

OPTIMISED BALANCED FUND (LIFE)

FUND INFORMATION

RISK RATING 1 2 3 4 5

FUND OBJECTIVE

This fund aims to achieve long-term inflation-beating growth. The fund has a growth asset bias and will invest more heavily in shares. The portfolio manager actively allocates to other asset classes to take advantage of changing market conditions and to manage the fund's volatility.

WHO IS THIS FUND FOR?

This fund is suitable for investors wanting moderate to high long-term growth, with less volatility in the short term than pure equity. It is suitable as a stand-alone retirement investment.

RECOMMENDED MINIMUM INVESTMENT TERM

1 year+ 3 years+ 5 years+

INVESTMENT MANDATE

The fund is exposed to all sectors of the market (shares, bonds & property). This fund complies with Prudential Investment Guidelines. In order to achieve the fund objective the portfolio manager may choose to gain exposure to the described assets and asset classes by investing through OMLACSA pooled portfolios, collective investment schemes or a combination thereof.

BENCHMARK: CPI

PERFORMANCE TARGET: CPI + 6% p.a. (gross of fees)

RISK OBJECTIVE: Lower volatility than competitor funds

FUND MANAGER(S):

Anil Thakersee (OMIGSA - Macro Strategy Investments)

LAUNCH DATE: 01/09/1998

SIZE OF FUND: R3.9bn

OTHER INVESTMENT CONSIDERATIONS

INITIAL CHARGES:

Buy/sell spread: 0.70%

ONGOING:

Performance fees apply as follows:

Annual management fee (min./max.): 0.75% / 2.50% p.a.

Fee hurdle: CPI + 2%

Sharing rate: 15%

Fee at hurdle/target: 0.75% / 1.35% p.a.

Manager shares in any performance above the fee hurdle. The performance fee is based on rolling one-year periods (details on website). It is accrued daily and paid on a monthly basis. Additional charges that are deducted from the fund's portfolio will be included in the TER. The fees that could be included in the TER which are not reflected in the annual management fee include fees charged for the management of foreign assets, performance fees on alternatives, custodian fees, bank charges and audit charges.

Total expense ratio (TER): 1.87% (September 2011)

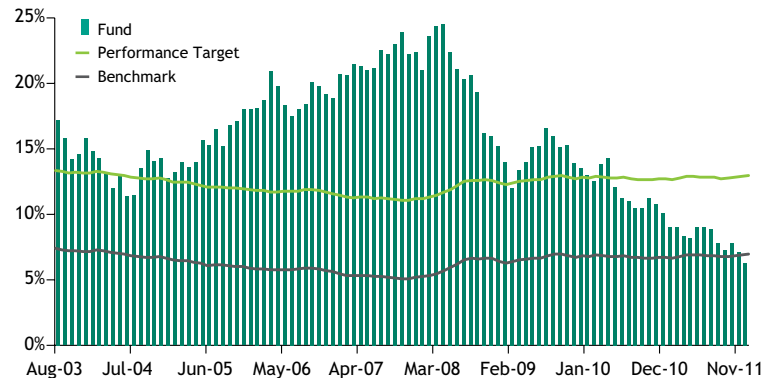
TER is a historic measure and includes the annual service fee.

PRODUCT AVAILABILITY	IF	FC	Max
Investment Plan (LIFE)	✓		✓
Investment Plan (LISP)	✓		
Retirement Annuity	✓		✓
Preservation Fund			
Living Annuity	✓		✓

FUND PERFORMANCE as at 31/12/2011

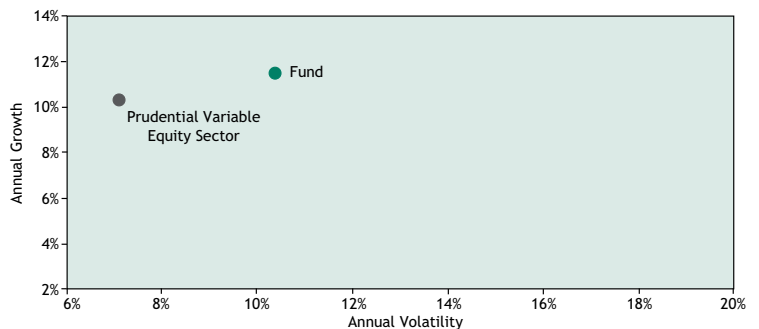
	% PERF.		% PERF. (p.a.)						Since Inception
	3-Mth	6-Mth	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr		
Tax-exempt Investor	5.9	3.8	5.4	11.5	6.3	12.0	12.4	15.7	
Benchmark	0.9	2.4	6.1	5.3	6.9	6.2	6.3	6.4	
Retirement Fund	5.8	3.8	5.5	11.5	6.3	11.9	12.1	15.1	
Private Investor	5.5	3.4	4.6	10.3	5.3	10.9	11.0	14.1	
Corporate Investor	5.8	3.3	4.6	10.0	5.2	10.4	10.5	13.5	

Optimised Balanced Fund (Life) (5-Year Annualised Rolling)

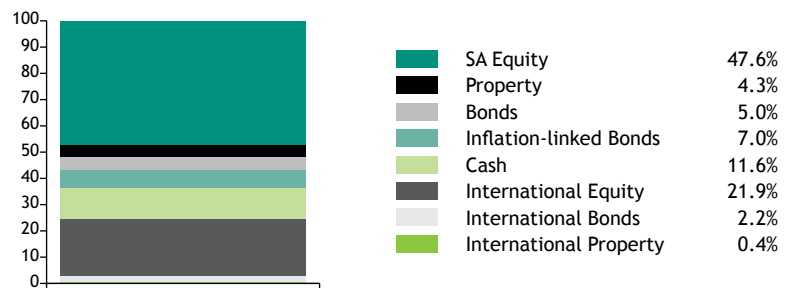


RISK STATISTICS (3 YEARS P.A.)	FUND	JSE ALL SHARE	ALL BOND
Annual Standard Deviation	10.4%	17.5%	5.6%

Risk/Return Profile (3 Years Annualised)



FUND COMPOSITION



CURRENT PRINCIPAL HOLDINGS

HOLDING	SECTOR	% OF FUND
MTN Group Limited	Telecommunications	3.5
Sasol Limited	Oil & Gas	3.3
Anglo American plc	Basic Materials	2.5
BHP Billiton plc	Basic Materials	2.4
Standard Bank	Financials	2.4
FirstRand Limited	Financials	1.9
Investec Group	Financials	1.6
SABMiller plc	Consumer Goods	1.1
Naspers Limited	Consumer Services	1.0
Pick n Pay Group	Consumer Goods	0.8
		20.4

OPTIMISED BALANCED FUND (LIFE)

FUND MANAGER INFORMATION



ANIL THAKERSEE

QUALIFICATIONS:

BCom
CFA Charterholder

CURRENT RESPONSIBILITY:

Anil joined the Macro Strategy Investments boutique in August 2008, and is responsible for the balanced funds.

PREVIOUS EXPERIENCE:

Anil has nine years' investment experience covering fixed income markets and multi-asset class funds. Prior to joining Old Mutual, Anil was a fund manager at Appleton Asset Management and an analyst at BoE Private Bank.

FUND COMMENTARY as at 31/12/2011

2011 proved to be a highly eventful year, including political instability in North Africa and the Middle East, earthquake and tsunami devastation in Japan, and an unfolding sovereign debt crisis in the Eurozone. Further weighing on investor sentiment were anaemic job growth and a credit rating downgrade for the US, as well as fears of a sharp slowdown in China. Risk assets came under pressure, although this eased somewhat during the fourth quarter. Divergent performance in equity markets was a key feature of 2011, with some markets at the epicentre of the crisis in Europe and some of the major emerging markets posting large losses for the year.

The FTSE/JSE All Share Index (ALSI) posted a small gain of 2.5% as its performance was bolstered by a weaker rand. Bond markets were the main beneficiaries of growth fears, with the US 10-year government bond yield declining to 1.96%, after beginning the year at 3.28%. Locally, for the year, the Inflation-linked Bond Index advanced by 13% while nominal government bonds and listed property posted gains of just under 9%.

The fund has been positioned in growth assets based on reasonable equity valuations. We increased offshore exposure early in 2011 and this benefited the fund as the rand weakened. The overweight position in local inflation-linked bonds contributed to overall returns, as this asset class performed very well in 2011. It was a difficult year for equity selection, and we are pleased to see that our equity performance rebounded strongly in the last quarter.

The information and opinions contained in this guide are made in good faith and are based on sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. The opinions expressed herein are not intended to serve as authoritative investment advice and should not be used in substitution for the exercise of own judgement. The price of shares/units and any income from them may fall as well as rise. Past performance or fund benchmark performance is not necessarily a guide to the future and investors may not get back the full amount invested. When a subscription involves a foreign exchange transaction, it may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go down or up. It should be noted that investments within the fund may not be readily marketable. It may therefore be difficult for an investor to withdraw from the fund or to obtain reliable information about its value and the extent of the risks to which it is exposed.