



PRODUCT OVERVIEW

The Fairbairn Capital Retirement Annuity Plan is an investment vehicle to which members can contribute via a lump sum and/or scheduled investment basis, allowing for compound returns in order to accumulate capital together with tax-free growth for retirement.

When you invest in the Fairbairn Capital Retirement Annuity Plan, you become a member of the Fairbairn Capital Retirement Annuity Fund, which is governed by a board of Trustees and administered by Old Mutual Investment Services (Pty) Limited.

Members' contributions to a retirement annuity are tax deductible from their taxable income within limits.

INVESTOR PROFILE

The fund is suited to investors wanting to save for retirement. This includes anyone who recognises the need for a retirement savings plan, or members of pension or provident funds who wish to supplement their retirement income through an additional savings vehicle. Members can tailor their portfolio to suit their particular financial needs, investment objectives and/or risk profile.

FEATURES & BENEFITS

A choice of asset managers

- Access to a range of leading asset managers.

A choice of underlying investment options

The range of underlying investment options from which members may select up to ten funds includes:

- SYm|metry Multi-manager Unit Trust Funds
- Old Mutual Smoothed Bonus Funds:
 - Old Mutual Absolute Smooth Growth Portfolio
 - Old Mutual Guaranteed Fund
 - Old Mutual Core Growth Fund
 - Old Mutual Smooth Performance Fund
- Over 300 Unit Trust Funds
- Fixed Bonds
- Defender Funds
- Elite Range of Funds
- Capital depreciation risk may be reduced during volatile market conditions by switching into a money market fund.

Asset limits

- Regulation 28 of the Pension Funds Act limits the assets into which members of a registered retirement fund may invest. These limits may be broadly stated as follows:
 - A maximum of 75% exposure to equity
 - A maximum of 25% exposure to international investments
 - A maximum of 25% exposure to property

Phased-in investment option

- Members may phase in their investment monthly via the Call Account over three, six, nine or twelve instalments.

Investment parameters

- Members may invest in the Fairbairn Capital Retirement Annuity Fund at any stage.

* Transfers from provident funds to retirement annuities are generally not advisable.

Additional investments

- Members may add to their investment at any time on an ad hoc basis.

Liquidity

- Members can retire at any time from the age of 55, although earlier retirement may be permitted in the event of proven permanent disability.
- On retirement, up to a maximum of one-third of the value of the investment can be taken in the form of a lump sum. The balance must be used to purchase an approved compulsory annuity.
- Members can access their annuity prior to retirement upon emigration.

Loans

- Not allowed.

Switching flexibility

- Members may switch between underlying investment options within the Retirement Annuity Plan, subject to the terms and conditions of the funds available at the time, and according to their changing investment needs.



FAIRBAIRN CAPITAL RETIREMENT ANNUITY PLAN

Transfers

- Your Fairbairn Capital Retirement Annuity Plan may be transferred to another Retirement Annuity Fund at any time.

Income tax efficiency

- Contributions are annually deductible from taxable income, subject to limitations set by the Income Tax Act, to a maximum of the greatest of:
 - 15% of non-retirement funding taxable income;
 - R3 500 less allowable pension fund contributions; or
 - R1 750.*
- Any contributions that exceed these allowances can be rolled over into the following year. To the extent that they have not been utilised they may be used to enlarge the tax-free portion of the payout on maturity.
- Of the lump sum payout at retirement and death, up to R315 000 may be tax free within certain limits. The balance will be taxed at between 18% and 36%, subject to limits as determined by the Income Tax Act.
- On withdrawal from the fund, up to R22 500 may be tax free within certain limits. The balance will be taxed at between 18% and 36%, subject to limits as determined by the Income Tax Act.
- Currently, retirement annuities are Capital Gains Tax exempt.
- No tax is payable on transfer from another approved pension, provident or retirement annuity fund into the Fairbairn Capital Retirement Annuity Fund.

Outright cessions

- Not allowed.

Collateral cessions

- Not allowed.

Estate planning

- Upon the death of the member, the investment is not subject to estate duty.
- Members may nominate beneficiaries. However, the trustees of the fund are obliged to meet the needs of dependants first before giving effect to a member's nomination (Pension Funds Act).

Insolvency protection

- In terms of current legislation, the member's benefit is protected in the fund should the member become insolvent.

Ownership

- The underlying assets are owned by the Fairbairn Capital Retirement Annuity Fund.

PRODUCT SPECIFICATIONS

Investment limits

INVESTMENT MINIMUMS	Lump sum investments	R100 000
	Additional investments	R10 000
	Scheduled investments	R2 000
UNDERLYING INVESTMENT OPTION MINIMUMS (SUBJECT TO THE OVERALL INVESTMENT MINIMUMS)	Unit trust funds (maximum of 10 underlying unit trust funds may be selected) For scheduled investments the minimum is R500 per fund	R10 000

Term

- The investment is not subject to a minimum contractual term. However, by law a member of a retirement annuity fund may only retire from the age of 55, although earlier retirement may be permitted in the event of proven permanent disability.

GOVERNING LEGISLATION

The Fairbairn Capital Retirement Annuity Plan is governed by the rules of the Fairbairn Capital Retirement Annuity Fund which have been registered with the Registrar of Pension Funds and approved by the Commissioner for South African Revenue Services. The investment must also comply with the Pension Funds Act, the Income Tax Act and any requirements of the relevant authorities.

This guide has been compiled as an information document and is based on information available. Fairbairn Capital, Old Mutual and the Fairbairn Capital Retirement Fund Trustees do not accept liability for any loss, damage or expense that may be incurred as a direct or indirect consequence of reliance placed upon this guide. Any reference to Fairbairn Capital and/or Old Mutual constitutes reference to Old Mutual Life Assurance Company (South Africa) Limited.

Unit trusts are generally medium to long-term investments. The value of the units may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices. A schedule of fees and charges and maximum commissions is also available on request from the management company. Commission and incentives may be paid, and if so, would be included in the overall costs. Forward pricing is used. In the case of Money Market Funds, a constant unit price will be maintained.

Old Mutual Investment Services (Pty) Ltd is a member of the Old Mutual Group and is a licensed Administrative Financial Services Provider and also the appointed administrator of the fund. Mutualpark, Jan Smuts Drive, Pinelands 7405. PO Box 617, Howard Place, Cape Town 7450. Tel 0860 300 000, Fax 0860 400 000. E-mail service@fairbairncapital.com, www.fairbairncapital.com