

FUND PERSPECTIVE

QUARTER 3, 2018

OLD MUTUAL MULTI-MANAGERS **AGGRESSIVE BALANCED** FUND OF FUNDS

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 SEPTEMBER 2018

	1 year	3 years	5 years	7 years	Since Inception
Fund return	1.7%	6.0%	-	-	4.5%
Benchmark: CPI*	4.9%	5.2%	5.3%	5.4%	5.3%

* 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

RECENT PERFORMANCE

The fund's one-year return at the end of September was 1.7%. Inflation declined to 4.9% in August, meaning that returns were negative in real terms.

The rand lost 15% of its value against the US dollar in the first three quarters of 2018, and 4% over the past four quarters. This supported the returns from global asset classes for local investors, but did not help the rand hedges on the JSE. Global equities were positive in US dollars in the third quarter, with the US outperforming other markets. Emerging markets came under severe pressure in August and September, but Turkey and Argentina bore the brunt of the selling. The MSCI All Country World

Index still returned 15% in rand terms over the past year. Unfortunately, our global equity managers collectively underperformed the benchmark over the past year, which means our funds did not fully participate in the best performing asset. However, all of our global managers have a strong track record and we still have confidence in them. The tactical overweight to emerging markets also hurt performance as investors retreated from these markets in the face of a stronger US dollar. However, the valuation opportunity remains compelling (even more so now). In absolute terms, the global equity building block still delivered the best return to the overall fund in the year to end of September.

International property was positive in US dollars over the year to end of September, and was further boosted by the weaker rand. The EPRA/NAREIT Developed Index returned 3.7% in US dollars and 8% in rands. Our managers added additional value by outperforming the index. During the quarter, we introduced Resolution Capital as an additional global property manager.

The JSE suffered heavy losses in September, which dragged quarterly and year-to-date returns into the red. The JSE has been hit from all sides: a weak domestic economy, a global emerging market sell-off and the underperformance of the large rand hedges in their home markets. For instance, British American Tobacco's London share price fell 28% in the three quarters to end of September. Tencent, the Chinese firm that accounts for most of Naspers's value, fell 20% in Hong Kong dollars. The weaker rand could not compensate for such declines. Our benchmark, the FTSE/JSE Capped SWIX Index, was only marginally positive over the past year. Our managers collectively performed in line with the benchmark over 12 months but have fallen less than the index year to date.

ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 SEPTEMBER 2018

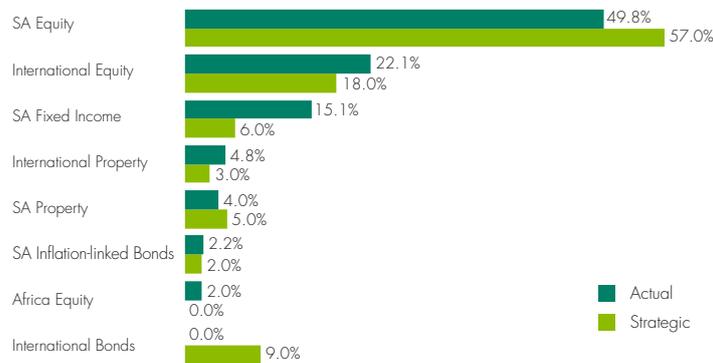
	1 year	2 years	3 years
Old Mutual Multi-Managers SA Equity Fund	0.3%	3.3%	4.8%
FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX)	0.4%	2.8%	4.5%
Old Mutual Multi-Managers International Equity Fund	7.4%	14.3%	16.5%
MSCI All Country World Index	15.6%	16.4%	14.9%
Old Mutual Multi-Managers SA Property Fund	-11.1%	-0.8%	1.8%
FTSE/JSE SA Listed Property Index (SAPY)	-15.7%	-3.9%	-1.4%
Old Mutual Multi-Managers International Property Fund	10.5%	4.3%	6.7%
FTSE EPRA/NAREIT Developed Index Net TRI	8.6%	3.6%	7.0%
Old Mutual Multi-Managers SA Fixed Income Fund	7.4%	8.0%	8.1%
JSE All Bond Index (ALBI)	7.1%	7.7%	7.7%

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

Listed property's torrid run continued in the third quarter. The FTSE/JSE All Property Index lost 14% over the past year, largely due to corporate governance concerns at the Resilient stable of companies, but also as investors question the sustainability of distribution growth from the broader sector. As with local equities, the benefit to the substantial global component of SA listed property of rand depreciation did not offset the weakness elsewhere. Our active managers limited the property building block loss to -11%.

The sell-off in emerging market bonds continued in the third quarter and rates increased. The All Bond Index (ALBI) returned a decent 7% over one year, lagging cash somewhat. Our local fixed income building block aims to beat both bonds and cash, by investing across the entire yield curve. Skilful active management means our managers beat both bonds and cash over the past year.

FUND ASSET ALLOCATION AS AT 30 SEPTEMBER 2018



TACTICAL ASSET ALLOCATION CHANGES

At the end of the third quarter, the fund was still positioned overweight to global equity. There was also a small allocation to African equity and a moderate overweight to global property. There was no exposure to global bonds. While the JSE has become more attractively priced, the local economy continues to struggle and the locally listed globally focused companies are concentrated in a few sectors. We prefer the more diversified exposure of a truly global equity portfolio. We remain overweight to local interest-bearing assets. In simple terms, we want to get exposure to growth globally (where the economy is strong) and earn interest locally (where rates are high).

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

- We are looking through the volatility of the year so far and still believe equities should deliver the best returns over time. Global equity valuations are still reasonable. Our total equity exposure (local plus global) is slightly overweight relative to the long-term strategic weighting, but our bias is towards global.
- Distribution growth from local listed property is likely to remain under pressure, but high yields mean the sector should be able to deliver total returns above inflation. We still prefer global to local property.
- Local bond and cash yields are high in real terms and attractive. Inflation is likely to remain subdued over time, despite the recent jump in the rand oil price.



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.
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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. The actual highest, average and lowest 12-month returns since inception to 30 September 2018 are 16.9% (highest), 6.6% (average) and 0.6% (lowest). Sources: Morningstar and Old Mutual Wealth.

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

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. Tel: 0860 234 234, Internet: www.omut.co.za, Email: unittrusts@oldmutual.com

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

Issued: October 2018

FUND PERSPECTIVE

QUARTER 3, 2018

OLD MUTUAL MULTI-MANAGERS BALANCED FUND OF FUNDS

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PERFORMANCE TO 30 SEPTEMBER 2018

	1 year	3 years	5 years	7 years	10 years
Fund return	1.8%	6.1%	6.3%	9.5%	9.9%
Benchmark: CPI*	4.9%	5.2%	5.3%	5.4%	5.2%

* 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.

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ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 SEPTEMBER 2018

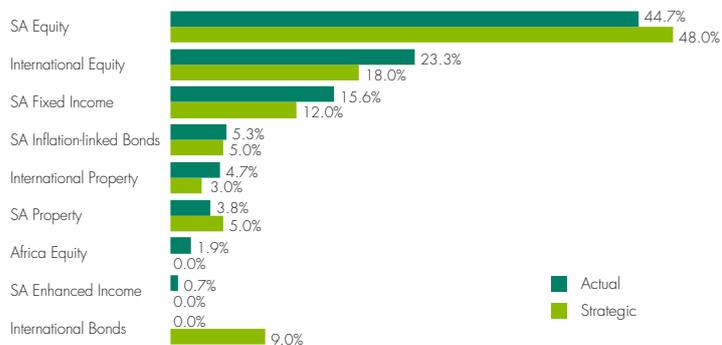
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LOOKING AHEAD (AND REMEMBERING THAT THE RECOMMENDED TIME HORIZON OF THE FUND IS FIVE YEARS PLUS)

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QUARTER 3, 2018

OLD MUTUAL MULTI-MANAGERS CAUTIOUS FUND OF FUNDS

THE AIM OF THE FUND

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PERFORMANCE TO 30 SEPTEMBER 2018

	1 year	3 years	5 years	7 years	Since Inception
Fund return	3.0%	6.5%	6.5%	6.7%	6.5%
Benchmark: CPI*	4.9%	5.2%	5.3%	5.4%	5.4%

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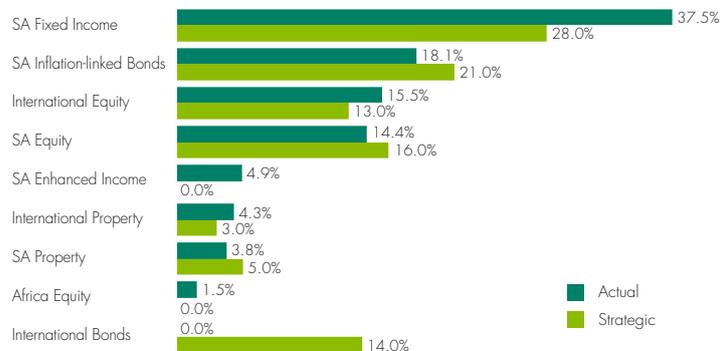
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Issued: October 2018

QUARTER 3, 2018

OLD MUTUAL MULTI-MANAGERS DEFENSIVE FUND OF FUNDS

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 SEPTEMBER 2018

	1 year	3 years	5 years	7 years	10 years
Fund return	2.4%	6.5%	6.6%	8.8%	8.7%
Benchmark: CPI*	4.9%	5.2%	5.3%	5.4%	5.2%

* 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

RECENT PERFORMANCE

The fund's one-year return at the end of September was 2.4%. Inflation declined to 4.9% in August, meaning that returns were positive in real terms.

The rand lost 15% of its value against the US dollar in the first three quarters of 2018, and 4% over the past four quarters. This supported the returns from global asset classes for local investors, but did not help the rand hedges on the JSE. Global equities were positive in US dollars in the third quarter, with the US outperforming other markets. Emerging markets came under severe pressure in August and September, but Turkey and Argentina bore the brunt of the selling. The MSCI All Country World Index still returned 15% in rand terms over the past year. Unfortunately, our global equity managers collectively underperformed the benchmark

over the past year, which means our funds did not fully participate in the best performing asset. However, all of our global managers have a strong track record and we still have confidence in them. The tactical overweight to emerging markets also hurt performance as investors retreated from these markets in the face of a stronger US dollar. However, the valuation opportunity remains compelling (even more so now). In absolute terms, the global equity building block still delivered the best return to the overall fund in the year to end of September.

International property was positive in US dollars over the year to end of September, and was further boosted by the weaker rand. The EPRA/NAREIT Developed Index returned 3.7% in US dollars and 8% in rands. Our managers added additional value by outperforming the index. During the quarter, we introduced Resolution Capital as an additional global property manager.

The JSE suffered heavy losses in September, which dragged quarterly and year-to-date returns into the red. The JSE has been hit from all sides: a weak domestic economy, a global emerging market sell-off and the underperformance of the large rand hedges in their home markets. For instance, British American Tobacco's London share price fell 28% in the three quarters to end of September. Tencent, the Chinese firm that accounts for most of Naspers's value, fell 20% in Hong Kong dollars. The weaker rand could not compensate for such declines. Our benchmark, the FTSE/JSE Capped SWIX Index, was only marginally positive over the past year. Our managers collectively performed in line with the benchmark over 12 months but have fallen less than the index year to date.

Listed property's torrid run continued in the third quarter. The FTSE/JSE All Property Index lost 14% over the past year, largely due to corporate

ASSET CLASS AND BUILDING BLOCK PERFORMANCE AS AT 30 SEPTEMBER 2018

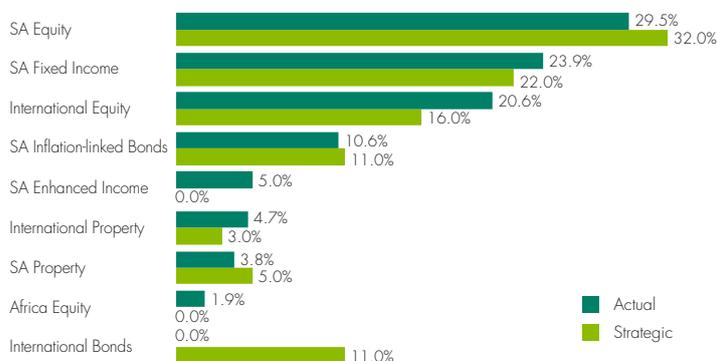
	1 year	2 years	3 years
Old Mutual Multi-Managers SA Equity Fund	0.3%	3.3%	4.8%
FTSE/JSE Capped Shareholder Weighted All Share Index (Capped SWIX)	0.4%	2.8%	4.5%
Old Mutual Multi-Managers International Equity Fund	7.4%	14.3%	16.5%
MSCI All Country World Index	15.6%	16.4%	14.9%
Old Mutual Multi-Managers SA Property Fund	-11.1%	-0.8%	1.8%
FTSE/JSE SA Listed Property Index (SAPY)	-15.7%	-3.9%	-1.4%
Old Mutual Multi-Managers International Property Fund	10.5%	4.3%	6.7%
FTSE EPRA/NAREIT Developed Index Net TRI	8.6%	3.6%	7.0%
Old Mutual Multi-Managers SA Fixed Income Fund	7.4%	8.0%	8.1%
JSE All Bond Index (ALBI)	7.1%	7.7%	7.7%

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

governance concerns at the Resilient stable of companies, but also as investors question the sustainability of distribution growth from the broader sector. As with local equities, the benefit to the substantial global component of SA listed property of rand depreciation did not offset the weakness elsewhere. Our active managers limited the property building block loss to -11%.

The sell-off in emerging market bonds continued in the third quarter and rates increased. The All Bond Index (ALBI) returned a decent 7% over one year, lagging cash somewhat. Our local fixed income building block aims to beat both bonds and cash, by investing across the entire yield curve. Skilful active management means our managers beat both bonds and cash over the past year.

FUND ASSET ALLOCATION AS AT 30 SEPTEMBER 2018



TACTICAL ASSET ALLOCATION CHANGES

At the end of the third quarter, the fund was still positioned overweight to global equity. There was also a small allocation to African equity and a moderate overweight to global property. There was no exposure to global bonds. While the JSE has become more attractively priced, the local economy continues to struggle and the locally listed globally focused companies are concentrated in a few sectors. We prefer the more diversified exposure of a truly global equity portfolio. We remain overweight to local interest-bearing assets. In simple terms, we want to get exposure to growth globally (where the economy is strong) and earn interest locally (where rates are high).

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

- We are looking through the volatility of the year so far and still believe equities should deliver the best returns over time. Global equity valuations are still reasonable. Our total equity exposure (local plus global) is slightly overweight relative to the long-term strategic weighting, but our bias is towards global.
- Distribution growth from local listed property is likely to remain under pressure, but high yields mean the sector should be able to deliver total returns above inflation. We still prefer global to local property.
- Local bond and cash yields are high in real terms and attractive. Inflation is likely to remain subdued over time, despite the recent jump in the rand oil price.



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.
- 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.
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