

INCLUDE EQUITY FOR LONG-TERM REAL RETURNS

May 2011

It is no secret that, in today's low-return world, investors wanting inflation-beating, long-term growth need to add more equity to their portfolios than previously.

For those with the appetite to include pure equity funds in their portfolios, Old Mutual Top Companies Fund and Old Mutual Growth Fund offer 100% exposure to the cream of local shares.

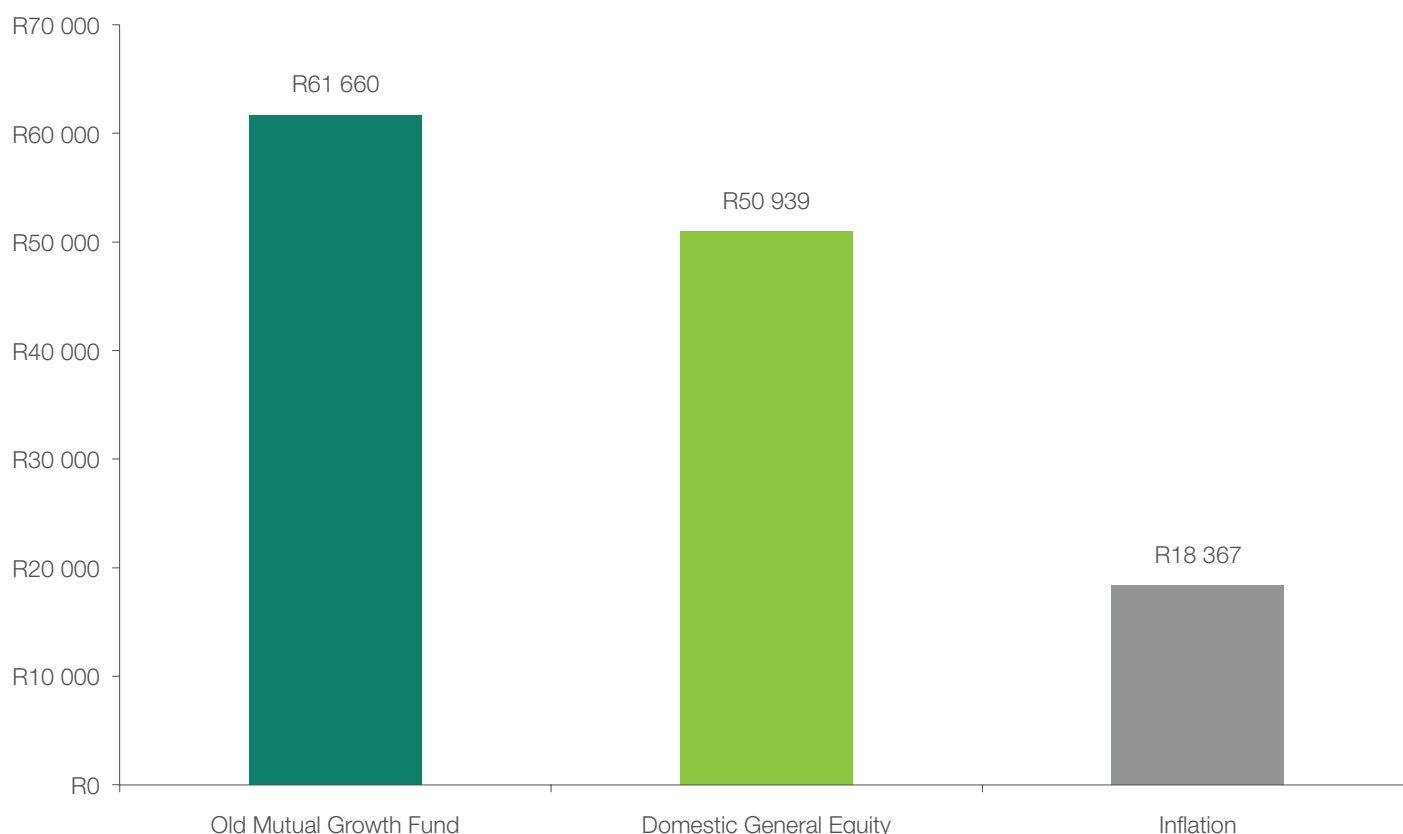
Old Mutual Top Companies Fund, jointly managed by Richard Hasson and Neil Brown of ELECTUS, is a part of Old Mutual Unit Trusts' cherry-picked Classic Investment Collection. It has been just under five years since the team took over the management of the fund in August 2006, and over that period to end March 2011, it is a top-quartile performer, ranking 12th out of 59 funds in the Domestic-Equity-General category, returning 13.22% p.a. vs. the sector average of 11.2% p.a.

Old Mutual Growth Fund, which Richard started managing nine years ago on 1 April 2002, is a top-quartile performer, ranking 7th out of 38 funds in the Domestic-Equity-General category to end March 2011, returning 20.5% p.a. vs. the sector average of 17.6% p.a.

ELECTUS

- ✓ 100% equity exposure
- ✓ Stock-picking expertise
- ✓ Award-winning fund managers

Old Mutual Growth Fund vs. Sector & Inflation (March 2001 - March 2011)



Source: OMIGSA

An investment of R10 000 in the Growth Fund 10 years ago would have grown to R61 660 as at 31 March 2011. This represents a return, after all the charges have been deducted, of 19.9% per annum. Over the same period inflation was 6.3% per annum.

Fund fast facts

Investment aim

Both funds aim for high, long-term capital growth, but their approaches are slightly different:

- Old Mutual Top Companies Fund is a style-neutral unit trust and invests in a concentrated portfolio across all sectors of the JSE. It is aggressively managed according to market conditions.
- Old Mutual Growth Fund invests primarily in growth-style companies that display entrepreneurial spirit and the potential to increase market share.

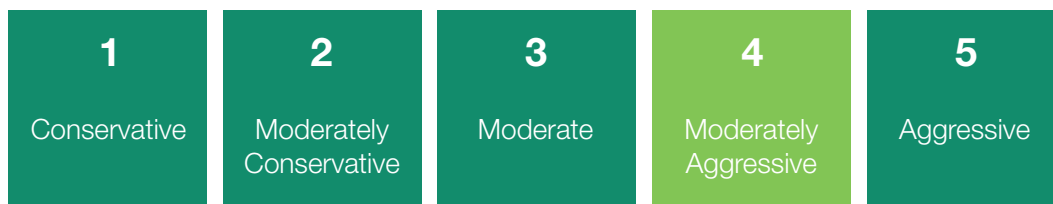
Investor profile

Both funds suit investors with the need for high, long-term growth. For younger, more aggressive investors it could represent the local equity portion of a pure equity portfolio, or it could be the local equity portion of a well-diversified, multi-asset class portfolio.

Risk considerations

These are pure equity domestic unit trusts, and are therefore subject to the volatility of the South African equity market. Investors should expect short-term fluctuations in the value of their fund. They rank a 4 on Old Mutual's risk rating scale.

Old Mutual Risk Rating Scale



What is ELECTUS?

ELECTUS is an Old Mutual Investment Group SA (Pty) Ltd (OMIGSA) boutique that focuses 100% on constructing concentrated, high-conviction portfolios, currently consisting of local equity only.

They are widely considered to be one of South Africa's leading multi-disciplined investment teams, and have just added to their strength by expanding from two award-winning portfolio managers, Richard Hasson and Neil Brown, to include another highly-awarded manager and analyst, Anwaar Wagner, who previously managed the popular Old Mutual Mining and Resources Fund. Between them they boast an impressive array of awards in the equity space including general equity and specialist equity.

Investment philosophy

ELECTUS aims to add excess return (alpha) through well-researched, high-conviction stock selection:

- Shares are selected based on their fundamental valuations, including only those trading at prices below their long-term investment value.
- Portfolios are concentrated, yet diversified across all sectors of the market.
- Active portfolio management takes advantage of all opportunities.

In summary

ELECTUS continues to manage leading equity portfolios in the retail and institutional space, and has consistently assisted clients in achieving their long-term financial objectives. Considering this, why not join a winning portfolio management team? Invest in one of the Old Mutual unit trust funds managed by ELECTUS, either directly with Old Mutual Unit Trusts, or via Fairbairn Capital, Max Investments and other major LISPs.

For more information speak to your OMIGSA Sales Executive, visit www.omut.co.za or call 0860 234 234.

OMIGSA is an authorised financial services provider, FSP Number: 604. Unit trusts are generally medium to long term investments. Past performance is no indication of future growth. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's TER reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. Old Mutual Top Companies Fund TER: 1.22% (31/03/2011); Old Mutual Growth Fund TER: 1.18% (31/03/2011). A schedule of fees, charges and maximum adviser fees is available from the company. You may sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis and 17h00 at month-end for Old Mutual RAFI® 40 Tracker Fund and Old Mutual Top 40 Fund). The Old Mutual Money Market Fund unit price aims to be static but investment capital is not guaranteed.

The total return is primarily made up of interest (declared daily at 13h00), but may also include any gain/loss on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. A fund of funds unit trust invests only in other collective investment schemes, which may levy their own charges. Certain funds may be capped to be managed in accordance with their mandates. Different classes of units apply to these portfolios and are subject to different fees and charges. Old Mutual Investment Group (Pty) Ltd is a member of the Association for Savings & Investment SA.