



**WEALTH**  
TAILORED FUND PORTFOLIOS

**RUTHERFORD STRUCTURED MODERATE PORTFOLIO**

**MONTHLY PORTFOLIO REPORT**

AUGUST 2021

**RISK PROFILE**



**RECOMMENDED MINIMUM INVESTMENT TERM**



**INCEPTION DATE:** 06 September 2017

**INVESTMENT OBJECTIVE**

The Rutherford Structured Moderate Portfolio represents a model investment strategy that seeks to grow capital and income at a reasonable pace for investors with an investment horizon beyond five years. It invests in a range of unit trust funds diversified across various asset classes and asset managers utilising specialist mandates. The mandate uses a blend of active and passive funds. The local equity mandates target a 75%/25% and 100% passive allocation for global equity funds.

This strategy aims to achieve capital growth over a medium-term horizon and therefore has a moderate exposure to growth assets such as equities and a relatively lower exposure to income-generating asset classes.

**RETURN OBJECTIVE/PERFORMANCE TARGET**

The investment strategy targets returns of CPI + 3% p.a. over rolling four year period.

**BENCHMARK**

The Rutherford Structured Moderate Portfolio is measured against Headline CPI (urban) plus 3%.

**REGULATION 28**

This model portfolio is managed to comply with Regulation 28

**PORTFOLIO FEES**

Discretionary Management Fee (incl. VAT): 0.58% p.a.

Unit trust fund fees: Weighted Average Total Investment Charge (TIC): 0.82%

\*The fees quoted on the factsheet are based on the funds available on the Old Mutual Wealth platform and could differ slightly, depending on the LISP used. The fees quoted exclude any Fund Access Fees charged by the platform\*

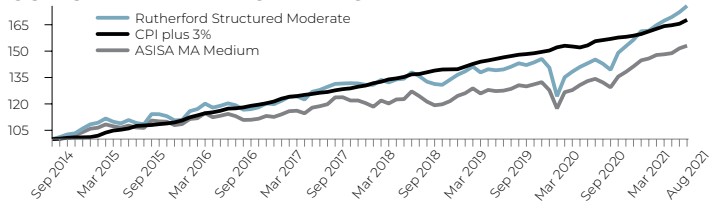
**PERFORMANCE DATA\***

|                                | Performance (1 yr annualised) |          |        |         |         |         |
|--------------------------------|-------------------------------|----------|--------|---------|---------|---------|
|                                | 1 month                       | 3 months | 1 year | 3 years | 5 years | 7 years |
| Portfolio                      | 2.08%                         | 5.06%    | 21.01% | 8.41%   | 7.87%   | 8.31%   |
| CPI plus 3%                    | 1.33%                         | 2.17%    | 7.79%  | 7.04%   | 7.41%   | 7.76%   |
| ASISA Peer Group Medium Equity | 1.00%                         | 3.30%    | 14.04% | 6.39%   | 6.01%   | 6.26%   |

**RISK STATISTICS\***

| Measure            | Portfolio |
|--------------------|-----------|
| Maximum Drawdown   | -14.60%   |
| Sharpe Ratio       | 0.49      |
| Standard Deviation | 8.03%     |

**CUMULATIVE PERFORMANCE\***



**ASSET ALLOCATION**

| Asset Class         | Active/Passive Split | Strategic (%) | Tactical (%) |
|---------------------|----------------------|---------------|--------------|
| SA Equity           | 75/25                | 30.0          | 28.0         |
| SA Fixed Income     | 50/50                | 35.0          | 44.0         |
| SA Property         | Active               | 5.0           | 0.0          |
| Global Equity       | Passive              | 20.0          | 28.0         |
| Global Fixed Income | Active               | 7.0           | 0.0          |
| Global Property     | Active               | 3.0           | 0.0          |

**ASSET MANAGERS IN SOLUTION**

| Asset Class     | Managers                                       |
|-----------------|--|
| SA Equity       | OLD MUTUAL, PRUDENTIAL, CORONATION, Ninety One |
| SA Equity       | 360 ONE, LAURIUM CAPITAL, bateleur capital     |
| SA Fixed Income | PRUDENTIAL, CORONATION, PRESCIENT, SYGNIA      |
| Global Equity   | OLD MUTUAL, PRESCIENT                          |

\* For model portfolio performance returns, both include reinvested income. All returns are calculated in ZAR net of underlying portfolio fees but gross of any discretionary fund management and investment vehicle administration fees. Client specific net returns are provided in the reports of the chosen Linked Investment Service Provider (LISP). Where life funds are held, performance is calculated based on holding of the untaxed class. In the table above, all returns prior to the inception date is based on simulated returns.





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### FUND MANAGER INFORMATION



Kim Rassou is responsible for investment decisions in the team, including manager research, asset allocation, model portfolio design and management. Kim Rassou is also responsible for client analysis and investment reportbacks. She has a B.Com Honours in Finance and Investments and completed an MBA through Stellenbosch University.

### FUND COMMENTARY

Global equities were positive for the seventh consecutive month in August with the MSCI All Country World index closing at an all-time high. It returned 2.5% in the month in US dollars, lifting the year-to-date gain to 16%. The 12-month return was slightly lower at 28% but no less impressive.

In terms of regions, the US S&P 500 returned 3% in August and an impressive 31% over one year. The Eurostoxx 600 index returned 2.2% in the month and 31.8% over one year in euros. Emerging market equities rebounded from sharp losses in July. The MSCI Emerging Market index returned 2.6% in August in dollars but still lags developed markets by some distance on a year-to-date basis with a return of only 3%. Over one year, the index return was 21%.

Global bond returns were negative in dollar terms in August as government bond yields rose slightly after steep declines in previous months. The Bloomberg Global Aggregate Bond index lost 1% in dollars in the month, wiping out the gains from the past year.

Global listed property was positive in August with our benchmark, the FTSE/EPRA Nareit Developed index, returning 1.3% in dollars. This lifted the year-to-date return to 21% and the one-year return to 33%. This is ahead of global equities. Local equities were positive in August as measured by the FTSE/JSE Capped SWIX, our benchmark. It returned 2% in the month, which lifted the return for the first eight months of the year to 18.6% and the 12-month return to 30%.

Weaker commodity prices pulled down the shares of mining companies, and the resources index lost 4.8% in the month but has still given investors a 25.5% return over 12 months. The industrials index was also deeply negative in August. It lost 4.5% in August, dragging year-to-date returns down to 9.8% and 12-month returns to 16%.

On the other hand, financials were strongly positive in August, gaining 12%. Banks and life insurers both delivered double digit returns. This means the financials index returned 51% over 12 months.

Listed property was also up strongly in August. The FTSE/JSE All Property index returned 7% in the month and 28% so far this year to lift 12-month returns to 52%. The All Bond index returned 1.7% in August and 14.8% over one year, well ahead of the 3.5% money market return. The rand was volatile in August, but managed to end the month slightly stronger at R14.47 per dollar once investors gained confidence in the Feds policy plans.

### DIVERSIFICATION AND MANAGEMENT

Utilising fund manager research performed by Old Mutual Multi-Managers, we select and monitor the underlying funds, while the fund managers themselves have flexibility to decide which underlying assets to buy within the fund mandate. We carefully blend fund managers with complimentary investment styles to achieve a well-diversified but dynamic mix of equities, money market instruments, conventional bonds, inflation-linked bonds and listed property.

The management of this model portfolio range is performed through a partnership between Rutherford Asset Management and Tailored Fund Portfolios. Both parties hold a CAT 2 Discretionary Fund Manager licence. Active manager selection, Asset allocation and portfolio construction is based on the research process of Old Mutual Multi-Managers in consultation with Rutherford Asset Management. The selection of passive investment vehicles is performed by the Tailored Fund Portfolio team. This range is managed and monitored on an ongoing basis by both parties. Model Portfolio reporting and feedback is provided at least quarterly to all representatives of Rutherford Asset Management

### CONTACT DETAILS

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Old Mutual Life Assurance Company (SA) limited  
Licensed Financial Services Provider

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### Entities making the Discretionary Model Portfolios available

Old Mutual Wealth Tailored Fund Portfolios ("TFP") is a division of Old Mutual Life Assurance Company South Africa Limited ("OMLACSA"), registration number 1999/004643/06, which is a discretionary financial services provider authorised in terms of the Financial Advisory and Intermediary Service Act 37 of 2002 ("FAIS") with licence number 703.

Old Mutual Investment Services (Pty) Ltd ("OMIS"), registration number 1996/000452/06, is an administrative financial services provider authorised in terms of FAIS.

Unit Trust Managers registered in terms of the Collective Investment Scheme Control Act 45 of 2002.

### What are Discretionary Model Portfolios?

A Discretionary Model Portfolio is a combination of Old Mutual or other unit trust funds that are grouped together by TFP and made available by OMIS on its administrative platform.

### Unit Trust Disclaimers

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, investment capital or return on your investment cannot be guaranteed. How a fund has performed in the past does not necessarily indicate how it will perform in the future. The fees and costs charged for managing your investment are accessible on the relevant fund's Minimum Disclosure Document (MDD) or table of fees and charges, both available on the manager's public website. Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in script lending. The daily price is based on the current market value of the underlying fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue. Should the underlying fund hold assets in foreign countries it may have risks regarding liquidity, the repatriation of funds, political and macro-economic situations, foreign exchange, tax, settlement, and the availability of information. Please contact us for risks specific to each country. A fund of fund is a portfolio that invests in other funds which levy their own charges, which could result in a higher fee structure for the fund of funds. 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. Performance returns are the time-weighted return over the performance period measured. A manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.