



FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

The fund aims to deliver long-term equity-like returns, but at lower levels of volatility than equity. The fund will predominantly invest in shares, but the portfolio manager can invest in less risky asset classes when they offer better value.

WHO IS THIS FUND FOR?

This fund is suited to investors who want high long-term capital growth, but also want some protection against short-term fluctuations of the equity market. The fund is suitable for long-term savings outside a retirement fund.

INVESTMENT MANDATE

There are no restrictions on the asset holdings of this fund, except that a maximum of 30% of its portfolio (with an additional 10% for African ex-SA investments) may be invested offshore. The fund invests in money markets, bonds, property and shares. Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and therefore may hold a higher allocation to equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

BENCHMARK:	CPI
PERFORMANCE TARGET:	CPI + 5% to 7% p.a. (net of fees)
	Performance is targeted over the recommended minimum investment term and is not guaranteed.
RISK OBJECTIVE:	Lower volatility than the equity market.
ASISA CATEGORY:	South African – Multi-Asset – Flexible
FUND MANAGER(S):	Peter Brooke & Arthur Karas (Old Mutual Investment Group – MacroSolutions)
LAUNCH DATE:	20/08/1996
SIZE OF FUND:	R5.4bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
31/12/2018	7.83c	9.03c	16.85c	1.06%
30/06/2018	7.20c	7.73c	14.94c	0.90%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

SA Equities	48.0%
International Equities	23.4%
Nominal Bonds	11.5%
SA Cash	7.8%
SA Property	6.0%
Preference Shares	1.3%
International Cash	1.2%
Africa Property	0.7%

FUND PERFORMANCE AS AT 30/04/2019

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	3.8%	6.0%	7.5%	10.6%	12.7%	12.9%
Fund (Class A) ²	3.4%	5.6%	7.1%	9.9%	12.0%	-
Fund (Class B) ³	3.8%	6.0%	7.5%	-	-	-
Benchmark*	4.5%	4.8%	4.9%	5.2%	5.2%	6.2%

* 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.

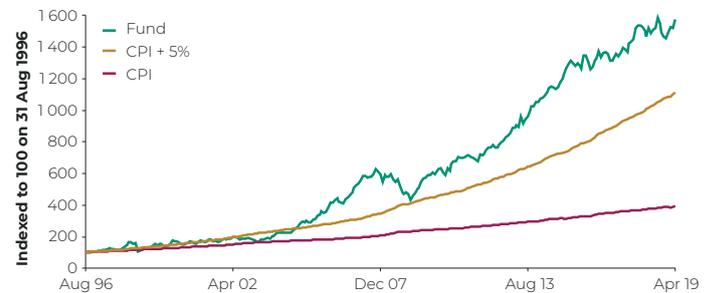
² Inception: 30 June 2007.

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)	54.0%	13.8%	-26.9%

Performance Since Inception



Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-35.6%
Months to Recover	17
% Positive Months	61.4%
Annual Standard Deviation	14.8%

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 31/03/2019

HOLDING	% OF FUND
Naspers Ltd	3.7%
R2035 8.875% 28/02/2035	3.4%
R186 10.5% 21/12/2026	3.3%
Sasol Ltd	3.2%
ABSA Group Ltd	2.9%
British American Tobacco	2.9%
Nedbank Group Ltd	2.7%
Anglo American Plc	2.3%
Old Mutual Ltd	2.0%
MTN Group Ltd	2.0%



FUND MANAGER INFORMATION



PETER BROOKE |
 PORTFOLIO MANAGER

- Head of MacroSolutions
- BBusSc Finance (Hons)
- 23 years of investment experience



ARTHUR KARAS |
 PORTFOLIO MANAGER

- BCom, CFA
- 27 years of investment experience

of 2018. This really illustrates the importance of sticking to one's long-term savings plan, as panicking out of the market at the end of the year would have been very expensive.

Locally, given the constraints facing South Africa, the Budget delivered by Minister Mboweni was sound. Eskom is the elephant in the room. The fragility of our electricity supply and the return of load shedding reinforced the need to urgently tackle the electricity dilemma. It was pleasing to note that Government proposed a solution of splitting Eskom into three companies – we now need to see the follow-through in the coming months. All eyes were on the ratings agencies of late, particularly Moody's, which granted South Africa another reprieve at the end of March. In terms of market performance, the local equity market recovered somewhat (up 4% on the FTSE/JSE Capped SWIX), but this was driven by the performance of the resources and the global names – local sectors were mostly lower over the quarter. Better global sentiment, well-contained inflation and a firm fiscal stance led to local bonds delivering good returns over this period. Attention now turns to the elections in May, following which investors will expect greater clarity on the pace and extent of the local recovery.

The Old Mutual Flexible Fund benefited from the better equity markets and enjoyed good returns during the first quarter of 2019. The fund's return over 12 month exceeds that of the FTSE/JSE SWIX

Index, but was impacted negatively by exposure to SA focused stocks.

During the quarter, the fund sold its remaining holding in Capitec. The fast-growing bank has been a core holding since the collapse of African Bank (ABIL) in 2014, and has risen nearly 500% since then. We are still positive about Capitec's earnings outlook, but the valuation has simply gotten too high for our liking. We have added to a number of our domestic equities on weakness. British American Tobacco, which had a torrid time in 2018, was another investment where we increased our exposure and were rewarded with a much better start to 2019.

Looking forward, we believe the US equity market is getting more expensive and we sold some global equity into the recent strength. At the same time, we think the severe weakness of the rand in the last year will not be repeated and, as such, are running with high South African exposure. This includes interest-bearing assets where South Africa offers very high real returns in a global context. Markets are pricing in a very bearish outlook for South Africa. This includes the loss of SA's last remaining investment grade rating. Any good news on the South African economy or political landscape would be positive for these assets.

Source: Old Mutual Investment Group as at 31/03/2019

FUND COMMENTARY AS AT 31/03/2019

Investors were, by and large, relieved to bid farewell to 2018. Hopes for a 2019 reversal of fortunes grew and the first quarter didn't disappoint. A more cautious US Federal Reserve (signalling that interest rates are on hold), continued accommodative monetary policy in Europe and Chinese stimulus all contributed to the recovery in risk assets over the quarter. It would also appear that the US and China are making progress on trade talks, while the British parliament indicated that a no-deal Brexit was not a preferred route. Global equities rose over 12% in US dollars over the quarter, largely reversing the 11% fall incurred in the last quarter

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.

TAX REFERENCE NUMBER: 9301/002/60/7

ISIN CODES: Class A ZAE000097440
 Class B1 ZAE000171104

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.

Total Expenses (Incl. Annual Service Fee) (31/12/2018)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.66%	1.26%	1.32%	1.66%	1.26%	1.31%
Transaction Cost (TC)	0.15%	0.15%	0.15%	0.13%	0.13%	0.13%
Total Investment Charge	1.81%	1.41%	1.47%	1.79%	1.39%	1.44%

* 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 April 2019. 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.

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