



## OUR PHILOSOPHY

At Old Mutual Corporate, we are committed to developing innovative investment solutions for all our clients. Inspired by over 50 years of investment expertise, our Sustainable Investment Philosophy™ makes it possible to consistently grow your retirement savings, while simultaneously protecting it from risk. The Old Mutual Growth and Protection Solution range offers you exclusive investments to cater for your retirement needs.

## PRODUCT OVERVIEW

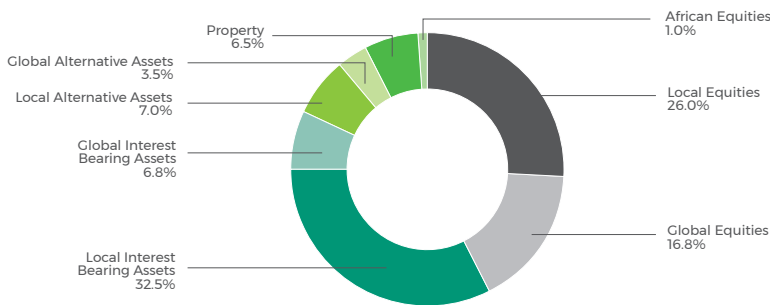
Old Mutual's CoreGrowth Portfolio uses smoothing technology to target the delivery of stable, inflation beating returns to investors over the long-term (in excess of ten years), while significantly reducing the volatility associated with market-linked investments. These portfolios cater for investors with a variety of risk-return appetites.

## INVESTMENT STRATEGY

The underlying asset portfolio consist of a diversified exposure to local and global assets. A significant portion of the assets portfolio is allocated to "growth" assets, such as equity, property and alternatives. Due to our size and history we have access to these assets which smaller portfolios cannot afford. These assets are best suited to provide real return in the long term. The portfolio underlying the CoreGrowth Portfolio uses the multi-style approach, where appropriate, with the assets mainly being managed by Old Mutual Investment Group. The investment strategy may be reviewed from time to time, based on manager performance and market conditions.

## STRATEGIC ASSET ALLOCATION

As at December 2019



## GUARANTEES

CoreGrowth offers clients full or partial guarantees maintained at a constant level, on both contribution and declared bonuses. These guarantees apply on benefit payment, and other specified events, and is backed by Old Mutual's shareholder capital.

Investors are able to choose their desired level of benefit protection to cater for their risk-return appetite by choosing from:

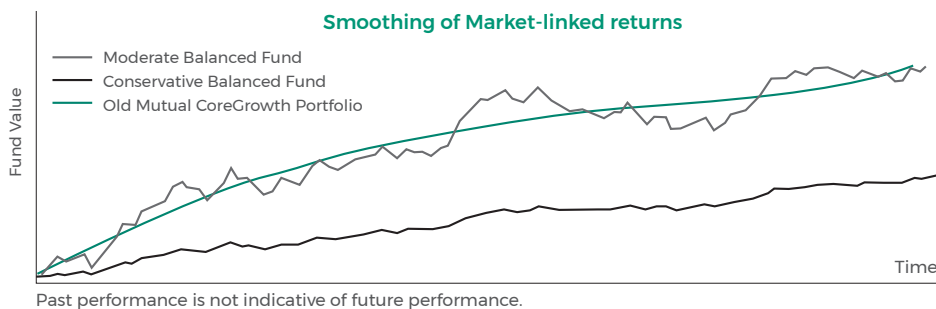
- CoreGrowth 100 - 100% guarantee on capital and bonus
- CoreGrowth 90 - 90% guarantee on capital and bonus

It is important to note that Old Mutual's target is not a guarantee, but rather a benchmark we aim to meet.

## SMOOTHING PHILOSOPHY

CoreGrowth reduces the short-term volatility of market returns by smoothing out the investment growth earned on its underlying asset portfolio. A reserving mechanism is used to absorb the impact of the peaks and troughs associated with the returns earned on the balanced underlying asset portfolio, while in the longer term delivering net real returns to investors in line with such exposure. In this way, investors are able to achieve long-term growth comparable to a similarly managed market-linked investment. In comparison, other investment offerings which generate stable returns through frequent changes in asset strategy run the risk of impairment of growth.

The following graph effectively illustrates how the smoothing mechanism used by the Smoothed Bonus Portfolios reduces the volatility of market-linked returns, while passing on long-term growth that is consistent with market performance.



## ADDITIONAL FEATURES

- Bonuses are declared gross of fees and tax.
- All benefit payments are made within 48 hours.
- There is full disclosure on underlying investment returns and bonus as granted.
- Performance fees align interests of clients and the asset manager.

### Old Mutual's CoreGrowth Portfolio is an excellent choice for investors who:

- Want to reduce the volatility of their investment.
- Seek real returns in excess of inflation over the long-term.
- Want comprehensive guarantees on their benefit payments.
- Want to choose a level of guarantee from a range of possibilities.

### Growth objective

To match the return on a typical conservative balanced fund of CPI + 3.0% to 4.0% p.a. (in the long-term), net of capital charges and gross of fees and tax (where applicable).

### Protection objective

Non-negative bonuses; guarantees apply on benefit payment.

### Bonus frequency

Monthly in advance

### Fees and charges (p.a.)

Investment fees: 0.23% - 0.50%  
Capital charge: 0.8% - 1.8%  
(depending on the guarantee level).

### Management style

Active

### Asset manager

Old Mutual Investment Group

### Inception date

1 March 1998

### Contact details

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### NOTE

In terms of Financial Services Board Directive 147.A1, Old Mutual is required to define and publicise the principles and practices of financial management (PPFM) that are applied in the management of its discretionary participation business, which includes Smoothed Bonus business. The PPFM document, as well as a consumer-friendly version specific to Old Mutual Corporate's Smoothed Bonus Portfolios is available on Old Mutual's website at [www.oldmutual.co.za](http://www.oldmutual.co.za) or can be obtained in hard copy on request. For other regular information on this investment product, please visit Old Mutual's website at [www.oldmutual.co.za](http://www.oldmutual.co.za).

### REGULATORY INFORMATION

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