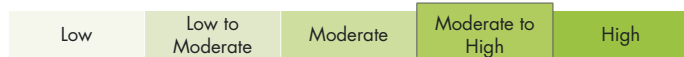


OLD MUTUAL FLEXIBLE FUND

FUND INFORMATION

RISK PROFILE



RECOMMENDED MINIMUM INVESTMENT TERM



FUND OBJECTIVE

The fund aims to deliver long-term equity-like returns, but at lower levels of volatility than equity. The fund will predominantly invest in shares, but the portfolio manager can invest in less risky asset classes when they offer better value.

WHO IS THIS FUND FOR?

This fund is suited to investors who want high long-term capital growth, but also want some protection against short-term fluctuations of the equity market. The fund is suitable for long-term savings outside a retirement fund.

INVESTMENT MANDATE

There are no restrictions on the asset holdings of this fund, except that a maximum of 30% of its portfolio (with an additional 10% for African ex-SA investments) may be invested offshore. The fund invests in money markets, bonds, property and shares. Derivatives may be used for efficient portfolio management purposes.

REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and therefore may hold a higher allocation to equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

BENCHMARK:	CPI
PERFORMANCE TARGET:	CPI + 5% to 7% p.a. (net of fees)
	Performance is targeted over the recommended minimum investment term and is not guaranteed.
RISK OBJECTIVE:	Lower volatility than the equity market.
ASISA CATEGORY:	South African – Multi-Asset – Flexible
FUND MANAGER(S):	Peter Brooke & Arthur Karas (Old Mutual Investment Group – MacroSolutions)
LAUNCH DATE:	20/08/1996
SIZE OF FUND:	R5.2bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
30/06/2018	7.20c	7.73c	14.94c	0.90%
31/12/2017	6.09c	8.02c	14.11c	0.83%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

SA Equities	45.1%
International Equities	26.5%
Nominal Bonds	12.2%
SA Property	7.2%
SA Cash	6.9%
Preference Shares	1.1%
Africa Property	0.7%
International Cash	0.3%

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

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FUND PERFORMANCE as at 30/11/2018

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	-4.6%	2.9%	7.4%	10.7%	12.0%	12.8%
Fund (Class A) ²	-5.0%	2.5%	6.8%	10.0%	11.3%	-
Fund (Class B1) ³	-4.6%	2.9%	7.2%	-	-	-
Benchmark*	5.1%	5.4%	5.4%	5.4%	5.3%	6.3%

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

¹ Performance since inception of the fund.

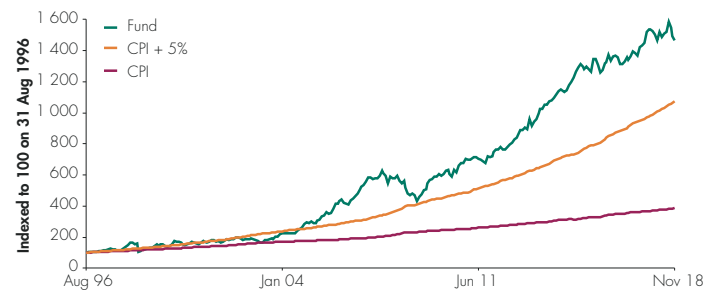
² Inception: 30 June 2007.

³ Inception: 31 October 2012. Class B1 Fund is only available through investment platforms such as Old Mutual Wealth.

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance. Fund returns are net of fees and measured against the benchmark.

Rolling 12-Month Return	Highest	Average	Lowest
Fund (Since Inception)	54.0%	14.1%	-26.9%

Performance Since Inception



Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-35.6%
Months to Recover	17
% Positive Months	61.4%
Annual Standard Deviation	14.9%

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

5-Year Annualised Rolling Returns (Fund vs Benchmark/Performance Target)



PRINCIPAL HOLDINGS as at 30/09/2018

HOLDING	% OF FUND
Naspers Ltd	3.8%
Sasol Ltd	3.7%
R2035 8.875% 28/02/2035	3.1%
Old Mutual Ltd	2.7%
R186 10.5% 21/12/2026	2.3%
British American Tobacco	2.2%
Nedbank Group Ltd	2.0%
ABSA Group Ltd	1.9%
Anglo American Plc	1.9%
MTN Group Ltd	1.9%

OLD MUTUAL FLEXIBLE FUND

FUND MANAGER INFORMATION



PETER BROOKE

PORTFOLIO MANAGER

- Head of MacroSolutions
- BBusSc Finance (Hons)
- 23 years of investment experience



ARTHUR KARAS

PORTFOLIO MANAGER

- BCom, CFA
- 27 years of investment experience

FUND COMMENTARY as at 30/09/2018

The global equity market delivered good returns for the quarter, but lacked meaningful breadth as US equities (+7.5% in US dollar terms) easily outperformed every other major region. US equities responded to robust economic growth in the region and strong earnings growth reported by the companies during the quarter. Negative sentiment persisted in emerging markets, as China showed signs of slower growth, commodity prices remained under pressure and the likes of Turkey and Argentina reminded investors of the risks of investing in the developing world. Unsurprisingly, emerging market currencies, equities and bonds fell during the quarter, particularly in August and early September.

Local assets, already suffering from the poor emerging market sentiment, were dealt another blow in September as Stats SA announced that our economy had fallen further in the second quarter. Although the rand and the bond market largely recovered their losses by the end of the quarter, the equity market was unable to mount a comeback, ending the quarter slightly lower (-1.7%). The challenging economic environment, reflected in company results and updates, shows little sign of relief in the near term. Aspen was a notable casualty of disappointing the market, losing more than a third of its value in a matter of days.

The fund had a good quarter to the end of November 2018 relative to peers. Over the longer term, the fund is still ahead of its performance objective, but over the year to date this has been a tough hurdle. The fund benefited from exposure to developed equity markets and the domestic share portfolio significantly outperformed the FTSE/JSE Capped SWIX Index, delivering a positive number against the benchmark's decline.

Capitec and Sasol were the most meaningful positive contributors to equity performance, powered by strong results and the rising oil price, respectively. Our positive view on Old Mutual's managed separation strategy yielded a good return, boosted by special dividends from both the new listed entities. The fund has had a cautious stance on expensive rand-hedge defensives and Naspers for some time, which paradoxically paid off in a period where the rand was quite weak. Local defensive sectors, including food retail and healthcare (where the fund has no exposure), fared no better and lagged the index. The fund has also avoided Aspen, which had a terrible quarter on the back of a disappointing result. We have been concerned about the company's ability to extract growth from its increasingly complex global

business. On the negative side, MTN was a major detractor of performance, with the Nigerian authorities announcing two unexpected setbacks in Nigeria. The Nigerian government's stance has since softened, but the issues remain unresolved. We used the share price weakness to add marginally to our position in MTN and the price has since recovered off its worst levels.

Looking forward, we maintain a preference for equity over fixed income assets in our global portfolio. In South Africa, we see incremental improvements in state governance, but the local economy remains weak – burdened with low confidence and the rising oil price. We are seeking to hold domestic equities that are neither dependent on broad local macroeconomic factors for success nor are highly leveraged to an eventual turn in the economy. We believe that many of the themes of recent years, such as exceptionally low interest rates in developed economies, could be fading and these changes need to be considered when making investments. We are pleased that the fund has performed well in a tough quarter and continue to see opportunities for good performance.

Source: Old Mutual Investment Group as at 30/09/2018

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS:

- Monthly: R500
- Lump sum: R10 000
- Ad hoc: R500

INITIAL CHARGES (Incl. VAT)*:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.45%.

Investment transactions below the R500 fund minimum incur a 2.30% administration charge.

* Please note: Initial charges do not apply to the Class B funds.

ONGOING

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

* Please note: The Class B1 Fund is only available through investment platforms such as Old Mutual Wealth. The fee is accrued daily and paid to the management company on a monthly basis. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. These include the fees and costs relating to underlying global asset class exposures, which range between 0.20% and 0.50% as the fee for equity exposures is typically higher than the fee for fixed income or money market exposures. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms.

TAX REFERENCE NUMBER: 9301/002/60/7

ISIN CODES:	Class A	ZAE000171104
	Class B1	ZAE000097440

Total Expenses (Incl. Annual Service Fee)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) incl. VAT	1.65%	1.25%	1.31%	1.66%	1.25%	1.31%
Transaction Cost (TC)	0.16%	0.16%	0.16%	0.13%	0.13%	0.13%
Total Investment Charge	1.81%	1.41%	1.47%	1.79%	1.38%	1.44%

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

TER is a historic measure of the impact the deduction of management and operating costs has on a fund's value. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER, which includes the annual service fee, may not necessarily be an accurate indication of future TERs. Transaction Cost (TC) is a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

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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.
- The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted is for a lump sum investment. The performance calculation includes income distributions prior to the deduction of taxes and distributions are reinvested on the ex-dividend date. Performances may differ as a result of actual initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Annualised returns are the weighted average compound growth rates over the performance period measured. Performances are in ZAR and as at 30 November 2018. Sources: Morningstar and Old Mutual Investment Group (FSP no. 604).

Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965 008 47107, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA). Old Mutual Unit Trust Managers has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

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

Issued: December 2018