

# Old Mutual Absolute Growth Portfolios

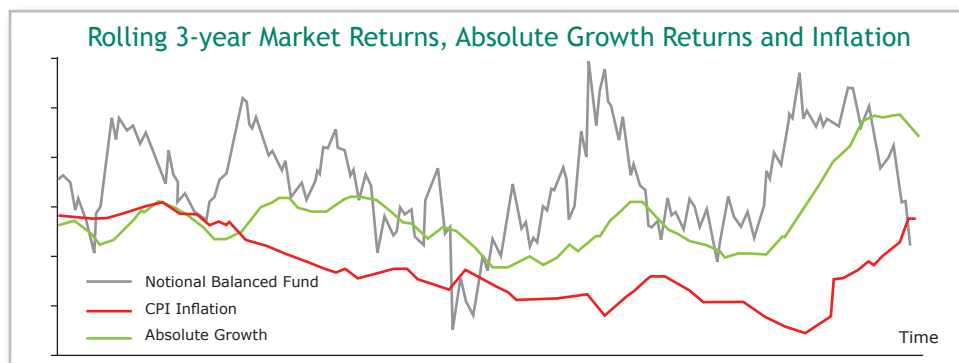
Targeted real returns, smoothing enhanced

## Product Overview

Old Mutual's Absolute Growth Portfolios explicitly target returns in excess of inflation over any rolling 3-year period, while significantly reducing the volatility associated with market-linked products. The Absolute Growth Portfolios cater for investors with different risk-return appetites, offering:

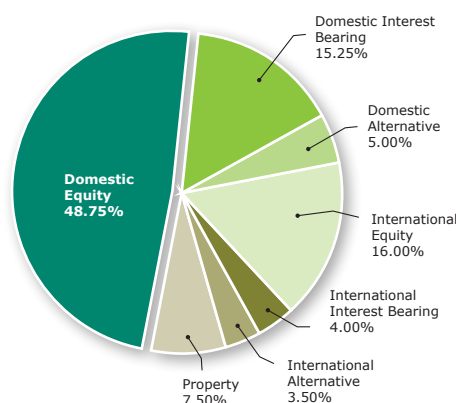
- Absolute Smooth Growth with a focus on smoothing (plus a 50% guarantee);
- Absolute Stable Growth with an 80% guarantee; and
- Absolute Secure Growth with a 100% guarantee.

The graph below effectively illustrates how the approach to declaring inflation-targeted returns delivers returns in excess of inflation, while efficiently reducing the exposure to volatile returns from the market.



## Investment Strategy

The underlying portfolio consists of a diversified exposure to local equity, property, bonds, alternative assets and international assets. A large portion (80%) of the portfolio is allocated to "growth" assets, such as equities and property, which are best suited to providing real returns over the long term. The portfolio underlying the Absolute Growth Portfolios uses a core/satellite approach, where appropriate, with the assets mainly being managed by Old Mutual Investment Group (SA). The investment strategy may be reviewed in time, based on manager performance and market conditions.



## Guarantees

The Absolute Growth Portfolios offer various levels of guarantees on capital, contributions and declared positive returns. These guarantees apply to benefit payment, and specified other events, and are backed by Old Mutual's shareholder capital. Investors are able to choose their desired level of benefit protection from this range of portfolios to cater for their risk-return appetite.

## Smoothing Philosophy

The Absolute Growth Portfolios deliver returns defined by a transparent formula, linked to each portfolio's inflation-linked target and the size of the reserve used to smooth underlying investment returns. This ensures that exposure to the volatility of the underlying investments is significantly reduced, while long-term growth comparable to that of a similarly managed market-linked portfolio (net of the Guaranteed Charge) is earned.

The enhanced smoothing approach absorbs the impact of the peaks and troughs experienced with investing in the market, while it is expected to deliver real returns to investors, in line with market expectations, in the medium to long term.

## Additional Features

- All benefit payments are paid within 48 hours.
- Bonus formula disclosed.
- Full disclosure on underlying investment returns and bonus received.
- Performance fees align interest of clients and asset manager.

## Old Mutual's range of Absolute Growth Portfolios satisfies investors who desire:

- Real or absolute returns in excess of inflation.
- Reduced volatility of their investment.
- A range of guarantees on benefit payments.
- A clearly defined, formulaic approach to declaring returns.
- Full transparency.

## Growth Objective

Smooth: CPI + 6.0% p.a.\*

Stable: CPI + 5.5% p.a.\*

Secure: CPI + 3.5% p.a.\*

\* Net of guarantee charges rolling over 3-year periods

## Protection Objective

Funds payable on claims are guaranteed never to fall below the chosen guarantee level.

## Bonus Frequency

Monthly in advance

## Fees and Charges (p.a.)

### Capital charge (before bonus):

Smooth: 0.2%

Stable: 0.7%

Secure: 2.7%

### Investment fees (after bonus):

Base fee (sliding scale of 0.50% - 0.65%) plus performance fee/rebate;  
Min fee: R5 000 p.a.

## Management style

Active

## Asset Manager

Old Mutual Investment Group (SA)

## Inception Date

1 April 2007

## Contact Details

### Old Mutual Corporate

Johannesburg 011 217 1000  
Pretoria 012 360 0000  
Western Cape 021 530 9600  
KwaZulu-Natal 031 275 0800  
Eastern Cape 041 391 6300

### Website

[www.oldmutual.co.za/corporate](http://www.oldmutual.co.za/corporate)

### Email

[CorporateInvestments@oldmutual.com](mailto:CorporateInvestments@oldmutual.com)



Licensed Financial Services Provider

## REGULATORY INFORMATION

Old Mutual Corporate is a division of Old Mutual Life Assurance Company (South Africa) Limited, Licensed Financial Services Provider. Jan Smuts Drive, Pinelands 7405, South Africa. Company registration no: 1999/004643/06. The information contained in this document is provided as general information and does not constitute advice or an offer by Old Mutual. Every effort has been made to ensure the provision of information regarding these financial products meet the statutory and regulatory requirements. However, should you become aware of any breach of such statutory and regulatory requirements, please address the matter in writing to: The Compliance Officer, Corporate Compliance Department, Old Mutual Corporate, P.O. Box 66, Cape Town 8000, South Africa.