FINANCIALLY TALKING

OCTOBER 2013

CONTENT

OLDMUTUAL

STAYING RELEVANT IN A
CHANGING WORLD...

PIETER HUGO, MANAGING DIRECTOR, OLD MUTUAL UNIT TRUSTS

In previous editions of Financially Talking, we discussed the ongoing aftermath of the financial crisis at great length. We also provided some insight into how to ensure your investments are well placed to protect you against the many potential risks, and to ensure you are positioned optimally to benefit from the various investment opportunities.

In this edition, we again delve into some of the most talked about issues currently facing the economic world. One such issue is the unexpected decision by the US Federal Reserve (the Fed) to keep its "quantitative easing" programme in place. Being unsatisfied with the pace of economic growth, the Fed felt now to be a bad time to start a slowdown in quantitative easing. Markets reacted, with equities in general moving up to new record highs.

The widespread concern and uncertainty this issue has brought about in the last few months, as investors wondered how things would unfold, seemed to initiate some major shifts in the world markets. Some are suggesting it has a significant role in spurring the "Great Rotation" of investors from bonds into equities.

In case, like me, you need some assistance to help clarify what all of this means and the relevance thereof on our investments, we've asked Johann Els, Old Mutual Investment Group's Senior Economist, to unpack the issues for us. Johann discusses these issues in some detail and helps us understand why there have been talks about tapering and what it actually means, and then provides a brief global and local economic overview.

Peter Brooke, head of MacroSolutions, contextualises the Great Rotation. He provides his view of its implications for investors, particularly South African investors, who could be negatively affected as global investor trends reverse. Peter heads up a team of active asset allocation specialists in Old Mutual Investment Group who manage a range of multi-asset class solution funds, and are incredibly experienced and knowledgeable when it comes to ensuring funds have optimal exposure to the right assets. It is certainly worth having a closer look at our range of solution funds managed by Peter, which are within our Classic Investment Collection.

While investors have had to contend with incredibly difficult circumstances in the investment environment, and especially a lot of bad news, local equities have continued to perform very well. The world has certainly changed and commentators are talking about a "new normal".

Our view is that is there will always be new challenges in the investment markets, and while you need to ensure you read the economic signals correctly, we think it is critical to select managers that have a clear investment philosophy and approach to manage your investments, especially through such difficult times.

It has certainly stood the Old Mutual Investors' Fund in good stead, as one of our particularly strong performers over the last 12 months. In this edition, Peter Linley of Old Mutual Investment Group's Equities team, tells us more about the fund, why it has performed so strongly, and how he is positioning the fund for the future.

It is also worth keeping an eye on the Old Mutual Global Equity Fund, which is offering investors exposure to the global economy by investing in shares from around the world. While offshore equities have had a very below average past ten years, the last year or more has certainly seen very strong performance in offshore equities. You may remember Peter Brooke previously mentioning offshore equities as one of the preferred asset classes – and this fund is a good option for those who want to get direct exposure to offshore equities.

At Old Mutual Unit Trusts, we believe that it is important to understand the economic environment which influences our investment decisions, but also to keep a healthy amount of perspective of the bigger picture. So bearing this balance in mind, we know how important it is to keep your portfolio relevant to your investment objectives, with constant reviews, while sticking to a well-designed long-term plan and benefiting from good advice from a financial planner. For those of you who would prefer to test your plans, why not check out our selection of innovative investment tools on our website, www.omut.co.za? Alternatively, consult your financial planner.

SOME ADDITIONAL ITEMS TO NOTE:

In keeping with our view to stay relevant in a changing world, we'd like to bring the following developments to your attention:

- **We've just launched our secure site for smart phones and tablets.** Now you don't need to be at your computer to view your unit trust portfolio or access unit trust fund information online. You can access our secure site on your smart phone or tablet.
- **We will be renaming our multi-managed range:** In our multi-managed unit trust range, some of our funds will be renamed, in line with regulatory requirements aimed at protecting the interests of investors through more closely regulated co-branding practices. As such we will be including the name of our unit trust company, "Old Mutual", into the names of all of these funds:

  SYm|mETRY Balanced Fund of Funds becomes
  Old Mutual SYm|mETRY Balanced Fund of Funds

  SYm|mETRY Cautious Fund of Funds becomes
  Old Mutual SYm|mETRY Cautious Fund of Funds

  SYm|mETRY Defensive Fund of Funds becomes
  Old Mutual SYm|mETRY Defensive Fund of Funds

  SYm|mETRY Equity Fund of Funds becomes
  Old Mutual SYm|mETRY Equity Fund of Funds

  SYm|mETRY Fixed Interest Fund of Funds becomes
  Old Mutual SYm|mETRY Enhanced Income Fund of Funds

  SYm|mETRY Money Market Fund becomes
  Old Mutual SYm|mETRY Money Market Fund

Also, "Fixed Interest" will change to "Enhanced Income" in the name Old Mutual SYm|mETRY Enhanced Income Fund of Funds. This is to align it more closely with the investment philosophy of the fund. Please note that these developments will not have any impact on the investment management of these funds. Your investments in these funds will therefore be unaffected and you will continue to receive the same high level of service from us.

We've updated our fund range: We've recently launched an unconstrained multi-asset fund, the Old Mutual Maximum Return Fund of Funds, which offers exposure to South African and international growth assets, equities in particular. It can also provide exposure to bonds, listed property, cash or other asset classes. There is also no minimum or maximum that the fund must hold in South African or international assets. This unconstrained mandate enables the manager to focus on the fund's objective of maximising long-term growth. Old Mutual Maximum Return Fund of Funds replaces the Old Mutual Top Companies Fund in the Classic Investment Collection. The Classic Investment Collection is a specially selected subset of our investment range, aimed at simplifying our fund range for investors.

The unconstrained multi-asset mandate of the Old Mutual Maximum Return Fund of Funds will meet the needs of a wider range of our clients than the Old Mutual Top Companies Fund, which continues to be focused on South African equities. The new fund is suited to investors with long-term investment horizons and who would like to get maximum growth potential over the longer term, by giving a maximum amount of freedom to the portfolio manager.

In addition to this change, we've expanded the Classic Investment Collection by adding the Money Market and Real Income Funds. The Old Mutual Money Market Fund is suitable for investors who need a liquid investment that delivers regular income and provides maximum capital protection, while the Old Mutual Real Income Fund is ideal for investors who require a fund that targets inflation-matching income growth over time. With these changes, the funds in the Classic Investment Collection are the following:

These changes are also part of our ongoing initiatives to streamline our fund range and ensure we continue to provide you with relevant investment options. Continuing on this journey, where it makes sense, we'll apply for regulatory approval and then ballot our clients to make changes to our fund range. Thus, you may on occasion receive ballots on proposed changes which you may vote for or against. We believe all these changes to our fund range will make it easier for our clients to invest with us and for your investments to remain relevant in an ever-changing economic environment.

In fact, we've been trying to make all aspects of doing business with us easier. In this spirit, don't forget to read about just how we're staying relevant in the digital world to help keep your experiences with us positive and straightforward.

Thank you for trusting us to take care of your investments. I hope you find this an interesting read.

Warm regards

Pieter

Pieter Hugo

ON TRACK FOR A

SLOW RECOVERY

JOHANN ELS, SENIOR ECONOMIST, OLD MUTUAL INVESTMENT GROUP

In the second quarter of 2013, talk of the tapering of quantitative easing in the USA sent tidal waves of uncertainty across the globe. In our view, this was blown out of proportion, yet the reaction of investors was intense to the degree that many people believe it has set in motion the wheel of the Great Rotation. This refers to the move away from bonds as a preferred asset class and into equities, as well a growing preference for developed markets over emerging markets.

And recent events have bolstered our view that we are in for a Slow Rotation:

- Chinese data suggests that the slowdown is over and that this globally influential economy should perform better in the second half of the year and into 2014.
- The September decision of the US Federal Reserve (the Fed) to delay the start of the tapering of quantitative easing (i.e. slowing the pace of bond- and mortgage-backed security purchases from the current level of $85bn per month) has surprised the market. The Fed is clearly still concerned about the real economy and will take the slow road in terms of policy normalisation.

IN THE WEST: *WHY THERE IS TALK OF TAPERING AND WHAT DOES IT MEAN?*

There are significant structural improvements in the USA's economy, which is on track for a recovery, albeit a slow one. When combined with low inflation, this supports the continuation of quantitative easing. Of note is that Fed officials have reiterated that tapering does not mean interest rate hikes, and that higher rates are still on the distant horizon. In fact, it is safe to say that interest rates will remain low for longer, as low rates are essential to the recovery of the vehicle and housing industries.

When it comes to the signal for rate hikes, all eyes will be on the unemployment figure. The Fed's target of a 6.5% unemployment rate for considering outright monetary tightening is unlikely to be reached before deep into 2014, or possibly only in 2015. Unemployment is currently at 7.6% and, as more people become active job seekers, this will likely get worse before it gets better.

IN THE CENTRE: EUROZONE

Recent data suggest that the Eurozone has moved out of recession and activity data has been surprisingly strong. The European Central Bank (ECB) has stated that interest rates will remain low for as long as it takes to get the economy growing sustainably.

LOOKING EAST...

JAPAN

In the east the sun is still rising on Japan's new economic policy. Abenomics, which aims to drive inflation to 2%, seems to be panning out, but its sustainability remains in question. While partially implemented, with fiscal and monetary stimuli already at play, the jury is still out on the ability (and will) of the authorities to implement the growth strategy, which involves deregulation, micro reforms and increased infrastructure spend.

CHINA

It is fair to say that recently all eyes have been on the world's fastest growing economy as it begins its transition from an investment-driven economy to one with a sharper focus on consumerism, and on the resultant decline in growth expectations. Chinese authorities are clear that their economy is not going to continue to grow at the 10% per annum it averaged between 1980 and 2010. They are happy with slower growth and expect growth to average 7% p.a. for the rest of the decade.

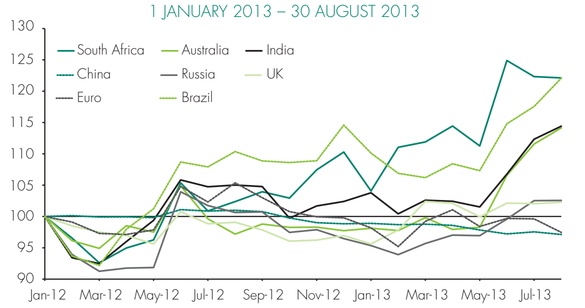
Recent Purchasing Managers' Index data – both official and unofficial surveys – has surprised on the upside. This, combined with industrial production growth data, suggest the economy has started improving.

DOWN SOUTH: SOUTH AFRICA

It is all about the rand right now. The local currency has weakened dramatically against the US$ and there are many reasons for this weakness – both SA-specific and external factors, which have negatively impacted the ZAR as well as other emerging market currencies.

EMERGING MARKET CURRENCIES VS THE US$

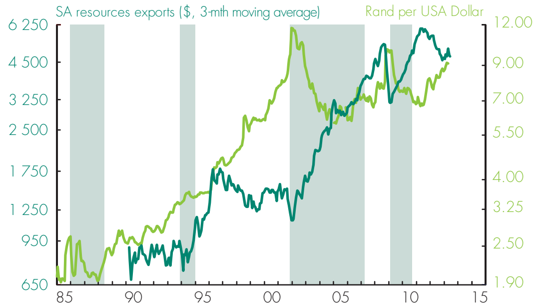
1 JANUARY 2013 – 30 AUGUST 2013



Source: MacroSolutions

External factors include the impact the Chinese slowdown has had on commodity prices and related export volumes. Given that resource exports comprise over half of SA's total exports, these conditions always impact the ZAR. In addition, the prospects of the Fed's tapering have created the impression that emerging market investments are now less attractive. Add SA's internal woes to the pot (labour unrest, electricity prices, current and budget account deficits) and it is easy to understand the sharp decline of the rand.

SLOWER CHINESE (& EM) GROWTH, LOWER COMMODITY PRICES, LOWER SA COMMODITY EXPORTS, WEAKER RAND EXCHANGE RATE



Periods of rising metals prices shaded

Source: MacroSolutions

NO SILVER BULLET, BUT THERE IS ALWAYS A **SILVER LINING...**

On a more positive note, we believe that it is thanks to the cheap rand that a sell-off in our markets is unlikely. This is important because foreign ownership of government bonds is around US$47 billion and US$250 billion of equities, while SA's forex reserves are US$50 billion.

The depreciation of the currency should also help reduce our current account deficit to around 4.5% of GDP over the next two years.

In addition, a weaker rand has historically had a 20% pass-through to inflation, i.e. every 10% fall in the rand caused inflation to rise by an average of 2% over the next two years. However, current weak economic growth will limit this pass-through as producers and retailers will find it more difficult to pass price increases on to consumers. We expect this pass-through to be less than 10% this time around. In addition, food and oil inflation are better behaved than in previous inflation up cycles.

SA's current slow growth environment is set to continue for the rest of this year. While we expect a substantial rebound in second-quarter GDP growth, following a weak first quarter, we anticipate growth for 2013 of only 2.1% (down from 2.5% last year) and a recovery to 3% or more in 2014.

And, because the South African Reserve Bank (SARB) is more concerned about downside growth risks than upside inflation risks, we expect rates to remain flat through the remainder of the year and most, if not all, of 2014.

It always pays to keep things in perspective, and it is worth reflecting that SA has made significant progress since 1994: we have had a peaceful political transition and several successful elections since; economic policy is reasonably pragmatic and major economic restructuring has occurred – inflation is lower, fiscal disaster has been averted and infrastructure has improved; there is increased provision of electrification, water and formal housing and we have proven our mettle by participating in major events such as the hosting of the Soccer World Cup. ■

OLD MUTUAL
INVESTORS' FUND

PETER LINLEY OLD MUTUAL INVESTMENT GROUP, OLD MUTUAL EQUITIES

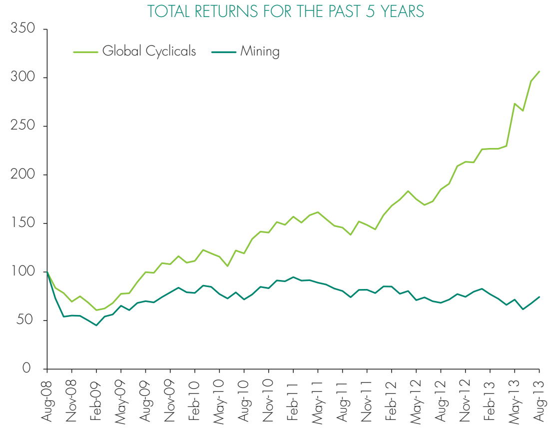
OLD MUTUAL INVESTORS' FUND
INVESTORS BENEFIT FROM RIGOROUS INVESTMENT PROCESS

The last twelve months have been particularly strong for Old Mutual Investors' Fund, not only because share prices have delivered healthy returns but also because our patience on long-held major positions was finally rewarded. Since the onset of the current global financial crisis, it has often been said by various commentators that the current set of circumstances makes this investment environment a particularly difficult one in which to invest. We don't see it that way. We recognise that investing in markets is never easy. It is only the story or circumstances which change, and delivering performance ahead of the market requires a disciplined adherence to a very clear philosophy and approach through all market cycles.

A fundamental, valuation-driven share selection methodology lies at the heart of Old Mutual Equities' (OME) multifactor, disciplined approach. While we recognise that investing in undervalued companies is a compelling long-term strategy in delivering outperformance, it is not the only criterion. We have researched and tested over 300 factors or characteristics of shares in the South African market and selected those which have the strongest relationship with long-term outperformance. Markets and the performance of various investment styles move in cycles. Adding these factors to our fundamental, valuation-based ranking table provides a more balanced and holistic approach to selecting shares and improves our ability to perform competitively through the various market cycles. So in a period covering the last five years where buying 'cheap' shares has not yielded appealing returns, Old Mutual Investors' Fund has delivered highly competitive returns, reflecting the strength of the OME balanced approach to equity selection.

Old Mutual Investors' Fund is focused purely on investing in South African equities. The valuation of local equities incorporates forecasts for some significant variables including the rand, interest rates and commodity prices. Our base case view was that the world economy would continue to improve but that there were significant risks to the local currency. While we had incorporated a weaker rand into our company forecasts, we held a strong view that the risks to the rand were to the downside. So not only did we find appealing value in the rand hedges – mainly British American Tobacco, and global cyclical shares such as Richemont, Naspers and Mondi – but we also saw the risk of an even weaker currency. These two groups of shares represented more than a third of our portfolio when the rand depreciated to above R10 to the US dollar driving the outperformance of these shares. Our research on Richemont and Naspers was also rewarded as both these companies produced results well above market expectations but encouragingly in line with our view.

GLOBAL CYCLICALS VS MINING
TOTAL RETURNS FOR THE PAST 5 YEARS



Source: Old Mutual Equities

Our lack of enthusiasm for what we in OME refer to as SA Incorporated shares (banks, retailers, food companies, etc.) was driven not only by unattractive valuations, particularly the consumer shares, but also by our concern that bond yields were unsustainably low and that these shares as well as property shares would underperform as bond yields rise. This indeed occurred and so the large position the fund held in the outperforming rand hedges, as well as the very low exposure to the consumer and property shares, drove the fund's strong performance.

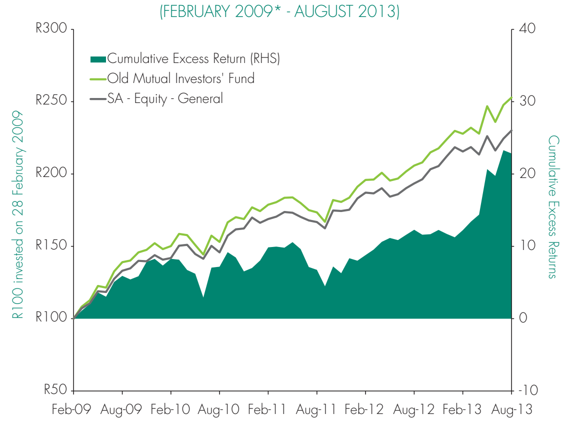
Mining shares have been a hot topic of conversation over the last ten years as China embarked on its massive infrastructure investment strategy.

This strategy turned China into a massive importer of metals such as copper and iron ore, which fuelled the upward drive in the prices of these commodities. Up until the financial crisis, it was not surprising then to see mining share prices rise dramatically. But the trouble with China is that this investment drive cannot continue at the same pace, as it eventually reaches the point where new investment leads to higher levels of debt at the same time economic returns are declining. This is the main reason why we remain cautious on the prices of metal commodities and why we have a modest exposure to mining shares. However, we are far more positive on the oil price. This explains why Sasol is the preferred commodity share in Old Mutual Investors' Fund with an exposure of close to 10%, which also provides excellent rand hedge characteristics.

Sound investment thinking contained within a disciplined and an unemotional multifactor framework drives competitive returns for our clients, including all of the OME team members, invested in Old Mutual Investors' Fund. ■

OLD MUTUAL INVESTORS' FUND

SECTOR AVERAGES AND CUMULATIVE EXCESS RETURNS
(FEBRUARY 2009* - AUGUST 2013)



*Managed by Peter Linley since 2009
Sources: Morningstar and Old Mutual Investment Group

THE GREAT **ROTATION**

PETER BROOKE HEAD OF MACROSOLUTIONS

Markets reached a critical turning point in the first half of 2013 as the US Federal Reserve (the Fed) altered perceptions around future rates. This triggered a sharp rotation out of fixed income assets, with emerging markets being particularly hard hit.

Many commentators believe that this is the start of the Great Rotation as the world moves away from an era of financial repression. The Great Rotation is synonymous with better growth in developed markets, higher bond yields and money flowing out of bond funds into equity funds. Our view is that the global cost of capital did bottom, but the process will take time and we have dubbed this the Slow Rotation.

The recovery will be led out of the US, but structural constraints in Europe and the decline in China's secular growth rate mean that it will be a bumpy grind higher rather than lift-off. In the medium term, I believe that this will provide powerful headwinds to fixed income assets and I still expect negative real returns from international bonds. Despite the improvement in growth, short-term rates will be kept at abnormally low levels, which means ongoing negative real returns from offshore cash (-1%).

ASSET CLASS RETURNS (SIX MONTHS TO 30 JUNE 2013)

	RAND RETURNS	US DOLLAR RETURNS
SA RETURNS		
FTSE/JSE SWIX All Share	2.3%	-12.7%
SA Listed Property	8.8%	-7.2%
SA Bonds	-1.4%	-15.8%
SA Cash	2.5%	-12.5%
INTERNATIONAL RETURNS		
MSCI All Country World	24.6%	6.4%
Emerging Market	6.2%	-9.4%
Bonds	10.4%	-5.8%
Cash	17.2%	0.1%

Source: MacroSolutions

With growing supply and changing demand dynamics as China shifts from an investment-driven to a consumption-driven economy, it is hard to see commodities prospering, particularly if the US dollar moves stronger on the back of better relative growth. By default, this leaves equities as the only game in town – due to the unattractive outlook for bonds, cash and commodities. Dividend yield will replace the quest for yield that has pushed investors into the more risky extremes of the fixed income world.

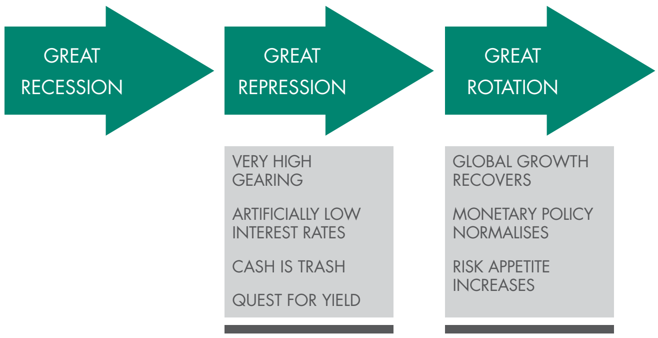
However, equity multiples have risen and we have cut our long-term forecast of expected real returns for SA equities from 6.5% to 6.0%.

This is based on lower growth expectations on the back of slower trend GDP as well as lower commodity prices and margins depressing return on equity.

Another technical factor is that lower retained earnings will reduce future growth potential. Our preferred asset class remains international equity, our outlook for which remains pegged at 6.0% real over the medium term.

However, with the rand having weakened substantially, potential returns for local investors taking money offshore are much reduced. This reinforces the theme of a low return world.

GLOBAL SHIFT FROM FINANCIAL REPRESSION TO THE GREAT ROTATION



WE HAVE TO SAVE MORE AND CONSUME LESS **TO BALANCE OUR ECONOMY**

SA TO SUFFER AS GLOBAL INVESTOR TRENDS REVERSE

The shift to higher global cost of capital is bad for South Africa. The local economy and markets have been the beneficiaries of the secular decline in global bonds, which enabled the authorities to fund the current account deficit. The country has also benefited from the commodity supercycle driven by China, as well as the rise of emerging markets as an asset class. South Africans will suffer as these secular trends now reverse.

We will simply have to save more and consume less to balance our economy. We are walking a tightrope with risks to the east and the west – the Chinese recession and the higher cost of capital associated with the global rotation both spell potential danger.

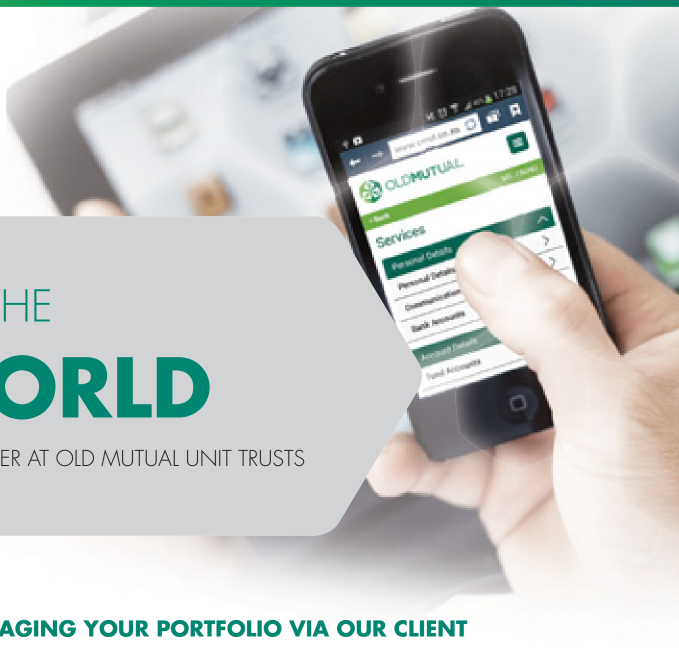
As a result, we are maintaining maximum international exposure in our funds and recognise a much more risky environment for SA assets.

This shift in global markets again underscores the importance of maintaining a well-diversified portfolio. Diversification remains crucial and the tactical value of cash has increased. Avoiding losers is important and we remain cautious on the short-term outlook for consumer shares. A small bright spot is the recent sell-off in local bonds resulting in better yields, which will help future savers. This is particularly valuable for older investors who require a higher income component. However, in a low return world investors have no other option but to save more ■

FIVE-YEAR ASSET ALLOCATION VIEW

	Real return	View	Comment
SA		**Neutral –**	**Rand weakness occurred but potential overshoot**
Equity	6.0%	Neutral	Getting expensive with slower growth
Property	4.5%	Neutral –	Reasonable return but higher risk
Bonds	2.0%	Neutral	Recent sell-off refreshed valuations
Cash	0.0%	–	Higher volatility creates opportunity value
International*		**Neutral +**	**Maintain diversification for risk management**
Equity	6.0%	+	Best risk-adjusted returns
Bonds	-0.5%	–	Expensive with major secular headwinds
Cash	-1.0%	–	Cash is still unattractive

NB: These are long-term real returns expected over the next five years, as at 15 July 2013.
* The international return expectations above are in US dollar terms; any rand depreciation will add to returns in rands.



STAYING RELEVANT IN THE

DIGITAL WORLD

BELINDA DUFF CLIENT OPERATIONS MANAGER AT OLD MUTUAL UNIT TRUSTS

At Old Mutual Unit Trusts, we're always working towards staying in the lead and making your servicing experience as pleasant, straightforward and convenient as possible. That means we try to ensure innovative, advanced functionality for you (or your financial planner) to do things easily online, telephonically or via email. We aim to ensure that you're able to interact with us in a way that suits your needs. Whatever your communication preference, we're likely to have something that works for you.

COMMUNICATING WITH US VIA EMAIL

Communicating with us via email is easy. Should you wish to email scanned transaction forms to us, please email them to uttransactions@oldmutual.com. For queries or servicing assistance , please email unittrusts@oldmutual.com. Short, sweet and simple.

COMMUNICATING WITH YOU VIA EMAIL

One of the key tools we use when communicating with clients electronically is InfoSlips, an innovative interactive communication method. InfoSlips allows us to email detailed information to you in one attachment, including your annual statements, tax certificates, interesting investment articles and other useful information. The InfoSlips emails provide you with an electronic record of all your unit trust statements, which you can read at your leisure. It also provides links to keep your personal information up to date or add to your unit trust investments. A further benefit to you is that we retain an online archive of all InfoSlips sent to you, which you can also access. The quicker you provide us with your email address, the sooner you can enjoy this benefit. Further, InfoSlips is secured so if someone else manages to get hold of it, they cannot simply open and read your information as they would be able to do with a normal email.

VIEWING YOUR PORTFOLIO AND TRANSACTING ON OUR SECURE SITE

Our Secure Site offers easy access to all of your information and provides for easy management of your unit trust portfolio, including simplified navigation and quick links to relevant information. Once logged in, you can view simple, informative graphs reflecting your portfolio performance or asset allocation. You can also access, download and/or email your tax certificates and various statements at any time. In addition, you can invest and switch within your standard and retirement portfolios, and sell from a standard portfolio.

MANAGING YOUR PORTFOLIO VIA OUR CLIENT SERVICE CENTRE

For those preferring the human touch, our dedicated Old Mutual Unit Trusts client service centre will provide you with professional assistance to manage your unit trust portfolio and keep your information updated telephonically on 0860 234 234 or via email at unittrusts@oldmutual.com.

Should you not have a financial planner of choice they can also put you in touch with a financial planner should you require one.

TRANSACTING TRADITIONALLY

If you prefer the paper-based application system, you'll be pleased to know we haven't done away with it – we've simply made the electronic option an additional choice. You can scan and email your completed forms and supporting information to uttransactions@oldmutual.com or fax 021 509 7100.

KEEP YOUR DETAILS UPDATED!

In the spirit of green, quick and convenient, if you have not done so already, we encourage you to supply us with your email address so that you can receive your Old Mutual Unit Trusts communication via email. Please keep your details updated. This includes your contact details (email and telephone details), your address (residential, business and postal) and your income tax reference number.

NEW

VIEWING YOUR UNIT TRUST PORTFOLIO ON YOUR MOBILE

It gets even simpler. Now you don't need to be at your computer to view your unit trust portfolio or access unit trust fund information online. We have just launched secure site access for smart phones. Providing you (or your planner) with quick and easy access to view your unit trust portfolio, transaction statements, tax certificates, current debit orders and all other relevant administrative information you could want. This data can be viewed on your mobile or emailed to an email address of your choice at any time.

IMPORTANT INFORMATION FOR
COMPLETING YOUR 2013 TAX RETURN

During the past 2013 tax year, Old Mutual Unit Trusts finalised the following unit trust fund mergers/amalgamations:

- On 23 March 2012 our Four Plus Growth Fund of Funds and Four Plus Global Fund of Funds were amalgamated into our Old Mutual Balanced Fund.
- On 23 March 2012 our Four Plus Secure Fund of Funds and Four Plus Capital Fund of Funds were amalgamated into our Old Mutual Income Fund.
- On 1 February 2013 our Old Mutual Global Index Fund of Funds was amalgamated into our Old Mutual Global FTSE RAFI All World Index Feeder Fund.

If you were invested in any of these funds at the time of the merger taking place, you will note that the final switch transaction reflects on your 28 February 2013 Old Mutual Unit Trusts IT3C tax certificate as a zero Capital Gains Tax (CGT) transaction.

We recommend that neither the Gross Proceeds, nor the Base Cost for the above merger-related switch transactions, should be included in your 2013 SARS tax return, as SARS's income tax return form will then incorrectly auto-calculate a Capital Gain/Loss for these. These fund merger transactions are not disclosable CGT transactions.

KEEP US UPDATED... IT'S EASY
THERE ARE NUMEROUS WAYS TO DO THIS:

- If you receive your statement electronically, select the "Your Details" tab to update your contact details and income tax reference number.
- Via our secure site at www.omut.co.za. If you are registered for secure access you can update your contact details, your income tax reference number and banking details.
- You can update all of your details by emailing us at unittrusts@oldmutual.com, or you can call our Client Service Centre on 0860 234 234 or (021) 503 1770.
- Via our website: www.omut.co.za you may download and complete our Unit Trusts Client Details Update Form and along with your supporting documents either scan and email to uttransactions@oldmutual.com or fax to (021) 509 7100.
- If you prefer face-to-face interactions, you are welcome to visit your nearest Old Mutual branch.

This is just the tip of the iceberg. Our innovative spirit doesn't end in the digital areas of our business, but transcends every aspect of what we do. All detail changes and transactions will be confirmed with an email or SMS to ensure added peace of mind.

OLDMUTUAL

*Based on average customer experience but actual investment returns; returns quoted before inflation; distributions reinvested; and premiums that increased at 6% per annum. Old Mutual Investment Group (Pty) Limited is a licensed financial services provider. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. 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. Fund valuations take place on a daily basis at approximately 15h00 on a forward pricing basis. 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.

DO GREAT THINGS | OLDMUTUAL INVESTMENT GROUP