



# OLD MUTUAL BALANCED FUND

## FUND INFORMATION

### RISK PROFILE



### RECOMMENDED INVESTMENT TERM



### BENCHMARK:

CPI

### PERFORMANCE TARGET:

CPI + 4% to 5% p.a. (net of fees)

Performance is targeted over the recommended minimum investment term and is not guaranteed.

### ASISA CATEGORY:

South African – Multi-Asset – High Equity

### FUND MANAGER(S):

Graham Tucker & Warren van der Westhuizen  
(Old Mutual Investment Group)

### LAUNCH DATE:

01/03/1994

### SIZE OF FUND:

R23.2bn

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

Date	Dividend	Interest	Total	Total %
31/12/2024	10.96c	17.51c	28.47c	1.29%
30/06/2024	13.87c	16.64c	30.50c	1.46%

\* Class A fund distributions

### TAX REFERENCE NUMBER:

1062/110/25/7

CODES	JSE	ISIN
<b>Class A</b>	OMBFA	ZAE000097424
<b>Class B1</b>	OMBB1	ZAE000171096
<b>Class R</b>	OMSL	ZAE000020780

### FUND OBJECTIVE

This fund aims to achieve long-term inflation-beating growth. The fund has a growth asset bias and will invest more heavily in shares. The portfolio manager actively allocates to other asset classes to take advantage of changing market conditions and to manage the fund's volatility.

### WHO IS THIS FUND FOR?

This fund is suitable for investors wanting moderate to high long-term growth, with less volatility in the short term than pure equity. It is suitable as a stand-alone retirement investment.

### INVESTMENT MANDATE

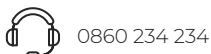
The fund is exposed to all sectors of the market (shares, bonds and property) and may gain exposure to foreign assets up to a maximum of 45% of its portfolio. Derivatives may be used for efficient portfolio management purposes.

### 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.

## CONTACT DETAILS

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

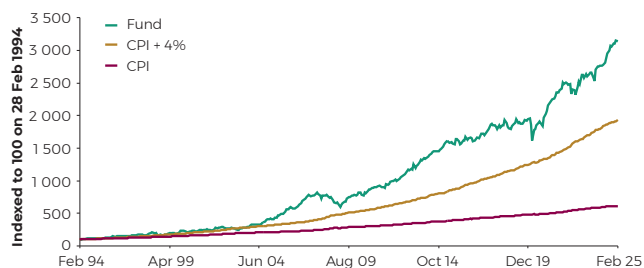




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## FUND PERFORMANCE AS AT 28/02/2025

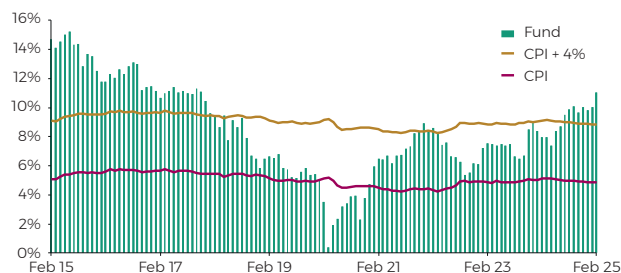
### PERFORMANCE SINCE INCEPTION



Past performance is no indication of future performance.

### 5-YEAR ANNUALISED ROLLING RETURNS

(FUND VS BENCHMARK/PERFORMANCE TARGET)



% Performance (Annualised)						
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception <sup>1</sup>
Fund (Class R)	13.7%	7.8%	11.0%	8.0%	7.2%	11.8%
Fund (Class A) <sup>2</sup>	13.3%	7.5%	10.7%	7.7%	6.9%	-
Fund (Class B1) <sup>3</sup>	13.8%	7.9%	11.1%	8.1%	7.3%	-
Benchmark*	3.2%	5.1%	4.8%	4.7%	5.0%	6.0%

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

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

<sup>2</sup> Inception: 30 June 2007.

<sup>3</sup> Inception: 31 October 2012. Class B1 is 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.

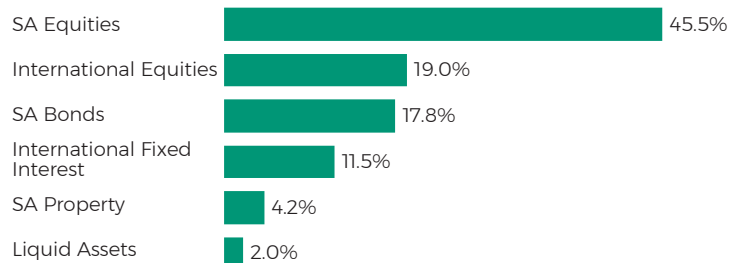
Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	45.5%	12.2%	-23.2%

Risk Statistics (Since Inception)	
Maximum Drawdown	-29.1%
Months to Recover	17
% Positive Months	65.6%
Annual Standard Deviation	12.0%
Sharpe Ratio	0.25

Risk statistics are calculated based on monthly performance data from inception of the fund.

## FUND COMPOSITION

### ASSET & PERCENTAGE ALLOCATION



### PRINCIPAL HOLDINGS AS AT 31/12/2024

Holding	% of Fund
Naspers Ltd	3.9%
R213 7.00% 28/02/2031	3.3%
FirstRand Ltd	3.1%
Standard Bank Group Ltd	2.9%
R2037 8.50% 31/01/2037	2.6%
R2040 9.00% 31/01/2040	2.6%
R2044 8.75% 31/01/2044	2.5%
R2032 8.25% 31/03/2032	2.3%
Newgold Issuer Ltd	2.2%
Prosus NV	2.1%



# OLD MUTUAL BALANCED FUND

## PORTFOLIO MANAGERS COMMENTARY AS AT 31/12/2024

OLD MUTUAL INVESTMENT GROUP



### GRAHAM TUCKER

- BSc Actuarial Science (Hons), CFA
- 24 years of investment experience



### WARREN VAN DER WESTHUIZEN

- BCom (Hons), CFA
- 24 years of investment experience

In 2024, global equities were up 17.5% (in US dollars) despite losing ground marginally over the quarter. This was led by the US, which gained 24.5% over the year and follows last year's 20% plus return from the index. The last time this occurred in two consecutive years was the late 1990s. While interest rate cuts around the world meant financials did well, a large part of the performance is due to a surging Magnificent Seven. These US mega caps were up 67% in the year resulting in Growth outperforming Value significantly again (24% vs 11%), while the US dollar had another year of strength against most currencies.

Over the quarter, as Trump started to take the lead in and eventually be elected the next US president, global bonds sold off significantly (Bloomberg Global Aggregate down 5% in US dollars) given his likely inflationary policies. For the year, even though global credit spreads tightened, global bonds were down 1.7% for the year.

In South Africa, the FTSE/JSE Capped SWIX Index gave up 2% (in rand) over the quarter to bring the full year return to 13.4%. The strong US dollar during the quarter hurt local resources counters and these were down over 9%, excluding dividends. This brought their price return to -11% over the year, while the Naspers/Prosus complex was up 35%.

During the year, bond yields dropped post the formation of the GNU and then held at lower levels. Interest rate sensitive sectors benefitted strongly from this over the year with the SA All Property Index up 30%. Excluding dividends, South African financials were up over 16% and South African retailers were up over 36% in 2024. South African bonds outperformed South African equities in aggregate and, while flat over the quarter, were up over 17% in rand for 2024.

The fund delivered double-digit absolute returns during the year, well ahead of the inflation linked objective. This performance was largely driven by the strong performance of risk assets. Over the last five years, the fund has delivered in line with, to slightly below, the real return objective. While global equity has performed well during this longer period, it has been somewhat limited to the US equity market with much of the rest of the world, including emerging market and South African equity, lagging.

Although local assets retreated during the last quarter of 2024, we remain firm in the view that the local recovery will continue into 2025 and, as such, expect these local assets to deliver good returns. Accordingly, the fund is tilted towards local assets with the view being expressed via positions in bonds, property and banks at the expense of cash. However, rather than simply allocating to the cheapest of these recovery beneficiaries, we have looked to manage the

risk of disappointment through the addition of higher quality names during the year, with Capitec, Clicks and AVI being examples.

Turning to the global portion of the fund, the big event in the fourth quarter was the US election. The bond market found some comfort in the proposal that Scott Bessent will soon head up the US Treasury department. We used this strength to reduce the exposure to US nominal bonds, which we believe will come under pressure from greater fiscal and more inflationary policies, as well as higher debt servicing costs. In addition, we implemented a protection strategy on the US equity market. While equity investors might initially cheer a second Trump presidency, we are concerned that the exuberance could be overdone with elevated valuations also a headwind. The implementation of the protection strategy removes a significant portion of downside risk, while continuing to allow for the participation in significant upside.

As we enter 2025, investors will undoubtedly continue to be tested. The global impact of US policy will be key. China remains weak and needs to stave off deflation and improve growth. South Africa is on the recovery path but needs to ensure it isn't another flash in the pan. While we believe the fund is well placed for the current environment, should the facts change, we will make the necessary changes to access the opportunities and manage the risks

Source: Old Mutual Investment Group as at 31/12/2024

## OTHER INVESTMENT CONSIDERATIONS

### ONGOING

	Class A	Class B1	Class R
Annual service fees (excl. VAT)	1.30%	0.95%	1.00%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth.

Class R is closed to new business.

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% 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.

Total Expenses (Incl. Annual Service Fee) (31/12/2024)	36 Months			12 Months		
	Class A	Class B1	Class R	Class A	Class B1	Class R
Total Expense Ratio (TER) Incl. VAT	1.60%	1.20%	1.26%	1.61%	1.21%	1.27%
Transaction Cost (TC)	0.09%	0.09%	0.09%	0.10%	0.10%	0.10%
Total Investment Charge	1.69%	1.29%	1.35%	1.71%	1.31%	1.37%

Please note: Class B1 is available through investment platforms such as Old Mutual Wealth.

Class R is closed to new business.

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.



# OLD MUTUAL BALANCED FUND

## MINIMUM INVESTMENTS

Monthly: R500  
Lump sum: R10 000  
Ad hoc: R500 (in addition to your monthly or lump sum investment)

\* These investment minimums are not limited to this fund. They can be apportioned across the funds you have selected in your investment contract.

### LOW BALANCE CHARGE

Effective from 31 March 2025, a Prescribed Minimum Balance of R10 000 per fund per investment contract will apply. Failure to maintain the Prescribed Minimum Balance in any such fund will result in a Low Balance Charge\* of R30 per month excluding VAT being incurred. However, if there is an existing monthly debit order of a minimum of R500 into each underlying fund within your investment contract, the Low Balance Charge will not apply. Please refer to the [link for a full disclosure](#) on how the Low Balance Charge will apply to your investments.

\* This charge will not apply if investing via investment platforms such as Old Mutual Wealth.

### INITIAL CHARGES (Incl. VAT):

Initial adviser fee will be between 0% and 3.45%.

## DISCLOSURES

**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.
- Investments in unit trusts should ideally be a medium- to long-term strategy that takes cognisance of the Recommended Investment Term of each individual fund as stipulated in its Minimum Disclosure Document. A fund's or an investment strategy's ability to provide benchmark performance, or to achieve its performance target over its Recommended Investment Term on a net of fee basis may be impacted by market illiquidity, differences in fund and market pricing points, concentration risk and other local (and where applicable global) events, such as market- and political developments, macro-economic factors and healthcare risks such as Covid-19, amongst others. Your fund value may therefore go up or down and the investment capital or return on your investment is not guaranteed. 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.oldmutualinvest.com](http://www.oldmutualinvest.com) 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 for our money market funds, where the cut-off is at 12:30.
- The valuation time is set at 15:00 each working day for all our funds, excluding our money market funds which is at 13:00, 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.
- Excessive daily withdrawals from the fund may place the fund under liquidity pressures. In such circumstances a process of ring-fencing of withdrawal instructions and/or managed payouts over time may be followed.
- This fund holds assets in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 28 February 2025. Source: Morningstar.

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

## CONTACT DETAILS

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

 0860 234 234

 [www.oldmutualinvest.com](http://www.oldmutualinvest.com)

 [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

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