



BUSINESS UPDATE – MARCH 2021

QUARTER 1, 2021

What a difference a year makes even though nothing much seems very different from a year ago. We are still working in lockdown with many of us still working from home, waiting for the pandemic to finally end. At the end of March 2020 we saw markets having crashed and all the talk was about what letter the market recovery would look like. Little did we know that a year later the market recovery doesn't look like any letter, but more like a NIKE swoosh. Most of our funds show 12-month returns to the end of March 2021 of between 30% and 40%. This is incredible when a year ago fund returns were down around 20% for one year.

I have been very impressed by the investment team over the past year. They didn't panic and probably worked the hardest in managing our asset managers as well as ensuring that our asset allocation was positioned appropriately. Fund performance presentations as a result have been much easier.

In March we launched our global retail funds that are available on the Old Mutual International platform. These funds now have a one-year track record, however, we have been managing global hard currency funds for over 10 years, but closed these for new business over six years ago. The delay in launching these funds is that we needed to receive Section 65 approval to be able to market these funds. The funds meet a great need in the market, as there are so many investment managers worldwide to choose from. The asset managers selected in our global fund range mirror the managers we use in the offshore allocation of our local retail and institutional funds.

We do, however, use global bond managers in the line-up as the targets are based on US inflation.

We don't know what the next year will bring. There may be more stability economically speaking, and while as the world 'normalises', we do expect a lot more volatility in the markets. To manage this volatility, we are looking at increasing our allocation to alternative assets in the institutional funds, and will hopefully say more in our next update. While we don't expect 30% to 40% returns over the next year, we are still hopeful that we can achieve double digit returns. Please keep reading our weekly Market Matters to get an up-to-date view on issues that are moving markets.

Thanks once again for all your support. If there is any way in which we can support you better, please let us know.

All the best and stay well,

Trevor

TREVOR PASCOE
MANAGING DIRECTOR
OLD MUTUAL MULTI-MANAGERS

