

OPTIMISED DEFENSIVE FUND (LIFE)

FUND INFORMATION

RISK RATING 1 2 3 4 5

FUND OBJECTIVE

The fund aims to outperform inflation and provide a modest level of income while aiming not to lose money over any 18-month period. The portfolio manager actively manages asset allocation to take advantage of changing market conditions.

WHO IS THIS FUND FOR?

This fund is suited to investors who want their investment to grow in real terms and deliver a moderate level of income, with controlled risk of capital loss in the short term. It is typically suited to investors close to, or in retirement.

RECOMMENDED MINIMUM INVESTMENT TERM

1 year+ 3 years+ 5 years+

INVESTMENT MANDATE

The fund invests in cash, bonds, property (between 0% and 15%) and shares (between 10% and 40% of the portfolio). 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 + 4% p.a. (gross of fees) over 3-year periods

FUND MANAGER(S):

Peter Brooke (OMIGSA - Macro Strategy Investments)

LAUNCH DATE: 01/04/2000

SIZE OF FUND: R1.4bn

OTHER INVESTMENT CONSIDERATIONS

INITIAL CHARGES:

Buy/sell spread: 0.70%

ONGOING:

Performance fees apply as follows:

Annual management fee (min./max.): 0.90% / 2.00% p.a.

Fee hurdle: CPI + 1%

Sharing rate: 15%

Fee at hurdle/target: 0.90% / 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): 1.80% (September 2011)

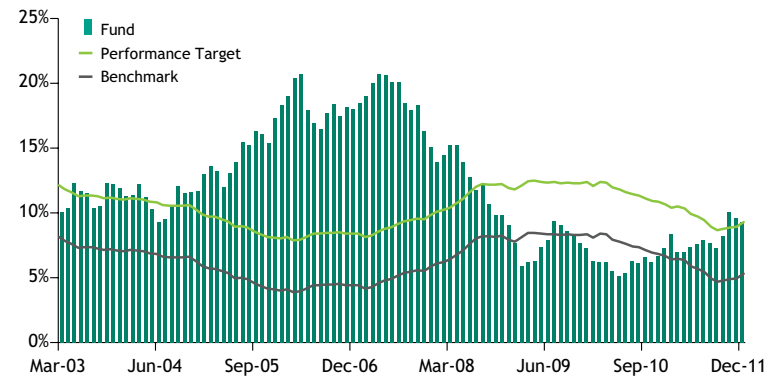
TER is a historic measure and includes the annual service fee.

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

FUND PERFORMANCE as at 31/12/2011

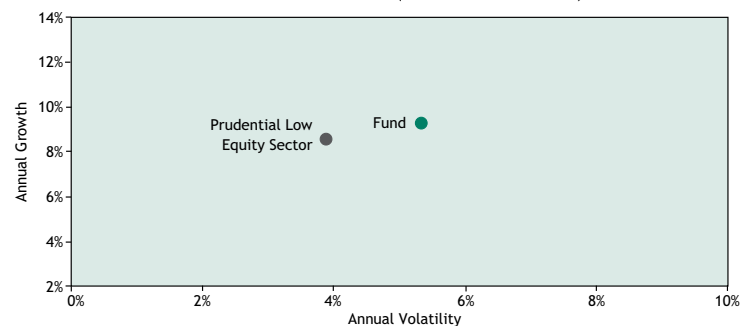
	% PERF.		% PERF. (p.a.)					
	3-Mth	6-Mth	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception
Tax-exempt Investor	3.3	4.7	7.3	9.3	7.8	10.6	10.9	11.9
Benchmark	0.9	2.4	6.1	5.3	6.9	6.2	6.3	6.3
Retirement Fund	3.4	4.7	7.4	9.3	7.8	10.3	10.3	11.0
Private Investor	2.9	3.8	5.9	7.5	6.1	8.7	8.8	9.6
Corporate Investor	3.0	3.7	5.6	7.8	6.4	8.7	8.6	9.4

Optimised Defensive Fund (Life) (3-Year Annualised Rolling)

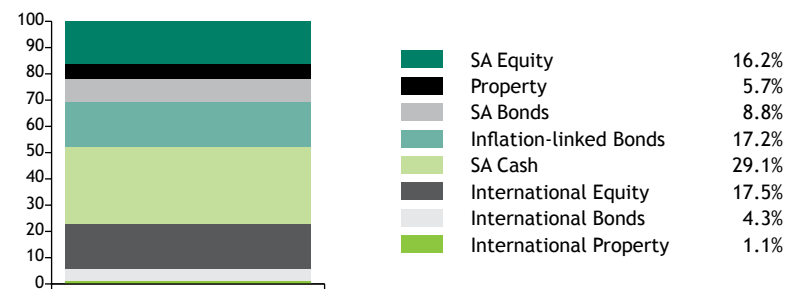


RISK STATISTICS (3 YEARS P.A.)	FUND	JSE ALL SHARE	ALL BOND
Annual Standard Deviation	5.3%	17.5%	5.6%

Risk/Return Profile (3 Years Annualised)



FUND COMPOSITION



CURRENT PRINCIPAL HOLDINGS

HOLDING	SECTOR	% OF FUND
MTN Group Limited	Telecommunications	0.9
Dipula Income Fund-A	Financials	0.9
Sasol Limited	Oil & Gas	0.9
Anglo American plc	Basic Materials	0.7
BHP Billiton plc	Basic Materials	0.7
Standard Bank	Financials	0.7
FirstRand Limited	Financials	0.5
Growthpoint Properties Ltd	Financials	0.5
Investec Group	Financials	0.4
Redefine Properties Limited	Financials	0.4
		6.6

OPTIMISED DEFENSIVE FUND (LIFE)

FUND MANAGER INFORMATION



PETER BROOKE

QUALIFICATIONS:

BBusSc (Hons in Finance)

CURRENT RESPONSIBILITY:

Peter joined Old Mutual Investment Group (SA) in May 2005 and is the Head of the Macro Strategy Investments boutique. The team manages or advises on more than R200bn of multi-asset class portfolios across the risk return spectrum. He has specific responsibility for third-party funds including the Profile range. He also manages a number of unit trusts including Old Mutual Flexible Fund, Old Mutual Stable Growth Fund and Old Mutual Real Income Fund.

Having analysed countries and companies, Peter can integrate top-down and bottom-up drivers and valuations to create an optimal portfolio.

PREVIOUS EXPERIENCE:

Peter worked at a stockbroker for 10 years, as an analyst and equity strategist. He was the head of Research and head of Equities for Cazenove South Africa.

FUND COMMENTARY as at 31/12/2011

2011 proved 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 fund gained again in December, bringing the return for the year to 7.3%. This was a solid performance, beating returns from cash, bonds and the category average. Unfortunately, it was only marginally above inflation of 6.1%, which accelerated from 3.7% at the start of the year.

Over three years the fund has delivered an annual return of 9.3%, and a real return of 4.0% p.a. A gratifying element of this return is that the diversification of the fund worked well. Despite the volatility in markets, the fund was up during most months and the worst monthly return was -0.4%. The fund has roughly a third invested in each of equity, cash and fixed income assets, including property.

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.