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OLD MUTUAL MULTI-MANAGERS BUSINESS UPDATE

TREVOR PASCOE, CEO

This year has proved to be one of the most interesting years that I have experienced. In many respects, it has proved to be the year of the underdog with Leicester winning the English Premier League, Iceland beating England at the Euro 2016, the UK voting for Brexit when the bookmakers were convinced that there would be a Bremain, and the battered gold shares shining brightly this year. When one looks at the global political situation, we already have a change in prime minister in the UK and await what the outcome will be of the presidential election in the USA.

As a result of all the uncertainty, markets have been very volatile within a fairly narrow band. Fortunately, the rand has benefited from offshore uncertainty. Sticking to our investment strategy has proved to be a good call and we will continue to monitor market developments to ensure that we are well positioned for the future.

I am very proud of our team for having won the Batseta Imbasa Yegolide Manager of Managers Award for the second year running. This recognition is not only testament to our investment team's management of our investment portfolios, but also to our operations team and client support team. As I reflect on our journey as Old Mutual Multi-Managers over the past three years since we merged the Acsis investment team and SYm|mETRY, I am extremely pleased by the way in which the teams have worked together and manage a comprehensive range of portfolios with passion, skill and insight. The benefit of having three investment views gelling together has been very rewarding to see. I speak of three as in addition to the SYm|mETRY team and Acsis team, Dave Mohr joined us at the time of the merger from Citadel where he was the Chief Investment Strategist.

Of great benefit to us has been the management of our funds in close alignment with the advice process. The advice process implemented in Old Mutual Wealth for retail investors and implemented via Targeted Retirement Outcomes for retirement fund members should ensure that investors/members achieve their investment goals by being placed in the most appropriate portfolios.

An important tenet of our business is that we want our clients to have absolute trust in what we do. I am very focused on making sure that we do the right thing. I believe that we need to be judged against a high standard and would welcome any feedback where you believe that we are not living up to this intent.

Thank you as always for your support. Please be assured that in these times of significant change, we will remain on top of events in managing your assets in a prudent and consistent way.

All the best

Trevor