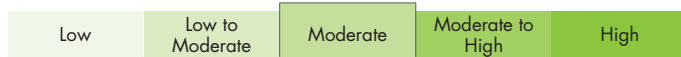


# OLD MUTUAL CORE BALANCED FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED MINIMUM INVESTMENT TERM



### FUND OBJECTIVE

The fund aims to achieve long-term inflation-beating growth from a cost-efficient balanced portfolio with an equity exposure typically displayed by multi-asset high equity portfolios conforming to the regulations governing retirement fund investments.

### WHO IS THIS FUND FOR?

This fund is suited to investors wanting high long-term growth in a cost-efficient multi-asset high equity fund with less volatility in the short term compared to a pure equity fund. The fund is suitable as a stand-alone retirement investment.

### INVESTMENT MANDATE

The fund is exposed to all sectors of the market (shares, bonds, property and cash) with a maximum of 75% exposure to equities and may invest up to 30% of its portfolio offshore in line with Treasury guidelines. The fund will have a minimum of 50% exposure to passively managed underlying securities. Derivatives may be used for risk 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):** Shariefa Parker, Frank Sibiyi & Bernisha Lala  
(Old Mutual Customised Solutions (Pty) Ltd)

**LAUNCH DATE:** 02/03/2015

**SIZE OF FUND:** R252m

### DISTRIBUTIONS: (Half-yearly)\*

Date	Dividend	Interest	Total	Total %
31/12/2017	0.74c	1.45c	2.19c	0.98%
30/06/2017	1.14c	1.33c	2.47c	1.19%

\* Class A fund distributions

## FUND PERFORMANCE as at 28/02/2018

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class A)	9.0%	5.4%	-	-	-	5.4%
Fund (Class B1) <sup>2</sup>	9.4%	5.6%	-	-	-	5.6%
Benchmark*	4.4%	5.7%	5.5%	5.6%	5.8%	5.7%

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

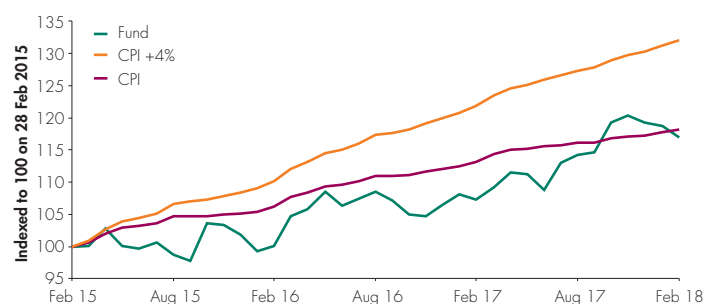
<sup>1</sup> Performance since inception of the fund.

<sup>2</sup> 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)	14.92%	6.54%	0.01%

### Performance Since Inception



Past performance is no indication of future performance.

### Risk Statistics (Since Inception)

Maximum Drawdown	-4.2%
Months to Recover	5
% Positive Months	52.8%
Annual Standard Deviation	7.2%

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION

SA Equities		48.8%
International Equities		20.2%
SA Bonds		12.5%
SA Property		8.3%
Liquid Assets		7.2%
International Bonds		3.0%

### PRINCIPAL HOLDINGS as at 31/12/2017

HOLDING	% OF FUND
Naspers Ltd	2.9%
Growthpoint Properties Ltd	1.5%
Standard Bank Group Ltd	1.5%
MTN Group Ltd	1.5%
Sasol Ltd	1.4%
Nepi Rockcastle Plc	1.4%
FirstRand Ltd	1.3%
British American Tobacco	1.2%
Redefine Properties Ltd	1.1%
Resilient Property Income	1.0%

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

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# OLD MUTUAL CORE BALANCED FUND

## FUND MANAGER INFORMATION



### SHARIEFA PARKER

PORTFOLIO MANAGER

- BCom Financial Management (Hons)
- 8 years of industry experience



### FRANK SIBUYA

PORTFOLIO MANAGER

- BSc Mathematical Sciences
- 8 years of industry experience



### BERNISHA LALA

PORTFOLIO MANAGER

- CFA
- MSc Advanced Analytics & Decision Sciences
- BSc Financial Engineering (Hons)
- BSc Financial Mathematics
- 12 years of industry experience

## FUND COMMENTARY as at 31/12/2017

The broad South African equity market exposure in the fund is primarily through an allocation to the FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX), which is intended to be a fairer reflection of the investment universe available to a South African investor. The Capped SWIX has a strategic weighting of 52.00% in the fund and returned +8.44% for the quarter ending February 2018.

The positive industry sectors for the quarter were consumer services and financials, which returned 16.93% and 15.98% respectively. Consumer goods and technology were the worst performers for the quarter, returning -14.60% and -13.45% respectively.

In addition to the broad local equity market exposure, the fund also has exposure to SA listed property, which has a strategic weight of 6.00%. The JSE SA Listed Property Index returned 8.32% for the quarter ended February 2018.

The international equity exposure is invested in the MSCI ACWI Index, which has a strategic weighting of 23.00%. The MSCI ACWI Index, which offers exposure to both developed and emerging markets globally, had a strong quarter and returned 5.03% in USD terms. The rand appreciated against the US dollar by 8.64% over the quarter, which would have detracted from the returns to South African investors.

To diversify the fund away from equity, the fund invests in nominal bonds through exposure to the JSE All Bond Index (ALBI), which has a strategic weighting of 7.00% and returned 2.22% for the quarter. All duration bands had positive returns for the quarter, with the longer end of the curve outperforming the shorter end with returns of 2.28% for the 12+ years maturity band. The shorter 1-3 years band returned 2.02%.

In addition to the nominal bond exposure, an allocation is also made to inflation-linked government bonds through exposure to the JSE IGOV Index, which has a strategic weight of 6.00% and returned 2.23% for quarter.

\*The JSE CIII duration buckets are used as a proxy.

Source: Old Mutual Investment Group as at 31/12/2017

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

### INITIAL CHARGES (All fees are VAT inclusive)\*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.42%.

Investment transactions below the R500 fund minimum incur a 2.28% administration charge.

\* Please note: Initial charges do not apply to the Class B funds.

### EXIT FEE:

Old Mutual Unit Trusts will charge an exit fee of 2.28% if exiting within 2 weeks of entry and reserves the right to charge this fee if exiting within 6 months of entry. The exit fee will not apply to investments in the fund via the Old Mutual Unit Trusts Tax-Free Investment.

### ONGOING

	Class A	Class B1*
Annual service fees (incl. VAT)	0.68%	0.40%

\* 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, include audit, custodian and trustee charges and service fees of collective investment schemes in which the fund holds interests. These are included in the TER.

TAX REFERENCE NUMBER: 0556/838/25/8

ISIN CODES:	Class A	Class B1
	ZAE000201778	ZAE000201794

Total Expenses	36 Months		12 Months	
	Class A	Class B1*	Class A	Class B1*
Total Expense Ratio (TER)	0.92%	0.63%	0.89%	0.61%
Transaction Cost (TC)	0.09%	0.09%	0.10%	0.10%
Total Investment Charge	1.01%	0.72%	0.99%	0.71%

\* Please note: The Class B1 Fund is only available through investment platforms such as Old Mutual Wealth.

Please note: The 36-month TER does not have a full 3-year history and is negatively impacted by fixed costs at the inception of the fund. TER is a historical measure and clients are expected to experience a significantly lower fee going forward.

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. The TER and TC cannot be determined accurately for the funds that are less than one year old. Calculations are based on actual data where possible and best estimates where actual data is not available.

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](http://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 28 February 2018. 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.

Trustee: Standard Bank, PO Box 54, Cape Town 8000. Tel: +27 21 401 2002, Fax: +27 21 401 3887.

Issued: March 2018