

# CHANGES TO OUR FUNDS

At Old Mutual Unit Trusts we constantly review our fund range to ensure that we offer an appropriate range of funds that meets your clients' long-term goals. With this in mind, we are making the following changes:

## WHAT IS CHANGING?

- We believe that merging the Old Mutual Enhanced Income Fund with Old Mutual Real Income Fund will help investors to achieve a growing income stream over time. Therefore, investors in these two funds will be balloted to vote on a proposed merger in due course.
- The fee basis of the Old Mutual Maximum Return Fund of Funds will be aligned with the rest of the Old Mutual Unit Trusts range of MacroSolutions funds with effect from 1 January 2016:

Old Mutual Maximum Return Fund of Funds	FEE BASIS EFFECTIVE FROM 1 JANUARY 2016			CURRENT FEE BASIS
	Local Assets (excl. VAT)	Offshore Assets (excl. VAT)	Estimated contribution of fees to TER (incl. VAT)	TER as at 30 June 2015
A Class	1.30%	1.65%	1.60%	1.71%
B1 Class	0.95%	1.30%	1.21%	1.25%

The estimated contributions of fees to TERs are calculated assuming the fund of funds' benchmark allocation to offshore assets. Fees on offshore assets will vary within a range (the mid-point of this range is shown in the table above).

- The Old Mutual SYm|metry fund range will be renamed to Old Mutual Multi-Managers.
- The Old Mutual Multi-Managers Cautious Fund of Funds' benchmark and performance target will change to CPI and CPI Plus 2-3% respectively to align with our Old Mutual Multi-Managers' CPI-targeted range.
- We have also launched two new multi-manager funds. These new funds are initially only available directly from us, but will be added to other Old Mutual offerings in time:

1. **Old Mutual Multi-Managers Aggressive** Balanced Fund of Funds: This fund aims to produce significant inflation-beating returns over the long term. The fund is Regulation 28 compliant. Given its aggressive balanced nature, the fund is likely to have a higher average equity exposure than the exposure typically displayed by most other ASISA multi-asset high equity portfolios.

2. **Old Mutual Multi-Manager Maximum** Return Fund of Funds: The objective of this fund is to generate the maximum possible investment return over a long-term investment horizon. While the fund's primary focus is on shares, nothing prevents its fund manager from gaining exposure to bonds, listed property, cash or other asset classes to maximise long-term growth. There is no minimum or maximum that the fund must hold in South African or international assets.

- Investors voted in favour of changing the name of the Old Mutual Small Companies Fund to the Old Mutual Mid & Small Cap Fund and expanding its universe, the most notable change being to primarily invest in companies smaller than the FTSE/JSE Top 40 companies. This will be effective from 1 October 2015, provided consent is received from the Registrar of Collective Investment Schemes at the Financial Services Board.

Performance targets that are defined relative to inflation are currently expressed before fees across our range. In future, these will be expressed after annual service fees.

The following changes in performance objectives will be implemented:

Fund	Current	New
Old Mutual Balanced Fund	CPI + 5% to 6% (gross of fees)	CPI + 4% to 5% (net of fees)
Old Mutual Core Diversified Fund	CPI + 5% to 6% (gross of fees)	CPI + 4% to 5% (net of fees)
Old Mutual Dynamic Floor Fund	CPI + 4% to 5% (gross of fees)	CPI + 3% to 4% (net of fees)
Old Mutual Flexible Fund	CPI + 6% to 7% (gross of fees)	CPI + 5% to 7% (net of fees)
Old Mutual Moderate Balanced Fund	CPI + 4% to 5% (gross of fees)	CPI + 3% to 4% (net of fees)
Old Mutual Real Income Fund	CPI + 2% to 3% (gross of fees)	CPI + 1% to 2% (net of fees)
Old Mutual Stable Growth Fund	CPI + 3% to 4% (gross of fees)	CPI + 2% to 3% (net of fees)
Old Mutual Multi-Managers Balanced FoF	CPI + 5% to 6% (gross of fees)	CPI + 4% to 5% (net of fees)
Old Mutual Multi-Managers Defensive FoF	CPI + 4% to 5% (gross of fees)	CPI + 3% to 4% (net of fees)

If you have any questions on these changes, please contact our Old Mutual Unit Trust customer service centre at 0860 234 234 or send an email to [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

## PLEASE ENSURE YOU USE OUR MOST RECENT APPLICATION FORMS

There have been numerous regulatory and tax changes over the past few years leading to many changes to our forms. Please ensure you use the latest application forms from our website, Form Factory or Gateway when you make any changes or update personal details, to avoid unnecessary delays.



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### STATUTORY INFORMATION

We aim to treat our customers 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 the services of a planner, we remind you they are entitled to certain negotiable planner fees or commissions.
- The fund fees and costs that we charge for managing your investment are accessible on the relevant fund's minimum disclosure document (MDD) or table of fees and charges both on our public site, or from our contact centre.
- You should ideally see unit trusts as a medium- to long-term investment. This means you should hold them for at least five years to give them the opportunity to grow. 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 the return on your investment. How a fund has performed in the past does not necessarily indicate how it will perform in the future.
- Our cut-off time for client transactions (e.g. buying and selling) is at 15:00 each working day for all funds, except the Money Market Funds, whose price is set daily at 13:00. These are also the times that we value our funds to determine the daily ruling price (other than at month-end when we value the Old Mutual RAFI® 40 Tracker Fund, Old Mutual Top 40 Fund and Old Mutual SYM|mENTRY Equity Fund of Funds at 17:00). Daily prices are available on the OMUT website and in the media.
- Unit trust funds may borrow to fund client disinvestments and engage in scrip lending.
- Old Mutual is a member of the Association of Savings & Investment South Africa (ASISA).

### Income funds

Income funds derive their income from interest-bearing instruments as defined. The yield is a current yield and is calculated daily.

### Fund of funds

As there is a two-tier structure for investments in a fund of funds, and each tier has its own charges, a fund of funds may have a higher fee structure.

### Funds with foreign assets

This fund holds assets in foreign countries and therefore there may be risks regarding liquidity, the repatriation of funds, the political and macro-economic situation, foreign exchange, tax, settlement, and the availability of information. Please contact us for risks specific to each country.