

OLD MUTUAL NAMIBIA INCOME FUND

FUND INFORMATION

RISK RATING 1 2 3 4 5

FUND OBJECTIVE

The fund aims to offer a high level of income, together with relative capital stability through a portfolio of Namibian and South African interest-bearing investments. It aims to pay out a high regular income without putting the investor's money at undue risk. It aims to achieve higher than money market returns by taking on marginally more risk.

WHO IS THIS FUND FOR?

- Investors requiring a regular income from their investment
- Investors looking to safeguard capital from a fall in the stock market
- Investors wishing to phase a lump sum into an equity fund

RECOMMENDED MINIMUM INVESTMENT TERM

1 year+

3 years+

5 years+

INVESTMENT MANDATE

The fund invests in local interest-bearing investments including fixed and floating rate bonds and money market instruments. The average duration of the fund will always be less than two years, which contributes to its relative capital stability.

BENCHMARK: Category Average

FUND CATEGORY: Namibian Income Funds

RISK TARGET: No negative quarters.

FUND MANAGER(S):

Jennifer Sheehy (OMIGSA - Futuregrowth Asset Management)

LAUNCH DATE: 13/07/1994

SIZE OF FUND: N\$570m

DISTRIBUTIONS:

No direct distributions are paid to unitholders. Any unitholder who wishes to receive periodic income should request that this be effected by way of a sale of units.

OTHER INVESTMENT CONSIDERATIONS

MINIMUM INVESTMENTS:

Monthly: N\$500 • Lump sum: N\$5 000 • Ad hoc: N\$1 000

CHARGES:

An initial charge of maximum 1%, which may include commission.

	Admin	Commission
< N\$100 000	0.4%	Max. 0.6%
≥ N\$100 000	0.25%	Max. 0.6%

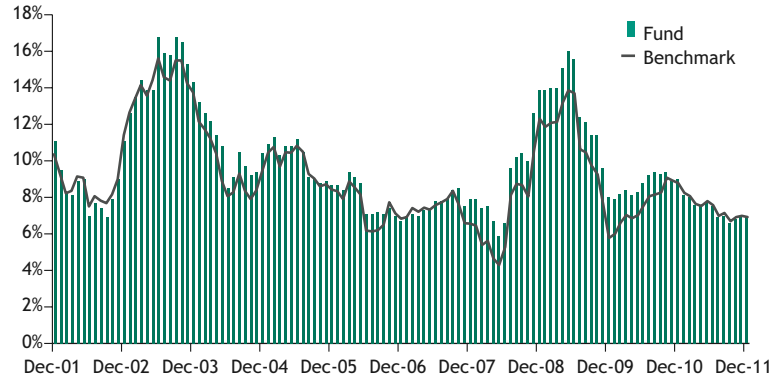
Total expense ratio (TER): 0.81%

- Service fee (included in TER): 0.75% p.a. This fee is accrued daily and paid to the management company on a monthly basis.
- Other charges incurred by the fund, and deducted from its portfolio, are included in the TER.

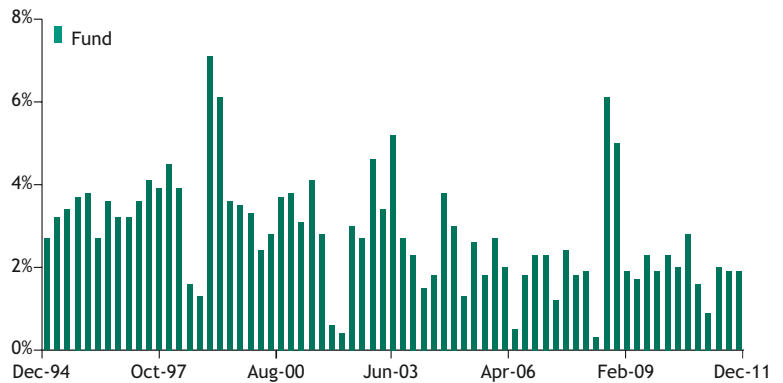
FUND PERFORMANCE as at 31/12/2011

	% PERFORMANCE (p.a.)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception
Fund	6.9	8.0	9.1	8.7	9.7	11.6
Benchmark	6.9	7.2	8.0	7.9	9.0	11.3

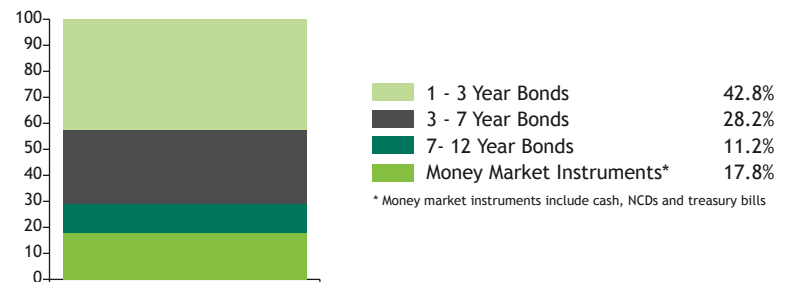
Old Mutual Namibia Income Fund (1-Year Rolling)



Performance vs Risk Objective (Rolling Quarter Returns)



FUND COMPOSITION



CURRENT PRINCIPAL HOLDINGS

HOLDING	SECTOR	% OF FUND
Money Market	0 - 3 Year NCD	6.8
RSA 5.5% 07/12/2023	7 - 12 Year Bonds	4.1
Namibian Government Registered Stock	3 - 7 Year Bonds	4.0
Republic of SA R203 8.25% 2017	3 - 7 Year Bonds	3.7
R204 8.00% 21/12/2018	7 - 12 Year Bonds	3.6
Namibian Govt Int Reg Stock 7.5%	1 - 3 Year Bonds	3.2
Road Fund Admin 9.5% 31/01/2016	3 - 7 Year Bonds	3.1
BWJH14 15/08/2014	1 - 3 Year Bonds	2.7
TL12 12.45% 29/04/2012	1 - 3 Year Bonds	2.3
RSA 2.75% 31/01/2022	7 - 12 Year Bonds	2.3

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FUND MANAGER INFORMATION



JENNIFER SHEEHY

QUALIFICATIONS:
BSc (Hons)

CURRENT RESPONSIBILITY:

Jenny joined Futuregrowth in 2008 and is responsible for the interest-bearing portion of a number of pension funds in South Africa and Namibia. In addition, she enhances Old Mutual Investment Group South Africa (OMIGSA)'s equity research capability with her ongoing fixed interest research on the local bond and money markets. Jenny also manages the Old Mutual Income Fund and Old Mutual Namibian Income Fund as well as the Community Gilt Fund.

PREVIOUS EXPERIENCE:

Jenny joined OMIGSA in 1989, commencing her employment as a bond analyst. In 1994, she was appointed as portfolio manager assuming responsibility for the management of the matched annuity fund.

FUND COMMENTARY as at 31/12/2011

Eurozone troubles, global currency volatility and rising headline inflation were some of the main sentiment drivers during the last quarter of 2011. The yield of the benchmark R208 government bond ranged between 8.3% and 7.8% over this period. Rising inflation and growing concerns about the potentially negative impact of broad-based rand depreciation since August 2011 lend strong support to the inflation-linked bond market. This caused the real yield of the benchmark R197 government inflation-linked bond to rally from 2.61% to 2.25%, the lowest level since July 2008. As a result, the official Inflation-linked Bond Index returned 4.5% for the three months ending December, followed by the All Bond Index (+3.5%) and the STeFI Money Market Index (+1.4%).

The fund increased exposure to South African bonds by purchasing medium-dated fixed rate bonds as well as inflation-linked bonds. We also increased exposure to credit bonds trading at attractive spreads. Surplus cash was invested in bank negotiable certificates of deposit (NCDs).

Our investment view remains defensive, with a focus on short-term capital preservation while carefully considering potential investment opportunities into market weakness, while retaining an inflation-linked bond holding as a hedge against inflation risks that are still skewed to the upside.

Figures as at 31 December 2011, based on a lump sum investment excluding charges (bid-bid prices). Source: Morningstar. To ensure that the portfolio is always managed in accordance with its mandate, Old Mutual Unit Trusts Namibia reserves the right to close the fund to new investors. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. It is important that you are prepared for some shorter term fluctuations as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. The daily price is the current value of the fund's assets plus interest income (minus expenses) divided by the number of units in issue. Unit trusts can engage in borrowing and scrip lending. The fund's TER reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. You can easily sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis).