



Profile Capital Portfolio

Multi-asset class solutions: the Profile range

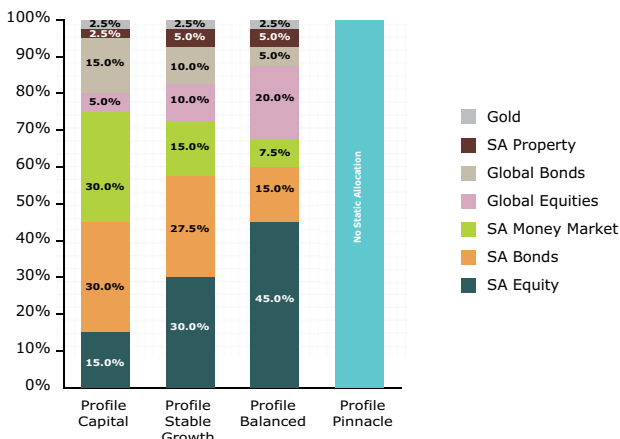
The suite of Profile portfolios is a comprehensive range of unitised, market-linked portfolios that span the risk/return spectrum. These policy-based investments are specifically designed for institutional investors and are compliant with Regulation 28 of the Pension Funds Act of South Africa.

Within the parameters of their mandates, the Profile portfolios invest across a range of local and offshore asset classes including equity, interest-bearing instruments, property, convertibles, commodities and derivatives.

There are four portfolios in the Profile portfolio range, from very conservative to aggressive. The investor may also switch between these funds within the range on a seamless basis to correspond with their changing risk profile.

Static benchmark asset allocation

The static benchmark represents our view of the optimal long-term asset allocation per portfolio.



Portfolio manager



Peter Brooke is the lead portfolio manager for this portfolio. He is the head of Macro Strategy Investments and has over a decade of experience in portfolio strategy. In running the portfolio, he leverages off the top-down views of the Macro Strategy Investments team as well as bottom-up inputs of specialists within the asset classes, thus maximising the sources of alpha within the portfolio.

Market overview

The local equity market, as measured by the FTSE/JSE Shareholder Weighted All Share Index (SWIX), was flat for the month, yet gained 7.5% for the quarter. Emerging market equities (-3.3%) underperformed their developed market counterparts (1.3%) in March, but remain the outperformer for the year to date, with a return of 14.1% versus the 11.7% from developed market equities.

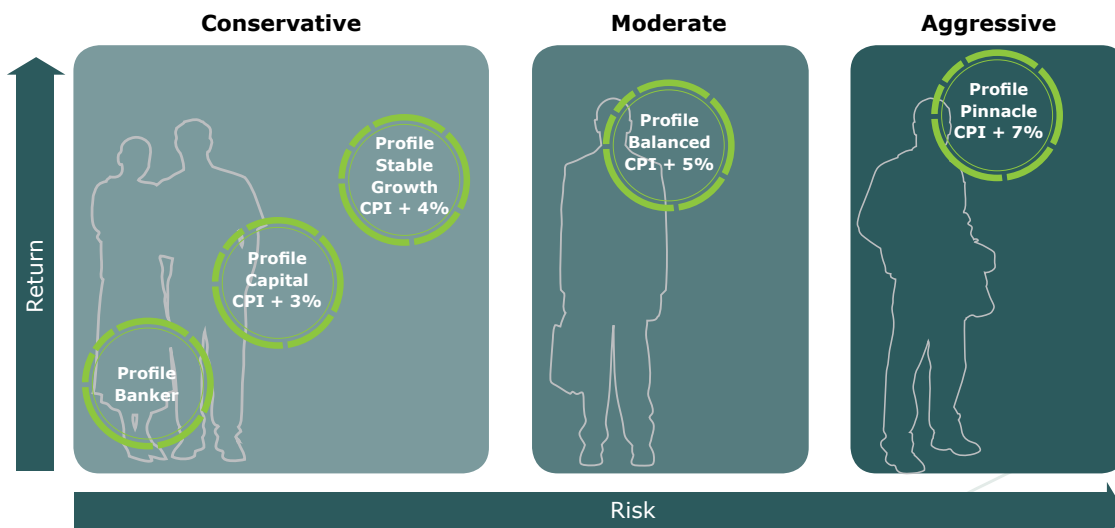
The rand is 2% - 5% stronger against the major currencies, compared to the end of 2011, but weakened by 2.5% in March. The local listed property sector has delivered good returns of 2.1% and 8.0% for the month and quarter, respectively. The local bond market eked out a 0.1% return for the month and has returned 2.4% this quarter, outperforming local cash by 1.0%.

Fund performance commentary

Profile Capital returned 3.5% for the first quarter of 2012, well ahead of cash returns and exceeding its benchmark of 2.0%. Over the 12 months to the end of March 2012 the fund was well ahead of cash yields as well as its performance objective of CPI + 3%. The fund marginally lagged its benchmark over the one-year period, due to the strong performance of global bonds in the prior calendar year.

Over the last quarter the fund's underweight position in global bonds was the largest single contributor to its outperformance, validating our investment stance. Good absolute performance from equities, both global and domestic, as well as local property also added to the quarter's result. We continue to favour equities over cash and bonds, with global equities preferred ahead of domestic issues.

Risk and return objectives



Profile Capital Portfolio

This is an actively managed and a very conservative investment that aims to provide high levels of capital protection by investing primarily in interest-bearing assets, while limited exposure to equity and quoted property provides scope for growth in excess of inflation.

This portfolio may be an attractive option for investors with a low risk appetite but who are mindful of the erosive effects of inflation on a cash-only portfolio, and the consequent need for some exposure to a selection of quality growth assets.

The portfolio complies with Regulation 28 of the Pension Funds Act.

Additional information

Launch date

January 1995

Benchmark

Static asset allocation benchmark

Risk category

Conservative

Investment objective

The portfolio aims to offer returns in excess of cash, and targets CPI + 3% per annum over the long term, at a relatively low level of risk. The fund also aims to preserve capital over any 12-month period.

Fees

Domestic assets: 0.40% p.a. (rebates for large funds)

International assets: 0.80% p.a.

Plus: a performance fee in respect of alternative assets.

Fees on domestic assets exclude VAT. (VAT is deemed not payable.)

Principal holdings as at 31/03/2012

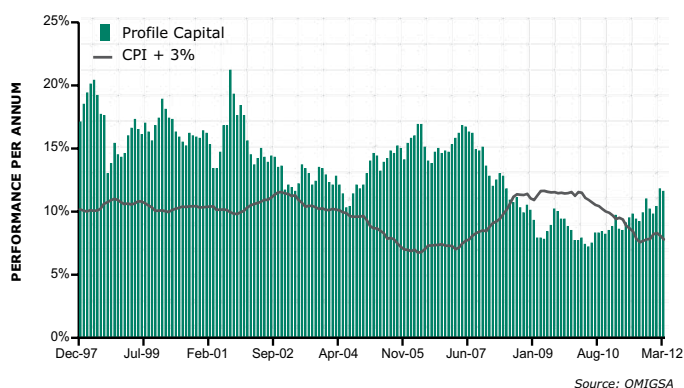
Holding	Sector	% of equity
MTN Group	Telecommunications	8.5
Sasol	Oil & Gas	7.2
Anglo American	Basic Resources	6.3
Standard Bank	Banks	5.8
BHP Billiton	Basic Resources	5.6
FirstRand	Banks	5.0
Life Healthcare	Healthcare	4.1
Old Mutual	Financials	3.9
Liberty Holdings	Financials	3.5
Investec	Banks	3.2
		53.1

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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.

Performance as at 31/03/2012

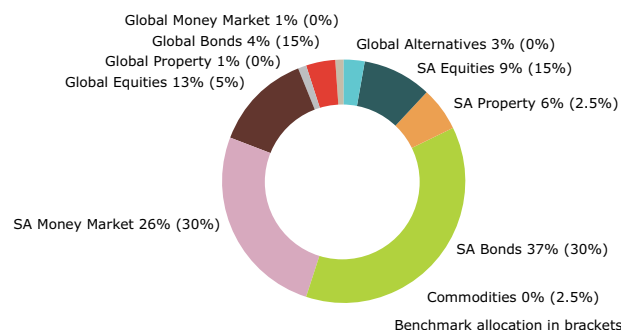
3-year rolling returns



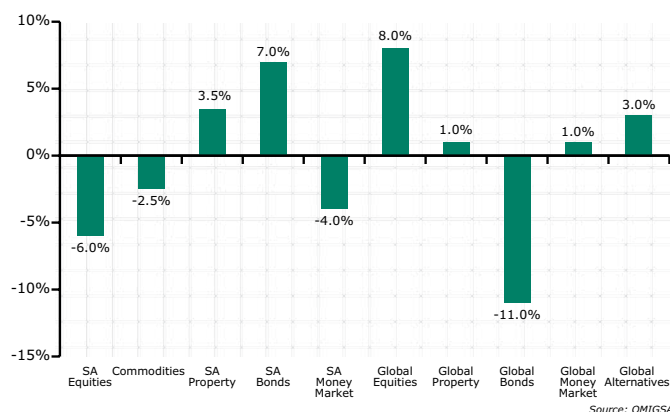
Cumulative performance



Asset analysis to 31/03/2012



Fund tilt vs benchmarks



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Investments

Invest with perspective