

PERFORMANCE FEES CHARGED BY OLD MUTUAL UNIT TRUSTS ON THE SYM|mETRY BUILDING BLOCK FUNDS USED IN THE SYM|METRY SUITE OF FUNDS OF FUNDS

- The SYM|mETRY suite of funds of funds invests in a range of underlying unit trust funds (called building blocks). These underlying funds are registered under the licence of Old Mutual Unit Trusts but managed by asset managers appointed by SYM|mETRY.
- None of the SYM|mETRY funds of funds charge performance based fees.
- Some of the underlying unit trust funds used in the construction of the SYM|mETRY suite of funds can charge performance fees, as we believe that it offers a number of potential benefits to investors: It provides an additional incentive for the fund manager to deliver, and maintain, better long term performance.
- Charging lower fees when performance is poor and higher fees when performance is good, better align the interests of the investor, the fund manager and Old Mutual Unit Trusts.
- It will not be possible to access the fund management talent employed in some of the underlying funds if superior performance weren't being rewarded by paying performance based fees.

As with a static/flat service fee, performance fees are reflected in a fund's total expense ratio (TER). The TER will be lower if the fund performs below its target performance level and higher if it outperforms that level. The target performance level differs between funds and is related to the fund's benchmark.

FREQUENTLY ASKED QUESTIONS

Performance fee minimums, maximums and sharing rates (see glossary for more detail) refer to the answers in the table below.

- At which performance levels (also called the fee hurdles) will the manager charge more than the minimum fees?
- What portion of the funds' performances will the manager be entitled to share, should the funds perform above their fee hurdles (also called the sharing rate)?
- What are the minimum fees for the relevant funds and classes?
- What are the maximum fees for the relevant funds and classes?

Only four of the underlying building block unit trust funds used in the SYM|mETRY suite of funds of funds charge performance based fees. These four are reflected in the table below.

Fund & current Asset Manager	Used in	Benchmark	Fee Hurdle	Sharing Rate	Minimum Service Fee (VAT inclusive)	Maximum Service Fee (VAT inclusive)
SYM mETRY Satellite Equity No. 1 (SIM)	SYM mETRY Equity Fund of Funds	SWIX	SWIX + 1.5%	20.0%	1.54% p.a.	2.68% p.a.
SYM mETRY Satellite Equity No. 2 (Element)	SYM mETRY Equity Fund of Funds	SWIX	SWIX + 1.5%	16.0%	1.54% p.a.	3.25% p.a.
SYM mETRY Satellite Equity No. 3 (ABAX)	SYM mETRY Equity Fund of Funds	SWIX	SWIX + 1.5%	20.0%	1.54% p.a.	2.68% p.a.
SYM mETRY Satellite Equity No. 4 (ELECTUS)	SYM mETRY Equity Fund of Funds	SWIX	SWIX + 0.75%	15.0%	1.54% p.a.	2.11% p.a.
SYM mETRY Inflation Plus No. 1 (RE:CM)	SYM mETRY Defensive and Balanced Funds of Funds	CPI	CPI + 5%	15.0%	1.71% p.a.	2.85% p.a.
SYM mETRY Inflation Plus No. 6 (Prescient)	SYM mETRY Defensive and Cautious Fund of Funds	CPI	CPI + 5%	20.0%	1.71% p.a.	2.85% p.a.

Are the fee hurdles the same as the relevant fund benchmarks?

No. Fee hurdles have been chosen with reference to the benchmarks in such a way that a fund manager is fairly rewarded for achieving various levels of performance.

Performance fees charged under various conditions

What fee rate will be charged under the following conditions:

- the funds perform 10% p.a. less than benchmark
- the funds perform 5% p.a. less than benchmark
- the funds perform in line with benchmark
- the funds perform 5% p.a. more than benchmark
- the funds perform 10% p.a. more than benchmark

Fund & current Asset Manager	Benchmark	Performance Target	Fee at Benchmark				
			-10% p.a.	-5% p.a.	0% p.a.	+5% p.a.	+10% p.a.
SYm mETRY Satellite Equity No. 1 (SIM)	SWIX	SWIX + 3%	1.54%	1.54%	1.54%	2.24%	2.68%
SYm mETRY Satellite Equity No. 2 (Element)	SWIX	SWIX + 3%	1.54%	1.54%	1.54%	2.10%	2.90%
SYm mETRY Satellite Equity No. 3 (ABAX)	SWIX	SWIX + 3%	1.54%	1.54%	1.54%	2.24%	2.68%
SYm mETRY Satellite Equity No. 4 (ELECTUS)	SWIX	SWIX + 3%	1.54%	1.54%	1.54%	2.18%	2.11%
SYm mETRY Inflation Plus No. 1 (RE:CM)	CPI	CPI + 7%	1.71%	1.71%	1.71%	1.71%	2.46%
SYm mETRY Inflation Plus No. 6 (Prescient)	CPI	CPI + 5%	1.71%	1.71%	1.71%	1.71%	2.71%

Fund Classes

Do any other classes of the funds charge fixed fees instead of performance fees? **No.**

Calculating Performance Fees

Are the performance fees accrued daily (also called the Fee Accrual Frequency)?	They operate on the same basis as our static/flat annual service fee: <ul style="list-style-type: none"> ■ calculated daily, ■ accrued in the daily unit price, ■ paid quarterly to the management company, if applicable, ■ they reduce the income distributed.
How often is the performance fee paid to the manager (also called the Fee Payment Frequency)?	
Do performance fee accruals pertain to performance periods of more than a month prior to accrual?	No. Performance fees are accrued daily.
Is a rolling measurement period used?	No. The performance fee is calculated based on the day's performance of the fund relative to the benchmark.
Should the fund experience underperformance to the fee hurdle, how long is that underperformance held against the manager? In particular, at what point would that underperformance be written off from a fee calculation point of view?	The underperformance is held until it is made up by the manager.
Does performance in excess of the hurdle need to overcome prior underperformance (also called a High Water Mark system)?	Yes. With the built-in High Water Mark mechanism any accrued underperformance needs to be overcome before a performance fee can be charged.
When fund performance is considered, are fees included or excluded (net of fees or gross of fees)?	Benchmarks and performance targets are compared to performance gross of fees - the reason being that performance gross of fees is the same for all unit classes in a fund whereas performance net of fees is different for every class of units in a fund.
Do any underlying funds charge implicit performance fees?	N/A
Will more than the minimum fee be charged regardless of whether the fund is experiencing positive or negative performance?	In all instances, at the very least the minimum fee will be paid regardless of whether the fund is experiencing negative or positive performance. It is important to note that the fund may incur a performance fee even if performance is negative, as long as the fee hurdle is outperformed. This scenario is more probable for the funds benchmarked to the SWIX, as markets can go negative. It is highly unlikely that a fund with a CPI-linked benchmark and fee hurdle will pay a performance fee if fund performance is negative, since this would imply a negative inflation rate. Deflation is rare, but not unknown.

Glossary of Performance Fee terms

Fee hurdle:	The level of performance below which only the minimum fee applies.
Maximum Fee:	The highest annual service fee that will be charged.
Minimum Fee:	The annual service fee that is charged regardless of how the fund performs.
Sharing rate:	The percentage of performance, in excess of the fee hurdle, in which Old Mutual will share with the investor. For example, if the sharing rate is 15% this means that for every 1% outperformance, Old Mutual retains 0.15% and the investor retains 0.85%.
High Water Mark:	The highest level of outperformance the fund has reached since the previous Fee Payment Date.

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. Past performance is not necessarily an indication of future performance.

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The investment portfolios are market-linked. Products are 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.

October 2011