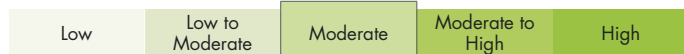


OLD MUTUAL BALANCED FUND

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

This fund aims to achieve long-term inflation-beating growth. The fund has a growth asset bias and will invest more heavily in shares. The portfolio manager actively allocates to other asset classes to take advantage of changing market conditions and to manage the fund's volatility.

WHO IS THIS FUND FOR?

This fund is suitable for investors wanting moderate to high long-term growth, with less volatility in the short term than pure equity. It is suitable as a stand-alone retirement investment.

INVESTMENT MANDATE

The fund is exposed to all sectors of the market (shares, bonds and property) and may gain exposure to foreign assets up to a maximum of 30% of its portfolio (with an additional 10% for African ex-SA investments). Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

The fund complies with retirement fund legislation. It is therefore suitable as a stand-alone fund in retirement products where Regulation 28 compliance is specifically required.

BENCHMARK:	CPI
PERFORMANCE TARGET:	CPI + 4% to 5% p.a. (net of fees)
	Performance is targeted over the recommended minimum investment term and is not guaranteed.
ASISA CATEGORY:	South African – Multi-Asset – High Equity
FUND MANAGER(S):	Graham Tucker & Warren van der Westhuizen (Old Mutual Investment Group – MacroSolutions)
LAUNCH DATE:	01/03/1994
SIZE OF FUND:	R17.7bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
30/06/2018	7.04c	11.61c	18.65c	1.17%
31/12/2017	5.42c	10.22c	15.64c	0.97%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

Asset Class	Percentage
SA Equities	39.1%
International Equities	24.9%
Nominal Bonds	20.0%
SA Cash	6.7%
SA Property	5.2%
International Bonds	2.0%
Preference Shares	1.1%
International Cash	1.0%

FUND PERFORMANCE as at 30/11/2018

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	-3.8%	3.2%	6.5%	9.7%	10.6%	12.4%
Fund (Class A) ²	-4.2%	2.8%	6.0%	9.0%	9.9%	-
Fund (Class B1) ³	-3.8%	3.2%	6.4%	-	-	-
Benchmark*	5.1%	5.4%	5.4%	5.4%	5.3%	6.4%

* The CPI figures are lagged by one month as the number was calculated before this month's inflation rate was released.

¹ Performance since inception of the fund.

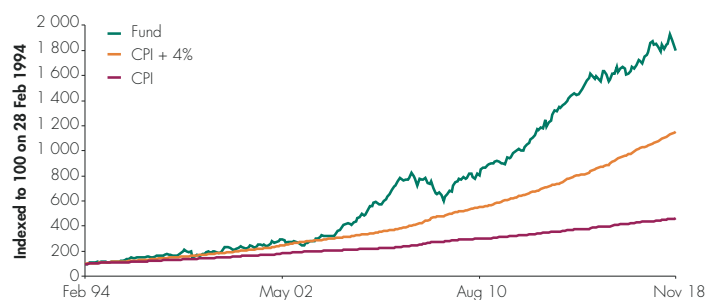
² Inception: 30 June 2007.

³ Inception: 31 October 2012. Class B1 Fund is only available through investment platforms such as Old Mutual Wealth.

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	45.5%	13.2%	-23.2%

Performance Since Inception



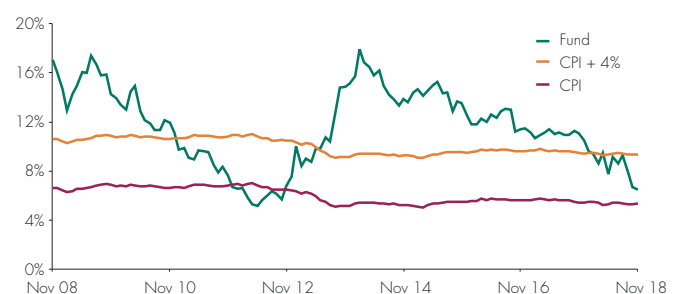
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-29.1%
Months to Recover	17
% Positive Months	65.0%
Annual Standard Deviation	12.3%

Risk statistics are calculated based on monthly performance data from inception of the fund.

5-Year Annualised Rolling Returns (Fund vs Benchmark/Performance Target)



PRINCIPAL HOLDINGS as at 30/09/2018

HOLDING	% OF FUND
R2032 8.25% 31/03/2032	5.3%
Naspers Ltd	3.7%
R186 10.5% 21/12/2026	3.5%
Sasol Ltd	3.3%
R2035 8.875% 28/02/2035	3.2%
British American Tobacco	2.3%
Old Mutual Ltd	2.2%
Glencore Plc	1.8%
Standard Bank Group Ltd	1.7%
ABSA Group Ltd	1.7%

Funds are also available via Old Mutual Wealth and MAX Investments.

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OLD MUTUAL BALANCED FUND

FUND MANAGER INFORMATION



GRAHAM TUCKER
PORTFOLIO MANAGER

- BSc Actuarial Science (Hons), CFA
- 18 years of investment experience



WARREN VAN DER WESTHUIZEN
PORTFOLIO MANAGER

- BCom (Hons), CFA
- 18 years of investment experience

FUND COMMENTARY as at 30/09/2018

The global equity market delivered good returns for the quarter, but lacked meaningful breadth as US equities (+7.5% in US dollar terms) easily outperformed every other major region. US equities responded to robust economic growth in the region and strong earnings growth reported by the companies during the quarter. Negative sentiment persisted in emerging markets, as China showed signs of slower growth, commodity prices remained under pressure and the likes of Turkey and Argentina reminded investors of the risks of investing in the developing world. Unsurprisingly, emerging market currencies, equities and bonds fell during the quarter, particularly in August and early September.

Local assets, already suffering from the poor emerging market sentiment, were dealt another blow in September as Stats SA announced that our economy had fallen further in the second quarter. Although the rand and the bond market largely recovered their losses by the end of the quarter, the equity market was unable to mount a comeback, ending the quarter slightly lower (-1.7%). The challenging economic environment, reflected in company results and updates, shows little sign of relief in the near term. Aspen has a notable casualty of disappointing the market, losing more than a third of its value in a matter of days.

The fund delivered good absolute returns in this tough and volatile quarter. Longer term, the fund has delivered returns in excess of inflation, but below the levels to which we strive. The recent years have been difficult for risk assets, as local economic growth has been weak and many overseas endeavours attempted by companies have yet to bear fruit. That said, the fund has delivered very competitive performance, as reflected in the top quartile positioning over all periods from one to seven years.

Looking forward, we find value in the local bond market, particularly given the recent sell-off. We have steadily increased the fund's exposure to local government bonds, but only at yields that we believe compensate our clients for the risk. While we believe that South Africa is making progress on the economic reform front, it is slow progress. As such, local assets will benefit in time, yet remain exposed to external and, at times, internal factors for now. Hence, the yield or price we pay for bonds and other local assets is crucial.

Value is firmly embedded in our process. However, the environment going forward must be conducive to unlocking that value and to driving an investment

beyond its fair value. One example of this is the heavyweight counter Naspers, which has long been a core holding in the fund. At the beginning of this year we softened our view on that positive outlook. This, in turn, necessitated a lower core position. The result is that our clients benefited in the good times, and have been somewhat protected from the recent volatility in the Naspers share price.

Another good example is Aspen. Aspen has experienced fantastic growth due to acquisitions. However, the fund had no exposure to this stock as we felt the growth story to be unsustainable, the returns to be deteriorating and the valuations to be on the expensive side. Investors in Aspen have now been disappointed and consequently sold the share down sharply.

We aim to grow the real wealth of our clients over the long term through our solutions. While valuations are important, we believe that they need to be viewed in the context of the environment that awaits us. This requires constant vigilance, particularly given the dynamic global landscape.

Source: Old Mutual Investment Group as at 30/09/2018

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS:

- Monthly: R500
- Lump sum: R10 000
- Ad hoc: R500

INITIAL CHARGES (Incl. VAT)*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.45%.

Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

* Please note: Initial charges do not apply to the Class B funds.

ONGOING

	Class A	Class B1*	Class R
Annual service fees (excl. VAT)	1.30%	0.95%	1.00%

* Please note: The Class B1 Fund is only available through investment platforms such as Old Mutual Wealth. The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. These include the fees and costs relating to underlying global asset class exposures, which range between 0.20% and 0.50% as the fee for equity exposures is typically higher than the fee for fixed income or money market exposures. Old Mutual Balanced Fund A3 may pay 0.50% (excl. VAT) of its annual service fee as an ongoing adviser fee. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

TAX REFERENCE NUMBER: 9440/007/60/8

ISIN CODES:	Class A	Class B1	Class R
	ZAE000097424	ZAE000171096	ZAE000020780

Total Expenses (Incl. Annual Service Fee)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.65%	1.25%	1.30%	1.64%	1.24%	1.30%
Transaction Cost (TC)	0.11%	0.11%	0.11%	0.10%	0.10%	0.10%
Total Investment Charge	1.76%	1.36%	1.41%	1.74%	1.34%	1.40%

* Please note: The Class B1 Fund is only available through investment platforms such as Old Mutual Wealth.

TER is a historic measure of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

Funds are also available via Old Mutual Wealth and MAX Investments.

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We aim to treat our clients fairly by giving you the information you need in as simple a way as possible, to enable you to make informed decisions about your investments.

- We believe in the value of sound advice and so recommend that you consult a financial planner before buying or selling unit trusts. You may, however, buy and sell without the help of a financial planner. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.
- You should ideally see unit trusts as a medium- to long-term investment. The fluctuations of particular investment strategies affect how a fund performs. Your fund value may go up or down. Therefore, we cannot guarantee the investment capital or return of your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- The fund fees and costs that we charge for managing your investment are disclosed in this Minimum Disclosure Document (MDD) and in the table of fees and charges, both of which are available on our public website or from our contact centre.
- Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained, free of charge, from Old Mutual Unit Trust Managers (RF) (Pty) Ltd, from our public website at www.omut.co.za or our contact centre on 0860 234 234.
- Our cut-off time for client instructions (e.g. buying and selling) is at 15:00 each working day for all our funds, except the Money Market Funds, the price of which is set at 13:00. These are also the times we value our funds to determine the daily ruling price (other than at month-end when we value the Old Mutual Index Funds and Old Mutual Multi-Managers Fund of Funds range at 17:00 close). Daily prices are available on the public website and in the media.
- Unit trusts are traded at ruling prices, may borrow to fund client disinvestments and may engage in scrip lending. The daily ruling price is based on the current market value of the fund's assets plus income minus expenses (NAV of the portfolio) divided by the number of units on issue.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 30 November 2018. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

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