



OLD MUTUAL

Investment Group

**Absolute Return
Investments**



Portfolio Manager |
Saul Burman

Absolute Return Med-Aid Portfolio

INVESTMENT DESCRIPTION

The Absolute Return Med-Aid Portfolio targets stable absolute returns in excess of inflation. The portfolio places strong emphasis on the disciplined use of investment and risk control processes so as to generate returns that have low volatility.

The portfolio aims to maintain a diversified exposure to a range of asset classes that have the potential to beat inflation over three-year rolling periods. A risk management overlay is used by the portfolio manager to reduce downside risk, and lock in positive returns as they are earned. Although the risk management overlay targets capital protection, a guarantee of capital protection, is not provided. The portfolio is compliant with Regulation 30 of the Medical Schemes Act (1998).

INVESTMENT OBJECTIVE

The investment objective of the Absolute Return Med-Aid Portfolio is to deliver absolute returns of CPI + 4% per annum over rolling 3 year periods, with reduced risk of capital loss in any one year period.

INVESTMENT COMPOSITION

The portfolio will generally have a diversified exposure to inflation-beating asset classes. However, the portfolio manager has substantial flexibility to vary asset composition in such a manner as to manage downside risk.

The portfolio asset class composition will therefore vary depending on market conditions, as follows:

Asset Class	Bear Market*	Range
Equities	25%	0 - 40%
Inflation-linked Bonds	20%	0 - 40%
Cash & Money Market**	35%	10 - 100%
Alternative Assets	10%	0 - 20%

SUITABLE INVESTORS

The portfolio aims to satisfy lower risk investors who seek a real return in excess of inflation, require reduced volatility through active risk management and who require Reg. 30 Compliance of the Medical Schemes Act (1998).

INVESTMENT TEAM

Saul is portfolio manager of the Absolute Return Portfolio and is supported by the Absolute Return Investments Boutique of nine investment professionals. In addition, Saul co-manages the Old Mutual Dynamic Floor and Namibia Dynamic Floor Unit Trust funds with Hanno Niehaus. The management of underlying asset classes may be outsourced to other OMIGSA boutiques.

Launch Date

October 2005

Fund Category

Absolute Return

Product Vehicle

The client is the beneficial owner of the assets.

Minimum Investment

R100 million

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