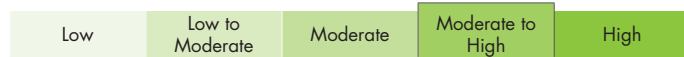


OLD MUTUAL EDGE28 LIFE FUND

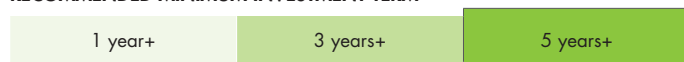
PRODUCT AVAILABILITY	Old Mutual Wealth	MAX
Investment Plan (LIFE)	•	•
Investment Plan (LISP)		
Retirement Annuity	•	•
Preservation Fund	•	
Living Annuity	•	•

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

The fund aims to deliver long-term equity-like returns while still remaining within the requirements of Regulation 28 of the Pension Funds Act. To achieve this objective the fund will have a close to 100% allocation to growth asset classes as permitted by Regulation 28.

WHO IS THIS FUND FOR?

This fund is suited to investors who want high long-term capital growth, but who do not want to be limited to the general balanced nature of Regulation 28 compliant funds. The fund is suitable for long-term savings inside a retirement fund. It is aimed at customers at the start or middle of their pre-retirement savings phase who still have an investment time horizon exceeding 10 years.

INVESTMENT MANDATE

The fund will invest primarily in growth assets while still complying with the maximum asset allocations under Regulation 28. The fund will mostly invest in equities, property and alternatives, with a small exposure to fixed interest and cash. The strategic asset allocation will require most of the assets to be allocated to equity, property and alternative investments. The fund manager can elect to hold less risky asset classes should they offer better value from time to time.

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:	The fund aims to protect capital over 12 months.
FUND MANAGER(S):	Peter Brooke & Arthur Karas <i>(Old Mutual Investment Group – MacroSolutions)</i>
LAUNCH DATE:	3/10/2011
SIZE OF FUND:	R6.0bn

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

SA Equity	44.5%
International Equity	27.7%
SA Property	7.4%
Nominal Bonds	7.0%
SA Cash	5.2%
Hedge Funds	3.1%
Private Equity	2.6%
Africa Property	1.0%
Preference Shares	0.8%
International Alternatives	0.5%
International Cash	0.2%

FUND PERFORMANCE as at 30/06/2018

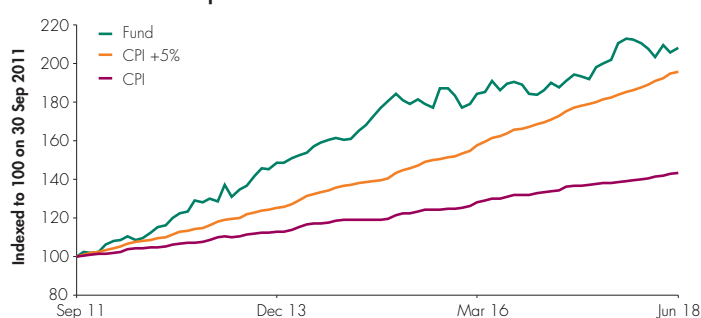
	% PERF.		% PERF. (P.A.)					Since Inception
	3-Mth	6-Mth	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	
Tax-exempt Investor	2.5%	-2.0%	8.7%	5.2%	9.8%	-	-	11.5%
Private Investor	2.6%	-2.1%	6.9%	3.9%	8.2%	-	-	9.9%
Benchmark*	1.3%	2.9%	4.4%	5.3%	5.4%	5.5%	5.5%	5.5%

* The CPI figures are lagged by one month as it is calculated before this month's inflation rate was released. 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.

Sources: Old Mutual & Morningstar as at 30/06/2018

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	26.4%	12.2%	-1.7%

Performance Since Inception

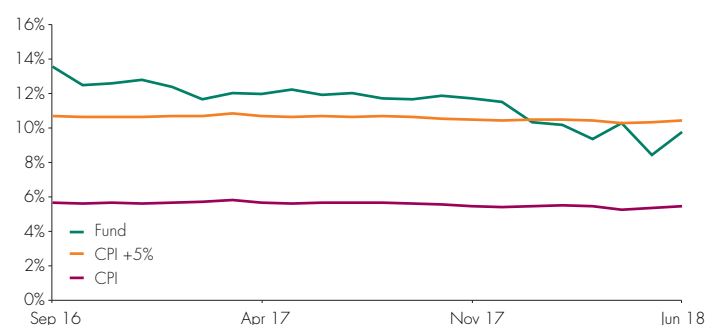


Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Risk Statistics (Since Inception)

Maximum Drawdown	-5.3%
Months to Recover	19
% Positive Months	67.9%
Annual Standard Deviation	7.0%

5-Year Annualised Rolling Returns (Fund vs Benchmark/Performance Target)



PRINCIPAL HOLDINGS

HOLDING	% OF FUND
Naspers Ltd	3.7%
Sasol Ltd	3.1%
Glencore International	2.1%
British American Tobacco	1.8%
Nedbank Group Ltd	1.8%
MTN Group Ltd	1.7%
Capitec	1.7%
Barclays Africa Group Ltd	1.6%
Old Mutual Ltd	1.6%
Steinhoff Africa Retail Ltd	1.5%

OLD MUTUAL EDGE28 LIFE FUND

FUND MANAGER INFORMATION



PETER BROOKE
PORTFOLIO MANAGER

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



ARTHUR KARAS
PORTFOLIO MANAGER

- BCom, CFA
- 27 years of investment experience

FUND COMMENTARY as at 30/06/2018

The performance of investment markets during the second quarter of 2018 was all about the US Federal Reserve (the Fed), the dollar and Trump's trade wars. Better growth in the US than in other parts of the world pointed to the Fed being likely to continue their hiking path perhaps faster than previously expected. The increasing cost of capital, dollar strength and Trump's trade tariff moves weighed on emerging market currencies and markets in particular. Precious metals were weaker, but geopolitical tensions saw the oil price firm considerably.

The negative impact of rand weakness, with rate hikes now more likely than further cuts, as well as disappointing local growth saw South African investment markets come under pressure during the quarter. Bonds and quoted property were weaker with yields kicking up and locally orientated shares such as financials and retailers declined. It was essentially the strong performance of rand hedges Naspers, Sasol and the diversified miners which brought the FTSE/JSE Capped SWIX Index return back up to being close to flat.

The Old Mutual Edge 28 Fund lagged its peer group slightly in June, while performing very much in line with peers in the second quarter of 2018. Over the last twelve months the fund's performance has been in the upper quartile.

With the macro environment weighing heavily on emerging markets it was the global investments, both dual-listed shares and the offshore holdings, that had to carry the portfolio. The uninspiring South African economy has left many of the fund's domestic stock picks directionless and most of the month's positive equity excitement has come from Rand Hedge holdings including Sasol, Sappi and Naspers. The fund's South African equity holdings are sufficiently cheap that we are unconcerned about short-term underperformance. Diversification across global equity and local interest-bearing investments is providing a hedge against domestic equity volatility. One of the fund's largest equity holdings unbundled at the end of the month when Old Mutual plc split into Quilter Plc and Old Mutual Ltd. In due course Old Mutual Ltd will also distribute a portion of its holdings in Nedbank. We expect the share prices to take some time to settle down while shareholders across various markets re-position their portfolios. Passive holders are expected to be forced sellers as a number of index changes take effect. We are planning to be patient and not to read too much into the initial market movements.

The Edge 28 Fund is well positioned to deliver on its performance objectives over its investment horizon.

OTHER INVESTMENT CONSIDERATIONS

INITIAL CHARGES:

There is no initial administration charge on the fund.

ONGOING

Annual service fee	1.30%
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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 fees for fixed income or money market exposures.

Total Expenses

Total Expense Ratio (TER)	1.36%
Transaction Cost (TC)	0.09%
Total Investment Charge	1.45%

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 available via:

Old Mutual Wealth: Tel +27 (0)860 999 199 | Fax +27 (0)860 999 197 | Email service@omwealth.co.za | Internet www.omwealth.co.za

Max Investments: Tel +27 (0)860 605 500 | Fax +27 (0)860 60 7500/9500 | Email MaxInvestments@oldmutual.com | Internet www.oldmutual.co.za/personal/investmentsandsavings/max-investments

Max Income: Tel +27 (0)860 605 500 | Fax +27 (0)860 60 7500/9500 | Email maxincome@oldmutual.com | Internet www.oldmutual.co.za/personal/investmentsandsavings/max-income

