OLD MUTUAL BALANCED FUND

FUND INFORMATION

RISK PROFILE

Low | Low to Moderate | **Moderate** | Moderate to High | High

RECOMMENDED INVESTMENT TERM

1 year+ | 2 years+ | 3 years+ | **5 years+** | 7 years+

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)

LAUNCH DATE:

01/03/1994

SIZE OF FUND:

R23.0bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
30/06/2024	13.87c	16.64c	30.50c	1.46%
31/12/2023	12.63c	21.25c	33.88c	1.67%

* Class A fund distributions

TAX REFERENCE NUMBER:

9440/007/60/8

CODES	JSE	ISIN
Class A	OMBFA	ZAE000097424
Class B1	OMBB1	ZAE000171096
Class R	OMSL	ZAE000020780

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 45% of its portfolio. 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.

CONTACT DETAILS

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

0860 234 234 | www.oldmutualinvest.com | unittrusts@oldmutual.com | Invest now

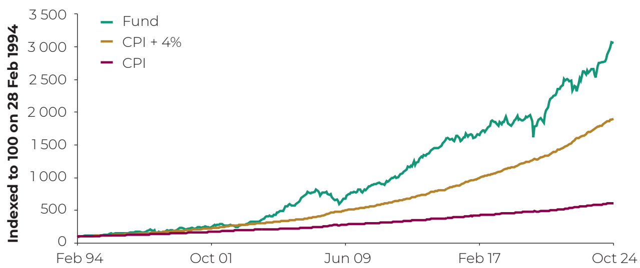
HOW TO READ AN MDD.

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

OLD MUTUAL BALANCED FUND

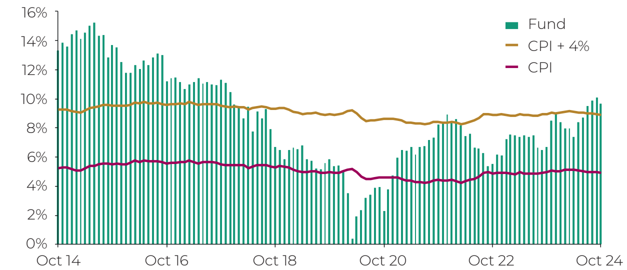
FUND PERFORMANCE AS AT 31/10/2024

PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

5-YEAR ANNUALISED ROLLING RETURNS
(FUND VS BENCHMARK/PERFORMANCE TARGET)



% Performance (Annualised)						
	1-Yr	**3-Yr**	**5-Yr**	**7-Yr**	**10-Yr**	**Since Inception[1]**
Fund (Class R)	21.1%	8.6%	9.7%	7.4%	7.8%	11.8%
Fund (Class A)[2]	20.7%	8.2%	9.3%	7.0%	7.4%	-
Fund (Class B1)[3]	21.2%	8.6%	9.8%	7.4%	7.8%	-
Benchmark*	3.8%	5.6%	4.9%	4.8%	4.9%	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 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.

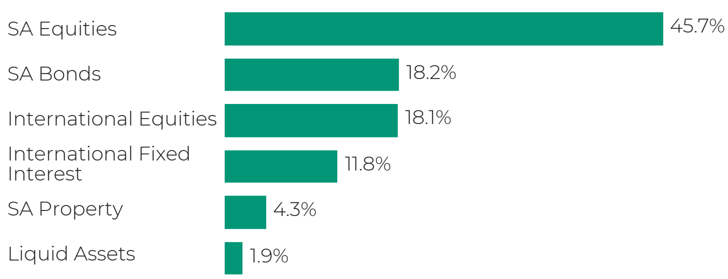
Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	45.5%	12.2%	-23.2%

Risk Statistics (Since Inception)	
Maximum Drawdown	-29.1%
Months to Recover	17
% Positive Months	65.5%
Annual Standard Deviation	12.0%
Sharpe Ratio	0.25

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

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION



PRINCIPAL HOLDINGS AS AT 30/09/2024

Holding	% of Fund
Naspers Ltd	4.0%
FirstRand Ltd	3.5%
Standard Bank Group Ltd	3.5%
R2037 8.50% 31/01/2037	3.4%
R2023 8.25% 31/03/2032	2.8%
R2040 9.00% 31/01/2040	2.8%
R2044 8.75% 31/01/2044	2.7%
R186 10.5% 21/12/2026	2.2%
Prosus NV	2.2%
Newgold Issuer Ltd	2.0%

OLD MUTUAL BALANCED FUND

PORTFOLIO MANAGERS COMMENTARY AS AT 30/09/2024

OLD MUTUAL INVESTMENT GROUP

GRAHAM TUCKER

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

WARREN VAN DER WESTHUIZEN

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

South African assets continued their barnstorming run as the markets were hit by a continuous stream of good news. South African property led the way with an 18.7% return over the quarter, followed by South African bonds with 10.6% and South African equities delivering 9.6%.

Firstly, investors appreciated that the Government of National Unity remained stable and reached 100 days. This supported the rand, which appreciated by more than 5% to 17.2 against the US dollar, and over the last year it is one of the strongest currencies in the world. This meant that despite strong global asset returns they barely delivered a return in Q3 to South African investors. Over the quarter and the year South African equities outperformed global equities, and over the 12 months even matched the tech fuelled US market. An interesting development to watch is that in the last quarter technology was the worst performing global sector.

The second big positive driver was the Chinese authorities starting to stimulate aggressively in September. The extended pain of the property crash and severe deflationary pressure caused a flurry of activity. This resulted in a massive 24% gain in the Chinese equity market in September alone. The obvious positive implications for South Africa flowed through into Prosus and Naspers, Richemont and the mining shares. Commodity prices picked up, especially the iron ore price, which if sustained will help our exports and tax receipts. The other major event was the US Federal Reserve ringing the bell on the global rate cutting cycle, with a larger-than-expected 50 basis points (bps) cut. This opened the door for the South Reserve Bank to cut, albeit with a more miserly 25bps. We expect more cuts to come, which will help support consumer discretionary spending and an improvement in economic growth. The withdrawals from pension funds due to the Two Pot system will also support Christmas shopping. Another piece of good news has been the fall in the oil price, boosting our terms of trade, reducing inflation and putting cash back into our pockets. Bad news for Sasol, but good news for South Africans.

There are clouds on the horizon though, with a continued deterioration in the geo-political situation in the middle east. We also face an uncertain US election, which in turn could have material geo-political consequences.

The fund delivered very good returns in the past quarter, benefitting from the rally in local assets. The fund has held a meaningful overweight to South African bonds for some time now. This tilt towards South African assets was further complemented by positions in banks, retailers and property. The fund has exposure to global assets but well below the 45% allowed – a value-adding position considering the strength in the currency.

While the last quarter has seen local assets rerate significantly, we believe they can continue to outperform. The reduced South African risk premium due to the stability of the GNU, the improvement at State Owned Enterprises, such as Eskom and Transnet, improved terms of trade due to higher gold prices and lower oil prices and the start of our rate cutting cycle are examples of tailwinds for local assets. Investors will be looking to see how these tailwinds translate into better data such as gross domestic product and company earnings. Consequently, the fund remains tilted towards local assets. We continue to manage our exposure to smaller companies as they outperform, and we have used the weakness in resources to top up our exposure to the sector.

US growth has held up well but there are signs of some weakness. Meanwhile, inflation is moving closer to the inflation target. This allowed the Fed to start cutting interest rates, with more cuts expected in the coming quarters. The expectation is that this engineers a soft landing in the economy. From a valuation perspective however, the US equity market continues to look expensive. As such, we remain cautiously positioned on US equity, preferring European and Japanese banks and US fixed income.

The US elections in early November will likely be the key event for markets this quarter and possibly into next year. The outcome is expected to have significant implications for trade policy and inflation via fiscal policy.

Source: Old Mutual Investment Group as at 30/09/2024

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS*:

Monthly:	R500
Lump sum:	R10 000
Ad hoc:	R500 (in addition to your monthly or lump sum investment)

* 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%.

ONGOING

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

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth.
Class R is closed to new business.

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.

	36 Months			12 Months		
Total Expenses (Incl. Annual Service Fee) (30/09/2024)	**Class A**	**Class B1**	**Class R**	**Class A**	**Class B1**	**Class R**
Total Expense Ratio (TER) Incl. VAT	1.60%	1.20%	1.26%	1.61%	1.21%	1.27%
Transaction Cost (TC)	0.09%	0.09%	0.09%	0.11%	0.11%	0.11%
Total Investment Charge	1.69%	1.29%	1.35%	1.72%	1.32%	1.38%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth.
Class R is closed to new business.

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.

OLD MUTUAL BALANCED FUND

DISCLOSURES

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.
- Investments in unit trusts should ideally be a medium- to long-term strategy that takes cognisance of the Recommended Investment Term of each individual fund as stipulated in its Minimum Disclosure Document. A fund's or an investment strategy's ability to provide benchmark performance, or to achieve its performance target over its Recommended Investment Term on a net of fee basis may be impacted by market illiquidity, differences in fund and market pricing points, concentration risk and other local (and where applicable global) events, such as market- and political developments, macro-economic factors and healthcare risks such as Covid-19, amongst others. Your fund value may therefore go up or down and the investment capital or return on your investment is not guaranteed. 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.
- Excessive daily withdrawals from the fund may place the fund under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and/or managed payouts over time may be followed.
- 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 October 2024. Source: Morningstar.

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

CONTACT DETAILS

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

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