



CAPPING OF SOME FUNDS ON OLD MUTUAL UNIT TRUSTS' RETIREMENT PLATFORMS

November 2011

Please note that the following income funds offered by Old Mutual Unit Trusts (OMUT) do not comply with Regulation 28 and are being capped in the OMUT Retirement Annuity Fund, OMUT Preservation Fund and fund-owned Living Annuities with immediate effect:

1. Four Plus Secure Fund of Funds;
2. Old Mutual Income Fund;
3. Old Mutual Interest Plus Fund; and
4. SYmlMETRY Fixed Interest Fund of Funds.

OMUT will therefore not accept any new investments or switches into these funds for the products mentioned above. From the end of March 2012, clients in these products who have invested in these funds since April 2011 will be asked to rebalance their portfolios to comply with Regulation 28.

It is important to note that these funds remain open for investment in a standard unit trust portfolio and in all newly-issued OMUT living annuities (member-owned).

Similar alternatives

Investors who want to include income funds in their retirement products still have access to the following funds:

1. Old Mutual Money Market Fund;
2. Old Mutual Bond Fund;
3. Old Mutual Enhanced Income Fund; and
4. Old Mutual Real Income Fund.

Reason for closure

OMUT monitors compliance to Regulation 28 of the Pension Funds Act at the asset level. The parameters that guide investments into asset allocation and equity funds are clearly defined and therefore we have not limited investment into these funds. However, there is a lack of alignment between the regulation governing collective investment schemes (CISCA) and Regulation 28 for income funds, which makes it necessary to monitor individual holdings as a percentage of the member's investment (rather than just at the asset level as is the case for our other funds). Old Mutual Unit Trusts' administration system is currently not able to automate a review of the underlying assets at this detailed level, and therefore, in order to ensure that all clients do comply with Regulation 28 at all times, these unit trusts have been removed as an investment option. We are confident that the remaining Regulation 28-compliant income funds in our range will be able to satisfy the needs of most retirement fund investors.

[If you have any questions, please contact your OMIGSA Sales Executive.](#)

Unit trusts are generally medium- to long-term investments. Past performance is no indication of future performance. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's TER reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A schedule of fees, charges and maximum adviser fees is available from Old Mutual Unit Trust Managers Ltd (OMUT). You may sell your investment at the ruling price of the day (calculated at 15h00 on a forward pricing basis and 17h00 at month-end for Old Mutual RAFI® 40 Tracker Fund, Old Mutual Top 40 Fund and SYmlMETRY Equity Fund of Funds). The Old Mutual Money Market Fund unit price aims to be static but investment capital is not guaranteed. The total return is primarily made up of interest (declared daily at 13h00), but may also include any gain/loss on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund. Specialist equity funds may hold a greater risk as exposure limits to a single security may be higher. A feeder fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. A fund of funds unit trust invests only in other collective investment schemes, which may levy their own charges. Certain funds may be capped to be managed in accordance with their mandates. Different classes of units apply to these portfolios and are subject to different fees and charges. Old Mutual is a member of the Association for Savings and Investment South Africa (ASISA).