



OLDMUTUAL

OLD MUTUAL UNIT TRUSTS ADMINISTRATION PLATFORM TRANSFER

CLIENT QUESTIONS & ANSWERS DOCUMENT



WHY ARE WE ALIGNING PLATFORMS?

The alignment of Old Mutual Unit Trusts to the same administration platform that administers Old Mutual Wealth not only assists in optimising operational efficiencies but it also creates an experience for our clients that facilitates the following benefits:

- Planning tools that seamlessly **integrate the ease of direct investing and transacting online** and showcasing the benefits and **value-add of robust financial advice**
- Ensuring that your investments **remain relevant in the current and future regulatory environment.**

WHAT ARE THE BENEFITS TO YOU AS A CLIENT?



EXTENSIVE ONLINE TRANSACTIONAL FUNCTIONALITY

You will continue to enjoy an online investment experience with a comprehensive yet seamless capability of capturing and submitting investments and transactions within a secure online environment. Not only will you be able to track the progress of any transactions submitted by yourself or through your planner, but you will also have access to the Old Mutual Wealth mobile client app, offering you the convenience to accept (or decline) transactions submitted by your planner.

ROBUST ONLINE REPORTING

Through an advice-led approach, you have access to a decision-making framework that will assist you to make informed decisions on your financial future. This includes assessing where you are now, where you want to be in the future and, ultimately, how you are going to get there.

TRACK YOUR INVESTMENT GOALS IN LINE WITH MARKET PERFORMANCE

After the transfer you will have access to the Portfolio Graphing Tool. Not only will this tool assist you in monitoring your investment(s) in line with your investment goals (i.e. inflation-related targets) but it also allows you to graph your investment performance against other funds and market indices over specified time periods. It also makes it easy to submit any potential changes that are required (e.g. switches) or even to submit new investment instructions.

WHEN WILL THE TRANSFER OF THE ADMINISTRATION PLATFORM TAKE PLACE?

The transfer of Old Mutual Unit Trusts is taking place in two phases, the first of which involved the transfer of pre-retirement and post-retirement products in August 2019.

Phase 2 involves the transfer of the remaining Old Mutual Unit Trusts discretionary products to the same platform we use to administer Old Mutual Wealth, in the first quarter of 2021. Clients affected will be invested in the:

- Standard Unit Trusts
- Tax Free Investment

WHAT WILL MY PRODUCT NAME BE AFTER THE TRANSFER?

EXISTING PRODUCT NAME **PRODUCT NAME AFTER TRANSFER**

Standard Unit Trust	→ Old Mutual Unit Trusts
Tax Free Investment	→ Old Mutual Unit Trusts Tax Free Investment

WHAT HAPPENS TO MY CLIENT NUMBER?

After the transfer date, you will have **one single client number**, even if you have multiple contracts. If you only have Old Mutual Unit Trusts investments, then you will retain your Old Mutual Unit Trusts client number. If, however, you have both Old Mutual Unit Trusts and Old Mutual Wealth investments, then you will retain your existing Old Mutual Wealth client number for both investments. This will be your unique client number going forward.

IF YOU HAVE:	THEN YOU WILL:
Old Mutual Unit Trusts investments only*	Retain your existing Old Mutual Unit Trusts client number
Old Mutual Unit Trusts investments AND Old Mutual Wealth investments	Retain your Old Mutual Wealth client number* for both sets of investments

* If your current Old Mutual Unit Trusts client number already exists on the Old Mutual Wealth platform, you will receive a new client number.

If you have more than one client entity set up on Old Mutual Unit Trusts, these will be consolidated in the transfer. Where your Old Mutual Unit Trust Fund Accounts were "named" or where a reason for investing was provided, these will be carried across to your new contract on the new administration platform.

WILL THE PRODUCT ACCOUNT GROUP NUMBER AND FUND ACCOUNT NUMBER REMAIN THE SAME?

No. Following the transfer the Product Account Group Number will be referred to as your **Investment Contract Number**, which will be a new number. You will be informed of your new contract number and given a link to the secure client website in your April 2021 Quarterly Statement.

Within each investment contract, one or more funds can exist. The current Unit Trusts Client Account numbers will be taken across for servicing purposes.

As investment contracts can only hold each unit trust fund class once, where you may have multiple instances of the same unit trust funds in the same contract (i.e. for the same product), these separate unit trusts (i.e. Fund Accounts) will be split into separate investment contracts (each holding the respective unit trust fund). Please see the example below.

Before transfer:

Client Name: Mr J Bloggs						
Product Account Group: Standard Unit Trust 122334					Total Market Value: R500 000.00	
Fund Account Number	Fund Name	Amount Invested Less Withdrawals	Number of Units	Unit Price (c)	Market Value	% of Account Group
100000002	Old Mutual Money Market Fund A	-	xx xxx xxxx	xx xxx xxxx	R125 000.00	25.0%
100000003	Old Mutual Money Market Fund A	-	xx xxx xxxx	xx xxx xxxx	R125 000.00	25.0%
100000004	Old Mutual Flexible Fund A	-	xx xxx xxxx	xx xxx xxxx	R250 000.00	50.0%

After transfer:

Mr J Bloggs
Old Mutual Unit Trusts Client Number: AG6543/2 Financial Planner: Mr J Smith

Investment Contract values as at 26 Jun 19			
Investment Contract Number	Commencement Date	Ownership	Investment Market Value
1000001	24-Dec -12	100.00%	R500 000.00

Funds					
Fund Name	Units	Unit Price	Price Date	Gross Investment Contract %	Gross Fund Value
Old Mutual Money Market Fund A	xx xxx xxxx	xxx xxx	1-April-20	33.3%	R125 000.00
Old Mutual Flexible Fund A	xx xxx xxxx	xxx xxx	1-April-20	66.7%	R250 000.00

Mr J Bloggs
Old Mutual Unit Trusts Client Number: AG6543/2 Financial Planner: Mr J Smith

Investment Contract values as at 26 Jun 19			
Investment Contract Number	Commencement Date	Ownership	Investment Market Value
1000002	24-Dec -12	100.00%	R500 000.00

Funds					
Fund Name	Units	Unit Price	Price Date	Gross Investment Contract %	Gross Fund Value
Old Mutual Money Market Fund A	xx xxx xxxx	xxx xxx	1-April-20	33.3%	R125 000.00

WILL THERE BE ANY CHANGES TO THE STRUCTURE OF MY INVESTMENTS IN PREPARATION FOR THE TRANSFER?

The administration platform to which your investments are being transferred caters for specific investment transactions and structures and as a result, and in preparation for the platform transfer, the following changes will be applied, where applicable, to your investments from **1 August 2020 leading up to the migration in the first quarter of 2021**. These were formally communicated to you in your client quarterly communications in March and June 2020. This information can also be found on our website: <https://www.oldmutualinvest.com/individual/resources/important-notice>

IF YOU HAVE:	AFTER THE TRANSFER:	DEFAULT OPTION:
DEBIT ORDERS		
More than one debit order per month per unit trust fund on one investment contract	Only one debit order per investment contract per month. However, the value of the debit order can be allocated across multiple unit trust funds within that investment contract.	If multiple debit orders have the same frequency (e.g. monthly) these debit order amounts were combined to create one debit order amount. If the debit orders have multiple dates then the date of the debit order with the highest value was selected.
		If the multiple debit orders have different collection dates or frequencies or escalation details then the collection date, frequency and escalation details of the debit order with the highest value was chosen. If the end date is different, then the soonest debit order end date was selected.
More than one debit order per unit trust fund on one investment contract from different client accounts (same or different funds)		If the multiple debit orders have the same frequency (e.g. monthly) and debit order collection date and escalation details, these debit order amounts were combined to create one debit order amount. If the end date is different, then the soonest debit order end date is used.
		If the details are different, separate contracts were created.
A rand-based annual escalation amount on your investment contract	Only percentage-based escalations can be administered.	A percentage-based escalation amount was calculated based on the rand amount of the escalation. It should be between 1% and 20%.
FUNDS		
More than one instance of the same unit trust fund in an investment contract	On transfer to the new administration platform, multiple instances of the same unit trust fund cannot occur in a single investment contract.	Where clients have multiple instances of the same unit trust funds in the same contract (i.e. for the same product), these separate unit trusts (i.e. Fund Accounts) were split into multiple investment contracts (each with that particular unit trust fund).
Multiple methods of distributing the income from different unit trust funds within the same contract	Only one distribution method is allowed for all unit trust funds per investment contract. You can choose one of the following options at a contract level: <ul style="list-style-type: none"> · Reinvest into the same unit trust fund · Distributions can be invested into any one fund of your choice OR · Have it paid out to bank account 	Separate contracts were created to support the different distributions if clients had different funds with different options in one client account group.
Cash distributions paid to a bank account that is not owned by you	Cash distributions will only be paid into verified bank accounts that are owned by you.	The distribution option was set to reinvest into the relevant unit trust fund.
REGULAR TRANSACTIONS		
More than one regular monthly, quarterly or annual disinvestment from the same unit trust fund	Only one regular disinvestment is allowed per investment contract per period. However, the value of the disinvestment can be allocated across different unit trust funds within the same investment contract.	Consolidate all into one disinvestment instruction using the date of the disinvestment with the largest value. If the end date is different, then the soonest regular disinvestment end date was chosen.
More than one regular monthly, quarterly or annual disinvestment from the same or a different unit trust fund and the details are the same		Consolidate all into one disinvestment instruction.

TAX FREE INVESTMENTS		
Contributed more than the maximum limit of R36 000 per year for Tax Free Investments	Contributions will be limited to R36 000 per tax year with a current lifetime contribution of up to R500 000.	Existing debit order amounts higher than R3 000 were set to R3 000 per month.
Annual escalations on existing debit orders	Annual escalations will not be allowed .	Escalations were stopped.

Currently on the existing Old Mutual Unit Trusts platform, you are allowed to contribute over and above the Tax Free Investment limits and where the limit is exceeded, the surplus is added automatically to a new Standard Unit Trust for you. It is important to note that after the transfer, you will be limited to contribute only the maximum allowable Tax Free Investment limits – i.e. a maximum of R36 000 per year or R3 000 per month.

FUND CHARACTERISTICS

WILL MY EXISTING FUNDS AND FUND CLASSES BE TRANSFERRED?

Yes. All of your existing funds will be transferred to the new platform in their existing fund classes. All funds that are currently available on Old Mutual Unit Trusts will only be available for the products being transferred.

Remember: As of 30 April 2020, the Old Mutual Bond Fund R Class and Income Fund R Class were capped to all new investment flows (excluding existing recurring debit order instructions, which will continue). From 1 May 2020, the new Old Mutual Income Fund A Class and Old Mutual Bond Fund A Class are available for new and additional investments. Both of these A Classes have the same service fees as the R Classes (0.75% excl. VAT). As a result, there is no extra annual service fee cost to you and the range of the initial financial planner fees has been standardised at 0% to 3% (excl. VAT) for all new investment instructions.

DO THE FUND MINIMUMS REMAIN THE SAME?

No. Fund minimums will now be replaced by investment contract minimums. The minimum investment amounts of R500 per month or R10 000 for a lump sum investment no longer apply to funds but per investment contract. This investment minimum can be apportioned across the funds that you have selected in your contract.

WILL MY DEBIT ORDERS CONTINUE INTO EXISTING FUNDS?

All debit orders will continue to be invested on the same dates for the same values as currently instructed, into the funds that were selected prior to the transfer.

WILL MY REGULAR DISINVESTMENTS REMAIN THE SAME?

Yes. All regular disinvestment amounts will remain the same and will continue to be taken from the same funds that you selected prior to the transfer. It is important to note, however, that Old Mutual Unit Trusts' current administration platform deducts the regular disinvestment amounts at a **fund level** whereas the new administration platform will deduct the regular disinvestment amounts at a **contract level** and then apportions the amount across the funds involved. As a result, clients may notice a slight change in the allocation per fund, as shown in the example below:

	EXISTING OLD MUTUAL UNIT TRUSTS PLATFORM	NEW ADMINISTRATION PLATFORM	
		FUND ALLOCATION %	SYSTEM CALCULATES AMOUNT PER FUND
Fund A	R1 100.00	45.83	R1 099.92
Fund B	R1 300.00	54.17	R1 300.08
Total value of Regular Disinvestment	R2 400.00	100.00	R2 400.00

WILL FUND PRICING TIMELINES REMAIN THE SAME AFTER THE TRANSFER?

Yes. All transactions will be effective on the same day that the completed instruction is submitted.

MONEY MARKET PRICING

The pricing method on the Money Market Funds will remain priced at R1 with interest declared daily and distributed monthly.

INVESTMENT & ADMINISTRATION FEES

ALL FEES THAT WILL APPLY TO YOUR INVESTMENT AFTER THE TRANSFER

- **Annual Management Fee** (annual service fee within the fund) – this is included in the unit trust daily fund price.
- **Financial Planning Fee** – this will be paid as per your agreement with your financial planner.
 - **Initial Financial Planning Fee:** This is a once-off fee that can be paid when a lump sum, an ad hoc or a new debit order investment is made. This fee is standardised at a maximum of 3% (excl. VAT) across all unit trust funds excluding the Old Mutual Bond Fund R Class and Income Fund R Class that have been capped to new investment flows.
 - **Ongoing Financial Planning Fee:** This is an annual fee calculated at month-end and deducted from the contract value through the sale of units on the contract within the first week of the next month.

Ongoing Financial Planning Fees are paid as unit deductions. This means that we will need to sell some of your units after each month-end to pay for these fees. By default, these fees are deducted from the fund(s) they are charged against. If you choose that we deduct the fees from a specific fund instead and there is not enough value in that fund for the fee deduction, the fee will be deducted proportionately from all funds in the contract. This is a change from how fees are currently deducted on the existing Old Mutual Unit Trusts platform where, if the fund from which fees are to be deducted has insufficient units, the fee is then deducted from the Money Market Fund or, alternatively, the largest unit trust within your portfolio. The sale of units for this payment is a Capital Gains Tax event.

WHAT FEES WILL NO LONGER APPLY TO MY INVESTMENTS AFTER THE TRANSFER?

The following previous administration fees will no longer apply to your investments after the transfer:

- **Unit Trust Exit Fee** charged on certain unit trusts funds when exiting within two weeks of investing
- **Below Minimum Administration Fee** charged on investments below the R500 per month minimum investment amount.

WILL THERE BE CHANGES TO THE FEE RUN ON CONTRACTS AFTER THE TRANSFER?

The fee run will move from the last Friday of a month to the second or third working day of the following month. The new administration platform deducts the ongoing financial planning fee which is charged against a client's investment amount as at the end of the month.

GENERAL TERMS & CONDITIONS

DETAILS OF ADMINISTRATOR

Old Mutual Investment Administrators (Pty) Ltd, an Administrative Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, will remain the administrator of your investment.

COMPLAINTS

The complaint resolution process aims to address any dissatisfaction that you may have with a transaction. You can write to our Complaints Officer at PO Box 207, Cape Town 8000 or email unittrusts@oldmutual.com. If you need to escalate your complaint within Old Mutual, you can write to OMSTA Complaints Management at PO Box 201, Mutualpark 7451, email complaintadmin@oldmutual.com or send a fax to +27 21 509 0506.

Should the dispute remain unresolved, you can write to The Old Mutual Office of Internal Arbitration at PO Box 80, Mutualpark 7451, email arbitrator@oldmutual.com or send a fax to +27 21 504 7700. You may contact the FAIS Ombud should you have any complaints about the advice you receive or the implementation of your investment.

If you have any questions about this transfer, please speak to your financial planner. Alternatively, you can send an email to unittrusts@oldmutual.com or call us on 0860 234 234.

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Old Mutual Unit Trust Managers (RF) (Pty) Ltd is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002. The fund fees and costs that we charge for managing your investment are set out in the relevant fund's Minimum Disclosure Document (MDD) or table of fees and charges, both available on our public website, or from our contact centre. Old Mutual is a member of the Association for Savings & Investment South Africa (ASISA).