

Old Mutual Risk-Managed Solution

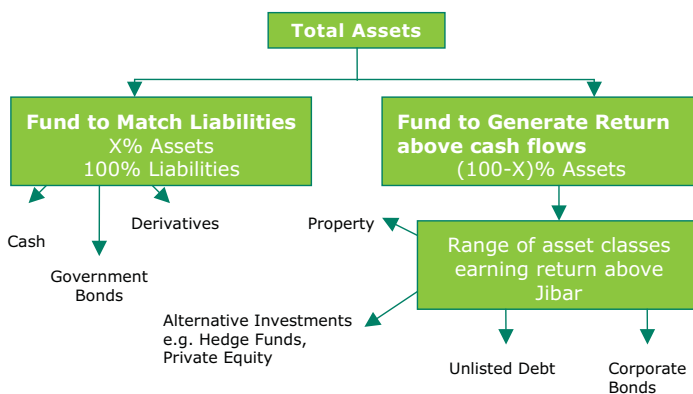
SOLUTION OVERVIEW

Old Mutual's Risk-Managed Solution is ideal for institutional investors with well-defined liability profiles that require an asset solution to match their requirements.

The solution makes use of the interest rate and credit structuring skills Old Mutual have developed in managing their own assets. In addition to hedging long-term interest rate exposure, the assets are invested aiming to achieve returns above the required cashflows. Thus, this solution offers the best of both worlds: immunising the cashflows and participating in the outperformance of the assets. The level of outperformance will depend on the risk appetite of the fund/trustees which means the solution will be tailored to each Fund's needs.

The solution is structured as a non-linked policy, and is automatically **Regulation 28 compliant**.

HOW DOES THE RISK-MANAGED SOLUTION WORK?



ASSET MANAGEMENT:

Old Mutual Investment Group: Liability Driven Investments

The assets underlying the Risk-Managed Solution are managed by the Old Mutual Investment Group: Liability Driven Investments boutique. The boutique within the Old Mutual Investment Group (SA) (OMIGSA) is Old Mutual's liability-driven investment centre of excellence.

The boutique manages approximately R20 billion of policyholder assets using the investment framework of the Risk Managed Solution.

LONGEVITY PROTECTION

The Risk-Managed Solution is designed to target the required cashflows projected by the client. It does not take into account the longevity risks faced by the fund. Should the fund require longevity protection together with the cashflow targeting solution, this can be explored with each client.

OLD MUTUAL'S RISK-MANAGED SOLUTION IS WELL SUITED TO CLIENTS WHO:

- Have a well-defined liability profile/cashflow requirements that they would like to **target** with suitable assets
- Want to:
 - reduce funding level volatility
 - participate in the outperformance of the assets
 - assist in determining the assets to be held
- Are looking for a series of:
 - targeted level payments for a specified term
 - targeted increasing payments for a specified term e.g. at CPI or fixed increases per annum
- Want to access the asset management expertise of the OMIGSA boutique
- Are willing to bear the longevity risk they are exposed to

PROTECTION OBJECTIVE

Solution aims to make all payments, including increases (not guaranteed).

INCREASE DATES

Chosen by client

PAYMENT FREQUENCY

Chosen by client e.g. monthly, quarterly, annual

TERM OF SOLUTION

Chosen by client

ASSET MANAGER

Old Mutual Investment Group: Liability Driven Investments

FEES

INVESTMENT MANAGEMENT FEE:

Depends on client size and percentage of assets managed by Old Mutual

CONTACT DETAILS

Old Mutual Investment Group: Liability Driven Investments

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