

OLD MUTUAL SMOOTHED BONUS FUND

FUND INFORMATION

RISK RATING



FUND OBJECTIVE

This fund aims to provide inflation beating smoothed returns over the medium to long term.

INVESTMENT MANDATE

The fund will follow an active strategy and will invest in a mix of local and international investments, such as equities, interest bearing assets and property.

SIZE OF FUND: R13.6bn

BONUS RATE

Bonuses are declared annually and added to the amount in the fund (Fund Value). At the end of February each year the final bonus is retrospectively declared (from January to December of the previous year). The bonus is not directly linked to the actual performance over the previous year, but is based on factors such as the overall investment returns, current and expected economic conditions, the level of inflation, the interests of the customers invested in the fund, and competitive considerations. An interim bonus rate is declared and used to determine the fund's current value before the final declaration for that particular year is made. When declared, the final bonus replaces the interim bonus that was used for that year.

SMOOTHING

During periods of very good performance of the fund's investments, a portion of the investment growth is not declared as a bonus. It is held back, so that in times of poor investment performance, there are funds available to declare a higher bonus than would otherwise have been possible.

GUARANTEED MINIMUM FUND VALUE

On maturity, retirement, death, or disability, there is a Guaranteed Minimum Fund Value that equals the net premiums (premiums received less premium charges). The Guaranteed Minimum Fund Value only applies if premiums are paid until the end of the policy term (or until earlier death or disability).

MARKET VALUE ADJUSTER

After periods of poor investment returns, the amount that policyholders receive when withdrawing or surrendering from the fund before their maturity date may need to be adjusted downwards by using a market value adjuster. A market value adjuster is a deduction applied on early withdrawals when investment returns are poor, to protect the long term objectives of policyholders remaining in the fund. A market value adjuster is only applied when a policyholder wishes to withdraw money or surrender the policy before maturity.

OTHER INVESTMENT CONSIDERATIONS

ONGOING CHARGES

Investment and administration fee: 1.25% p.a.

Annual management fee: 0.25% p.a.

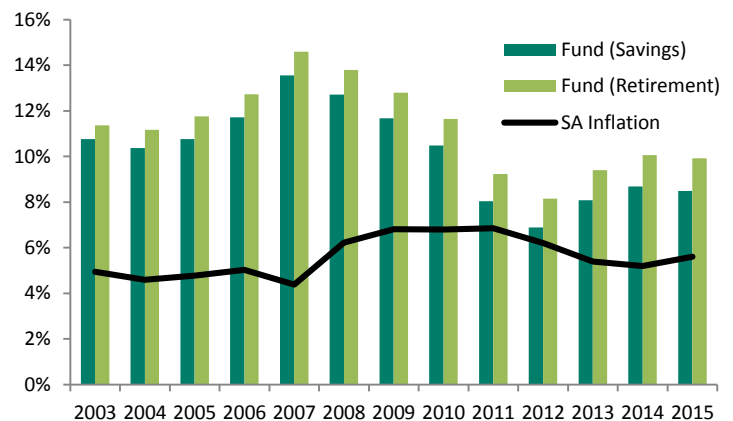
Guarantee fee: 0.25% p.a.

FINAL BONUS RATES as at 29/02/2016

	Rolling Returns (per annum)				
	1-year	3-year	5-year	7-year	10-year
Savings Plans*	8.0%	9.3%	8.5%	8.2%	9.5%
Retirement Plans	9.5%	10.8%	9.9%	9.6%	10.8%

* Savings Plans refers to any of the following: Education Plans, Investment Plans, 2-IN-ONE SAVINGS 4 EDUCATION (Long Term Pocket) and 2-IN-ONE SAVINGS 4 MY GOAL (Long Term Pocket).

Old Mutual Smoothed Bonus Fund (5-Year Annualised Rolling)



HISTORICAL AND CURRENT FINAL BONUS RATES

	2010	2011	2012	2013	2014	2015
Savings Plans	9.0%	5.5%	9.0%	11.0%	9.0%	8.0%
Retirement Plans	10.2%	6.7%	10.5%	12.5%	10.5%	9.5%

FUND COMPOSITION as at 29/02/2016

