

Double Alpha Fund

FUND DESCRIPTION

Double alpha makes use of Absolute Return Investments' expertise and experience in the derivatives market as well as the expertise and experience of Futuregrowth in the fixed income arena. The portfolio is constructed through the purchasing and appropriately timed rolling of long futures contracts whilst at the same time managing a pool of cash in credit and duration instruments according to a well-defined mandate.

The fund has the following principal features:

Outperform equity markets	✓	Return target of +1.65% outperformance per annum
Consistent source of alpha	✓	Generates extra returns in a systematic fashion
Uncorrelated outperformance	✓	Does not rely on traditional stock picking methods
Full liquidity	✓	Daily

PERFORMANCE TARGET

Double Alpha Fund targets Top 40 + 1.65% on a consistent basis (SWIX + 1.5% target is also available)

REVIEW OF DECEMBER 2010

December marked the end of an exceptional quarter for equity markets, with the FTSE/JSE All Share Index (ALSI) up 6.2% for the month and over 9% for the quarter. After a rocky start to the year, the ALSI Top 40 ended the year 17.2% up, meaning that those investors with the patience to remain in the market following the crash in 2008, would have been rewarded with two consecutive years of strong equity growth. Industrials led the charge in 2010, climbing by over 26% over the year, whilst Resources were the laggards at just over 12%.

The Double Alpha Top 40 Fund had an excellent year delivering a return of 20.6% versus its benchmark of 17.2%. The performance over and above benchmark was attributable both to good trading in the futures market as well as by capturing spreads on the fixed interest investments. The Double Alpha Top 40 Fund continues to meet its objective of delivering excellent and sustainable returns above benchmark in a consistent fashion.

FUND MANAGERS



Saul Burman: Saul is the lead portfolio manager of the Double Alpha capability. Saul is an Actuary and CFA charter holder. He is also the lead portfolio manager of the Absolute Return Funds CPI+6% capability. He is also responsible for business management in the Fund of Hedge Fund arena.



Hanno Niehaus: Hanno is a CFA charter holder. Hanno joined the Absolute Return Investments Boutique in January 2004 where his main focus has been on the daily management and risk analysis for the absolute return products. Hanno has also been involved in product development.

KEY CHARACTERISTICS

NAV	R252m
Launch date	1 November 2009
Currency	SA Rand
Administrator	JP Morgan
Auditor	KPMG
Liquidity	Daily
Minimum Investment	R100m
Management Fees	Negotiable based on size
Other fees	n/a

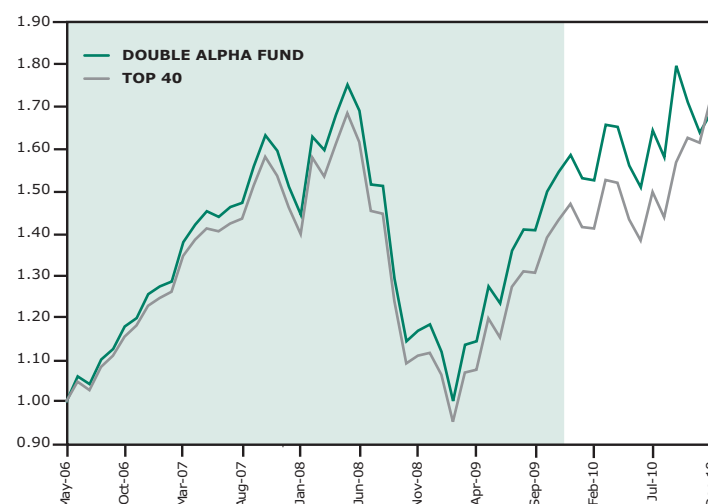
CUMULATIVE RETURN (%)*

	3m	6m	1 yr	3 yrs	Since Inception
Double Alpha Fund	10.7	26.7	20.6	8.1	15.2
FTSE/JSE Top 40	9.9	24.6	17.2	5.7	12.6

MONTHLY RETURNS (%)*

	2006	2007	2008	2009	2010
Jan		1.46	-4.41	-5.47	-3.43
Feb		0.98	12.74	-10.49	-0.31
Mar		7.25	-1.96	13.36	8.63
Q1		9.88	5.66	-4.08	4.58
Apr		2.97	5.20	0.71	-0.32
May		2.27	4.30	11.34	-5.56
Jun	6.13	-1.01	-3.55	-3.10	-3.30
Q2	6.13	4.24	5.83	8.65	-9.17
Jul	-1.71	1.63	-10.35	10.08	8.96
Aug	5.61	0.72	-0.20	3.69	-3.87
Sep	2.21	5.83	-14.47	-0.19	9.26
Q3	6.10	8.33	-23.48	13.93	14.44
Oct	4.74	4.78	-11.49	6.53	3.99
Nov	1.80	-2.31	2.11	3.15	-0.30
Dec	4.64	-5.24	1.36	2.53	6.77
Q4	11.57	-3.00	-8.39	12.67	10.70
Annual	30.2	-8.2	34.2	33.77	20.34

CUMULATIVE PERFORMANCE*



SINCE INCEPTION RISK ANALYSIS*

% RETURNS	DOUBLE ALPHA FUND	FTSE/JSE ALSI40 TOTAL RETURN
Maximum Losing Month	-14.5	-14.3
Maximum Drawdown	-42.8	-43.4
% of Positive Months	61.4	60.0

* Performance prior to November 2009 is based on back-tested results.

CONTACT DETAILS

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

Old Mutual Investment Group (South Africa) (Pty) Limited is a licensed financial services provider, FSP 604, approved by the Registrar of Financial Services Providers (www.fsb.co.za) to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. Old Mutual Investment Group is a wholly owned subsidiary of Old Mutual (South Africa) Limited. Reg No 1993/003023/07. The investment portfolios are market linked. Products may either be policy based or utilised in collective investment schemes. Investors' rights and obligations are set out in the relevant contracts. Market fluctuations and changes in rates of exchange or taxation may have an effect on the value, price or income of investments. Since the performance of financial markets fluctuates, an investor may not get back the full amount invested. Past performance is not necessarily a guide to future investment performance. There are specific risks associated with investing in portfolios that employ hedging strategies. Please refer to your policy, mandate or contract for detailed information regarding these risks.

Contact Details:
 Old Mutual Investment Group (South Africa) (Pty) Limited
 P.O. Box 878, Cape Town 8000. Tel. +27 21 509 4098, Fax +27 21 509 4663, Website: www.omigsa.com



OLD MUTUAL
 Investment Group

Absolute Return
 Investments