



Profile Stable Growth Portfolio

Multi-asset class solutions: the Profile range

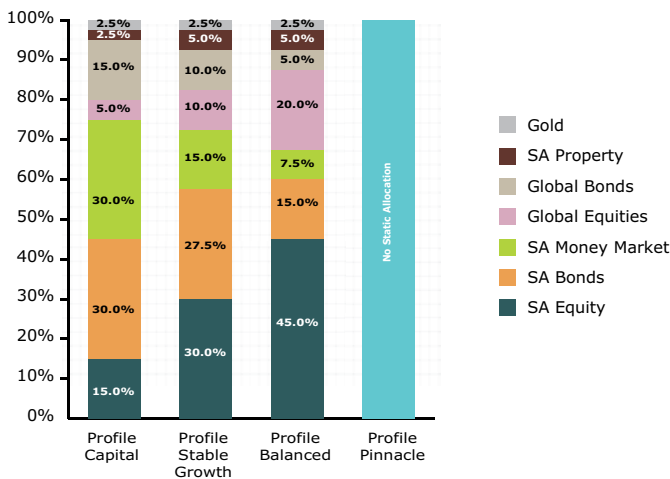
The suite of Profile portfolios is a comprehensive range of unitised, market-linked portfolios that span the risk/return spectrum. These policy-based investments are specifically designed for institutional investors and are compliant with Regulation 28 of the Pension Funds Act of South Africa.

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 fund's 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%.

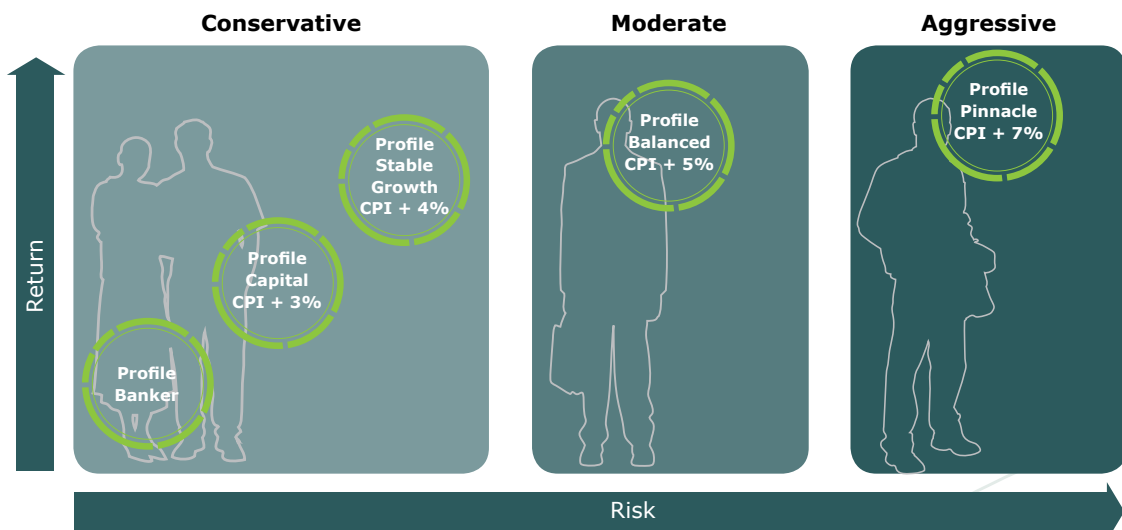
Fund performance commentary

Profile Stable Growth returned 4.5% for the first quarter of 2012. The fund exceeded its benchmark and cash yields. Domestic and international equities were the biggest absolute contributors to performance. Over the twelve months to March 2012 the portfolio produced 12.2%, ahead of cash and the FTSE/JSE All Share Index (ALSI), but lagging the benchmark.

The fund's low exposure to global bonds was the swing factor between the last 12 months and the quarter, detracting from performance in 2011, but contributing positively to results in 2012 to date. The fund remains underweight to developed market government bonds, with the outlook for outperformance limited by low prevailing yields.

Profile Stable Growth is overweight to equity, being our most appealing asset class, and reflects our preference for international equity markets over domestic. We continue to hedge a portion of our domestic equity weighting, which is an appropriate strategy for this fund in the current unusually volatile environment.

Risk and return objectives



Profile Stable Growth Portfolio

This is an actively managed and a conservative portfolio which aims to provide investors with an attractive combination of stable capital growth and capital protection by investing in a well-diversified mix of local and global assets. A selection of quality shares helps to defend capital against inflation and provide valuable dividend payouts, while bonds, property and money market securities provide volatility protection and steady income yield. All income is reinvested.

It is an ideal consideration for investors nearing retirement who want to preserve wealth while continuing to grow capital.

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 targets returns of CPI + 4% per annum over rolling 12-month periods, while aiming to minimise capital loss over rolling 18-month periods.

The portfolio has a low level of risk relative to a typical balanced fund.

Fees

Domestic assets: 0.45% 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.)

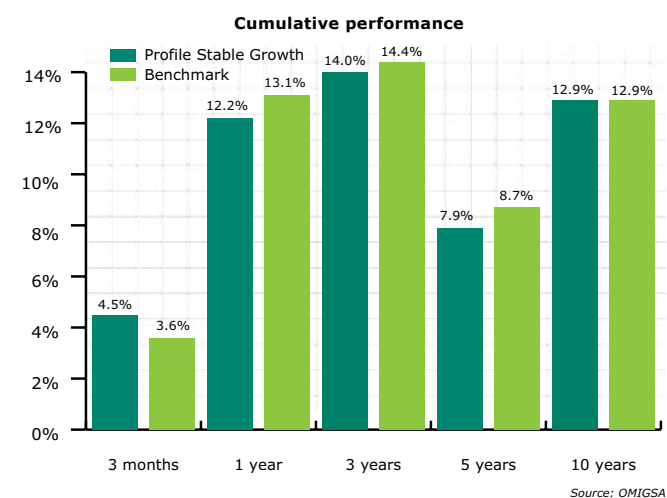
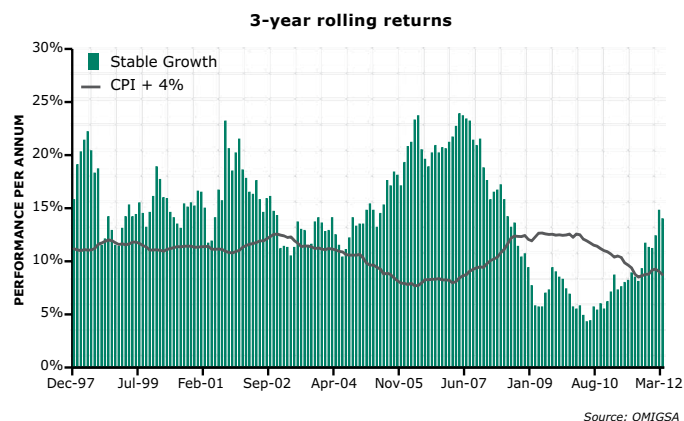
Principal holdings as at 31/03/2012

Holding	Sector	% of equity
MTN Group	Telecommunications	8.6
Sasol	Oil & Gas	7.3
Anglo American	Basic Resources	6.4
Standard Bank	Banks	5.8
BHP Billiton	Basic Resources	5.7
FirstRand	Banks	5.0
Life Healthcare	Healthcare	4.2
Old Mutual	Financials	4.0
Liberty Holdings	Financials	3.6
Investec	Banks	3.2
		53.8

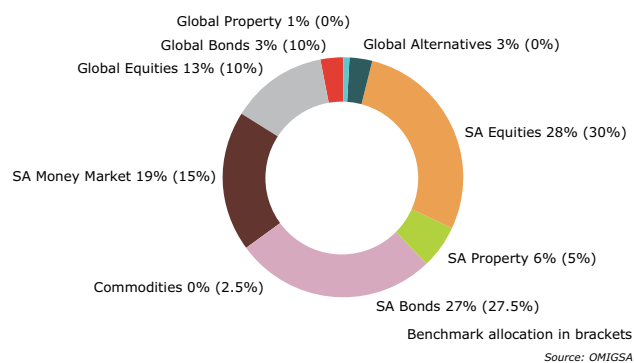
Old Mutual Investment Group (South Africa) (Pty) Limited is a licensed financial services provider, FSP 604, approved by the Registrar of Financial Services Providers (www.fsb.co.za) to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. 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.

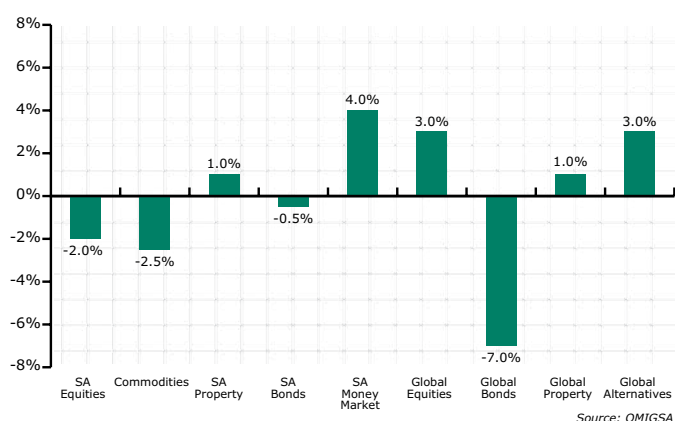
Performance as at 31/03/2012



Asset analysis to 31/03/2012



Fund tilt vs benchmarks



OLD MUTUAL
Investment Group

Macro Strategy
Investments

Invest with perspective