



# OLD MUTUAL UNIT TRUST MANAGERS (RF) (PTY) LIMITED



2019  
ABRIDGED  
ANNUAL  
REPORT

DO GREAT THINGS



OLDMUTUAL

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Please note: This Abridged Annual Report contains limited information on Old Mutual Unit Trusts' funds. For more detailed information on these funds please go to [www.omut.co.za](http://www.omut.co.za) or call 0860 234 234. Copies of the audited financial statements and the report of the Shari'ah Supervisory Board may be obtained, free of charge, and on request, from the management company.

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## CHAIRMAN'S MESSAGE TO UNITHOLDERS



**2017 Saw strong global- and better than expected economic growth in South Africa. A new president for South Africa followed by an investor-friendly budget are easing political uncertainty and instilling confidence yet again in the economy. At Old Mutual Unit Trusts, we continue to make investing easier for our investors through digital tools and demystifying investments to encourage an improved investment culture. We recorded excellent performance for 2017 with Old Mutual Balanced Funds, won the Thomson Reuters Lipper Global Islamic 2017 award with our Old Mutual Albaraka Equity Fund and the 2017 Batseta Imbasa Yegolide award with Old Mutual Multi-Managers.**



All indications are that 2018 is set to be an exciting year. In February, we saw Cyril Ramaphosa being inaugurated as President of the Republic of South Africa, the 2018 National Budget Speech presented, and a cabinet restructure which was described as "transitional" by President Ramaphosa. These events resulted in South Africa buying some time and avoiding immediate credit ratings downgrades, with ratings agencies citing that they are encouraged by our commitment to reduce government spending. I'm hopeful that the recent changes will lead to a better economic and investment environment in South Africa following a number of significant economic, political and market developments that have taken place in the early part of 2018.

### **STRONG ECONOMIC GROWTH**

The global economy ended 2017 in its best shape in a decade. The biggest developed economies, the Eurozone, US and Japan, posted annual growth rates of 2.7%, 2.3%, and 2.1% respectively in the third quarter. China grew 6.8% in the fourth quarter, which means that economic growth in 2017 as a whole was faster than in the previous two years. This was despite widespread expectations that China's economy would slow down after attempts by authorities to pull back on rampant credit growth. Global equity markets also ended 2017 on a high.

### **POLITICAL UNCERTAINTY EASING**

In South Africa, investors cheered Jacob Zuma's resignation as President on Valentine's Day and were excited to see Cyril Ramaphosa sworn in as his successor the following afternoon. Markets had priced in the greater prospect for sensible policymaking, a tougher stance on corruption and economic reform since December, but with the certainty that the Zuma era is over, came a bounce in the rand, local equities and bonds. Although Eskom is no longer crippling the economy with rolling blackouts, it risks doing so with its debt burden. The appointment of a credible new Board was therefore very welcome.

### **INVESTOR-FRIENDLY BUDGET INSTILLED CONFIDENCE**

Improved confidence is the cheapest form of economic stimulus and it depends on both the private and public sectors. The allegations of financial irregularities against Steinhoff were a seismic event for South Africa. It was costly for many South Africans and undermined the reputation of corporate South Africa domestically and on the global stage. These irregularities continue to be the subject of an ongoing forensic probe by PwC.

The Budget Speech was positive for local markets even though consumers had to contend with a 1% increase in VAT and an increase in the petrol levy. There were no additional taxes on investment returns in the form of capital gains tax or dividend withholding tax. With the offshore allocation of balanced funds lifted from 25% to 30%, fund managers will have more freedom to allocate based on expected return and valuation. Institutional investors can also increase African exposure from 5% to 10%.

### **BETTER THAN EXPECTED ECONOMIC GROWTH**

Real gross domestic product – the broadest measure of economic activity after inflation and seasonality are adjusted for – grew at an annual rate of 3.1% in the fourth quarter compared to the third quarter of 2017. It means that growth for the 2017 calendar year was 1.3%. This is still a pedestrian growth rate, but almost double 2016's growth rate of 0.6% and was better than widely expected. 2017's technical recession was also revised away as the latest estimates show only one negative quarter and not two consecutive negative quarters.

### **EASE OF INVESTING AND SERVICING WITH OLD MUTUAL UNIT TRUSTS**

As a future-fit company, we are driving various initiatives to ensure that our business is able to cater for a highly digitised world. We have made progress on refreshing our digital interface at OM.CO.ZA. In September 2017, a new workflow capability was introduced in our administration

## CHAIRMAN'S MESSAGE TO UNITHOLDERS (CONTINUED)

area. This was not without its problems and, as a result, the servicing experience for our advisers and clients in the last quarter of 2017 has not been at the standard we aspire to. We are giving urgent attention to this to ensure that we address the areas where we fell short, so that we can deliver a top servicing experience for all who engage with us.

### EXCELLENT PERFORMANCE FOR OLD MUTUAL UNIT TRUSTS BALANCED FUNDS

Our asset allocation funds showed excellent performance against their peer groups as well as their benchmarks in 2017. These are great results and help to build a positive reputation for our company as a multi-disciplinary and focused team of experts. Our asset allocation funds with a targeted inflation objective aim to provide our clients with a specific return above inflation for a given level of risk. This performance showcases our ability as a leading-edge asset manager that is focused on achieving results for clients. The performance of our funds is detailed in tables later in this report, but importantly, is also excellent over medium and longer terms.

### THOMSON REUTERS LIPPER GLOBAL ISLAMIC 2017 FUND AWARDS

Old Mutual Investment Group (SA) won the 2017 Thomson Reuters Lipper Fund Award for the second consecutive year. This award has been in existence for over three decades and honour funds and fund management firms that have excelled in providing consistently strong risk-adjusted performance relative to their peers. It also recognises funds and fund management firms for their consistently strong risk-adjusted three-, five- and ten-year performance relative to their peers, based on Lipper's proprietary performance-based methodology.

In addition, the Old Mutual Albaraka Equity Fund won the 5-year classification award in the Global Islamic Fund category. This fund provides investors with the opportunity to invest in equities listed on the Johannesburg Securities Exchange (JSE). It seeks to provide medium- to long-term outperformance of the FTSE/JSE Shari'ah Index.

### OLD MUTUAL MULTI-MANAGERS WINS BATSETA IMBASA YEGOLIDE AWARD

Old Mutual Multi-Managers once again received the award for best Manager of Managers of the Year (Multi-Managers) at the annual Batseta Imbasa Yegolide Awards. This is the third year that Old Mutual Multi-Managers has walked away with this prestigious award. The awards recognise participants in the South African retirement industry who consistently demonstrate professional excellence and an exemplary service ethos.

### DEMYSTIFYING INVESTMENTS TO ENCOURAGE AN INVESTMENT CULTURE

The results of the Old Mutual Savings and Investment Monitor – an annual research programme that investigates the savings habits of South African households – consistently show that investors see financial services as complex and mysterious. While we believe that financial advice is critical, we are cognisant of investors' rising preference to transact digitally, which makes them feel more in control of their financial goals. As a result, we have taken steps to improve our language so that investors know what they're buying and that our solutions are aligned to their goals. Through changing our language, we believe that we will achieve our objective to reach as many investors as possible with our messaging and contribute to demystifying investments for the investors.



**Peter de Beyer**

Chairman: Old Mutual Unit Trusts

# ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs  
Total finance costs  
Distributions  
Withholding tax on foreign dividends

### Change in net assets attributable to unitholders

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets  
Total liabilities, excluding net assets attributable to unitholders

### Net assets attributable to unitholders

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs  
Total finance costs  
Distributions  
Withholding tax on foreign dividends

### Change in net assets attributable to unitholders

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets  
Total liabilities, excluding net assets attributable to unitholders

### Net assets attributable to unitholders

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs  
Total finance costs  
Distributions  
Withholding tax on foreign dividends

### Change in net assets attributable to unitholders

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets  
Total liabilities, excluding net assets attributable to unitholders

### Net assets attributable to unitholders

	CLASSIC INVESTMENT COLLECTION FUNDS				
	Old Mutual Balanced Fund	Old Mutual Flexible Fund	Old Mutual Maximum Return Fund of Funds	Old Mutual Moderate Balanced Fund	Old Mutual Money Market Fund
2 168 430	737 214	63 295	29 693	952 722	
467 208	127 654	5 351	9 540	952 721	
465 368	127 267	5 210	9 517	952 721	
1 840	387	141	23	-	
<b>1 701 222</b>	<b>609 560</b>	<b>57 944</b>	<b>20 153</b>	<b>1</b>	
18 279 970	5 333 366	504 092	354 954	13 530 867	
250 832	69 188	5 924	6 213	89 261	
<b>18 029 138</b>	<b>5 264 178</b>	<b>498 168</b>	<b>348 741</b>	<b>13 441 606</b>	
	Old Mutual Real Income Fund	Old Mutual Stable Growth Fund	Old Mutual Albaraka Balanced Fund	Old Mutual Albaraka Equity Fund	Old Mutual Bond Fund
481 658	595 320	129 237	180 598	57 703	
347 279	244 874	52 809	10 401	49 861	
346 918	244 563	52 694	9 670	49 861	
361	311	115	731	-	
<b>134 379</b>	<b>350 446</b>	<b>76 428</b>	<b>170 197</b>	<b>7 842</b>	
5 246 935	5 861 876	1 973 208	2 292 546	600 127	
85 824	127 940	54 434	12 983	25 916	
<b>5 161 111</b>	<b>5 733 936</b>	<b>1 918 774</b>	<b>2 279 563</b>	<b>574 211</b>	
	Old Mutual Capital Builder Fund	Old Mutual Capped SWIX Index Fund	Old Mutual Core Balanced Fund	Old Mutual Core Conservative Fund	Old Mutual Dynamic Floor Fund
214 954	15 644	32 693	7 217	253 928	
106 455	2 127	6 688	3 177	106 728	
105 916	2 106	6 681	3 175	102 785	
539	21	7	2	3 943	
<b>108 499</b>	<b>13 517</b>	<b>26 005</b>	<b>4 040</b>	<b>147 200</b>	
1 752 849	162 489	280 074	111 851	2 758 235	
48 222	2 068	3 457	2 351	54 696	
<b>1 704 627</b>	<b>160 421</b>	<b>276 617</b>	<b>109 500</b>	<b>2 703 539</b>	

# ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Old Mutual Financial Services Fund	Old Mutual Global Bond Feeder Fund	Old Mutual Global Currency Feeder Fund	Old Mutual Global Emerging Market Fund	Old Mutual Global Equity Fund
Net (loss)/income from operations before finance costs	86 729	(2 578)	(123)	326 784	1 501 784
Total finance costs	20 016	46	426	5 172	42 513
Distributions	20 016	46	426	2 436	6 863
Withholding tax on foreign dividends	-	-	-	2 736	35 650
<b>Change in net assets attributable to unitholders</b>	<b>66 713</b>	<b>(2 624)</b>	<b>(549)</b>	<b>321 612</b>	<b>1 459 271</b>

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	672 815	67 715	362 019	845 870	13 307 019
Total liabilities, excluding net assets attributable to unitholders	12 827	113	659	3 722	18 611
<b>Net assets attributable to unitholders</b>	<b>659 988</b>	<b>67 602</b>	<b>361 360</b>	<b>842 148</b>	<b>13 288 408</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Old Mutual Global FTSE RAFI® All World Index Feeder Fund	Old Mutual Gold Fund	Old Mutual Growth Fund	Old Mutual High Yield Opportunity Fund	Old Mutual Income Fund
Net (loss)/income from operations before finance costs	107 858	(36 809)	110 565	311 575	139 557
Total finance costs	3	961	20 539	72 705	115 634
Distributions	-	796	20 303	72 714	115 634
Withholding tax on foreign dividends	3	165	236	(9)	-
<b>Change in net assets attributable to unitholders</b>	<b>107 855</b>	<b>(37 770)</b>	<b>90 026</b>	<b>238 870</b>	<b>23 923</b>

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	1 853 002	379 328	1 460 830	2 170 397	1 824 574
Total liabilities, excluding net assets attributable to unitholders	968	556	10 135	35 310	35 659
<b>Net assets attributable to unitholders</b>	<b>1 852 034</b>	<b>378 772</b>	<b>1 450 695</b>	<b>2 135 087</b>	<b>1 788 915</b>

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Old Mutual Industrial Fund	Old Mutual Interest Plus Fund	Old Mutual International Growth Fund of Funds	Old Mutual Investors' Fund	Old Mutual Managed Alpha Equity Fund
Net (loss)/income from operations before finance costs	117 109	180 393	22 283	1 457 315	63 064
Total finance costs	13 449	173 982	9	254 356	7 744
Distributions	13 267	173 982	-	253 814	7 706
Withholding tax on foreign dividends	182	-	9	542	38
<b>Change in net assets attributable to unitholders</b>	<b>103 660</b>	<b>6 411</b>	<b>22 274</b>	<b>1 202 959</b>	<b>55 320</b>

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	1 277 365	2 432 307	284 446	14 435 381	490 864
Total liabilities, excluding net assets attributable to unitholders	6 861	18 977	795	181 627	4 736
<b>Net assets attributable to unitholders</b>	<b>1 270 504</b>	<b>2 413 330</b>	<b>283 651</b>	<b>14 253 754</b>	<b>486 128</b>

# ABRIDGED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs	(15 601)	128 456	133 630	742 286	96 312
Total finance costs	11 879	15 774	24 180	285 518	10 400
Distributions	11 879	15 745	23 749	283 819	10 157
Withholding tax on foreign dividends	-	29	431	1 699	243

### Change in net assets attributable to unitholders

<b>(27 480)</b>	<b>112 682</b>	<b>109 450</b>	<b>456 768</b>	<b>85 912</b>
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## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	896 253	1 083 034	939 337	5 855 115	546 480
Total liabilities, excluding net assets attributable to unitholders	7 117	12 558	14 372	58 573	12 167

### Net assets attributable to unitholders

<b>889 136</b>	<b>1 070 476</b>	<b>924 965</b>	<b>5 796 542</b>	<b>534 313</b>
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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs	134 519	41 347	1 926 485	34 550	701 943
Total finance costs	33 124	5 450	254 839	12 743	145 117
Distributions	33 124	5 424	253 574	12 722	144 613
Withholding tax on foreign dividends	-	26	1 265	21	504

### Change in net assets attributable to unitholders

<b>101 395</b>	<b>35 897</b>	<b>1 671 646</b>	<b>21 807</b>	<b>556 826</b>
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## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	1 816 545	418 177	15 182 469	387 754	6 253 582
Total liabilities, excluding net assets attributable to unitholders	19 128	2 137	123 178	3 423	52 477

### Net assets attributable to unitholders

<b>1 797 417</b>	<b>416 040</b>	<b>15 059 291</b>	<b>384 331</b>	<b>6 201 105</b>
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## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

Net (loss)/income from operations before finance costs	24 340	40 351	6 122
Total finance costs	18 703	371	252
Distributions	18 703	359	249
Withholding tax on foreign dividends	-	12	3

### Change in net assets attributable to unitholders

<b>5 637</b>	<b>39 980</b>	<b>5 870</b>
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## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

Total assets	343 847	273 301	78 445
Total liabilities, excluding net assets attributable to unitholders	3 145	764	152

### Net assets attributable to unitholders

<b>340 702</b>	<b>272 537</b>	<b>78 293</b>
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Old Mutual Mid & Small-Cap Fund	Old Mutual Mining & Resources Fund	Old Mutual RAFI® 40 Tracker Fund	Old Mutual SA Quoted Property Fund	Old Mutual Top 40 Fund
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(15 601)	128 456	133 630	742 286	96 312
11 879	15 774	24 180	285 518	10 400
11 879	15 745	23 749	283 819	10 157
-	29	431	1 699	243
<b>(27 480)</b>	<b>112 682</b>	<b>109 450</b>	<b>456 768</b>	<b>85 912</b>

896 253	1 083 034	939 337	5 855 115	546 480
7 117	12 558	14 372	58 573	12 167
<b>889 136</b>	<b>1 070 476</b>	<b>924 965</b>	<b>5 796 542</b>	<b>534 313</b>

Old Mutual Top Companies Fund	MULTI-MANAGER FUNDS			
	Old Mutual Multi-Managers Aggressive Balanced Fund of Funds	Old Mutual Multi-Managers Balanced Fund of Funds	Old Mutual Multi-Managers Cautious Fund of Funds	Old Mutual Multi-Managers Defensive Fund of Funds

134 519	41 347	1 926 485	34 550	701 943
33 124	5 450	254 839	12 743	145 117
33 124	5 424	253 574	12 722	144 613
-	26	1 265	21	504
<b>101 395</b>	<b>35 897</b>	<b>1 671 646</b>	<b>21 807</b>	<b>556 826</b>

1 816 545	418 177	15 182 469	387 754	6 253 582
19 128	2 137	123 178	3 423	52 477
<b>1 797 417</b>	<b>416 040</b>	<b>15 059 291</b>	<b>384 331</b>	<b>6 201 105</b>

Old Mutual Multi-Managers Enhanced Income Fund of Funds	Old Mutual Multi-Managers Equity Fund of Funds	Old Mutual Multi-Managers Maximum Return Fund of Funds
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24 340	40 351	6 122
18 703	371	252
18 703	359	249
-	12	3
<b>5 637</b>	<b>39 980</b>	<b>5 870</b>

343 847	273 301	78 445
3 145	764	152
<b>340 702</b>	<b>272 537</b>	<b>78 293</b>

## PORTFOLIO COMPOSITION (%) AS AT 31 DECEMBER 2017

	Cash and cash equivalents*	Money market instruments	Derivatives at fair value#	Bonds	Unit trusts		Equity	
					Local	Foreign	Local	Foreign
Old Mutual Balanced Fund	2.31	5.25	-	15.77	-	22.93	53.74	-
Old Mutual Flexible Fund	2.03	10.35	-	2.06	-	25.40	59.51	0.65
Old Mutual Maximum Return Fund of Funds	1.59	-	-	-	46.88	51.53	-	-
Old Mutual Moderate Balanced Fund	2.33	12.38	-	27.18	5.41	20.78	31.92	-
Old Mutual Money Market Fund	100.00	-	-	-	-	-	-	-
Old Mutual Real Income Fund	4.45	16.06	-	60.20	-	1.78	17.51	-
Old Mutual Stable Growth Fund	3.47	17.23	-	32.28	-	18.88	28.14	-
Old Mutual Albaraka Balanced Fund	2.48	34.18	-	2.69	-	19.67	40.98	-
Old Mutual Albaraka Equity Fund	1.82	-	-	-	-	21.30	72.81	4.07
Old Mutual Bond Fund	0.60	-	-	99.40	-	-	-	-
Old Mutual Capital Builder Fund	19.32	30.62	-	12.20	2.02	-	35.84	-
Old Mutual Capped SWIX Index Fund	2.52	-	-	-	-	-	97.48	-
Old Mutual Core Balanced Fund	3.47	-	-	12.84	23.45	21.61	38.63	-
Old Mutual Core Conservative Fund	0.35	-	-	29.78	39.21	20.09	10.57	-
Old Mutual Dynamic Floor Fund	8.65	27.80	-	16.02	-	-	23.32	24.21
Old Mutual Financial Services Fund	0.16	-	-	-	3.57	-	96.27	-
Old Mutual Global Bond Feeder Fund	2.77	-	-	-	-	97.23	-	-
Old Mutual Global Currency Feeder Fund	2.01	-	-	-	-	97.99	-	-
Old Mutual Global Emerging Market Fund	3.99	-	-	-	-	-	11.62	84.39
Old Mutual Global Equity Fund	6.60	-	-	-	-	-	-	93.40
Old Mutual Global FTSE RAFI® All World Index Feeder Fund	0.50	-	-	-	-	99.50	-	-
Old Mutual Gold Fund	3.31	-	-	-	-	-	63.95	32.74
Old Mutual Growth Fund	0.25	-	-	-	1.78	15.43	82.54	-
Old Mutual High Yield Opportunity Fund	0.06	-	-	-	1.89	-	98.05	-
Old Mutual Income Fund	1.96	25.05	-	72.99	-	-	-	-
Old Mutual Industrial Fund	0.32	-	-	-	5.22	-	94.46	-
Old Mutual Interest Plus Fund	3.87	66.43	-	29.70	-	-	-	-
Old Mutual International Growth Fund of Funds	9.56	-	-	5.88	-	84.56	-	-
Old Mutual Investors' Fund	8.02	-	-	-	-	-	91.98	-
Old Mutual Managed Alpha Equity Fund	1.72	-	-	-	-	-	98.28	-
Old Mutual Mid & Small-Cap Fund	0.12	-	-	-	4.46	-	95.42	-
Old Mutual Mining & Resources Fund	2.45	-	-	-	-	-	81.92	15.63
Old Mutual RAFI® 40 Tracker Fund	1.86	-	-	-	-	-	98.14	-
Old Mutual SA Quoted Property Fund	0.03	-	-	-	1.16	-	98.81	-
Old Mutual Top 40 Fund	2.93	-	-	-	-	-	97.07	-
Old Mutual Top Companies Fund	0.37	-	-	-	5.85	-	93.78	-
Old Mutual Multi-Managers Aggressive Balanced Fund of Funds	0.62	-	-	-	74.17	25.21	-	-
Old Mutual Multi-Managers Balanced Fund of Funds	0.08	-	-	-	74.92	25.00	-	-
Old Mutual Multi-Managers Cautious Fund of Funds	0.09	-	-	-	76.08	23.83	-	-
Old Mutual Multi-Managers Defensive Fund of Funds	0.02	-	-	-	75.06	24.92	-	-
Old Mutual Multi-Managers Enhanced Income Fund of Funds	0.13	-	-	-	99.87	-	-	-
Old Mutual Multi-Managers Equity Fund of Funds	0.08	-	-	-	99.92	-	-	-
Old Mutual Multi-Managers Maximum Return Fund of Funds	0.50	-	-	-	48.44	51.06	-	-

\* Only capital, current and call deposits are included.

# Where portfolios hold SAFEX instruments the fair value of derivative assets and liabilities is zero.



## INVESTMENT PERFORMANCE (%) AS AT 31 DECEMBER 2017

	1 YEAR		3 YEARS		5 YEARS		7 YEARS	
	(Class A)	(Class R)	(Class A)	(Class R)	(Class A)	(Class R)	(Class A)	(Class R)
Old Mutual Balanced Fund	12.6	13.0	7.0	7.4	9.7	10.5	10.2	11.0
Old Mutual Flexible Fund	15.1	15.5	8.3	8.6	11.6	12.4	11.1	11.8
Old Mutual Maximum Return Fund of Funds	14.0	-	8.3	-	-	-	-	-
Old Mutual Moderate Balanced Fund	11.8	-	-	-	-	-	-	-
Old Mutual Money Market Fund	7.7	-	7.2	-	6.5	-	6.1	-
Old Mutual Real Income Fund	9.2	-	7.0	-	7.3	-	8.3	-
Old Mutual Stable Growth Fund	10.6	-	7.1	-	8.4	-	9.0	-
Old Mutual Albaraka Balanced Fund	7.3	-	6.7	-	8.6	-	8.1	-
Old Mutual Albaraka Equity Fund	8.4	-	6.3	-	9.4	-	10.9	-
Old Mutual Bond Fund	-	10.0	-	6.3	-	5.9	-	7.7
Old Mutual Capital Builder Fund	9.6	-	5.1	-	5.8	-	5.7	-
Old Mutual Capped SWIX Index Fund*	-	-	-	-	-	-	-	-
Old Mutual Core Balanced Fund	12.1	-	-	-	-	-	-	-
Old Mutual Core Conservative Fund*	-	-	-	-	-	-	-	-
Old Mutual Dynamic Floor Fund	9.4	-	6.5	-	8.2	-	8.6	-
Old Mutual Financial Services Fund	14.6	15.0	6.2	6.5	12.0	12.3	13.8	14.1
Old Mutual Global Bond Feeder Fund	-3.9	-	3.1	-	6.9	-	9.8	-
Old Mutual Global Currency Feeder Fund	0.1	-	3.9	-	-	-	-	-
Old Mutual Global Emerging Market Fund	16.5	-	11.0	-	13.2	-	-	-
Old Mutual Global Equity Fund	12.2	13.2	12.9	13.8	24.0	24.9	23.0	23.7
Old Mutual Global FTSE RAFI® All World Index Feeder Fund	8.0	-	9.9	-	18.2	-	-	-
Old Mutual Gold Fund	-7.7	-7.3	0.5	0.4	-6.0	-5.8	-5.6	-5.4
Old Mutual Growth Fund	7.4	7.9	2.6	2.7	8.0	8.0	7.9	7.8
Old Mutual High Yield Opportunity Fund	15.9	-	2.8	-	7.8	-	7.5	-
Old Mutual Income Fund	-	9.9	-	8.0	-	6.8	-	7.2
Old Mutual Industrial Fund	8.9	9.2	5.2	5.5	11.9	12.2	13.3	13.6
Old Mutual Interest Plus Fund	8.1	-	7.6	-	6.7	-	-	-
Old Mutual International Growth Fund of Funds	7.7	-	5.9	-	15.1	-	15.8	-
Old Mutual Investors' Fund	10.5	10.9	5.1	5.4	11.1	11.4	11.5	11.7
Old Mutual Managed Alpha Equity Fund	14.4	-	7.2	-	11.5	-	12.8	-
Old Mutual Mid & Small-Cap Fund	-1.9	-1.3	2.5	3.1	7.9	8.5	10.0	10.6
Old Mutual Mining & Resources Fund	13.8	14.1	9.0	9.3	3.5	3.8	0.5	0.8
Old Mutual RAFI® 40 Tracker Fund	16.6	-	8.1	-	9.2	-	10.0	-
Old Mutual SA Quoted Property Fund	13.5	-	9.7	-	12.6	-	14.6	-
Old Mutual Top 40 Fund	22.2	-	8.2	-	10.7	-	11.2	-
Old Mutual Top Companies Fund	6.9	7.3	2.7	2.7	8.4	8.4	8.4	8.3
Old Mutual Multi-Managers Aggressive Balanced Fund of Funds	13.9	-	-	-	-	-	-	-
Old Mutual Multi-Managers Balanced Fund of Funds	13.1	-	7.2	-	9.3	-	10.0	-
Old Mutual Multi-Managers Cautious Fund of Funds	9.9	-	6.5	-	7.1	-	7.0	-
Old Mutual Multi-Managers Defensive Fund of Funds	11.5	-	7.0	-	8.9	-	9.1	-
Old Mutual Multi-Managers Enhanced Income Fund of Funds	8.3	-	7.3	-	6.5	-	7.0	-
Old Mutual Multi-Managers Equity Fund of Funds	16.0	-	6.8	-	9.4	-	9.3	-
Old Mutual Multi-Managers Maximum Return Fund of Funds	14.0	-	-	-	-	-	-	-

\* No performance figures are available as these funds were launched during the 2017 financial year.

## INCOME DISTRIBUTION PER UNIT (CENTS) AS AT 31 DECEMBER 2017

	MARCH 2017		JUNE 2017		SEPTEMBER 2017		DECEMBER 2017	
	(Class A)	(Class R)	(Class A)	(Class R)	(Class A)	(Class R)	(Class A)	(Class R)
Old Mutual Balanced Fund	-	-	15.14	17.70	-	-	15.64	18.37
Old Mutual Flexible Fund	-	-	13.16	15.77	-	-	14.11	16.97
Old Mutual Maximum Return Fund of Funds	-	-	-	-	-	-	2.43	-
Old Mutual Moderate Balanced Fund	-	-	3.12	-	-	-	3.21	-
Old Mutual Money Market Fund	-	-	-	-	-	-	-	-
Old Mutual Real Income Fund	4.55	-	4.14	-	4.94	-	4.10	-
Old Mutual Stable Growth Fund	-	-	5.82	-	-	-	5.66	-
Old Mutual Albaraka Balanced Fund	-	-	3.85	-	-	-	3.91	-
Old Mutual Albaraka Equity Fund	-	-	5.53	-	-	-	2.35	-
Old Mutual Bond Fund	-	-	-	14.27	-	-	-	14.48
Old Mutual Capital Builder Fund	-	-	5.38	-	-	-	5.40	-
Old Mutual Capped SWIX Index Fund	-	-	0.27	-	-	-	2.34	-
Old Mutual Core Balanced Fund	-	-	2.47	-	-	-	2.19	-
Old Mutual Core Conservative Fund	-	-	1.37	-	-	-	3.61	-
Old Mutual Dynamic Floor Fund	-	-	8.11	-	-	-	7.99	-
Old Mutual Financial Services Fund	-	-	15.41	17.38	-	-	26.05	28.11
Old Mutual Global Bond Feeder Fund	-	-	-	-	-	-	-	-
Old Mutual Global Currency Feeder Fund	-	-	-	-	-	-	-	-
Old Mutual Global Emerging Market Fund	-	-	-	-	-	-	-	-
Old Mutual Global Equity Fund	-	-	-	4.71	-	-	-	-
Old Mutual Global FTSE RAFI® All World Index Feeder Fund	-	-	-	-	-	-	-	-
Old Mutual Gold Fund	-	-	0.63	2.64	-	-	-	-
Old Mutual Growth Fund	-	-	17.99	23.44	-	-	11.49	17.19
Old Mutual High Yield Opportunity Fund	-	-	30.84	-	-	-	25.62	-
Old Mutual Income Fund	-	2.30	-	2.31	-	2.36	-	2.30
Old Mutual Industrial Fund	-	-	11.62	15.18	-	-	7.55	11.37
Old Mutual Interest Plus Fund	1.34	-	1.22	-	1.23	-	1.26	-
Old Mutual International Growth Fund of Funds	-	-	-	-	-	-	-	-
Old Mutual Investors' Fund	-	-	257.09	335.61	-	-	295.71	378.34
Old Mutual Managed Alpha Equity Fund	-	-	70.40	-	-	-	80.12	-
Old Mutual Mid & Small-Cap Fund	-	-	12.75	18.58	-	-	2.45	7.99
Old Mutual Mining & Resources Fund	-	-	21.80	30.87	-	-	62.24	72.17
Old Mutual RAFI® 40 Tracker Fund	-	-	4.34	-	-	-	4.82	-
Old Mutual SA Quoted Property Fund	14.12	-	8.31	-	15.43	-	8.61	-
Old Mutual Top 40 Fund	7.23	-	1.82	-	9.37	-	1.31	-
Old Mutual Top Companies Fund	-	-	16.12	22.22	-	-	19.78	26.13
Old Mutual Multi-Managers Aggressive Balanced Fund of Funds	-	-	2.30	-	-	-	0.29	-
Old Mutual Multi-Managers Balanced Fund of Funds	-	-	4.12	-	0.83	-	5.45	-
Old Mutual Multi-Managers Cautious Fund of Funds	1.76	-	2.52	-	1.53	-	1.57	-
Old Mutual Multi-Managers Defensive Fund of Funds	1.85	-	4.45	-	2.46	-	4.13	-
Old Mutual Multi-Managers Enhanced Income Fund of Funds	4.12	-	4.33	-	4.46	-	1.86	-
Old Mutual Multi-Managers Equity Fund of Funds	-	-	-	-	-	-	-	-
Old Mutual Multi-Managers Maximum Return Fund of Funds	-	-	0.66	-	-	-	-	-

# PRICE, TOTAL EXPENSE RATIO (TER) AND PERFORMANCE FEE

## AS AT 31 DECEMBER 2017

	LAST PUBLISHED PRICE		TOTAL EXPENSE RATIO (TER)		PERFORMANCE FEE COMPONENT OF TER
	(31/12/2017)		Percentage per Class (%)		%
	(Class A)	(Class R)	(Class A)	(Class R)	
Old Mutual Balanced Fund	1 614.24	1 616.99	1.64	1.3	0.04
Old Mutual Flexible Fund	1 708.68	1 711.54	1.65	1.3	0.04
Old Mutual Maximum Return Fund of Funds	325.40	-	1.86	-	N/A
Old Mutual Moderate Balanced Fund	221.64	-	1.89	-	N/A
Old Mutual Money Market Fund	100.00	-	0.58	-	N/A
Old Mutual Real Income Fund	284.92	-	1.41	-	N/A
Old Mutual Stable Growth Fund	315.01	-	1.61	-	0.02
Old Mutual Albaraka Balanced Fund	310.07	-	1.47	-	N/A
Old Mutual Albaraka Equity Fund	2 194.30	-	1.75	-	N/A
Old Mutual Bond Fund	-	356.46	-	0.89	N/A
Old Mutual Capital Builder Fund	264.46	-	1.39	-	0.03
Old Mutual Capped SWIX Index Fund	221.96	-	0.69	-	N/A
Old Mutual Core Balanced Fund	224.36	-	0.92	-	N/A
Old Mutual Core Conservative Fund	211.56	-	0.75	-	N/A
Old Mutual Dynamic Floor Fund	483.88	-	1.57	-	N/A
Old Mutual Financial Services Fund	1 571.04	1 572.82	1.45	1.17	N/A
Old Mutual Global Bond Feeder Fund	533.01	-	1.67	-	N/A
Old Mutual Global Currency Feeder Fund	321.52	-	1.04	-	N/A
Old Mutual Global Emerging Market Fund	428.49	-	2.42	-	0.60
Old Mutual Global Equity Fund	2 594.03	2 638.96	2.09	1.23	N/A
Old Mutual Global FTSE RAFI® All World Index Feeder Fund	471.84	-	1.19	-	N/A
Old Mutual Gold Fund	617.65	628.80	1.76	1.19	N/A
Old Mutual Growth Fund	2 820.91	2 826.58	1.28	1.25	0.08
Old Mutual High Yield Opportunity Fund	1 774.79	-	1.45	-	N/A
Old Mutual Income Fund	-	125.75	-	0.88	N/A
Old Mutual Industrial Fund	2 580.88	2 584.52	1.46	1.18	N/A
Old Mutual Interest Plus Fund	203.06	-	0.65	-	N/A
Old Mutual International Growth Fund of Funds	541.58	-	2.64	-	N/A
Old Mutual Investors' Fund	41 966.29	42 043.42	1.45	1.16	0.35
Old Mutual Managed Alpha Equity Fund	9 972.40	-	1.53	-	0.40
Old Mutual Mid & Small-Cap Fund	1 954.92	1 960.17	1.74	1.17	N/A
Old Mutual Mining & Resources Fund	7 209.38	7 219.88	1.45	1.16	N/A
Old Mutual RAFI® 40 Tracker Fund	364.87	-	0.89	-	N/A
Old Mutual SA Quoted Property Fund	1 071.82	-	1.45	-	N/A
Old Mutual Top 40 Fund	1 030.10	-	0.75	-	N/A
Old Mutual Top Companies Fund	3 145.96	3 152.43	1.17	1.17	0.06
Old Mutual Multi-Managers Aggressive Balanced Fund of Funds	228.37	-	2.71	-	N/A
Old Mutual Multi-Managers Balanced Fund of Funds	999.56	-	2.05	-	N/A
Old Mutual Multi-Managers Cautious Fund of Funds	246.13	-	1.83	-	N/A
Old Mutual Multi-Managers Defensive Fund of Funds	690.49	-	2.05	-	N/A
Old Mutual Multi-Managers Enhanced Income Fund of Funds	255.29	-	1.29	-	N/A
Old Mutual Multi-Managers Equity Fund of Funds	1 056.08	-	1.59	-	N/A
Old Mutual Multi-Managers Maximum Return Fund of Funds	229.12	-	3.23	-	N/A

# OLD MUTUAL UNIT TRUST MANAGERS (RF) (Pty) Ltd

## ABRIDGED ANNUAL REPORT 2017

### TRUSTEES' REPORT

Standard Bank of South Africa Limited provides custodian services for a fee as disclosed in the statement of comprehensive income.

Report in terms of section 70(f) of the Collective Investment Schemes Control Act (the Act), No. 45 of 2002, for the period 1 January 2017 to 31 December 2017 – Old Mutual Unit Fund Scheme and Old Mutual Investors' Fund Scheme.

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Schemes in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by the Act; and
- (ii) the provisions of the Act and the deed.

#### Standard Chartered Bank

We hereby confirm that as required in terms of section 70 (3) of the Collective Investment Schemes Control Act, No. 45 of 2002, as amended (the Act), we have satisfied ourselves that every statement of comprehensive income, statement of financial position and other return prepared by the Manager of the Scheme in terms of section 90 of the Act fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager of the Scheme.

### IMPORTANT NOTICE:

In terms of the Collective Investment Schemes Control Act, the trustees of all unit trust companies must report on their adherence to limitations imposed on investing, borrowing powers and the general provisions of the Act and Trust Deed. Our trustees, Standard Bank of South Africa Limited and Standard Chartered Bank, have released Old Mutual Unit Trusts' report for 2017. The report does not detail any material breaches and is available from the Manager on request and may be viewed at the registered offices of the Manager.



### STATUTORY INFORMATION:

Only the A and R Class fund portfolios have been included in this Abridged Annual Report. Performance figures are only disclosed for funds that have been in existence for more than one year. A fund portfolio is identical for all the respective classes of that fund. Different classes purely reflect different fee structures, not different portfolio compositions. The A and R Classes have been selected for this Annual Report as these are the only two classes of units which a retail investor can purchase directly from Old Mutual Unit Trust Managers (RF) (Pty) Ltd. Note that full details of all the funds and classes are available in the full Annual Report. All performance figures are based on lump sum investments to December 2017. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A schedule of fees, charges and maximum commissions is available from the company. You may sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis and 17h00 at month-end for the Old Mutual RAFI® 40 Tracker Fund, Old Mutual Top 40 Fund and the Old Mutual Multi-Managers Equity Fund of Funds). The Old Mutual Money Market Fund unit price aims to be static but investment capital is not guaranteed. The total return is primarily made up of interest (declared daily at 13h00), but may also include any gain/loss on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. A fund of funds unit trust invests only in other collective investment schemes, which may levy their own charges. Certain funds may be capped to be managed in accordance with their mandates. Old Mutual is a member of the Association for Savings and Investment SA.

Source: Morningstar.

The performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income.

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