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## OLD MUTUAL UNIT TRUSTS FEBRUARY 2011 NEWSLETTER

Dear valued Client

We thank our diaspora clients who responded to our last newsletter in one way or another. We have a few clients in the diaspora who no longer have bank accounts here in Zimbabwe, and those with NSSA pensions and would like to transfer their funds to their unit trust account. OMUT is available to assist you in this regard.

This month we are focusing on Debit Order arrangements. There is always a need to save money for a rainy day or for a specific purpose. The debit order method ensures that you instill discipline and convenience into your savings plan. Our OMUT offering will help you “*Do great things*” using any of the products highlighted below.

### **Money Market Fund (MMF)**

This is a short term interest bearing investment, investing in short term Money Market instruments like banker`s acceptances(BAs).The duration of these investments is usually limited to 12 months. MMF is for those individuals and institutions with a short term horizon seeking a safe haven for their monies whilst contemplating the next investment move.MMF aims to preserve capital and pays regular interest monthly, at low risk.

### **Gross Money Market Fund (GRS)**

The GRS is just like the MMF with the difference being the issue of Tax. Schools, non profit making organizations or individuals over 55 years (pensioners) who are exempted from paying tax on interest, this is their Fund. The GRS is a low risk Fund and like the MMF it aims to preserve capital and pays regular interest monthly.

### **Equity Fund (EQT)**

This is a general Equity Fund, where pooled funds are invested in a diverse spread of shares on the local bourse, the Zimbabwe Stock Exchange (ZSE).The EQT aims to provide superior capital growth over the medium to longer term as benchmarked against inflation and the ZSE industrial index. The duration of these investments is usually 3 to 5 years minimum. It is a moderate to high risk fund suitable for investors with a medium to high risk appetite. The Fund value fluctuates up or down in line with share prices on the ZSE.



### OMUT AT A GLANCE

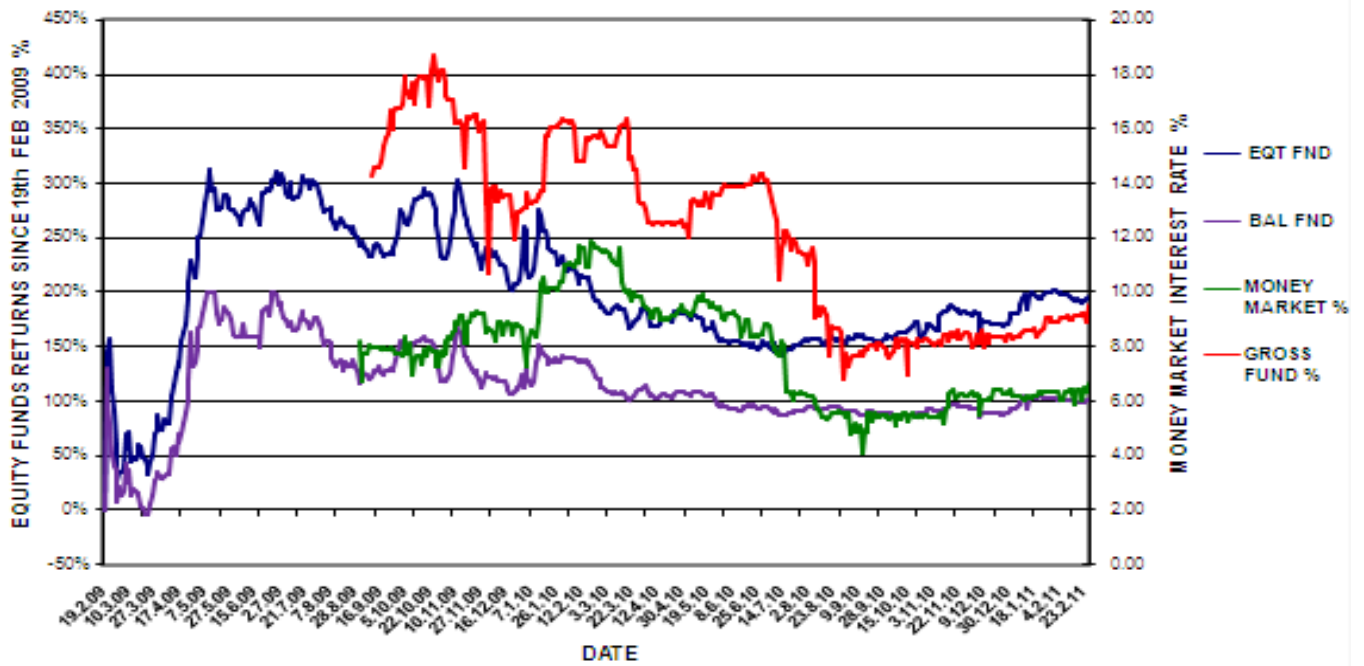
- The minimum account balance still remains at US\$100.00.
- If you top up your account to the required minimum level we will reverse all ledger fees.
- **Debit order** form attached for your convenience.
- Funds Performance as at 28<sup>th</sup> of February 2011; Equity Fund bid price **-\$0.0017813** offer price \$0.0018751, Balanced Fund bid price **\$0.0000191** offer price \$0.0000201, Money Market Fund **6.65% pa**, Money Market Gross Fund **9.49% pa**.

### MARKET OVERVIEW BY THE FUND MANAGERS, OLD MUTUAL INVESTMENT GROUP (OMIG)

- The industrial index shed -1.28% while the mining index firmed 10.27% in February 2011. The year to date returns for the industrial and mining indices as at 28 February 2011 are 5.14% and 19.30% respectively. The total ZSE market capitalisation went down to \$4.113 billion as at 28 February 2011 from \$4.133 billion as at 31 January 2011. The January 2011 month on month inflation was 1.02% compared to -0.44% in December 2010. Year on Year inflation was 3.52% in January 2011 compared to 3.23% in December 2010.
- Money market rates remained unchanged with quotes ranging from 0.1% to 14%. There were no significant improvements of inflows on the money market. Activity remained predominantly in the 30 to 90 day investment horizon. We do not expect significant improvements in liquidity hence interest rates are expected to be relatively unchanged in the short to medium term.
- The equity market traded sideways ending the month of February in the negative reducing the gains recorded in the month of January 2011. Average daily trades were up from US\$1.38m in January 2011 to US\$1.76m in February 2011. The increase was attributed to a significant number of special bargains in the month of February 2011. We anticipate an improvement on the equity market ahead of the results reporting season. However we still expect the political developments to weigh on investor sentiment.



**ALL FUNDS PERFORMANCES SINCE DOLLARISATION TO THE 23<sup>rd</sup> OF FEBRUARY 2011**



Thank you for your support.

Yours Sincerely

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# Unit Trusts

## DEBIT ORDER INSTRUCTION FORM

**OUR FAX NUMBER: - 336467**

### Your Personal details

Account name ..... Account number .....

Address .....

Home (Phone) ..... Work .....

Email Address .....

### Your Bank details

Bank/Building Society..... Branch..... Branch Code .....

Account Name.....Account Number.....

**NB: - PLEASE supply proof of bank account in your name e.g. bank statement**

I/We authorize Old Mutual Unit Trust Management Company (Pvt) Ltd to debit my/our account with the monthly amount shown below on the 1<sup>st</sup>/23<sup>rd</sup> day of each month (delete inapplicable) with effect from..... (state start month, a calendar month's notice is required). OMUT will not be liable for losses arising from non collection of debit orders.

### Debit order amount (Minimum \$25.00)

Fund	Amount	Fund	Amount
Equity Fund		Gross Fund (55yrs & over)	
Balanced Fund		Money Market	

### Your Preferred Debit Order Operating Date (Please tick box)

1st of the month  23rd of the month

I/We are investing in Old Mutual Unit Trusts and are fully aware of the volatility of the stock markets and the money markets and accept that our unit may increase or decrease in value over the life of the investment and that the daily interest rates and unit prices quoted in the press and other communication media are indicative. I/We agree not to hold Old Mutual Unit Trust Management Company responsible for any loss in value of my investment.

Conditions subscribed to on the account opening form apply.

Signature(s) unit holder..... Date.....

Capacity.....

### Introducer's details

Name..... Code.....

Contact Telephone Numbers.....