



OLD MUTUAL BALANCED FUND

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

JULY 2021

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



ESG FUND RATING

The environmental, social and governance (ESG) fund ratings are based on the exposure of the underlying assets held to industry-specific ESG risks and the ability to manage those risks relative to peers.

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:	R19.4bn			
DISTRIBUTIONS: (Half-yearly)*				
Date	Dividend	Interest	Total	Total %
30/06/2021	5.88c	10.12c	16.00c	0.89%
31/12/2020	3.06c	6.97c	10.03c	0.62%
* Class A fund distributions				

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION	
SA Equities	45.3%
International Equities	27.4%
SA Bonds	17.3%
SA Property	3.6%
Commodities	2.2%
SA Cash	1.9%
International Fixed Interest	1.7%
SA Multi Asset Class Funds	0.6%

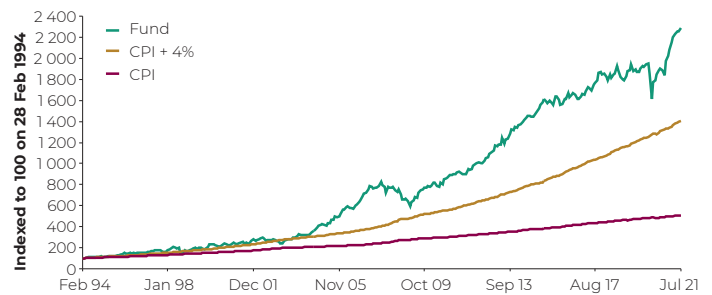
FUND PERFORMANCE AS AT 31/07/2021

% PERFORMANCE (ANNUALISED)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	21.3%	7.3%	6.7%	6.7%	9.8%	12.1%
Fund (Class A) ²	20.8%	6.9%	6.4%	6.3%	9.1%	-
Fund (Class B) ³	21.3%	7.3%	6.8%	6.8%	-	-
Benchmark*	4.9%	3.8%	4.2%	4.6%	5.0%	6.1%

* 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 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%	12.4%	-23.2%

Performance Since Inception



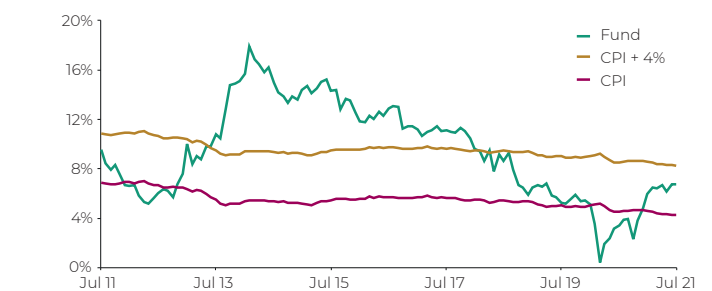
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-29.1%
Months to Recover	17
% Positive Months	65.7%
Annual Standard Deviation	12.4%

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 30/06/2021

HOLDING	% OF FUND
R2032 8.25% 31/03/2032	7.2%
R2035 8.875% 28/02/2035	4.2%
R2030 8.00% 31/01/2030	4.1%
Naspers Ltd	3.9%
FirstRand Ltd	3.8%
Standard Bank Group Ltd	3.1%
Anglo American Plc	3.0%
MTN Group Ltd	2.5%
British American Tobacco	2.5%
ABSA Group Ltd	2.1%

THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

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

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OLD MUTUAL BALANCED FUND

JULY 2021

FUND MANAGER INFORMATION



GRAHAM TUCKER |
PORTFOLIO MANAGER

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



WARREN VAN DER WESTHUIZEN |
PORTFOLIO MANAGER

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

FUND COMMENTARY AS AT 30/06/2021

It was another big quarter for growth/risk assets, as global equities were up 7.4% in US dollars. This made the first half of 2021 one of the best periods for global equities – up 12.3%. This came along with record inflows into equities.

What was different this quarter, however, was that global bonds did not sell off as in the previous quarter. The US 10-year government bond yield rallied from the end of March to close the second quarter at 1.47%. The yield on the Bloomberg Global Aggregate Bond Index (which includes largely developed markets and both government and corporate debt) was largely flat over the quarter and ended at 1.12%. This happened as the news was filled with fears of higher

inflation and the US Federal Reserve potentially tightening policy sooner than previously thought. Along with this move in yields, the rotation trade paused somewhat in this quarter, as global growth outperformed global value (10% vs 4.8% in USD).

On the Covid front, the delta variant is driving new waves in countries around the world. The US has aggressively caught up on vaccinations and is now among the front-runners of the developed world in getting their populations vaccinated. Emerging markets excluding China still lag well behind, along with Africa and South Africa in particular.

The rand had a wild ride and strengthened at one point in the quarter to R13.43 to the US dollar, but weakened again to end at R14.29 as the country entered another lockdown at the end of the quarter. At a headline level, the local equity market disappointed.

Performance in rands was barely positive at 0.6%. Gold and platinum miners struggled and Naspers/Prosus were big detractors for the local market. The performance of resources shares in SA, combined with their significant earnings, has made these shares trade at some of their lowest price-earnings ratios (PEs) in the last decade. On the fixed income front, the sell-off in SA bonds in Q1 was short-lived, as the SA 10-year yield (proxied by the R213 bond) rallied from 9.93% to 9.25%. The SA All Bond Index returned a whopping 6.9% for the quarter. With this move in bonds, SA financials, clothing retailers and SA property performed well over the quarter.

The fund delivered good returns in the quarter, particularly considering the performance of the local equity market. The exposure to local bonds and global equity drove the returns during the period, together with strong selection alpha within local equity. Over the last year, the fund has benefited from the increased allocation to and subsequent strong performance of risk assets.

As expected, equity markets have rerated sharply since the middle of last year. The environment of stimulative monetary and fiscal policy and increased activity as economies reopen should result in a continued improvement in earnings. This means that equity markets can deliver good, albeit lower, returns from here. We would expect growth assets to outperform safe-haven assets. As such, the fund maintains a pro-growth stance. We used weakness in the quarter to add to the likes of Bidcorp (a global reopening beneficiary) and Sasol (a classic global cyclical company).

Within the growth asset universe, we believe South African growth assets are well positioned to benefit from the current environment. Higher commodity prices, attractive valuations and positive momentum on the reform front augur well for these assets. We started buying local equity in the second quarter of 2020 and have continuously looked for opportunities to prudently allocate further to this attractive area of the asset class. We made further strides in this regard during the past quarter, as we rotated from local defensive to local cyclical counters. Banks have been the primary recipient of this cyclical allocation. They continue to offer good value, and will continue to release provisions set aside at the start of the pandemic.

Looking forward, we would expect returns to moderate from what we've seen over the last year, as investors try to balance better economic activity with higher valuations and (likely) peak stimulus. As active managers we remain committed to directing the fund towards assets we believe best placed to deliver the real returns required without exposing investors to excessive risk.

Source: Old Mutual Investment Group as at 30/06/2021

OTHER INVESTMENT CONSIDERATIONS

INVESTMENT CONTRACT MINIMUMS*:

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

* These investment minimums are not limited to this fund. They can be apportioned across the funds you have selected in your investment contract.

INITIAL CHARGES (Incl. VAT):

Initial adviser fee will be between 0% and 3.45%.

TAX REFERENCE NUMBER: 9440/007/60/B

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

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 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. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

Total Expenses (Incl. Annual Service Fee) (31/03/2021)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.64%	1.24%	1.30%	1.64%	1.24%	1.30%
Transaction Cost (TC)	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Investment Charge	1.74%	1.34%	1.40%	1.74%	1.34%	1.40%

* Please note: The Class B1 fund is 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.

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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.oldmutualinvest.com 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 for our money market funds, where the cut-off is at 12:30.
- The valuation time is set at 15:00 each working day for all our funds, excluding our money market funds which is at 13:00, 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 31 July 2021. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).
- MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings ("the information") provide environmental, social and governance data with respect to underlying securities within more than 31 000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from the US SEC or any other regulatory body. None of the information constitutes an offer to buy or sell, or a promotion or recommendation of any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the information can be used to determine which securities to buy or sell or when to buy or sell them. The information is provided "as is" and the user of the information assumes the entire risk of any use it may make or permit to be made of the information.

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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