



OLD MUTUAL RETIREMENT ANNUITY

Secure your future with the Old Mutual Wealth Retirement Annuity ('the Retirement Annuity'), a unit trust-linked retirement annuity fund that offers you investment choice, flexibility and peace of mind. The Retirement Annuity is a registered¹ retirement annuity fund.

WHY DO I NEED TO INVEST FOR MY RETIREMENT?

You need to provide for your living expenses once you stop work. This means you need to put money aside especially for your retirement – this is your retirement capital. Increasing inflation and escalations in the cost of living mean that it is not enough to save your money in a bank account. Your best chance of keeping pace with inflation over the longer term is to make sure your retirement capital is exposed to the growth potential of the markets.

A retirement annuity fund is a tax-efficient vehicle in which you invest prior to retirement, in order to have enough money from which to draw an income during retirement. When you retire you may opt to take a portion of the proceeds of your retirement annuity in cash (see more details under 'Benefits'). The remainder must be used to buy a life or living annuity from the insurer of your choice.

A life or living annuity is bought with the proceeds of your retirement annuity, provident or pension fund and will pay your retirement income. A life annuity offers guaranteed income for life and may or may not have a built-in escalation. A living annuity is a market-linked investment that has no guarantees attached and the value of your investment fluctuates with the markets. It is recommended that a living annuity should not be your sole source of retirement income. Note that not all retirement and pension funds allow you to purchase a living annuity.

A TAILOR-MADE RETIREMENT PLAN

When you invest in the Fund you have access to Old Mutual's extensive range of local and global unit trusts, which means that you can structure your retirement portfolio to meet your personal retirement needs^{**}. So whether you have time in the market and want to focus on growth, or whether you are nearing retirement and want to protect your capital from market volatility, you can select the ideal mix of investments that will help you to achieve your goals.

Selecting the right unit trusts to suit your specific retirement planning needs requires a good understanding of the investment markets and it may be wise to use the services of a qualified financial planner.

INVEST NOW FOR YOUR RETIREMENT

- **Affordability:** One of the best-priced retirement annuities in SA*.
- **Choice:** Select your investment from our Investment Series of unit trusts, or from our full range of over 40 unit trusts**.
- **Flexibility:** Adjust your portfolio to support your changing needs.
- **Ease:** Invest online at www.oldmutualinvest.com

As your needs change with time you have the flexibility to switch, at any time, between unit trusts (provided the final selection of investment funds is Reg 28 compliant – see below) available via the Retirement Annuity to ensure that your portfolio is aligned with your life stage.

Old Mutual Wealth and Unit Trusts Secure Client Website

The secure client website was designed with you in mind. Once you are an investor with Old Mutual you can register for access and then log in to a dedicated and secure website to perform essential activities. It's fully integrated with our back-end system to provide fast, reliable access to the information you need at the click of a mouse!

Acceptance of advice

If you need assistance you can speak to a financial planner of your choice about which unit trusts will match your risk profile, time horizon and retirement goals. While you are not obliged to use the services of a financial planner, it is recommended as it requires a good understanding of investments and markets to structure and maintain an effective investment portfolio. Please note that this may result in certain fees being included in your investment. The planner will assist you via their access to an electronic application portal which processes directly through to our administration.

Structuring your portfolio

The composition of your portfolio must comply with the investment limits defined by regulation 28 of the Pension Funds Act. If the composition of your portfolio exceeds the investment limits stipulated below, the Board of Trustees of the Retirement Annuity (the Trustees) will contact you and you will be required to restructure your portfolio. The maximum limits are:

- Equity: 75% (includes local and foreign)
- Listed Property: 25% (includes local and foreign)
- Offshore: 45% (including Africa)

¹ The Old Mutual Wealth Retirement Annuity Fund is registered with the Registrar of Pension Funds in terms of the Pension Funds Act of 1956 (Financial Services Board (FSB). Registration Number: 12/8/29715) and approved by the Commissioner for Inland Revenue (SARS Approval Number: 18/20/4/34515).

* The amount you pay depends on which unit trust funds you select.

** Note: The composition of your portfolio must comply with the asset class limits stated in regulation 28 of the Pension Funds Act; refer to 'Structuring your portfolio' overleaf.



BENEFITS

INVESTING IN THE RETIREMENT ANNUITY OFFERS MANY BENEFITS:

Retirement benefits

You may retire from the Retirement Annuity at any stage from the age of 55 years. You may choose to have your benefit paid in one of the following ways:

- Buy a compulsory annuity in your name with the full benefit amount (includes all components).
- If there is an amount left in your savings component, you may take it in cash or transfer it into your retirement component when you retire.
- The full amount in your retirement component must be used to purchase a compulsory annuity.
- If the amount in your retirement component is less than R165 000, you can take the full amount as a cash lump sum. This needs to be aggregated across all your investments in Old Mutual Wealth Preservation Pension Fund and any amounts previously commuted.

Tax benefits

Saving for your retirement not only makes good future sense but a portion of your contributions are also tax deductible:

- From 1 March 2016, all members who contribute towards a retirement fund (pension, provident fund or retirement annuity), will qualify for a tax deduction on contributions up to 27.5% of the greater of remuneration or taxable income*. This rate will apply to the combination of contributions made to a member's pension, provident and retirement annuity funds.
- The deduction above will be capped at R430 000 per year which means, for individuals earning more than R1.27 million, there will now be a cap as to how much of their retirement contributions are tax deductible.
- Contributions which employers make into retirement funds will now be seen as a fringe benefit and will be taxed in the hands of the member - this means that these contributions will be treated as if they were made by the member and will be included as part of the member's tax deductible contributions.

Any growth on the capital value of your units is currently tax free. No local dividend tax or tax on interest is charged to retirement annuity accounts. In addition, switches between unit trusts within your Retirement Annuity will not trigger a capital gains tax event, neither will benefits that are paid to you on leaving the Retirement Annuity.

Estate planning benefits & divorce

If you die while you are still a member of the Retirement Annuity, the proceeds of your investment become available to your dependants and nominated beneficiaries. However, in terms of the Pension Funds Act of 1956, the Trustees are responsible for the fair and equitable distribution of the benefit among your dependants and nominated beneficiaries.

For this reason the Trustees will take account of your nominations, but will not be bound by them as they are required to consider

the needs of your legally defined dependants at the time of your death. In order for the Trustees to have the most relevant information on which to base their decisions, it is important for you to update your Beneficiary Nomination Form regularly. If there are no dependents, the Trustees have to follow your beneficiary request. If there are no beneficiaries, a lump sum may be paid to your estate.

In the event of the Retirement Annuity being furnished with a valid divorce order in respect of a member's investment, the administrator will comply with the terms of the order and make payments to the member's ex-spouse as required.

Insolvency protection benefit

Your retirement annuity is protected in terms of the Pension Funds Act of 1956 and cannot be attached by your creditors should you be declared insolvent.

INVESTMENTS & WITHDRAWALS

HOW TO INVEST

- Transfer investments from existing, approved pension/provident funds and preservation pension/provident funds and retirement annuity funds.
- You can invest a lump sum, make regular payments on a monthly basis, or both:
 - o Lump sum minimum investment: R10 000
 - o Recurring debit order minimum: R500
 - o Ad hoc: You may add to your investment at any time, subject to R500 minimum investment amount and the prescribed limits (see 'Structuring your portfolio').

You may stop your monthly contributions at any time. No penalties will apply and your capital will remain invested. You may also actively manage your portfolio even if you are no longer making contributions.

Switches

You may switch between unit trusts at any time but within the prescribed limits explained under 'Structuring your portfolio'. You are also free to determine the composition of your portfolio at any time but in accordance with the same requirements.

Early withdrawals

As this is a retirement savings vehicle, the value of your investment only becomes available at retirement. You may access the proceeds of your investment via a savings withdrawal option prior to the age of 55. However, you may not cede or pledge the investment to secure a debt.

This is in terms of revenue legislation and the registered rules of the Retirement Annuity. In the event that you can satisfy the Trustees that you are permanently incapable of carrying on your occupation due to infirmity of mind or body, you may retire prior to the age of 55, but the proceeds must still be used to purchase a life or living annuity within the parameters described in 'Why do I need to invest for my retirement?'

In terms of section 14 of the Pension Funds Act of 1956, you may also transfer your membership of the Retirement Annuity Fund to any other registered and tax-approved South African retirement annuity fund of your choice.

Two-pot Retirement System

The two-pot retirement system is designed to encourage preservation of retirement savings, while allowing you to access a portion of your contributions in the event of an emergency.

* Taxable income refers to remuneration plus any other income e.g. salary + rental income. Remuneration refers to all amounts received by an employee from their employer by virtue of their employment relationship- and includes salary, bonuses, commissions and fringe benefits.



You will see 10% of the value of your retirement fund as of 31 August 2024 capped at R30 000 allocated to your Savings Pot under the new system. From that point on, two-thirds of any new savings will be reserved for retirement and cannot be accessed until your retirement date.

Please note that the savings pot withdrawal provision is intended for emergencies only. Your retirement fund is a long-term investment to provide for retirement and consistently withdrawing from it for emergencies will be detrimental to your long-term savings. Every savings pot withdrawal before retirement will be taxed at your marginal tax rate and attracts an administration fee.

This new system is a sustainable and practical means for South Africans to balance managing immediate financial needs and long-term retirement planning. However, its ultimate success will depend on individual discipline and comprehensive financial education.

Should you consider exercising your emergency withdrawal option, we advise that you consult a qualified financial planner for guidance, as your ultimate retirement benefit may be adversely affected. Please note that you will only be able to request a withdrawal from your savings pot on the Old Mutual Wealth and Unit Trusts Secure Client Website. For more detailed information on the two-pot system, please [CLICK HERE](#).

Cessation of residency

When you cease to be a resident, you will be entitled to withdraw the full fund value in the vested component, which will be subject to taxation.

FEES & CHARGES

These charges are used by Old Mutual to cover all management and administration costs as well as any fees payable to your planner, if you have chosen to use one.

a) Initial fees

- No initial administration fee is charged for lump sum and recurring investments of R500 or more.
- If you have used the services of a financial planner, you may negotiate an initial planner fee of a maximum of 3.45% (incl. VAT).
- Reinvested distributions incur no initial charge.
- The Retirement Annuity Fund reserves the right to charge a fixed administration fee (R90 for small balance clearing). This is currently zero. Should this fee change, members will be notified in writing.

b) Charges against the underlying unit trust funds

These fees are jointly reflected in the Total Expense Ratio (TER) and the Transaction Costs (TC) of a unit trust, disclosing the historical fees paid over a three-year period:

- An annual service fee is calculated on the market value of a unit trust's assets. It is deducted daily from each underlying unit trust's portfolio. This fee may include adviser fee payments.
- Further fees that may be deducted from the unit trust's portfolio are compulsory and bank charges, brokerage, securities transfer tax, other taxes and levies, custodian and trustee fees, and audit fees.

Please refer to the unit trust fund fact sheet (minimum disclosure document) for more details on the fee structure of each individual unit trust.

c) On going planner fee

Over and above the initial planner fees payable to the planner mentioned above, you may also negotiate an ongoing planner fee up to a maximum of 1.15% per annum including VAT. If you establish such an agreement with your planner, this fee will be deducted from your retirement annuity fund's value on a monthly basis and paid to the planner by the Retirement Annuity Fund in terms of the registered rules of the Retirement Annuity Fund.

Note on transfers: No upfront planner fee is payable on transfers in from other retirement annuities. However, as a member, should you wish to pay a percentage of the amount in respect of an advice fee you are required to state this in writing each year. In addition, you may agree to pay ongoing planner fees on recurring contributions after the transfer.

RULES & RISKS

All risks associated with this investment are carried in full by you. Because the value of a unit trust investment fluctuates with the markets, and the potential for fluctuations based on currency movements exists, the value of this investment cannot be guaranteed. The value may drop below your original investment amount due to negative market performance. We recommend that this should not be your only source of retirement savings.

- Interest (where applicable, Shari'ah permissible income) and dividends are automatically reinvested. This historical distribution information is available on the individual unit trust fact sheets at www.oldmutualinvest.com. If you have opted to invest 100% into a SHARI'AH-compliant fund(s), please be advised that all impermissible interest will be paid to a charitable trust. However, in the event of retirement, death or not being compliant in terms of regulation 28, you might earn interest as the investment will be moved to a money market fund.
- You are investing in a retirement annuity fund and members are subject to the registered rules of the Retirement Annuity Fund, the Pension Funds Act of 1956 and the Income Tax Act of 1962 (as amended from time to time).
- Ownership of the underlying assets vests in the Retirement Annuity Fund and not the member.
- The Trustees reserve the right to restructure any members portfolio that is in breach of the legislation.

GOOD GOVERNANCE

The Trustees and the Principal Officer are responsible and accountable for the good governance of the Retirement Annuity Fund and aim to ensure that:

- The benefits owing to members are delivered
- The administrative process is transparent and the associated costs are transparent and quantifiable
- The Retirement Annuity Fund is administered in accordance with various regulatory frameworks, including the prudent management of assets.



INVESTMENT SERIES

The Investment Series is a core range of funds, handpicked and tailor-made to meet the needs of any investor, at any stage of life.

Old Mutual **Money Market** Fund

Old Mutual **Flexible** Fund

Old Mutual **Real Income** Fund

Old Mutual **Maximum Return** Fund

Old Mutual **Stable Growth** Fund

Old Mutual **Investors'** Fund

Old Mutual **Moderate Balanced** Fund

Old Mutual **Equity** Fund

Old Mutual **Balanced** Fund

Old Mutual **Global Equity** Fund

More information on our entire range of unit trust funds, can be found at www.oldmutualinvest.com

CONTACT DETAILS

Old Mutual Investment Services (Pty) Ltd

(Registration no. 1996/000452/07)

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Professional indemnity cover and fidelity insurance cover are in place.

Old Mutual Wealth Preservation Pension Fund

FSB No.: 12/8/37160/1 & SARS No.: 18/20/4/41437

Old Mutual Wealth Preservation Provident Fund

FSB No.: 12/8/37161/1 & SARS No.: 18/20/4/41460

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Board of Trustees: D I Johnson* (Chairman), D L D Turpin*, N V Pillay*, F Samodien, J Chirkoot, N A Brundyn, T E P Browne#, T D Naidoo#, P Nsibande#

Principal Officer: S Harilall*

Deputy Principal Officer: AG Pelser*

* Independent

Alternate trustee

Visit www.oldmutualinvest.com for unit trust information, prices and news. Log in to view your portfolio online.

OLDMUTUAL

Old Mutual Investment Services (Pty) Ltd (Reg No 1996/000452/07) is a licensed Financial Services Provider, FSP 717, approved by the Financial Sector Conduct Authority (www.fsc.co.za) to provide administrative services terms of the Financial Advisory and Intermediary Services Act 37 of 2002 Act and a Licensed Pension Funds Administrator in terms of the Pension Funds Act. OMIS is referred to as "the administrator" in this form.

Old Mutual Life Assurance Company (South Africa) Limited, registration number 1999/004643/06 (Old Mutual), a licensed Financial Services Provider