FUND INFORMATION

RISK PROFILE

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

RECOMMENDED MINIMUM INVESTMENT TERM

- 1 year
- 3 years
- 5 years

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:

R4.0bn

DISTRIBUTIONS: (Half-yearly)*

- 31/12/2019: 9.4c Dividend, 10.05c Interest, Total 19.46c, Total % 1.16%
- 30/06/2019: 8.68c Dividend, 14.03c Interest, Total 22.71c, Total % 1.37%

* Class A fund distributions

FUND COMPOSITION

ASSET & PERCENTAGE ALLOCATION

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA Equities</td>
<td>43.0%</td>
</tr>
<tr>
<td>International Equities</td>
<td>30.9%</td>
</tr>
<tr>
<td>SA Bonds</td>
<td>12.4%</td>
</tr>
<tr>
<td>SA Property</td>
<td>4.4%</td>
</tr>
<tr>
<td>International Cash</td>
<td>3.4%</td>
</tr>
<tr>
<td>SA Cash</td>
<td>1.8%</td>
</tr>
<tr>
<td>Preference Shares</td>
<td>1.7%</td>
</tr>
<tr>
<td>International Bonds</td>
<td>1.4%</td>
</tr>
<tr>
<td>Africa Property</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

FUND PERFORMANCE AS AT 31/03/2020

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

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

Performance since inception of the fund.

Inception: 30 June 2007.

Inception: 31 October 2012. Class B1 fund 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: 54.0%
- Average: 13.3%
- Lowest: -26.9%

Performance Since Inception

Indexed to 100 on 31 March 1996

Maximum Drawdown: -35.6%

Months to Recover: 17

% Positive Months: 60.4%

Annual Standard Deviation: 15.1%

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

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

Indexed to 100 on 31 December 1996

HOLDING

<table>
<thead>
<tr>
<th>Principal Holdings</th>
<th>% OF FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>British American Tobacco</td>
<td>6.7%</td>
</tr>
<tr>
<td>R2035 8.875% 28/02/2035</td>
<td>3.6%</td>
</tr>
<tr>
<td>Prosus NV</td>
<td>3.4%</td>
</tr>
<tr>
<td>Naspers Ltd</td>
<td>3.2%</td>
</tr>
<tr>
<td>R2040 10.5% 2/12/2026</td>
<td>2.3%</td>
</tr>
<tr>
<td>R2032 8.25% 31/03/2032</td>
<td>2.2%</td>
</tr>
<tr>
<td>Impala Platinum Holdings Ltd</td>
<td>2.2%</td>
</tr>
<tr>
<td>Northam Platinum Ltd</td>
<td>1.9%</td>
</tr>
<tr>
<td>Standard Bank Group Ltd</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
FUND MANAGEMENT INFORMATION

PETER BROOKE | PORTFOLIO MANAGER
- Head of MacroSolutions
- BBusSc Finance (Hons)
- 24 years of investment experience

ARTHUR KARAS | PORTFOLIO MANAGER
- BCom, CFA
- 28 years of investment experience

FUND COMMENTARY

The world is experiencing its largest health crisis in living memory. COVID-19 emerged in China last year but only became a global household name in 2020. Early this year, China locked down the epicentre of the outbreak, Wuhan, a city of 11 million people. Decisive action by the Chinese government kept the virus at bay and allowed the country to start to emerge from the crisis. President Ramaphosa has displayed strong leadership in response to the virus. However, many governments took a somewhat casual approach to dealing with the virus. This was a mistake, and the economic cost of the lockdowns was high. As such, COVID-19 has had a significant impact on all aspects of our lives – unemployment is rising, many are working from home, schools are closed, travel is significantly curtailed, it will be months yet before we can grasp the full economic impact of this pandemic.

However, a sharp rebound in activity is likely once these containment measures can be relaxed again. Equity markets across the world reacted sharply from mid-February. The S&P 500 Index rapidly fell over 30% from its high before recovering somewhat in the final week of March. Our local equity market (as measured by the FTSE/JSE Capped SWIX Index) fell 25% for the quarter, with the bulk of that fall taking place in March. SA property almost halved in value over the quarter. US Treasuries acted as a haven, falling to the lowest yield in their history, at 0.60%. The bond market and commodity prices and currencies have come under pressure due to the prevailing risk-off environment - bond yields increased by 2% and the currency weakened by 24% against the US dollar in the quarter. With a deep recession all but a certainty, the SA Reserve Bank (SARB) responded by cutting interest rates by 1% and announced measures to inject liquidity into the market. The direct impact of the lockdown on the economy’s even prior to the outbreak, could not be overlooked and Moody’s finally downgraded South Africa to sub-investment grade late in March. The impact of this will only be truly known in the months ahead.

Performance in the first quarter of 2020 for the Old Mutual Flexible Fund has been disappointing on both an absolute and a relative basis. Although we outperformed the Capped SWIX by a healthy margin, we take no comfort in it. 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.

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 2.50% administration charge. * Please note: Initial charges do not apply to the Class B funds.

Total Expenses (Incl. Annual Service Fee) (31/12/2019)

<table>
<thead>
<tr>
<th>Class A</th>
<th>Class B*</th>
<th>Class R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual service fees (excl. VAT)</td>
<td>1.30%</td>
<td>0.95%</td>
</tr>
</tbody>
</table>

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

What does this imply? The fund is managed 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 from 0.20% to 0.35%.

Performance in the first quarter of 2020 for the Old Mutual Flexible Fund has been disappointing on both an absolute and a relative basis. Although we outperformed the Capped SWIX by a healthy margin, we take no comfort in it.

The strong performers in the SA equity portfolio, including Imperial Foods, British American Tobacco and RFG (formerly Rhodes Foods Group), did not outweigh the negative drag of the banking stocks and some of the fund’s small cap investments. The fund had a limited exposure to the lowest large cap casualty of the year, Sasol. We have steadily reduced our holding as the negative story developed.

SA bonds also had a weak month and now reflect a large discount to comparable emerging market bonds. We continue to believe that SA bonds are a compelling risk/reward proposition.

The fund has been steadily reducing exposure to global equity over the last several quarters, as developed market valuations have risen to extreme levels. With the loss of South Africa’s last investment grade rating, coming in tandem with the global COVID-19 pandemic, a key risk is that the rand becomes the new safe haven for the emerging economies facing. To mitigate against this, the fund has significantly increased its total rand hedge exposure. We also tilted some of our offshore equity towards Asia which we expect will recover faster than the rest of the world having been first into the crisis.

Periods of economic disruption, market volatility and investment underperformance are inevitable. We are all still coming to terms with new measures to deal with the pandemic, and the ultimate social and financial outcomes are unknown. The template for dealing with crises, from an investment portfolio perspective, is certainly not known. Don’t panic, stay the course, adapt to changing circumstances, remain diversified and use opportunities to accumulate attractive investments. The potential for new investment opportunities gives us confidence in our ability to weather this time.

Source: Old Mutual Investment Group as at 31/03/2020

Funds are available also 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.

1. We believe in the importance of client service. If you consult a financial service provider (such as a stockbroker, insurer or buying or selling unit trusts) you may, however, buy and sell without the help of a financial planner. If you do use a planner, you should notify the fund of this entitled to certain negotiated planner fees or commissions. The exception being the class B fund.

2. 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, you 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.

3. 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.

4. The Net Asset Value to Net Asset Value figures are used for the performance calculations. The performance quoted 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 calculated with and without fees.

5. 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 (AISIA). 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 8587. Issued: April 2020

TOTAL EXPENSES (INCL. ANNUAL SERVICE FEE) (31/12/2019)

<table>
<thead>
<tr>
<th>Class A</th>
<th>Class B*</th>
<th>Class R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses Ratio (TER) incl. VAT</td>
<td>1.64%</td>
<td>1.24%</td>
</tr>
<tr>
<td>Transaction Cost (TC)</td>
<td>0.13%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Total Investment Charge</td>
<td>1.77%</td>
<td>1.37%</td>
</tr>
</tbody>
</table>

* Source: Old Mutual Investment Group as at 31/03/2020

MARCH 2020

OLD MUTUAL FLEXIBLE FUND