

# OLD MUTUAL FLEXIBLE FUND

## FUND INFORMATION

RISK RATING 1 2 3 4 5

### FUND OBJECTIVE

The fund aims to deliver long-term equity-like returns, but at lower levels of volatility than equity. The fund will predominantly invest in shares, but the portfolio manager can invest in less risky asset classes when they offer better value.

### WHO IS THIS FUND FOR?

This fund is suited to investors who want high long-term capital growth, but also want some protection against short-term fluctuations of the equity market. The fund is suitable for long-term savings outside a retirement fund.

### RECOMMENDED MINIMUM INVESTMENT TERM

1 year+      3 years+      5 years+

### INVESTMENT MANDATE

There are no restrictions on the asset holdings of this fund, except that a maximum of 25% of the portfolio may be invested offshore. The fund invests in money markets, bonds, property and shares.

### REGULATION 28 COMPLIANCE

The fund aims to achieve long-term inflation-beating growth, and therefore may hold a higher allocation to equities than what is allowed in terms of Regulation 28 of the Pension Funds Act. This fund is therefore not Regulation 28 compliant.

BENCHMARK: CPI

PERFORMANCE TARGET: CPI + 8% p.a. (gross of fees)

RISK OBJECTIVE: Lower volatility than the equity market.

ASISA CATEGORY: Domestic Portfolios - Asset Allocation - Flexible Portfolios

### FUND MANAGER(S):

Peter Brooke (OMIGSA - Macro Strategy Investments)

LAUNCH DATE: 20/08/1996

SIZE OF FUND: R1.2bn

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

Date	Dividend	Interest	Total
31/12/2011	6.08c	2.60c	8.68c
30/06/2011	2.62c	1.21c	3.83c

\* Class A fund distributions

TAX REFERENCE NUMBER: 9301/002/60/7

## OTHER INVESTMENT CONSIDERATIONS

### MINIMUM INVESTMENTS:

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

### INITIAL CHARGES (All fees are VAT inclusive):

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.): 0.86% / 2.85% p.a. (Class A)

Fee hurdle: CPI + 4%

Sharing rate: 15%

Fee at hurdle/target: 0.86% / 1.54% p.a.

### Total expense ratio (TER):

**Class A:** 1.45% (includes performance fee of 0.42% as at 31/03/2012)

**Class R:** 1.32% (closed to new business)

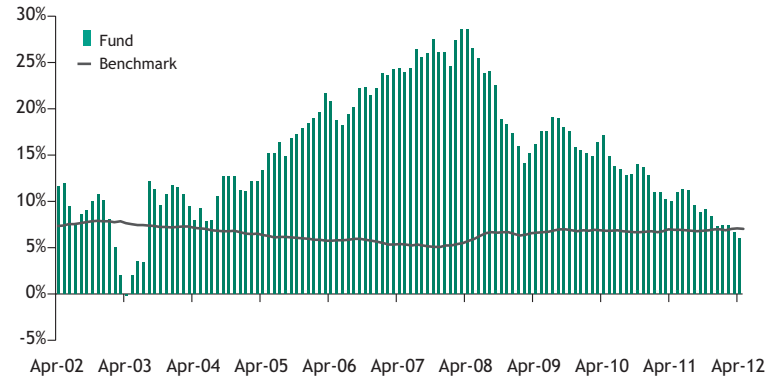
Manager shares in any performance above the fee hurdle. The performance fee is based on rolling one-year periods (details on website). It is accrued daily and paid to the management company on a monthly basis. Additional charges are deducted from the fund's portfolio and may be included in the TER. Other charges incurred by the fund, and deducted from its portfolio, are included in the TER. A portion of Old Mutual Unit Trusts' annual service fees may be paid to administration platforms. TER is a historic measure and includes the annual service fee.

## FUND PERFORMANCE as at 30/04/2012

	% PERFORMANCE (p.a.)					Since Inception
	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	
Fund (Class R)	9.3	17.8	6.0	15.3	14.8	14.0
Fund (Class A)*	9.2	17.0	-	-	-	6.2
Benchmark	6.8	5.3	7.0	6.4	6.1	6.7
Tax-exempt Investor	9.3	17.8	6.0	15.3	14.8	14.0
Corporate Investor	9.1	17.5	5.6	15.0	14.4	13.4
Private Investor	9.1	17.5	5.6	15.0	14.4	13.4
Retirement Fund	9.3	17.8	6.0	15.3	14.7	13.6

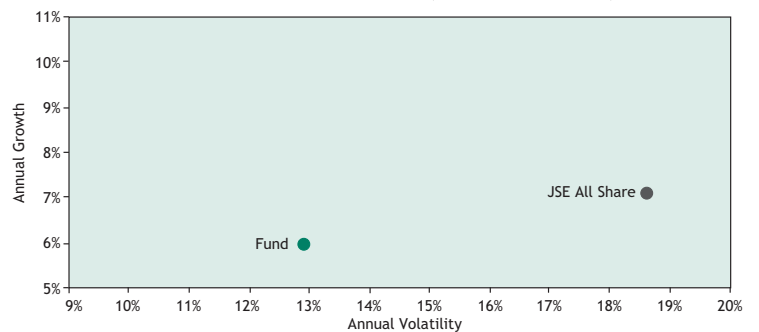
\* Inception: 30 June 2007

### Old Mutual Flexible Fund Class R (5-Year Annualised Rolling)

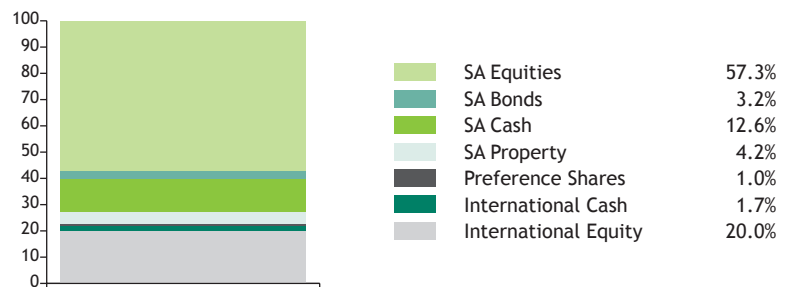


RISK STATISTICS (5 YEARS P.A.)	FUND	JSE ALL SHARE	ALL BOND
Annual Standard Deviation	12.9%	18.6%	7.2%

### Risk/Return Profile Class R (5 Years Annualised)



## FUND COMPOSITION



## CURRENT PRINCIPAL HOLDINGS as at 31/03/2012

HOLDING	SECTOR	% OF FUND
MTN Group Limited	Telecommunications	5.5
BHP Billiton plc	Basic Resources	4.5
Anglo American plc	Basic Resources	4.4
Standard Bank Group Ltd	Banks	4.3
Sasol Ltd	Oil & Gas	4.2
iShares MSCI Japan ETF	Exchange Traded Fund	3.1
The Foschini Group Ltd	Retail	2.9
Steinhoff International Holdings	Personal & Household Goods	2.4
Old Mutual plc	Life Insurance	2.0
FirstRand Ltd	Banks	2.0

# OLD MUTUAL FLEXIBLE FUND

## FUND MANAGER INFORMATION



**PETER BROOKE**

**QUALIFICATIONS:**

BBusSc (Hons in Finance)

**CURRENT RESPONSIBILITY:**

Peter joined Old Mutual in May 2005 and has been the Head of Macro Strategy Investments since 2007.

Peter has specific responsibility for third-party funds, including the Profile range. He also manages a number of unit trusts including the Old Mutual Flexible, Old Mutual Balanced and Old Mutual Stable Growth Funds.

Having analysed countries and companies, Peter can integrate top-down and bottom-up drivers and valuations to create an optimal portfolio.

**PREVIOUS EXPERIENCE:**

Peter is an award-winning analyst who has extensive experience in the investment arena. He worked at a stockbroker for 10 years, as an analyst and equity strategist, after which he was the Head of Research and Head of Equities for Cazenove South Africa.

## FUND COMMENTARY as at 30/04/2012

The FTSE/JSE All Share Index (ALSI) gained 2.8% in April, outperforming global equity markets, while the All Bond Index gained 1.8% on the back of strong foreign inflows. Year to date, foreigners have invested over R30 billion into the local bond market. The Inflation-linked Bond Index was 1.5% higher, and cash delivered 0.5% for the month. The rand was marginally weaker for the month against the US dollar and the euro. Commodity prices were mixed, with the 6% decline in Brent crude being notable. The world's two largest economies reported first quarter gross domestic product (GDP) growth; US GDP slowed to 2.2% annualised from 3% in the previous quarter, and China grew 8.1% annualised, compared to 8.9% in the previous quarter. In Europe, the debt rating of Spain was downgraded for the second time this year and Spanish bond yields climbed higher. On the local front, the Reserve Bank kept interest rates unchanged and upgraded their growth forecasts for the local economy.

The Old Mutual Flexible Fund enjoyed a solid month, driven by the good returns from South African (SA) equities. The weakness in the rand also ensured that the fund's international equities delivered a positive return despite weaker global markets. Within SA equities, there was a wide dispersion of returns with the recent purchase of an Anglo American stub performing exceptionally well. However, the fund also had exposure to some of the losers such as gold shares and Investec. Both of these investments are very cheap compared to their history and, as a result, we believe they will deliver better returns in the future.

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 30 April 2012. Sources: Morningstar and OMIGSA (estimated inflation figure for month of April 2012). 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)

