

# OLD MUTUAL MULTI-MANAGERS BUSINESS UPDATE – DECEMBER 2023

QUARTER 4, 2023

I am thrilled to share my first quarterly update as Managing Director, taking the reins from Trevor Pascoe. We express our gratitude to Trevor for his invaluable 13-year contribution at the helm, laying the foundation upon which we aim to elevate our business to new heights.

I have thoroughly enjoyed the initial months as I settled into the role. I've immersed myself in understanding our business, clients, team, and the expectations set by our shareholder representatives. It's an honour to be part of the value chain delivering inflation-beating returns to our investors. The responsibility is immense, and delivering to our clients is at the centre of what we do.

On the institutional front, we have had a successful year securing the investment mandate for the Vodacom pension fund, a significant achievement reflecting the confidence being placed in us to lead the investment outcomes for a significant amount of investors.

The retail market has been challenging for us, not just last year but over a longer period and is a significant focus area for our team. We are committed to understanding why we may not be the first choice by strengthening our partnerships with our supporters. Strategic plans, shaped by input from our financial advisor community, are underway as part of our rejuvenation efforts.

Local economic pressures and uncertainty is likely to continue, especially as we're in an election year, exacerbated by the usual "culprits" of loadshedding, unacceptable levels of unemployment and governance failures at various levels of government. Navigating these conditions that place pressure on delivering inflation-beating returns, requires, now more than ever, a "steady hand" guiding over our investment process and philosophy and rest assured, we continuously explore and assess diverse asset classes and investment tools at our disposal to deliver inflation-beating returns.

Our robust team, of which I am proud of, will undertake a deep reflection on how the industry and client needs have shifted, and how we must position ourselves, strategically and operationally, to best serve our clients. Cost pressures, Reg 28 and other regulatory changes, and the rise of passive

investing and unlisted assets are among some of the themes we are continually engaging on and assessing the impact on how to best construct investment portfolios.

In addition, responsible investment criteria and requirements are now standard features of most asset managers' investment processes and form an integral role in ours. We believe that an ESG lens offers additional insights into the strength of the management team, and the risks and opportunities associated with the investments further encourage transformation within the asset management industry. We do believe as the industry grows and diversifies, this can only be good for client outcomes.

Internally, we've adopted a hybrid working policy but with more in-office than working from home time. We believe that more face-to-face interaction is beneficial, particularly for new joiners and younger team members as they build their careers and are developed by senior managers.

Based on various surveys, the global landscape will be marked by geopolitical instability and ongoing conflicts in 2024, influencing global economic outlook and related risk-off sentiment. There does seem to be a split sentiment on the world economy with surveys showing respondents' views being evenly split between buoyance and cautious.

Despite this, our long-term track record attests to the success of our proven process, providing essential diversification benefits to blended client portfolios amid market uncertainties. Especially when markets are becoming increasingly uncertain and volatile, it is our blending of varying investment manager styles that gives us our competitive advantage.

The operating environment poses growth challenges but our commitment to serving our clients remains unwavering. We wish you a blessed 2024 and beyond.

Best regards,

**KIEYAM GAMIELDIEN**  
MANAGING DIRECTOR  
OLD MUTUAL MULTI-MANAGERS

