

A GUARANTEED INFLATION HEDGE
INTRODUCING THE INFLATION-PLUS BOND



An exceptional investment from Old Mutual's premier single premium offering

Introducing the Inflation-Plus Bond for discerning investors
The Inflation-Plus Bond provides a secure, fixed term investment that offers a guaranteed return above inflation. This unique offering will protect the purchasing power of your capital by guaranteeing an attractive after-tax return of inflation + 2%^{1,2} per year on the net amount invested over a five-year period.

Fairbairn Capital's Inflation-Plus Bond is exclusively available to individual investors via the Investment Frontiers Capital Portfolio for discretionary investments.

Note that this investment is open for a limited period only.

Peace of mind investing

Fairbairn Capital is Old Mutual's exclusive offering for premium investors. It provides high levels of service and expertise delivered to this discerning market through tailored, innovative investment solutions. As part of our commitment to providing exceptional choice for every need, we are proud to offer the Inflation-Plus Bond.





*protect the purchasing power of your capital by guaranteeing
an attractive after-tax return in excess of inflation*



*inflation-beating returns, guaranteed by Old Mutual,
with no further tax to pay*

Why invest in the Inflation-Plus Bond?

- Inflation-beating returns
- Guaranteed returns
- Returns that aren't dragged down by tax in the investor's hands

Most investors want all of the above from their investments. However, the majority of investments can't provide all three, and the search for one often compromises the others.

For example, equity and property investments can deliver inflation-beating returns over time, but there are no guarantees. Money market and fixed interest investments can offer a higher degree of capital security, but for many investors the returns are heavily taxed, and therefore often fail to outpace inflation after tax is taken into account.

Fairbairn Capital's Inflation-Plus Bond provides: An **inflation-beating** return, **guaranteed** by Old Mutual, with **no further tax** to pay in the investor's hands, over a specified five-year period.

In other words, the three key investment requirements, **delivered**.

Who should invest in the Inflation-Plus Bond?

The Inflation-Plus Bond is best suited to the conservative investor looking for inflation protection, tax efficiency, and firm guarantees from one of the most solid and reputable financial institutions in South Africa.

The Bond is likely to be particularly attractive to investors on a high marginal income tax rate, who have used their annual tax-exempt interest allowance.

Investors should be prepared to invest their money for the full five-year term, as it is a fixed term investment with limited liquidity during the term, and the guaranteed return only applies if the investment is held until maturity.

Key features

Investment subscription period

The Inflation-Plus Bond is available for subscription during specified monthly periods only. Clients will be invested in the Inflation-Plus Bond at the end of every monthly tranche.

Investment term

The investment term of the Bond is five years, beginning on the first day after the end of the investment subscription period.

Fees

There will be no initial administration fee.

An initial adviser fee, negotiable between the adviser and the investor, is payable up to a maximum of 5% (incl. VAT) of the investment amount.

Early subscription bonus

An early subscription bonus will be added to the invested amount (after deduction of the initial adviser fee, if applicable) to provide the investor with a return during the investment subscription period, before the start of the investment term. The early subscription bonus will be calculated using a fixed interest rate declared at the time of the investment.

Net investment amount

The net amount that will be applied to the investment is the gross amount invested, plus the early subscription bonus, less the initial adviser fee.

Minimum investment amount

The minimum investment amount is R100 000.

Guaranteed return

The guaranteed return on the net investment amount over the five-year investment term is inflation + 2%^{1,2} per year.

Maturity value

The maturity value of the Bond will be the net investment amount, adjusted by inflation + 2%^{1,2} per year for five years.

Face value

The face value reflects the current value of the investment on the assumption that the Bond is held to maturity. It is calculated as the net investment amount at the start of the investment term, adjusted by inflation + 2%^{1,2} per year to the current date. The face value is adjusted on a monthly basis, and is merely an indication of the current value of the investment. It is not an amount that is available to disinvest or switch out.

Disinvestment before maturity

The early disinvestment value is determined by Old Mutual. The value will be based on the prevailing real yields available on inflation-linked bonds of comparable remaining term to maturity in the South African bond market, with an adjustment to allow for a fee to Old Mutual for providing liquidity before the maturity date.

It should be noted that the Inflation-Plus Bond is designed to be held in full to maturity, and the guaranteed return does not apply to early disinvestment. The early disinvestment value is subject to a maximum of the face value at the time of disinvestment, but could well be less than the face value or net investment amount.

Part disinvestment and switches to other investment options within the Investment Frontiers Capital Portfolio will be allowed. No loans will be allowed from the Bond.

Regulated liquidity restrictions apply to withdrawals from the Investment Frontiers Capital Portfolio contract during the first five years or any restriction period.

Currency/allowable tax status

The investment value is payable in South African Rands and is only available to individual investors or to trusts with only natural persons as beneficiaries.

Investment Summary

Minimum investment into the Bond	R100 000
Investment term	5 years
Guaranteed return on net amount invested	Inflation + 2% ^{1,2} per year

- 1. Inflation is calculated as the growth in the Headline Consumer Price Index (Headline CPI) as published by Statistics South Africa, with a 2-month lag.*
- 2. The guaranteed return of inflation +2% applies to the net investment amount during the five year investment term. The return during the subscription period, before the start of the investment term, will depend on the early subscription bonus rate and the initial adviser fee charged. The guaranteed return only applies if the investor remains fully invested until the maturity date of the Bond.*



Contact your Old Mutual financial adviser or your broker, call 0860 WEALTH (932 584) or visit our website at www.fairbairncapital.com

Please note: the opinions in this brochure are not intended to serve as investment advice and should not be used in substitution for the exercise of own judgement.



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Fairbairn Capital is an elite service offering brought to you by Old Mutual Investment Services (Pty) Ltd and Old Mutual, Licensed Financial Services Providers.