

get more out of life



What are the key benefits of Life Account 2?

Choice:

- Choose from a wide range of funds from around the world covering all major sectors and asset classes (see page 6).

Flexibility:

- Switch between funds, currently without charge, subject to certain restrictions (see pages 6 and 7).
- A choice of product options is available to further personalise your Life Account 2 (see page 8).
- You can make your payment to Life Account 2 (and receive any encashments) in USD, EUR, GBP.

Beneficiary Nomination:

- You can choose to have the death benefit to be paid to a nominated beneficiary (see page 8).

Convenience:

- Simple tax administration (see page 10).
- One set of reporting paperwork.

Access to your Life Account 2

- You can make withdrawals, subject to restrictions, see Life Account 2 General Conditions for details.

at a glance

If you are investing with a particular goal in mind or if you simply want to be sure that your money can take advantage of a range of growth opportunities into the future, Life Account 2 may be the solution for you.

This 'at a glance' reference summarises the main features.

Contract holder(s)	<ul style="list-style-type: none">• Individual(s), aged between 18 and 79.• Trustees• Companies
Minimum contribution	<p>GBP 20,000, USD 30,000, EUR 30,000.</p> <p>Where you already have a Life Account 2 plan, we will reduce the minimum contribution to second and subsequent Life Account 2 plans to GBP 5,000, USD 7,500, EUR 7,500. This is subject to all contract holders being the same at the contract commencement date.</p>
Choice of funds	<p>Details of the funds which you can apply to be linked to your Life Account 2 can be found on our website at www.oldmutualinternational.com or from our Investment Choices list. You can change your fund choice, subject to the availability of funds and certain constraints (see page 7).</p>
Guarantees	<p>The value of your Life Account 2 is not guaranteed. Its value is linked to that of the underlying funds you have chosen (see page 6).</p>
Charges	<p>The charges are made to cover the costs of setting up and managing your Life Account 2 and to pay your financial adviser. Full details of all charges applied to Life Account 2 can be found on the Product Information Sheet on page 12 and in the Life Account 2 General Conditions.</p>
Access to Life Account 2	<p>Life Account 2 is a medium- to long-term unit-linked whole of life assurance product. The Life Account 2 plan is issued as 100 contracts.</p> <p>In the first five years, withdrawals are subject to restriction. It may be that you are unable to access all or part of the capital during the initial five-year period. Also during the first few years after your initial contribution, any withdrawal may be subject to an 'Early Encashment Charge' (see 'charges' page 13). Full details can be found in Life Account 2 General Conditions.</p>
Taxation	<p>Holding investments within Life Account 2 can provide valuable tax benefits. You should speak to your financial adviser about this (see page 10).</p>
Risks	<p>As with any investment, there are risks involved (see page 11).</p>

get more out of life with the offshore Life Account 2

More choice and opportunities – for you and your family.
Whatever life has in store, the offshore Life Account 2 from
Old Mutual Guernsey can help you to make the most of it.

Life Account 2 is a flexible method of investing offshore, with the potential for long-term growth.

As well as being able to adapt your Life Account 2 to help you to meet your needs as they change throughout your life, you also have control over who inherits the benefits.

Life Account 2 is a single contribution unit-linked whole of life assurance contract. As a life assurance policy, it provides a number of tax-related benefits.

What's more, as a Life Account 2 contract holder, you won't have to spend time on complex and time-consuming tax administration.

All you and your financial adviser need to do is choose what combination of funds and options best suit your needs.

Because your goals and priorities will inevitably change over time, we have made Life Account 2 flexible, so you can use it to create your own personalised solution and adapt it, subject to our acceptance, in response to changing circumstances.



investment choices with Life Account 2

Choose from a world of offshore investment opportunities.

Life Account 2 provides access to an extensive range of investments covering a multitude of asset classes, investment strategies and geographic regions, and offers ample investment choice irrespective of market cycles.

The range of funds is split between Core and Self Select funds.

Core range

The Core range is an extensive selection of funds constructed by Old Mutual Guernsey to provide you with single fund solutions for the multiple asset classes you would expect in a diversified portfolio. The Old Mutual Guernsey Core range selection and monitoring process ensures that the underlying funds have been carefully examined to evaluate whether they are appropriate for the particular individual Core range fund investment objective.

There are a number of benefits for you in using the Core range. It means that the underlying funds are subject to a process which involves an ongoing scrutiny so there should be a lower probability of stagnant fund managers or funds diverging from their stated investment styles or objectives. The process will inevitably see changes over time to underlying funds within the Core range

but Core range fund names are generic and should always remain constant eg OMGB UK Equity and OMGB Global Bond.

When Old Mutual Guernsey was looking for a partner to run its Core range process the choice was obvious. Skandia Investment Group (SIG) is one of the world's largest multi-manager investment businesses with one of the largest investment research teams in the industry. As part of the broader Old Mutual Group it made perfect sense for Old Mutual Guernsey to partner with SIG to select and monitor underlying funds on its behalf.

Self Select range

In addition to providing a fully researched and monitored Core range, Old Mutual Guernsey also offers funds within its Self Select range. Old Mutual Guernsey recognises that you may wish to build your own investment portfolio within Life Account 2 and the Self Select range offers a comprehensive choice across asset types, geographic regions and sectors allowing you the freedom to create a tailored portfolio.

Fund names used within the Self Select range will closely reflect the underlying fund names eg OMGB Invesco Asian Equity (USD) and OMGB Marriott International Growth (USD). The Self Select range will change over time as funds are added and removed.

Whilst many funds within the Self Select range come from well known investment managers, please note that the funds do not go through the same level of evaluation and ongoing monitoring as the Core range.

Investment risk warnings

You should make sure you fully understand the risks associated with investing in funds from the Core and Self Select ranges. You should also understand that Old Mutual Guernsey cannot guarantee strong performance on funds within either the Core range or the Self Select range, or take responsibility for the financial stability of the underlying fund managers. Old Mutual Guernsey gives no assurance that a fund's investments will be successful or that its investment objectives will be achieved. Investment objectives for all funds can be found on the fund factsheets and the Investment Choices list available from our website,

www.oldmutualinternational.com



investment flexibility

As part of the flexibility of Life Account 2, investors can change the combination of Core and/or Self Select funds they hold within Life Account 2 from time to time, currently without any charge. Fund switching, as this is known, may be subject to certain timing delays and from time to time funds that underlie both the Core and Self Select ranges may be subject to redemption restrictions that delay investment transactions. In some circumstances this could mean you are unable to change your funds, make further investments or encashments.

For the most up-to-date information about all funds available through Life Account 2, including any investment restrictions currently imposed, visit our website at www.oldmutualinternational.com

phase your contribution into the market

If you are worried about investing your whole contribution into the market on a single day, with the possibility of market prices being less favourable than at another time, you can phase your contribution instead. Our phased investment service enables you to 'drip-feed' your money into the market over a given period, smoothing out the effects of market movements.

It involves holding your contributions in a fund of your choice (details in our Investment Choices list or online). The money is then progressively switched to the fund or funds of your choice, in the percentage you specify, on a monthly, quarterly, half-yearly or yearly basis. You can choose this option, and cancel it, in writing at any time. This option may, in certain circumstances, cease prior to the end of the phasing period you chose. See Life Account 2 General Conditions for details.

managing your Life Account 2

We recognise how important it is for you to know how your Life Account 2 is performing.

You can monitor its performance at any time from anywhere in the world. Simply register and log on to our secure service at www.oldmutualinternational.com. You will only need to register once.

We will send you an up-to-date valuation twice a year. The valuations give you an update on the value of your Life Account 2 as well as giving you a record of recent activity.

You will also receive a valuation at the end of February, coinciding with the end of the South African tax year.

personalise Life Account 2 to meet your needs

Life Account 2 offers a range of options that you can use to tailor it even more closely to your needs. Your financial adviser will be able to help you decide which of these options are the most appropriate to you.

beneficiary nomination

You can choose to have the death benefit paid to a nominated beneficiary rather than to your estate, subject to there being no surviving contract holders. This avoids probate, reduces delay and costs, and gives you the reassurance of knowing what will happen to your Life Account 2 after your death.

liquidity and rebalancing option

This option is to help you meet the cost of Life Account 2 charges.

If you choose this option, an initial 10% of your Life Account 2 will automatically be allocated to a liquidity fund. The liquidity fund will be based on the currency you have chosen for your Life Account 2.

This amount will be reviewed monthly. We will rebalance back to 10% by deducting units proportionately across all funds held in your Life Account 2, except those occasionally designated unsuitable for rebalancing by us.



tax efficient investing



Life Account 2 is a life assurance contract that offers customers certain tax benefits. These could include:

tax on growth*

Because your contribution is within a life assurance contract, it is Old Mutual Guernsey rather than you, the contract holder, who is responsible for the payment of any taxes that may arise within your Life Account 2. This is generally at a more beneficial tax rate than would apply if you held the investments directly, and could represent a valuable saving for you.


tax when encashing*

Based on Old Mutual Guernsey's understanding of the current South African tax law, as a South African resident, you should not be liable for any further tax under current legislation when you encash your Life Account 2, as long as the legal ownership of the contract has not changed other than by way of death.

tax administration*

With Life Account 2 you are relieved from tax administration, often seen as a complex and time-consuming chore, especially for offshore investments.

**Tax rules could change in the future.*



All types of investment involve some risk. Life Account 2 gives you access to a wide range of funds, the value of which may fall as well as rise.

You accept this investment risk by taking out this product. This means that we cannot guarantee the amount you get back when you encash your Life Account 2. It may be less than you expected, or less than you invested, for a number of reasons.

For example:

- The funds available all have specific objectives and associated risks. These differ according to the assets held within them. For example if you choose 'emerging market' funds that are investing in parts of the world with less well-established economies, their value could be subject to considerable price changes – known as volatility. Similarly some funds, such as property funds, can be difficult to encash and you might not be able to encash or switch from such funds as quickly as you want.
- Old Mutual Guernsey may invest in assets which have redemption restrictions or notice periods applied from time to time. If such restrictions become applicable, they will also apply to relevant Old Mutual Guernsey funds and may delay the processing of switches, encashment and claims.
- In exceptional circumstances, some funds may become valueless either temporarily because of suspension of a fund, or permanently.
- If you do not review the choices of funds within your Life Account 2 regularly and monitor their performance, they might fail to meet your expectations.
- If the funds in your Life Account 2 do not match your attitude to risk, they may not perform as you anticipate.
- Where a fund holds investments in a currency other than the one it is denominated in and your Life Account 2 is held in, there may be additional risks because of exchange rate fluctuations.
- We take great care in the selection of the funds that we make available for you to link to your Life Account 2, but the risk that a fund or any third party involved with its administration could become insolvent can never be ruled out. If this happens, you could lose some or all of the money you have invested in that fund.

Life Account 2 product information sheet

This is an overview to help you understand the Life Account 2 minimum and maximum limits, Charges and how they are applied. For full details on the Charges please refer to the Life Account 2 General Conditions.

minimum and maximum limits

Plan Contributions

Contract Denomination	GBP	USD	EUR
Minimum	20,000	30,000	30,000
Maximum	There are no maximum Contributions		

Subject to our acceptance, where you have existing Life Account 2 Plan(s), we may agree to lower Contribution levels currently as below:

Additional Linked Plan*

Contract Denomination	GBP	USD	EUR
Minimum	5,000	7,500	7,500
Maximum	There are no maximum Contributions		

* A Linked Plan is one or more Plan(s) where all the Contracts within the Plan have the same Contract Holder at the Contract Commencement Date. For full details see General Conditions.

Minimum and maximum entry ages for Contract Holder(s) and Life/Lives Assured at the Contract Commencement Date*

Minimum Life Assured age	18
Maximum Life Assured age	79
Minimum Contract Holder age	18
Maximum Contract Holder age	79

For joint Contract Holders, the maximum ages apply to the youngest and the minimum ages apply to all.

* Because Life Account 2 is structured as a life assurance policy, it requires at least one person to be named whose life is assured.

Fund and Life Account 2 value restrictions

Contract Denomination	GBP	USD	EUR
Minimum investment per Fund	1,000	1,500	1,500
Fixed rate account*	10,000	15,000	15,000
Minimum fund switch	1,000	1,500	1,500
Minimum residual amount per Fund	1,000	1,500	1,500
Minimum Life Account 2 Plan Value**	2,000 plus 10% of Life Account 2 Contribution	3,000 plus 10% of Life Account 2 Contribution	3,000 plus 10% of Life Account 2 Contribution
Minimum encashment amount	300	450	450

* In addition, the supplier of the fixed rate accounts requires a minimum total investment value in order to price. This restriction is imposed on Old Mutual Guernsey. If this minimum is not reached by aggregating investment received from clients, then we will place the money in an interest-bearing account until the minimum is met.

** If as a result of an encashment, the minimum Life Account 2 value would fall below these values, or the encashment is subject to restrictions due to applicable law, we will not carry out the encashment request.

Detailed information on the funds available can be found from our website www.oldmutualinternational.com

Liquidity and rebalancing

Target liquidity percentage	10% of Contract Value
Minimum liquidity percentage	3% of Contract Value

charges

The table below summarises the Charges that may apply to your Life Account 2. Your financial adviser can provide you with more information if required. Alternatively please refer to the Life Account 2 General Conditions.

We will confirm the Charges applying to your Life Account 2 in the Plan Summary which we issue with your Contract documents when your Life Account 2 starts.

You have two charging structures to choose from: ‘Deferred Initial’ or ‘Annual’ Charging Basis.

Charge	Deferred Initial	Annual										
Allocation Percentage The Contribution will be multiplied by the Allocation Percentage to calculate the amount to allocate to units in Life Account 2	100%	103% minus initial commission rate										
Contract Establishment Charge This is a deferred set up charge and will be taken for the period shown opposite.	Initial commission rate/3/12 x Contribution paid taken over 36 months	0.40%/12 x Contribution taken over 96 months										
Annual Contract Charge Please see the Life Account 2 General Conditions for more details on Annual Contract Charge and how it is taken.	<p>The total of the Monthly Contract Charges for all the Contracts within a Plan in the 12-month period prior to the Contract Anniversary; plus the total of the Fund Additional Annual Contract Charge for all the Contracts within a Plan, plus the Distribution Contract Charge. There are a number of steps to go through in order to calculate the Annual Contract Charge.</p> <p>This example is purely illustrative. It assumes you have one Life Account 2 Plan, and that the Plan Value remains the same throughout the term of the Plan. If you have more than one Life Account 2 please refer to the Life Account 2 General Conditions for details on how to calculate this charge.</p> <p>Step one</p> <p>First you need to apply the Total Plan Value in slices against the Tiered Calculation Table below.</p> <table><tr><th>Total Plan Value of all Linked Plans</th><th>Tiered charge rate</th></tr><tr><td><£30,000</td><td>0.90%</td></tr><tr><td>£30,000-£99,999</td><td>0.55%</td></tr><tr><td>£100,000-£249,999</td><td>0.40%</td></tr><tr><td>£250,000 +</td><td>0.30%</td></tr></table> <p>For example: for a £150,000 Plan Value:</p> <p>the slice 1 of £29,999.99 is subject to 0.90%, plus the slice 2 of £70,000 is subject to 0.55%, plus the slice 3 of £50,000.01 is subject to 0.40%.</p> <p>You then apply these rates to each slice of the value of your Plan (£29,999.99 x 0.90% = £269.99, £70,000 x 0.55% = £385.00, £50,000.01 x 0.40% = £200.00) and add them up to give one Plan Charge (£854.99).</p> <p>Step two</p> <p>This amount is then proportioned against the value, £854.99/£150,000 = 0.00569. This is rounded to the nearest four decimal places, 0.0057.</p> <p>Step three</p> <p>The Monthly Tiered Plan Contract Charge is calculated as (£150,000 x 0.0057)/12 = £71.25 per month.</p> <p>Step four</p> <p>The minimum Monthly Plan Contract Charge is £170 per Plan/12 = £14.16. As the Monthly Tiered Plan Contract Charge in the example above is greater than this, the £71.25 will be the Monthly Plan Contract Charge that applies.</p> <p>Step five</p> <p>The Monthly Contract Charge is calculated by dividing the Monthly Plan Contract Charge by the Plan Value to give you the Monthly Contract Charge Percentage which is then multiplied by the individual Contract Value to result in the Monthly Contract Charge for a Contract, ie £71.25/150,000 = 0.000475. If the Contract Value is £20,000, the Monthly Contract Charge will be £9.50; if the Contract Charge is £50,000, the Monthly Contract Charge will be £23.75.</p> <p>Fund Additional Annual Contract Charge</p> <p>The Fund Additional Annual Contract Charge is an additional charge payable on certain Funds, eg some cash funds. If the Fund Additional Annual Contract Charge is applicable, the amount is shown in the Investment Choices list or in the fund factsheet available from www.oldmutualinternational.com</p> <p>The Advice Fee (also referred to as the Distribution Contract Charge in the General Conditions)</p> <p>The Advice Fee is an additional charge payable to cover the fee you have agreed with your financial adviser for ongoing advice in relation to your fund choice. If the Advice Fee is applicable, it will be shown on your Plan Summary and will be subject to restrictions as described in Term 14 of the Life Account 2 General Conditions. This explains that you may have to make a separate arrangement to cover the fee you have agreed with your financial adviser.</p>		Total Plan Value of all Linked Plans	Tiered charge rate	<£30,000	0.90%	£30,000-£99,999	0.55%	£100,000-£249,999	0.40%	£250,000 +	0.30%
Total Plan Value of all Linked Plans	Tiered charge rate											
<£30,000	0.90%											
£30,000-£99,999	0.55%											
£100,000-£249,999	0.40%											
£250,000 +	0.30%											

continued

Charge	Deferred Initial		Annual	
Contract Encashment Charge This percentage charge, which reduces on a sliding scale, may apply if you withdraw money by full encashment in the early years after making your Contribution, subject to restrictions.	Number of complete years since Contract Commencement Date	Percentage of Contract Contribution deducted as a charge	Number of complete years since Contract Commencement Date	Percentage of Contract Contribution deducted as a charge
	0	1%	0	5%
	1	1%	1	4%
	2	1%	2	3%
	3 and beyond	No charge	3	2%
			4	1%
			5 and beyond	No charge

Contract Switch Charge

A charge of £30 per Plan per Fund switch out of each of your Selected Funds divided by the number of Contracts in the Plan. The Contract Switch Charge is currently waived but Old Mutual Guernsey is entitled to reinstate this charge in the future. If the Contract Switch Charge applies, Old Mutual Guernsey is also entitled to take the charge on each switch under the Phased Investment and the liquidity and rebalancing options.

Other

Various third party agent, or other charges may be incurred by your choice to have a Contract. For example:

- Currency conversion charges for payment of any benefit in other than the Contract Denomination.
- Market value adjusters of particular funds.
- Charges imposed by a banker for an electronic transfer (such as telegraphic transfer).

deduction of charge

Where a charge is taken via a unit deduction, this is calculated monthly and deducted yearly. See the Life Account 2 General Conditions for further details.

investment charges

You can find full details of the fund management charges in our Investment Choices list and the relevant fund factsheets available from www.oldmutualinternational.com



Please see Life Account 2 General Conditions for further details on any restrictions and all the charges that may apply to your Life Account 2.

investor protection

In order to protect Contract Holders, the Insurance Business (Licensing) Regulations 2002 require Old Mutual Guernsey to hold assets representing at least 90% of the Contract Holder's liabilities in trusteeship with an approved third party trustee. This means that should Old Mutual Guernsey become insolvent, your policy is ring-fenced up to at least 90%. This does not cover the investment risks; the value of Life Account 2 will fluctuate and there is no guarantee of the return on the investment.

The Contract Holder bears the investment risk of any of the fund managers becoming insolvent.

Old Mutual Guernsey is licensed by the Guernsey Financial Services Commission to undertake long-term insurance business.

For further information about investor protection, please contact your financial adviser.

about Old Mutual Guernsey

Life Account 2 is provided by Old Mutual Guernsey, a branch of Old Mutual Life Assurance Company (South Africa) Limited, a Financial Services Board registered life company in South Africa.

Old Mutual Guernsey has operated from Guernsey since 1996 and has quickly grown to become one of the leading providers of offshore investment products to residents of South Africa. Old Mutual Guernsey operates under the name of Old Mutual International.

Old Mutual plc

Old Mutual Guernsey is part of the Old Mutual Group. The holding company of the Group is Old Mutual plc, which is listed on both the London and Johannesburg stock exchanges, with its headquarters in London. The Old Mutual Group has a portfolio of businesses offering asset management, life assurance, banking and general insurance services around the world.

Life Account 2 is Old Mutual Guernsey's latest version of the Life Account product range. This Product Brochure should be read in conjunction with Life Account 2 General Conditions as well as Life Account Investment Brochure and Investment Choices list.

contact details

If you need any further information about this product, please contact your financial adviser in the first instance. If you wish to contact us directly, you can do so in the following ways:

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For further information refer to www.oldmutualinternational.com

Old Mutual Guernsey, whose principal place of business is
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