

OLD MUTUAL WEALTH **FIXED BOND**

FACTSHEET

OVERVIEW

Fixed Bonds are fixed-term investments in which both the invested capital and the growth at maturity are guaranteed by Old Mutual Life Assurance Company South Africa (Old Mutual).

Fixed Bonds allow clients to invest at a given rate at the time of investment for a specified term, giving them the opportunity to take advantage of current bond rates – particularly if future investment rates look set to decline.

The Fixed Bond rates offered are indicative of the current investment environment and the proceeds payable at the end of the term are determined at the outset and are based on a guaranteed, fixed growth net of tax.

Fixed Bonds offer absolute peace of mind in that the investor knows exactly what the returns or growth they will be receiving and can therefore rely hereon. For this reason the Fixed Bonds also make an ideal 'parking vehicle' for funds.

INVESTOR PROFILE

Fixed Bonds are aimed at conservative investors who are looking for a guaranteed investment return whilst not exposing their capital to market risk.

Important to note: Fixed Bonds are not suited for clients looking for liquidity options during the investment term or for those who are looking for exposure to growth in the market.

FEATURES

INVESTMENT MATURITY TERM

The OMW Fixed Bond is available for a 5 year term. Once it reaches maturity, the proceeds will be invested in the Old Mutual Money Market Fund (B1 class) until such time that you provide us with further instruction regarding your investment.

ADDITIONAL INVESTMENTS

Additional investments cannot be made into an existing fixed bond but you can invest in another fixed bond within the same Life Wrapped Investment contract with a minimum of R50 000.

WITHDRAWAL OPTIONS

Since the OMW Fixed Bond is available within the Life Wrapped Investment, two withdrawals (one zero interest loan and one disinvestment) are allowed during the first 5 years.*

SWITCHING FLEXIBILITY

You may switch from the OMW Fixed Bond into any other fund at any time, however, in order to switch into the OMW Fixed Bond from another fund, you need to switch into the Old Mutual Money Market Fund B1 Class first and then switch into the OMW Fixed Bond.*

* Please note that should you switch out of or withdraw from the OMW Fixed Bond prior to the maturity date, this will be subject to an early withdrawal penalty.

BENEFITS

SECURITY

The capital invested, as well as the growth return, is guaranteed by Old Mutual. Any guarantee is only as strong as the provider of the guarantee. The capital invested in Fixed Bonds, as well as the growth thereon, is guaranteed by Old Mutual's industry leading capital strength.

THE FIXED BOND GUARANTEE:

While there are other products available on the market that claim guaranteed returns over fixed terms; it should be noted that many products (such as linked endowments), while quoting a maturity value, are most likely to be subject to the performance of the underlying assets invested with one or more other parties.

Unlike Fixed Bonds with linked guarantees that are guaranteed by external Life Companies, the OMW Fixed Bond is managed only by Old Mutual, thus reducing the number of parties involved and that are at risk.

PRE-QUANTIFIED OUTCOME

Knowing exactly what the investment will deliver at a specific time means that investors can include these types of secure and guaranteed investment solutions as part of their financial strategy to ensure that they achieve their goals with absolute certainty.

TAX-EFFICIENT RETURNS

Fixed Bonds may provide a tax-efficient return as the guaranteed rate is net of tax and maturity proceeds are not taxable in the hands of investors. Fixed Bonds come with all the potential tax advantages of investing via the Old Mutual Wealth platform – the guaranteed maturity value is not taxable on withdrawal, and the guaranteed returns are quoted after deduction of tax. This means that the quoted investment values are not diluted in any way by taxation – you get exactly what you see.

INTEREST RATE HEDGE

The outcome of a Fixed Bond investment will not vary, irrespective of the market performance and conditions. Where interest rates could decline by more than what the market anticipates at the time of investment, this particular vehicle is ideal in protecting clients from potentially adverse market conditions.

