



PERFORMANCE HIGHLIGHTS (TO 30/09/2011)

Return %	1 month	3 months	1 year	3 years	5 years
Fund	-2.5	-4.3	-0.3	1.0	-0.4

Note: Performance returns for periods longer than 1 year are annualised.
* All figures are in US\$, net of fees.

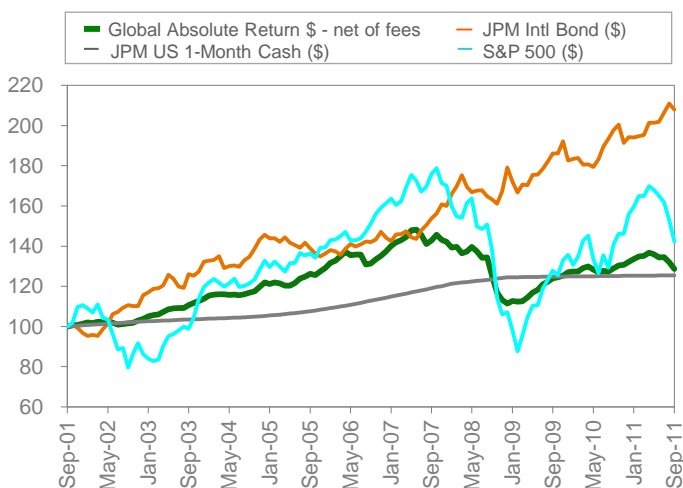
FUND DESCRIPTION

The Global Absolute Return Fund is a dollar-based fund, targeting consistent positive returns which are generated by the extraordinary 'alpha' or skill of the underlying managers, whilst maintaining a low risk profile. The fund aims to preserve capital in all market environments, providing good diversification from traditional equity and bond investments.

The fund is structured using a 'fund of funds' approach, investing in a number of underlying hedge funds categorised into three main hedge fund strategies, namely, Relative Value, Long/Short Equity, Event Driven. Various global hedge fund managers manage the underlying funds. The selection of underlying hedge fund managers is subcontracted by Absolute Return Investments to Larch Lane Advisors, a specialist fund of hedge funds advisor.

The performance objective of the fund is to outperform the benchmark - (1 month USD LIBOR) by a skill based return 'alpha' of 3%-5% p.a. (in US\$ and net of fees) with minimal directional market exposure (a beta of ≤ 0.2 compared to the S&P 500). Guarantees on returns or against capital losses are not provided.

CUMULATIVE PERFORMANCE SINCE INCEPTION*



FIVE-YEAR ANALYSIS*

	Global Absolute Return Fund	JPM US 1-Month Cash Index	S&P 500 Index	JP Morgan World Bond Index
Maximum Losing Month	-7.1%		-16.8%	-5.0%
Maximum Drawdown	-24.8%		-50.9%	-8.1%
Months to Recover	NYR		NYR	2
Average Monthly Return	0.0%	0.2%	0.0%	0.7%
% of Positive Months	66.7%	100.0%	58.3%	68.3%
Average Gain	1.0%		3.6%	1.9%
Average Loss	-2.1%		-4.9%	-1.9%

NYR = not yet recovered after maximum drawdown in past five years.

REGULATORY INFORMATION

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FUND COMMENTARY

Markets declined sharply during the third quarter as investors sold risky assets such as stocks and high-yield bonds and purchased "safer" instruments including U.S. Treasuries, German Bunds and gold. The European debt crisis intensified as deficit concerns spread from Greece to Italy and Portugal. Double-dip U.S. recessionary fears were fuelled by a steep decline in leading economic indicators, plunging consumer confidence, stubbornly high unemployment and tight credit conditions. Despite corporate balance sheets that are flush with cash, merger and acquisition volume slowed and the high-yield issuance market all but dried up in September. Even emerging markets, the world's growth engine over the past several years, experienced a sharp contraction due to elevated inflation and the effects of the policy responses required to quell high prices.

With net exposure of around 20%, the portfolio was impacted by the negative markets in the quarter. Although most hedge fund strategies struggled throughout the quarter, the Global Absolute Return portfolio was able to withstand some of the extreme volatility through its diversified holding in a number of different strategies.

We expect heightened market volatility to persist as it will take time for global deleveraging and deficit reduction to restore investor confidence. As a result, we maintain a significant exposure to directional strategies, particularly macro and CTA funds. While many economic readings indicate a recessionary picture around the globe, cash on corporate balance sheets remains near an all-time high, perhaps providing opportunity for event driven strategies.

The portfolio remain diversified, liquid and conservatively positioned. As always, we continue to emphasize the goal of protecting capital throughout various market cycles.

MONTHLY RETURNS (%)*

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jan	1.2	1.5	-0.6	2.0	2.0	-2.0	1.1	0.2	1.1
Feb	0.6	0.4	0.6	0.8	1.2	0.2	-0.2	0.0	1.1
Mar	0.3	0.2	-0.4	1.7	0.8	-2.2	0.1	1.3	0.2
Apr	1.2	0.0	-0.9	1.6	1.1	0.6	1.7	0.6	1.2
May	1.2	-0.4	-0.1	-1.2	2.3	1.6	2.2	-1.2	-0.6
Jun	0.5	0.2	1.1	0.2	0.2	-1.5	1.1	-1.0	-1.2
Jul	0.0	-0.2	1.8	0.0	-1.7	-2.3	2.4	0.5	0.2
Aug	0.1	0.4	0.8	-3.6	-3.2	0.1	1.1	-0.3	-2.0
Sep	1.2	0.6	1.1	0.3	1.2	-7.1	1.5	1.3	-2.5
Oct	1.1	0.5	-0.5	1.7	2.0	-6.3	0.3	1.1	
Nov	0.8	2.0	1.4	1.2	-1.8	-3.2	0.6	0.2	
Dec	1.0	1.8	1.4	1.7	-0.7	-1.5	1.5	1.1	
Total	9.5	7.2	5.9	6.4	3.5	-21.6	14.0	3.9	-2.6

RISK AND RETURN*

	Global Absolute Return Fund	JPM US 1-Month Cash Index	S&P 500 Index	JP Morgan World Bond Index
5 Years	Return	-0.4%	2.1%	-1.2%
	Volatility	6.6%	0.7%	18.3%
	Sharpe ratio	-0.4	-	-0.2
3 Years	Return	1.0%	0.6%	1.2%
	Volatility	5.8%	0.3%	21.2%
	Sharpe ratio	0.1	-	0.0
1 Year	Return	-0.3%	0.2%	1.0%
	Volatility	4.4%	0.0%	13.6%
	Sharpe ratio	-0.1	-	0.1

The Beta is versus the S&P 500

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