



Old Mutual Unit Trust Managers (RF) (PTY) Limited
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Dear Adviser

Closure of Old Mutual Unit Trusts Preservation Provident Fund to new business

The National Treasury has approved retirement reforms to ensure greater preservation of retirement savings with effect from 1 March 2016. From this date, all *new* contributions to a provident fund will be subject to the two-thirds annuitisation requirement at retirement.

This means that provident fund members will only be able to take one-third of their retirement benefit as a cash lump sum for amounts invested from 1 March 2016 onwards. The remaining two-thirds of their retirement benefit must be used to buy an annuity. For clients 55 years and older on 1 March 2016, this change will not affect them and they will still be able to take their entire retirement benefit in cash – provided that they have remained in the provident fund of which they were a member as at 1 March 2016.

Impact for clients invested in our Old Mutual Unit Trusts Preservation Provident Fund

As a result of the changes mentioned above, we will be closing the Old Mutual Unit Trusts Preservation Provident Fund to further transfers from existing members and new members will not be able to join the fund after 26 February 2016.

What this means for your clients who are invested in this fund

Existing Old Mutual Unit Trust Preservation Provident Fund members will not be affected by this reform and will be able to take their full retirement benefit as a cash lump sum on retirement, as these benefits relate to provident fund contributions made prior to 1 March 2016. We will send a client communication to the Old Mutual Unit Trust Preservation Provident Fund members informing them of these reforms and that they will not be affected by these changes. More information on these retirement reform changes, including the National Treasury's Questions and Answers document, is available on our website at www.omut.co.za

Next steps

It is the perfect time to have a conversation with your clients about the best option for their full retirement benefit, i.e. cash lump sum. If you need more information or have any further questions, please contact our service centre on 0860 234 234 or send an email to retire@oldmutual.com.

Kind regards

A handwritten signature in black ink, appearing to read "Darius van der Walt".

Darius van der Walt
HEAD OF PRODUCT

To report unethical behaviour, call the Anonymous Reporting line
0800 222 117 or visit www.oldmutualanonymousreports.co.za

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