



OLD MUTUAL MULTI-MANAGERS

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Dear Valued Clients and Consultants

CHANGES TO THE OLD MUTUAL MULTI-MANAGERS ABSOLUTE CAUTIOUS FUND

Effective 01 May 2016, the portion of the Old Mutual Multi-Managers (OM m|m) Absolute Cautious Fund that is currently invested in a "mirrored" version of the Old Mutual Real Income Fund, will buy into the Old Mutual Stable Growth Fund. Both these funds are managed by MacroSolutions (part of the Old Mutual Investment Group).

RATIONALE FOR THE CHANGE

We have been advised by MacroSolutions that the Real Income Fund will be differentiated into a more conservative offering. In particular, the mandated limit to domestic equity exposure will reduce to reflect this lower risk positioning.

We believe that the change in these risk characteristics may impede the Cautious Fund's long-term objective of 'inflation plus 3%'. We have therefore decided to move into a more appropriate fund, namely the Old Mutual Stable Growth Fund. The Old Mutual Stable Growth Fund invests in cash, bonds, property and shares. The Fund may invest up to 40% of its portfolio in equities. The Fund may also invest up to 25% of its portfolio offshore in line with Treasury guidelines. Derivatives may also be used for risk management purposes and not for speculation.

We believe that our mandated objectives of (i) 'inflation plus 3%' and (ii) capital protection are more likely to be achieved with the Old Mutual Stable Growth Fund.

IMPACT ON FEES

There will be no impact on the fees paid by our clients as a result of this change.

Should you have any questions in this regard, please do not hesitate to contact me.

Kind Regards

Trevor Pascoe

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