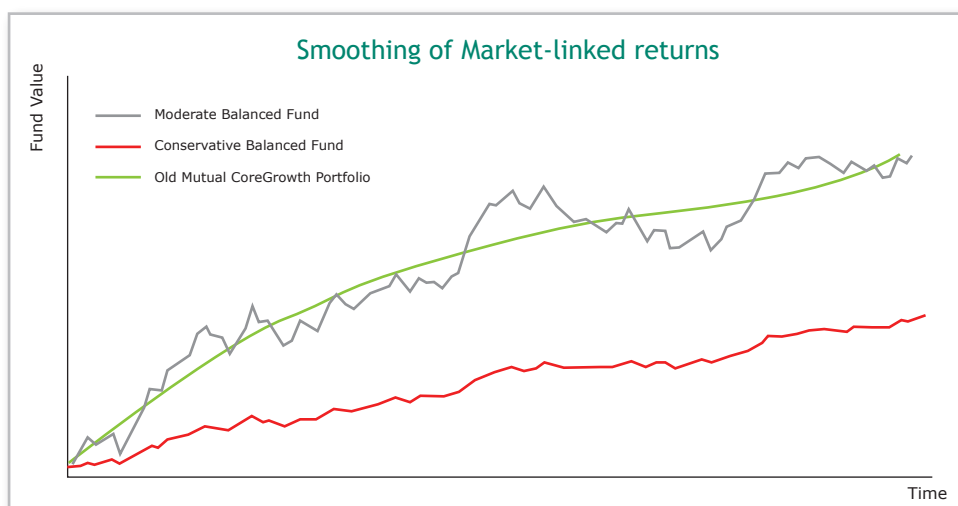


Old Mutual CoreGrowth

Product Overview

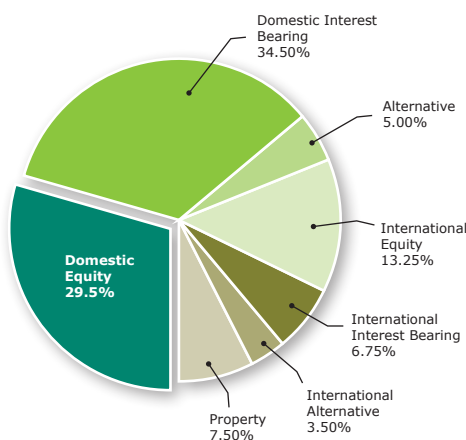
CoreGrowth is one of Old Mutual's Smoothed Bonus Portfolios, which offer investors competitive, inflation-beating growth in the long term while protecting returns against the volatility associated with market-linked investments.

The following graph effectively illustrates how the smoothed mechanism used by Smoothed Bonus Portfolios reduces the volatility of market-linked returns, while passing on long-term growth that is consistent with market performance.



Investment Strategy

The underlying asset portfolio consists of a diversified exposure to domestic equity, property, bonds (interest-bearing assets), alternative assets and international assets. A large portion of the asset portfolio is allocated to "growth" assets, such as equities and property, which are best suited to providing real returns over the long term. Different boutique investment houses in the Old Mutual Investment Group (SA) manage the portfolio of assets underlying CoreGrowth.



Guarantees

CoreGrowth offers fixed guarantees on capital, contributions and declared positive returns.

Investors are offered a choice of 90%, 95% and 100% guarantee levels. This allows funds to select a degree of protection based on their individual risk profile. These guarantees apply on benefit payment, and specified other events, and are backed by Old Mutual's shareholder capital.

Smoothing Philosophy

CoreGrowth reduces the short-term volatility of market returns by smoothing out the investment growth earned on its underlying asset portfolio. A reserving mechanism is used to absorb the impact of the peaks and troughs associated with the returns earned on the balanced underlying asset portfolio, while in the longer term delivering net real returns to investors in line with such exposure. In this way, investors are able to achieve long-term growth comparable to a similarly managed market-linked investment. In comparison, other investment offerings which generate stable returns through frequent changes in asset strategy, run the risk of impairment of growth.

Additional Features

- Bonuses are declared gross of fees and tax.
- All benefit payments are paid within 48 hours.

REGULATORY INFORMATION

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Old Mutual CoreGrowth is an excellent choice for investors who:

- Want to reduce the volatility of their investment.
- Seek a real or an absolute return in excess of inflation over the medium to long term.
- Want comprehensive guarantees on their benefit payments.
- Would like to choose the level of protection that suits them.

Growth Objective

To match the return on a typical conservative balanced fund of CPI + 3.0% to 3.5% p.a. (over the medium to long term), after capital charges and gross of fees and tax (where applicable).

Protection Objective

Non-negative bonuses; guarantees apply on benefit payments.

Bonus Frequency

Monthly in advance

Fees and Charges (p.a.)

Investment fees: 0.23% - 0.50%
Capital charge: 0.8% - 1.8% (depending on guarantee level).

Management style

Active

Asset Manager

Old Mutual Investment Group (SA)

Inception Date

CoreGrowth 100: April 1998
CoreGrowth 90 and 95: Jan 2003

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