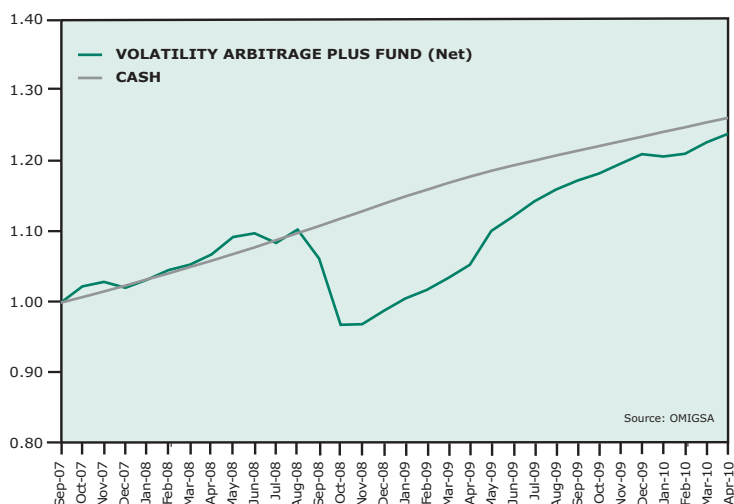


# Volatility Arbitrage Plus Fund

ALL DATA TO 30 APRIL 2010

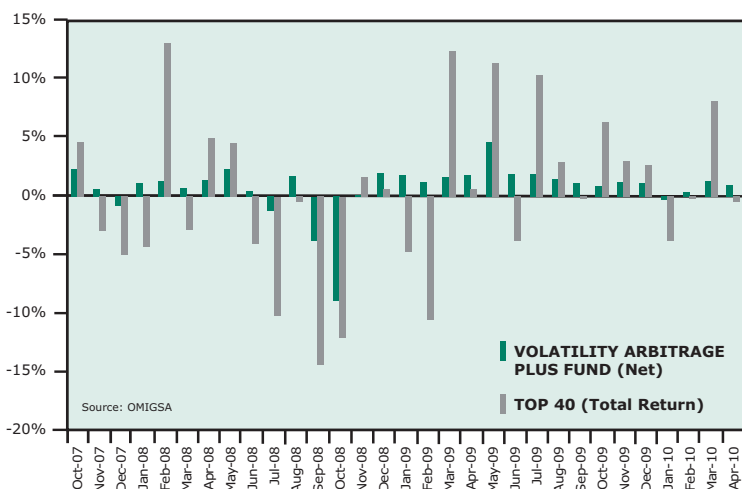
## FUND DESCRIPTION

The Volatility Arbitrage Plus Fund is an actively managed, derivative based fund which aims for positive returns in most market conditions, and long-term capital growth, while minimising short-term volatility. The fund uses a structured and systematic investment approach to exploit arbitrage opportunities both within equity derivatives and between derivative and equity markets. The fund targets a net return of cash + 8% p.a., a standard deviation of less than 8%, a maximum monthly loss of 2%, and a correlation to the JSE All Share Index of less than 0.4.



## PERFORMANCE (Net)

	2007	2008	2009	2010
Jan		1.12%	1.77%	-0.27%
Feb		1.32%	1.22%	0.32%
Mar		0.73%	1.66%	1.33%
<b>Q1</b>		<b>3.20%</b>	<b>4.72%</b>	<b>1.38%</b>
Apr		1.38%	1.81%	0.99%
May		2.32%	4.56%	
Jun		0.47%	1.86%	
<b>Q2</b>		<b>4.22%</b>	<b>8.43%</b>	<b>0.99%</b>
Jul		-1.23%	1.93%	
Aug		1.75%	1.46%	
Sep		-3.72%	1.09%	
<b>Q3</b>		<b>-3.24%</b>	<b>4.55%</b>	
Oct	2.33%	-8.87%	0.87%	
Nov	0.62%	0.10%	1.16%	
Dec	-0.81%	1.97%	1.14%	
<b>Q4</b>	<b>2.13%</b>	<b>-6.98%</b>	<b>3.20%</b>	
<b>Annual</b>	<b>2.13%</b>	<b>-3.19%</b>	<b>22.52%</b>	



## SINCE INCEPTION ANALYSIS

	VOLATILITY ARBITRAGE PLUS FUND	FTSE/JSE TOP 40 TOTAL RETURN INDEX
Maximum Losing Month	-8.9%	-14.3%
Maximum Drawdown	-12.3%	-43.4%
Months to Recover	8	N/A
Average Monthly Return	0.7%	0.2%
% of Positive Months	83.3%	48.4%
Average Gain	1.4%	5.8%
Average Loss	-3.0%	-5.0%
Maximum Gain (monthly)	4.6%	13.0%

## RISK AND RETURN (net annualised)

	VOLATILITY ARBITRAGE PLUS FUND	FTSE/JSE TOP 40 TOTAL RETURN INDEX	
Return	8.7%	0.2%	Since inception
Volatility	7.8%	24.0%	
Sharpe Ratio	-0.1	-0.4	
Return	17.7%	41.2%	1 year
Volatility	4.1%	17.6%	
Sharpe Ratio	2.6	1.9	

## PERFORMANCE TARGET

STeFI call deposit Rand cash return + 8% p.a., net of fees, on a rolling 12-month basis

## ASSET MANAGEMENT FEE

0.25% p.a. (excluding VAT) base fee and a performance-related fee. The performance fee will be equal to 17.5% (excluding VAT) of any pre-tax positive performance (net of base fees) subject to a preferred return of cash and a high-water mark. This fee will be accrued and calculated on a monthly basis and deducted twice per annum, when applicable.

## FUND MANAGER(S)

John Gilchrist is the portfolio manager of the Volatility Arbitrage Plus Fund. John is a qualified CA (SA) and holds an MBA (with distinction) from INSEAD (France). John has eleven years' investment experience, and joined OMIGSA in November 2004 as a portfolio manager. Prior to joining the 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.

## REVIEW OF APRIL 2010

Domestic equity markets gave back some of the strong gains experienced in March 2010, ending April 2010 in negative territory. The FTSE/JSE Top 40 Index was down 0.4% in April, thus bringing the year-to-date returns for the index to 3.4%.

Resources were the worst performers with the RESI20 Index declining 1.6% over the month. Financials and industrials gained 0.4% and 1.1% respectively. The dispersion at stock level was extremely low with a -6.5% average return for the worst 5 Top 40 constituents versus a +9.0% average return for the best 5 constituents.

The SA Volatility Index (an indicator of uncertainty and risk aversion) rose by 3.4% to end the month at 23.0%. However, the 20-day realised volatility rose by 8.2% to end the month at 20.6%, as concern about sovereign risk and bank litigation caused market jitters.

The fund delivered 0.99% for the month.

## FUND FACTS

NAV	R105 million
Launch date	1 October 2007
Currency	SA Rand
Administrator	JP Morgan
Auditor	KPMG
Liquidity	Monthly
Legal structure/vehicle	Debenture/Trust structure

## CONTACT DETAILS

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

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