



PRODUCT OVERVIEW

The Old Mutual Platinum Pension 2003 is a cost-effective annuity solution that will provide post-retirement income that affords your pensioners and their dependants inflation protection and strong peace of mind during their retirement years.

HOW DOES PLATINUM PENSION 2003 WORK?

Platinum Pension 2003 offers annuitants a guaranteed monthly income and the opportunity to participate in profits via an annual increase. Increases are declared in quarter one for increase dates between 1 April and 31 March each year and once declared, are guaranteed for life. This annuity also offers flexibility to trustees by including the option to choose the commencement date, frequency of payment, increase month and various other features.

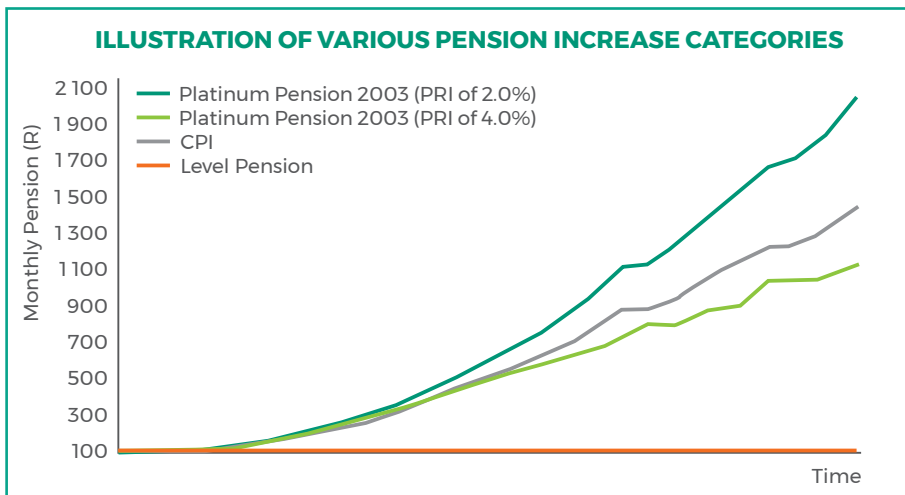
INVESTMENT STRATEGY

Old Mutual Investment Group (OMIG) actively manages the portfolios underlying Platinum Pension 2003. These portfolios consist of diversified exposure to equity, property, bonds, alternative assets and international assets.

INCREASES

Platinum Pension 2003 currently offers a range of post-retirement interest rates (PRI), starting at 1.5% and increasing by 0.5% up to 4%. The PRI represents the minimum rate of return Old Mutual needs to earn on the assets underlying the annuity portfolio in order to maintain the current level of pension. Net returns (i.e. after the deduction of fees and charges) over and above the PRI are then available to grant increases to annuitants. A lower PRI therefore corresponds to higher expected future increases, but a lower starting pension and vice versa.

The following graph shows how a typical pension (starting at R100) might progress.



		PENSION CATEGORY (PRICING INTEREST RATES)							
		1.5%	2.0%	2.5%	3.0%	3.25%	3.5%	4.0%	CPI
	2017	8.5%	8.0%	7.5%	7.0%	6.75%	5.0%	4.5%	6.8%
	2018	8.0%	7.5%	7.0%	6.5%	6.25%	4.5%	4.0%	4.7%
	2019	6.5%	6.0%	5.5%	5.0%	4.75%	3.5%	3.0%	4.5%
	2020	4.5%	4.0%	3.5%	3.0%	2.75%	1.5%	1.0%	4.0%
	2021	5.0%	4.5%	4.0%	3.5%	3.25%	2.5%	2.0%	3.1%
3-Year average		5.3%	4.8%	4.3%	3.8%	3.6%	2.5%	2.0%	3.9%
5-Year average		6.5%	6.0%	5.5%	5.0%	4.7%	3.4%	2.9%	4.6%
Since inception		7.1%	6.6%	6.1%	5.6%	5.4%	4.7%	4.2%	5.1%

OTHER FEATURES

- Platinum Pension 2003 is only available as a compulsory purchase annuity for members retiring from pension, provident and retirement annuity funds.
- Income preservation is offered through Joint and Survivorship or Term Certain and Thereafter options.
- Funds may choose any month for annual increases to be granted.
- Funds may opt for annuitants who have been in Platinum Pension 2003 for less than a year to receive a full increase during the first year.
- An option to include an additional payment, like a 13th cheque, is available.

OLD MUTUAL'S PLATINUM PENSION 2003 IS WELL SUITED TO CLIENTS WHO:

- Want a secure retirement with a pension payable for life.
- Want a pension with increases that offset the effects of inflation and can never decrease.
- Want their pension to be managed by the local market leader in annuities.

GROWTH OBJECTIVE

To maximise growth of the portfolio, and hence increases, subject to the limits imposed by the protection objective.

PROTECTION OBJECTIVE

Once declared, pension increases can never be revoked. Pensions can never decrease.

INCREASE FREQUENCY

Annual, in arrears

FEES

Capital charge: 1.0% p.a.
Investment management fee: approximately 0.75% to 0.85% (incl. VAT) of assets p.a., varying slightly depending on asset allocation.

Administration fee: upfront and renewal fees depending on annuity specifics built into the upfront premium.

FUND SIZE

R12.7 billion (31 March 2021)

MANAGEMENT STYLE

Active

ASSET MANAGER

Old Mutual Investment Group (OMIG)

INCEPTION DATE

2003

CONTACT DETAILS

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