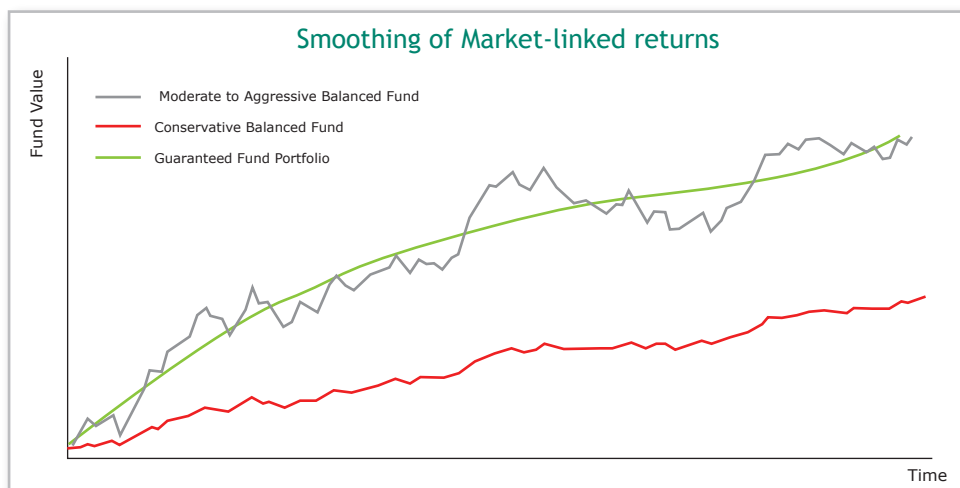


Old Mutual Guaranteed Fund

Product Overview

The Old Mutual Guaranteed Fund is South Africa’s largest and longest running Smoothed Bonus Portfolio, having been launched in 1967. Smoothed Bonus Portfolios offer investors competitive, inflation-beating growth in the long term while protecting returns against the volatility associated with market-linked investments.

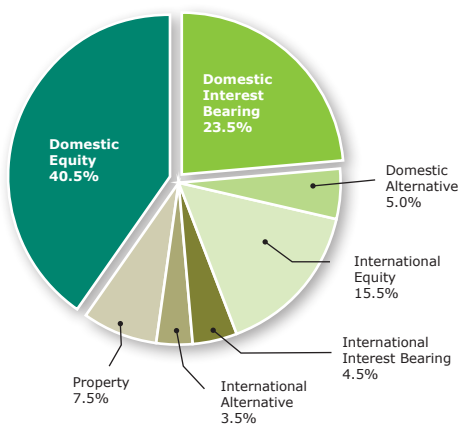
The following graph effectively illustrates how the smoothed mechanism used by Smoothed Bonus Portfolios reduces the volatility of market-linked returns, while passing on long-term growth that is consistent with market performance.



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 the Guaranteed Fund.



Guarantees

The Guaranteed Fund offers guarantees on capital, contributions and declared positive returns. Capital and contributions are fully protected, while partial guarantees apply to declared returns. These guarantees apply on benefit payment, and specified other events, and are backed by Old Mutual’s shareholder capital.

Smoothing Philosophy

The Guaranteed Fund 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

Old Mutual Corporate is a division of Old Mutual Life Assurance Company (South Africa) Limited, Licensed Financial Services Provider. Jan Smuts Drive, Pinelands 7405, South Africa. Company registration no: 1999/004643/06. The information contained in this document is provided as general information and does not constitute advice or an offer by Old Mutual. Every effort has been made to ensure the provision of information regarding these financial products meet the statutory and regulatory requirements. However, should you become aware of any breach of such statutory and regulatory requirements, please address the matter in writing to: The Compliance Officer, Corporate Compliance Department, Old Mutual Corporate, P.O. Box 66, Cape Town 8000, South Africa.

The Old Mutual Guaranteed Fund 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.

Growth Objective

To match the return on a typical moderate to aggressive balanced fund (+/- CPI + 5.0% p.a.), gross of fees and tax (where applicable).

Protection Objective

Non-negative bonuses; guarantees apply on benefit payments.

Bonus Frequency

Annually in arrears on 30 June each year.

Fees and Charges

Investment administration fees: 0.20% - 0.35% p.a.
 Asset management charges: 0.25% - 0.35% p.a., depending on asset allocation
 Capital charge: 0.75% p.a.

Management style

Active

Asset Manager

Old Mutual Investment Group (SA)

Inception Date

July 1967

Contact Details

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