

## **Old Mutual Plc - Announcement March 2016**

You may have read that following the announcement of their financial results, Old Mutual Plc have decided to split up the main four parts to their business. They undertook a strategic review which concluded that Shareholders will be best served by separating the four businesses within the Group from each other.

Each of the four businesses have benefited from significant investment and each has strong growth prospects in sizeable markets, with excellent competitive positions, strong balance sheets and rigorous governance.

However, Old Mutual Plc believe there is limited tangible synergies between the businesses. The split will be done on a managed separation basis and may well involve equity market activity.

Old Mutual Plc believe the current situation inhibits the efficient funding of future growth plans for the individual businesses, restricting them from realising their full potential. As a result of this review, the UK operation which trades as Old Mutual Wealth (OMW) and with whom we have been dealing for many years, first as Skandia and latterly Old Mutual Wealth, will be put up for sale.

Old Mutual Wealth focuses on the upper and middle section of the UK wealth management market and has delivered compound annual growth of 25% over the last three years.

We do not have any details of prospective purchasers of OMW yet but as it is a very successful and innovative business, we know there is a lot of interest already being shown. We have no doubt that the successful bidder will benefit from the purchase of OMW.

### **So what does this mean for your Policy or investments with OMW?**

It means things remain unchanged at present and will probably remain so for the foreseeable future. Any new owner is unlikely to change a successful business model radically in the early days. It is our view that you should take no action at this time.

In the longer term we believe this move will be positive, as the new buyer will be able to inject more funds into the future development and expansion of OMW for the benefit of investors and Planholders.

As always, we keep these matters under constant review and if we believe there is a reason to become concerned with the situation at OMW, we will conduct a thorough review before making any recommendations or changes.

Rest assured we have your best interests at heart and if you are concerned by anything you have read or do not understand what is happening with OMW, then please do not hesitate to contact us.

**Mike Leach ACII APFS**

**Chartered Financial Planner**

**Director**