

2014

OLD MUTUAL
SUPERFUND
ANNUAL
REPORT

1 JULY 2013 TO 30 JUNE 2014

OLD MUTUAL
SUPERFUND
PENSION &
PROVIDENT
FUNDS



DO GREAT THINGS



OLDMUTUAL
CORPORATE

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THIS REPORT SETS OUT SOME
HIGHLIGHTS AS AT 30 JUNE 2014.

It provides an update on the most recent Annual Financial Statements and Actuarial Valuation.

HOW YOUR FUND **IS MANAGED**



1. HOW YOUR FUND IS MANAGED

The basics of a Retirement Fund

The Old Mutual SuperFund is an **umbrella fund**. This means that many employers can participate in the retirement fund – sharing an existing administration system and making use of an already established professional Management Board (also called a Board of Trustees). **This enhances good governance, enables economies of scale, reduces costs and thus provides better value for members.**

An umbrella fund arrangement consists of **the Fund** (represented by the Management Board), **the Sponsor** (in this case Old Mutual) and **the Administrator** (in this case also Old Mutual).

In a nutshell, each body is responsible for:

THE MANAGEMENT BOARD	THE SPONSOR
<ul style="list-style-type: none">Managing the Fund through effective leadership based on sound governance and good corporate citizenship principles.	<ul style="list-style-type: none">Providing the necessary people, expertise and technical know-how to design products that meet the needs of members.
<ul style="list-style-type: none">Making sure that the interests of members are looked after, and regular and appropriate communication takes place to members.	<ul style="list-style-type: none">Providing the capital necessary to set up the Fund and grow the membership.
<ul style="list-style-type: none">Appointing the administrator and other service providers.	<ul style="list-style-type: none">Marketing and distributing the Fund.
<ul style="list-style-type: none">Choosing the investment portfolios to be used to invest members' money.	<ul style="list-style-type: none">Ensuring that economies of scale are achieved so that members get the most value for their contributions.
<ul style="list-style-type: none">Deciding how and to whom death claims should be paid.	<ul style="list-style-type: none">Adhering to the governance requirements of the Fund (as set out by the Board).
<ul style="list-style-type: none">An independent Principal Officer assists the Board.	
ADMINISTRATOR	
<ul style="list-style-type: none">Administering the Fund on a day-to-day basis (processing payroll information, maintaining member records, receipting contributions and paying claims) in terms of a comprehensive service level agreement with the Fund.Ensuring that all applicable laws are complied with.	





THE OLD MUTUAL **SUPERFUND STRUCTURE**

2. THE OLD MUTUAL SUPERFUND STRUCTURE

The Old Mutual SuperFund Umbrella Fund

To ensure that Fund members get the best value for money, Old Mutual reduced the costs of its sponsored umbrella funds by consolidating its sponsored umbrella retirement funds, as far as legislation would allow.

As a result, governance was further enhanced for the Funds – enabling them to be managed, as far as possible, as a single virtual fund, the Old Mutual SuperFund.

Participating employers with own special rules

Old Mutual SuperFund is the most convenient way for employers of any size to provide retirement saving solutions for their employees. The Old Mutual SuperFund product offering caters for all the needs of each employer and also saves money for members, as a result of the economies of scale.

A participating employer in the Old Mutual SuperFund has the ability to choose the best retirement solution for its particular group of employees. Old Mutual SuperFund understands that the needs of one employer may differ from another employer, this is the reason the three enhanced offerings were introduced in 2014, namely; **Old Mutual SuperFund Easy, Old Mutual SuperFund Choice and Old Mutual SuperFund Customised.**

Old Mutual SuperFund's suite of product offerings

OLD MUTUAL SUPERFUND EASY

A fully convenient and very affordable pre-packaged retirement and risk benefits solution. (Perfect for small to medium sized businesses and available if you have five employees or more.)

OLD MUTUAL SUPERFUND CHOICE

Offering more flexibility, this option provides increasing and varied levels of investment and risk benefit flexibility to employers and employees. (Typically suited for medium to large companies.)

OLD MUTUAL SUPERFUND CUSTOMISED

A highly customised solution, enabling you to build, with the assistance of your own consultants, a tailor made investment and insured risk benefit solutions for your specific needs (available for large employers only).



OLD MUTUAL SUPERFUND IS THE BIGGEST
UMBRELLA FUND IN SOUTH AFRICA.

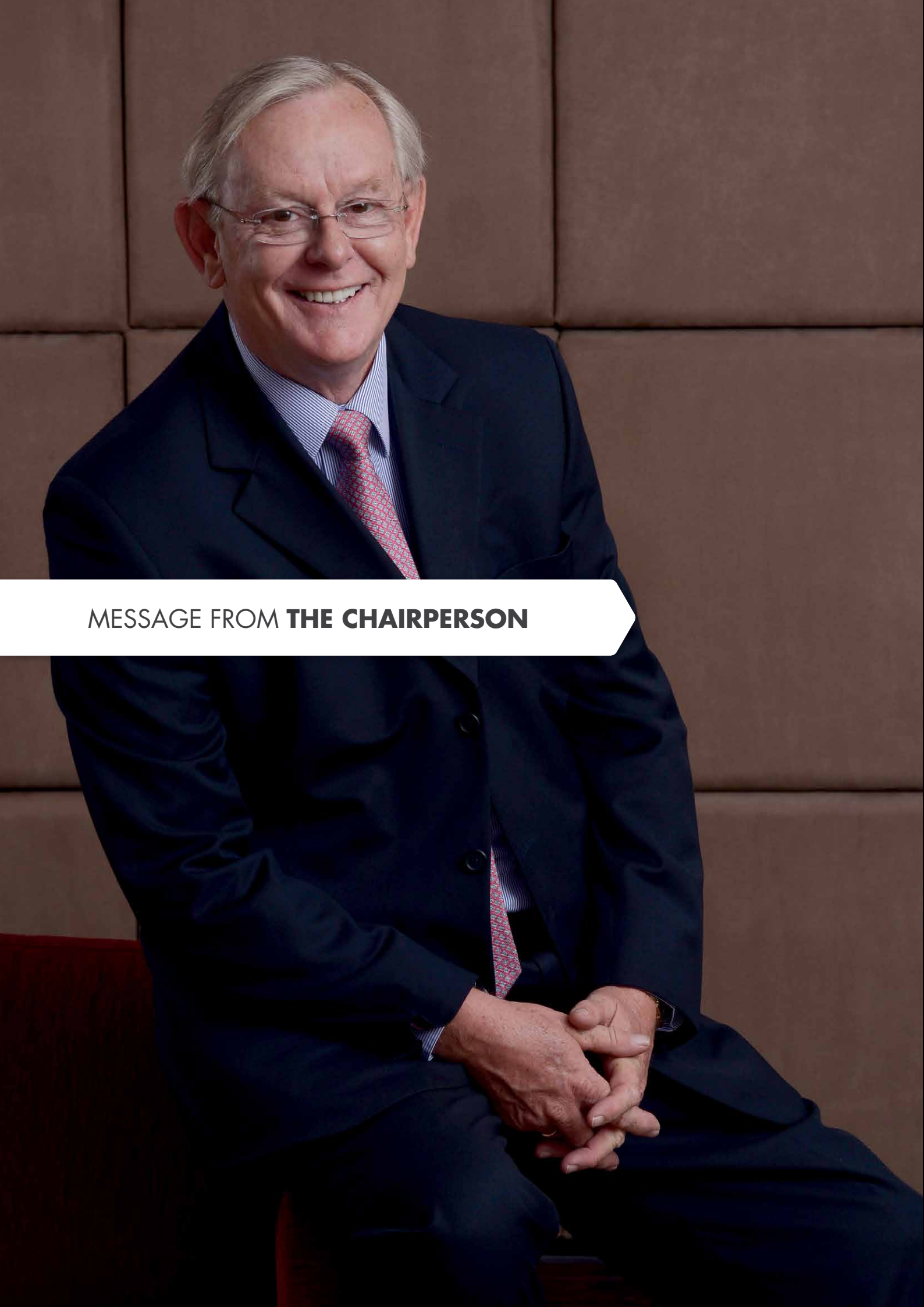
What are the benefits of umbrella funds?

Umbrella funds offer everyone the type of employee benefit solutions that would otherwise only have been available to employees of larger corporate organisations. They also offer a host of additional features and advantages like:

- **Ease of use** - “Big company benefits” whether large or small, businesses get to offer their employees access to traditional “big company” benefits without the complexities of setting up their own stand-alone retirement fund or employee benefit structures.
- **Economies of scale** - Due to the size and operational efficiencies of an umbrella fund, employers benefit from much lower direct and indirect costs.
- **Choice** - Because they are built for purpose, umbrella funds offer employers and their employees the appropriate choices that they require.
- **Good Governance** - Under the leadership of an experienced professional Management Board and Independent Principal Officer.

The Old Mutual SuperFund is the **biggest umbrella fund in South Africa** with **262 853** contributing members, **6 510** employers and over **R34 billion in assets as at June 2014**.





MESSAGE FROM **THE CHAIRPERSON**

3. MESSAGE FROM THE CHAIRPERSON

Bertie van Wyk

We are honoured to bring you the Old Mutual SuperFund Annual Report for the year ended 30 June 2014.

The year has indeed proved to be an eventful one for the South African retirement industry. Following a request from labour to allow for further consultations between Government and National Economic Development and Labour Council (NEDLAC) on social security reform, Government agreed to delay the implementation of the new laws regarding the tax treatment of retirement fund contributions and to clarify the framework for annuity options at retirement.

For now, the delay will be for one year to 1 March 2016. However, should there be no agreement at NEDLAC by end of June 2015, the implementation date may be moved to 1 March 2017.

We believe the proposed reforms are positive, concrete steps to improving savings levels and income in retirement for South Africans and hope that any issues can be resolved soon, so that reforms can continue to progress.

STRATEGIC INITIATIVES

The Old Mutual SuperFund has had an exciting and successful year and we are proud of what we have achieved over the review period. In June 2014 we launched the Old Mutual SuperFund enhanced solution - an innovative, accessible and flexible retirement and employee benefit solution offering a range of choices for both employers and employees. Extensive communication and training has taken place and the feedback we have received from stakeholders has been very encouraging.

During 2014 we further consolidated the umbrella funds and moved the Evergreen Funds into the Old Mutual SuperFund. To simplify administration we have upgraded our administration platform and have successfully initiated the process to make the enhanced platform available to all our clients.

The Old Mutual SuperFund has redesigned the Member Benefit Statement which indicates the member's retirement status – RAG (red, amber, green) – to inform members how “on track” they are for a comfortable retirement. This is one of the initiatives that the Old Mutual SuperFund is implementing to help empower members to make informed choices.

PERFORMANCE OF THE FUNDS

The primary objective of a retirement fund is to provide retirement, death and disability benefits to its members. The total number of claims paid over the financial year ended 30 June 2014 amounted to **38 728** with a total value of **R2.98 billion** representing a 44% increase in the total value of claims paid from the previous year.

We are pleased to report on the continued growth of the Old Mutual SuperFund membership. As at 30 June 2014 we have **262 853** (206 176 in 2013) **active members**, **6 510** (6 018 in 2013) **participating employers** and the **total assets amount to over R34 billion** (R17.54 billion as reflected in the 30 June 2013 valuation report).

This trend of continuous growth is also seen in the number of employees who chose to preserve their retirement savings when changing employers.

In 2013, Old Mutual SuperFund launched Preserver – an innovative in-fund preservation facility to help members safeguard their retirement savings when changing jobs. Over a short period of time we have seen a steady growth in assets and membership. **As at October 2014, the Old Mutual SuperFund Preserver assets were R129 million, and the total membership was 8 486.** This favourable growth in both membership and assets is encouraging as we start to see the results of our ongoing member education initiatives.

CLEAN BILL OF HEALTH

The Old Mutual SuperFund 2014 audits have been concluded. The Fund was given a clean bill of health by our auditors, PricewaterhouseCoopers. The Audit Report for the Financial Statements is unqualified and the audits were completed within the regulated timeframe.

A few items, mostly routine house-keeping items, were identified and raised for management's attention. These are being addressed by the Administrator and performance is being closely monitored by the Management Board. One item related to information required from the investment managers for regulation 28 compliance reporting.

Whilst Old Mutual SuperFund complied with the percentage allocations in Regulation 28, the Funds were unable to obtain confirmations of the accuracy of certificates from the auditors of 2 of the Funds' investment managers which resulted in the qualification in the Auditor's Regulation 28 compliance report. To avoid having to go the look-through approach, the Management Board agreed to the qualification. The same approach was adopted by a large number of funds in the industry. As the Funds now hold assets in their names, it is likely that the Management Board will adopt the look-through approach of reporting for next year in which event the qualification will be lifted.

DOING GREAT THINGS

At Old Mutual SuperFund we are passionate about our promise to "do great things" and have embraced this as part of the Fund's vision and goals. The Infrastructural, Developmental and Environmental Assets Fund (IDEAS Fund) is one of the initiatives through which we deliver on this promise.

The IDEAS Fund is South Africa's **largest domestic infrastructure equity fund** in the private sector, focused on growing investors' wealth and enabling them to actively contribute towards creating a more sustainable and prosperous South Africa.

As investors in the IDEAS Managed Fund, the Absolute Growth Investment Portfolios enable Old Mutual SuperFund members to contribute towards these South African dreams, as members' retirement savings are invested in life-changing projects namely renewable energy (solar, wind and hydro-generation projects), economic (roads and railways) and social infrastructure (housing and public private partnerships). The smoothing mechanism in the Absolute Growth Investment Portfolios facilitates such investment to an extent that is not possible in a market-linked investment portfolio.

ACKNOWLEDGEMENTS

I would like to take this opportunity to acknowledge the dedication, contribution and wise counsel of my fellow Management Board members in the efficient management of the Fund, and to extend my gratitude to the Principal Officer and her team for their diligence and excellent service to the Fund.

Also to our Regulator, the Financial Services Board, thank you for the professional and able guidance and assistance.

Thank you to all Old Mutual SuperFund stakeholders for your contribution and support in growing the Old Mutual SuperFund and in "doing great things" to achieve success.

Most importantly, to our members and participating employers: Thank you for entrusting us with your retirement fund savings and retirement fund arrangements respectively – be assured that we as a Management Board take our fiduciary duties very seriously and will always strive to look after your interests to the best of our abilities.

We look forward to another successful year!

FINANCIAL **UPDATE**



4. FINANCIAL UPDATE

Auditors Report

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS TO THE BOARD OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND AND THE OLD MUTUAL SUPERFUND PENSION FUND

The summary financial statements, set out on pages 15 to 19, which comprise the statement of net assets and funds as at 30 June 2014, the statement of changes in net assets and funds for the year ended, and related notes are derived from the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 5 December 2014. Our auditor's report on the audited financial statements contained an "Other Matters" paragraph (refer below).

The summary financial statements do not contain all the disclosures required by the Regulatory Reporting Requirements for Retirement Funds in South Africa, as prescribed by the Registrar. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund.

BOARD OF FUND'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Fund is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1 on page 19.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

OPINION

In our opinion, the summary financial statements derived from the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2014, are consistent, in all material respects, with those financial statements, in accordance with the basis described in Note 1 on page 19.

FINANCIAL REPORTING FRAMEWORK

The "Financial Reporting Framework" paragraph in our audit reports dated 5 December 2014 states that without modifying our opinion on those financial statements, we draw attention to the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Registrar. The paragraph also states that the financial statements and related auditor's reports thereon may not be suitable for another purpose. Consequently, the paragraph also has an effect on the summary financial statements and our opinion thereon.

OTHER MATTERS

The "Other Matters" paragraph in our audit report dated 5 December 2014 states that those financial statements include supplementary information in Schedule IA that was extracted from the Fund's underlying accounting records. The paragraph also states that we have compared the totals reflected in Schedule IA to the totals reflected in the underlying Fund's accounting records to determine whether such totals have been correctly extracted. The paragraph furthermore states that we have not performed any additional procedures to substantiate the disclosures of the individual totals included in Schedule IA and therefore we did not express an audit opinion on Schedule IA. The paragraph does not have an effect on the summary financial statements or our opinion thereon.



PricewaterhouseCoopers Inc. | **Director:** V. Wiese, Registered Auditor | **Date:** 5 December 2014
No 1 Waterhouse Place, Century City 7441, PO Box 2799, Cape Town 8000

Old Mutual SuperFund Pension Fund

Statement of Net Assets and Funds

	NOTES	2013	2014
Investments		7 208 297 681	20 239 967 330
	Non Market Linked Insurance Policies	5 686 434 458	20 084 707 433
	Market Linked Insurance Policies	1 481 570 324	-
	Collective Investment Schemes	40 292 899	155 259 897
Transfers Receivable		150 741 691	1 038 747 859
Accounts Receivable		25 437 189	114 750 084
Contributions Receivable		44 068 036	77 706 179
Cash at Bank		97 528 103	388 825 978
Total Assets		7 526 072 700	21 859 997 430
Members Funds		(7 119 413 723)	(20 925 656 177)
Reserve Accounts		(11 380 943)	(10 654 259)
Expense		1 327 368	(3 465 886)
Investment		(13 452 559)	-
Processing Error (unitised)		744 248	(784 572)
Processing Error (non-unitised)		-	(6 403 801)
Employer Surplus Account		-	(235 693 023)
Unclaimed Benefits		(112 311 248)	(124 166 313)
Transfers Payable		(4 258 290)	(1 793 811)
Benefits Payable		(244 540 150)	(508 397 105)
Lump sum on Retirement			
	Full Benefit	(31 883 020)	(91 164 237)
Lump sum before Retirement			
	Disability	(3 038 287)	(1 236 419)
	Death	(48 936 428)	(92 872 563)
	Withdrawal	(128 459 743)	(238 829 069)
	Divorce Orders	(1 305 166)	(973 675)
	Retrenchments	(15 497 960)	(26 266 194)
Liquidation benefits		(14 753 009)	(53 674 601)
Enhancements to former members		(666 537)	(3 380 347)
Accounts Payable		(34 168 346)	(53 636 742)
Total Funds and Liabilities		(7 526 072 700)	(21 859 997 430)

Old Mutual SuperFund Pension Fund

Statement of Changes in Net Assets and Funds

	NOTES	2013	2014
Contributions Received and Accrued		(945 162 290)	(1 517 587 510)
	Members	(838 323 712)	(1 368 450 234)
	Reserves	(106 838 578)	(149 137 276)
Reinsurance Proceeds		(35 073 894)	(70 770 315)
Net Investment Income		(995 981 000)	(1 759 745 780)
	Interest Received	(4 125 970)	(8 703 557)
	Collective Investment Schemes	(848 280)	(1 885 179)
	Insurance Policies	(821 739 307)	(1 429 462 669)
	Late Payment Interest	(1 096 342)	(791 145)
	Fair Value Adjustment	(208 512 181)	(376 119 298)
	Investment Management Fees	40 341 080	57 216 068
Reinsurance Premiums		59 322 102	95 602 531
Administration Expenses		50 559 949	56 708 037
Allocated to Unclaimed Benefits		10 257 293	14 862 292
Transfers from other Funds		(395 227 049)	(12 448 244 549)
Transfers to other Funds		127 790 628	242 032 961
Benefits Accrued		851 897 871	1 345 933 540
Lump sum on Retirement			
	Full Benefit	207 962 170	349 690 874
Lump sum before Retirement			
	Disability	6 415 124	5 530 908
	Death	53 497 520	106 150 420
	Withdrawal	431 516 048	659 148 571
	Divorce Orders	7 414 452	11 445 780
	Retrenchments	77 905 373	119 332 098
Defaults - Housing loans		5 918	320 234
Liquidation benefits		65 289 179	90 057 354
Return allocated to benefits		1 268 740	1 258 427
Enhancements to Former Members		623 347	2 998 874
Net Employer Surplus Accounts Allocations		-	235 693 023
Balance at Year End Funds and Reserves		(7 130 794 666)	(20 936 310 436)

Old Mutual SuperFund Provident Fund

Statement of Net Assets and Funds

	NOTES	2013	2014
Investments		10 964 500 455	14 599 057 659
	Non Market Linked Insurance Policies	9 465 024 584	14 491 885 976
	Market Linked Insurance Policies for 2014	1 486 770 390	-
	Collective Investment Schemes	12 705 481	107 171 683
Transfers Receivable		102 719 069	1 176 796 744
Accounts Receivable		124 675 439	97 338 437
Contributions Receivable		111 831 673	156 435 173
Cash at Bank		161 557 940	255 853 014
Total Assets		11 465 284 576	16 285 481 027
Members Funds		(10 398 277 650)	(14 941 725 525)
Reserve Accounts		(63 607 716)	(85 575 309)
Expense		(8 883 069)	(13 653 722)
Investment		(27 647 288)	-
Processing Error (unitised)		(1 146 359)	(4 865 860)
Processing Error (non- unitised)		(25 931 000)	(67 055 727)
Employer Surplus Account		-	(18 769 682)
Unclaimed Benefits		(324 821 185)	(357 146 181)
Transfers Payable		(11 480 007)	(26 927 502)
Benefits Payable		(553 731 791)	(701 944 875)
Lump sum on Retirement			
	Full Benefit	(67 083 986)	(92 311 969)
Lump sum before Retirement			
	Disability	(8 141 019)	(11 569 628)
	Death	(178 791 093)	(191 906 946)
	Withdrawal	(240 098 715)	(301 313 860)
	Divorce orders	(473 994)	(270 585)
	Retrenchments	(16 253 945)	(38 037 945)
Defaults - Housing loans		(1 224 153)	(26 887)
Liquidation benefits		(40 884 096)	(65 402 686)
Enhancements to former members		(780 790)	(1 104 369)
Accounts Payable		(113 366 227)	(153 391 953)
Total Funds and Liabilities		(11 465 284 576)	(16 285 481 027)

Old Mutual SuperFund Provident Fund

Statement of Changes in Net Assets and Funds

	NOTES	2013	2014
Contributions Received and Accrued		(1 805 857 272)	(2 415 579 974)
	Members	(1 468 561 570)	(2 015 258 535)
	Reserves	(337 295 702)	(400 321 439)
Reinsurance Proceeds		(162 169 527)	(167 299 965)
Net Investment Income		(1 491 424 111)	(2 152 626 178)
	Interest Received	(9 671 073)	(10 469 995)
	Collective Investment Schemes	(248 835)	(1 024 750)
	Insurance Policies	(1 345 130 381)	(1 912 063 141)
	Late Payment Interest	(3 241 092)	(1 695 293)
	Fair Value Adjustment	(200 402 743)	(302 504 314)
	Investment Management Fees	67 270 013	75 131 315
Reinsurance Premiums		(216 457 208)	276 547 213
Administration Expenses		(130 305 511)	143 202 707
Allocated to Unclaimed Benefits		(29 082 138)	38 560 683
Transfers from other Funds		(356 789 360)	(2 441 157 389)
Transfers to other Funds		234 197 593	260 400 971
Benefits Accrued		1 506 822 482	1 873 766 782
Lump sum on Retirement			
	Full benefit	279 548 556	373 838 503
Lump sum before Retirement			
	Disability	31 172 555	48 767 743
	Death	215 439 513	197 262 895
	Withdrawal	699 897 219	871 353 108
	Divorce Orders	7 468 247	8 892 436
	Retrenchments	157 693 612	235 832 150
Defaults - Housing loans		1 985 258	(1 041 340)
Liquidation benefits		108 702 821	134 543 138
Return allocated to benefits		3 323 031	2 596 272
Enhancements to former members		1 591 670	1 721 877
Net Employer Surplus Accounts Allocations		-	18 769 682
Balance at Year End of Funds and Reserves		(10 461 885 366)	(15 027 300 834)

Note 1 to the Summary Financial Statements: Basis of Preparation of Summary Financial Statements

The summary financial statements are prepared in accordance with criteria developed by management and is the responsibility of management. Under management's established criteria, management discloses the summary statement of net assets and Funds, the summary statement of changes in net assets and funds and other information which management determined as relevant. These summary financial statements are derived from the audited financial statements of the Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2014. The statements were prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Funds and the provisions of the Pension Funds Act and do not contain full or complete details. Any investment decisions by investors and/or members should be based on consideration of the complete set of audited financial statements and the Funds' website as a whole. Should you wish to receive a full set of the audited financial statements please kindly send us an e-mail at superfund@oldmutual.com.

Actuarial Valuation Report

OLD MUTUAL SUPERFUND IS FINANCIALLY SOUND

- The Fund's Actuaries (Old Mutual Corporate Consultants) have signed off the Actuarial Valuation Reports for the year ended 30 June 2013. The Actuary has confirmed that the Funds are financially sound, and members' benefits are secure.
- The Actuary tested the build-up of all member accounts and found that the data was satisfactory, and administration processes are working well.
- He has further confirmed that the SuperFund investment strategy is suitable, taking into account the nature of the Fund. Investment returns are consistent with the Fund's regular investment reporting.
- Members have received the full net return earned on their underlying investments. There was no unallocated surplus as at 30 June 2013, so no top-up allocations are due to members.

SUMMARY OF THE ACTUARIAL VALUATION REPORTS AS AT 30 JUNE 2013

The Old Mutual SuperFund produces an Actuarial Valuation Report annually.

The 2013 Actuarial Valuation covered the 2-year period to June 2014. Since then, the Management Board decided to have an Actuarial Valuation every year.

The law requires the Fund to provide a summary of the Actuarial Valuation Report to all participating employers in the Fund. We've summarised the highlights in the sections above, and the detail below is set out in the format required by the Financial Services Board.

OLD MUTUAL SUPERFUND PENSION FUND

Name of Fund	Old Mutual SuperFund Pension Fund
Financial year	Statutory Actuarial Valuation for the 2-year period ending 30 June 2013
Membership details	43 439 active members and 9 960 unclaimed benefits as at 30 June 2013

PARTICULARS OF THE FINANCIAL CONDITION OF THE FUND	NOTES	30 JUNE 2013
Fair value of assets (equal to the actuarial value of assets)	1 & 2	R7 131 million
TOTAL ASSETS (30 JUNE 2013)	5	R7 131 million
Accrued liabilities (i.e. the members' individual account balances and related liabilities)	3	R7 126 million
Total contingency reserves	4	R5 million
TOTAL LIABILITIES AND CONTINGENCY RESERVES (30 JUNE 2013)	5	R7 131 million

OLD MUTUAL SUPERFUND PROVIDENT FUND

Name of Fund	Old Mutual SuperFund Provident Fund
Financial year	Statutory Actuarial Valuation for the 2-year period ending 30 June 2013
Membership details	162 737 active members and 52 035 unclaimed benefits as at 30 June 2013

PARTICULARS OF THE FINANCIAL CONDITION OF THE FUND	NOTES	30 JUNE 2013
Fair value of assets (equal to the actuarial value of assets)	1 & 2	R10 462 million
TOTAL ASSETS (30 JUNE 2013)	5	R10 462 million
Accrued liabilities (i.e. the members' individual account balances and related liabilities)	3	R10 416 million
Total contingency reserves	4	R46 million
TOTAL LIABILITIES AND CONTINGENCY RESERVES (30 JUNE 2013)	5	R10 462 million


NOTES

1. The fair value of the net assets of the Fund, after deduction of current liabilities and any liabilities arising from the pledging, hypothecation or other encumbering of the assets of the Fund.
2. The actuarial value of assets of the Fund, for purposes of comparison with the accrued liabilities of the Fund. There have been no adjustments to the fair value of the assets, and the actuarial value is equal to the fair value.
3. This is the total of all members' individual account balances and related liabilities.
4. The Fund holds the following Contingency Reserves: Expense Reserve; Risk Reserve; Surplus Apportionment Expense Reserve; Processing Error Reserve (Unitised Investments); Processing Error Reserve (Non-Unitised Investments); Investment Reserve.
5. The Fund's assets match its liabilities after making provision for modest contingency reserves, and the Fund is in a sound financial condition at the valuation date for the purposes of the Pension Funds Act, 1956.
6. Contribution rates differ by participating employer, and are defined in the Special Rules. Participating employers should carefully consider whether the contribution rate is high enough to provide members with sufficient retirement savings, and where appropriate to increase their contribution rates subject to affordability.

Prepared in my capacity as valuator to the Fund, on behalf of Old Mutual:

31 March 2014

Date


Valuator: Stephen Walker

Summary of investments

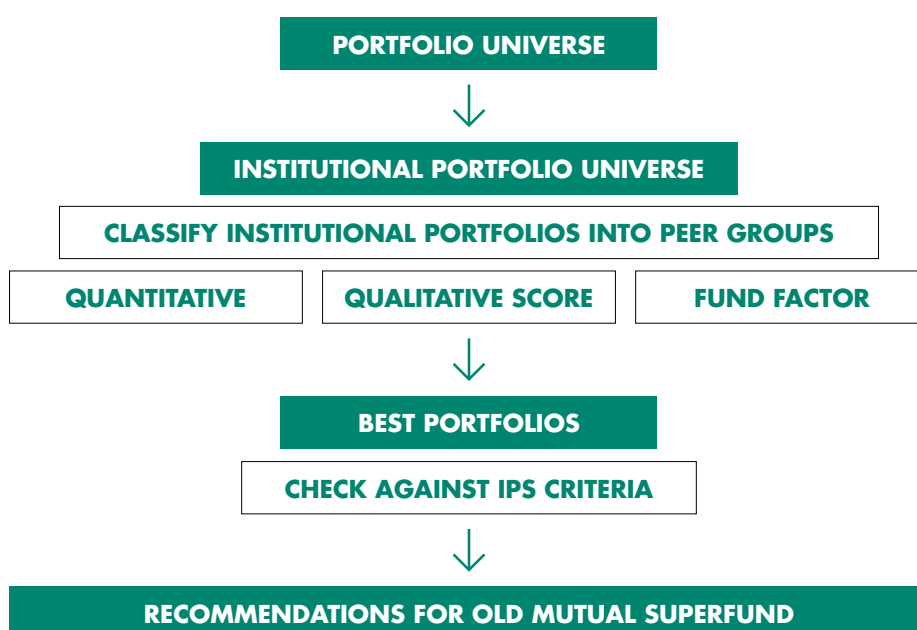
RAND VALUE OF FUND'S INVESTMENTS	30 JUNE 2014	30 JUNE 2013
Old Mutual SuperFund Pension Fund	R20 239 967 330	R 7 208 297 681
Old Mutual SuperFund Provident Fund	R14 599 057 659	R10 964 500 455
Evergreen Pension Fund	R 2 606 885 682	R 2 572 240 675
Evergreen Provident Fund	R 2 618 701 493	R 2 271 775 514
TOTAL	R 40 064 612 164	R 23 016 814 325

Annual review of investments

Due to the investment package options within Old Mutual SuperFund offering various levels of investment choice, the Management Board must make sure that the available investment portfolios (within the investment packages) consistently meet the investment needs of the members. Regular reviews are conducted to ensure that the range of investment portfolios on offer meet the needs of the various categories of members in Old Mutual SuperFund, and are consistent with the criteria set out in the Fund's Investment Policy Statement.

The Management Board closely follows the processes set out in the Fund's Investment Policy Statement regarding monitoring and evaluation of the investment portfolios made available to members.

The following diagram outlines the process the Fund has followed in reviewing the investment portfolios available as options in the Old Mutual SuperFund Choice.



The process

STEP 1: PORTFOLIO UNIVERSE

The first stage is to filter the universe of investment portfolios available for Institutional Investors only, with confirmation sought from investment managers about the full range of investment portfolios available for Institutional Investors.

STEP 2: CLASSIFY INSTITUTIONAL PORTFOLIOS INTO PEER GROUPS

The next step is to classify these Institutional Portfolios into Old Mutual SuperFund Peer Group Categories.

STEP 3: ALLOCATE A QUANTITATIVE AND QUALITATIVE SCORE

For each group and each portfolio the Investment Consultants calculate a Quantitative and Qualitative Score.

STEP 4: CHECK AGAINST IPS CRITERIA

The portfolios are then filtered in line with the conditions set-out in the Fund's Investment Policy Statement (IPS). This final set of portfolios is then considered as a recommended list of offerings in Old Mutual SuperFund.

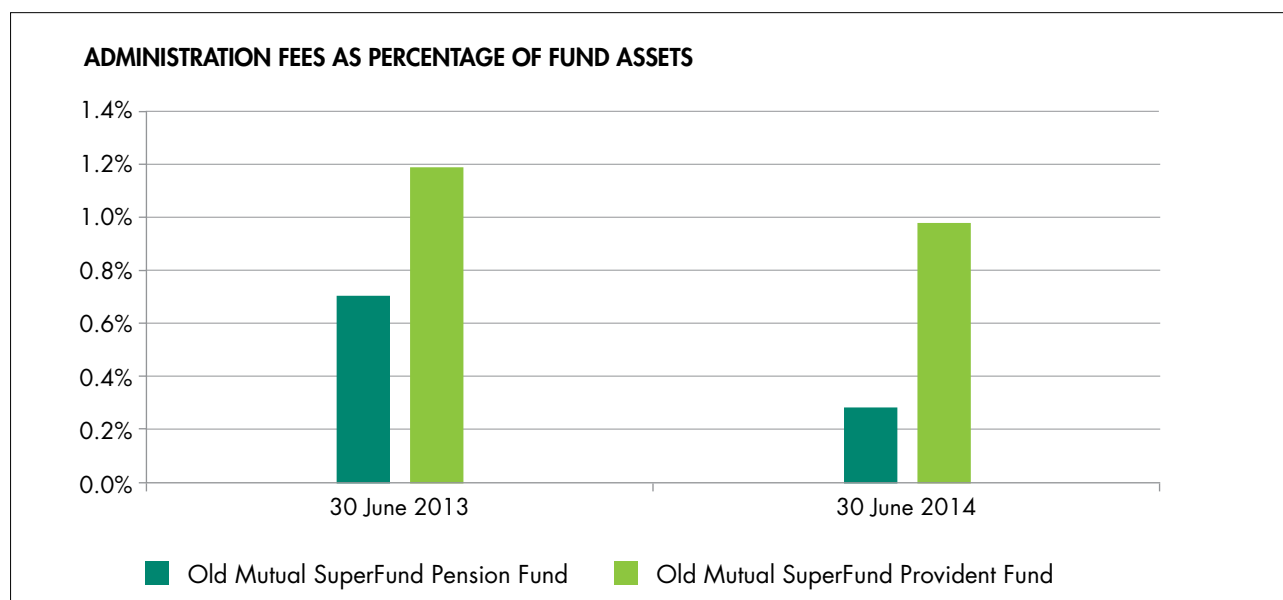
STEP 5: RECOMMENDATIONS FOR OLD MUTUAL SUPERFUND

The Investment Consultant will only recommend the addition of a new investment portfolio or replacement of an existing investment portfolio when the above process clearly identifies a more appropriate investment portfolio within a given category.

Old Mutual SuperFund's Investment Consultants are also mindful to avoid significant increase of investment portfolios on offer and to ensure that the more appropriate investment portfolios are on offer.

For a complete list of the current available investment portfolios please visit www.oldmutual.co.za/superfund.

Administration fees as percentage of Total Assets



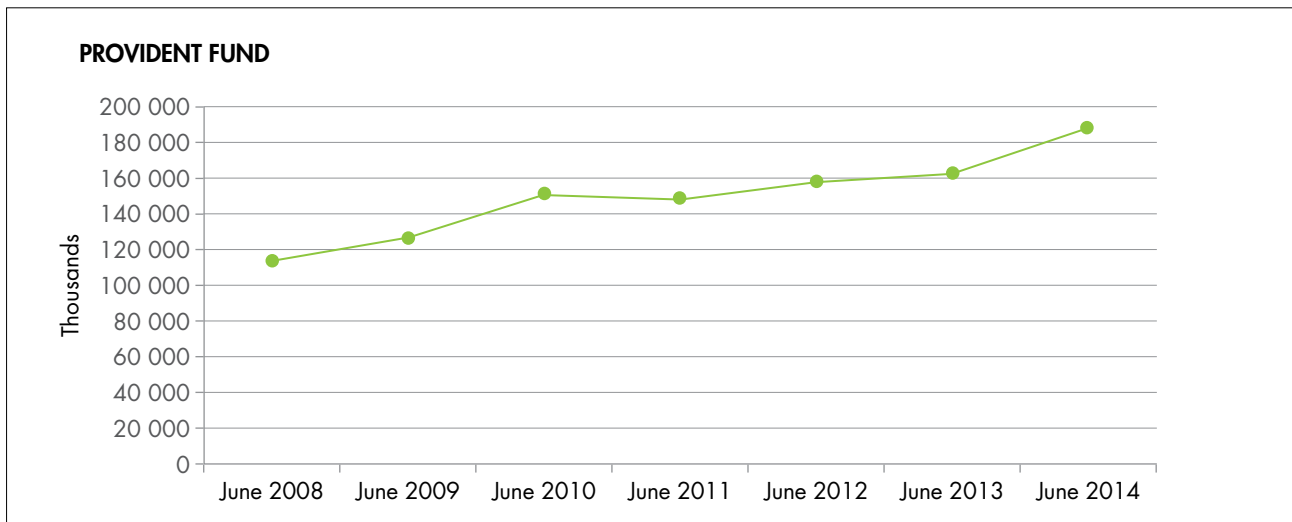
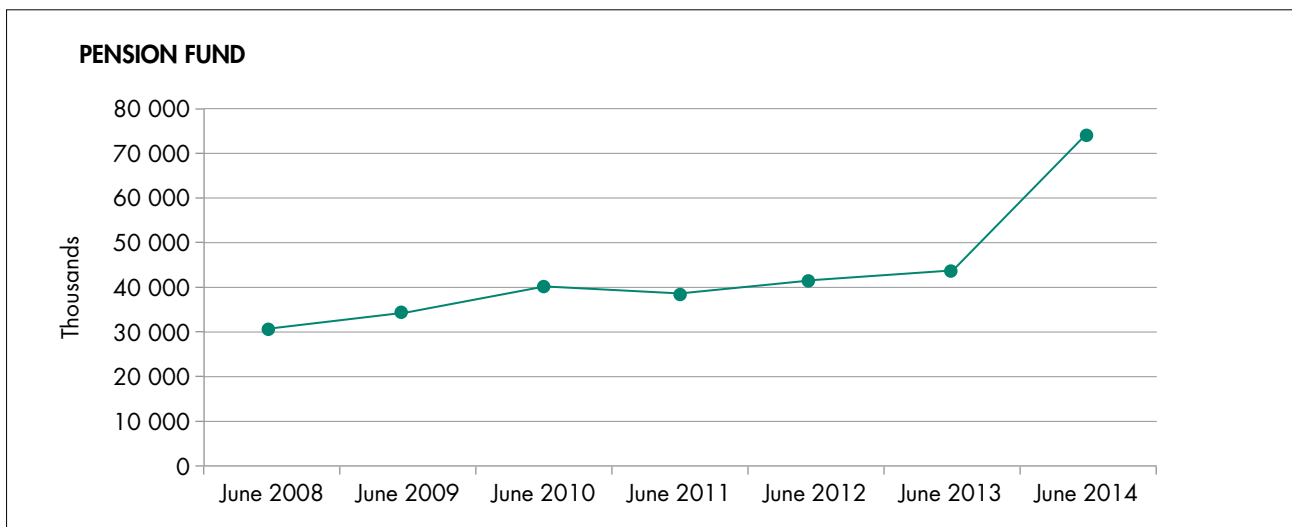
There has been a significant decrease in the Fund's administration cost as a percentage of total assets.

GROWTH IN **OLD MUTUAL SUPERFUND**



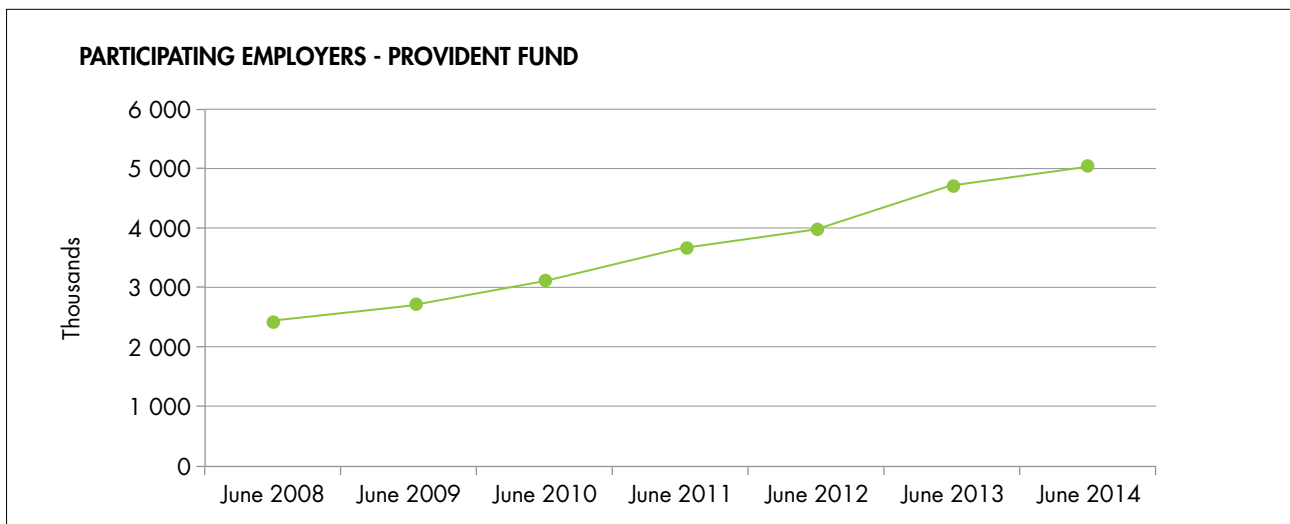
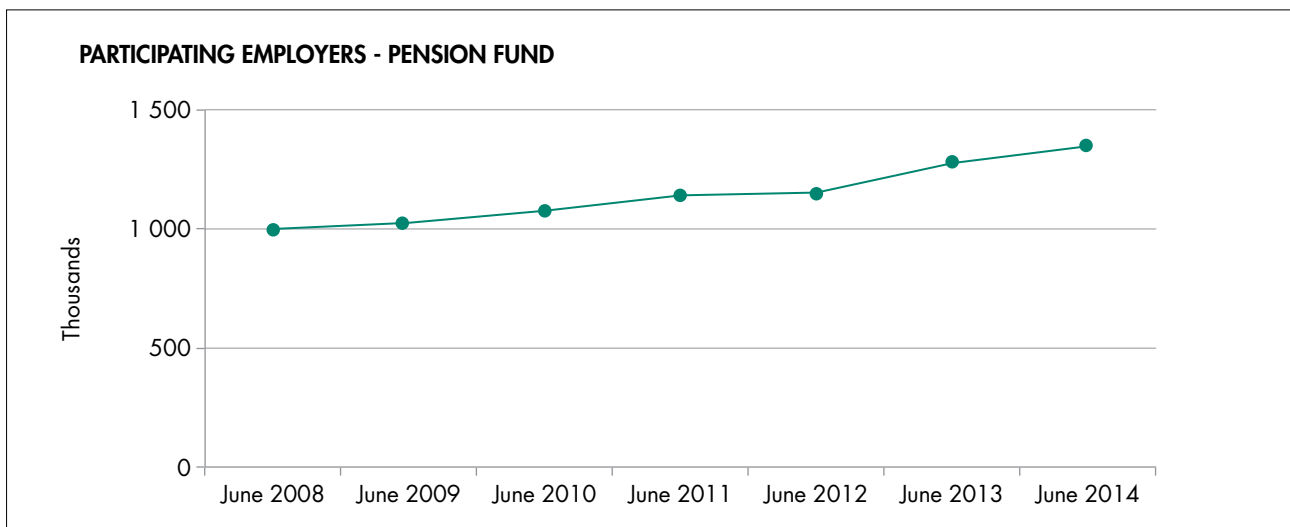
5. GROWTH IN OLD MUTUAL SUPERFUND

Growth in Membership from 30 June 2008 to 30 June 2014



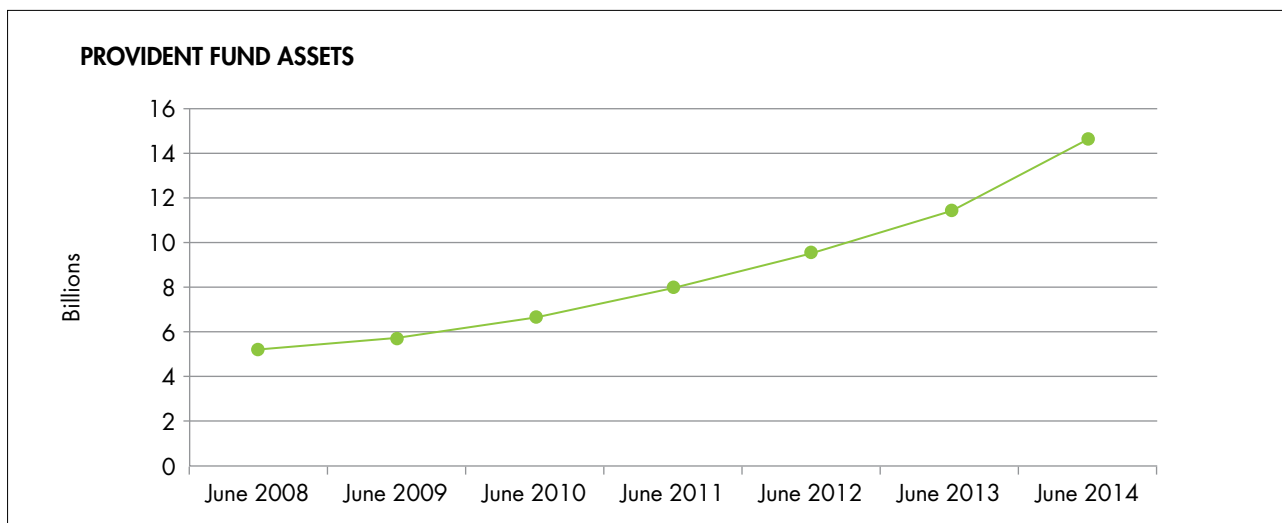
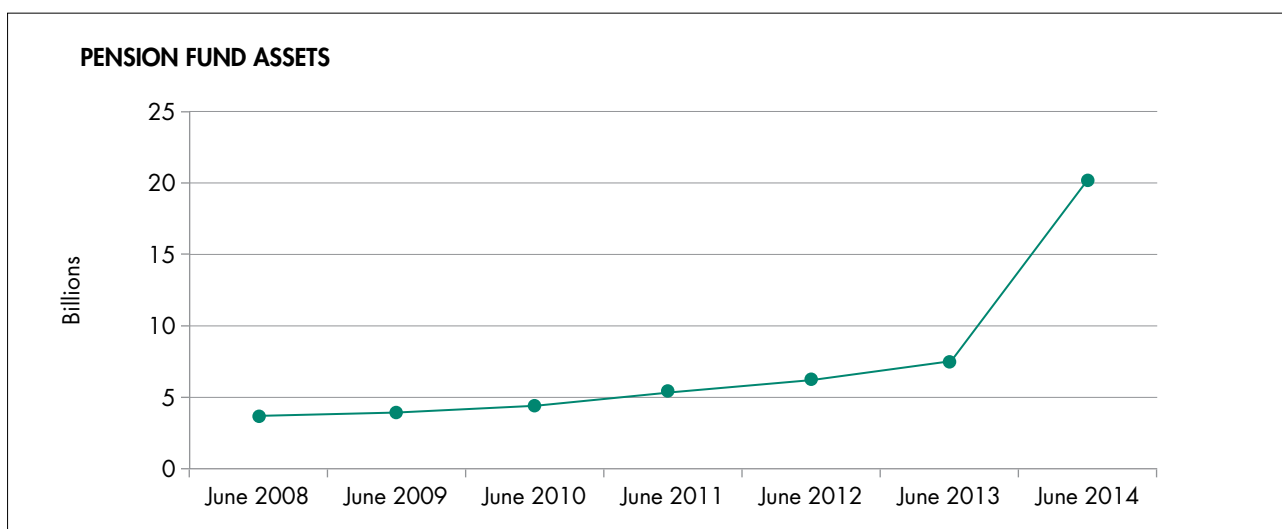
The above graphs highlight the steady growth in membership from June 2008. There has been a significant increase in membership over the past 18 months – membership has increased by 27.5%, from 30 June 2013 (206 176) to 30 June 2014 (262 853).

Growth in the number of participating employers from 30 June 2008 to 30 June 2014



The number of employers has increased by 13%.

c. Growth in Assets from 30 June 2008 to 30 June 2014



There has been a significant growth in assets over the past year – **assets have increased by 98%, from R17.54 billion to R34 billion.**

98%
ASSETS
INCREASED



**R34
BILLION**
TOTAL VALUE

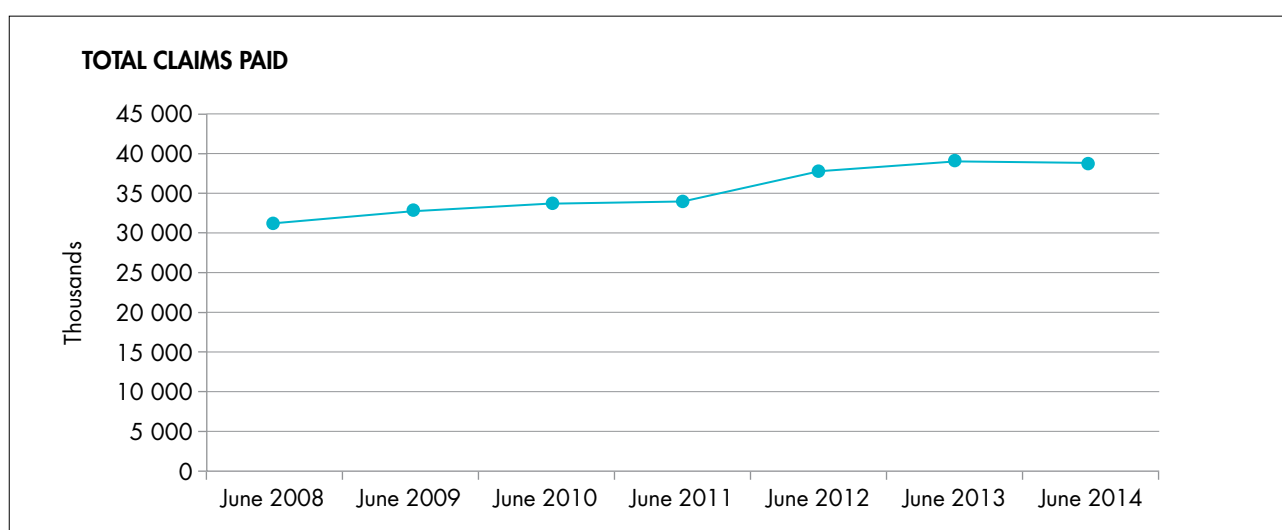


INTERESTING **STATISTICS**

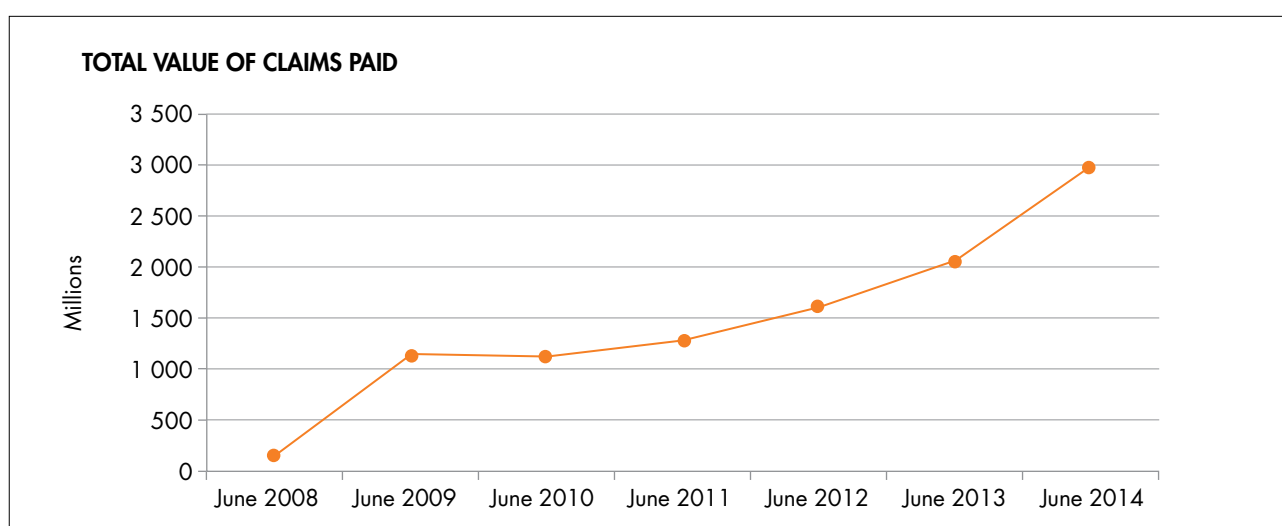


6. INTERESTING STATISTICS

Total claims paid from 30 June 2008 to 30 June 2014



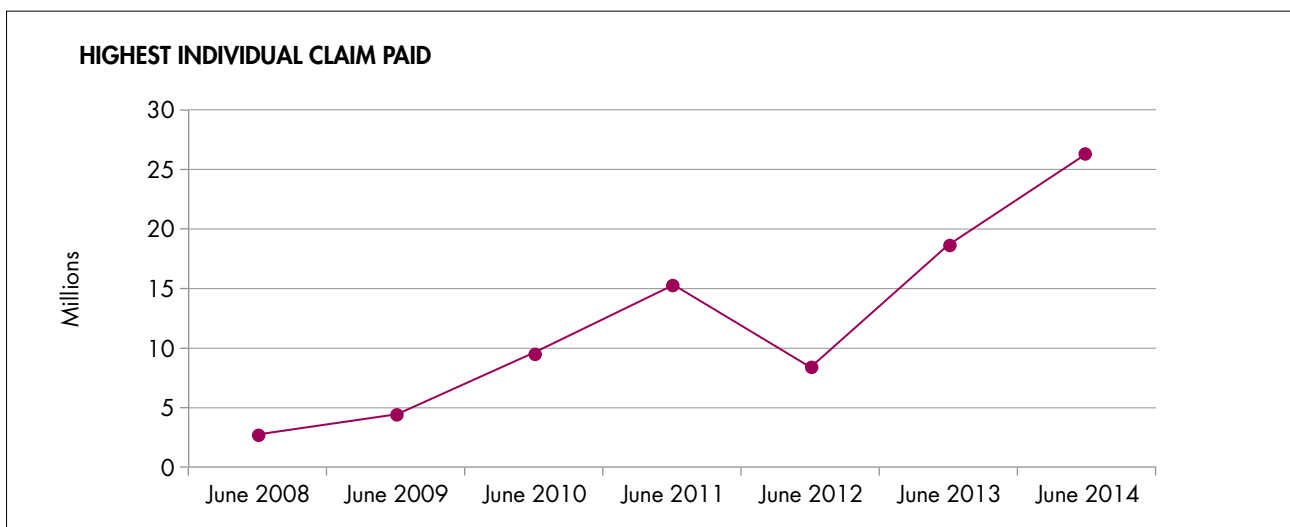
The total number of claims paid over the past eight years was 247 133.



The total values of claims paid from 2008 to 2014 has increased by 2 025%.



FUND GOVERNANCE IS AT THE CORE
OF THE OLD MUTUAL SUPERFUND
MANAGEMENT BOARD MANDATE.



The highest claim paid in 2014 was R26 380 407.11. This is an increase of 1 023% from 2008 to 2014.

DEATH BENEFIT CASES - JULY 2013 TO JUNE 2014

Fund Governance is at the core of the Old Mutual SuperFund Management Board mandate. The Management Board has developed a set of principles on which it bases its decisions when allocating death benefits. These principles are based on section 37C of the Pension Funds Act and ensure that decisions are taken consistently, but without compromising the Board's discretion that must be exercised when taking decisions.

Furthermore, there were no determinations against the Fund during this period which attests to the robustness of the one process followed by the Board and the principles it has adopted.

During the period under review, the Old Mutual SuperFund Management Board has dealt with 1 353 death claims. The value-add to beneficiaries is endorsed by the fact that the number of complaints lodged against the Fund with the pension Funds Adjudicator, in comparison to its number of members, is extremely low.

MANAGEMENT BOARD



7. MANAGEMENT BOARD

Members of the Management Board

MANAGING YOUR FUND ACCORDING TO THE HIGHEST SET OF STANDARDS

The Old Mutual SuperFund Board members use a very specific set of guiding principles, or best practice governance, to ensure that member interests are protected.

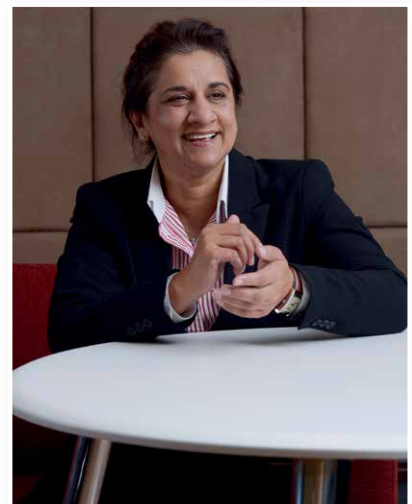
The Management Board aims to achieve:

1. The efficient management and control of the Fund.
2. The smooth, efficient and transparent delivery of benefits to members.
3. The adequate management of assets by regular monitoring, reviewing, assessing and improving governance structures.
4. Building and maintaining the trust and confidence of the members and other stakeholders.

The Management Board has aligned the Fund's goals to those of the Sponsor, while still making sure that member interests remain most important.



Bertie van Wyk
Chairperson



Wahida Parker
Deputy Chairperson

Strategic objective

The strategic objective refers to the Fund's vision, or goals, and how it aims to achieve these.

The mandate refers more specifically to the responsibility that the Fund has to both the Fund members and the Sponsor. In other words, it speaks to the tasks that the Fund must complete and the agreement between the Fund and the Sponsor that will deliver on these tasks.

As set out in **King III**, the Management Board members accept that they are responsible for both the strategic direction of the Fund as well as the running of the Fund and have adopted the **King III** principles wherever possible. Governance excellence is crucial to being successful in both areas.

Against this background, the Management Board together with Old Mutual have set out their responsibilities in an agreement, (the Governance Agreement).

The Governance Agreement aims to:

- Govern, or manage, the relationship between Old Mutual and the Fund.
- Protect the respective interests of Old Mutual and the Fund.
- Ensure the effective, efficient and accountable management of the Fund.
- Ensure co-operation to achieve continued success of the Fund for the ultimate benefit of the members of the Fund.
- Set out the support services that Old Mutual should provide.

Detailed processes, around each aspect of how the Fund is managed, have been created and documented and instilled in the daily running of the Fund to ensure that world-class standards of governance are maintained. Compliance with the Pension Fund Act, the rules and other relevant legislation is a given and closely monitored.

THE VISION THAT THE MANAGEMENT BOARD HAS FOR THE OLD MUTUAL SUPERFUND IS TO BE:

“First choice for the provision of retirement funds’ services - achieved through ‘member, participating employer and intermediary delight’.

To be the umbrella fund of choice in the market from the perspectives of good governance, service excellence, value for money, ease of doing business, member empowerment and treating customer’s fairly.”

To achieve this vision, they have set out the following key aims:

- To be member-focused (facilitated through intermediary and participating employer interactions).
- To ensure service provision excellence to all stakeholders.
- To offer the appropriate benefits for members and employers.
- To ensure that this is done sustainably.



Karabo Morule



Krishna Patel



Pierre Pretorius

Composition of the Management Board

The Management Board consists of Old Mutual-appointed Board members as well as independent Board members. New Board members are appointed jointly by Old Mutual as the Sponsor and the Management Board of Old Mutual SuperFund after a thorough consultation process. Board members are appointed for a three-year term and may be reappointed thereafter.

The Management Board currently comprises of eight Board members, (five of whom are independent from Old Mutual), the Principal Officer and a Deputy Principal Officer.

To view their profiles, visit www.oldmutual.com/superfund.

All Board members are appointed based on their professional background, knowledge and skill set.

The Board's performance and that of the Sub-Committees is reviewed every year.

How are the chairman and deputy chairman elected?

The chairman and deputy chairman are elected annually by the Management Board from amongst the Board members and take office with effect from 26 June.

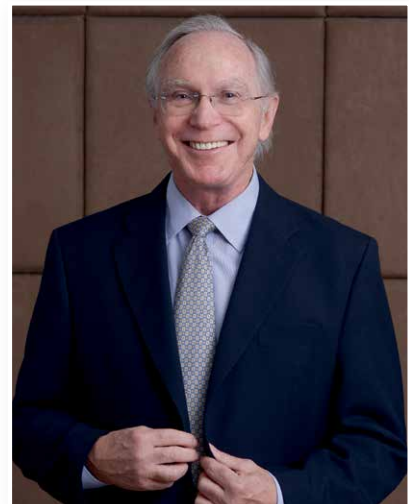
Remuneration of Board Members

Independent Board members are remunerated by the Fund. The Board has adopted a remuneration policy that sets out how they are remunerated. Their remuneration is reviewed annually and benchmarked against industry surveys, remuneration paid by other retirement funds, boards of directors and the consumer price index.

The amount paid to the independent Board members is reflected in the annual financial statements.



Shirley Mabusela



Jeremy Andrew



Thandeka Zondi

The Principal Officer

The Principal Officer is an official of the Fund and is accountable to the Registrar. The duties of the principal officer are determined by the Fund rules and the Pension Funds Act.

The legal duties include:

- Signing and submitting rules and rule amendments.
- Submitting annual financial statements to the Registrar.
- Signing all Fund documents to be submitted to the Registrar.
- Ensuring that all agreed information is distributed to Fund members.
- Representing the Fund in litigation and complaints.
- Informing the Registrar in writing if he/she becomes aware of any matter which may prejudice the Fund or its members.

The Principal Officer is supported by a Deputy Principal Officer. Her office also includes an independent claims assessor, a service provider manager, fund secretary, personal assistant and office administrator. The Principal Officer is contracted and remunerated directly by the the Fund. The Board reviews her performance and remuneration each year.

A profile of the Principal Officer can also be found on the website under the governance section at www.oldmutual.com/superfund.



Cheryl Mestern
Principal Officer



Jonathan Van Oordt
Deputy Principal Officer



TO BE THE UMBRELLA FUND OF CHOICE IN THE MARKET FROM THE PERSPECTIVES OF GOOD GOVERNANCE, SERVICE EXCELLENCE, VALUE FOR MONEY, EASE OF DOING BUSINESS, MEMBER EMPOWERMENT AND TREATING CUSTOMER'S FAIRLY.

PROFESSIONAL **SERVICE PROVIDERS**



8. PROFESSIONAL SERVICE PROVIDERS

ACTUARY/VALUATOR

Walker Stephen

Fellow of the Actuarial Society of South Africa
Old Mutual Corporate Consultants,
a division of OMLAC (SA) Limited
PO Box 1014, Cape Town 8000
Mutualpark, Jan Smuts Drive, Pinelands 7405

AUDITORS

PricewaterhouseCoopers Inc.

PO Box 2799, Cape Town 8000
1 Waterhouse Place, Century City,
Cape Town 7441

BENEFIT ADMINISTRATOR

Old Mutual Life Assurance Company (South Africa) Limited

PO Box 1014, Cape Town 8000
Mutualpark, Jan Smuts Drive, Pinelands 7405

INVESTMENT CONSULTANT

Old Mutual Corporate Consultants, a division of OMLAC (SA) Limited

PO Box 1014, Cape Town 8000
Mutualpark, Jan Smuts Drive, Pinelands 7405

INVESTMENT PROVIDERS

- Old Mutual Life Assurance Company (South Africa) Limited
- Coronation Asset Management (Pty) Limited
- Old Mutual Investment Group (Pty) Limited
- Investec Fund Managers (RF) (Pty) Limited
- Allan Gray Life Limited
- Investment Solutions Limited
- Old Mutual Unit Trust Managers (RF) (Pty) Limited
- Prudential Portfolio Managers SA (Pty) Limited
- Prescient Investment Management (Pty) Limited
- Acsis Limited
- Oasis Crescent Management Company Limited
- Taquanta Asset Managers (Pty) Limited
- Prudential Investment Managers (Pty) Limited

NOTE: The individual collective investment schemes of the Investment Administrator are registered in terms of the Collective Investment Schemes Control Act and not under the Financial Advisory and Intermediary Services Act. The Investment Administrator therefore does not have a Financial Services Provider (FSP) registration number.

RISK PROVIDERS

- Old Mutual Life Assurance Company (South Africa) Limited
- Discovery Life Limited
- Hollard Life Assurance Co Limited
- Capital Alliance Life Limited
- MS Life assurance Company Limited
- Metropolitan Life Limited
- Lion of Africa Life Assurance Company Limited
- Momentum Group Limited

YOU HAVE SPOKEN,
OLD MUTUAL SUPERFUND HAS LISTENED



9. YOU HAVE SPOKEN, OLD MUTUAL SUPERFUND HAS LISTENED

Intermediaries and Employers

During sessions that were held with various stakeholders, valuable feedback was obtained which has been grouped into the following main themes:

- The most outstanding features of the enhanced Old Mutual SuperFund.
- Features that are missing from the enhanced Old Mutual SuperFund.
- Suggestions for improving the service intermediaries and employers are given when dealing with Old Mutual SuperFund.
- Suggestions for making the job of a broker/intermediary and employers easier.

Below are extracts of some of the comments that were made:

THE MOST OUTSTANDING FEATURES

"The product will be easy to sell it. The presentations were short & clear" – Johannesburg

"Comparison of choices is much more clear and will be easier to sell" – Pretoria

"More choice - clear differences between product solution" – Port Elizabeth

Flexibility, simplicity, ease of understanding, cost-efficiency and greater fund choice are considered to be the most outstanding features of the Old Mutual SuperFund.

MISSING FEATURES

"Individual member online access – member & client level. Annual member benefit statements produced on request, not at prescribed time each year" – Cape Town

Online access is part of the improved platform capability and will be made available to all members.

"Lifestyle benefit too restricted for schemes under 100" – Johannesburg

Lifestyle benefits were introduced to the enhanced Old Mutual SuperFund offering. This benefit is reviewed annually.



COMMUNICATION IS A CRITICAL TOOL
WHICH WE USE TO EMPOWER OUR MEMBERS
TO MAKE GOOD CHOICES.

IMPROVING SERVICE

“Communication of any changes whether it is system or product” – Cape Town

“Ongoing training and information regarding product” – Johannesburg

Communication is a critical tool which we use to empower our members to make good choices. As such the Fund’s communication strategy is analysed and reviewed annually and a communication plan for the ensuing year is developed and implemented.

MAKING THE JOB EASIER

“Access to Corporate benefit sales and marketing material. Online training”

The Fund’s service offering was analysed, the service model and the needs of stakeholders re-addressed to ensure that every intermediary and employer has been assigned an Old Mutual Corporate Consultant.

“Simplified admin process – online”

The website was enhanced to ensure that all the relevant information is easily accessible to all relevant stakeholders.

Old Mutual SuperFund values all feedback received and we are continually looking for ways to improve your experience as intermediaries, employers or members, and to enhance the Old Mutual SuperFund offering.

Old Mutual Financial Wellbeing Programme

Launched in 2009, the Old Mutual Financial Wellbeing Programme (FWP) has proven to be a valuable resource to our clients and their members. Offered at **no cost**, the programme provides essential financial education and advice to members.

In the year 2014, **540 member education sessions** took place at over **60** companies, and **9 241** members attended these sessions.

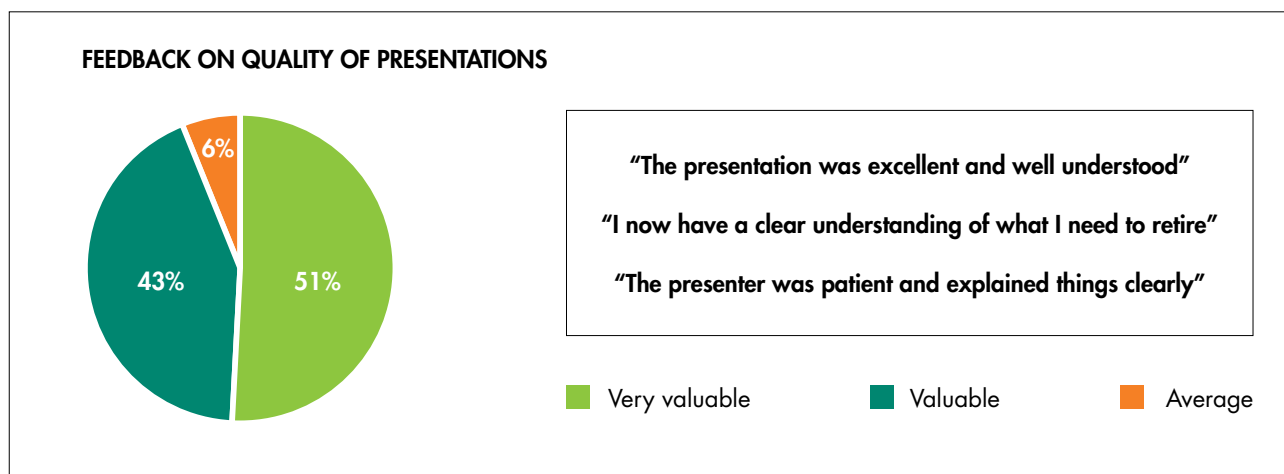
When Old Mutual Corporate took the decision to move their clients onto an umbrella platform (Old Mutual SuperFund) from standalone administration, the FWP team took the lead to inform members of this move and to educate them around the changes that were taking place. The member education drive empowered them with the know-how of their benefit structures and the importance of knowing how much they have contributed towards their retirement savings.

The FWP dedicated team of facilitators travelled countrywide, with the support of Old Mutual Corporate Consultants, to reach all members to ensure that they were comfortable with the move. These sessions provided the member the opportunity to engage face-to-face on our financial education offering.

During 2014, **20 Wellness Day** exhibitions were held at clients' premises, with over **2 000** participants.

These sessions provide members with the opportunity to engage face-to-face on our financial education offering and it also gives them the opportunity to update their Fund details.

Below are some comments received from members who attended the session and a summary of the feedback received on the quality of the presentations.



SUPERFUND AND **OLD MUTUAL ACCOLADES**



10. SUPERFUND AND OLD MUTUAL ACCOLADES



1ST PLACE: OLD MUTUAL CORPORATE

- Principal Officers Association Imbasa Yegolide Award for Best Employee Benefits Administrator for four straight years - 2010, 2011, 2012 and 2013!



1ST PLACE: OLD MUTUAL SUPERFUND

- Institute of Retirement Funds' Best Practices Industry Awards (2012 & 2013). In 2013 we won Best Communication Campaign/Project in the Umbrella category.



1ST PLACE: OLD MUTUAL SA

- Long-term Insurance Category.
- Sunday Times Top Brands.



TOP 10: OLD MUTUAL SA

- Most Reputable Company in SA.
- Mail & Guardian Reputation Index Reputation Institutes RepTrak Pulse.
- Most empowered in the financial services.



1ST PLACE: OLD MUTUAL SA

- Top Employer Award.
- Corporate Research Foundation.



1ST PLACE: OLD MUTUAL SA

- Customer Service Organisation.
- Ask Africa Orange Index.
- Ask Afrika Winner for the 4th time of the Long-term insurance category in the 2014/2015 Ask Africa Icon Brand Survey.



1ST PLACE: OLD MUTUAL SA

- Most Trusted Insurance Company.
- Ask Africa Trust Barometer



TRUSTED BRAND: OLD MUTUAL SA

- Most trusted brand in the Investment Management and Life Insurance categories of the 201 Reader's Digest South Africa's Most Trusted Brands Awards.



1ST PLACE: OLD MUTUAL SA

- No 1 overall winner in the large company category in the 2014 Deloitte Best Company to Work For Survey.

OLD MUTUAL SUPERFUND **ADMINISTRATION DETAILS**



11. OLD MUTUAL SUPERFUND ADMINISTRATION DETAILS

OLD MUTUAL SUPERFUND PENSION AND PROVIDENT FUND

Pension Fund Registration Number: 12/8/20237

Provident Fund Registration Number: 12/8/20246

REGISTERED OFFICE OF THE FUND

Postal address

PO Box 167, Cape Town 8000, South Africa

Physical address

Mutualpark, Jan Smuts Drive, Pinelands 7405

CONTACT DETAILS

Telephone 021 509 6954

Fax 021 504 6278

Email cmestern@oldmutual.com

Website www.oldmutual.co.za/superfund

