

# Principles & Practices of Financial Management

How we manage our Secured Money Market Fund



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## *Purpose of this guide*

This guide explains how Old Mutual manages its Secured Money Market Fund.

The principles and practices used in managing this fund are important because of the fact that although the Secured Money Market Fund aims to provide a capital-secure investment with returns relating to prevailing rates on money market and other short-term interest-bearing assets, Old Mutual has discretion in the actual level of bonus that is declared. Policyholders must thus rely on the life company to ensure they receive fair returns.

The Secured Money Market Fund is open to new business in the following products:

- Max Investments
- Max Income
- Investment Frontiers
- Greenlight Savings Benefit

It was also previously open to new business in the following products:

- Investment Horizons

It is also important to note that these principles and practices may need to be adapted over time to take account of changing circumstances, for example in the business, economic, or regulatory environments. Approval of any change needs to be given by the Old Mutual Board and its Committee for Customer Affairs, and will be communicated to affected policyholders.



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### *How do the bonus rates work?*

Policies in Old Mutual's Secured Money Market Fund are allocated investment growth by the addition of bonuses to their investment balance on a monthly basis.

The bonuses are always positive, so all investments and subsequent bonuses in the Secured Money Market Fund are always fully guaranteed. Old Mutual's shareholders bear the cost of this guarantee.

The following are the major aspects taken into account when setting the bonus rates:

- Prevailing returns in the market on short-term interest-bearing assets.
- Allowance for applicable tax, contractual charges and expenses that impact on the funds available for the declaration of bonuses.



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### *Where you can find out more*

This guide aims to provide a high-level explanation of how Old Mutual manages its Secured Money Market Fund. Because we have kept it as short as possible we have only outlined the most important information.

If you are an existing policyholder, your policy documentation and / or original quote should contain additional detail about the fund. Although every effort has been made to present information consistent with your contract, the terms and conditions in your contract will apply where these differ from this document.

A copy of Old Mutual's official Principles and Practices of Financial Management (PPFM) of Discretionary Participation Business, from which this guide is derived, is available on the Old Mutual website ([www.oldmutual.co.za/personalppfm](http://www.oldmutual.co.za/personalppfm)).

**Note that if there are any differences between this guide and the official PPFM, the official PPFM applies.**

You can also find out more from your Old Mutual Personal Financial Adviser or broker, or by calling Old Mutual's client communication centre on 0860 60 35 00 (for Max Investments, Max Income and Investment Horizons), 0860 30 00 00 (for Investment Frontiers), or 0860 60 45 00 (for Greenlight Savings Benefit).



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