

Profile Growth Portfolio

PROFILE RANGE DESCRIPTION

The Profile portfolios are a comprehensive range of unitised, market-linked portfolios. These policy-based portfolios are specifically designed for institutional investors and are compliant with Regulation 28 of the Pension Funds Act of South Africa.

The range comprises a suite of portfolios that cater to the full spectrum of risk and return requirements of investors. Each portfolio is able to invest across a range of local and offshore asset classes including equity, bonds, property, preference shares and commodities, as well as derivatives. Backed by a disciplined investment process, expert asset allocation and specialist expertise, these portfolios are constructed using an integrated and a holistic approach to meet the objectives of investors.

PORTFOLIO CONSTRUCTION PHILOSOPHY

In constructing a multi-asset class portfolio, Macro Strategy Investments starts by assessing the real return requirement for the fund. Using our proprietary database of long-term returns on various asset classes, a fixed asset allocation is arrived at, which would provide the required real return over the long term (10 to 20 years) with the appropriate level of risk.

Using a long-term perspective on asset class valuations and assessing the long-term macro themes at work in the global and local economies, the portfolio manager will materially adjust the portfolio so that it is optimally positioned to benefit from these factors. With this strategic outlook, over the medium term (5 to 10 years) the portfolio is expected to outperform the fixed asset allocation.

However, markets are volatile and this creates opportunities over the shorter term (one to three years) as well. These too are exploited by shorter term tactical asset allocation positions which ensure that even over the short term, the portfolios achieve competitive returns relative to peers.

PROFILE GROWTH PORTFOLIO DESCRIPTION

The Profile Growth Portfolio is an actively managed portfolio with its core holding in equity to provide superior long-term growth with an above average degree of volatility. The portfolio complies with Regulation 28 of the Pension Funds Act, 1956.

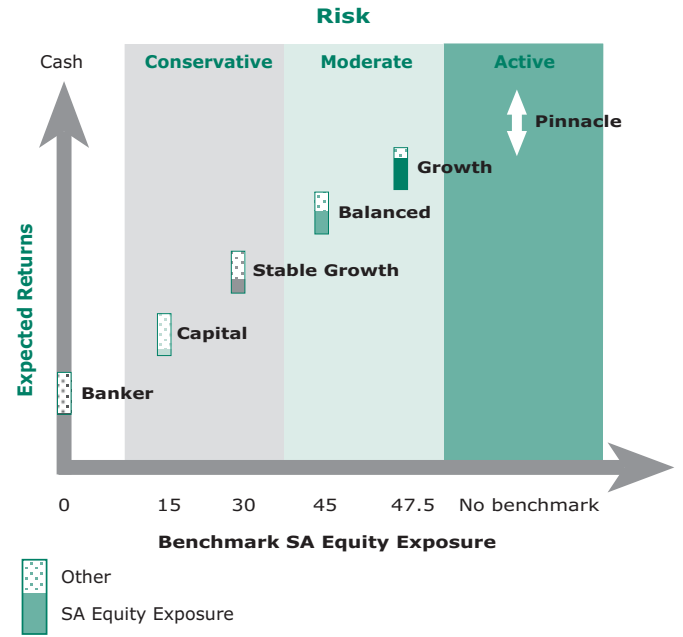
The Profile Growth Portfolio forms part of the Profile portfolio range which offers a unique spectrum of six pooled investment portfolios, each of which has a different risk/return profile. The portfolio can be used either individually or in combination with the other Profile portfolios, offering optimal investment solutions to retirement funds. In addition, funds can be switched between the six portfolios, thereby accommodating changing needs.

PORTFOLIO MANAGER



Anil Thakersee joined Macro Strategy Investments (MSI) in August 2008, and is the portfolio manager responsible for their range of balanced funds which reflect the MSI "house view". Anil has 7 years investment management experience covering various asset classes. In running the portfolio, he leverages off the top-down views of MSI as well as the bottom-up inputs within the asset classes, thus maximising the sources of alpha within the portfolio.

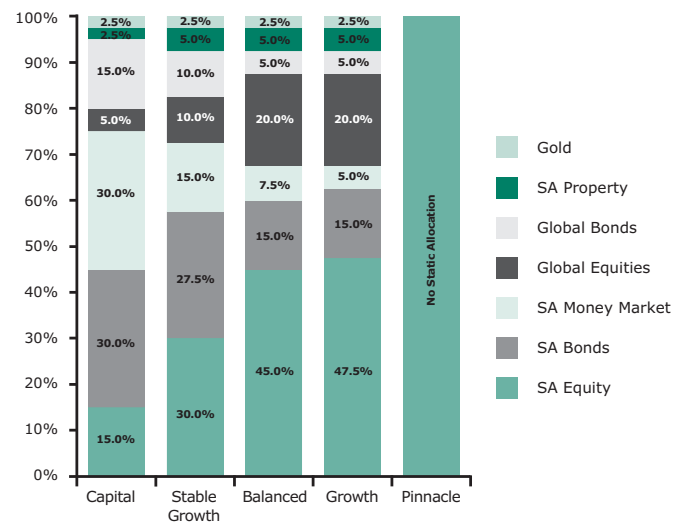
RISK AND RETURN OBJECTIVES



PORTFOLIOS

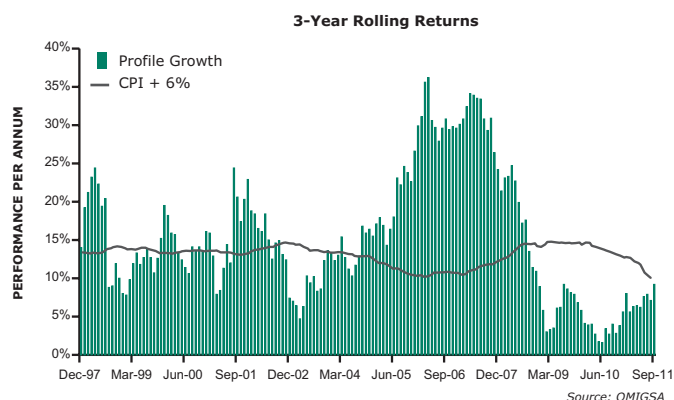
PROFILE PORTFOLIO	RISK PROFILE	REAL RETURN TARGET
Pinnacle	Active	CPI + 7%
Growth (closed)	Moderate	CPI + 6%
Balanced	Moderate	CPI + 5%
Stable Growth	Conservative	CPI + 4%
Capital	Ultra Conservative	CPI + 3%
Banker	A cash on call portfolio	No real return target

STATIC ASSET ALLOCATION



The static benchmark represents our view of the optimal long-term asset allocation per portfolio. As of 1 April 2011, changes were made to reflect the increase in the offshore allocation allowance introduced in December 2010. Please refer to the individual fact sheets for details.

PERFORMANCE AS AT 30/09/2011



% PERFORMANCE

	3-Mth	1-Yr p.a.	3-Yr p.a.	5-Yr p.a.
Fund	-1.2%	5.9%	8.7%	8.9%
Benchmark	-0.4%	7.6%	10.7%	9.8%

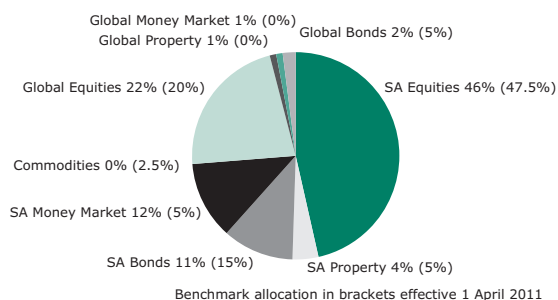
Note: On 1 July 2011, the benchmark for Macro Strategy Investments' equity portfolio changed from MSI's in-house benchmark to the FTSE/JSE Shareholder Weighted Index (SWIX), excluding property.

CHANGES TO STATIC BENCHMARK

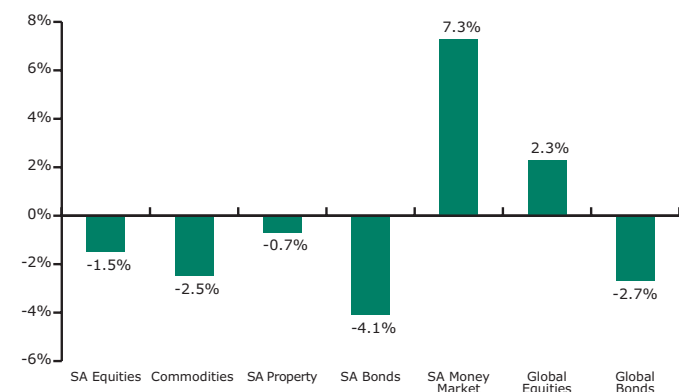
We have changed our views of the optimal long-term asset allocation for this portfolio as follows:

Asset Class	SA Equity	SA Property	SA Bonds	SA Cash	Global Equity	Global Bonds	Gold
Previous	60%	2%	18%	5%	13%	2%	0%
Current	47.5%	5%	15%	5%	20%	5%	2.5%

ASSET ANALYSIS TO 30/09/2011



FUND TILT VS BENCHMARKS



PRINCIPAL HOLDINGS AS AT 30/09/2011

HOLDING	SECTOR	% OF EQUITY
MTN Group	Telecommunications	8.3
Sasol	Oil & Gas	7.2
Anglo American	Basic Resources	6.1
BHP Billiton	Basic Resources	5.9
Standard Bank Group	Banks	5.7
British American Tobacco	Personal Goods	5.4
FirstRand	Banks	4.6
Investec	Financials	3.4
Old Mutual	Financials	3.3
SABMiller	Food & Beverages	3.0
		52.9

MARKET OVERVIEW

The sovereign debt crisis in Europe and global growth fears weighed heavily on equity markets in the third quarter of 2011. The FTSE/JSE All Share Index (ALSI) declined by 5.8% for the quarter in rand terms, and the MSCI All Country World Index declined by 18% in US dollar terms. Along with other emerging market currencies, the rand sold off sharply during the quarter, declining 20% against the dollar, 11% against the euro and 16% against the pound. In major developed economies, bond yields fell sharply and local government bonds also benefited, gaining 2.8% for the quarter, outperforming equities and cash for the second consecutive quarter. While markets may continue to be volatile, we currently see attractive entry levels in many local stocks.

FUND PERFORMANCE COMMENTARY

The fund has been positioned for global growth and over the last quarter risk assets have been volatile. Some of this risk was mitigated by having close to the maximum of 25% in offshore assets, which benefited from the weaker rand. The fund also benefited from holding inflation-linked bonds, which performed well over the quarter. Looking forward, we see many shares offering attractive entry levels and we remain constructive on equities.

ADDITIONAL INFORMATION

LAUNCH DATE

January 1995

BENCHMARK

Static Asset Allocation benchmark

RISK CATEGORY

Moderate

INVESTMENT OBJECTIVE

The investment objective of the portfolio is to consistently achieve upper quartile performance over the medium term as surveyed by the leading investment consultants, and in line with the moderate to high risk that defines this portfolio, thus offering high real returns over the medium term. It has a long-term real return target of CPI + 6%.

FEES

Domestic assets: 0.55% 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.)

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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.