



BALLOT TO CHANGE THE INVESTMENT POLICY OF OLD MUTUAL REAL INCOME FUND

August 2011

As the Registrar of Collective Investment Schemes requires that all investors are given the chance to vote on a proposed change to a fund mandate, Old Mutual Unit Trusts will be balloting all investors who are invested in the Old Mutual Real Income Fund from the end of August 2011.

Proposed change

Currently, the Old Mutual Real Income Fund may only invest in South African assets. We propose to remove this constraint to allow for exposure to foreign assets for the following reasons:

- To increase the variety of investment opportunities available to the fund. Different economies have different growth prospects and inflation-rate regimes and, at times, the portfolio manager may be able to access higher-yielding income assets or faster growing shares in other countries.
- To increase diversification, an investment tool that lowers risk and provides more stable returns over time.
- To make the fund even more competitive in its peer group by removing an inappropriate constraint.

No other changes

All other aspects of the fund including its objectives, name, classification, benchmark and annual service fee, as well as the portfolio manager, remain unchanged. The fund will also continue to comply with retirement fund legislation, i.e. Regulation 28 of the Pensions Fund Act.

Timelines

Ballot letters and voting forms will be sent to all investors who held units on 12 August, from the end of August 2011. Investors have until 7 October 2011 to respond.

Should the proposed change be approved, the amendment to the fund's investment policy will be effective as at 1 November 2011.

The client letter is attached. Please be sure to read it so you can assist your clients with queries. If you have any further questions please contact your OMIGSA Sales Executive or Old Mutual Broker Consultant.

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 commissions 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 SYmmETRY 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. Old Mutual Unit Trust Managers Ltd is a member of the Association for Savings and Investment South Africa (ASISA).