

OLDMUTUAL

MEMBER FACT SHEET

# OLD MUTUAL SUPERFUND LIVING ANNUITY



**CORPORATE**  
RETIREMENT SOLUTIONS

DO GREAT THINGS EVERY DAY

## WHAT IS THE OLD MUTUAL SUPERFUND LIVING ANNUITY?

As an Old Mutual SuperFund member, you've already taken important steps towards enjoying a financially comfortable retirement. Saving is the first step towards a successful retirement journey.

Equally important is making the right decision about where to invest your retirement fund savings when you retire. This includes making good choices as to how much of your retirement fund to take as a cash lump sum and how much to use to provide you with an income during retirement. As part of its annuity strategy, Old Mutual SuperFund ("the Fund") has solutions available to provide you with an income in retirement. The Old Mutual SuperFund Living Annuity forms part of this annuity strategy and is provided by the Fund itself.

If you choose the Old Mutual SuperFund Living Annuity you will become a Living Annuitant Member of the Fund. This means your retirement fund savings will remain invested in the Fund and your retirement income will be paid from the Fund.

## WHAT ARE THE FEATURES AND ADVANTAGES OF THE OLD MUTUAL SUPERFUND LIVING ANNUITY?

- **Competitive fees:** The administration, governance and investment management fees charged on the investment portfolios are priced competitively.
- **Flexibility:** The ability to choose, within limits based on your age, how much retirement income you want to receive, expressed as a percentage (also known as the drawdown rate) of your invested retirement savings. On an annual basis you can adjust your drawdown rate. In addition, when it comes to investing your retirement savings you also have the flexibility of choosing from a range of well-managed and cost-efficient investment portfolios.
- **Seamless and easy transition:** You remain a member of the Fund and don't have to go through a process of transferring your retirement savings to another fund or insurer.
- **Support:** As a member of the Fund, you have access to the free services and support of the Fund's Retirement Benefits Counsellors who will provide you with information and support on the options available to you. The Retirement Benefits Counsellor may not provide advice.
- **Advice:** You will have the option to appoint an accredited financial adviser to guide you in making the right decisions for your individual circumstances. It is recommended that you seek financial advice. The Fund has determined the maximum advice fees that can be paid from the Fund, but you are able to negotiate a lower fee with your chosen accredited financial adviser.
- **Oversight:** The Fund has a duty to protect the interests of all members, including Living Annuitant Members. This provides a degree of oversight that you would not have if you purchased a living annuity outside the Fund.
- **Leave a legacy:** You can nominate one or more beneficiaries to receive, on your passing, any remaining capital balance of your Old Mutual SuperFund Living Annuity.
- **Consolidation of retirement fund savings:** You can transfer your pensioner value from other approved retirement funds into your Old Mutual SuperFund Living Annuity, if you are a pensioner in the transferring fund and the transfer is permitted by the transferring fund. In addition, if you have a living annuity policy with another insurer, you can transfer the balance in that policy to your Old Mutual SuperFund Living Annuity, if permitted by that insurer. This can simplify your finances and means you may be able to further reduce the total monthly fees you are paying.

- **Transferability:** You may at any stage use the total balance of your Old Mutual SuperFund Living Annuity to purchase a living annuity from an insurer or convert it to a life-guaranteed annuity provided by an insurer. Alternatively, if you are a pensioner of another retirement fund, you can transfer the total balance of your Old Mutual SuperFund Living Annuity to the other fund provided its rules permit it to receive a transfer. This will be subject to approval by the Financial Sector Conduct Authority (FSCA) and any requirements set by the South African Revenue Services (SARS). When doing this transfer, you may only replace your Old Mutual SuperFund Living Annuity with one other annuity policy or transfer to one other retirement fund. i.e. you may not split your Old Mutual SuperFund Living Annuity between two or more annuities, between an annuity and a retirement fund, or between two retirement funds of which you are a pensioner. However, once you have transferred out, you are not allowed to transfer back into the Old Mutual SuperFund Living Annuity.

## WHAT ARE THE DISADVANTAGES OF A LIVING ANNUITY?

A living annuity does not guarantee a retirement income for your lifetime. Your retirement income can decrease or run out if your drawdown rate is higher than the investment returns net of fees earned on your invested retirement savings or you live longer than expected.

The maximum drawdown rates in the Old Mutual SuperFund Living Annuity are there to reduce this risk, so it is a safer option than most other living annuities, but some risk remains. The risk of outliving your income is an important risk to discuss with your accredited financial adviser.

In addition, it is important to realise that you can only change your drawdown rate once a year. Although this provides some flexibility as to your income level, you would not be able to change the drawdown rate suddenly if you have an emergency. It is therefore important to have emergency savings available to you.

## WHAT INVESTMENT PORTFOLIOS ARE AVAILABLE TO YOU IN THE OLD MUTUAL SUPERFUND LIVING ANNUITY?

The Old Mutual SuperFund Living Annuity offers four primary investment portfolios for selection. Recognising that some members may require a Shari'ah-compliant option, SuperFund has included an additional Shari'ah-compliant portfolio. Members may choose from the available portfolios to invest in, but are restricted to investing in no more than four portfolios at any given time.

The Old Mutual SuperFund Management Board has carefully selected the following investment portfolios:

- Primary investment portfolios:
  - Old Mutual Absolute Stable Growth Portfolio (this is the default investment portfolio)
  - Old Mutual Absolute Smooth Growth Portfolio
  - Symmetry 3-5 Tracker
  - Symmetry 3-5
- Shari'ah-compliant investment portfolio:
  - Old Mutual Albaraka Balanced Fund Class B1.

**You may switch between these portfolios at any time during the year**, however, please note that you cannot be invested in more than four portfolios at any point. No fees are currently payable on investment portfolio switches.

## WHAT DRAWDOWN RATES ARE AVAILABLE TO YOU FROM THE OLD MUTUAL SUPERFUND LIVING ANNUITY?

The Fund follows the guidance set in the draft Living Annuity Conduct Standards issued by the FSCA.

The **maximum drawdown** rate is linked to your age, and aims to provide you with a sustainable income during retirement by lowering the chance that you will run out of money.

The **recommended drawdown** rate, which is also linked to age, aims to increase the chance that you will not run out of money.

The **minimum** drawdown rate is the lowest rate that can be applied in the provision of your annuity. This is a SARS requirement,

In summary you may choose a drawdown between the minimum and maximum drawdown rates.

AGE	MINIMUM DRAWDOWN	RECOMMENDED DRAWDOWN	MAXIMUM DRAWDOWN
Under 60	2.5%	4.0%	6.5%
60 - 64		4.5%	7.0%
65 - 69		5.0%	8.0%
70 - 74		5.0%	8.0%
75 - 79		5.5%	8.5%
80 - 84		6.0%	9.5%
Over 85		7.0%	11.5%

**Annually, on the anniversary of the date on which your living annuity started, you may change your drawdown rate. The monthly income is calculated at that point and will not change for 12 months irrespective of how the balance in your living annuity changes.**

The retirement income you receive from your Old Mutual SuperFund Living Annuity is subject to the SARS marginal tax rates. Tax will be deducted before payment is made to you.



## WHAT FEES AND CHARGES WILL YOU PAY ON THE OLD MUTUAL SUPERFUND LIVING ANNUITY?

The Old Mutual SuperFund Management Board has negotiated the lowest possible fees so that you, as an Old Mutual SuperFund Living Annuitant, can continue to benefit from the cost efficiency of remaining a member of the Fund.

Below is a list of the fees applicable to an Old Mutual SuperFund Living Annuitant. Any changes in fees and their structure or the introduction of a new fee(s) will be advised to you by the Fund.

### ADMINISTRATION AND GOVERNANCE FEE

The administration and governance fee is R250 per member per month inclusive of VAT. Old Mutual will revise this fee annually after consulting and receiving the approval of the Fund's Management Board.

### INVESTMENT MANAGEMENT FEES

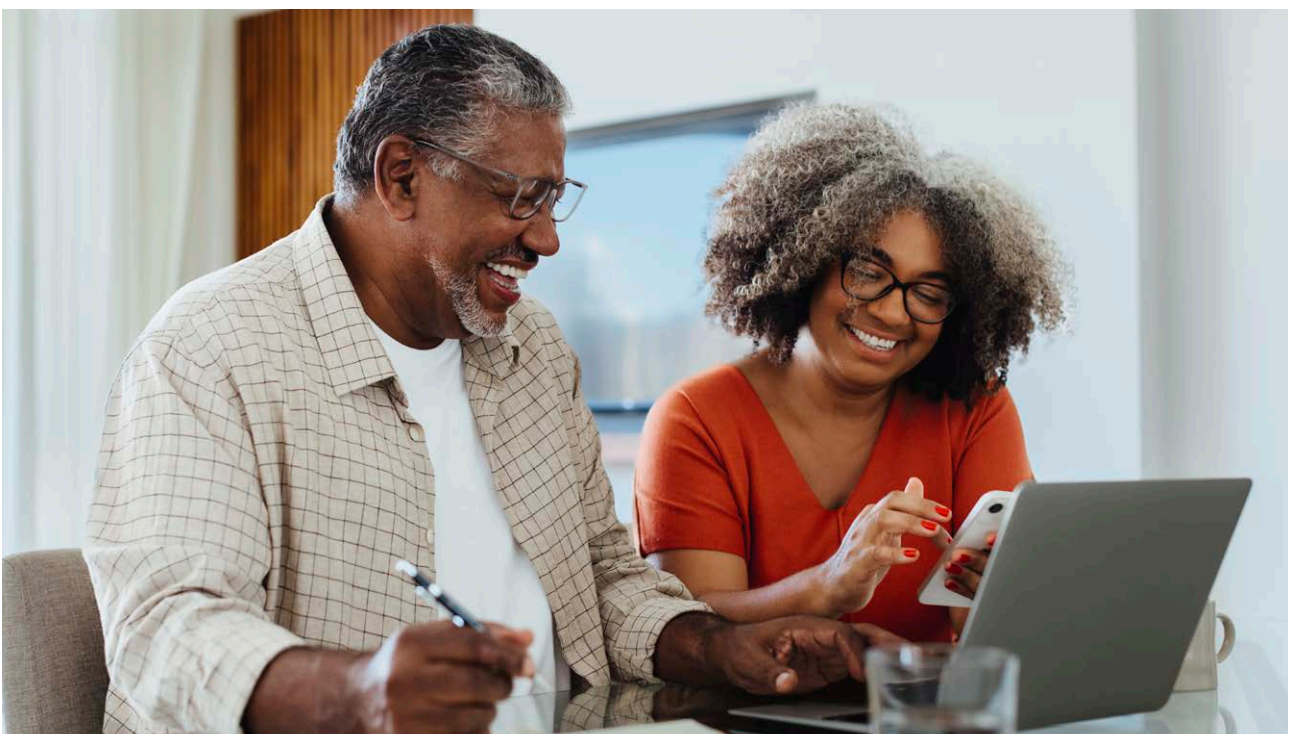
The investment management fees vary depending on the investment portfolio(s) you have selected. These fees are set out in the latest investment portfolio fact sheets. Please email the Retirement Benefits Counsellors at [superfundannuity@oldmutual.com](mailto:superfundannuity@oldmutual.com) to obtain these fact sheets.

### CAPITAL CHARGE

For the Old Mutual Absolute Stable Growth Portfolio and the Old Mutual Absolute Smooth Growth Portfolio a capital charge applies. It is charged for the guarantees which apply to the amount you invest into these portfolios.

### ADVICE FEES

We recommend using the services of an accredited financial adviser to help you make decisions which are appropriate to your individual circumstances. You can negotiate the Initial Advice Fee (up to a maximum of 1.5% exclusive of VAT) and, if applicable, the Ongoing Advice Fee (up to a maximum of 1% p.a. exclusive of VAT) with your accredited financial adviser. At any time, you can advise the Fund that the Ongoing Advice Fee must be stopped, if you choose to stop receiving financial advice, or paid to a different accredited financial adviser if you change adviser.



## WHAT HAPPENS TO YOUR OLD MUTUAL SUPERFUND LIVING ANNUITY WHEN YOU PASS AWAY?

On your passing, any remaining balance in your Old Mutual SuperFund Living Annuity will be allocated to your nominated beneficiaries or paid to your estate if you did not nominate any beneficiaries.

**Your nominated beneficiaries, provided they are natural persons, will then have the following options:**

1. To take their allocated portion in cash (subject to tax),
2. To use their allocated portion to continue with the Old Mutual SuperFund Living Annuity under their own name; or
3. To purchase one annuity from Old Mutual or another insurer.

**Your nominated beneficiaries, where they are not a natural person** (i.e., they are a juristic person (such as a company or charitable organisation) or a trust), may only take their entire amount in cash subject to taxation thereon.

**At any time, you may change your nominated beneficiaries.**

## WHAT OTHER OPTIONS ARE AVAILABLE FROM OLD MUTUAL SUPERFUND AT RETIREMENT?

For the range of retirement solutions available as part of the Fund's annuity strategy, contact the Fund's Retirement Benefits Counsellors by emailing [superfundannuity@oldmutual.com](mailto:superfundannuity@oldmutual.com).

## TERMS AND CONDITIONS OF YOUR OLD MUTUAL SUPERFUND LIVING ANNUITY

The Terms and Conditions (T&Cs) contain the complete provisions regarding your Living Annuity and, read in conjunction with the Rules of the Fund, will be binding upon you and the Fund. For a copy of the full [T&Cs](#), please contact the Fund's Retirement Benefits Counsellors by emailing [superfundannuity@oldmutual.com](mailto:superfundannuity@oldmutual.com).

### NEED HELP WITH YOUR RETIREMENT PLANNING?

Say "Hi" on the **SuperFund WhatsApp channel** at **082 754 8146** for free information, guidance, or to book an appointment with one of our Old Mutual Retirement Benefits Counsellors (RBCs) or Financial Advisers.

**You can also reach us via:**

**Email:** [superfundannuity@oldmutual.com](mailto:superfundannuity@oldmutual.com)

**Telephone:** 0860 388 873 or 021 508 0069

We're here to help you make confident retirement decisions.

