



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:	R4.8bn

DISTRIBUTIONS: (Half-yearly)*

Date	Dividend	Interest	Total	Total %
31/12/2019	9.41c	10.05c	19.46c	1.16%
30/06/2019	8.68c	14.03c	22.71c	1.37%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

SA Equities	45.1%
International Equities	28.1%
SA Bonds	11.6%
SA Property	4.9%
SA Cash	4.2%
International Cash	2.3%
Preference Shares	1.7%
International Bonds	1.4%
Africa Property	0.7%

THIS IS THE MINIMUM DISCLOSURE DOCUMENT AS REQUIRED BY BOARD NOTICE 92

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

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FUND PERFORMANCE AS AT 29/02/2020

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception ¹
Fund (Class R)	-3.0%	3.3%	3.1%	7.6%	9.4%	12.1%
Fund (Class A) ²	-3.4%	2.9%	2.8%	6.9%	8.7%	-
Fund (Class B) ³	-3.0%	3.3%	3.2%	7.5%	-	-
Benchmark*	4.5%	4.3%	5.1%	5.1%	5.1%	6.1%

* 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.

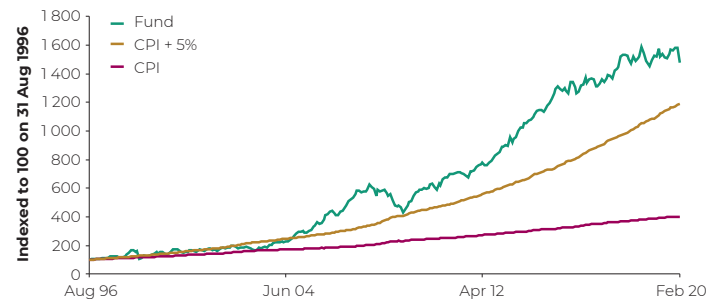
² Inception: 30 June 2007.

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%	13.4%	-26.9%

Performance Since Inception



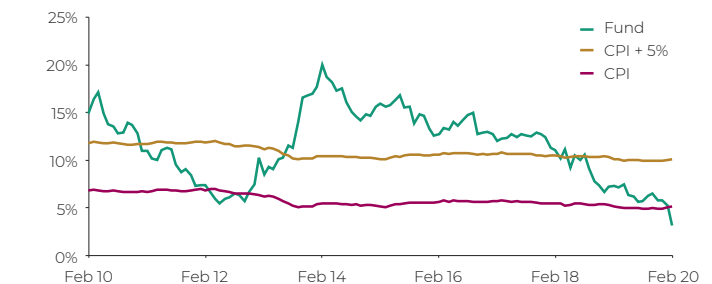
Past performance is no indication of future performance.

Risk Statistics (Since Inception)

Maximum Drawdown	-35.6%
Months to Recover	17
% Positive Months	60.6%
Annual Standard Deviation	14.7%

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 31/12/2019

HOLDING	% OF FUND
British American Tobacco	4.4%
R2035 8.875% 28/02/2035	3.9%
R186 10.5% 21/12/2026	2.8%
Northam Platinum Ltd	2.7%
Standard Bank Group Ltd	2.4%
Impala Platinum Holdings Ltd	2.4%
R2032 8.25% 31/03/2032	2.4%
Nedbank Group Ltd	2.3%
Anglo American Plc	2.3%
Naspers Ltd	2.3%



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 31/12/2019

The final quarter of 2019 was positive for risk assets, resulting in good returns for the full year. Despite slower economic activity globally and the increased intensity of the trade war between the US and China, global equities marched steadily higher. The US Federal Reserve stepped in to arrest the slowdown, cutting rates by 0.75%, and progress on a trade resolution towards the end of the year helped lift global equities nearly 24% in rand terms in 2019 with the US equity market leading the way. From a sector perspective, IT

was the stand-out performer, while energy was the laggard.

Local equities caught the move higher in global equities in the fourth quarter, ending almost 7% higher for the calendar year. This was driven primarily by a strong performance from the platinum and gold sectors as precious metals moved higher. Despite the rand ending the year stronger, other rand hedge counters contributed positively with double-digit returns, while many SA-facing names were under pressure. In addition to weak economic conditions, instances of stock-specific issues arose in the form of excessive debt levels and ESG matters. The local property sector also suffered, returning a paltry 1.9% in 2019. Despite the weak economy, persistent Eskom problems and growing downgrade risks, local bonds returned over 10% in 2019.

The Old Mutual Flexible Fund delivered a performance in 2019 in line with its peer group average and marginally behind its performance target.

As global equity ran up and local assets lagged during the year, the fund has steadily reduced exposure to global assets in favour of domestic bonds and equity. This strategy was premature and has cost the fund some relative performance, even the local government bonds delivered returns ahead of our performance target.

The fund is overweight to platinum miners, which delivered a spectacular return during the year as the palladium price soared. Raubex and British American Tobacco were two other strong equity performers during the year. Naspers has been disappointing subsequent to listing Prosus, lagging the Capped All Share Index (CAPI) and its dominant investment, Tencent.

Fund returns were negatively impacted by the underperformance of some domestic equity holdings. As a group these are profitable companies that are experiencing tough operating conditions in the weak local economy, with cyclically depressed earnings and trading at multi-year low valuations with muted expectations priced in by the market. We believe that these companies make attractive investments, if one has the required patience.

The Old Mutual Flexible Fund remains cautiously positioned and has retained its underweight position in global equity and its large exposure to domestic bonds.

Looking forward, we expect good real returns from local equity and bonds due to their cheap valuations. Global equity, the other major component of the portfolio, offers lower real returns but provides valuable diversification.

Source: Old Mutual Investment Group as at 31/12/2019

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%. 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.

TAX REFERENCE NUMBER: 9301/002/60/7

ISIN CODES: Class A ZAE000097440
Class B1 ZAE000171104

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 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) (31/12/2019)	36 Months			12 Months		
	Class A	Class B1*	Class R	Class A	Class B1*	Class R
Total Expense Ratio (TER) Incl. VAT	1.64%	1.24%	1.30%	1.62%	1.22%	1.28%
Transaction Cost (TC)	0.13%	0.13%	0.13%	0.11%	0.11%	0.11%
Total Investment Charge	1.77%	1.37%	1.43%	1.73%	1.33%	1.39%

* 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.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 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 29 February 2020. 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.

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