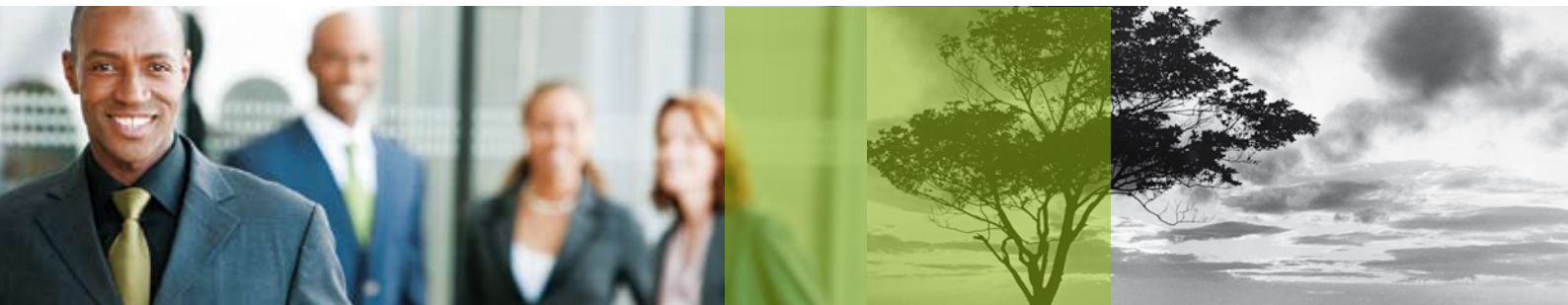


# OLD MUTUAL NAMIBIA UNDERWRITTEN LIFE ANNUITY PLAN



## PRODUCT OVERVIEW

The Old Mutual Namibia Underwritten Life Annuity transforms the investor's retirement annuity, pension or provident fund (approved retirement fund) benefit into a flexible income for life. Through the use of a flexible market-linked annuity (also known as a living annuity), the product allows you to invest in a range of investment options which offer potential capital growth and generate a regular income. This is a compulsory purchase annuity underwritten by Old Mutual.

## INVESTOR PROFILE

The Old Mutual Namibia Underwritten Life Annuity suits anyone wanting to structure a retirement benefit into a flexible income for life. Through the use of a living (flexible) annuity, investors are able to adapt their income on an annual basis, within certain limits, balancing cash needs and tax efficiency.

## FEATURES & BENEFITS

### Income options

- NARS requires by law that living annuities must provide clients with an income for life. In the current inflation environment there is a significant risk that clients who draw above 12% will deplete their capital.
- Investors may select an annual income rate of between 5.0% and 20.0% of the total asset value, reviewable on the investment anniversary date, offering the potential to balance income needs and tax efficiency. This percentage may be adjusted annually by the annuitant on the anniversary date of the annuity.
- Income may be paid monthly in arrears, quarterly, half-yearly or yearly in advance.
- Income may be withdrawn from across all underlying investment options, or a portion of the capital can be allocated to an Cash Management Account, from which income is drawn.

Note: It is essential to select an income rate that will not deplete the capital. If the income withdrawn plus administrative, management and advice charges is greater than the investment return generated, retirement capital will be whittled away.

### A choice of asset managers

- Access to a range of leading asset managers.

### A choice of underlying investment options

- Access to international and local investment markets.
- Investors may choose from a wide range of unit trusts, including the SYM|METRY Multi-manager Unit Trust Funds and the Old Mutual Employee Benefits Smoothed Bonus Funds, depending on their risk profile and investment objectives.
- Capital depreciation risk may be reduced during volatile market conditions by switching into the Galaxy Call Account.

### Phased-in investment option

- Investors may phase in their investments monthly via the Galaxy Call Account over three, six, nine or twelve instalments.

### Switching flexibility

- Investors may switch between unit trust funds, subject to the terms and conditions of the funds available at the time, and according to their changing investment needs.

### Additional investments

- Generally not allowed. (Additional investments are only allowed under certain conditions. Please contact the Fairbairn Capital Service Centre for more details.)

### Liquidity

- Other than the income, no withdrawals of capital are allowed.

### Loans

- Not allowed.

### Income tax efficiency

- Retirement proceeds from an approved retirement fund which are used to purchase a Old Mutual Namibia Underwritten Life Annuity are not subject to tax.
- The Old Mutual Namibia Underwritten Life Annuity is currently untaxed and capital accumulates free of tax within the investment.
- Income derived from this annuity is taxed in the investor's hands.

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## Outright cessions

- Not allowed.

## Collateral cessions

- Not allowed.

## Estate planning

### Member-owned Annuities (GN18)

- Members may nominate beneficiaries.

## 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 held by Old Mutual.

\* Members retiring from provident funds must ensure that the rules of the provident fund allow for the purchase of a compulsory annuity, otherwise there could be adverse tax consequences.

## UNDERLYING INVESTMENT OPTIONS

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

- SYm|mENTRY Multi-manager Unit Trust Funds
- Old Mutual Employee Benefits Smoothed Bonus Funds
- Over 35 Unit Trust Funds
- Galaxy Call Account

## PRODUCT SPECIFICATIONS

### Investment limits

- Investments must originate from an approved retirement fund and no voluntary money may be accepted.

<b>INVESTMENT MINIMUMS</b>	Lump sum investments	N\$50 000
	Additional investments*	Not allowed*
	Scheduled investments	Not allowed

<b>UNDERLYING INVESTMENT OPTION MINIMUMS (SUBJECT TO THE OVERALL INVESTMENT MINIMUMS)</b>	Unit trust funds (maximum of 10 underlying unit trust funds may be selected)	N\$10 000
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\* Additional investments are only allowed under certain conditions. Please contact the Fairbairn Capital Service Centre for more details.

### Term

- This contract is for life. On death, the remaining benefit may be paid to the investor's beneficiaries as an annuity over five years or longer.

## GOVERNING LEGISLATION

- The Underwritten Life Annuity is mainly governed by the Long Term Insurance Act and the Income Tax Act, the requirements of the relevant authorities and any specifications made in the contract.

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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 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.

Management Company for Galaxy Multi-manager Unit Trust Funds: Old Mutual Unit Trust Managers Ltd, PO Box 207, Cape Town 8000.

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