OLD MUTUAL MAXIMUM RETURN FUND OF FUNDS

FEBRUARY 2021

A ballot is underway to change the structure of the fund from a fund of funds to a fund and to align the name of the fund to accurately reflect the structural change. If the ballot is successful, the proposed changes will be effective from 30 April 2021.

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
ASISA CATEGORY:	Worldwide – Multi-Asset – Flexible
FUND MANAGER(S):	Peter Brooke **(Old Mutual Investment Group – MacroSolutions)**
LAUNCH DATE:	01/07/2013
SIZE OF FUND:	R952m

DISTRIBUTIONS: (Annually)*

Date	Dividend	Interest	Total	Total %
31/12/2020	2.01c	3.54c	5.55c	1.53%

* Class A fund distributions

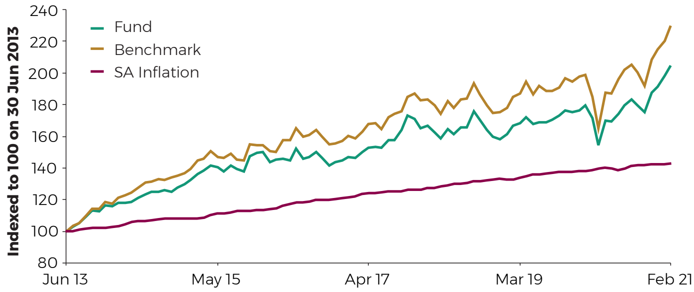
FUND PERFORMANCE AS AT 28/02/2021

	% PERFORMANCE (ANNUALISED)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception[1]
Fund (Class A)	19.5%	8.0%	7.1%	8.2%	-	9.8%
Fund (Class B1)[2]	19.9%	8.5%	7.4%	8.6%	-	10.2%
Benchmark	24.3%	8.6%	8.9%	9.6%	12.8%	11.5%

[1] Performance since inception of the fund.
[2] 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	Average	Lowest
Fund (Since Inception)	23.6%	7.5%	-8.0%

Performance Since Inception



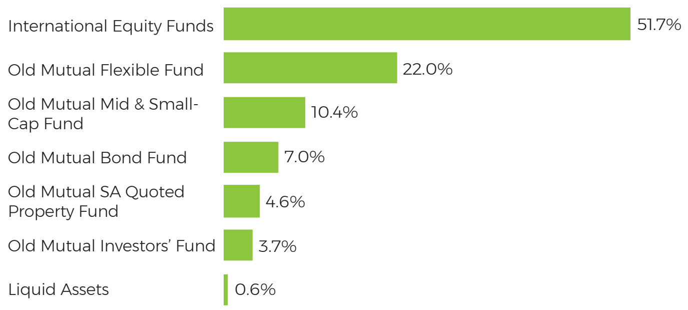
Past performance is no indication of future performance.

Risk Statistics (Since Inception)	
Maximum Drawdown	-13.9%
Months to Recover	5
% Positive Months	63.0%
Annual Standard Deviation	9.9%

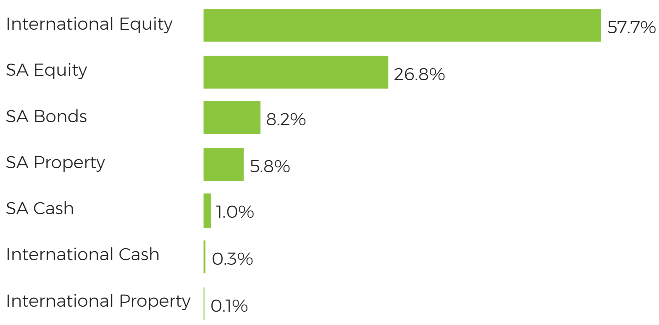
Risk statistics are calculated based on monthly performance data from inception of the fund.

FUND COMPOSITION

UNDERLYING FUNDS



ASSET CLASS EXPOSURES



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

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FEBRUARY 2021

FUND MANAGER INFORMATION

PETER BROOKE |
PORTFOLIO MANAGER

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

FUND COMMENTARY AS AT 31/12/2020

Calendar 2020 started on a high with the global economy and markets on a good upward trajectory. This was soon forgotten due to the rapid spread of Covid-19 – a new virus that had the ability to overwhelm health systems. This led to governments across the world imposing lockdowns (some more than others) in an effort to reduce the pace of infections and give the healthcare industry time to prepare itself. The impact on economies was swift and ruthless. Many industries came to a standstill almost overnight, many millions lost their jobs or were furloughed. Consequently, equity markets sold off sharply in late February and March. While traditional safe-haven assets such as government bonds and gold outperformed equities, they too sold off in mid-March.

Today we are still battling the health crisis and appear to be through the worst of the economic crisis. The market crisis was short-lived as policymakers stepped in quickly with enormous stimulus packages and aggressive rate cuts, and as lockdowns started to ease. Positive news on vaccine development in the second half of the year also contributed to the strong market recovery. The result was that global equity markets erased their early losses of almost 35% and ended the year at new highs, up 17% in US dollar terms for the 12 months. Initially, growth stocks led markets higher (given defensive earnings in lockdowns), but this gradually broadened out to include value/cyclical stocks. Global bond yields continued trading at low levels, while many commodity prices (including gold) rose sharply.

In South Africa, the equity market also recovered from the lows, but could only end the year flat. The initial phase of the recovery was driven by Naspers and resources, while the local sectors lagged. However, the local sectors led the market higher in the final quarter of the year. From the start of 2020, the rand weakened by almost 26% against the US dollar in the height of the crisis, but recovered late in the year to end 4% weaker. The risk-off sentiment in March saw our bond yields spike from 9% to over 12% on the 10-year bond. Moody's finally downgraded our bonds to sub-investment, but this had little impact on the yields. By the end of the year, the 10-year bond yield was trading below 9% and bonds had returned 8.5% for 2020. Cash returned just over 5% as short rates were cut to the lowest level in 50 years.

The Old Mutual Maximum Return Fund of Funds enjoyed a strong Q4 and second half of the year, benefiting from rising equity markets. As a result, the return for the 12 months was 8.4%. While not as high as we would have wanted, at least it is better than cash, and compared to the negative return at the end of March we are pleased with the recovery. The fund also enjoyed a strong half compared to its peers, mainly due to having more local assets. The rand strengthened by 15.5% in H2, which was a tremendous headwind for foreign assets. We bought some money back after the crash and the fund is positioned roughly half in South Africa and half globally.

During the quarter, we increased exposure to SA equity and specifically the unloved small and medium-sized companies. This was funded through reducing exposure to the Old Mutual Flexible Fund. The Flexible Fund worked well during the crash by being much more resilient than pure equity, but we wanted to increase exposure to the recovery in 2021. We also switched some of our local bond exposure into local property. This was a smaller tactical trade because the property shares are so bombed out, they can easily rebound. However, in the medium term, we prefer equity to property. Both of these trades increased our exposure to growth assets, which now constitute more than 90% of the total fund.

Compared to the start of the year, we have increased growth asset exposure by more than 8%, half of which was the position in South Korea. We think a high growth exposure is the best way to deliver high real returns in 2021, as we do not expect good returns from fixed income assets. The fund has almost no exposure to cash, which is our least preferred asset class. Because markets have already rebounded strongly after the crash the fund is exposed to some of the lagging areas, like emerging markets and South African local shares. These will deliver good returns if the world economy recovers as we expect.

Source: Old Mutual Investment Group as at 31/12/2020

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.

EXIT FEE:

Old Mutual Unit Trusts will charge an exit fee of 2.30% if exiting within 2 weeks of entry and reserves the right to charge this fee 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-Free Investment.

ONGOING

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

* Please note: The Class B1 fund is 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: 9543/989/16/5

ISIN CODES:	**Class A**	ZAE000178703
	Class B1	ZAE000178711

	36 Months		12 Months	
Total Expenses (Incl. Annual Service Fee) (31/12/2020)	**Class A**	**Class B1***	**Class A**	**Class B1***
Total Expense Ratio (TER) Incl. VAT	1.78%	1.38%	1.77%	1.37%
Transaction Cost (TC)	0.08%	0.08%	0.07%	0.07%
Total Investment Charge	1.86%	1.46%	1.84%	1.44%

* Please note: The Class B1 fund is 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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