

Investment Portfolio Profile

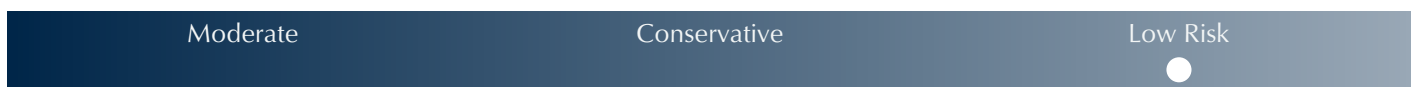
This portfolio is managed within what Investment Solutions regards to be a low-risk investment strategy. It is aimed at investors wishing to preserve capital through a capital guarantee underwritten by local insurers. These insurers are selected on their bonus-smoothing philosophies and balance-sheet strength. The underlying investment portfolios of the insurers consist of local and global equities, bonds, property and cash, which are selected and managed by the insurers' investment managers. The insurers provide fully vesting bonuses declared monthly in advance.

Investment Strategy

The underwriting insurers determine their own investment strategies regarding management of the underlying investment portfolios.

Risk Meter

Risk refers to the predictability or volatility of returns over a five-year period.



The portfolio is aimed at investors pursuing capital preservation and smoothed real investment returns. Investment Solutions expects this portfolio to have:

- A low probability of capital loss, except on termination, withdrawal or switching when the market value may be lower than the book value of the portfolio
- Investment returns above inflation and, more particularly, within 1% to 2% a year of the underlying insurers' partially vesting guaranteed returns over the longer term

Notes:

1. Certain conditions and notice periods for switching out of this portfolio apply to prevent selection against the insurers. Therefore, switches are only allowed on 1 January and 1 July each calendar year and investors wishing to switch must give Investment Solutions at least four months' prior written notice to do so. If the switch involves more than 10% of the investor's interest in the portfolio, he/she will only be entitled to the lower of book and market value of this portion of the interest. An investor wishing to partially or fully terminate his/her investment must give Investment Solutions at least two months' prior written notice, and will again only receive the lower of book and market value of his/her full interest in the portfolio.
2. The portfolio complies with the investment limitations set out in Regulation 28 of the Pension Funds Act 24, 1956 and the exchange-control restrictions imposed by the SA Reserve Bank's Directive 427. At times, however, due to currency fluctuations and market movements, the international investment limit might result in a breach of the prescribed investment limitations. In these circumstances, the retirement fund should apply for a corresponding exemption with the FSB or provide Investment Solutions with an alternative investment instruction to correct the position.