

Absolute Return Fund

2nd Quarter 2010



OLD MUTUAL
Investment Group

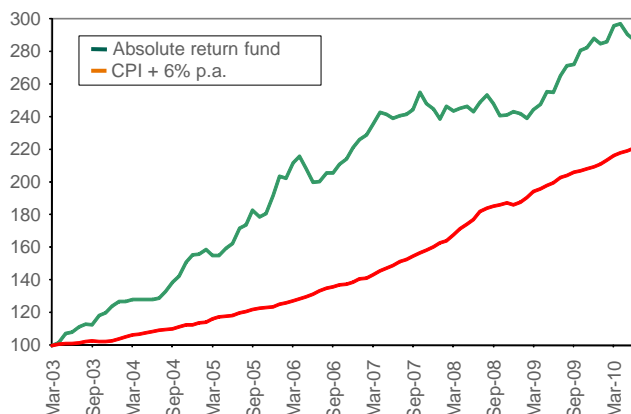
Absolute Return
Investments

PERFORMANCE TO 30/06/2010

| Return % | 3 Mths | 6 Mths | 1 Year | 2 Years | 3 Years |
|----------|--------|--------|--------|---------|---------|
| Fund | -2.9 | -0.3 | 12.6 | 8.7 | 6.3 |
| CPI* | 0.5 | 2.3 | 4.4 | 5.3 | 7.5 |

* CPI return for June 2010 is an estimate.
Volatility: 8.1% (Annualised standard deviation of monthly returns (since inception)).
Returns for periods of greater than one year are annualised.

CUMULATIVE PERFORMANCE SINCE INCEPTION



Note: The performance returns are time-weighted and gross of charges. Performance figures include capital and income.

MONTHLY RETURNS (%)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Jan | 0.4 | 6.1 | 2.3 | (2.5) | (0.5) | (1.1) |
| Feb | 1.8 | (0.5) | 1.3 | 3.2 | (1.2) | 0.3 |
| Mar | (2.4) | 4.6 | 2.9 | (1.2) | 2.1 | 3.5 |
| Apr | 0.1 | 1.9 | 3.0 | 0.8 | 1.5 | 0.5 |
| May | 3.0 | (3.4) | (0.5) | 0.5 | 3.0 | (2.2) |
| June | 1.8 | (4.1) | (1.0) | (1.4) | (0.1) | (1.1) |
| July | 5.7 | 0.1 | 0.6 | 2.3 | 4.0 | - |
| Aug | 1.3 | 2.8 | 0.4 | 1.8 | 2.3 | - |
| Sep | 5.0 | (0.0) | 1.3 | (2.0) | 0.4 | - |
| Oct | (2.3) | 2.5 | 4.2 | (3.0) | 3.1 | - |
| Nov | 1.2 | 1.6 | (2.7) | 0.1 | 0.5 | - |
| Dec | 6.2 | 3.2 | (1.2) | 0.9 | 2.1 | - |
| Total / CY | 23.5 | 15.2 | 10.8 | (0.7) | 18.4 | (0.3) |

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FUND DESCRIPTION

The Absolute Return Fund is a pooled, unitised portfolio that targets stable absolute returns in excess of inflation. The performance objective of the fund is to deliver absolute returns of CPI + 6% over rolling three-year periods, with reduced risk of capital loss in any one year.

The fund selects a diversified mix of actively managed asset classes and is compliant with Regulation 28 of the Pension Funds Act, 1956. Short-term asset allocation may vary, as the risk management overlay seeks to preserve capital during market downturns. The Absolute Return Investments boutique uses its proprietary floor fund technology to reduce equity exposure in down markets and increase exposure in bull markets, thus preserving capital.

FUND COMMENTARY

Fund Overview:

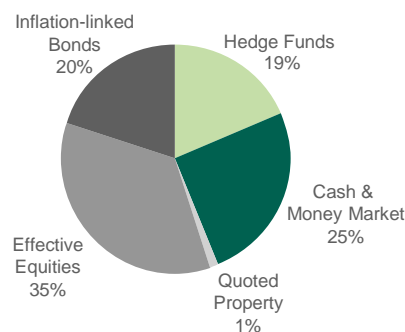
As global economies struggled to come to terms with the burgeoning deficit crisis in the developed world, equity markets reflected this uncertainty in June. The FTSE/JSE All Share Index (ALSI) climbed by over 3% in the first half of the month, only to lose 7% from its monthly high to end June down 3.2%. June marked the end of a tough quarter for equity markets with the ALSI down over 8% for the 3 months.

As a result of equity market weakness, the fund's equity exposure was reduced during the month, finishing at 35% at quarter end. Our substantial holding in inflation-linked bonds benefited the portfolio with these assets performing in excess of 1% during the month. The portion of the portfolio invested in short-dated money market and cash instruments continues to generate steady returns, mitigating the effect of the falling equity markets.

Investment Strategy:

The fund is currently positioned more defensively than it has been in recent months, with the ability to increase exposure if equity markets were to rise. This moderate positioning reflects some of the uncertainty in the global economy. The fund is therefore delicately balanced between ensuring that capital is protected and being well placed to share in market growth.

ASSET ALLOCATION AS AT 30/06/2010



Data Source: Old Mutual Investment Group

Note: The chart reflects effective exposure allocations, after allowing for the effect of derivatives.