



OLD MUTUAL BALANCED FUND

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

DECEMBER 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.

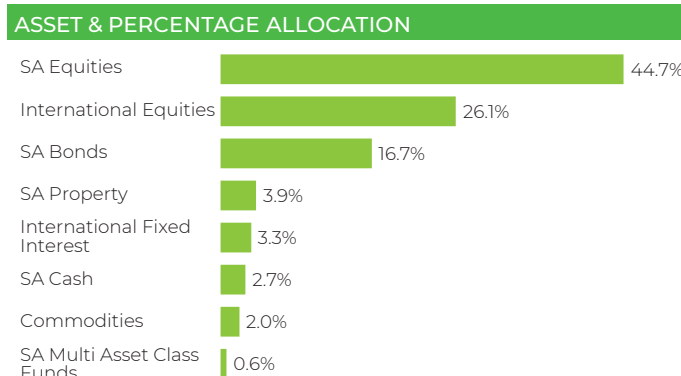
REGULATION 28 COMPLIANCE

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:	R21.2bn			
DISTRIBUTIONS: (Half-yearly)*				
Date	Dividend	Interest	Total	Total %
31/12/2021	11.53c	14.42c	25.95c	1.31%
30/06/2021	5.88c	10.12c	16.00c	0.89%

* Class A fund distributions

FUND COMPOSITION



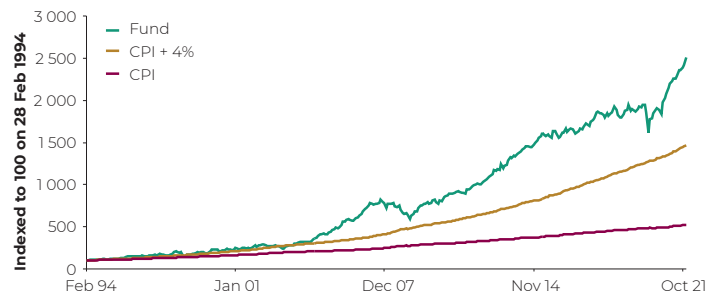
FUND PERFORMANCE AS AT 31/12/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	23.8%	11.9%	8.9%	7.7%	10.2%	12.3%
Fund (Class A) ²	23.4%	11.5%	8.6%	7.3%	9.6%	-
Fund (Class B) ³	23.9%	11.9%	9.0%	7.8%	-	-
Benchmark*	5.5%	4.1%	4.4%	4.8%	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%	12.6%	-23.2%

Performance Since Inception



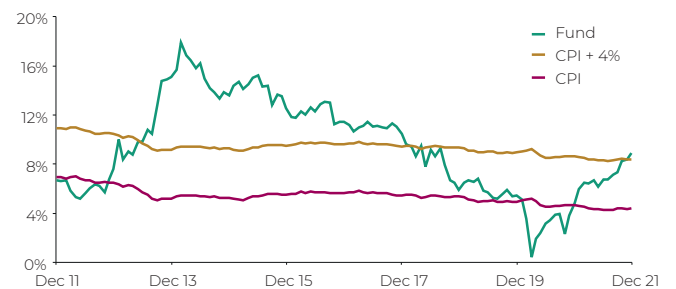
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-29.1%
Months to Recover	17
% Positive Months	65.9%
Annual Standard Deviation	12.3%

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

HOLDING	% OF FUND
R2032 8.25% 31/03/2032	6.9%
R2035 8.875% 28/02/2035	4.6%
FirstRand Ltd	4.0%
Prosus NV	3.8%
MTN Group Ltd	3.5%
Standard Bank Group Ltd	3.3%
R2030 8.00% 31/01/2030	3.1%
Anglo American Plc	3.0%
Sasol Ltd	2.1%
British American Tobacco	2.0%

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

DECEMBER 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

Ample liquidity, the rollout of effective vaccines, and the reopening of economies all contributed to a very strong year for risk assets. In US dollar terms, US equities gained 27% leading global equities 19% higher, while global bonds fell 4.7%. Energy and financials were two of the winners in the year, significantly outperforming more defensive sectors such as utilities and consumer staples. For South African investors, local equity ended the year 27.1% higher, well ahead of bonds (8.4%) and cash (3.8%). Although 41.8% higher in 2021, property (as measured by the SA REITS Index) is still 12.8% down over a two-year period.

While the returns from equity markets were very good, it wasn't entirely smooth sailing. The Chinese government and regulators significantly impacted Chinese and emerging market asset prices as they cracked down on

several industries in a move towards common prosperity. MSCI China was down 21.6% in US dollars leading the MSCI Emerging Markets Index down 2.2%. The most significant impact for local investors was on Tencent through restrictions on gaming, thereby impacting local index heavyweights Prosus and Naspers. These fell 18% in rand terms – sharply underperforming the broad local equity market.

The recovery was threatened by the Delta variant in the middle of the year, and then by the Omicron variant that emerged in the final weeks of 2021. While vaccinations helped manage the Delta variant risk, Omicron raised concerns around vaccine efficacy given the many mutations. The initial reaction from investors was negative due to the uncertainty surrounding the new variant first identified by local scientists. However, markets soon rebounded sharply on the back of the growing body of evidence indicating that the latest variant may be less harmful.

Finally, inflation globally has proven to be stickier than many expected. Inflation was always going to bounce back in 2021. But the continued global supply chain issues, combined with robust demand for goods from a strongly recovering US and Europe, meant prices continued to rise higher and faster than most expected. Global bond yields haven't reacted significantly to date. This is partially due to Omicron related fears and partially due to expectations of higher inflation being temporary in nature. However, global bonds remain under pressure as the US is withdrawing liquidity and is expected to hike short rates in 2022 – the pace will be key for equity markets.

On the positive side, the recovery in economic activity resulted in several SA Inc focused areas of the market performing extremely well through the year. Examples include Raubex (89%), Reunert (56%), Shoprite (54%), Supergroup (47%) and KAP Industrial (43%). Profits generated by resources companies bolstered local tax revenue collection, providing temporary relief to our constrained fiscal position.

The Old Mutual Balanced Fund was well positioned for this environment. The fund delivered very pleasing returns to our clients for the year, as a result of the preference for equity over cash and SA Inc over Naspers and Prosus. The decisions taken on the fixed income side, namely holding SA bonds instead of cash and not holding developed market government bonds, added value.

Looking into 2022, we believe that equity returns will moderate as growth has peaked and valuations are somewhat demanding, particularly US equity. However, in our view, equity should still outperform bonds and cash. Global bonds should remain under pressure given inflation, the withdrawal of quantitative easing and the hike in short-term rates. These rising short-term rates will improve the return earned from cash, but these returns will remain low in absolute terms and negative in real terms.

Locally, our bonds remain very attractive, and the problems encountered with our fiscus and growth path are well known. While it is always possible that these may deteriorate, our view is that we will see stabilisation in the fiscus and an improvement in our medium-term growth path. This would bode well not only for our bonds, but also our SA Inc companies. Despite the strong returns in 2021, many of these companies continue to trade on attractive valuations. As such, we maintain a meaningful exposure to this area of our investment universe.

In summary, we expect a more volatile year ahead for markets, as we are past peak vaccine optimism and liquidity, while valuations are less attractive. However, we believe investors should still be rewarded for taking on risk, and we have positioned the fund accordingly. Understandably, local assets are more attractively valued than global assets. Looking forward, we expect the valuation gap to close and hence have positioned our clients towards SA-facing assets.

Source: Old Mutual Investment Group as at 31/12/2021

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: 9440/007/60/8

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) (30/09/2021)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.63%	1.23%	1.29%	1.62%	1.22%	1.28%
Transaction Cost (TC)	0.10%	0.10%	0.10%	0.09%	0.09%	0.09%
Total Investment Charge	1.73%	1.33%	1.39%	1.71%	1.31%	1.37%

* 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 December 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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