FUND INFORMATION

**RISK PROFILE**

- **Low**
- **Low to Moderate**
- **Moderate**
- **Moderate to High**
- **High**

**RECOMMENDED MINIMUM INVESTMENT TERM**

- 1 year+
- 3 years+
- 10 years+

**FUND OBJECTIVE**

The fund aims to generate the maximum possible investment return over a long-term investment horizon.

**WHO IS THIS FUND FOR?**

The fund is suitable for investors requiring long-term growth and who appreciate the nature of this worldwide flexible fund of funds, and who are able to accept the return volatility likely to be associated with its objective of maximising returns.

**INVESTMENT MANDATE**

The fund of funds invests primarily in a selection of Old Mutual Group collective investment scheme portfolios offering exposure to South African and international assets. While the primary focus is on shares, nothing prevents the fund manager from gaining exposure to bonds, listed property, cash or other asset classes in order to maximise long-term growth. There is no minimum or maximum that the fund must hold in South African or international assets. Derivatives may be used for efficient portfolio management purposes.

**REGULATION 28 COMPLIANCE**

The fund aims to offer exposure to a specific asset class. It holds a higher allocation to both international assets and equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

**BENCHMARK**: 60% FTSE/JSE Capped Shareholder Weighted Index, 35% MSCI All Country World Index, 5% STeFI Composite Index

* Please note: The benchmark changed to this composite index effective 1 July 2017.

**ASISA CATEGORY**: Worldwide – Multi-Asset – Flexible

**FUND MANAGER(S)**: Peter Brooke & Arthur Karas (Old Mutual Investment Group – Macrosolutions)

**LAUNCH DATE**: 01/07/2013

**SIZE OF FUND**: R833m

**DISTRIBUTIONS**: (Annually)*

<table>
<thead>
<tr>
<th>Date</th>
<th>Dividend</th>
<th>Interest</th>
<th>Total</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/2018</td>
<td>0.65c</td>
<td>0.93c</td>
<td>1.58c</td>
<td>0.51%</td>
</tr>
<tr>
<td>31/01/2018</td>
<td>0.81c</td>
<td>1.18c</td>
<td>2.62c</td>
<td>0.81%</td>
</tr>
</tbody>
</table>

* Class A fund distributions

**FUND PERFORMANCE** as at 31/10/2019

<table>
<thead>
<tr>
<th>% PERFORMANCE (ANNUALISED)</th>
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</thead>
<tbody>
<tr>
<td>1-Yr</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>Fund (Class A)</td>
</tr>
<tr>
<td>Fund (Class B²)</td>
</tr>
<tr>
<td>Benchmark</td>
</tr>
</tbody>
</table>

¹ Performance since inception of the fund.
² 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: 23.6%
- Average: 7.9%
- Lowest: -6.7%

**FUND COMPOSITION**

**UNDERLYING FUNDS**

- International Equity Funds: 35.7%
- Old Mutual Flexible Fund: 27.1%
- Old Mutual Bond Fund: 14.0%
- Old Mutual Mid & Small-Cap Fund: 11.2%
- Liquid Assets: 5.5%
- Old Mutual SA Quoted Property Fund: 3.9%
- Old Mutual Real Income Fund: 2.6%

**ASSET CLASS EXPOSURES**

- International Equity: 41.9%
- SA Equity: 24.9%
- SA Bonds: 18.5%
- SA Cash: 7.5%
- SA Property: 5.6%
- International Cash: 1.3%
- International Property: 0.2%

**FUND PERFORMANCE Since Inception**

Performance measurements over periods shorter than the recommended investment term may not be appropriate. Past performance is no indication of future performance.

**Risk Statistics (Since Inception)**

- Maximum Drawdown: -10.1%
- Months to Recover: 11
- % Positive Months: 63.2%
- Annual Standard Deviation: 8.3%

Risk statistics are calculated based on monthly performance data from inception of the fund.
FUND COMMENTARY as at 30/09/2019

The tale of the tape for the third quarter of 2019. Local equities fell 5% and local bonds returned nearly 1%, while global equities and bonds were approximately flat and 1% higher respectively in US dollar terms, and the rand weakened by over 7% against the US dollar. Various measures have pointed to a broad-based slowdown in global economic activity, which was compounded by a re-escalation in trade tensions between the US and China during the quarter. In addition, the state of the UK political environment remains one of confusion with no clarity on the addition, the state of the UK political environment slowdown in global economic activity, which was the rand weakened by over 7% against the US dollar. In the meantime, equity markets remained somewhat directionless, while industrial metals continued to come under pressure. Global bond yields moved higher and precious metal prices rose as investors sought safe havens. Many sovereign bonds are once again trading on negative yields, while the US 10-year bond yield fell 7.5% against the mighty US dollar, showed South African markets and the currency. While a little towards the end of the quarter. The South African Reserve Bank trimmed interest rates by 0.25% in the quarter as inflation remains well contained and growth anemic.

The last quarter was a disappointing period for South African equity markets, as they fell 5%. This was a sharp underperformance compared to global equities and adding the weakness of the rand, which fell 75% against the mighty US dollar, showed South Africa out of favour. This was partially driven by poor company results as well as a lack of action from the government, which resulted in “Ramaphoria” turning to disappointment. We have taken a more balanced view and think there has been some progress, but also recognise that the next couple of months are critical.

Continued inaction on state-owned enterprises and the budget will result in a downgrade to junk status in the medium term. This is important for the fund’s positioning as we have a decent holding in South African bonds. These have been the best performing local asset class over the last quarter, delivering a return of 11.5%. In fact, they have even beaten offshore equity in rand terms, which delivered a return of 9.2% over the same period. The Old Mutual Maximum Return Fund of Funds remains fairly diversified in its positioning, with roughly 50% invested offshore and 50% invested locally. It has 70% invested in growth assets, with the largest weight in global equity. We also have a reasonable exposure to some smaller capitalisation companies in South Africa which have underperformed materially and we think offer good value. As we mentioned in our last letter, we are increasing our exposure through selling some local financials, which worked well in the short term. We see our 70% growth exposure as on the low side for an aggressive fund and reflects some caution on global equity markets. During the quarter, we lightened equity marginally and have a small cash buffer of around 13%, ready to reinvest on any weakness.

Performance over the last 12 months has been a meagre 1.4%, dragged down by the fund’s investments in local equity, which fell by 2.4%. Over five years, the fund’s return has been 6.5%, a couple of percent better than local equity returns, but disappointing relative to global equity returns. Looking forward, we expect good real returns from local equity and bonds due to the cheap valuations. Global equity, the other major component of the fund, offers lower real returns but provides valuable diversification.

Source: Old Mutual Investment Group as at 30/09/2019

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%.

EXIT FEE:
- Old Mutual Unit Trusts will charge an exit fee of 2.30% exiting within 2 weeks of entry. This fee can rise to 5% if exiting within 6 months of entry. The exit fee will not apply to investments in the fund via the Old Mutual Unit Trusts Tax-Fee Investment.

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

ONGOING

<table>
<thead>
<tr>
<th>Class A</th>
<th>Class B1*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Service Fees (excl. VAT)</td>
<td>1.30%</td>
</tr>
</tbody>
</table>

| Total Expenses (Incl. Annual Service Fee) (30/09/2019) |
|----------------|----------------|
| 36 Months | 12 Months |
| Total Expense Ratio (TER) Incl. VAT | 1.85% | 1.76% |
| 1.45% | 1.36% |
| Transaction Cost (TC) | 0.09% | 0.09% |
| 0.09% | 0.09% |
| Total Investment Charge | 1.94% | 1.85% |
| 1.54% | 1.45% |

* 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.

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

Helpline 0860 234 234 Fax +27 21 509 7100 Internet www.oldmutualinvest.com Email unittrusts@oldmutual.com

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. If you do use a planner, we remind you that they are entitled to certain negotiable planner fees or commissions.

Our cut-off times for client instructions (i.e. buying and selling unit trusts) are 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).

We aim to give you the information you need in as simple a way as possible, to enable you to make informed decisions about your 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, our public website or from our contact centre.

The 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.

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. Performance may differ as a result of actual investment 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. Performance as at 31/3/2019 and as at 31 October 2019. Old Mutual and Old Mutual Wealth Investment Management (RF) Ltd, Old Mutual Unit Trust Managers (RF) (Pty) Ltd, registration number 1965/008471/07, 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 November 2019