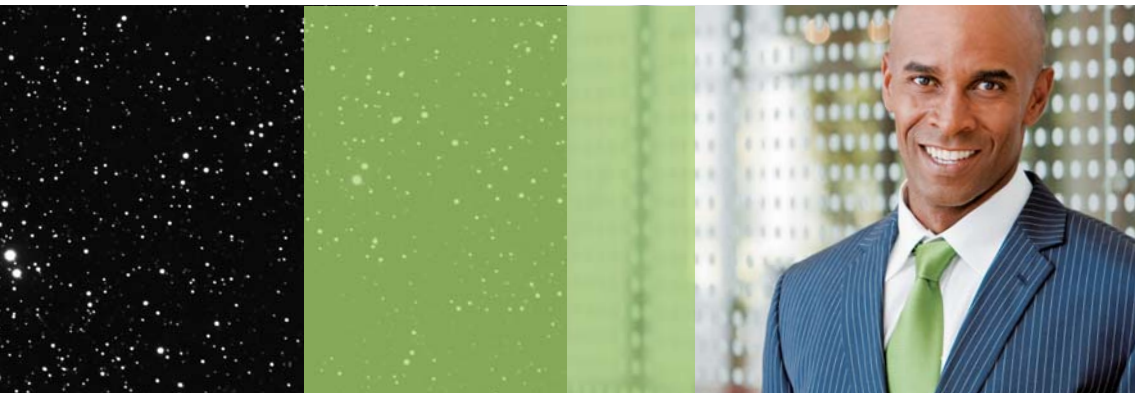


ELITE SOLUTIONS. GALAXY ELITE  
SPECIALIST FUNDS



FAIRBAIRN |  OLD MUTUAL  
CAPITAL

## TWO OUTSTANDING SPECIALIST FUND OPTIONS

One of the considerations for inclusion in the Galaxy Elite fund list is the ability of a manager to deliver specialist skills that will add value to investors. As an example, two of the funds on the Elite list boast truly exceptional features. One provides access to Skandia's groundbreaking approach to fund management, where 10 of the world's leading fund managers pick their 10 'best ideas' to be placed in a single fund, and the other is Old Mutual's market-leading new generation smoothed bonus offering now available to the retail investor for the first time.

### OLD MUTUAL GLOBAL BEST IDEAS FUND

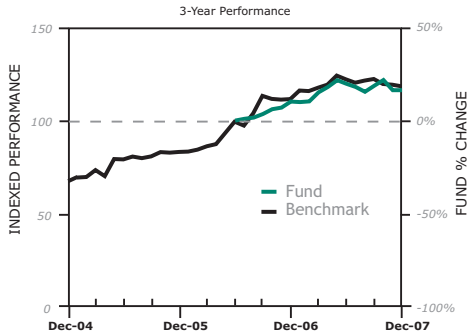
The rand-denominated Old Mutual Global Best Ideas fund benefits from a variety of global fund managers' 'high conviction' equity ideas, true active management and a total focus on performance. 'High conviction' means that the selected managers only hold those investments they really believe in or 'that they would invest in themselves'. This approach may not always be the case with traditional fund managers where some stocks may be held

because they form a significant part of a market index.

The Global Best Ideas Fund enables diversification by not only geographical region but also by investment philosophy and management style. Managers are given extensive flexibility to pursue their individual ideas, therefore the Global Best Ideas Fund may perform differently from traditional foreign equity funds.

## GROWTH OBJECTIVE

The fund aims to provide long-term total returns from capital growth through investments in global securities. The fund does not aim to compete with any specific benchmark in the industry due to its nature.



All data to 31/12/2007

*The past performance is based on the Skandia Global Best Ideas Fund. The MSCI World Index (total rand return basis) has been used for illustrative benchmark purposes.*

## INVESTMENT STRATEGY

The Global Best Ideas Fund has a simple, intuitive asset allocation which provides a diversified investment and avoids needless churning between countries and sectors. It also allows the managers' stock-picking talents to shine through.

The fund is managed by Skandia Investment Management which has hand picked 10 managers, chosen on the basis of their ability, specialist expertise, philosophy, investment process and strong track records. The fund has global exposure, but has a core weighting towards the UK. The UK exposure is divided between five different managers who have a range of investment styles, aiming to take advantage of the best opportunities in different areas of the market. The other five managers have each been selected to manage a specialist overseas area.

The fund gives the managers maximum flexibility to deliver long term returns which does mean that the portfolio composition will vary from time to time.

## ABSOLUTE SMOOTH GROWTH PORTFOLIO

Old Mutual's Absolute Smooth Growth Portfolio (ASGP) aims to achieve the ultimate goal in investing – that of providing superior long term returns through exposure to growth assets while still offering stability over time.

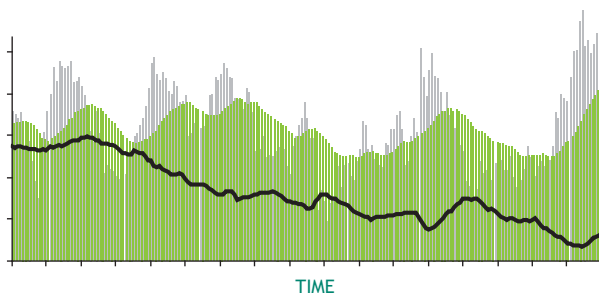
Many funds attempt to achieve this through a variety of strategies, yet the smoothing mechanism has proven itself over the long term – as shown by Old Mutual's 41 year market-leading track record of managing smooth portfolios.

The ASGP takes smoothing to the next level with a unique formula-driven approach to bonus declarations. This, along with the monthly in advance frequency of bonus declarations, provides increased certainty for investors.

The ASGP has been one of the fastest-growing funds in South Africa since its launch in mid-2007 with an expected R30 billion in assets under management by the end of 2008. The fund is now available to individual investors for the first time.

### Rolling 3-year market returns, Absolute Smooth Growth returns and inflation

*The graph effectively illustrates how the approach to declaring inflation-targeted bonuses delivers returns in excess of inflation, whilst efficiently reducing the exposure to volatile returns from the market.*



*The graph is for illustrative purposes only and is based on back-tested returns.*

■ Notional Balanced Fund

■ Absolute Smooth Growth Portfolio

■ CPI Inflation

## GROWTH OBJECTIVE

The ASGP targets returns of 6% p.a. in excess of inflation over rolling 3-year periods\*, while significantly reducing the volatility associated with equivalent market-linked investments.

*\*Net of guarantee charges*

## INVESTMENT STRATEGY

The investments underlying the ASGP are broadly similar to balanced market-related portfolios, incorporating a high allocation to growth assets such as equities, property and alternative assets. This means that, over the medium- to long-term, returns are expected to compare favourably with similarly constructed market-related investment portfolios.

## SMOOTHING PHILOSOPHY

The Absolute Smooth Growth Portfolio ensures that exposure to the volatility of the underlying investments is significantly reduced, while long-term growth comparable to a similarly managed market-linked portfolio is earned. The enhanced smoothing approach absorbs the impact of the peaks and troughs experienced with investing in the market, while it is expected to deliver real returns to investors in the medium to long term.

*Please note: The opinions expressed in this brochure are not intended to serve as authoritative investment advice and should not be used in substitution for the exercise of own judgement. Past performance or fund benchmark performance is not necessarily a guide to the future performance. Exchange rates may also cause the value of investments in the Old Mutual Global Best Ideas Fund to go down or up.*



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