

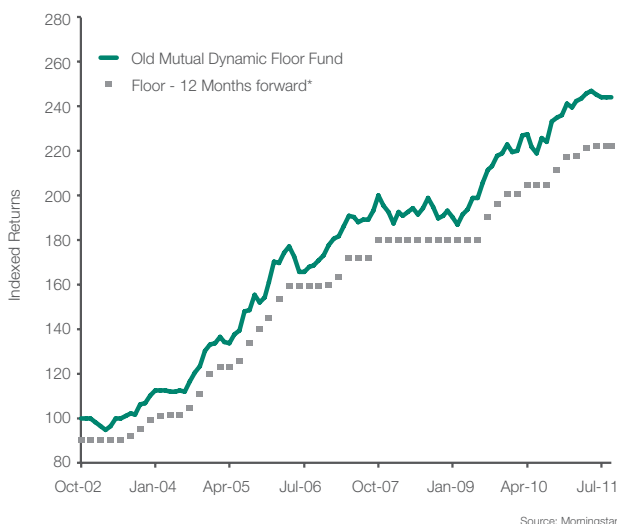
# Old Mutual Dynamic Floor Fund: Offering protection during market turmoil

Amid continued US debt and growth concerns, as well as the full-blown debt crisis in the Eurozone, equity markets remain volatile and investor sentiment has been dented. In light of the uncertain environment, investors have understandably shown concern about waning investment returns. Some are disinvesting from their funds or are seeking safe havens in cash.

**Fortunately, with the Old Mutual Dynamic Floor Fund, investors are well positioned despite market conditions. This is because it aims to protect capital when markets dip, and to provide steady returns when markets rally.**

## Protection when you need it most

The Old Mutual Dynamic Floor Fund is designed to offer some protection from the volatility, as well as the potential for stable returns even in volatile markets. In order to do this, the fund manager adjusts the fund's asset allocation to protect its capital value as market conditions change. This makes it an attractive investment alternative for longer term investors who want access to the growth potential of the markets with a defined level of capital protection. Since inception, investors in the **Old Mutual Dynamic Floor Fund** have enjoyed stable growth. Every R100 invested in this fund since its launch in November 2002 was worth R244.35 by September 2011, and the current protection level is R219.92.

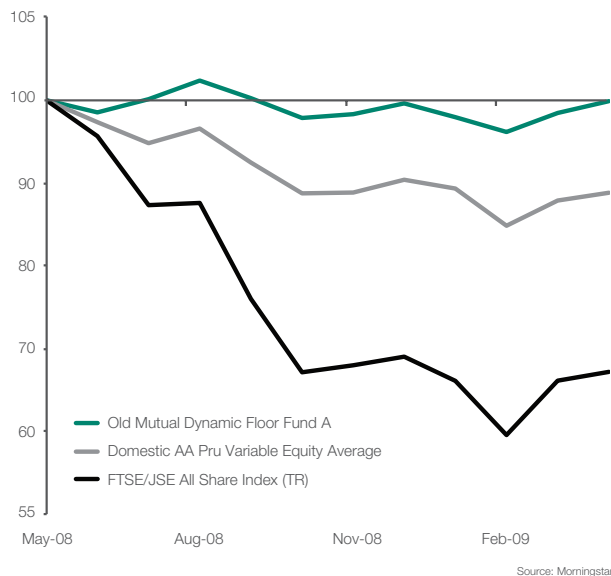


## Limiting investment losses

By switching between cash and growth assets as market conditions change, the **Old Mutual Dynamic Floor Fund** aims to achieve its twin objectives of outperforming inflation over the medium term and providing capital protection. In a rising equity market, effective equity exposure is increased. Capital protection is possible since gains already made are locked in as the fund value increases. This mechanism **protects investors' capital**, with the target of not losing more than 10% of their net investment amount over any 12-month period. The fund's built-in "floor", which is set at 90% of the

net capital, has helped to shield investors from the losses experienced by many funds without this mechanism. The fund has been tested through bull and bear market conditions and has consistently achieved the risk objective of protecting capital. The graph below illustrates how the fund achieved its objective over the challenging period from May 2008 to April 2009.

## Protection during market turmoil



## Beating the benchmark

The fund has met its risk target of protecting at least 90% of the net investment amount over rolling 12-month periods consistently since inception. The maximum drawdown in the fund since inception has been -6.6%, but in the same period, the maximum drawdown in the market (ALSI) has been -40.4%. The current challenging investment environment has certainly taken its toll on many investors, but the **Old Mutual Dynamic Floor Fund** remains one of the most viable options for clients in search of an asset allocation fund that is both Regulation 28 compliant and managed in accordance with changing market conditions.

This fund is very similar to the Wealth Defender Fund (the life fund), which also uses dynamic floor technology to manage volatility. However, the fund differs from Dynamic Floor Fund in that it can include alternative investment strategies in its portfolio.

This fund is available directly from Old Mutual Unit Trusts, via Investment Frontiers, MAX Investments, Galaxy and other major LSPs. Speak to your Old Mutual Investment Group Sales Executive or Regional Investment Specialist for further information.

do great things



November 2011

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 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. The TER for Old Mutual Dynamic Floor Fund A was 1.79%, of which the performance fee component was 0.76%. Sources: OMIGSA and Morningstar as at end of September 2011.

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. Past performance is not necessarily an indication of future performance.

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