

# OLD MUTUAL UNIT TRUSTS OCTOBER 2011 NEWSLETTER

Dear Valued Client,

## OMUT AT A GLANCE

- The minimum account balance remains at **US\$100.00**.
- **Debit order** form attached for your convenience. The debit order facility is offered through Cabs, Stanchart, Stanbic, Barclays and CBZ.
- Fund Performances as at 31<sup>st</sup> October 2011;
  - Money Market Fund **8.05% pa.**
  - Gross Money Market Fund **10.29% pa.**
  - Balanced Fund year to date return of **5.27%**. Bid and offer prices **\$0.0000194** and **\$0.0000204** respectively.
  - Equity Fund year to date return of **-7.42%**. Bid and offer prices **\$0.0015639** and **\$0.0016462** respectively.

“Your summertime savings strategy”

Summer is now officially here with some record breaking high temperatures experienced in some parts of Zimbabwe, not felt since 1962. Naturally you will take appropriate steps to manage effects of the heat.

You may be looking forward to travelling to “*kumusha*”, feasting with friends and other events of the season as the year ends. Even when you are focused on these activities, your financial goals should be uppermost in your thinking. Many of you will be making withdrawals from your unit trusts accounts. We aim to make this process hassle free.

### 1. Plan your trip

If you are taking a road trip to “*kumusha*” this summer you will need to choose your vehicle and determine how far you want to go each day and be quite certain of your destinations. Essentially, the same is true for your savings strategy. You need to choose the right savings vehicle, familiarise yourself with your ultimate goals and chart your progress along the way.

### 2. Try to avoid getting burnt

If you are planning on spending a lot of time outdoors this summer, you may need to apply some sunscreen. You need not be exposed to the sun only to get “burnt”-it can happen in the investment world too. This can be prevented by building a diversified portfolio. If most of your money is tied up in just one type of investment, and that asset class falls victim to a downturn, your portfolio could take a

big hit. So it makes sense to spread your money amongst a range of vehicles appropriate for your risk tolerance, investment goals and time horizon.

### 3. Keep yourself “hydrated”

When you are outside on these hot summer days, you can lose a lot of fluids, so you need to drink plenty of liquids to remain “hydrated”. As an investor-you may also need a reasonable amount of liquidity. In the severe market downturn of 2008 and parts of 2009, many investors found they had insufficient amounts of liquid investments such as cash and cash equivalents. In addition, if you are relatively illiquid, you may have to dip into your long term investments to pay for short term emergency needs. Always aim for an adequate level of liquidity in your savings holdings.

### 4. Dress for the season

As you go about your summer activities, you will not always wear the same clothes. On hot days, you might want to wear shorts but on cool rainy days, you might need heavier items or even a raincoat. Also as you go through life, you may need to adjust your investment approach depending on your individual “financial season”. For example, early in your career, you might be able to afford to invest more aggressively, as you will have more opportunities to recover from the inevitable short term downturns. As you near retirement, you may need to take a more conservative approach so that you lower your investment risk.

So there it is -some ideas for “summertime saving”, apply them wisely and they may be of value to you long after the summer is gone. At OMUT, we are happy to receive your deposits, your investment plan and to process your withdrawals. This is all part of your grand plan to “do great things for yourself”.

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

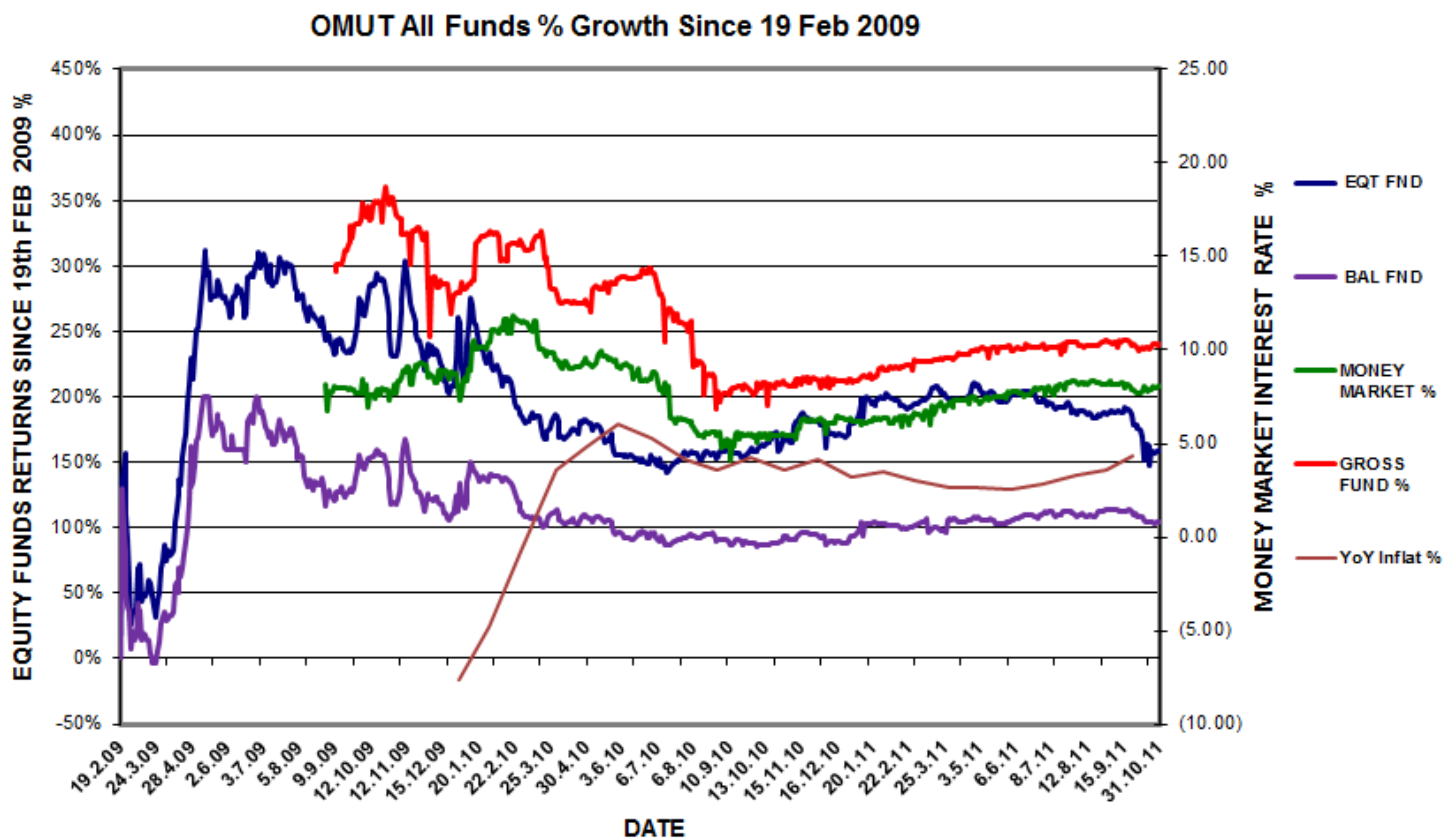
The benchmark industrial index shed 7.86% while the mining index shed 13.56% in the month ended 31 October 2011. On a year to date basis the industrial index has negative return of 5.08% and mining index a negative return of 23.94%. The total ZSE market capitalisation shed 8.19% to US\$3.65 billion, compared to US\$3.98 billion in the preceding month. The September month on month inflation was 0.8%, pushing year to date inflation to 4.02%. Year on year inflation firmed from 3.5% in August to 4.31% in September 2011.

Money market interest rates remained relatively unchanged with quotes ranging from 0.15% to 14%. Activity was predominantly in the 30 to 180 day investment horizon. Higher investment amounts

attracted higher rates. We expect liquidity constraints to persist in the next 12 months and therefore expect rates to remain relatively unchanged.

The stock market continued on its losing streak in the month of October with foreigners remaining net sellers. Most shares recorded losses with a few recording gains which were inadequate to offset the losses. Activity on the stock market was also subdued with value of trades thinner in the month of October at US\$24.4m from US\$34.1m in September 2011. Negative sentiment and liquidity constraints for the local investor are likely to continue to weigh down activity on the ZSE to year end.

## ALL FUND PERFORMANCES SINCE DOLLARISATION TO 31<sup>st</sup> OCTOBER 2011



The OMUT team remains available for any enquiries you may have. Thank you for our continued relationship.

Yours Sincerely

Old Mutual Unit Trusts  
 Licensed Financial Services Provider  
 Gilbert Gumpo: [gilbertg@oldmutual.co.zw](mailto:gilbertg@oldmutual.co.zw)  
 Simon Chikono: [simonc@oldmutual.co.zw](mailto:simonc@oldmutual.co.zw)  
 Jennifer Zanga: [jzanga@oldmutual.co.zw](mailto:jzanga@oldmutual.co.zw)

Telephone: +263 4 302127/149  
 Fax: +263 4 336457  
 Website: [www.omut.co.zw](http://www.omut.co.zw)

# Unit Trusts

## DEBIT ORDER INSTRUCTION FORM

OUR FAX NUMBER: - 336457

### 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 months' notice is required). OMUT will not be liable for losses arising from non-collection of debit orders.

### Debit order amount (Minimum \$10.00)

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.....