

# Old Mutual Platinum Pension 2003

## Product Overview

As an employer you want to ensure that the pension provided to your staff at retirement keeps up with inflation. Not only do you want to attract high-calibre staff in future, but you also want to ensure your pensioners have the best possible lifestyle protection available. This can be achieved in a cost-effective manner through the purchase of a Platinum Pension 2003 annuity on a group basis. Old Mutual's Platinum Pension 2003 are with-profit annuities that allow employers to outsource their pensioner liability to Old Mutual and ensure competitive growth. As part of this series, clients have a choice of how the underlying assets are managed, either on a single asset manager (Platinum Pension 2003) or on a multi-manager (Platinum Multi-Manager Pensions) basis.

## How does Platinum Pension 2003 work?

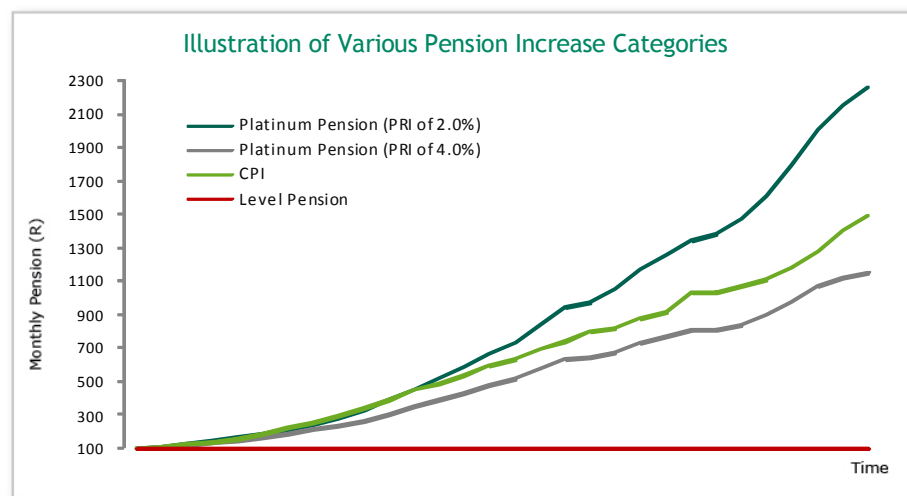
Platinum Pension 2003 offers pensioners a guaranteed monthly income and the opportunity to participate in profits via an annual increase. Increases are granted on 1 April each year and once declared, are guaranteed for life. The fund trustees have the flexibility to choose the start date and frequency of payment as well as the increase date.

## Investment Strategy

Old Mutual Investment Group (SA), (OMIGSA) actively manages the portfolios underlying Platinum Pension 2003. These portfolios consist of diversified exposure to equity, property, bonds, alternative assets and international assets.

## Increases

Platinum Pension 2003 offers a range of post-retirement interest rates (PRI), starting at 0% and increasing by 0.5% up to 5%. The PRI represents the minimum rate of return Old Mutual needs to earn on the assets underlying the annuity portfolio, in order to provide at least the current level of pension. Returns over and above the PRI plus charges are then used to grant increases to pensioners. A lower PRI therefore corresponds to higher expected future increases, but a lower starting pension and vice-versa. The following graph shows how a typical pension (starting at R100) might progress:



## Other Features

- Platinum Pension 2003 will only be available as a compulsory purchase annuity for members retiring from pension, provident and retirement annuity funds.
- Income preservation is offered through Joint and Survivorship or Term Certain and Thereafter options.
- Funds may choose any month for annual increases to be granted.
- Funds may opt for members who have been in Platinum Pension 2003 for less than a year to receive a full increase during the first year.
- A 13th cheque option is available.

## Old Mutual's Platinum Pension 2003 is well suited to clients who:

- Want a secure retirement with a pension payable for life.
- Want a pension with increases that offset the effects of inflation and can never decrease.
- Want their pension to be managed by the local market leader in annuities.

## Growth Objective

To maximise growth of the portfolio, and hence increases, subject to the limits imposed by the protection objective.

## Protection Objective

Once declared, pension increases can never be revoked. Pensions can never decrease.

## Increase Frequency

Annual, in arrears (default 1 Apr)

## Fees

### Capital charge:

1.0% p.a.

### Investment management fee:

Approximately 0.7% to 0.8% (incl. VAT) of assets p.a., varying slightly depending on asset allocation.

### Administration fee:

Upfront and renewal fees depending on annuity specifics built into the upfront premium.

## Fund Size

Approximately R7.5 billion

## Management Style

Active

## Asset Manager

Old Mutual Investment Group (SA)

## Inception Date

2003

## Contact Details

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Corporate

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