

Capital Builder

Absolute Return Fund (CPI + 4%)

ALL DATA TO 30 SEPTEMBER 2011

FUND DESCRIPTION

Capital Builder is an actively managed low risk fund that aims to provide investors with a return in excess of CPI, while targeting quarterly capital protection.

Capital Builder targets positive returns every quarter in any market conditions and has consistently demonstrated superior risk and return characteristics from its active portfolio management style.

The fund invests in a fully-hedged portfolio of large cap equities together with cash and money market instruments. OMIGSA's proprietary portfolio construction methodology optimises derivative usage such that the capital protection is achieved without materially sacrificing returns.

The fund has the following principal features:

Inflation-beating returns	✓	Return target of CPI + 4% p.a. over 3 years
Targeted capital protection	✓	A fully-hedged portfolio
Full liquidity	✓	Daily
Low-risk stable returns	✓	Through quarterly capital protection and lock-in of quarterly gains

PERFORMANCE TARGET

CPI + 4% p.a. over 3 years

ASSET MANAGEMENT FEE*

0.60% p.a. (excluding VAT).

Fees can also be structured on a performance fee basis if required.

FUND MANAGERS

John Gilchrist: John is a qualified CA(SA) and holds an MBA (with distinction) from INSEAD (France). He has twelve years of investment experience, and joined OMIGSA in November 2004 as a portfolio manager. Prior to joining Old Mutual Investment Group, he was Head of South African Derivatives at a major international bank, and served on the JSE SAFEX financial derivatives committee.

Tassius Chigariro: Tassius is a qualified Actuary (FIA) and a CFA charterholder. He has eleven years of investment experience, and joined OMIGSA in January 2008. Prior to joining OMIGSA he was an investment manager with Resolution Asset Managers (UK) and before that he worked as a Pensions Consulting Actuary.

REVIEW

Over the quarter equities (measured by the Top 40 Index) fell 6.6% as the world, and the EU countries in particular, grappled with the problems of sovereign debt and slowing growth. Global equity markets struggled to price the related risk, resulting in every small piece of news being greeted with dramatic buying and selling, driving the markets one way or the other several times during the quarter. The Capital Builder Fund performed well by protecting capital in negative markets and delivering a return of +0.4% for the quarter.

As a result of the equity market sell-off, implied volatility rose by over 10% during the quarter (the SAVI, which measures implied volatility on 3-month options, increased from 22.5% to 32.6%). Realised market volatility also increased over the quarter from 18% to 24% but remains below the SAVI - this limited opportunities to add to returns through trading.

Despite negative equity markets, Capital Builder protected capital during the quarter and delivered a slight positive return. Capital Builder aims to achieve a CPI + 4% return objective by protecting capital when equities fall and participating in equity rallies.

Capital Builder also offers a quarterly capital guarantee for the more conservative investors.

FUND FACTS

AUM	R4 billion
Launch date	1 December 2005
Currency	SA Rand
Administrator	JP Morgan
Auditor	KPMG
Liquidity	Daily

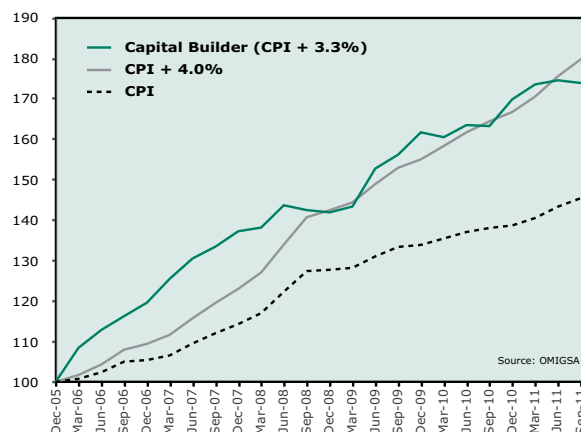
Old Mutual Investment Group (South Africa) (Pty) Limited
P.O. Box 878, Cape Town 8000. www.omigsa.com

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MONTHLY PERFORMANCE

	2005	2006	2007	2008	2009	2010	2011
Jan		5.1%	1.8%	-0.3%	0.2%	-2.0%	-0.3%
Feb		-0.6%	1.7%	2.8%	-1.0%	1.0%	1.0%
Q1		8.5%	4.9%	0.7%	1.0%	-0.7%	2.2%
Mar		3.6%	2.9%	1.6%	1.8%	2.1%	-0.1%
Apr		1.2%	0.4%	2.7%	1.3%	0.0%	0.6%
May		-0.7%	0.7%	-0.4%	3.4%	-0.2%	0.1%
Q2		4.1%	4.0%	4.0%	6.6%	1.9%	0.6%
Jun		2.0%	0.5%	0.0%	-0.7%	-1.3%	-0.6%
Jul		-1.0%	0.8%	-2.7%	1.7%	1.5%	-0.7%
Aug		2.0%	0.9%	1.9%	1.3%	-0.3%	0.9%
Q3		3.0%	2.2%	-0.8%	2.2%	-0.1%	-0.4%
Sep		1.5%	1.7%	-2.1%	0.0%	2.0%	0.2%
Oct		1.9%	2.2%	0.7%	1.9%	1.1%	
Nov		-0.5%	-1.0%	1.0%	1.6%	1.0%	
Q4		2.9%	2.8%	-0.4%	3.5%	4.1%	
Dec	3.8%	1.3%	-1.8%	1.9%	0.3%	1.4%	
Annual		16.8%	11.2%	7.2%	12.2%	6.3%	
Return in excess of CPI		11.0%	2.2%	-2.3%	6.1%	2.7%	

CUMULATIVE PERFORMANCE



RETURN ANALYSIS (annualised)

	CAPITAL BUILDER	CPI
1 year	4.6%	5.7%
3 years	7.7%	4.6%
Since inception (Dec 05)	10.0%	6.7%

SINCE INCEPTION RISK ANALYSIS

	CAPITAL BUILDER	AVERAGE BALANCED FUND	FTSE/JSE TOP 40 INDEX
Maximum Losing Month	-2.7%	-7.5%	-14.3%
Maximum Drawdown	-3.3%	-23.7%	-43.4%
Maximum Quarterly Drawdown	-0.8%		
% of Positive Months	70.0%	64.3%	57.1%

CONTACT DETAILS

Tom Connell
Head of the Absolute Return Investments Boutique
Tel: +27 21 509 6135
Email: tconnell@omigsa.com

* There are a variety of investment vehicles to choose from. Please consult OMIGSA for further information.