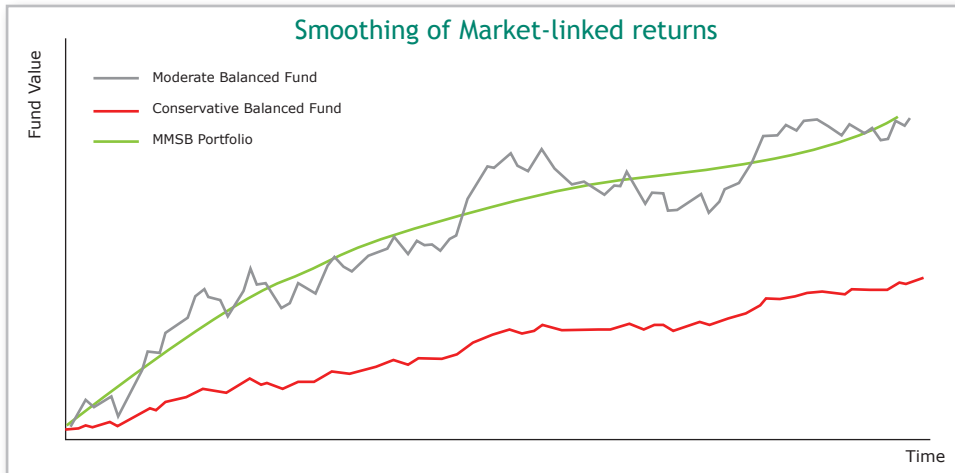


Product Overview

Multi-Managed Smoothed Bonus (MMSB) 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.

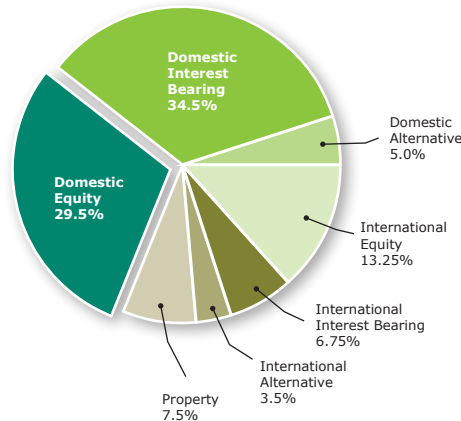
The following graph effectively illustrates how the smoothed mechanism used by Smoothed Bonus Portfolios reduces the volatility of market-linked returns, while passing on long-term growth that is consistent with market performance.



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 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.

The Sym|mETRY Multi-Manager boutique in the Old Mutual Investment Group (SA) manages the portfolio of assets underlying MMSB. Sym|mETRY employs a core/satellite approach which combines protection against market falls (core fund) with the targeting of high returns (satellite funds). In addition, high-performing "niche" managers, with specialised knowledge in specific assets, are chosen to manage specific assets.



Guarantees

MMSB 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

MMSB 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.

Old Mutual MMSB 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.
- Are concerned about single manager risk or would like access to exclusive boutique managers.

Growth Objective

The return on a typical moderate balanced fund (+/- CPI + 3.5% p.a. for MMSB 100), 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: 0.47% - 0.75%
Capital charge: 0.8% - 1.8%
(depending on guarantee level)

Management style

Active

Asset Manager

SYM|mETRY Multi-Manager – a member of Old Mutual Investment Group (SA)

Inception Date

April 2004

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