

# OLD MUTUAL CAPITAL BUILDER FUND

## FUND INFORMATION

RISK RATING 1 2 3 4 5

### FUND OBJECTIVE

The fund aims to achieve capital protection and stable, tax-efficient growth in excess of cash returns. The fund targets a gross annual return of 3% above cash returns over rolling three-year periods, and aims to deliver positive returns every quarter. Where negative quarters are experienced, the drawdowns are likely to be relatively small.

### WHO IS THIS FUND FOR?

The fund is suited to astute investors who want capital protection and stable, tax-efficient growth in excess of cash returns.

### RECOMMENDED MINIMUM INVESTMENT TERM

1 year+

3 years+

5 years+

### INVESTMENT MANDATE

The fund invests in a broad spectrum of asset classes, including cash, fixed income, listed property and equities. Although equities generally account for between 65% and 75% of the portfolio, derivatives are used to reduce this to an effective equity exposure of 0% to 40%. The fund invests primarily in 20 - 25 large capitalisation shares. The balance of the portfolio is held in cash and money market instruments. The fund conforms to retirement fund legislation.

### BENCHMARK:

Standard Bank call rate for amounts of R1 million

### PERFORMANCE TARGET:

Standard Bank call rate for amounts of R1 million + 3% p.a., over rolling 3-year periods.

### RISK OBJECTIVE:

Positive 3-month performance periods (tax quarters).

### ASISA CATEGORY:

Domestic - Asset Allocation - Prudential Variable Equity

### FUND MANAGER(S):

John Gilchrist & Tassius Chigariro (*OMIGSA - Absolute Return Investments*)

LAUNCH DATE: 28/02/2008

SIZE OF FUND: R1.3bn

### DISTRIBUTIONS (Half-yearly)\*:

Date	Dividend	Interest	Total
31/12/2011	1.29c	1.62c	2.91c
30/06/2011	0.79c	0.91c	1.70c

\* Class A fund distributions

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

Monthly: R500 • Lump sum: R10 000 • Ad hoc: R500

### INITIAL CHARGES:

There is no initial administration charge for investment transactions of R500 and above. Initial adviser fee will be between 0% and 3.42%. Investment transactions below the R500 fund minimum incur a 2.28% administration charge.

### ONGOING:

Performance fees apply as follows:

Annual service fee (min./max.): 1.03% / 2.28% p.a.

Class A performance fee: 0.24%

Fee hurdle: Standard Bank call rate for > R1 million

Sharing rate: 15%

Fee at hurdle/target: 1.03% / 1.54% 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 to the management company on a monthly basis. Additional charges are deducted from the fund's portfolio and may be included in the TER. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER.

Total expense ratio (TER): 1.28%

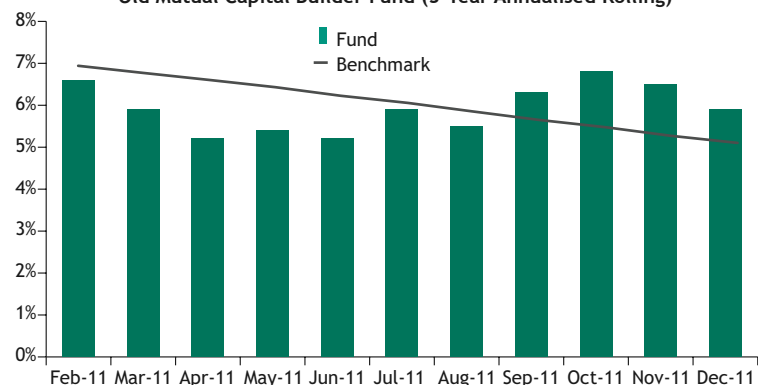
TER is a historic measure and includes the annual service fee.

Class A became available to retail investors on 1 October 2008

## FUND PERFORMANCE as at 31/12/2011

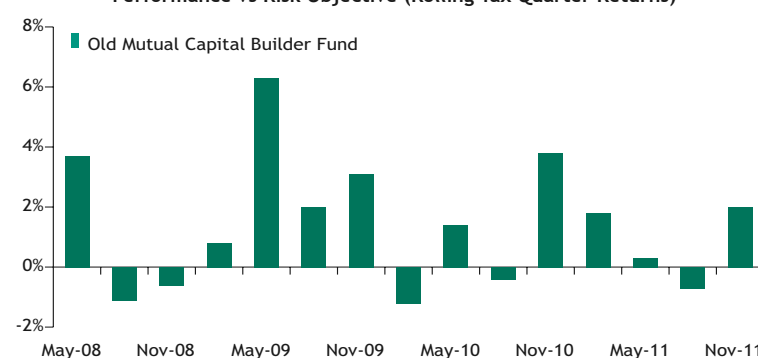
	% PERFORMANCE (p.a.)					
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Inception
Fund	2.2	5.9	-	-	-	5.6
Benchmark	3.8	5.1	6.7	-	-	6.2
Tax-exempt Investor	2.2	5.9	-	-	-	5.6
Corporate Investor	1.9	5.1	-	-	-	4.9
Private Investor	1.9	5.1	-	-	-	4.9
Retirement Fund	2.2	5.9	-	-	-	5.6

### Old Mutual Capital Builder Fund (3-Year Annualised Rolling)



RISK STATISTICS	FUND	BENCHMARK
Annual Standard Deviation (3 Years p.a.)	3.9%	0.4%
% Positive Tax Quarters	67%	100%

### Performance vs Risk Objective (Rolling Tax Quarter Returns)



## FUND COMPOSITION



## CURRENT PRINCIPAL HOLDINGS

HOLDING	SECTOR	% OF FUND
Money Market	0 - 3 Year NCD	5.5
Naspers Ltd	Media	6.0
BHP Billiton Plc	Basic Resources	5.6
Anglo American Plc	Basic Resources	5.6
MTN Group Limited	Telecommunications	4.5
SABMiller Plc	Food & Beverages	4.4
RSA 5.5% 07/12/2023	7 - 12 Year Bonds	4.2
Sasol Ltd	Oil & Gas	3.3
Richemont	Personal & Household Goods	3.3
AngloGold Ashanti Limited	Basic Resources	2.7

# OLD MUTUAL CAPITAL BUILDER FUND

## FUND MANAGER INFORMATION



**JOHN GILCHRIST**

**QUALIFICATIONS:**

MBA (with distinction)  
CA (SA)

**CURRENT RESPONSIBILITY:**

John joined Old Mutual Investment Group South Africa (OMIGSA) in November 2004 as a portfolio manager. He is responsible for managing Capital Builder (including the life-wrapped guaranteed version, Capital Growth), certain institutional absolute return funds and the Volatility Arbitrage Hedge Fund.

**PREVIOUS EXPERIENCE:**

In 1999, John joined UBS Investment Bank in the derivative sales and structuring division. He was promoted to Director, Head of Derivatives and a member of the UBS management committee in January 2001. In 2002, John became a member of the JSE Financial Derivatives Advisory Committee.



**TASSIUS CHIGARIRO**

**QUALIFICATIONS:**

BSc Mathematics (Hons)  
FIA

**CURRENT RESPONSIBILITY:**

Tassius joined Old Mutual Investment Group South Africa (OMIGSA) in January 2008 and is currently responsible for the portfolio management of the Capital Builder Absolute Return Unit Trust Fund. In addition, he is also involved with the structuring and implementation of various structured solutions.

**PREVIOUS EXPERIENCE:**

Prior to joining OMIGSA, Tassius was an investment manager at Resolution Asset Management (UK) for three years.

Prior to joining Resolution, Tassius was a pensions consulting actuary with Alexander Forbes (UK) for three years.

Tassius has 10 years of work experience, initially as a pensions actuary before moving into asset management.

## FUND COMMENTARY as at 31/12/2011

This moderately conservative unit trust is targeted at investors who want to achieve capital protection and stable, tax-efficient growth in excess of cash returns. The fund targets a gross return of 3% per annum above cash returns over rolling three-year periods, and aims to deliver positive returns every quarter. Where negative quarters are experienced, the drawdowns are likely to be relatively small.

While the FTSE/JSE All Share Index (ALSI) and FTSE/JSE Top 40 Index both returned 8.4% for the fourth quarter of 2012, South African equities came under pressure in December 2011 – the FTSE/JSE Top 40 Index declined 3.2% over the month. The bulk of these losses occurred mid-month as investors began to realise that there was no quick-fix solution to the European debt crisis. The resources sector bore the brunt of the sell-off, declining 5.2%. Industrial counters declined 2.4%, while financial shares managed to gain 1.9%, driven primarily by Old Mutual's strong share price. Inflation-linked bonds, nominal bonds and property all delivered solid positive returns for the month.

The SA Volatility Index (an indicator of uncertainty and risk aversion) rose slightly from 26.0% to end the month at 27.0%. Actual market volatility (measured by 20-day realised volatility) plummeted from 27.3% in November to 11.7% in December 2011.

Unit trusts are generally medium- to long-term investments. Past performance is no indication of future performance. Shorter term fluctuations can occur 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. 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. A schedule of fees, charges and maximum adviser fees is available from Old Mutual Unit Trust Managers Ltd (OMUT). You may sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis and 17h00 at month-end for Old Mutual RAFI® 40 Tracker Fund, Old Mutual Top 40 Fund and SYm|metry Equity Fund of Funds). The Old Mutual Money Market Fund unit price aims to be static but investment capital is not guaranteed. The total return is primarily made up of interest (declared daily at 13h00), but may also include any gain/loss on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. A fund of funds unit trust invests only in other collective investment schemes, which may levy their own charges. Certain funds may be capped to be managed in accordance with their mandates. Different classes of units apply to these portfolios and are subject to different fees and charges.

The portfolio performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Lump sum basis. Performances are in ZAR and as at 31 December 2011. Sources: Morningstar and OMIGSA (estimated inflation figure for month of December 2011). Past performance is not necessarily an indication of future performance.

Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).

Funds are also available via Fairbairn Capital and MAX Investments.

Helpline 0860 234 234 Fax +27 21 509 7100 Internet [www.omut.co.za](http://www.omut.co.za) Email [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

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