







# OLD MUTUAL UNIT TRUSTS LIVING ANNUITY *continued*

## 9. INSTRUCTIONS FOR PAYMENT OF INITIAL ADVISER FEE (if applicable)

An initial adviser fee has been agreed as follows. The applicable amount will be deducted prior to the purchase of units.

% (Max 1.71% incl. VAT) which is  R (Note: If % and rand amount differ, the % holds).

Your adviser may receive a maximum initial adviser fee of 1.71% (incl. VAT) of the investment amount as a portion of the initial charge. The amount of the adviser fees on this policy is outlined in the OMUT Illustrator Quote Package. Advisers employed by Old Mutual Personal Financial Advice receive remuneration partly in the form of reduced adviser fees and partly in the form of other benefits. The PWM financial consultant is a permanent employee of Private Wealth Management, a business of Old Mutual. The consultant is remunerated by way of salary and performance bonus.

Date <sup>D</sup><sup>D</sup><sup>M</sup><sup>M</sup><sup>C</sup><sup>C</sup><sup>Y</sup><sup>Y</sup>

Signature of investor

## ANNUAL ADVISER FEE

In addition, you may elect to pay an ongoing annual adviser fee. This fee is negotiated between yourself and your adviser and is over and above the initial adviser fee stipulated above.

YES  or NO

If yes, specify percentage  .  % (max 1.14% p.a. incl. VAT) of your Old Mutual Unit Trusts Living Annuity's market value as at the investment start date and thereafter on the anniversary date. Note that this instruction overrides all existing annual adviser fee agreements.

This annual fee is calculated as a percentage of the value of all your member-owned Old Mutual Unit Trusts Living Annuities as at your last investment anniversary date. It excludes the Old Mutual International Growth Fund of Funds, the Old Mutual Albaraka Equity Fund and all Four Plus Funds of Funds as they may pay a trail fee out of their annual service fee. This annual adviser fee is deducted from your scheduled annuity payments after tax has been deducted, and paid to your servicing intermediary. Payment of this fee starts on your next annuity payment. You will receive confirmation of the implementation of this fee, any adjustments made to the annual percentage or to the unit trust, as well as the cancellation thereof. This fee is based on an agreement between the client and the intermediary. You need to take into account whether your intermediary is VAT registered. Old Mutual Unit Trusts is not a party to the agreement and will cancel the fee on the written instruction of either party. The fee will further be cancelled by a change in servicing intermediary. Old Mutual Unit Trusts will change any erroneous instructions received, but will not rectify prior payments based on erroneous instruction.

Date <sup>D</sup><sup>D</sup><sup>M</sup><sup>M</sup><sup>C</sup><sup>C</sup><sup>Y</sup><sup>Y</sup>

Signature of investor

## 10. DECLARATION BY ADVISER/BROKER

I, the undersigned, hereby declare and warrant that I am duly authorised to render financial services in respect of this product. All parties concerned have been identified and verified and all relevant documentation has been obtained and appropriate procedures have been applied in accordance with FICA (Act 38 of 2001).

Name of introducer

Branch

Intermediary/Broker code

Tel. no.

Introducer's e-mail address

Are you registered with the LOA to market life assurance? YES  NO

I further declare that I:

- fully understand and accept the "S" referencing system; and
- fully understand replacement of an insurance policy contract.

Signature of introducer

## SPECIAL INSTRUCTIONS

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## 11. DISCLOSURES

### SELECTING AN INCOME LEVEL IN LIGHT OF INVESTMENT RISK

The Old Mutual Unit Trusts Living Annuity is a living annuity which provides the annuitant with the flexibility to elect their income level. You can review your income level annually on the anniversary date of the annuity. This income level is currently between 2.5% and 17.5% p.a. of the portfolio value, but it may be reviewed from time to time. As performance is dependent on the underlying unit trusts selected, the value of the annuity (and consequently annuity payments) can increase or decrease. This annuity is not guaranteed. Selecting a high initial income level may further impair your ability to generate an income in future, especially if the income level is in excess of the growth of the portfolio and you are eroding capital. We thus recommend that this should not be your sole source of retirement income. In addition, if you require a pre-tax annuity of more than inflation plus 2% of the consideration in order to sustain your lifestyle, then rather consider a different type of investment.

## 11. DISCLOSURES *continued*

In light of the current economic environment Old Mutual recommends a maximum income level of 12%. We urge you to consider the following guidelines when deciding on your annuity income level.

Under age 70:	Maximum 12% p.a.
Between 70 and 80:	Maximum 15% p.a.
Over age 80/ill health*:	Maximum 17.5% p.a.

\* If you are suffering from ill health or some other impairment that will significantly reduce your life expectancy. Please make sure you have read this accompanying fact sheet.

You can diversify your portfolio by investing in any of the funds offered in this product, thus aiming to manage investment risk. Note investors should consider both volatility risk and inflation risk in structuring a portfolio. You may switch between, Old Mutual Unit Trust funds at any time.

### INFORMATION

Full details of unit trusts, including performance, investment objectives, risk factors and fees, are available at [www.omut.co.za](http://www.omut.co.za).

### RIGHT TO CANCEL

This policy is a living annuity and as such is not subject to cancellation. However, you may transfer your living annuity to another insurer at any time. In addition, it may be converted to a conventional life annuity, administered by the same assurer or another assurer. A conversion is based on the market value of the units at the date of conversion, and subject to ruling legislation at the time.

### POLICY AMENDMENTS

Old Mutual reserves the right to amend the member's benefit in the event of a change in the basis of taxation or rate.

### OWNERSHIP

Ownership of the underlying assets of this annuity vests in the assurer, not the annuitant.

### EXPENSE CHARGES

#### Potential initial product charges:

Should you use an intermediary, the agreed initial adviser fee of between 0% and 1.71% (incl. VAT) of the investment amount will be deducted prior to the purchase of units.

#### Charges against the underlying funds:

- An annual service fee is calculated on the market value of a unit trust's assets (excluding income and permissible deductions) and is deducted from each underlying unit trust's portfolio on a monthly basis. This fee may include payment of adviser fees.
- Further costs incurred by the fund may be deducted from its portfolio. These are compulsory and bank charges, brokerage, marketable securities tax, other taxes and levies, custodian and trustee fees, and audit fees.
- The majority of these underlying fees are jointly reflected in the Total Expense Ratio (TER) of a unit trust, disclosing the *historical* fees paid over a one-year period. Refer to individual unit trust fund fact sheets for these figures. A schedule of charges, fees and commission is available from the administrator.

#### Annuity Income Payment Fee:

- Dependent on payment frequency and deducted from after-tax annuity payments:  
R9 per month ◆ R15 per quarter ◆ R24 per half-year ◆ R42 per annum

The charges outlined in our Illustrator are the full expenses that will be charged to your policy. These charges are used by Old Mutual to cover all costs of administration as well as the commission payable to the financial adviser.

## 12. PROTECTION OF PERSONAL INFORMATION

The Old Mutual Group would like to offer you ongoing financial services and may use your personal information to provide you with information about products or services that may be suitable to meet your financial needs. Please SMS your ID number to 45600 if you would prefer not to receive such financial services. To view our full privacy notice and to exercise preferences, visit our website on [www.oldmutual.co.za](http://www.oldmutual.co.za).

## 13. STATUTORY INFORMATION

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 commissions 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 SYM|METRY 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 Unit Trust Managers Ltd is a member of the Association for Savings and Investment South Africa (ASISA).

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# OLD MUTUAL UNIT TRUSTS LIVING ANNUITY *continued*

## 14. DECLARATION

I understand and agree that:

1. The application form and related documents, together with the policy document, form the sole basis of the contract.
2. This policy, underwritten by Old Mutual, is subject to the conditions of the contract (as amended from time to time). The policy is subject to the provisions laid down by the Registrar of Long Term Insurers and the South African Revenue Services.
3. The annuity is payable for life. The administrator reserves the right to vary the income percentage in exceptional circumstances. I understand that the annuity is not guaranteed and will depend on the income percentage selected and the investment returns of the selected unit trust funds.
4. The amount of the annuity may be reviewed annually in accordance with the annuity conditions.
5. The investment in the selected investment portfolio will be made at the ruling price on the date of receipt of the investment amount, supported by this duly completed instruction to Old Mutual, provided all statutory disclosure requirements have been met, and that payment of the annuity can commence within the first month thereafter.
6. An administration fee will be levied on all annuity income payments.
7. All information given in this instruction, and in all documents that have been or will be signed by me in connection with this instruction, whether in my handwriting or not, is true and complete.
8. I know that the cost of buying units may include an initial adviser fee charge plus VAT, depending on whether or not I use an intermediary, and that there are no guarantees on my capital.
9. I do not have a contractual right to cancel this policy.
10. No cessions/transfers/pledges/attachments and repurchases are permitted.
11. I can request a copy of this application, which must be given to me within a reasonable time of my request.
12. I am aware of the investment portfolios' objectives, risk factors, the charges and income distributions as set out in the fund fact sheet(s).
13. I acknowledge that Old Mutual Unit Trust Managers Ltd may borrow up to 10% of the portfolio to bridge insufficient liquidity.
14. I further authorise Old Mutual Unit Trust Managers Ltd to accept instructions from me via facsimile (please delete if not applicable).
15. I acknowledge that I have read and understand the Old Mutual Unit Trusts Living Annuity fact sheet.

Signature

Quote version number:

Date 

D	D	M	M	C	C	Y	Y
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## CONTACT DETAILS

### Old Mutual Unit Trust Managers Limited

(Registration no. 65/08471/06)

Mutualpark, Jan Smuts Drive, Pinelands 7405, South Africa

PO Box 207, Cape Town 8000, South Africa

Telephone no.: +27(0)21 503 1770

Helpline: 0860 234 234

Fax no.: +27(0)21 509 7100

Internet address: [www.oldmutualunittrusts.co.za](http://www.oldmutualunittrusts.co.za)

E-mail: [unittrusts@oldmutual.com](mailto:unittrusts@oldmutual.com)

Complaints: Write to our Client Services Manager at the above address or call 0860 234 234.

Compliance Department: +27(0)21 503 1770

### Old Mutual Investment Administrators (Pty) Ltd

(Registration no. 1988/003478/07)

Mutualpark, Jan Smuts Drive, Pinelands 7405, South Africa

PO Box 5408, Cape Town 8000, South Africa

Telephone no.: +27(0)21 503 1770

Fax no.: +27(0)21 509 7100

Compliance Department: +27(0)21 503 1770

Professional indemnity cover and fidelity insurance cover are in place.

Old Mutual Investment Administrators (Pty) Ltd is a third party administration and service provider to Old Mutual Unit Trust Managers Limited and is a licensed financial services provider.

Visit [www.omut.co.za](http://www.omut.co.za) for unit trust information, prices and news. Log in to view your portfolio online.

Clients who select e-mail as their preferred correspondence method benefit from an enhanced communication offering.