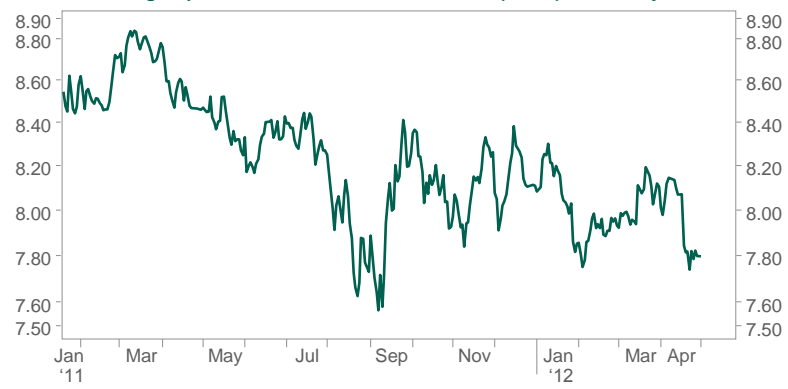


Macro Strategy Investments

Monthly market comments

- ▲ The FTSE/JSE All Share Index (ALSI) gained 2.8% in April, outperforming global equity markets, while the All Bond Index gained 1.8% on the back of strong foreign inflows.
- ▲ Year to date, foreigners have invested over R30 billion into the local bond market. The Inflation-linked Bond Index was 1.5% higher, and cash delivered 0.5% for the month.
- ▲ The rand was marginally weaker for the month against the US dollar and the Euro. Commodity prices were mixed, with the 6% decline in Brent Crude being notable.
- ▲ The world's two largest economies reported first quarter gross domestic product (GDP) growth; US GDP slowed to 2.2% annualised from 3% in the previous quarter, and China grew 8.1%, annualised, compared to 8.9% in the previous quarter.
- ▲ In Europe, the debt rating of Spain was downgraded for the second time this year and Spanish bond yields climbed higher.
- ▲ On the local front, the Reserve bank kept interest rates unchanged and upgraded their growth forecasts for the local economy.

SA bond yields decline on news that they may be included in Citigroup's World Government Bond Index (WGBI) later this year



Source: I-Net

“Asset allocation is simply much easier than adding alpha to a fund, since there is more to sink your teeth into. Counter-intuitively, asset classes are more inefficiently priced than stocks.”
 Jeremy Grantham, CIO and co-founder: GMO



Peter Brooke | Boutique Head

Boutique performance relative to performance target to end April 2012

AGGRESSIVE		1 Year	3 Years	5 Years
Profile Funds	Profile Pinnacle	11.6%	17.7%	7.0%
	Performance Target: CPI + 7%	13.8%	12.3%	14.0%
Life Wrapped	Old Mutual Flexible Life Fund	10.6%	16.2%	5.4%
	Performance Target: CPI + 8%	14.8%	13.3%	15.0%
Unit Trusts	Old Mutual Flexible Fund	9.3%	17.8%	6.0%
	Performance Target: CPI + 8%	14.8%	13.3%	15.0%

MODERATE		1 Year	3 Years	5 Years
Profile Funds	Profile Balanced	12.2%	17.2%	6.4%
	Performance Target: CPI + 5%	11.8%	10.3%	12.0%
Life Wrapped	Old Mutual Balanced Life Fund	9.9%	14.9%	5.0%
	Performance Target: CPI + 6%	12.8%	11.3%	13.0%
Unit Trusts	Old Mutual Balanced Fund	11.1%	15.9%	5.3%
	Performance Target: CPI + 6%	12.8%	11.3%	13.0%

CONSERVATIVE		1 Year	3 Years	5 Years
Profile Funds	Profile Stable Growth	12.5%	14.1%	7.6%
	Performance Target: CPI + 4%	10.8%	9.3%	11.0%
Life Wrapped	Old Mutual Stable Growth Life Fund	10.5%	11.4%	7.0%
	Performance Target: CPI + 4%	10.8%	9.3%	11.0%
Unit Trusts	Old Mutual Stable Growth Fund	10.2%	11.2%	–
	Performance Target: CPI + 4%	10.8%	9.3%	11.0%

VERY CONSERVATIVE		1 Year	3 Years	5 Years
Profile Funds	Profile Capital	12.2%	11.8%	8.7%
	Performance Target: CPI + 3%	9.8%	8.3%	10.0%
Unit Trusts	Old Mutual Real Income Fund	10.4%	11.4%	9.0%
	Performance Target: CPI + 3%	9.8%	8.3%	10.0%

Below performance target On or above performance target

Note: A performance target is not necessarily the same as a benchmark. It is the average level of performance that the fund manager aims to achieve over the long term.

Note: These fund returns are shown net of management fees (does not include initial charge for unit trusts), except for Profile funds, which are gross of fees.

Source: OMIGSA