PRODUCT OVERVIEW
The Old Mutual Absolute Stable Growth Portfolio targets returns above inflation over the long-term (in excess of ten years), while significantly reducing the volatility associated with market-linked investments. The Absolute Stable Growth Portfolio provides investors with an 80% guarantee.

GROWTH OBJECTIVE
Absolute Stable Growth CPI + 5.5% p.a.

Targets are over the long-term and are net of capital charges and gross of investment fees. Growth objectives are targets and not guaranteed returns.

GUARANTEES
The Absolute Stable Growth Portfolio offers an 80% guarantee on the amounts invested and bonuses earned on the fund. This guarantee applies to Defined Benefit Payments, which are payments that occur in the event of death, retirement, resignation, retrenchment or disability. On a Defined Benefit Payment event, the investor’s full smoothed value will be paid out without a Market Value Adjustment. Guarantees are backed by Old Mutual shareholders’ capital. Old Mutual has the ability to remove the non-guaranteed element in poor markets by declaring a negative bonus.

FUND SIZE
R128.7 billion as at 1 June 2020 (based on all product options within the Absolute Growth Portfolios).

ASSET ALLOCATION AS AT 1 JUNE 2020

PERFORMANCE
Absolute Stable Growth Portfolio returns (net of capital charges and gross of investment management fees) versus inflation to 30 June 2020.

MARKET VALUE ADJUSTMENTS
A Market Value Adjustment (MVA) is an adjustment applied to an investor’s underlying investments is less than the smoothed value. A MVA can be applied to voluntary withdrawals from the fund (including switches) that are not Defined Benefit Payments.

MONTHLY GROSS BONUS
Bonuses are declared monthly in advance, gross of investment fees and net of capital charges. The bonus declaration process is transparent and based on a defined formula. Old Mutual reserves the right to depart from the formula in extreme market and economic environments.

GROSS BONUS HISTORY

OTHER INVESTMENT CONSIDERATIONS

FEES TO COVER COST OF GUARANTEE
Capital Charge 0.70% p.a.

Total Investment Charge (TIC) including Capital Charge 1.523% p.a.

1 Performance fees are charged on alternative assets and assets held with external asset managers outside of the Old Mutual Group
2 Other fees include items such as bank fees, custody fees, audit fees, scrip lending fees, etc.
3 Transaction costs are costs incurred in the buying and selling of a product’s underlying assets

As per ASISA guidelines, the TER/TIC numbers quoted above are calculated over a rolling three-year period, annualised, disclosed quarterly.

CONTACT DETAILS

NOTE: In terms of Financial Services Board Directive 147.A.i, Old Mutual is required to define and publicise the principles and practices of financial management (PPFM) that are applied in the management of its discretionary participation business, which includes Smoked Bonus business. The PPFM document, as well as a consumer-friendly version specific to Old Mutual Corporate’s Smoked Bonus Portions is available on Old Mutual’s website at www.oldmutual.co.za or can be obtained in hardcopy on request. For other regular information on this investment product, please visit Old Mutual’s website at www.oldmutual.co.za.

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