

Investec Opportunity Fund

Inflation-beating returns with low risk of capital loss



Out of the Ordinary®

 **Investec**
Asset Management

Investec Opportunity Fund

The Investec Opportunity Fund aims to produce dependable inflation-beating returns, while minimising the possibility of negative returns. This multi-asset fund will appeal to investors who require income and capital growth at low risk of capital loss. The objective is to achieve returns well in excess of inflation measured over three to five year periods.

What are the benefits of investing in this fund?

- Significant inflation-beating returns over three to five year rolling periods
- Strong focus on capital preservation and absolute returns
- Full participation in equity and fixed-income markets, while managing market volatility
- Lower volatility than traditional balanced funds
- Exposure to an award-winning manager with an excellent long-term track record
- Complies with prudential requirements, making it suitable for most retirement fund clients

Risk profile



Investment strategy

The Investec Opportunity Fund invests in a mix of assets such as equities, property, bonds and cash. The fund may also invest in offshore assets, providing further diversification opportunities. We have an absolute return focus, which means that we aim to achieve inflation-beating returns at the lowest possible risk, as opposed to trying to outperform other balanced funds or the market. As the Investec Opportunity Fund targets the outperformance of inflation it has no benchmark.

When making investment decisions the risk of losing money is a more important consideration than the potential investment gain.

A predominantly bottom-up investment process

In identifying assets for inclusion in the portfolio we consider macro-economic factors such as interest rates and the performance of the rand. However, we place far more emphasis on assessing the different holdings on an individual basis, to determine whether the prospective return will be in excess of inflation. This can also be described as a predominantly bottom-up process. We maintain a balanced approach to stock picking and asset allocation, consistently evaluating the trade-off between risk and return.

High quality stocks offering inflation-beating returns

Equities offer inflation-beating returns over the long term and we will invest up to the regulatory limit in equities (currently 75%), when market conditions are favourable. We focus on high quality businesses with good long-term prospects. Each stock is evaluated on a stand-alone or individual basis. We don't pay much attention to the All Share Index benchmark when constructing our portfolios. How much we invest in a share is a function of the valuation of the share and how much money we expect to make from it. We only hold stocks, if we believe that they will beat inflation over time. The equity portfolio is largely made up of companies that have consistently delivered excellent profits with a high probability of providing shareholders with good income in the form of dividend payouts.

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and we aim to achieve inflation-beating returns
at the lowest possible risk.



Fund facts

Unit trust classification:	Domestic Asset Allocation Flexible
Target return:	Headline CPI* + 6% p.a. (under current market conditions) measured net of fees over three to five years
Risk profile:	Moderate
Minimum lump sum investment:	R10 000
Minimum debit order amount:	R500 a month
Income distribution	March and September
Portfolio manager:	Clyde Rossouw
Launch date:	1 May 1997
Initial charges (excl. VAT):	Up to 3% payable to the financial adviser (negotiable)
Annual management fee (excl. VAT):	A performance fee may be applicable. The manager shares in the fund performance above the fee hurdle of CPIX + 2%, with a maximum annual management fee of 3%. If the fund performs in line with the fee hurdle, then the annual management fee is 0.95%.

*CPI for all urban areas

Who should invest?

- Investors who have a moderate risk profile with a medium- to long-term investment horizon
- Investors seeking inflation-beating returns with limited downside risk
- Investors saving to retire in five to fifteen years' time
- Investors requiring exposure to equity and fixed-income markets with a strong focus on capital preservation
- Investors needing income and capital growth at low risk of capital loss

We focus on high quality businesses with good long-term prospects.

Contact us

Financial advisers:

- Please visit our website at www.investecassetmanagement.com for more information on our range of unit trust funds and portfolio products. You'll also find application forms and other key literature on the site.
- For more information and assistance with investing, call Investec Client Service on 0860 500 100. Alternatively, you can contact your Investec investment consultant.

Individual investors:

- Please visit our website at www.investinyourfuture.com to learn more about our range of unit trust funds and portfolio products. You'll also find application forms and other key literature on the site.
- For more information and assistance with investing, call Investec Client Service on 0860 555 700.

Collective Investment Schemes in Securities (CIS) are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to the future. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. The risk profile is a measure of volatility, i.e. how the absolute return of the fund varies. Note that there are other risks in the fund, which are not reflected in this rating. All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an adviser or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. We do not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only.

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