



WEALTH
TAILORED FUND PORTFOLIOS

RUTHERFORD STRUCTURED MODERATE PORTFOLIO

MONTHLY PORTFOLIO REPORT

FEBRUARY 2023

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): 0.79%

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

ASSET ALLOCATION

Asset Class	Active/Passive Split	Strategic (%)	Tactical (%)
SA Equity	75/25	22.5	28.0
SA Fixed Income	50/50	47.5	54.0
Global Equity	Passive	23.0	18.0
Global Fixed Income	Active	7.0	0.0

ASSET MANAGERS IN SOLUTION

Asset Class	Managers
SA Equity	M&G Investments, CORONATION FUND MANAGERS TRUST IS EARNED, Ninety One, OLD MUTUAL
SA Equity	360ONE, LAURILUM CAPITAL, bateleur capital
SA Fixed Income	M&G Investments, CORONATION FUND MANAGERS TRUST IS EARNED CHINA, Prescient, OLD MUTUAL
Global Equity	OLD MUTUAL, Prescient CHINA

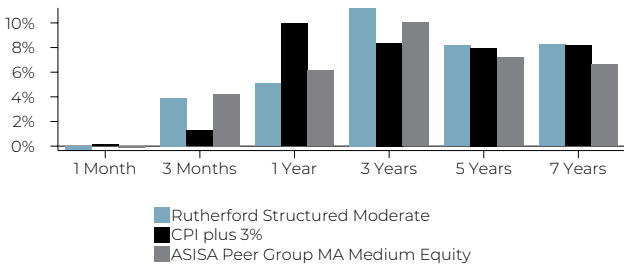
PERFORMANCE DATA*

	Performance (1 yr annualised)					
	1 month	3 months	1 year	3 years	5 years	7 years
Portfolio	-0.36%	3.90%	5.07%	11.22%	8.14%	8.27%
CPI plus 3%	0.16%	1.29%	9.97%	8.36%	7.96%	8.14%
ASISA Peer Group MA Medium Equity	-0.16%	4.23%	6.14%	10.04%	7.18%	6.65%

RISK STATISTICS*

Measure	Portfolio
Maximum Drawdown	-14.60%
Sharpe Ratio	0.44
Standard Deviation	8.09%

PERFORMANCE SUMMARY



* 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



Ubaydullah Hassen is responsible for investment decisions in the team, including manager research, asset allocation, model portfolio design and management. Ubaydullah is also responsible for client analysis and investment reportbacks. He has a B.Com Honours in Financial Analysis and Portfolio Management and is a CFA Charterholder with 9 years of related investment experience.

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

FUND COMMENTARY

After rebounding strongly in January, global markets were weaker in February as investors realised that interest rates would have to remain higher for longer. The global equity benchmark MSCI All Country World declined 2.8% in February in dollars. The 12-month return is also still the red at -8%.

Bond yields rose in February, wiping out January's bond returns. The Bloomberg Global Aggregate Bond Index lost 3.7% in unhedged dollar terms. The 14% loss over 12 months remains historically large. The benchmark US 10-year Treasury yield rose from 3.5% to 3.9%, while the policy-sensitive 2-year yield rose from 4.2% to 4.7%.

It was a red month for South African equities too. The FTSE/JSE Capped SWIX lost 2.3% in February, reducing the one-year return to 3.75%.

Resources were hardest hit, as commodity prices declined during the month. The resources index lost 12.5% in the month and is negative over one year. Industrials were positive in the month, with the one-year return rising to 21.5% as the sector continues to benefit from the Chinese reopening. Financials returned 2.75% in February despite being the sector that would theoretically be most impacted by South Africa's grey-listing by the Financial Action Task Force. Over one year, financials returned 8.8%.

Listed property was marginally negative in February, with the FTSE/JSE All Property Index (ALPI) declining 0.14% in the month. The 12-month return was 3%.

South African nominal bonds fell in line with global markets despite a well-received Budget Speech. The All Bond Index lost 0.87% in the month, reducing the one-year return to 4.9%, behind cash (5.7%).

The rand lost further ground against the dollar, euro and pound in February. This offset the impact of weaker global markets for local investors. The rand closed 5% weaker in February, at R18.36 against the dollar, as persistent loadshedding and lower commodity prices weighed on the local currency. It was 19% weaker than a year ago.

CONTACT DETAILS

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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.