



OLDMUTUAL

# OLD MUTUAL SUPERFUND CHOICE INVESTMENTS RETIREMENT SAVINGS PACKAGES

A handy guide to help you make the right retirement  
investment decisions



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# ABOUT OLD MUTUAL SUPERFUND CHOICE

**A flexible retirement and risk benefits solution offering a choice between pre-defined and employee-chosen investments and cover.**

Old Mutual SuperFund Choice is a flexible retirement and risk benefits offering designed to give you financial peace of mind today and a better financial future tomorrow. Depending on the investment portion of Old Mutual SuperFund Choice that has been selected by your employer, you can have as much, or as little, involvement as you like in selecting the investment portfolios your retirement savings get invested into.

The information in this guide will help you to better understand the retirement investment portion of your Old Mutual SuperFund Choice membership so that you can make the best decisions regarding your retirement savings.

# YOUR RETIREMENT INVESTMENT PACKAGES

Your employer will have selected one or more of the retirement investment packages outlined in this guide and made these available to you as an Old Mutual SuperFund Choice member. All of these investments are selected to provide you with the optimal balance between the highest possible growth for your retirement savings while keeping them safe and protected from inflation and any unnecessary risks.

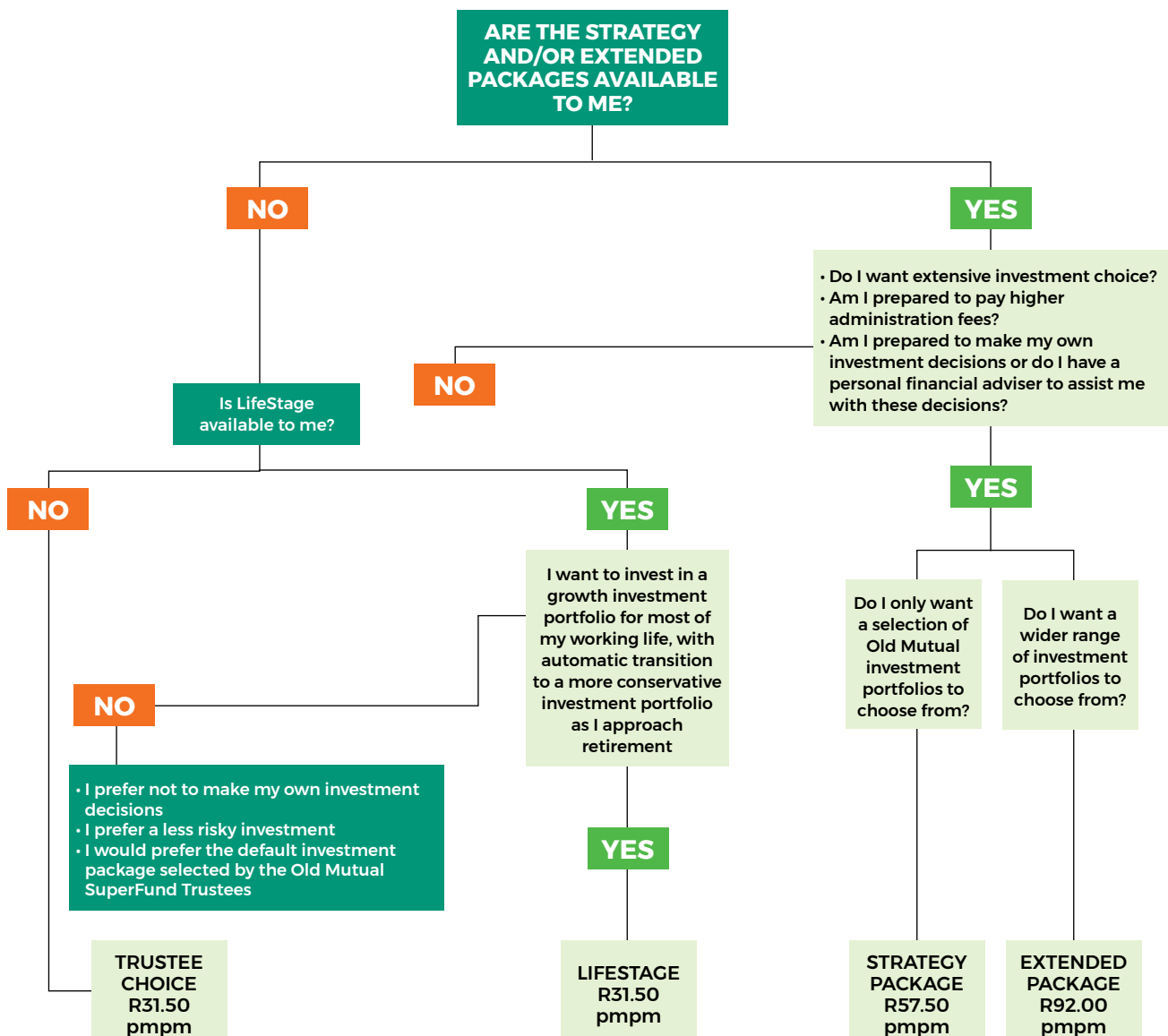
If you're not sure which investment packages are available to you, be sure to ask your employer or HR department. Then look through the information provided here on the Old Mutual SuperFund Choice investment packages and select your investment according to your unique needs and preferences.

INVESTMENT PACKAGE	WHAT IS IT?	HOW INVOLVED WILL YOU NEED TO BE?
<b>TRUSTEE CHOICE</b>	<p>This solution provides the potential for good investment growth with smoothed returns and an 80% capital guarantee.</p> <p>This may be your default investment portfolio, which means that if you don't specifically choose to invest in any of the other investment portfolios on offer (or if no other investment packages are available), this is where your retirement savings will be invested.</p>	<p>This is a completely 'hands-off' solution - which means you don't need to be involved in any decisions regarding your investment. You can leave all of that up to the Old Mutual SuperFund Trustees.</p>
<b>LIFESTAGE</b>	<p>This is a selection of smoothed or market-linked investments that are designed to automatically adjust how your savings are invested as you move through your career towards retirement. Generally, this means that when you are young and starting out, your money will be placed in more aggressive investments (because you need maximum growth and won't be too worried about risk). As you get closer to retirement, though, your investment will be shifted into more conservative investments to protect your savings until you need them. Note that there are different levels of downside risk in all of these options.</p> <p>Your employer could have selected one of the Lifestage investment options as your default investment portfolio.</p>	<p>This is mostly a 'hands-free' investment package that allows you to make some decisions regarding your investment. These decisions are usually made when you first invest, and then any changes to your investments are made automatically as you get closer to retirement.</p>
<b>STRATEGY</b>	<p>This is made up of a selection of Old Mutual investment portfolios.</p> <p>This investment package will only be available to you if your employer also offers both the Trustee Choice and Lifestage investment packages.</p>	<p>This is a 'hands-on' solution, which means you need to be involved in investment decisions. You should only choose this investment package if you have the knowledge and time to be actively involved in managing where your retirement savings are invested.</p>
<b>EXTENDED</b>	<p>This is a wide selection of single- and multi-managed investment portfolios from lots of different investment providers, including Old Mutual.</p> <p>This investment package will only be available to you if your employer also offers you the other three investment packages - Trustee Choice, Lifestage and Strategy.</p>	<p>This is a 'hands-on' solution, which means you need to be highly involved in investment decisions. You should only choose this investment package if you have the expertise and time to be actively involved in selecting your underlying investment portfolios and actively managing where your retirement savings are invested over time.</p>

# SOME IMPORTANT INFORMATION ABOUT CHOOSING YOUR INVESTMENT:

1. If more than one of the above investment packages is available to you, your retirement savings have to be fully invested in only ONE of the packages at any given time. Within Strategy and Extended, investments can be split between different investment portfolios within the package, but investments cannot be split across packages. You can, however, switch between packages at any time.
2. If you don't make a specific investment choice, your retirement savings will automatically be placed into the default investment portfolio chosen by your employer. The default investment portfolio will be either Trustee Choice or one of the Lifestage investment options chosen by your employer.

## CHOOSE THE RIGHT INVESTMENT FOR YOUR BEST FUTURE



# LET'S TAKE A CLOSER LOOK AT THE OLD MUTUAL SUPERFUND CHOICE INVESTMENT PACKAGES...

## 1. THE TRUSTEE CHOICE INVESTMENT PACKAGE

### WHAT IS IT?

An effective retirement investment solution that gives you financial security and peace of mind without requiring you to be involved in any investment decisions.

### IT SUITS YOU IF...

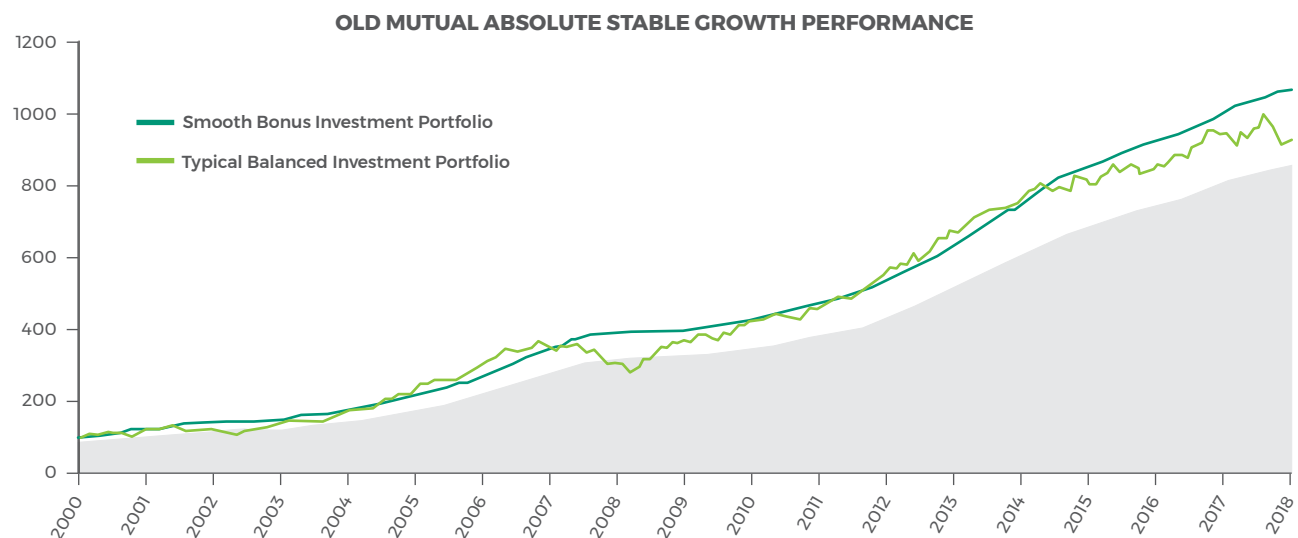
You don't have any (or many) other retirement savings vehicles other than the fund provided by your employer and you prefer your investment to give you stable returns without too much risk.

### HOW DOES IT WORK?

When you invest in the Trustee Choice investment package, your retirement savings contributions, and those made by your employer, are all put into a single investment portfolio that has been selected by the Old Mutual SuperFund trustees.

Currently, the Trustee Choice investment is the Old Mutual Absolute Stable Growth Smoothed Bonus portfolio. The investment portfolio aims to deliver yearly investment returns equal to CPI (inflation) plus 5.5%.

Below is a graph that shows the performance of this investment portfolio since 2001 as well as the effect that smoothing has on evening out volatility over time.



### WHAT YOU GET WHEN YOU INVEST

- **COMPETITIVE RETURNS**

The Old Mutual Absolute Stable Growth Smoothed Bonus investment portfolio is designed to help your retirement savings grow at a level well in excess of inflation.

- **PROTECTION OF YOUR RETIREMENT SAVINGS**

A big drop in the investment markets can cause investors to lose a lot of money. But you don't need to worry about that because when you invest in Absolute Stable Growth, Old Mutual guarantees that the value of your retirement savings in will never fall by more than 20% of the highest value they have ever reached. So, even if the markets suddenly lost 50%, your retirement savings would still remain largely protected and secure.

- **SMOOTH PERFORMANCE IN ANY MARKET CONDITIONS**

The performance of the investment market will always move up and down, but thanks to the smoothing that's built into Absolute Stable Growth, your retirement savings won't ever be as volatile as the market.

## 2. THE LIFESTAGE INVESTMENT PACKAGE

### WHAT IS IT?

This innovative and effective investment package gives you a choice of four distinct Lifestage styles depending on where you are in your life and career. You can also specify what you want your target retirement age to be. Once you've done that, the solution automatically adjusts your investments to match your needs as you move closer to your target retirement age.

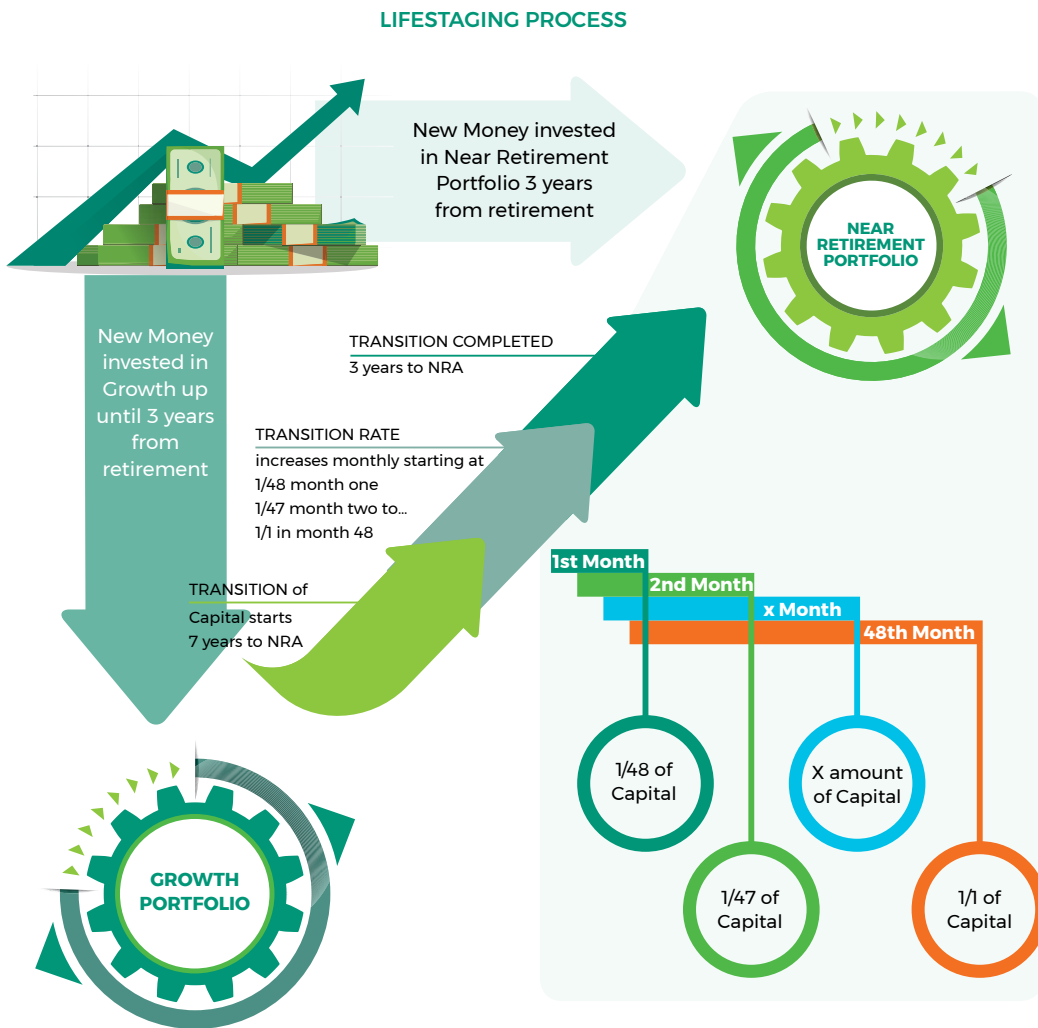
### IT SUITS YOU IF...

You want an automated managed investment solution that seamlessly switches your savings into appropriate investment portfolios as you move through life towards your retirement.

### HOW DOES IT WORK?

Your and your employer's retirement savings contributions will be invested in a growth investment portfolio for most of your working life, but then automatically transitioned to more conservative investments as you get near to retirement.



This automated 'lifestaging' process is shown below:



As you can see, the transition from mostly growth to mostly conservative investments is totally seamless and begins when you get to seven years before your chosen target retirement age. This process shifts the focus of your investment from maximum growth (which usually involves higher risk) to maximum protection (lower risk, but also lower growth). In this way, you can be sure that the money you have worked so hard to save for retirement won't lose value if the markets fall just before you retire.

There are four Lifestage investment styles to choose from, each with their own performance objectives, fund management approach and transition options. These are shown visually on the next page.

### LIFESTAGE INVESTMENT OPTIONS

STYLE	RETIREMENT SAVINGS GROWTH PHASE TARGET CPI 5-7%	LINEAR MONTHLY TRANSITION	RETIREMENT SAVINGS NEAR RETIREMENT PHASE TARGET: CPI+3% (SMOOTHING: CPI+5.5%)	TRA TARGET RETIREMENT AGE
		7 YEARS PRIOR	3 YEARS PRIOR	
SMOOTHING	OLD MUTUAL ABSOLUTE SMOOTH GROWTH	→	→	OLD MUTUAL ABSOLUTE STABLE GROWTH
SINGLE MANAGER	OLD MUTUAL INVESTMENT GROUP (MACRO SOLUTIONS) PROFILE EDGE28	→	→	OLD MUTUAL INVESTMENT GROUP (MACRO SOLUTIONS) PROFILE CAPITAL
MULTI-MANAGER	OLD MUTUAL MULTI-MANAGER LIFE INFLATION PLUS 5 - 7	→	→	OLD MUTUAL MULTI-MANAGER LIFE INFLATION PLUS 3 - 5
MULTI-MANAGER	NEDGROUP INVESTMENTS XS DIVERSIFIED FUND OF FUNDS	→	→	NEDGROUP INVESTMENTS XS GUARDED FUND OF FUNDS
TRACKER	OLD MUTUAL MULTI-MANAGERS BALANCED TRACKER FUND	→	→	OLD MUTUAL MULTI-MANAGERS MODERATE TRACKER FUND
TRACKER	NEDGROUP INVESTMENTS CORE DIVERSIFIED FUND	→	→	NEDGROUP INVESTMENTS CORE GUARDED FUND



## WHAT YOU GET WHEN YOU INVEST

- COMPETITIVE RETURNS**

All the Lifestage investment styles offer the potential for consistent, inflation beating returns, particularly during the early, growth-focused phases. As you near target retirement age, these return targets remain above inflation, but the focus shifts more towards protecting the value that you have built up for your retirement.

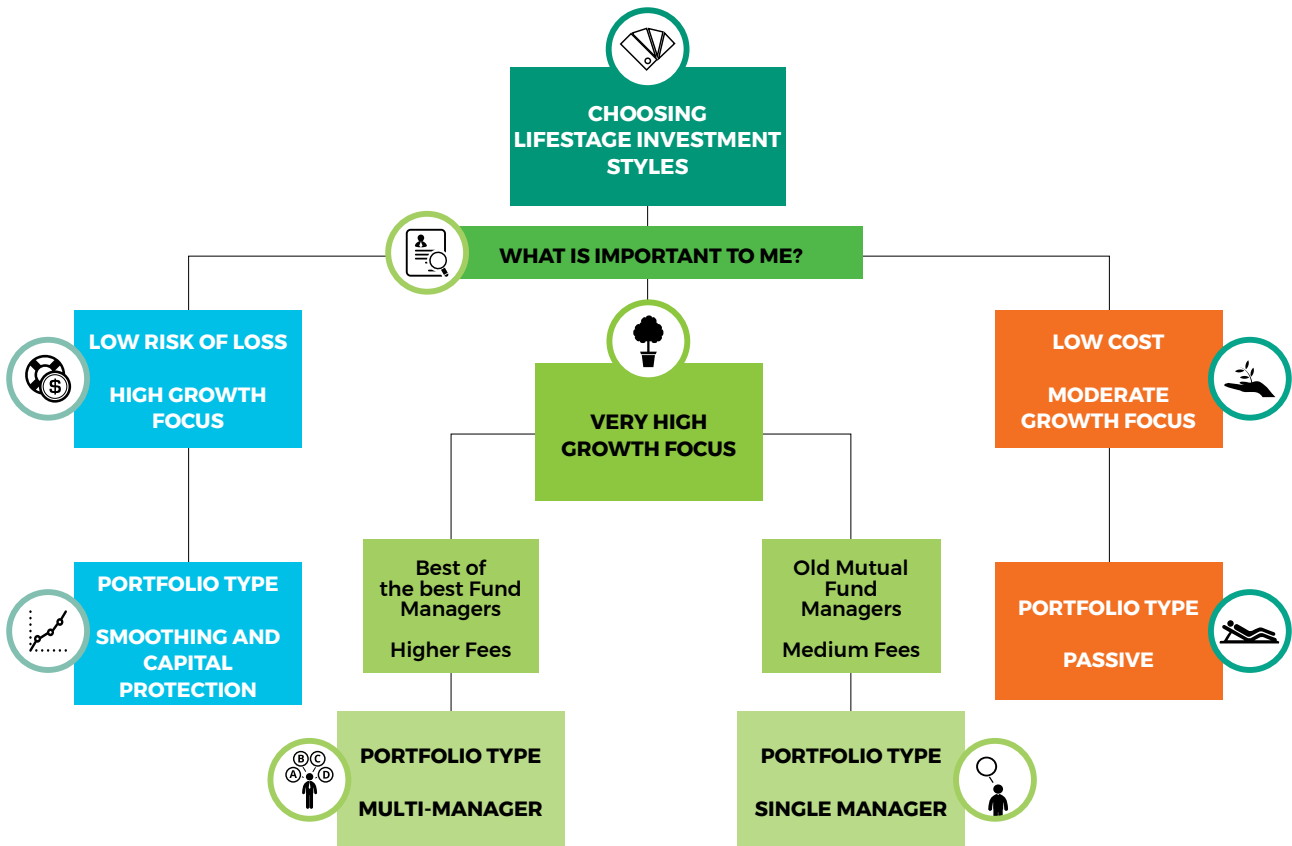
- INVESTMENT CHOICE**

The four Lifestage investment styles have been designed to cater for all risk/return preferences, so there's an investment approach that suits you no matter where in your career you may be.

- FLEXIBILITY**

You can choose to move in or out of the package at any time. You can also move between the Lifestage options whenever you like, as long as 100% of your retirement savings and your future contributions are directed into just one Lifestage option at any given time.

You can also elect your own Target Retirement Age, based on when you want to retire. The minimum age is 55. If you do not elect a Target Retirement Age, you will default to your scheme's normal retirement age.



### 3. THE STRATEGY AND EXTENDED INVESTMENT PACKAGES

#### WHAT ARE THEY?

Only available if your employer also offers the Trustee Choice and Lifestage packages:

- **THE STRATEGY INVESTMENT PACKAGE** allows you to choose your retirement investments from a select range of Old Mutual Group-managed investment portfolios; while
- **THE EXTENDED INVESTMENT PACKAGE** allows you to select from a wide range of investment portfolios offered by various investment providers, including Old Mutual.

#### THEY SUIT YOU IF...

<b>STRATEGY INVESTMENT PACKAGE</b>	You have the necessary investment knowledge and want to choose your own investment portfolios from a range of Old Mutual offerings. Generally you will need a measure of financial and investment expertise or have access to the advice of a reliable personal financial adviser.
<b>EXTENDED INVESTMENT PACKAGE</b>	You have the necessary investment knowledge and want to choose your own investment portfolios from a wide range of offerings provided by various investment managers. Generally you will need to be experienced in investment matters and you should seek the advice of a reliable personal financial adviser. Remember: due to the fact that external fund managers are included in this investment package, the administration costs of investing in the Extended investment package are higher than those of the Strategy investment package.

#### HOW DO THEY WORK?

When you opt for the Old Mutual SuperFund Choice Strategy or Extended investment package, you take full control of where and how your retirement savings are invested. This means you need to be aware of the balance between investment risk and reward, as well as having an understanding of what the various types of investment portfolios are and how they work.

To make the selection of investment portfolios you want to include easier, Old Mutual SuperFund provides you with detailed fact sheets and performance information on each one, which can be accessed at [www.oldmutual.co.za/corporate/products-and-services/employee-benefits/old-mutual-superfund/investment-funds](http://www.oldmutual.co.za/corporate/products-and-services/employee-benefits/old-mutual-superfund/investment-funds)

#### WHEN YOU CHOOSE YOUR INVESTMENT PORTFOLIOS, YOU NEED TO THINK ABOUT:

1. **RISK VERSUS REWARD** – and how these characteristics of each available investment portfolio align with your own risk and reward preferences; and
2. **INVESTMENT TYPE OR ASSET CLASS** – and which portfolios align best with your investment preferences.

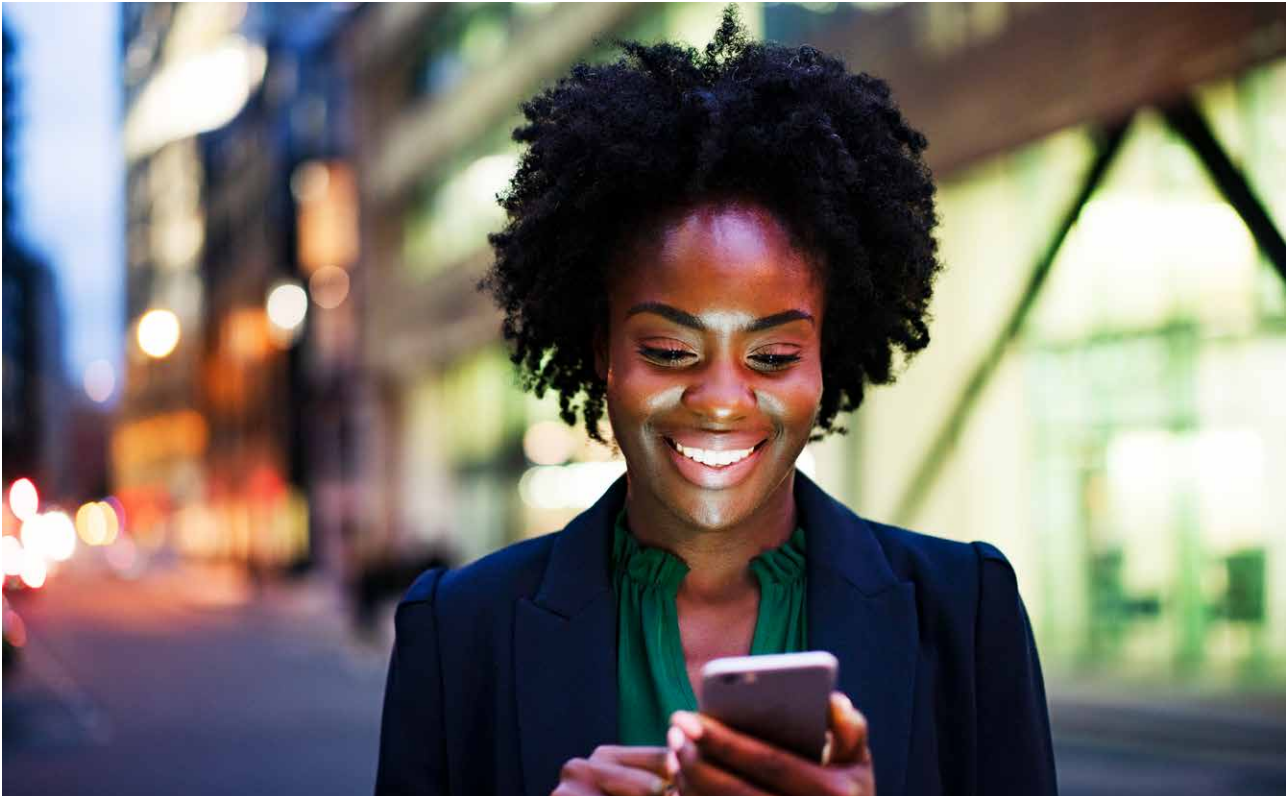
To simplify this complicated aspect of investment, the investment portfolios in the Strategy and Extended investment packages are categorised into three main risk/reward profiles as follows:

RISK/REWARD PROFILE	WHAT YOU CAN EXPECT
<b>HIGHER REWARD/HIGHER VOLATILITY</b>	These investment portfolios can have high levels of volatility (investment risk), but they also offer the potential for high returns (reward) in the long term. Generally target gross investment returns of CPI +5-7%.
<b>MEDIUM REWARD/MEDIUM VOLATILITY</b>	These investment portfolios have a slightly lower proportion of growth assets than the first category and a slightly higher proportion of cash and bonds. This means lower volatility, but also the likelihood of lower returns. Generally target gross investment returns of CPI +3-5% (though smoothed portfolios target higher returns with less volatility).
<b>LOW REWARD/LOW VOLATILITY</b>	These investment portfolios will have lower levels of volatility (lower risk) than the other two categories, but also lower returns in the long term. Generally target gross investment returns of CPI +3% or less.

### TYPES OF INVESTMENT PORTFOLIOS AVAILABLE TO YOU

Against this risk/reward backdrop, the types of investment portfolios available within the Old Mutual SuperFund Choice Strategy and Extended packages are broadly as follows:

PORTFOLIO TYPE	WHAT YOU CAN EXPECT
<b>MARKET-LINKED INVESTMENT PORTFOLIOS</b>	The returns on these investment portfolios are directly related to returns achieved on the stock and bond exchanges. They will therefore produce more variable returns than smoothed bonus investment portfolios (see below).
<b>SMOOTHED BONUS INVESTMENT PORTFOLIOS</b>	A smoothed bonus investment portfolio holds some of the returns back in years of good performance to support returns in years when the markets do badly.
<b>TARGETED RETURN INVESTMENT PORTFOLIOS</b>	These are market-linked investment portfolios in which the investment manager targets a specific real return higher than inflation.
<b>FIXED INTEREST</b>	These are usually longer-term loan arrangements (known as bonds) issued by the government or companies to raise capital. They are fairly secure investments with expected returns that are higher than cash over the long-term.
<b>MONEY MARKET</b>	This is also known as "cash" and is a low-risk investment earning a rate similar to what you would earn in a savings or a fixed deposit account from a bank. These investment portfolios preserve capital so they are useful just before retirement, but not suitable as long-term investments for retirement.



## NEED MORE INFORMATION OR GUIDANCE?

Before you make any investment decision, it is always a good idea to first speak to a qualified financial adviser. Remember that, in order to meet your needs when you retire, you need to consider many other factors as well, such as how much you are saving towards retirement and how long you have until your retirement. If you don't have your own adviser or broker, contact Old Mutual SuperFund on 0860 38 88 73 or email us at [superfund@oldmutual.com](mailto:superfund@oldmutual.com) and we will arrange for a personal financial adviser to call you.

A dedicated service centre is available at 0860 20 30 40. Consultants can answer all service queries, including questions about:

- Making a claim
- Updating personal details (via phone, sms, email, etc.)
- Updating beneficiary nomination, and
- Switching between investment packages

