and in the media.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily ruling price is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 30 June 2019. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

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