

OLD MUTUAL REAL INCOME FUND SCOOPS RAGING BULL AWARD!

Your investment in the award-winning Old Mutual Real Income Fund would have stood you in good stead with a healthy mix of income and capital growth.

With its performance target of CPI + 3% p.a., the Old Mutual Real Income Fund aims to provide an income that grows in line with inflation, while sustaining the level of capital over time and minimising any losses over a 12-month period.

Performance Summary

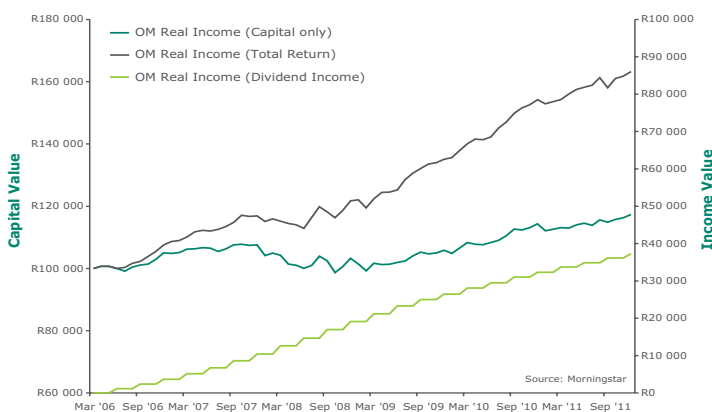
	% Performance (p.a.)		
	1 year	3 years	5 years
Old Mutual Real Income Fund	7.33	10.81	9.00
CPI	6.09	5.30	6.86
Domestic-Asset Allocation-Prudential-Low Equity average	6.26	8.82	7.35

Delivers dividend income, protection and growth

Old Mutual Real Income Fund focuses on the importance of yield and offers investors exposure to a winning mix of capital growth and dividend income — through a maximum combined exposure to equity and property of 35%, while income and volatility protection is achieved through expertly selected exposure to fixed income assets.

When appropriate, Brooke will include some exposure to foreign assets, should this be in the interests of helping the fund pay a growing income over time.

The graph below depicts the return on investment you would have enjoyed if you had invested R100 000 at inception.



For more information on the Old Mutual Real Income Fund, please refer to the fund fact sheet (available at www.omut.co.za) or speak to your OMIGSA Sales Executive.

Source: Morningstar

Unit trusts are generally medium- to long-term investments. Past performance is no indication of future performance. 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. A schedule of fees, charges and maximum adviser fees is available from Old Mutual Unit Trust Managers Ltd (OMUT). 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, Old Mutual Top 40 Fund and Sym|metry Equity Fund of Funds). 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.

The portfolio performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Full details of awards are available from the management company.

Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).

AWARDED AS ONE OF SA'S TOP FUNDS

The Old Mutual Real Income Fund won the Raging Bull Award for best Domestic-Asset-Allocation Prudential unit trust (which encompasses the low, high, medium and variable equity categories) and a certificate award for best performance in the Domestic-Asset Allocation-Prudential Low Equity category on a risk-adjusted basis for the period ending 31 December 2011.

Portfolio Manager Update, Peter Brooke



Peter Brooke, Head of Macro Strategy Investments, believes that the theme of 'low return world' is still very much in play and, as a result, investors will be looking for yield to provide inflation-beating returns where capital gains are hard to come by.

After the January 2012 Monetary Policy Committee meeting, the repo rate was unchanged at 5.5%, and he foresees that it will stay that way for the remainder of the year.

Ongoing low interest rates plus rising inflation impact your cash, money market and pure income investments, which will generate low to no interest income and, eventually, investment capital will also be eroded.

This means that inflation risk has all but replaced volatility risk and that we as investors have to re-evaluate our approach to risk in our portfolios if we are to beat inflation and enjoy the benefits of an income paid off a growing capital base.

The only way to do this is by increasing long-term equity exposure and especially high dividend-yielding shares. Other asset classes such as SA bonds and property should also be included in your asset mix as they are also attractive sources of yield in the current climate.

The fact of the matter is that yield is now a major contributor to investors' retirement income, especially over the longer term.

Raging Bull Award methodology

The PlexCrown system is used to rank these awards. The PlexCrown system combines risk-adjusted returns based on performance statistics from Profile Data with standard risk measures, consistency measures, and measures of downside risk and managerial skill. Performance over five-year and three-year periods is taken into account.