

## FUND PERSPECTIVE

### THE AIM OF THE FUND

The Fund of Funds gives investors the opportunity to grow their capital and income at a moderate to high pace through active asset allocation. It utilises South African and global managers who are mandated to invest in specific asset classes including listed shares, fixed interest securities, listed property and cash. The portfolio aims to achieve a return in the range of 5%-7% above inflation over rolling seven-year periods.

### PERFORMANCE TO 30 JUNE 2020

	1 year	3 years	5 years	7 years	Since Inception
Fund return	-0.5%	2.7%	-	-	2.9%
Benchmark: CPI*	3.0%	3.9%	4.7%	4.9%	4.7%

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

Inception date: July 2015. Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund of Funds returns are net of fees and measured against the benchmark. Returns for periods greater than 1 year are annualised.

Sources: Morningstar and Old Mutual Wealth

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	16.9%	3.3%	-13.8%

### RECENT PERFORMANCE

The fund's one-year return at the end of June was -0.5%. Though behind the latest inflation reading of 3%, it represents a substantial improvement from the first quarter, as bonds and equities rallied from the sharp coronavirus-induced sell-off in February and March.

The FTSE/JSE Capped SWIX Index gained 21.6% in the second quarter to limit the one-year loss to 10.8%. Our managers performed

in line with the benchmark over this period. We were tactically underweight in local equities going into the crisis and have maintained this position.

Local listed property bounced 18% in the second quarter but is still under water. The FTSE/JSE All Property Index lost 40% in the year to the end of June. We were also substantially underweight in this asset class. Our local listed property managers outperformed their benchmark over the past year, but were also deeply negative.

Local bonds recovered from the first quarter sell-off and Moody's downgrade in the second quarter. However, the All Bond Index (ALBI) still lags cash over one year with a 2.8% return. Our local fixed income building block aims to beat both bonds and cash, by investing across the entire yield curve. However, our managers had a large weight in longer-dated bonds that sold off more in the first quarter and recovered more slowly in the second. One of our managers (Prescient) was also overweight in inflation-linked bonds that have lagged nominal bonds. Our fixed income building block was therefore the big disappointment in 2020. On the other hand, our enhanced income building block held up reasonably well and was positive over one year, with a 5.3% return, though lagging a pure cash benchmark (STeFI) somewhat.

The rand recovered somewhat in the second quarter, but was still 23% weaker against the US dollar in the 12 months to the end of June. The currency therefore boosted returns from global asset classes for local investors. The second quarter rally means that global equities are positive over 12 months in both rand and US dollar terms. The MSCI All Country World Index returned 25% in rand terms and 2% in US dollars, in the year to the end of June.

### ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 JUNE 2020

	1 year	2 years	3 years
Old Mutual Multi-Managers SA Equity Fund	-10.3%	-6.5%	-1.3%
FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX)	-10.8%	-5.0%	-0.8%
Old Mutual Multi-Managers International Equity Fund	26.5%	14.5%	14.0%
MSCI All Country World Index	26.5%	17.6%	17.2%
Old Mutual Multi-Managers SA Property Fund	-37.3%	-21.5%	-16.6%
FTSE/JSE All Property Index (ALPI)	-40.2%	-24.7%	-19.8%
Old Mutual Multi-Managers International Property Fund	10.8%	10.9%	10.8%
FTSE EPRA/NAREIT Developed Index Net TRI	3.2%	6.9%	8.1%
Old Mutual Multi-Managers SA Fixed Income Fund	-1.5%	3.8%	5.7%
JSE All Bond Index (ALBI)	2.8%	7.1%	8.1%
STeFI Composite Index	6.9%	7.1%	7.2%

Returns are calculated in ZAR. Returns greater than 1 year are annualised.

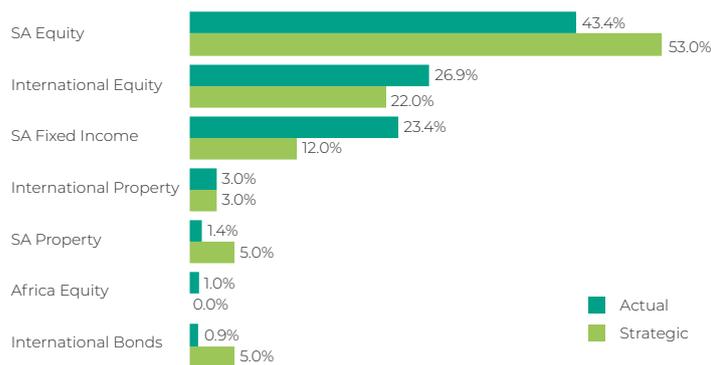


# OLD MUTUAL MULTI-MANAGERS AGGRESSIVE BALANCED FUND OF FUNDS

QUARTER 2, 2020

International listed property did not recover as quickly as equities, given the uncertainties around how demand for office space, hotels and shopping malls will change in the post-pandemic world. The FTSE EPRA/NAREIT Developed Index was still 16% in the red over the past 12 months in US dollars, but positive in rands. Our managers beat their benchmark over this period, but did not deliver a positive return.

## FUND ASSET ALLOCATION AS AT 30 JUNE 2020



## TACTICAL ASSET ALLOCATION CHANGES

Going into the global coronavirus crisis, the fund was positioned with an overweight to global equity and neutral weight to global property. There was no exposure to global bonds, but overall global exposure was at the Regulation 28 maximum of 30%. With the weakness of the rand, having full global exposure worked well since offshore equities and property outperformed local bonds, equities and property. As global markets have recovered in the second quarter, we have been trimming global equity exposure

and will look to gradually redeploy the proceeds into local assets. With global equities looking fully valued, the JSE looks more attractively priced, but the local economy is unlikely to recover as quickly as other countries. The same is true for local property. Local bonds still face significant risks from rising government debt, but are the one asset class that is cheap even when accounting for these risks. We remain overweight in local fixed income, but are cognisant that bonds in particular could be volatile in the short term.

## LOOKING AHEAD (AND REMEMBERING THAT THE RECOMMENDED TIME HORIZON OF THE FUND IS SEVEN YEARS PLUS)

- Equities rebounded very quickly, pricing in a recovery in earnings. It is still uncertain if this will materialise as expected. Therefore, we are marginally underweight in total equities, but with a bias towards global. It is still the asset class that is best positioned to deliver inflation-beating returns over time.
- Distribution growth from local listed property is likely to remain under severe pressure, but the extraordinarily high yields mean the sector should be able to deliver total returns above inflation.
- Local bond yields are high in real terms and attractive as inflation is likely to remain subdued over time, despite the weaker rand. Cash yields have declined as the SA Reserve Bank has cut rates, but are still positive in real terms.

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.
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- 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.
- A fund of funds is a portfolio that invests in other funds which levy their own charges, which could result in a higher fee structure for the fund of funds.
- Old Mutual Unit Trust Managers (RF) (Pty) Ltd is the manager of this co-branded fund and has full legal responsibility for it.
- 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 June 2020. Sources: Morningstar and Old Mutual Wealth.

Old Mutual Multi-Managers, is a division of Old Mutual Life Assurance Company (SA) Ltd, FSP no. 703.

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

Issued: July 2020



## FUND PERSPECTIVE

### THE AIM OF THE FUND

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### PERFORMANCE TO 30 JUNE 2020

	1 year	3 years	5 years	7 years	10 years
Fund return	0.5%	3.1%	3.5%	5.8%	8.2%
Benchmark: CPI*	3.0%	3.9%	4.7%	4.9%	5.0%

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

Inception date: June 2001. Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund of Funds returns are net of fees and measured against the benchmark. Returns for periods greater than 1 year are annualised.

Sources: Morningstar and Old Mutual Wealth

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	39.7%	12.2%	-12.3%

### RECENT PERFORMANCE

The fund's one-year return at the end of June was 0.5%. Though behind the latest inflation reading of 3%, it represents a substantial improvement from the first quarter, as bonds and equities rallied from the sharp coronavirus-induced sell-off in February and March.

The FTSE/JSE Capped SWIX Index gained 21.6% in the second quarter to limit the one-year loss to 10.8%. Our managers performed in line with the benchmark over this period. We were tactically

underweight in local equities going into the crisis and have maintained this position.

Local listed property bounced 18% in the second quarter but is still under water. The FTSE/JSE All Property Index lost 40% in the year to the end of June. We were also substantially underweight in this asset class. Our local listed property managers outperformed their benchmark over the past year, but were also deeply negative.

Local bonds recovered from the first quarter sell-off and Moody's downgrade in the second quarter. However, the All Bond Index (ALBI) still lags cash over one year with a 2.8% return. Our local fixed income building block aims to beat both bonds and cash, by investing across the entire yield curve. However, our managers had a large weight in longer-dated bonds that sold off more in the first quarter and recovered more slowly in the second. One of our managers (Prescient) was also overweight in inflation-linked bonds that have lagged nominal bonds. Our fixed income building block was therefore the big disappointment in 2020. On the other hand, our enhanced income building block held up reasonably well and was positive over one year, with a 5.3% return, though lagging a pure cash benchmark (STeFI) somewhat.

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International listed property did not recover as quickly as equities, given the uncertainties around how demand for office space,

### ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 JUNE 2020

	1 year	2 years	3 years
Old Mutual Multi-Managers SA Equity Fund	-10.3%	-6.5%	-1.3%
FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX)	-10.8%	-5.0%	-0.8%
Old Mutual Multi-Managers International Equity Fund	26.5%	14.5%	14.0%
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FTSE/JSE All Property Index (ALPI)	-40.2%	-24.7%	-19.8%
Old Mutual Multi-Managers International Property Fund	10.8%	10.9%	10.8%
FTSE EPRA/NAREIT Developed Index Net TRI	3.2%	6.9%	8.1%
Old Mutual Multi-Managers SA Fixed Income Fund	-1.5%	3.8%	5.7%
JSE All Bond Index (ALBI)	2.8%	7.1%	8.1%
STeFI Composite Index	6.9%	7.1%	7.2%

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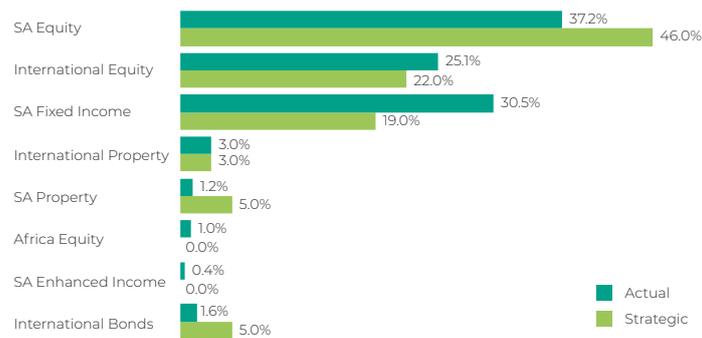


# OLD MUTUAL MULTI-MANAGERS BALANCED FUND OF FUNDS

QUARTER 2, 2020

hotels and shopping malls will change in the post-pandemic world. The FTSE EPRA/NAREIT Developed Index was still 16% in the red over the past 12 months in US dollars, but positive in rands. Our managers beat their benchmark over this period, but did not deliver a positive return.

## FUND ASSET ALLOCATION AS AT 30 JUNE 2020



## TACTICAL ASSET ALLOCATION CHANGES

Going into the global coronavirus crisis, the fund was positioned with an overweight to global equity and neutral weight to global property. There was no exposure to global bonds, but overall global exposure was at the Regulation 28 maximum of 30%. With the weakness of the rand, having full global exposure worked well since offshore equities and property outperformed local bonds, equities and property. As global markets have recovered in the second quarter, we have been trimming global equity exposure and will look to gradually redeploy the proceeds into local assets. With global equities looking fully valued, the JSE looks more

attractively priced, but the local economy is unlikely to recover as quickly as other countries. The same is true for local property. Local bonds still face significant risks from rising government debt, but are the one asset class that is cheap even when accounting for these risks. We remain overweight in local fixed income, but are cognisant that bonds in particular could be volatile in the short term.

## LOOKING AHEAD (AND REMEMBERING THAT THE RECOMMENDED TIME HORIZON OF THE FUND IS FIVE YEARS PLUS)

- Equities rebounded very quickly, pricing in a recovery in earnings. It is still uncertain if this will materialise as expected. Therefore, we are marginally underweight in total equities, but with a bias towards global. It is still the asset class that is best positioned to deliver inflation-beating returns over time.
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Issued: July 2020



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### PERFORMANCE TO 30 JUNE 2020

	1 year	3 years	5 years	7 years	Since Inception
Fund return	3.2%	4.9%	5.3%	6.0%	6.0%
Benchmark: CPI*	3.0%	3.9%	4.7%	4.9%	5.1%

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

Inception date: September 2010. Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund of Funds returns are net of fees and measured against the benchmark. Returns for periods greater than 1 year are annualised.

Sources: Morningstar and Old Mutual Wealth

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	10.9%	6.3%	-4.0%

### RECENT PERFORMANCE

The fund's one-year return at the end of June was 3.2%. This was in line with the latest inflation reading of 3%, and represents a substantial improvement from the first quarter, as bonds and equities rallied from the sharp coronavirus-induced sell-off in February and March.

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### ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 JUNE 2020

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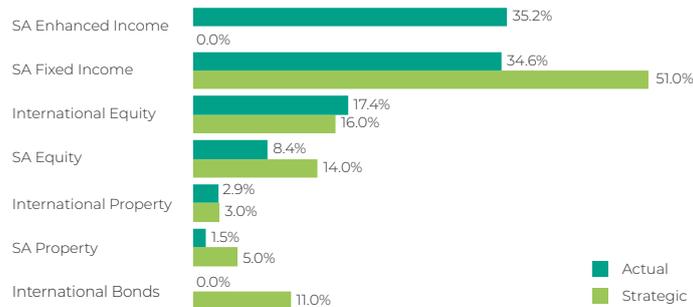


# OLD MUTUAL MULTI-MANAGERS CAUTIOUS FUND OF FUNDS

QUARTER 2, 2020

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## FUND ASSET ALLOCATION AS AT 30 JUNE 2020



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Local bonds still face significant risks from rising government debt, but are the one asset class that is cheap even when accounting for these risks. We remain overweight in local fixed income, but are cognisant that bonds in particular could be volatile in the short term.

## LOOKING AHEAD (AND REMEMBERING THAT THE RECOMMENDED TIME HORIZON OF THE FUND IS TWO YEARS PLUS)

- Equities rebounded very quickly, pricing in a recovery in earnings. It is still uncertain if this will materialise as expected. Therefore, we are marginally underweight in total equities, but with a bias towards global. It is still the asset class that is best positioned to deliver inflation-beating returns over time.
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## FUND PERSPECTIVE

### THE AIM OF THE FUND

The Fund of Funds gives investors the opportunity to grow their capital and income at a moderate pace through active asset allocation. It utilises South African and global managers who are mandated to invest in specific asset classes including listed shares, fixed interest securities, listed property and cash. The portfolio aims to achieve a return in the range of 3%-4% above inflation over rolling three-year periods.

### PERFORMANCE TO 30 JUNE 2020

	1 year	3 years	5 years	7 years	10 years
Fund return	2.7%	4.2%	4.6%	6.3%	7.7%
Benchmark: CPI*	3.0%	3.9%	4.7%	4.9%	5.0%

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

Inception date: June 2001. Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund of Funds returns are net of fees and measured against the benchmark. Returns for periods greater than 1 year are annualised.

Sources: Morningstar and Old Mutual Wealth

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	30.0%	11.0%	-7.7%

### RECENT PERFORMANCE

The fund's one-year return at the end of June was 2.7%. Though somewhat behind the latest inflation reading of 3%, it represents a substantial improvement from the first quarter, as bonds and equities rallied from the sharp coronavirus-induced sell-off in February and March.

The FTSE/JSE Capped SWIX Index gained 21.6% in the second quarter to limit the one-year loss to 10.8%. Our managers performed

in line with the benchmark over this period. We were tactically underweight in local equities going into the crisis and have maintained this position.

Local listed property bounced 18% in the second quarter but is still under water. The FTSE/JSE All Property Index lost 40% in the year to the end of June. We were also substantially underweight in this asset class. Our local listed property managers outperformed their benchmark over the past year, but were also deeply negative.

Local bonds recovered from the first quarter sell-off and Moody's downgrade in the second quarter. However, the All Bond Index (ALBI) still lags cash over one year with a 2.8% return. Our local fixed income building block aims to beat both bonds and cash, by investing across the entire yield curve. However, our managers had a large weight in longer-dated bonds that sold off more in the first quarter and recovered more slowly in the second. One of our managers (Prescient) was also overweight in inflation-linked bonds that have lagged nominal bonds. Our fixed income building block was therefore the big disappointment in 2020. On the other hand, our enhanced income building block held up reasonably well and was positive over one year, with a 5.3% return, though lagging a pure cash benchmark (STeFI) somewhat.

The rand recovered somewhat in the second quarter, but was still 23% weaker against the US dollar in the 12 months to the end of June. The currency therefore boosted returns from global asset classes for local investors. The second quarter rally means that global equities are positive over 12 months in both rand and US dollar terms. The MSCI All Country World Index returned 25% in rand terms and 2% in US dollars, in the year to the end of June.

### ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 JUNE 2020

	1 year	2 years	3 years
Old Mutual Multi-Managers SA Equity Fund	-10.3%	-6.5%	-1.3%
FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX)	-10.8%	-5.0%	-0.8%
Old Mutual Multi-Managers International Equity Fund	26.5%	14.5%	14.0%
MSCI All Country World Index	26.5%	17.6%	17.2%
Old Mutual Multi-Managers SA Property Fund	-37.3%	-21.5%	-16.6%
FTSE/JSE All Property Index (ALPI)	-40.2%	-24.7%	-19.8%
Old Mutual Multi-Managers International Property Fund	10.8%	10.9%	10.8%
FTSE EPRA/NAREIT Developed Index Net TRI	3.2%	6.9%	8.1%
Old Mutual Multi-Managers SA Fixed Income Fund	-1.5%	3.8%	5.7%
JSE All Bond Index (ALBI)	2.8%	7.1%	8.1%
STeFI Composite Index	6.9%	7.1%	7.2%

Returns are calculated in ZAR. Returns greater than 1 year are annualised.

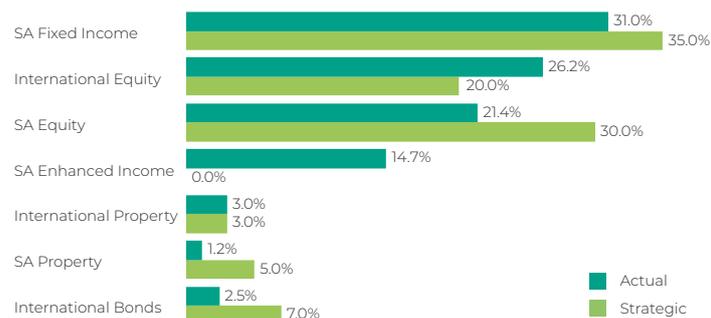


# OLD MUTUAL MULTI-MANAGERS DEFENSIVE FUND OF FUNDS

QUARTER 2, 2020

International listed property did not recover as quickly as equities, given the uncertainties around how demand for office space, hotels and shopping malls will change in the post-pandemic world. The FTSE EPRA/NAREIT Developed Index was still 16% in the red over the past 12 months in US dollars, but positive in rands. Our managers beat their benchmark over this period, but did not deliver a positive return.

## FUND ASSET ALLOCATION AS AT 30 JUNE 2020



## TACTICAL ASSET ALLOCATION CHANGES

Going into the global coronavirus crisis, the fund was positioned with an overweight to global equity and neutral weight to global property. There was no exposure to global bonds, but overall global exposure was at the Regulation 28 maximum of 30%. With the weakness of the rand, having full global exposure worked well since offshore equities and property outperformed local bonds, equities and property. As global markets have recovered in the second quarter, we have been trimming global equity exposure and will look to gradually redeploy the proceeds into local assets.

With global equities looking fully valued, the JSE looks more attractively priced, but the local economy is unlikely to recover as quickly as other countries. The same is true for local property. Local bonds still face significant risks from rising government debt, but are the one asset class that is cheap even when accounting for these risks. We remain overweight in local fixed income, but are cognisant that bonds in particular could be volatile in the short term.

## LOOKING AHEAD (AND REMEMBERING THAT THE RECOMMENDED TIME HORIZON OF THE FUND IS THREE YEARS PLUS)

- Equities rebounded very quickly, pricing in a recovery in earnings. It is still uncertain if this will materialise as expected. Therefore, we are marginally underweight in total equities, but with a bias towards global. It is still the asset class that is best positioned to deliver inflation-beating returns over time.
- Distribution growth from local listed property is likely to remain under severe pressure, but the extraordinarily high yields mean the sector should be able to deliver total returns above inflation.
- Local bond yields are high in real terms and attractive as inflation is likely to remain subdued over time, despite the weaker rand. Cash yields have declined as the SA Reserve Bank has cut rates, but are still positive in real terms.

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

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- 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.
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