FUND INFORMATION

RISK PROFILE

- Low
- Low to Moderate
- Moderate
- Moderate to High
- High

RECOMMENDED MINIMUM INVESTMENT TERM

- 1 year
- 3 years
- 5 years

FUND OBJECTIVE

The fund aims to deliver returns in excess of those offered by money market funds and similar levels of liquidity, without significantly increasing risk.

WHO IS THIS FUND FOR?

This fund suits risk-averse investors with a short-term investment horizon and who want yields in excess of those on money market investments, but also require high liquidity from their investment and cannot tolerate the higher risk associated with income funds.

INVESTMENT MANDATE

The fund is a specialist yield-enhanced money market portfolio that offers diversification, high liquidity and very low volatility by investing in money market and short-term debt instruments.

Compared to money market unit trusts, it will have a marginally higher risk exposure in order to provide yield enhancement. However, low volatility is a key criterion for this product. The maximum average duration of this fund is 365 days. Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

The fund does not comply with the asset allocation sublimits set out in Regulation 28 of the Pension Funds Act, and therefore the fund is not Regulation 28 compliant.

BENCHMARK:

Alexander Forbes Short-term Fixed Interest Index (StEFl)

PERFORMANCE TARGET:

StEFl + 0.75% over rolling one-year periods

Performance is targeted over the recommended minimum investment term and is not guaranteed.

RISK OBJECTIVE:

No capital loss over any monthly period.

ASISA CATEGORY:

South African – Interest Bearing – Short-term

FUND MANAGER(S):

Michael van Rensburg
(Futuregrowth Asset Management)

LAUNCH DATE:

03/10/2011

SIZE OF FUND:

R2.9bn

DISTRIBUTIONS: (Monthly)

Date | Interest | Yield
---|---|---
30/09/2019 | 1.21c | 7.31%
31/08/2019 | 1.26c | 7.50%
31/07/2019 | 1.28c | 7.46%
30/06/2019 | 1.22c | 7.64%
31/05/2019 | 1.29 | 7.65%
30/04/2019 | 1.24 | 7.70%
31/03/2019 | 1.32c | 7.76%
28/02/2019 | 1.13c | 8.03%
31/01/2019 | 1.25c | 7.19%
31/12/2018 | 1.10c | 7.14%
30/11/2018 | 1.36c | 7.07%
31/10/2018 | 1.26c | 7.06%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

| Money Market Instruments* | 64.9%
| 12+ Months | 213%
| 6-12 Months | 7.2%
| 0-6 Months | 6.6%

* Money market instruments include cash, NCDs and treasury bills.

FUND PERFORMANCE as at 30/09/2019

<table>
<thead>
<tr>
<th>% PERFORMANCE (ANNUALISED)</th>
<th>1-Yr</th>
<th>3-Yr</th>
<th>5-Yr</th>
<th>7-Yr</th>
<th>10-Yr</th>
<th>Since Inception1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund [Class A]</td>
<td>7.8%</td>
<td>7.9%</td>
<td>7.6%</td>
<td>7.0%</td>
<td>-</td>
<td>6.8%</td>
</tr>
<tr>
<td>Fund [Class B1]2</td>
<td>8.0%</td>
<td>8.1%</td>
<td>7.7%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benchmark</td>
<td>7.3%</td>
<td>7.4%</td>
<td>7.1%</td>
<td>6.6%</td>
<td>6.5%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

1 Performance since inception of the fund.

2 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.

**Performance Since Inception**

Past performance is no indication of future performance.

Risk Statistics (Since Inception)

- Maximum Drawdown: 0.0%
- Months to Recover: N/A
- % Positive Months: 100.0%
- Annual Standard Deviation: 0.4%

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

1-Year Annualised Rolling Returns (Fund vs Benchmark)

<table>
<thead>
<tr>
<th>Indexed to 100 on 30 Sep 2011</th>
<th>Sep 12</th>
<th>Nov 13</th>
<th>Jan 15</th>
<th>Mar 16</th>
<th>May 17</th>
<th>Jul 18</th>
<th>Sep 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>4%</td>
<td>5%</td>
<td>6%</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
</tr>
</tbody>
</table>

PRINCIPAL HOLDINGS

<table>
<thead>
<tr>
<th>HOLDING</th>
<th>% OF FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEDCOR NCD 7.7% 29/09/2020</td>
<td>3.3%</td>
</tr>
<tr>
<td>FRJ22 FRN 07/03/2022</td>
<td>2.7%</td>
</tr>
<tr>
<td>FSRB121 FRN 20/08/2020</td>
<td>2.1%</td>
</tr>
<tr>
<td>FSRB111 FRN 19/02/2020</td>
<td>1.8%</td>
</tr>
<tr>
<td>Standard Bank FRN 23/06/2021</td>
<td>1.8%</td>
</tr>
<tr>
<td>NBSR36H 28/10/2019</td>
<td>1.7%</td>
</tr>
<tr>
<td>NEDJBL94 26/11/2020</td>
<td>1.7%</td>
</tr>
<tr>
<td>FirstRand NCD 8.35% 07/01/2020</td>
<td>1.7%</td>
</tr>
<tr>
<td>ABSA NCD 8.45/11/2012</td>
<td>1.4%</td>
</tr>
<tr>
<td>FRJ20 FRN 20/09/2020</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
FUND COMMENTARY

The domestic market began the quarter on a positive note following the more stable outlook from May’s national elections. This, together with the subdued inflation outlook, prompted the South African Reserve Bank (SARB) to cut the repo rate to 6.5% at their July Monetary Policy Committee meeting. The decision was supported by the low growth environment globally, and was a key factor to many countries reducing their lending rates. More notably, we saw the US Federal Reserve cut their federal funds rate by 25 basis points at 25 basis points at both their July and September Federal Open Market Committee meetings.

Subsequent to the SARB’s decision in July the FRA (forward rate agreement) curve is pricing in one more rate cut over the next six to 12 months. Accordingly, NCD (negotiable certificate of deposit) rates have narrowed across the curve, particularly in the 9-12 months region and have led to a flatter NCD curve, with the spread between the 12-month and 3-month JIBAR now at just over 85bps.

We are mindful of the potential risks to the economy, which include the ongoing trade war between the US and China as well as the possibility of a ratings downgrade by Moody’s in November. We will monitor these risks and look to add to our fix rate exposure at levels that we deem appropriate for the risk being taken - with our preference being for the 6-7 months area of the curve.

We continue to be buyers of longer-dated floating rate assets, as these instruments help in managing the interest rate risk whilst also ensuring a healthy running yield for the fund.

Source: Old Mutual Investment Group as at 30/09/2019

OTHER INVESTMENT CONSIDERATIONS

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

INITIAL CHARGES (Incl. VAT)*:
- Ad hoc: R500
- Lump sum: R10 000
- Monthly: R500

MINIMUM INVESTMENTS:

FUND MANAGER INFORMATION

MICHAEL VAN RENSBURG | PORTFOLIO MANAGER | B.Com.

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

Trustee: Standard Bank, PO Box 34, Cape Town 8000. Tel: +27 21 401 0202, Fax: +27 21 401 3887. Issued: October 2019

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.oldmutualinvest.com or our contact centre on 0860 234 234.
- Our cut-off time for client instructions (e.g. buying and selling) is 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.
- 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 September 2019. Sources: Morningstar and Old Mutual Investment Group (IFSP no. 604).

Futuregrowth Asset Management (Pty) Ltd is a registered Financial Services Provider. Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965/008 4707, 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.