



OLD MUTUAL MULTI-MANAGERS

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22 February 2017

Dear Clients, Consultants and Administrators

CHANGES TO THE OLD MUTUAL MULTI-MANAGERS ABSOLUTE CAUTIOUS FUND

Old Mutual Multi-Managers are in the process of consolidating the number of asset managers responsible for the management of the Old Mutual Multi-Managers Absolute Cautious Fund ("Absolute Cautious Fund"). To date, this Fund has been managed by MacroSolutions (Old Mutual Investment Group), Prudential Investment Management ("Prudential") and Sanlam Investment Management ("SIM"). The Fund also has a 5% allocation to hedge funds.

Effective 1 March 2017, the Absolute Cautious Fund will be managed by Prudential and SIM. The 40% assets currently held by MacroSolutions will be reallocated equally between Prudential and SIM.

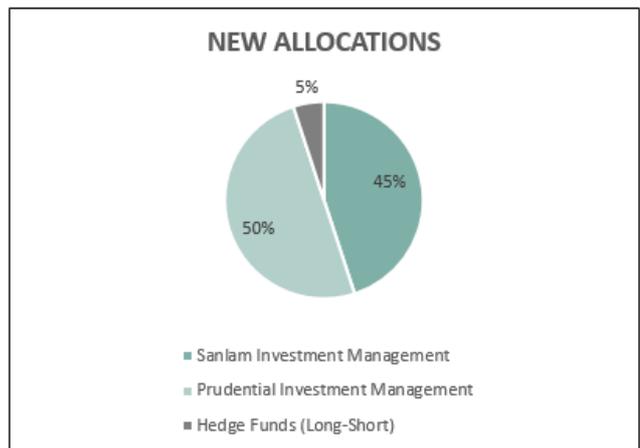
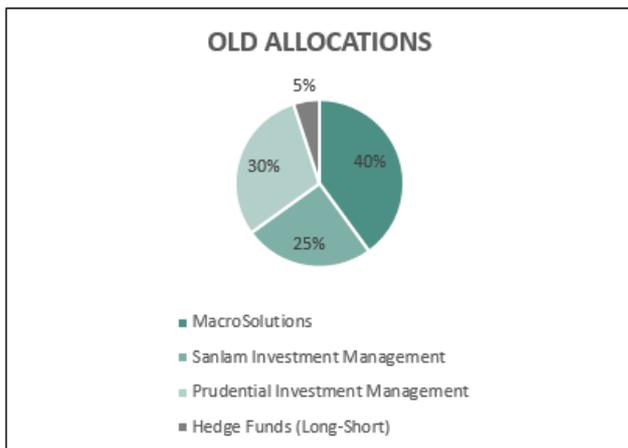
Rationale for the change

As part of our consolidation, we believe that Prudential and SIM are more than sufficient to meet the fund objectives of:

- i. attempting to protect capital over a rolling six month period, and
- ii. achieving a return of inflation plus 3% per annum over the long term.

Manager allocations

Below we reflect our old and new manager allocations for the Fund.



Impact on fees

We are pleased to advise that as a result of this change, investors in our Absolute Cautious Fund will see a drop in the client total expense ratio (excluding performance fees) by five basis points. This is due to a reduction in net priced fees as a result of the asset manager change.

The fee scale (illustrated below) remains unchanged:

	Absolute Cautious Fund
First R50 million	0.700%
Next R50 million	0.600%
Next R100 million	0.500%
Next R200 million	0.475%
Thereafter	0.450%
**Estimated Net priced /Implicit fees	0.10%-0.25%

**Standard industry practice is for local portfolios to gain offshore exposure via offshore pools where fees are already deducted, ie. priced net. This applies to all the global balanced mandates used in this product. In addition, private equity and hedge funds are also priced net and are estimated per fund. This estimation is based on the disclosed fee scales for the underlying managers and the strategic asset allocation for the fund.

Based on information available from the managers there is a performance fee component per mandate with the managers in the following Absolute fund building blocks:

Global Absolutes: Prudential
Old Mutual Multi-Managers Fund of Hedge Funds: All underlying managers

Should you have any questions in this regard, please do not hesitate to contact me. We thank you for your ongoing support.

Kind Regards



Trevor Pascoe
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