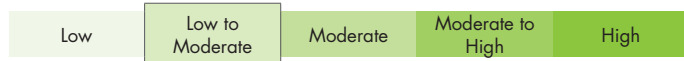
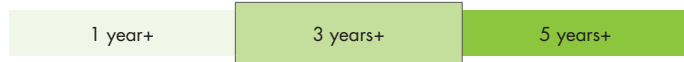


OLD MUTUAL REAL INCOME FUND

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

The fund aims to provide an income that grows in line with inflation, while sustaining the level of capital over time and minimising any losses over a 12-month period. The portfolio manager actively manages asset allocation to take advantage of changing market conditions.

WHO IS THIS FUND FOR?

This fund is suited to investors who can accept a lower initial income in return for the expectation of inflation-matching growth in income over the recommended investment term, while maintaining the value of their capital. It is suitable as a low-risk investment in retirement.

INVESTMENT MANDATE

The fund invests in the full spectrum of fixed interest investments. The fund may invest up to 25% of its portfolio in selected listed property shares and up to 10% in equities. The fund may invest up to 25% of its portfolio offshore in line with Treasury guidelines. 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 + 1% to 2% 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.
ASISA CATEGORY:	South African – Multi-Asset – Low Equity
FUND MANAGER(S):	John Orford & Alida Jordaan (Old Mutual Investment Group – MacroSolutions)
LAUNCH DATE:	01/04/2006
SIZE OF FUND:	R5.2bn

DISTRIBUTIONS: (Quarterly)*

Date	Dividend	Interest	Total	Total %
30/09/2017	0.38c	4.56c	4.94c	1.74%
30/06/2017	0.24c	3.90c	4.14c	1.47%
31/03/2017	0.33c	4.22c	4.55c	1.61%
31/12/2016	0.19c	3.50c	3.69c	1.33%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION	
SA Cash	58.8%
Nominal Bonds	12.2%
SA Property	11.1%
Inflation-linked Bonds	7.2%
SA Equities	2.9%
Preference Shares	2.9%
Africa Property	2.0%
International Cash	1.9%
International Bonds	1.0%

FUND PERFORMANCE as at 30/11/2017

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class A)	9.0%	6.6%	7.2%	8.3%	8.6%	8.8%
Fund (Class B1) ²	9.5%	7.1%	7.7%	8.8%	8.8%	9.0%
Benchmark*	4.8%	5.3%	5.5%	5.6%	6.0%	6.1%

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

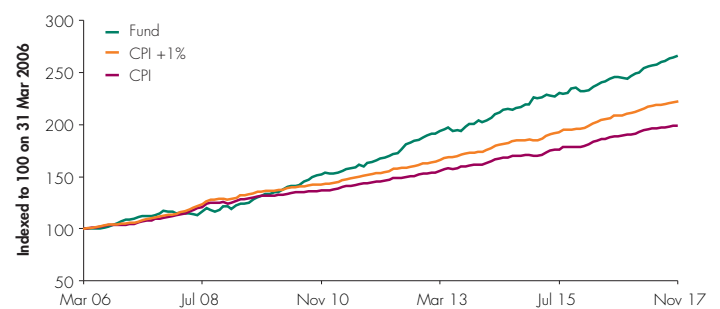
¹ Performance since inception of the fund.

² 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)	15.4%	8.9%	-0.7%

Performance Since Inception

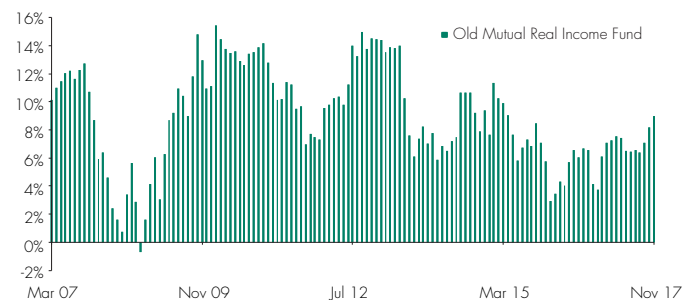


Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-2.9%
Months to Recover	7
% Positive Months	79.3%
Annual Standard Deviation	3.3%

Risk Objective: Capital protection over 12 months



PRINCIPAL HOLDINGS as at 30/09/2017

HOLDING	% OF FUND
R212 2.75% 31/01/2022	2.2%
Egyptian TBL 24/04/2018	1.9%
Transnet FRN 22/08/2018	1.8%
ABSA 9.88% 17/03/2018	1.8%
AHF3A3 FRN 18/04/2019	1.7%
Development Bank of SA	1.6%
FRJ18 21/02/2018	1.5%
Growthpoint Properties Ltd	1.3%
R197 5.5% 07/12/2023	1.3%
Fortress Income Fd Ltd A	1.2%

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

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OLD MUTUAL REAL INCOME FUND

FUND MANAGER INFORMATION



JOHN ORFORD

PORTFOLIO MANAGER

- BA Economic History (Hons), Postgraduate Dip (Quantitative Development Economics), MSc (Development Economics), MBA
- 14 years of investment experience



ALIDA JORDAAN

PORTFOLIO MANAGER

- B/Mus (Hons) (cum laude), MBA (cum laude), CFA
- 22 years of investment experience

FUND COMMENTARY as at 30/11/2017

In November, S&P Global downgraded South Africa's long-term local currency rating to sub-investment grade BB+, while Moody's placed the country on review for a potential downgrade. Gauging from the market reaction, the outcomes were largely priced in and possibly even a positive surprise to the market. The rand and domestic counters subsequently rallied, with local bonds also benefiting to a lesser degree. The "stay of execution" from Moody's means that South Africa remains in the Citi World Government Bond Index. Following the S&P downgrade, a Moody's downgrade would have resulted in our exclusion from that index, creating forced selling of our bonds and most likely driving yields higher and the currency weaker. Given the risks to the currency and, by extension, inflation, the South African Reserve Bank (SARB) maintained its hawkish stance and left interest rates unchanged. It appears that the cut in July was a case of "one and done", at least for now.

Globally, strong economic data once again confirmed that the global economy is recovering and the "goldilocks" scenario – not too hot to cause inflation and not too cold to cause a recession – persists, with inflation remaining

subdued. Against this backdrop, policy normalisation is expected to continue, with the Bank of England hiking rates for the first time since 2007 and the US Federal Reserve expected to raise rates again in December. US tax reforms are back on the table and have the potential to continue fuelling the strong performance in global equities.

The rand ended the month at R13.64 to the US dollar, strengthening 3.5%. Financials were up 7% and domestic consumer shares rose, on average, over 7.5%. Local bonds lagged, ending down 1%. Shares that operate primarily offshore were weaker, with the exception of Naspers, which traded above R4 000 per share for the first time. Global equity, in US dollar terms, was strong, rising 2% during the month.

The fund enjoyed a reasonable month, with a return marginally below cash. Over the year, the fund's return of 9% is well ahead of both cash and inflation. While the bulk of the fund is invested in higher yield local fixed income assets, it benefits from some exposure to growth assets, including equity and property. During the month, the fund's growth assets performed well. One

of the fund's equity holdings is Barclays Africa Group, which performed very strongly in the month. We bought Barclays Africa Group earlier in the year because, at the time, it discounted a lot of bad news about South Africa. When we bought it, the dividend yield was over 7%, with the prospect that the dividend would grow ahead of inflation over time. This is precisely the kind of equity that fits into the Old Mutual Real Income Fund – an asset that offers an attractive yield, but that grows that yield ahead of inflation over time. Given the strong share price performance over the past month, we have reduced our holding in the company – locking in a good real return for investors in the fund. We think this ability to flexibly add appropriate growth exposure to fixed income assets is a vital differentiator of a fund like the Old Mutual Real Income Fund from other funds intended to generate an income. While cash yields have been relatively high in recent times, this will not always be the case and it is important that investors have some exposure to growth assets over time.

Source: Old Mutual Investment Group as at 30/11/2017

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.

ONGOING

	Class A	Class B1*
Annual service fees (incl. VAT)	1.37%	0.91%

* 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, 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% (incl. VAT) 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.

TAX REFERENCE NUMBER: 9004/554/17/7

ISIN CODES:	Class A	ZAE000076493
	Class B1	ZAE000076501

Total Expenses	36 Months		12 Months	
	Class A	Class B1*	Class A	Class B1*
Total Expense Ratio (TER)	1.42%	0.96%	1.40%	0.94%
Transaction Cost (TC)	0.08%	0.08%	0.04%	0.04%
Total Investment Charge	1.50%	1.04%	1.44%	0.98%

* Please note: The Class B1 Fund is only 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.

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 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.
- Income funds derive their income primarily from interest-bearing instruments as defined. The yield is a current yield and is calculated daily.
- 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 30 November 2017. 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: December 2017