

## **ANNUAL FINANCIAL STATEMENTS**

**NAME OF RETIREMENT FUND:** OLD MUTUAL SUPERFUND PROVIDENT FUND

**FINANCIAL SECTOR CONDUCT AUTHORITY**  
**REGISTRATION NUMBER:** 12/8/20246/1

**SOUTH AFRICAN REVENUE SERVICES**  
**APPROVAL NUMBER:** 18/20/4/21305

**FOR THE PERIOD:** 1 JULY 2017 to 30 JUNE 2018

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\* Not subject to any engagement by an auditor

**OLD MUTUAL SUPERFUND PROVIDENT FUND****SCHEDULE A  
REGULATORY INFORMATION  
FOR THE YEAR ENDED 30 JUNE 2018****REGISTERED OFFICE OF THE FUND**

Postal address: P O Box 728  
Cape Town  
8000

Physical address: Mutualpark  
Jan Smuts Drive  
Pinelands  
7405

**FINANCIAL REPORTING PERIODS**

Current year: 1 July 2017 to 30 June 2018  
Prior year: 1 July 2016 to 30 June 2017

**BOARD OF FUND**

| Full name                    | Capacity | Date appointed * | Date resigned     |
|------------------------------|----------|------------------|-------------------|
| Burgert Jacobus van Wyk      | I C      | 1 July 2018      |                   |
| Evangelina Mabusela          | I        | 1 July 2018      |                   |
| Gary Hartwig                 | I        | 1 July 2018      |                   |
| Jeremy Peter Andrew          | I        | 3 July 2015      | 30 June 2018      |
| Kanyisa Ncemane              | S        | 26 January 2017  | 30 June 2018      |
| Krishnakumar Natverlal Patel | S        | 1 July 2018      |                   |
| Anna Elizabeth Rothman       | S        | 1 July 2018      |                   |
| Pierre Hendriks Pretorius    | I        | 3 July 2015      | 30 September 2017 |
| Rama Govenden                | I        | 1 October 2017   |                   |
| Thandeka Pamela Zondi        | I        | 1 July 2018      |                   |
| Wahida Parker                | I        | 1 July 2018      |                   |

\* The 'Date appointed' reflects the latest reappointment date, where applicable.

- 'C' denotes Chairperson
- 'I' denotes Independent Board Member
- 'S' denotes Sponsor appointed Board Member

**Governance note: schedule of meetings\* held by the Board of Fund in terms of the Rules of the Fund**

| Meeting date      | Place of meeting                             | Quorum (yes/no) |
|-------------------|--|-----------------|
| 12 September 2017 | Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Yes             |
| 29 November 2017  | Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Yes             |
| 13 March 2018     | Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Yes             |
| 12 June 2018      | Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Yes             |

\* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

**FUND OFFICERS****Independent Principal Officer**

| Full name           | Postal address                   | Physical address                                   | Telephone number  | E-mail address                              | Date appointed | Date resigned    |
|---------------------|----------------------------------|--|-------------------|---|----------------|------------------|
| Cheryl-Anne Mestern | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509<br>6594 | superfundprincipalofficer@<br>oldmutual.com | 1 May<br>2008  | 30 April<br>2018 |
| Fiona Reynolds      | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509<br>6594 | superfundprincipalofficer@<br>oldmutual.com | 1 May<br>2018  |                  |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE A  
REGULATORY INFORMATION (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**Deputy Principal Officers**

| Full name                  | Postal address                   | Physical address                                   | Telephone number | E-mail address                          | Date appointed |
|----------------------------|----------------------------------|--|------------------|---|----------------|
| Stephen Joseph Prout       | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 2429   | superfundprincipalofficer@oldmutual.com | 1 May 2016     |
| Sunilduth Harilall         | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 7936   | superfundprincipalofficer@oldmutual.com | 1 April 2017   |
| Liesl Marais (Independent) | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 6376   | superfundprincipalofficer@oldmutual.com | 1 April 2018   |

**Monitoring Person\***

| Full name        | Postal address                   | Physical address                                   | Telephone number | E-mail address          | Date appointed |
|------------------|----------------------------------|--|------------------|-------------------------|----------------|
| Lindsay Verreyne | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 5705   | lverreyne@oldmutual.com | 1 July 2014    |

\*(In terms of Section 13A of the Pension Funds Act)

**PROFESSIONAL SERVICE PROVIDERS**

**Actuary/Valuator**

| Full name      | Postal address                   | Physical address                                   | Telephone number | E-mail address         | Date appointed |
|----------------|----------------------------------|--|------------------|------------------------|----------------|
| Stephen Walker | P O Box 728<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 5152   | swalker2@oldmutual.com | 1 January 2014 |

**Auditor**

| Full name                   | Postal address                    | Physical address                                     | Telephone number |
|-----------------------------|-----------------------------------|--|------------------|
| PricewaterhouseCoopers Inc. | P O Box 2799<br>Cape Town<br>8000 | 5 Silo Square<br>V&A Waterfront<br>Cape Town<br>8002 | (021) 529 2000   |

**Benefit Administrator**

| Full name  | Postal address                    | Physical address                                   | Telephone number | Registration number in terms of section 13B |
|--|-----------------------------------|--|------------------|---|
| Old Mutual Life Assurance Company (South Africa) Limited | P O Box 1014<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 9111   | 24/35                                       |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE A  
REGULATORY INFORMATION (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**PROFESSIONAL SERVICE PROVIDERS (continued)**

**Investment Administrator**

| <b>Full name</b>   | <b>Postal address</b>                                    | <b>Physical address</b>   | <b>Telephone number</b> | <b>FAIS registration number</b> |
|--|--|---|-------------------------|---------------------------------|
| Abax Investments (Pty) Limited   | PO Box 23851<br>Claremont<br>7735                        | Colinton House<br>The Oval<br>1 Oakdale Road<br>Newlands<br>7700                | (021) 670 8960          | 856                             |
| Absa Asset Management (Pty) Limited  | Private Bag<br>X291509<br>Melville<br>2109               | Absa South<br>Campus<br>15 Alice Lane<br>Sandton<br>2146                        | (011) 225 1863          | 522                             |
| Allan Gray Life Limited  | P O Box 51318<br>V & A Waterfront<br>Cape Town<br>8002   | 1 Silo Square<br>V & A Waterfront<br>Cape Town<br>8001                          | (021) 415 2300          | 6663                            |
| Allan Gray South Africa (Pty) Limited  | PO Box 51318<br>V & A Waterfront<br>Cape Town<br>8002    | 1 Silo Square<br>V & A Waterfront<br>Cape Town<br>8001                          | (021) 415 2300          | 27146                           |
| Alexander Forbes Investments Limited   | P O Box 786055<br>Sandton<br>2146                        | 115 West Street<br>Sandown<br>2196  | (011) 505 6000          | 711                             |
| Boutique Collective Investments (RF) (Pty) Limited                                       | PO Box 3625<br>Tyger Valley<br>7536                      | Catnia Building<br>Bella Rosa Village<br>Bella Rosa Street<br>Bellville<br>7530 | (021) 914 1880          | Note 1                          |
| Coronation Asset Management (Pty) Limited  | P O Box 44684<br>Claremont<br>7708                       | Montclare Place<br>Cnr Campground<br>and Main Road<br>Claremont<br>7708         | (021) 680 2000          | 548                             |
| Coronation Life Assurance Company Limited  | P O Box 44684<br>Claremont<br>7735                       | Montclare Place<br>Cnr Campground<br>and Main Road<br>Claremont<br>7708         | (021) 680 2000          | 548                             |
| Fairtree Capital (Pty) Limited   | P O Box 4124<br>Tygervally<br>7536                       | Willowbridge Place<br>Cnr Old Oak and<br>Carl Cronje Drive<br>Bellville<br>7530 | (021) 943 3760          | 25917                           |
| Foord Asset Management (Pty) Limited   | P O Box 135<br>Howard Place<br>7450                      | 8 Forest Mews<br>Forest Drive<br>Pinelands<br>7405                              | (021) 532 6988          | 578                             |
| Futuregrowth Asset Management (Pty) Limited<br>(a member of Old Mutual Investment Group) | Private Bag X6<br>Newlands<br>7725                       | Great Westerford<br>Building<br>240 Main Road<br>Rondebosch<br>7700             | (021) 659 5300          | 520                             |
| Investec Assurance Limited   | P O Box 1655<br>Cape Town<br>8000                        | 36 Hans Strijdom<br>Avenue<br>Foreshore<br>Cape Town<br>8000                    | (021) 416 2000          | 587                             |
| Investec Fund Managers (RF) (Pty) Limited  | P O Box 785700<br>Sandton<br>2146                        | 100 Grayston Drive<br>Sandown<br>2196   | (011) 286 7000          | Note 1                          |
| Investors Fund Services (Ireland) Limited (PIMCO)  | Iveagh Court Block<br>Harcourt Road<br>Dublin<br>Ireland | Iveagh Court Block<br>Harcourt Road<br>Dublin<br>Ireland                        | (00353) 1 241 7100      | 42071                           |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE A  
REGULATORY INFORMATION (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**PROFESSIONAL SERVICE PROVIDERS (continued)  
Investment Administrators (continued)**

| Full name   | Postal address                                     | Physical address   | Telephone number  | FAIS registration number |
|---|--|--|-------------------|--------------------------|
| Lindsell Train Limited                                      | 66 Buckingham Gate<br>London<br>SW1E 6AU           | 66 Buckingham Gate<br>London<br>SW1E 6AU   | (00353) 1400 5300 | Note 2                   |
| Nedgroup Private Wealth (Pty) Limited                       | P O Box 1144<br>Johannesburg<br>2000               | 135 Rivonia Road<br>Sandown<br>2196  | (011) 294 4444    | 828                      |
| Oasis Asset Management Limited                              | P O Box 1217<br>Cape Town<br>8000                  | Oasis House<br>96 Upper<br>Roodebloem Road<br>University Estate<br>7925                                    | (021) 413 7860    | 603                      |
| Old Mutual Investment Group (Pty) Limited                   | P O Box 878<br>Cape Town<br>8000                   | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405   | (021) 509 5022    | 604                      |
| Old Mutual Life Assurance Company (South Africa) Limited    | P O Box 1014<br>Cape Town<br>8000                  | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405   | (021) 509 9111    | 703                      |
| Old Mutual Unit Trust Managers (RF) (Pty) Limited           | P O Box 217<br>Cape Town<br>8000                   | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405   | (021) 503 1770    | Note 1                   |
| Prudential Investment Managers (South Africa) (Pty) Limited | P O Box 44813<br>Claremont<br>7735                 | Protea Place<br>40 Dreyer Street<br>Claremont<br>7708  | (021) 670 5100    | 45199                    |
| Prudential Portfolio Managers (South Africa) (Pty) Limited  | P O Box 44813<br>Claremont<br>7735                 | Protea Place<br>40 Dreyer Street<br>Claremont<br>7708  | (021) 670 5100    | 615                      |
| Resolution Capital Limited                                  | 78 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland | 78 Sir John Rogerson's Quay<br>Dublin 2<br>Ireland   | (00353) 1242 5439 | Note 2                   |
| Sanlam Investment Management (Pty) Limited                  | Private Bag X8<br>Tygervally<br>7536               | 55 Willie Van Schoor Avenue<br>Tygervally<br>7530  | (021) 950 2500    | 579                      |
| Sygnia Asset Management (Pty) Limited                       | PO Box 51591<br>V&A Waterfront<br>8002             | Foundry Building<br>Cardiff Street<br>Green Point<br>8005  | (021) 446 4940    | 873                      |
| Taquanta Asset Managers (Pty) Limited                       | P O Box 23540<br>Claremont<br>7735                 | Newlands Terraces<br>Boundary Road<br>Newlands<br>7700   | (021) 681 5100    | 618                      |
| Truffle Asset Management (Pty) Limited                      | P O Box 535<br>Pinegowrie<br>2135                  | Lancaster Gate<br>Hyde Park Office<br>Park<br>Cnr William Nicol &<br>Jan Smuts Avenue<br>Hyde Park<br>2196 | (011) 325 0030    | 36584                    |
| Visio Capital Management (Pty) Limited                      | The Place<br>1 Sandton Drive<br>Sandton<br>2146    | The Place<br>1 Sandton Drive<br>Sandton<br>2146  | (011) 245 8900    | 871                      |

**OLD MUTUAL SUPERFUND PROVIDENT FUND****SCHEDULE A  
REGULATORY INFORMATION (continued)  
FOR THE YEAR ENDED 30 JUNE 2018****PROFESSIONAL SERVICE PROVIDERS (continued)****Investment Administrators (continued)**

| Full name                         | Postal address   | Physical address   | Telephone number    | FAIS registration number |
|-----------------------------------|--|--|---------------------|--------------------------|
| Walter Scott and Partners Limited | 1 Charlotte Square<br>Edinburgh<br>EH2 4DR<br>United Kingdom | 1 Charlotte Square<br>Edinburgh<br>EH2 4DR<br>United Kingdom | (0044) 131 225 1357 | 9725                     |

Note 1: 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.

Note 2: For these International Investment Administrators there are no available FAIS registration numbers.

**Investment Adviser**

| Full name  | Postal address                    | Physical address                                   | Telephone number | FAIS registration number |
|--|-----------------------------------|--|------------------|--------------------------|
| Old Mutual Corporate Consultants, a division of Old Mutual Life Assurance Company (South Africa) Limited | P O Box 1014<br>Cape Town<br>8000 | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405 | (021) 509 9111   | 703                      |

**Risk Insurer**

| Full name  | Postal address                        | Physical address   | Telephone number | FSP approval no |
|--|---------------------------------------|--|------------------|-----------------|
| Alexander Forbes Life Limited                            | P O Box 787240<br>Sandton<br>2146     | 115 West Street<br>Sandown<br>2196                                   | (011) 269 0000   | 1178            |
| Capital Alliance Life Limited                            | P O Box 31750<br>Braamfontein<br>2017 | 25 Ameshoff Street<br>Braamfontein<br>2001                           | (021) 408 1451   | 17404           |
| Discovery Life Limited                                   | P O Box 78722<br>Sandton<br>2146      | 155 West Street<br>Sandton<br>2128                                   | (021) 529 2888   | 18147           |
| Hollard Life Assurance Company Limited                   | P O Box 2697<br>Randburg<br>2125      | 66 Marshall Street<br>Johannesburg<br>2001                           | (021) 241 1000   | 17697           |
| Lion Of Africa Life Assurance Company Limited            | Private Bag X1<br>Mowbray<br>7705     | The Boulevard Off<br>Searle Street<br>Woodstock<br>Cape Town<br>7925 | (021) 461 8233   | 15283           |
| MMI Group Limited  | P O Box 7400<br>Centurion<br>0046     | 268 West Avenue<br>Centurion<br>0157                                 | (021) 940 5664   | 24/453          |
| Old Mutual Life Assurance Company (South Africa) Limited | P O Box 1014<br>Cape Town<br>8000     | Mutualpark<br>Jan Smuts Drive<br>Pinelands<br>7405                   | (021) 509 9111   | 703             |
| Sanlam Life Insurance Limited                            | P O Box 1<br>Sanlamhof<br>7532        | Sanlam Head Office<br>2 Strand Street<br>Bellville<br>7532           | (021) 947 9111   | 2759            |

**Custodian and/or Nominee**

| Full name       | Postal address                       | Physical address   | Telephone number | Date appointed        | FSP approval no |
|-----------------|--------------------------------------|--|------------------|-----------------------|-----------------|
| Nedbank Limited | P O Box 1144<br>Johannesburg<br>2000 | Braampark Forum<br>IV<br>33 Hoofd Street<br>Braamfontein<br>2001 | (011) 667 1000   | 1<br>December<br>2003 | 9363            |

**PARTICIPATING EMPLOYERS**

The list of Participating Employers is available for inspection at the Fund's registered office.

## **OLD MUTUAL SUPERFUND PROVIDENT FUND**

### **SCHEDULE B**

#### **STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2018**

##### **Responsibilities**

The Board of Fund hereby confirms to the best of its knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by Pension Funds Act, legislation and the Rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the Rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary, in accordance with section 13A and regulation 33 of the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the Rules and the operation and administration of the Fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the Rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

##### **Approval of the annual financial statements**

The annual financial statements of OLD MUTUAL SUPERFUND PROVIDENT FUND are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices are adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 13 to 47 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act. The Board of Fund is not aware of any instances of non-compliance, except for those identified below, during the financial period nor during the period up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditors, PricewaterhouseCoopers Inc, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on pages 10 to 12.

# **OLD MUTUAL SUPERFUND PROVIDENT FUND**

## **SCHEDULE B**

### **STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018**

#### **Instances of non-compliance**

In addition to the findings reported in Schedule I, Factual Findings Report to the Financial Sector Conduct Authority of Pension Funds in terms of Section 15 of the Pension Funds Act, 1956, all instances of non-compliance with acts, legislation, regulations and rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the annual financial statements the following instances of non-compliance came to our attention:

| <b>Nature and cause of non-compliance</b>  | <b>Impact of non-compliance matter on the Fund</b>  | <b>Corrective course of action taken to resolve non-compliance matter</b>  |
|--|---|--|
| A number of Participating Employers failed to submit their contributions and data according to the prescribed timelines of Section 13A of the Pension Funds Act. A list of the affected Participating Employers is available for inspection.                               | The contributions are not invested timeously and could have a negative impact on the member's potential investment return.  | The Section 13A process is followed whereby letters are submitted to the affected Participating Employers and their intermediaries requesting them to submit the outstanding information and contributions. Late payment interest is charged on outstanding contributions and collected where possible. Monthly reports are submitted to the Fund and the FSCA and Directorate of Public Prosecutions. |
| Late registration of Sub-Fund Special Rules due to late notification, lack of information or late submission to the FSCA. A list of the affected Sub-Funds is available for inspection.  | Sub-Funds were administered without the latest registered copy of Special Rules containing all recent amendments.   | Motivation letters detailing reasons for late submissions are submitted to the FSCA as and when they occur.  |
| Section 14 In - Assets for 34 cases were not received from the Transferor Fund within the prescribed 60 day period.  | Members' transfer values could not be allocated to their selected investment portfolios timeously.  | SuperFund reported the non-compliance to the FSCA and completed the necessary Form K's for extensions. Payment has subsequently been received for all 34 cases.  |
| Section 14 In — Notification of transfers were not received timeously from Transferor Fund for 73 cases. As a result Superfund could not submit to FSCA within 180 days.   | The affected cases cannot be completed and submitted to the FSCA timeously.   | Superfund reported the non-compliance to the FSCA and the Principal Officer of the Transferor Fund. Form K extensions have been applied for.   |
| The Board of Fund was unable to complete the process of identifying and tracing all of the dependants within the 12 month period specified in Section 37C of the Pension Funds Act. This is as a result of outstanding information and documentation required by the Fund. | The Board of Fund could not adjudicate these cases in terms of Section 37C and as a result payment of the benefit could not be made to the dependants and nominees. | The Fund continues to pursue several avenues to more speedily obtain outstanding information and documentation. An active tracing process is in place which includes engagement with Home Affairs and forensic tracing to gather information and ensure payment of claims.   |
| Exempt Liquidations - Deregistration documents are not in all cases submitted to the FSCA within 30 days of the last member payment or 12 months since the liquidator was appointed.   | Non-adherence to legislated timeline.   | The following changes have been made to the liquidation process so as to ensure that there are no delays in the finalising of the deregistration:<br>•Investigation and clearing of scheme balances is done earlier in the liquidation process.<br>•Unclaimed liquidation benefits are ported to Preserver 90 days after the option forms are sent.  |



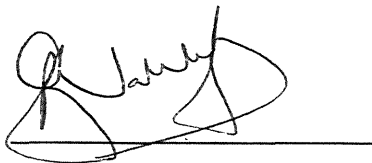
**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE B**

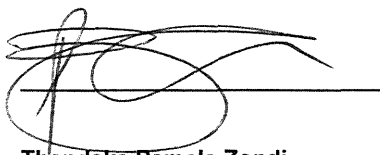
**STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

These annual financial statements:

- were approved by the Board of Fund on 28 November 2018;
- are to the best of the Board Members' knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the Fund at 30 June 2018 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



**Burgert Jacobus van Wyk  
INDEPENDENT CHAIRPERSON**



**Thandeka Pamela Zondi  
INDEPENDENT BOARD MEMBER**



**Krishnakumar Natverlal Patel  
SPONSOR APPOINTED BOARD  
MEMBER**

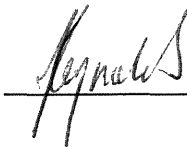
**28 November 2018**

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE C**

**STATEMENT OF RESPONSIBILITY BY THE INDEPENDENT PRINCIPAL OFFICER  
FOR THE YEAR ENDED 30 JUNE 2018**

I confirm that, to the best of my knowledge, for the year under review the OLD MUTUAL SUPERFUND PROVIDENT FUND has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation except for the matters listed in the Statement of Responsibility by the Board of Fund and in Schedule I, Factual Findings Report to the Financial Sector Conduct Authority in terms of Section 15 of the Pension Funds Act, 1956.

A handwritten signature in black ink, appearing to read 'Fiona Reynolds', is written over a horizontal line.

**Fiona Reynolds  
INDEPENDENT PRINCIPAL OFFICER**

**28 November 2018**



## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF FUND OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND

### *Report on the financial statements*

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#### *Our opinion*

We have audited the annual financial statements of Old Mutual SuperFund Provident Fund ("the Fund") set out on pages 25 to 47, which comprise the statement of net assets and funds as at 30 June 2018 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Authority.

In our opinion, the financial statements of Old Mutual SuperFund Provident Fund for the year ended 30 June 2018 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in South Africa.

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Fund in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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#### *Emphasis of Matter – Financial reporting framework and restriction on use*

Without modifying our opinion, we draw attention to the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Authority. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

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#### *Other information*

The Board of Fund is responsible for the other information. The other information comprises the Integrated Report and the Annual Financial Statements in terms of section 15 of the Pension Funds Act no 24, 1956, but does not include the financial statements (schedule F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Chief Executive Officer: T D Shango

Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND

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### *Responsibilities of the Board of Fund for the Financial Statements*

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITOR'S REPORT**  
TO THE BOARD OF FUND OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND

***Report on Other Legal and Regulatory Requirements***

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.

*PricewaterhouseCoopers Inc.*  
.....  
PricewaterhouseCoopers Inc.  
Director: V Wiese  
Registered Auditor

Address: 5 Silo Square, V&A Waterfront, Cape Town 8002

Date *28 November 2018* .....

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2018

#### 1. DESCRIPTION OF FUND

##### 1.1. Type of fund in terms of the Income Tax Act, 1962

In terms of Section 1 of the Income Tax Act, 1962 the Fund is classified as a Provident Fund. The Fund is a defined contribution Fund.

##### 1.2. Benefits

In terms of the Rules of the Fund: retirement benefits, withdrawal benefits (voluntary resignation, dismissal and retrenchment), death benefits and lump sum disability benefits are provided.

##### 1.2.1. Unclaimed benefits

A member must notify the Fund of the choice elected for the payment of the benefit on withdrawal from membership within the period published on the website (currently 120 days). Where the member fails to notify the Fund within such period of the choice elected or the details of the specific fund to which the benefit is to be transferred, the following options exist:

(a) if the Fund is required to make a deduction from the member's benefit in respect of a housing loan guarantee or an amount provided for in Section 37D(b)(ii) of the Pension Funds Act, the entire benefit (after such deduction) must be transferred to an approved pension preservation fund chosen by the Board of Fund,

(b) if the Fund is not required to make any deduction from the benefit in terms of (a), the member will be deemed to have elected to continue membership of the Fund and become a Preserver member.

In the case of death benefits, a death benefit payable to a beneficiary under Section 37C of the Act not paid within 24 months from the date on which the Fund apportions the benefit of the member will be classified as an unclaimed benefit and transferred to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund. If the Fund does not become aware of or cannot trace any dependant of the member within 12 months of the death of the member and if the member has not nominated a beneficiary and if no inventory has been received by the Master of the Supreme Court in respect of the member, the benefit will be paid into the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund. With effect from 1 October 2016, all unpaid death benefits are invested in the Old Mutual Coregrowth 100 investment portfolio. Subsequent to the financial year-end the Board of Fund decided to invest the Fund's assets in the Old Mutual Absolute Stable Growth Portfolio.

Complete records, as prescribed, are maintained.

In terms of Section 14 of the Pension Funds Act the FSCA has approved a blanket Section 14 for the twelve months ending 30 June 2018 enabling the transfer of existing unclaimed benefits from the Unclaimed Benefits Account in the Old Mutual SuperFund Provident Fund to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund, a Fund managed by the Board of Fund. The Fund has applied for approval of a further prospective Section 14 application for the period 1 July 2018 to 30 June 2019 and will do so annually thereafter until such time as there are no remaining unclaimed benefits in the Fund. This is to enable new cases of unclaimed benefits to be transferred from the Old Mutual SuperFund Provident Fund to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund when they are classified as unclaimed benefits. To date the majority of unclaimed benefits have been transferred. Some could not be transferred due to tax requirements.

##### 1.2.2. Preserver members

The objective of the Preserver option is to enable members who terminate employment with their Participating Employers to continue their membership in the Fund uninterrupted, preserve their benefits and enjoy some of the benefits and investment options offered by the Fund.

The Fund makes provision for a member who on withdrawal neglects to submit the completed exit notification to the Fund within such period as determined by the Board of Fund (currently 120 days). Such a member will be deemed to have elected to continue membership of the Fund and become a Preserver member.

Members who were regarded as Preserver members by a previous fund and are transferred into the Fund in terms of Section 14 of the Pension Fund Act will be recorded in the Fund's records as Preserver members.

A Preserver member may, at any time before normal retirement age, elect to withdraw and receive a withdrawal benefit from the Fund, provided that an exit notification is submitted by the Preserver member to the Fund.

## **OLD MUTUAL SUPERFUND PROVIDENT FUND**

### **SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018**

#### **1.3. Contributions**

##### **1.3.1. Description in terms of the Rules of the Fund:**

##### **1.3.2. Member contributions**

Each member must contribute in respect of each calendar month of membership of the Fund at the rate specified in the Participating Employer's special rules. The contribution payable by the member is calculated as the specified rate multiplied by the member's pensionable salary. The contribution rate for a member or group of members may be as little as 0% (zero per cent), provided that it is specified in the Participating Employer's special rules, and the member may be allowed to increase or decrease the current contribution rate at such intervals and in such a manner as the Board of Fund may determine. The contribution is credited to the Member Account when it is received by the Fund.

Voluntary contributions: A member may contribute such additional voluntary amounts as the member may decide to be applied towards retirement funding. The contribution is credited to the Member Account when it is received by the Fund.

##### **1.3.3. Employer contributions**

The Participating Employer must contribute to the Fund in respect of each month of membership of each member at the rates specified in the Participating Employer's Special Rules. The total contribution payable by the Participating Employer in respect of each member is calculated at the specified rate multiplied by the member's pensionable salary. The contribution net of deductions in terms of the special rules is credited to the Member Account when the contribution is received by the Fund. The contribution rate for a member or group of members may be as little as 0% (zero per cent), provided that it is specified in the Participating Employer's special rules.

Voluntary contributions: A Participating Employer may make additional contributions to be credited to the Member Account of the member on the understanding that this may or may not be tax deductible in the hands of the Participating Employer depending on the requirement of the South African Revenue Services.

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE E  
REPORT OF THE BOARD OF FUND (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**1.4. Rule Amendments**

**1.4.1. Amendments**

| <b>Rule amendment No.</b> | <b>Description and motivation</b>  | <b>Date of Board of Fund resolution</b> | <b>Effective date</b> | <b>Date registered by the FSCA</b> |
|---------------------------|--|---|-----------------------|------------------------------------|
| 4                         | To replace the word "documentation" with "EXIT NOTIFICATION" where it appears in the latter part of MASTER RULE 14.1(10)(b)(i) in order to ensure consistency with the wording in said MASTER RULE. To include an exclusion provision in MASTER RULE 7.2(2) that a pension or pensions need not to be payable for the life of the DEPENDANT and/or nominated BENEFICIARY and to further clarify that the consent of a parent or guardian will be required when purchasing a pension or pensions for minors. To clarify that minutes of meetings may be signed digitally in terms of MASTER RULE 3.7. To clarify the process which will apply where there are no MEMBERS remaining in a SUB-FUND.   | 24 July 2017                            | 1 July 2017           | 2 August 2017                      |
| 5                         | Definitions of ASSOCIATED PARTICIPATING EMPLOYERS, GROUP SUB-FUND, GROUP PARTICIPATING EMPLOYER SURPLUS ACCOUNT & GROUP EXPENSE RESERVE ACCOUNT added as a consequence of the changes made to MASTER RULES 2.7, 3.4(2), 4 and MASTER RULE 11.2. Definitions of RISK POLICY & RISK SALARY clarified. To permit a PARTICIPATING EMPLOYER contribution rate of 0% (zero per cent), in which case the cost of any premium necessary to provide RISK BENEFITS or the amount to cover fees and expenses of the FUND will be paid by the MEMBER'S contribution. To clarify that the each SUB-FUND is "ring-fenced" by adding a further MASTER RULE in this regard. To set out the terms and conditions under which the MANAGEMENT BOARD will delegate any of its powers and duties and to give the MANAGEMENT BOARD the power to debit MEMBER ACCOUNTS of MEMBERS, in relation to any liability incurred as a result of a decision taken by the MANAGEMENT COMMITTEE in terms of a delegated authority, which is not met by a contribution from the PARTICIPATING EMPLOYER. MASTER RULE 4 is improved by arranging the MASTER RULES thereunder in a logical order. The MASTER RULE is also updated in line with the introduction of ASSOCIATED PARTICIPATING EMPLOYERS to the MASTER RULES. The heading of MASTER RULE 5.6 is renamed and the provisions in MASTER RULE 5.6 are expanded to give a MEMBER the option to retain his benefit in the FUND and become a PRESERVER MEMBER, where a MEMBER no longer qualifies as an ELIGIBLE EMPLOYEE but remains in service and where a MEMBER is permitted to join another fund in terms of his condition of service. To expand MASTER RULE 6.1(1)(b) and (d) to allow a PARTICIPATING EMPLOYER to have a different early retirement age limit, which will | 29 March 2018                           | 1 December 2017       | 6 September 2018                   |



**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE E  
REPORT OF THE BOARD OF FUND (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**1.4. Rule Amendments (continued)**

**1.4.1. Amendments**

| <b>Rule amendment No.</b> | <b>Description and motivation</b>  | <b>Date of Board of Fund resolution</b> | <b>Effective date</b> | <b>Date registered by the FSCA</b> |
|---------------------------|--|---|-----------------------|------------------------------------|
|                           | <p>be specified in the SPECIAL RULES, as that which is stated in the MASTER RULES. To update the rules in light of the amendment to the definition of RISK SALARY. To permit MEMBERS with housing loan guarantees and compensation due in terms of Section 37D(1)(b)(ii) of the ACT to become PRESERVER MEMBERS by removing the exclusion in MASTER RULE 8.3(1)(a) and MASTER RULE 8.3(2). MASTER RULE 8.3(2) is also aligned with Regulation 38.1(b)(i) in respect of a PRESERVER MEMBER and as a consequence of this change the reference to MASTER RULE 8.3(2)(b) is updated. To permit a PARTICIPATING EMPLOYER contribution rate of 0% (zero per cent), in which case the cost of any premium necessary to provide RISK BENEFITS or the amount to cover fees and expenses of the FUND will be paid by the MEMBER'S contribution. To enable the FUND to operate a GROUP EXPENSE RESERVE ACCOUNT and/or a GROUP PARTICIPATING EMPLOYER SURPLUS ACCOUNT instead of individual SUB-FUND accounts. To allow transfers into a SUB-FUND EXPENSE RESERVE ACCOUNT from another fund through transfers and distributions on liquidation, in either case as approved by the FSCA by adding a credit to MASTER RULE 11.2(4). To include a provision for the establishment of specific accounts in respect of a GROUP SUB-FUND and to clarify the treatment of any balances in such accounts of a GROUP SUB-FUND. MASTER RULE 4.1(8) is moved to MASTER RULE 11.2. To clarify the treatment of any balances in the accounts of a GROUP SUB-FUND. To enable the transfer of business of a MEMBER, PRESERVER MEMBER or DEFERRED RETIREE in any APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND to the FUND. The entire MASTER RULE 13.4 is replaced in order to provide clarity and to update the numbering as a result of the changes made to MASTER RULE 13.4 in Amendment No. 1. To empower the MANAGEMENT BOARD, where the assets underlying the benefits of the MEMBER have been disinvested pending a transfer of assets, to reinvest amounts in respect of a MEMBER if for whatever reason there is a delay in effecting the transfer. The MASTER RULES are aligned with Regulation 38.2(e), by including a provision to MASTER RULE 15, which ensure that MEMBERS are given access to retirement benefits counselling before any withdrawal benefit is paid or transferred.</p> |   |                       |                                    |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE E  
REPORT OF THE BOARD OF FUND (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**1.4. Rule Amendments (continued)**

**1.4.1. Amendments**

| <b>Rule amendment No.</b> | <b>Description and motivation</b>   | <b>Date of Board of Fund resolution</b> | <b>Effective date</b> | <b>Date registered by the FSCA</b> |
|---------------------------|---|---|-----------------------|------------------------------------|
| 6                         | Definition of PRESERVER MEMBER amended to rectify a reference error. To allow a PRESERVER MEMBER to have the option to become a DEFERRED RETIREE. To make provision for the FUND to accept any amounts paid from another fund for the benefit of DEFERRED RETIREES. To include a further obligation on the PARTICIPATING EMPLOYER in respect of communication to MEMBERS in respect of the distribution of MEMBER benefit statements and information pertaining to fees and premiums in respect of RISK BENEFITS.   | 8 February 2018                         | 1 December 2017       | 10 September 2018                  |
| 7                         | To delete the definition of "MEMBER SURPLUS ACCOUNT" and all references thereto in the MASTER RULES as this account is no longer required. To delete the definition of "NON-UNITISED INVESTMENTS" and all references thereto in the MASTER RULES in line with the advice of the ACTUARY to combine the PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS) and PROCESSING RESERVE ACCOUNT. To delete the definition of "PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS)" and all references thereto in the MASTER RULES in line with the advice of the ACTUARY to combine the PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS) and PROCESSING RESERVE ACCOUNT. To amend the definition of "PROCESSING RESERVE ACCOUNT" in line with the advice of the ACTUARY to combine the PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS) and PROCESSING RESERVE ACCOUNT. To delete the definition of "UNITISED INVESTMENT" and all references thereto in the MASTER RULES in line with the advice of the ACTUARY to combine the PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS) and PROCESSING RESERVE ACCOUNT. To allow for the transfer of benefits on retirement to an APPROVED RETIREMENT ANNUITY FUND. To clarify the wording. Where a MEMBER has not submitted an EXIT NOTIFICATION the MEMBER will automatically be defaulted to a PRESERVER MEMBER. To delete the rule relating to the "MEMBER SURPLUS ACCOUNT". To delete the rule relating to the "PROCESSING ERROR RESERVE ACCOUNT (UNITISED INVESTMENTS)" & to amend the rule relating to "PROCESSING RESERVE ACCOUNT". To align the MASTER RULES with the practice. The disinvestment of transfer values for which approval is required in terms of Section 14 of the ACT, and where the transfer value is required to be paid in cash, shall occur on or | 3 May 2018                              | 1 March 2018          | 13 September 2018                  |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE E  
REPORT OF THE BOARD OF FUND (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**1.4. Rule Amendments (continued)**

**1.4.1. Amendments**

| <b>Rule amendment No.</b> | <b>Description and motivation</b>  | <b>Date of Board of Fund resolution</b> | <b>Effective date</b> | <b>Date registered by the FSCA</b> |
|---------------------------|--|---|-----------------------|------------------------------------|
|                           | before 6 (six) BUSINESS DAYS after the later of receipt of approval by the AUTHORITY and a tax directive from the REVENUE AUTHORITY. |   |                       |                                    |

All Rule Amendments are available for inspection at the Fund's registered office.

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018

#### 1.5. Reserves and specified accounts established in terms of the Rules of the Fund

##### 1.5.1. Reserves

The Reserve Accounts of the Fund are established at a Sub-Fund level or at a Fund level.

The Fund maintains the following Accounts:

- at a Fund level:
  - (a) Expense Reserve Account;
  - (b) Risk Reserve Account;
  - (c) Unclaimed Benefits Account;
  - (d) Processing Error Reserve Account (Unitised Investments) - closed 1 March 2018;
  - (e) Processing Reserve Account;
  - (f) Surplus Apportionment Expense Reserve Account - closed 1 March 2018;
  - (g) Preserver Members Account; and
  - (h) Deferred Retiree Account.
- at a Sub-Fund level:
  - (i) Member Account;
  - (j) Participating Employer Surplus Account;
  - (k) Member Surplus Account - closed 1 March 2018;
  - (l) Sub-Fund Expense Reserve Account;
  - (m) Post-Retirement Medical Aid Account; and
  - (n) Contribution Holiday Account.

The Board of Fund may establish any other Reserve Account as it considers appropriate from time to time provided that any Account established at Fund level need not be established at Sub-Fund level unless the Board of Fund considers it necessary or desirable and as long as these are allowed in the Fund Rules. Amounts may only be transferred between any of the Sub-Fund level Reserve Accounts, within the Sub-Fund to which these Accounts relate, unless any Fund Rule provides otherwise; provided that amounts may be transferred between a Reserve Account at Fund level and a like Reserve Account at Sub-Fund level.

The Board of Fund reviews and adjusts (if necessary) each Reserve Account at least once a year. Reserves are invested in bank accounts or investment portfolios in accordance with the Investment Policy Statement.

##### 1.5.2. Accounts

The following Accounts are held by the Fund:

**Expense Reserve Account:** This Account makes provision for the receipt and payment of fees, disbursements, levies and expenses payable by the Fund. Charges made against Member Accounts are credited to this Account.

**Risk Reserve Account:** This Account makes provision for the receipt and payment of risk benefit premiums, and for the receipt of recoveries once claims are admitted by the risk provider.

**Unclaimed Benefits Account:** This Account makes provision for the receipt of benefits which despite tracing are not paid out within the period considered appropriate by the Board of Fund or as determined from time to time by the South African Revenue Services. Tracing and administration costs are deducted and investment return is added to the Account.

**Processing Error Reserve Account (Unitised Investments):** This Account makes provision for mismatching and for timing differences in the actual investment or disinvestment of money in respect of unitised investments, as determined by the Board of Fund, in accordance with the policy adopted by the Board of Fund and documented in a practice note. This account was closed on 1 March 2018 and was combined with the Processing Reserve Account. (Refer to rule amendment No.7 on pages 17 and 18).

**Processing Reserve Account:** This Account makes provision for mismatching and for timing differences in the actual investment or disinvestment of money in respect of investments, any interest earnings, any penalties levied in terms of Section 13A of the Act, and pays any investment fees and expenses not processed through the other Reserve Accounts. The management of this Account ensures that Member Accounts are credited and debited with the appropriate amounts at the appropriate times. Any differences are processed to this Account.

**Surplus Apportionment Expense Reserve Account:** This Account makes provision for the receipt and payment of amounts relating to surplus expenses that comply with the Pension Funds Second Amendment Act No. 39 of 2001. This account was closed on 1 March 2018 (Refer to rule amendment No 7 on pages 17 and 18).

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E

#### REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018

**Preserver Members Account:** This Account makes provision for the receipt of benefits in respect of exited members who have either not claimed their benefits or submitted the completed exit notification or have chosen to continue their Old Mutual SuperFund membership after terminating employment with the Participating Employer. The aim is to continue growing their retirement savings and to enjoy some of the options and benefits available under Old Mutual SuperFund. Administration costs are deducted and investment return is added to this Account.

**Member Account:** This Account makes provision for the receipt of member and Participating Employer contributions towards retirement funding, including amounts transferred from other funds. Investment returns (positive and negative) are added and expenses are deducted from the Account. The Member Account forms the basis for the calculation of the member's benefits.

**Participating Employer Surplus Account:** This Account makes provision for amounts transferred from an employer surplus account in a previous fund or another fund in which the Participating Employer participates, any amount contributed by the Participating Employer in terms of the special rules specifically to be credited to this Account and any additional contributions made by the Participating Employer.

**Member Surplus Account:** This Account makes provision for any amounts apportioned to this Account by the Board of Fund for use in respect of members. Investment returns are added and expenses are deducted from the Account. This account was closed on 1 March 2018 ( Refer to rule amendment No.7 on pages 17 and 18) as all reserves, apart from those indicated, are for the members account.

**Sub-Fund Expense Reserve Account:** This Account makes provision for the payment of expenses relating to the Participating Employer's Management Committee in fulfilling its mandate and any delegation of duties as provided for in the Master Rules including any liability incurred by the Fund arising from the fulfilment of such mandate and duties. The Account is set up and maintained at the request of the Participating Employer and the operation of this Reserve Account is governed by the policy adopted by the Management Committee in terms of the Master Rules and if applicable, the basis laid down by the Participating Employer in terms of the Master Rules.

**Deferred Retiree Account:** This Account makes provision for the receipt of benefits in respect of retired members who have chosen to continue their Old Mutual SuperFund membership. The aim is to continue growing their retirement savings and to enjoy some of the options and benefits available under Old Mutual SuperFund. Administration costs are deducted and investment return is added to this Account.

**Post-Retirement Medical Aid Account:** This Account was established on the instruction of a Participating Employer into which an amount was transferred from the Participating Employer Surplus Account to be used as contemplated in terms of Section 15E(1)(b) of the Act for the members identified by the Participating Employers to receive a lump sum into their Member Accounts and/or to receive monthly amounts payable to each member for the period of each member's employment with the relevant Participating Employer.

**Contribution Holiday Account:** This Account was established on the instruction of a Participating Employer into which an amount was transferred from the Participating Employer Surplus Account to be used as contemplated in terms of Section 15E(1)(a) of the Act.

## 2. INVESTMENTS

### 2.1. Investment strategy

The Board of Fund documented its investment strategy in an Investment Policy Statement, which provides that investments are managed in accordance with the provisions of Regulation 28 of the Pension Funds Act in South Africa. The purpose of this Investment Policy Statement is to:

- Provide a framework defining the levels of investment choice available to members of the Fund within different categories;
- Consider the factors affecting the Fund's investment strategy;
- Define an investment strategy for the Fund;
- Define criteria and processes for selecting investment providers and investment portfolios;
- Define the benchmarks and processes for monitoring the performance of the investment portfolios; and
- Define the decision making structure and responsibilities for the implementation of the Investment Policy Statement.

The Fund offers a range of investment options, across the full spectrum of investments from a Board of Fund managed investment portfolio where members have no choice, through options where Members, or the Management Committee corresponding to a Sub-Fund, have an increasing degree of choice of investment portfolios. These investment options have been marketed with different "product" descriptions or solutions: SuperFund Easy, SuperFund Choice and SuperFund Customised.

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018

SuperFund Easy includes only 'Trustee Choice' that offers a default investment.

SuperFund Choice includes the following investment packages:

- Trustee Choice - a default investment option.
- Lifestage - Investment options in smoothed bonus, single manager, multi manager and passive investment portfolios.
- Strategy - a select range of Old Mutual Group investment portfolios.
- Extended - a range of Old Mutual Group and other investment providers' investment portfolios.

SuperFund Customised and SuperFund Connect include a range of the Old Mutual Group and other investment providers' investment portfolios.

Which solution is applicable to a member, and whether the member has any right to move between packages within the Choice solution, are agreed between the Participating Employer and Fund, and are described on the certificate of membership, when a member joins the Fund, and on each annual member benefit statement thereafter. This information is also available, on request, through the SuperFund call centre.

Participating Employers who choose the SuperFund Customised Package or the SuperFund Connect investment options are required to have a Participating Employer Management Committee, an Investment Consultant as well as a customised investment plan for their particular Sub-Fund which has to be approved by the Board of Fund.

Within the options selected by the Participating Employer, members have complete choice of investment portfolios in which to invest their retirement savings. All investments in SuperFund Easy, SuperFund Choice, SuperFund Customised and Superfund Connect investment options consist of Regulation 28 compliant investment portfolios held with the various investment providers as detailed in paragraph 2.2. The exception to this is in the case of the two clients in SuperFund Customised whose investment strategies incorporate segregated mandates, which by their nature are not Regulation 28 compliant. The Investment Consultants of these two clients manage the mix of these investments to ensure that these members' investments remain Regulation 28 compliant.

#### **2.1.1 Preserver members and deferred retirees**

Old Mutual SuperFund allows members to continue their Old Mutual SuperFund membership for as long as they want with the aim to keep members' retirement savings growing and to enjoy all of the SuperFund choices and benefits. The SuperFund Choice Extended range of investment portfolios are available for members to choose from and in the instance where no choice is made, the investment default is the Old Mutual Absolute Stable Growth Fund.

#### **2.1.2 Unclaimed benefits**

Unclaimed benefits are invested in Old Mutual Coregrowth 100 Investment Portfolio, which is fully guaranteed by Old Mutual.

Subsequent to the financial year-end the Board of Fund decided to invest the Fund's assets in the Old Mutual Absolute Stable Growth Portfolio.

#### **2.1.3 Reserve Accounts**

The Board of Fund has taken the decision to invest all non-transactional Reserve Accounts in the Old Mutual Coregrowth 100 Investment Portfolio.

#### **2.1.4 Participating Employer Surplus Account**

Where a Participating Employer has requested the Board of Fund to establish a Participating Employer Surplus Account, the Participating Employer may invest the balance in the Account in an investment of their choice, within the existing offering of the SuperFund Choice or Customised packages.

#### **2.1.5 Annuitisation Policy Statement**

The Board of Fund adopted an annuitisation policy statement effective from 1 July 2017 to help Members make informed decisions at, and after retirement.

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018

#### 2.2. Management of investments

The Old Mutual SuperFund Provident Fund is a privately registered Fund sponsored and administered by Old Mutual Life Assurance Company (South Africa) Limited.

Each investment provider has complete discretion as to the composition of assets under its management provided these are within the limitations of Regulation 28 of the Pension Funds Act in South Africa and within the mandate specified by the Board of Fund. The exception is limited to two clients who have segregated mandates where the Investment Consultant assumes responsibility to ensure the investments remain Regulation 28 compliant. The Board of Fund reviews the Fund's investment policy and monitors the asset allocation and performance of the investment providers against the investment strategy of the Fund on a quarterly basis. A full review of the investment offering is conducted annually. Each investment provider is remunerated on a fee basis which is either deducted by the investment provider prior to the determination of the unit price or bonus rate or paid from the Expense Reserve Account from amounts received from the Member Account for asset management fees. The investment balances pertaining to the Fund are provided in note 2 of these Financial Statements.

The fair value of the Fund's investment, administered by the investment providers at the end of the year was:

|   | 30 June 2018          | 30 June 2017          |
|---|-----------------------|-----------------------|
|   | R                     | R                     |
| Abax Investments (Pty) Limited  | 167,505,683           | 183,654,716           |
| Absa Asset Management (Pty) Limited   | -                     | 177,040,836           |
| Alexander Forbes Investments Limited  | 3,235,880,957         | 3,625,677,399         |
| Allan Gray Life Limited   | 4,596,766,670         | 3,784,090,850         |
| Allan Gray South Africa (Pty) Limited   | 578,327,669           | 663,920,815           |
| Boutique Collective Investments (RF) (Pty) Limited                                      | 150,107,051           | 181,266,329           |
| Coronation Asset Management (Pty) Limited   | 3,273,888,342         | 2,917,167,906         |
| Coronation Life Assurance Company Limited   | 701,893,277           | 720,239,699           |
| Fairtree Capital (Pty) Limited  | 173,618,537           | 118,629,102           |
| Foord Asset Management (Pty) Limited  | -                     | 34,190,784            |
| Futuregrowth Asset Management (Pty) Limited (a member of Old Mutual Investment Group) * | 307,191,416           | 351,151,044           |
| Investec Assurance Limited  | 1,437,958,300         | 1,370,798,989         |
| Investec Fund Managers (RF) (Pty) Limited   | 82,475,453            | 75,315,908            |
| Investors Fund Services (Ireland) Limited (PIMCO)                                       | 264,861,666           | 319,999,575           |
| Lindsell Train Limited  | 354,881,787           | 348,002,267           |
| Nedgroup Private Wealth (Pty) Limited   | 210,498,389           | 148,167,635           |
| Oasis Asset Management Limited  | 12,176,212            | 10,213,631            |
| Old Mutual Investment Group (Pty) Limited *   | 88,907,743            | 81,655,403            |
| Old Mutual Life Assurance Company (South Africa) Limited *                              | 37,252,040,669        | 32,046,794,634        |
| Old Mutual Unit Trust Managers (RF) (Pty) Limited *                                     | 212,478,746           | 180,152,466           |
| Prudential Investment Managers (South Africa) (Pty) Limited                             | 9,614,452             | 8,409,269             |
| Prudential Portfolio Managers South Africa (Pty) Limited                                | 24,983,920            | 23,821,072            |
| Resolution Capital Limited  | 196,924,385           | 226,888,305           |
| Sanlam Investment Management (Pty) Limited  | 79,799,608            | 256,598,402           |
| Sygnia Asset Management (Pty) Limited   | 933,197,330           | 961,620,145           |
| Taquanta Asset Managers (Pty) Limited *   | 233,517,355           | 223,278,820           |
| Truffle Asset Management (Pty) Limited  | 113,580,932           | 119,662,151           |
| Visio Capital Management (Pty) Limited  | 111,795,278           | 118,722,027           |
| Walter Scott and Partners Limited   | 340,840,925           | 366,440,375           |
| <b>Total value of investments managed</b>   | <b>55,145,712,752</b> | <b>49,643,570,554</b> |

Total investments held with related parties amounts to R38 304 634 318 (2017: R32 807 921 182)

\* Related party

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018

#### 3. MEMBERSHIP

|                                       | Active<br>members | Unclaimed<br>benefits |
|---------------------------------------|-------------------|-----------------------|
| Number at the beginning of year       | 273,633           | 4,117                 |
| Additions                             | 71,956            | 10,393                |
| Transfers in                          | 8,354             | -                     |
| Transfers out                         | (9,376)           | (3,944)               |
| Withdrawals                           | (45,540)          | -                     |
| Retirements                           | (3,660)           | -                     |
| Retrenchments                         | (8,088)           | -                     |
| Deaths                                | (1,928)           | -                     |
| Disabilities                          | (247)             | -                     |
| Unclaimed benefits paid               | -                 | (1,167)               |
| <b>Number at the end of the year*</b> | <b>285,104</b>    | <b>9,399</b>          |

\* No information is available to determine the portion of foreign membership.

#### 4. ACTUARIAL VALUATION

The Board of Fund voluntarily elected to do a statutory actuarial valuation as at 30 June 2017. The Fund submitted this valuation report to the FSCA on 7 May 2018. The statutory actuarial valuation as at 30 June 2017 reflects that the Fund was financially sound.

The next voluntary valuation of the Fund will be performed as at 30 June 2018.

#### 5. HOUSING LOAN FACILITIES

Members were not granted any direct loans from the Fund during the year under review. The Fund does, however, provide housing loan guarantees to approved financial institutions in respect of housing loans granted to members. Outstanding balances for guarantees provided at 30 June 2018 amounted to R 250,653,724 (2017: R236,743,829). The number of housing loan guarantees issued amounts to 3,651 (2017: 3,619).

#### 6. INVESTMENTS IN PARTICIPATING EMPLOYERS

Details of investments held in Participating Employers are provided in note 2.2 to the financial statements.



## **OLD MUTUAL SUPERFUND PROVIDENT FUND**

### **SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2018**

#### **7. SIGNIFICANT MATTERS**

##### **Insurance premiums:**

In terms of Rule 9.2(8) of the registered Rules of the Fund, premiums in respect of insurance policies in the name of the Participating Employer, which are not liabilities of the Fund, are paid to the Fund for onward payment to the risk provider. Insurance premiums for the period under review were received and paid as follows:

Capital Alliance Life Limited :R2,893,116 (2017: R2,648,705)  
Discovery Life Limited : R19,227,668 (2017: R11,325,722)  
Guardrisk Life Limited : R 8,061,037 (2017: R 8,484,625)  
Hollard Life Assurance Company Limited : R 4,279,673 (2017: R4,874,778)  
Metropolitan Life Limited : R 983,722 (2017: R1,053,405)  
MMI Group Limited : R53,120,698 (2017: R48,495,739)  
Old Mutual Life Assurance Company (South Africa) Limited \* : R175,443,963 (2017: R129,653,182)  
Sanlam Life Insurance Limited : R1,599,241 (2017: R3,245,973)  
Safrican Insurance Company Limited : RNIL (2017: R62,418)

##### **Health Management Services:**

The premiums required for health management services in respect of disability income benefit promised to each member by the participating employer, are paid to the Fund for onward payment to the service provider. Premiums for the period under review were received and paid as follows:

Alexander Forbes Health (Pty) Ltd : R 922,254.00 (2017: R1,028,604.29)

\* Related Party

#### **8. SUBSEQUENT EVENTS**

##### **Section 14 transfer to an Unclaimed Benefits Fund:**

As was the case last year, the Fund has submitted a blanket Section 14 application for the twelve months ending 30 June 2018 enabling the transfer of existing unclaimed benefits from the Unclaimed Benefits Account in the Old Mutual SuperFund Provident Fund to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund. Both funds are overseen by the same Board of Fund. The new blanket Section 14 was approved by the FSCA on 20 September 2018.

It is envisaged that in future there will be no further unclaimed benefits as such members will become Preserver members or their benefits will be transferred to an approved pension preservation fund chosen by the Board of Fund. This is currently the Protektor Preservation Provident Fund; which the Board of Fund also oversees.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE F  
STATEMENT OF NET ASSETS AND FUNDS  
AS AT 30 JUNE 2018

|                                    | Note | 30 June 2018<br>R     | 30 June 2017<br>R     |
|------------------------------------|------|-----------------------|-----------------------|
| <b>ASSETS</b>                      |      |                       |                       |
| <b>Non-current assets</b>          |      |                       |                       |
| Investments                        | 2    | 55,145,712,752        | 49,643,570,554        |
| <b>Current assets</b>              |      | <b>816,422,991</b>    | <b>576,205,683</b>    |
| Transfers receivable               | 5    | 181,427,275           | -                     |
| Accounts receivable                | 4    | 179,115,921           | 135,080,410           |
| Arrear contributions               | 10   | 308,196,665           | 329,112,195           |
| Cash at bank                       |      | 147,683,130           | 112,013,078           |
| <b>Total assets</b>                |      | <b>55,962,135,743</b> | <b>50,219,776,237</b> |
| <b>FUNDS AND LIABILITIES</b>       |      |                       |                       |
| <b>Members' funds</b>              |      |                       |                       |
| Members' individual accounts       |      | 52,230,599,981        | 48,383,981,753        |
| <b>Reserves</b>                    |      |                       |                       |
| Reserve accounts                   | 15   | 210,455,926           | 184,142,753           |
| <b>Total funds and reserves</b>    |      | <b>52,441,055,907</b> | <b>48,568,124,506</b> |
| <b>Non-current liabilities</b>     |      | <b>880,268,210</b>    | <b>215,774,073</b>    |
| Employer surplus account           | 15   | 723,355,579           | 88,592,506            |
| Unclaimed benefits                 | 8    | 156,912,631           | 127,181,567           |
| <b>Current liabilities</b>         |      | <b>2,640,811,626</b>  | <b>1,435,877,658</b>  |
| Transfers payable                  | 6    | 123,090,891           | 54,295,714            |
| Benefits payable                   | 7    | 2,304,189,855         | 1,136,733,849         |
| Accounts payable                   | 9    | 213,530,880           | 244,848,095           |
| <b>Total funds and liabilities</b> |      | <b>55,962,135,743</b> | <b>50,219,776,237</b> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

**SCHEDULE G**  
**STATEMENT OF CHANGES IN NET ASSETS AND FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

|   |      | Members' individual<br>accounts | Reserve and<br>Employer Surplus<br>Accounts<br>Refer note 15 | Current year<br>2018  | Previous year<br>2017 |
|---|------|---------------------------------|--|-----------------------|-----------------------|
|   | Note | R                               | R  | R                     | R                     |
| Contributions received and accrued              | 10   | 5,178,441,891                   | 672,686,943  | 5,851,128,834         | 5,507,197,905         |
| Contributions transferred from surplus accounts | 15   | 499,951,003                     | (499,951,003)  | -                     | -                     |
| Reinsurance proceeds                            |      | -                               | 533,779,227  | 533,779,227           | 322,237,267           |
| Net investment income                           | 11   | 4,384,972,932                   | 109,068,421  | 4,494,041,353         | 2,396,861,109         |
| Allocated to unclaimed benefits                 | 8    | (5,709,326)                     | -  | (5,709,326)           | (10,987,777)          |
| Less:   |      | -                               | (743,240,765)  | (743,240,765)         | (674,851,501)         |
| Re-insurance premiums                           |      | -                               | (510,808,416)  | (510,808,416)         | (460,101,333)         |
| Administration expenses                         | 12   | -                               | (232,432,349)  | (232,432,349)         | (214,750,168)         |
| <b>Net income before transfers and benefits</b> |      | <b>10,057,656,500</b>           | <b>72,342,823</b>  | <b>10,129,999,323</b> | <b>7,540,457,003</b>  |
| <b>Transfers and benefits</b>                   |      | (6,159,339,279)                 | 537,034,430  | (5,622,304,849)       | (4,375,021,318)       |
| Transfer from other funds                       | 5    | 1,143,550,139                   | 1,121,561,666  | 2,265,111,805         | 1,055,066,556         |
| Transfer to other funds                         | 6    | (578,604,318)                   | -  | (578,604,318)         | (425,563,718)         |
| Benefits  | 7    | (6,724,285,100)                 | (584,527,236)  | (7,308,812,336)       | (5,004,524,156)       |
| <b>Net income after transfers and benefits</b>  |      | <b>3,898,317,221</b>            | <b>609,377,253</b>   | <b>4,507,694,474</b>  | <b>3,165,435,685</b>  |
| <b>Funds and reserves</b>                       |      |                                 |  |                       |                       |
| Balance at the beginning of the year            | 15   | 48,383,981,753                  | 184,142,753  | 48,568,124,506        | 45,377,893,433        |
| Transfers to reserve accounts                   | 15   | (51,698,993)                    | 51,698,993   | -                     | -                     |
| Allocations to/from surplus accounts            | 15   | -                               | (634,763,073)  | (634,763,073)         | 24,795,388            |
| Contribution holiday                            | 15   | -                               | 499,951,003  | 499,951,003           | 33,931,805            |
| Employer surplus net investment income          | 15   | -                               | (13,152,410)   | (13,152,410)          | (4,018,478)           |
| Employer surplus transfers                      | 15   | -                               | (1,121,561,666)  | (1,121,561,666)       | (5,117,939)           |
| <b>Balance at the end of the year</b>           |      | <b>52,230,599,981</b>           | <b>210,455,926</b>   | <b>52,441,055,907</b> | <b>48,568,124,506</b> |

Note: With reference to the "Reserve and Employer Surplus Accounts" the balance at the end of the year excludes the Employer Surplus Account balance.

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**1. PRINCIPAL ACCOUNTING POLICIES**

The following are the principal accounting policies used by the Fund. These policies have been applied consistently, unless otherwise specifically stated.

**1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern basis, except where specifically indicated otherwise in the accounting policies below:

**1.2. FINANCIAL INSTRUMENTS**

**Measurement**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments, housing loans, receivables and accounts payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs, excluding investment fees. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

**1.2.1. Investments**

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

**Debentures**

Debentures comprise investments in listed and unlisted debentures.

**Listed debentures**

The fair value of listed debentures traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

**Bills and bonds**

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, subsidiaries or holding companies and corporate bonds.

**Listed bills and bonds**

The fair value of listed bills and bonds traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

**Equities**

Equity instruments consist of equities with primary listing on the Johannesburg Stock Exchange, equities with secondary listing on the Johannesburg Stock Exchange, foreign listed equities and unlisted equities.

Equity instruments designated as fair value through the statement of changes in net assets and funds by the fund are initially recognised at fair value on trade date.

**Listed equities**

Equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. Equity instruments are traded on active liquid markets and are the closing prices at the close of business on the last trading day.

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1.2.1. Investments (continued)**

**Preference shares**

**Listed preference shares**

The fair value of listed preference shares traded on active liquid markets is based on regulated exchanged quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

**Insurance policies**

**Non-linked insurance policies**

Non - linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets and investment return.

**Linked or market-related policies**

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

**Smooth bonus policies**

The fund value is equal to the total value of contributions received plus bonuses declared less expenses charged to the Member in terms of the policy of insurance.

**Collective investment scheme**

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

**Derivative market instruments**

Derivative market instruments consist of options, equity linked instruments, futures/forwards – SAFEX/foreign, currency swaps and interest rate swaps.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

**Options**

Options are valued using option pricing modules.

**Futures/forward contracts**

The fair value of publicly traded derivatives is based on quoted closing prices for assets held or liabilities issued, and current offer prices for assets to be acquired and liabilities held.

**Investment in Participating Employers**

Investments in participating employer(s) comprise loans, investments in listed and unlisted equities and other investments.

**1.2.2. Accounts receivable**

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

**1.2.3. Cash and cash equivalents**

Cash and equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1.2.4. Accounts payable**

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

**1.2.5. Contributions receivable**

Contributions receivable are stated at amortised cost less provision for doubtful receivables. The Fund has adopted a policy of considering and recognising an impairment loss in respect of participating employers whose contributions have been past due date for more than 6 months. Such amounts will be set off against the contribution receivable.

**1.3. RESERVES**

Reserve Accounts comprise particular amounts of designated income and expenses as set out in the Rules of the Fund and are recognised in the year in which such income and expenses accrue to the Fund.

**1.4. SURPLUS APPORTIONMENT**

Section 15B surplus apportionments are recognised on the date of approval of the surplus apportionment scheme by the Authority. Section 15C surplus apportionments are recognised on the date of approval of the surplus apportionment scheme by the Board of Fund. Surplus is measured at the values contained in the approved surplus apportionment scheme, adjusted for investment return or late payment interest until date of approval of the scheme as determined by the Rules of the Fund.

**1.5. IMPAIRMENT**

**Financial assets carried at amortised cost**

The Fund assesses at each statement of net assets and funds date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held to maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flow (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of changes in net assets and funds. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in the statement of changes in net assets and funds.

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**1.6. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

**Contingent liabilities**

A contingent liability is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements.

**Contingent assets**

A contingent asset is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

**1.7. CONTRIBUTIONS**

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognised as income in accordance with the valuator's recommendations, and the Rules of the Fund. Contributions received are apportioned between funding for retirement, risk benefits and other expenses. The apportionment is governed by the Rules of the Fund and the valuator's recommendations.

Voluntary contributions are recognised when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability – accounts payable.

**Contributions transferred from surplus accounts**

Contributions transferred from surplus accounts relate to contribution holidays after surplus apportionment has been approved.

**Interest charged on late payment of contributions**

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the fund.

**1.8. FOREIGN CURRENCIES**

Transactions in foreign currencies are accounted for at the ruling rate of exchange on the transaction date. Assets and liabilities in foreign currencies are converted at the ruling rate of exchange on the statements of net assets and funds date.

Gains and losses on conversion are dealt with in the statement of changes in net assets and funds.

Income and expenditure relating to foreign investments are converted to South African currency at appropriate weighted average exchange rates, for the period.

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**1.9. INVESTMENT INCOME**

**Investment income comprises of dividends, interest and adjustment to fair value**

**Dividends**

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established - this is the last date of registration. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

**Interest**

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

**Collective investment schemes' distribution**

Distribution from collective investment schemes are recognised when the right to receive payment is established.

**Income from policies with insurance companies**

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

**Adjustment to fair value**

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

**Expenses incurred in managing investments**

Expenses in respect of the management of investments are recognised as the service is rendered.

**1.10. BENEFITS**

Benefits payable are measured in terms of the Rules of the Fund.

Benefit payments are recognised as an expense when they are due and payable in terms of the Rules of the Fund. Any benefits not paid at the end of the reporting year are accrued as a current liability.

**Reinsurance proceeds**

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued as a current liability.

**1.11. TRANSFERS TO AND FROM THE FUND**

Section 14 and 15E transfers to or from the Fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the FSCA, as contained in the approval certificate from the Authority.

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

Transfers are measured at the values as per the Section 14 and/or S15E applications or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application. The details of the transfers are available for inspection at the registered address of the Fund.

**1.12. ADMINISTRATION EXPENSES**

Expenses incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year, the liability will be reflected in the accounts payable note. If the expense was paid in advance or an overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.



## **OLD MUTUAL SUPERFUND PROVIDENT FUND**

### **SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018**

#### **1.13. RELATED PARTIES**

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Fund reviews the performance of related parties on an annual basis.

If there have been transactions between related parties, the Fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

#### **1.14. ACCOUNTING POLICIES, CHANGING IN ACCOUNTING ESTIMATES AND ERRORS**

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

#### **1.15. COMPARATIVES**

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

2. INVESTMENTS

2.1. Investment summary

|   | Note | Local<br>R            | Foreign<br>R         | Total current<br>year<br>R | Total previous<br>year<br>R | Fair value<br>current year<br>R | Categorised per IAS 39   |
|---|------|-----------------------|----------------------|----------------------------|-----------------------------|---------------------------------|--|
| Cash  |      | 1,841,202,916         | 7,667,645            | 1,848,870,561              | 723,034,022                 | 1,848,870,561                   | At fair value through statement of changes in net assets and funds |
| Commodities   |      | 9,055,119             | -                    | 9,055,119                  | 11,218,786                  | 9,055,119                       | At fair value through statement of changes in net assets and funds |
| Debt instruments including Islamic debt instruments |      | 560,893,280           | -                    | 560,893,280                | 656,789,979                 | 560,893,280                     | At fair value through statement of changes in net assets and funds |
| Equities  |      | 2,302,773,690         | -                    | 2,302,773,690              | 2,295,780,107               | 2,302,773,690                   | At fair value through statement of changes in net assets and funds |
| Insurance policies *                                |      | 46,969,979,202        | -                    | 46,969,979,202             | 42,499,261,905              | 46,969,979,202                  | At fair value through statement of changes in net assets and funds |
| Collective investment schemes                       |      | 1,088,622,162         | 2,284,209,227        | 3,372,831,389              | 3,409,135,776               | 3,372,831,389                   | At fair value through statement of changes in net assets and funds |
| Investment in Participating Employer(s)             | 2.2. | 81,309,511            | -                    | 81,309,511                 | 48,349,979                  | 81,309,511                      | At fair value through statement of changes in net assets and funds |
| <b>Total</b>  |      | <b>52,853,835,880</b> | <b>2,291,876,872</b> | <b>55,145,712,752</b>      | <b>49,643,570,554</b>       | <b>55,145,712,752</b>           |  |

\* Included in the above categories are investments that are held with related parties.

2.2. Investment in participating employer/s \*\*

|              | At beginning of<br>year<br>R | Net Movement<br>R | At end of year<br>R |
|--------------|------------------------------|-------------------|---------------------|
| Equities *   | 48,349,979                   | 32,959,532        | 81,309,511          |
| <b>Total</b> | <b>48,349,979</b>            | <b>32,959,532</b> | <b>81,309,511</b>   |

\* Equities held in segregated portfolios for sub-funds in which Anglo American Platinum Limited and Nedbank Limited groups of companies and related entities participate.

\*\* Related party (Refer to page 22)

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

#### 3. HOUSING LOAN FACILITIES

##### 3.1. Housing loan guarantees

The Fund has granted guarantees to ABSA Bank Limited, Abacus Financial Services, First National Bank Limited, Ithala Limited, Nedbank Limited \*, IEMAS Financial Services (Co-operative) Limited and Standard Bank of South Africa Limited for loans granted to 3,651 (2017: 3,619) members. A guarantee amounting to R250,653,724 (2017: R236,743,829) is in place. The loan to the member may not exceed an amount equal to 80% (70% in respect of Standard Bank) of the member's lowest benefit in terms of the Rules of the Fund at the time the housing loan is granted, which the member would receive if they terminated their membership, net of income tax as envisaged in section 37D(a) of the Act and any other prior endorsements or rights (statutory or otherwise) which may reduce such benefit.

The liability of the Fund in respect of any amount due by the member to a Bank arising from the loan (including any interest, legal costs or any other costs), shall never exceed the available net balance of that member's benefit.

\* Related party

#### 4. ACCOUNTS RECEIVABLE

|  | 30 June 2018       | 30 June 2017       |
|--|--------------------|--------------------|
|  | R                  | R                  |
| Cash in transit                              | 11,086,159         | 26,827,407         |
| Current account interest receivable          | 790,604            | 556,087            |
| Late payment interest due - contributions*   | 1,404,059          | 3,389,267          |
| Old Mutual SuperFund Pension Fund*           | -                  | 655,283            |
| Participating employers - under payments*    | 3,984,959          | 17,318,925         |
| Reinsurance proceeds - OMLAC (SA)*           | 96,404,101         | 72,672,363         |
| Reinsurance proceeds - other than OMLAC (SA) | 55,121,838         | 5,454,178          |
| Sundry debtors                               | 10,324,201         | 8,206,900          |
| <b>Total</b>                                 | <b>179,115,921</b> | <b>135,080,410</b> |

\* Related Party. These balances are interest free and have no fixed terms of repayment.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

5. TRANSFERS FROM OTHER FUNDS

|   | Effective date | No. of members | Applied for not yet approved (contingent)<br>R | A<br>At beginning of year<br>R | B<br>Transfers approved<br>R | C<br>Return on Transfers<br>R | D<br>Assets transferred<br>R | A+B+C-D<br>At end of year<br>R |
|---|----------------|----------------|--|--------------------------------|------------------------------|-------------------------------|------------------------------|--------------------------------|
| <b>In terms of Section 14</b>                       |                |                |  |                                |                              |                               |                              |                                |
| Amplats Group Provident Fund                        | Various        | 123            | -  | -                              | 31,477,941                   | -                             | (31,477,941)                 | -                              |
| Cliffe Dekker Hofmeyr Directors Provident Fund      | 01/08/2017     | 138            | -  | -                              | 341,109,648                  | -                             | (341,109,648)                | -                              |
| Cliffe Dekker Hofmeyr Provident Fund                | 01/08/2017     | 362            | -  | -                              | 80,670,112                   | -                             | -                            | 80,670,112                     |
| Corporate Selection Umbrella Retirement Fund        | 01/07/2017     | 35             | -  | -                              | 19,678,424                   | -                             | (19,678,424)                 | -                              |
| Corporate Selection Umbrella Retirement Fund No 2   | 01/06/2017     | 67             | -  | -                              | 20,597,058                   | -                             | (20,597,058)                 | -                              |
| Elvey Provident Fund                                | 01/07/2017     | 95             | -  | -                              | 52,995,262                   | -                             | -                            | 52,995,262                     |
| Metal Industries Provident Fund                     | 01/08/2017     | 41             | -  | -                              | 14,366,284                   | -                             | (14,366,284)                 | -                              |
| RBCT Provident Fund                                 | 01/01/2014     | 251            | -  | -                              | 155,583,970                  | -                             | (155,583,970)                | -                              |
| Sanlam Umbrella Provident Fund                      | 01/09/2017     | 91             | -  | -                              | 36,676,563                   | -                             | (36,676,563)                 | -                              |
| Self Assurance Umbrella Provident Fund              | 01/12/2017     | 30             | -  | -                              | 21,505,996                   | -                             | (21,505,996)                 | -                              |
| Various**   | Various        | 6,751          | -  | -                              | 312,319,987                  | -                             | (264,558,086)                | 47,761,901                     |
| <b>Transfers in terms of section 15E</b>            |                |                |  |                                |                              |                               |                              |                                |
| Group Five Construction Provident Fund              | 01/12/2017     | -              | -  | -                              | 120,000,000                  | -                             | (120,000,000)                | -                              |
| Nedbank Limited Provident Fund *                    | 01/12/2017     | -              | -  | -                              | 1,001,561,666                | -                             | (1,001,561,666)              | -                              |
| <b>Individual transfers in</b>                      |                | 370            | -  | -                              | 56,568,894                   | -                             | (56,568,894)                 | -                              |
| <b>Prospective approvals in terms of Section 14</b> |                |                |  |                                |                              |                               |                              |                                |
| Various**   | Various        | 3,538          | 189,003,293                                    | -                              | -                            | -                             | -                            | -                              |
| <b>Total</b>  |                | <b>11,892</b>  | <b>189,003,293</b>                             | <b>-</b>                       | <b>2,265,111,805</b>         | <b>-</b>                      | <b>(2,083,684,530)</b>       | <b>181,427,275</b>             |
| Transfers approved (B)                              |                |                |  |                                |                              |                               |                              | 2,265,111,805                  |
| Return on transfers (C)                             |                |                |  |                                |                              |                               |                              | -                              |
| <b>Statement of changes in net assets and funds</b> |                |                |  |                                |                              |                               |                              | <b>2,265,111,805</b>           |

\* Related party

\*\* The details of the transfers above are available for inspection at the registered address of the Fund.

"Transfers approved" reflect approved transfers to date and includes investment return until date of receipt.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

6. TRANSFERS TO OTHER FUNDS

|   | Effective date | No. of members | Applied for not yet approved (contingent)<br>R | A<br>At beginning of year<br>R | B<br>Transfers approved<br>R | C<br>Return on Transfers<br>R | D<br>Assets transferred<br>R | A+B+C-D<br>At end of year<br>R |
|---|----------------|----------------|--|--------------------------------|------------------------------|-------------------------------|------------------------------|--------------------------------|
| <b>In terms of Section 14</b>                       |                |                |  |                                |                              |                               |                              |                                |
| Allan Gray Umbrella Provident Fund                  | 01/08/2017     | 23             | -  | -                              | 14,521,315                   | -                             | -                            | 14,521,315                     |
| Argus Provident Fund                                | 01/07/2017     | 23             | -  | -                              | 13,417,183                   | -                             | (13,417,183)                 | -                              |
| Corporate Selection Umbrella Retirement Fund        | 01/04/2017     | 24             | -  | -                              | 10,971,336                   | -                             | -                            | 10,971,336                     |
| Fundsatwork Umbrella Provident Fund                 | 01/03/2017     | 356            | -  | -                              | 128,966,127                  | -                             | (128,966,127)                | -                              |
| Fundsatwork Umbrella Provident Fund                 | 01/07/2017     | 403            | -  | -                              | 85,711,816                   | -                             | (83,625,950)                 | 2,085,866                      |
| Fundsatwork Umbrella Provident Fund                 | 01/03/2017     | 8              | -  | -                              | 13,975,967                   | -                             | (13,975,967)                 | -                              |
| Fundsatwork Umbrella Provident Fund                 | 01/12/2016     | 49             | -  | -                              | 11,222,938                   | -                             | (11,222,938)                 | -                              |
| NMG Umbrella Smartfund Provident Fund               | 01/12/2016     | 76             | -  | -                              | 14,498,270                   | -                             | (14,498,270)                 | -                              |
| Sanlam Umbrella Provident Fund                      | 01/01/2017     | 983            | -  | -                              | 39,199,072                   | -                             | (39,199,072)                 | -                              |
| Sanlam Umbrella Provident Fund                      | 01/10/2017     | 13             | -  | -                              | 32,858,367                   | -                             | -                            | 32,858,367                     |
| Various*  | Various        | 7,418          | -  | 54,295,714                     | 213,261,927                  | -                             | (204,903,634)                | 62,654,007                     |
| <b>Prospective approvals in terms of Section 14</b> |                |                |  |                                |                              |                               |                              |                                |
| Various*  |                | 1,051          | 145,419,484                                    | -                              | -                            | -                             | -                            | -                              |
| <b>Total</b>  |                | <b>10,427</b>  | <b>145,419,484</b>                             | <b>54,295,714</b>              | <b>578,604,318</b>           | <b>-</b>                      | <b>(509,809,141)</b>         | <b>123,090,891</b>             |
| Transfers approved (B)                              |                |                |  |                                |                              |                               |                              | 578,604,318                    |
| Return on transfers (C)                             |                |                |  |                                |                              |                               |                              | -                              |
| <b>Statement of changes in net assets and funds</b> |                |                |  |                                |                              |                               |                              | <b>578,604,318</b>             |

\* The details of the transfers above are available for inspection at the registered address of the Fund. Included in these amounts are related party transactions as well.

"Transfers approved" reflect approved transfers to date and includes investment return until date of payment.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

7. BENEFITS

7.1. Benefits - current members

|   | A<br>At beginning of<br>year<br>R | B<br>Benefits for<br>current period<br>R | C<br>Return allocated<br>R | D<br>Payments<br>R     | E<br>Transferred to<br>unclaimed benefits<br>R | A+B+C-D-E<br>At end of year<br>R |
|---|-----------------------------------|--|----------------------------|------------------------|--|----------------------------------|
| Lump sums on retirements                            |                                   |  |                            |                        |  |                                  |
| - Full benefit                                      | 179,635,706                       | 1,913,069,794                            | 3,424,914                  | (1,731,066,404)        | (4,337,086)                                    | 360,726,924                      |
| Lump sums before retirement                         |                                   |  |                            |                        |  |                                  |
| - Disability benefits                               | 8,583,894                         | 72,626,689                               | 85,004                     | (63,130,667)           | (219,980)                                      | 17,944,940                       |
| - Death benefits                                    | 470,280,883                       | 775,357,347                              | 9,669,565                  | (601,683,188)          | (41,139,057)                                   | 612,485,550                      |
| - Withdrawal benefits                               | 313,467,322                       | 3,423,585,638                            | 6,461,791                  | (2,647,750,433)        | (64,491,904)                                   | 1,031,272,414                    |
| - Retrenchment benefits                             | 122,519,311                       | 923,159,235                              | 1,831,942                  | (834,096,662)          | (3,981,793)                                    | 209,432,033                      |
| Defaults - housing facilities                       | 7,359                             | 860,352                                  | -                          | (864,035)              | (3,676)  | -                                |
| Divorce and court orders                            | 14,233,177                        | 64,579,342                               | 93,214                     | (64,982,417)           | (276,894)                                      | 13,646,422                       |
| Other   |                                   |  |                            |                        |  |                                  |
| - Liquidation benefits                              | 27,998,263                        | 113,811,859                              | 195,650                    | (69,204,976)           | (14,119,224)                                   | 58,681,572                       |
| <b>Total</b>  | <b>1,136,725,915</b>              | <b>7,287,050,256</b>                     | <b>21,762,080</b>          | <b>(6,012,778,782)</b> | <b>(128,569,614)</b>                           | <b>2,304,189,855</b>             |
| Benefits for current year (B)                       |                                   |  |                            |                        |  | 7,287,050,256                    |
| Return allocated (C)                                |                                   |  |                            |                        |  | 21,762,080                       |
| <b>Statement of changes in net assets and funds</b> |                                   |  |                            |                        |  | <b>7,308,812,336</b>             |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

7.2. Benefits in terms of surplus apportionment

|   | A<br>At beginning of<br>year<br>R | B<br>Surplus allocated<br>R | C<br>Return allocated<br>R | D<br>Payments<br>R     | E<br>Transferred to<br>unclaimed benefits<br>R | A+B+C+D+E<br>At end of year<br>R |
|---|-----------------------------------|-----------------------------|----------------------------|------------------------|--|----------------------------------|
| Enhancements to pensioners                          | 7,934                             | -                           | -                          | (7,934)                | -  | -                                |
| <b>Total Benefits</b>                               | <u>7,934</u>                      | <u>-</u>                    | <u>-</u>                   | <u>(7,934)</u>         | <u>-</u>                                       | <u>-</u>                         |
| Surplus allocated (B)                               |                                   |                             |                            |                        |  | -                                |
| Return allocated (C)                                |                                   |                             |                            |                        |  | -                                |
| <b>Statement of changes in net assets and funds</b> |                                   |                             |                            |                        |  | <u>-</u>                         |
| <b>Total benefits (7.1 + 7.2)</b>                   | <u>1,136,733,849</u>              | <u>7,287,050,256</u>        | <u>21,762,080</u>          | <u>(6,012,786,716)</u> | <u>(128,569,614)</u>                           | <u>2,304,189,855</u>             |

Contingent liquidation benefits payable amount to R14,062,646 (2017: R38,039,204).

OLD MUTUAL SUPERFUND PROVIDENT FUND

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**8. UNCLAIMED BENEFITS**

|   | 30 June 2018       | 30 June 2017       |
|---|--------------------|--------------------|
|   | R                  | R                  |
| Balance at the beginning of the year  | 127,181,567        | 138,128,678        |
| Transferred from benefits payable   | 128,569,614        | 28,308,466         |
| Net Investment income*  | 5,709,326          | 10,987,777         |
| Less:   |                    |                    |
| • Benefits paid   | (19,285,769)       | (6,743,361)        |
| • Transferred to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund* ^ | (85,262,107)       | (43,499,993)       |
| <b>Balance at the end of the year</b>   | <b>156,912,631</b> | <b>127,181,567</b> |

The investment income is net of fees paid (2018: R434,553 and 2017: R753,281).

\* Related Parties.

^ This Fund forms part of a group of Funds sponsored by Old Mutual. It is overseen by the same Board of Fund. The total cost of the Board of Fund is proportioned amongst the Funds. The basis of allocation is evolving as the Board of Fund seeks to ensure an equitable split amongst the Funds.

**9. ACCOUNTS PAYABLE**

|  | 30 June 2018       | 30 June 2017       |
|--|--------------------|--------------------|
|  | R                  | R                  |
| Administration fees*                                       | 15,702,758         | 29,841,421         |
| Board of Fund fees* ^                                      | 324,652            | 472,207            |
| FSCA Levies payable  | 5,636,429          | 4,860,331          |
| Office of the Principal Officer fees* ^                    | 650,688            | 429,232            |
| Old Mutual Corporate Consultants a division of OMLAC (SA)* | 766,541            | 663,648            |
| Old Mutual SuperFund Pension Fund *                        | -                  | 3,555,068          |
| Participating employers - over payments                    | 24,106,726         | 24,997,006         |
| PAYE   | 40,511,649         | 33,283,768         |
| Provision for audit fees                                   | 1,664,252          | 1,597,716          |
| Risk premiums - OMLAC (SA)*                                | 43,282,065         | 35,844,611         |
| Risk premiums - other than OMLAC (SA)                      | 19,956,977         | 24,666,792         |
| Sundry creditors   | 658,769            | 76,137             |
| Unallocated receipts                                       | 33,038,968         | 58,168,285         |
| Unapproved risk premiums - OMLAC (SA)*                     | 6,247,494          | 4,427,341          |
| Unapproved risk premiums - other than OMLAC (SA)           | 12,157,434         | 7,297,138          |
| Unidentified deposits                                      | 8,825,478          | 14,667,394         |
| <b>Total</b>   | <b>213,530,880</b> | <b>244,848,095</b> |

\* Related Party. These balances are interest free and have no repayment terms.

^ This Fund forms part of a group of Funds sponsored by Old Mutual. It is overseen by the same Board of Fund. The total cost of the Board of Fund is proportioned amongst the Funds. The basis of allocation is evolving as the Board of Fund seeks to ensure an equitable split amongst the Funds.



OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

10. CONTRIBUTIONS

|   | At beginning of<br>year | Towards<br>retirement | Towards re-<br>insurance and<br>expenses | Contributions<br>received | At end of<br>year    |
|---|-------------------------|-----------------------|--|---------------------------|----------------------|
|   | R                       | R                     | R  | R                         | R                    |
| Member contributions received and accrued           | 90,372,392              | 1,317,182,815         | -  | (1,321,763,023)           | 85,792,184           |
| Employer contributions received and accrued         | 235,693,780             | 3,750,538,698         | 672,686,943                              | (4,441,284,935)           | 217,634,486          |
| Additional voluntary contributions employer         | -                       | 58,716,778            | -  | (56,578,058)              | 2,138,720            |
| Additional voluntary contributions members          | 3,046,023               | 52,003,600            | -  | (52,418,348)              | 2,631,275            |
| <b>Total</b>  | <b>329,112,195</b>      | <b>5,178,441,891</b>  | <b>672,686,943</b>                       | <b>(5,872,044,364)</b>    | <b>308,196,665</b>   |
| Towards retirement                                  |                         |                       |  |                           | 5,178,441,891        |
| Towards reinsurance and expenses                    |                         |                       |  |                           | 672,686,943          |
| <b>Statement of changes in net assets and funds</b> |                         |                       |  |                           | <b>5,851,128,834</b> |

11. NET INVESTMENT INCOME

|  | 30 June 2018<br>R    | 30 June 2017<br>R    |
|--|----------------------|----------------------|
| Income from investments                            | 3,108,611,531        | 2,257,211,484        |
| • Dividends  | 98,668,027           | 76,958,394           |
| • Interest   | 115,428,294          | 98,893,489           |
| • Collective investment schemes distribution*      | 24,296,857           | 17,767,690           |
| • Income from insurance policies*                  | 2,870,218,353        | 2,063,591,911        |
| Interest on late payment of contributions*         | 1,314,259            | 3,908,897            |
| Adjustment to fair value*                          | 1,620,266,748        | 376,317,254          |
|  | 4,730,192,538        | 2,637,437,635        |
| Less: Expenses incurred in managing investments* # | (236,151,185)        | (240,576,526)        |
| <b>Total</b>                                       | <b>4,494,041,353</b> | <b>2,396,861,109</b> |

The Fund earned Investment Income of R 2,918,274,012 (2017: R1,979,184,392) from investments administered by related parties.

# Expenses incurred in managing investments include R176,626,445 (2017: R169,910,368) which was paid to Investment Administrators who are related parties.

\* Related Party transactions included.

OLD MUTUAL SUPERFUND PROVIDENT FUND

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**12. ADMINISTRATION FEES**

|   |      | <b>30 June 2018</b> | <b>30 June 2017</b> |
|---|------|---------------------|---------------------|
|   |      | <b>R</b>            | <b>R</b>            |
| Actuarial fees*                         |      | 1,267,057           | 623,249             |
| Administration fees*                    |      | 197,877,156         | 181,777,226         |
| Audit fees - Audit services             |      | 1,777,009           | 1,634,592           |
| Consulting fees*                        |      | 1,639,152           | 129,835             |
| Fidelity Insurance                      |      | 913,989             | 472,500             |
| Levies                                  |      | 6,186,429           | 5,395,331           |
| Other Fees                              |      | 13,768,434          | 16,259,522          |
| Bank charges                            |      | 154,227             | 181,120             |
| Other Expenses                          |      | 120,475             | 3,105               |
| Liquidation fees*                       |      | 408,920             | 576,495             |
| Legal fees                              |      | 35,464              | 207,501             |
| Sub-Fund expenses                       | 12.3 | 13,049,348          | 15,291,301          |
| Board of Fund fees* #                   | 12.1 | 3,716,924           | 4,022,548           |
| Office of the Principal Officer fees* # | 12.2 | 4,780,048           | 3,885,095           |
| Secretarial fees* #                     |      | 506,151             | 550,270             |
| <b>Total</b>                            |      | <b>232,432,349</b>  | <b>214,750,168</b>  |

\* Related Parties

**12.1. Board of Fund fees**

|              | <b>30 June 2018</b> | <b>30 June 2017</b> |
|--------------|---------------------|---------------------|
|              | <b>R</b>            | <b>R</b>            |
| Fees #       | 3,716,924           | 4,022,548           |
| <b>Total</b> | <b>3,716,924</b>    | <b>4,022,548</b>    |

**12.2. Office of the Principal Officer fees**

|              | <b>30 June 2018</b> | <b>30 June 2017</b> |
|--------------|---------------------|---------------------|
|              | <b>R</b>            | <b>R</b>            |
| Fees #       | 4,780,048           | 3,885,095           |
| <b>Total</b> | <b>4,780,048</b>    | <b>3,885,095</b>    |

# This Fund forms part of a group of Funds sponsored by Old Mutual. It is overseen by the same Board of Fund. The total cost of the Board of Fund, Office of the Principal Officer and Secretarial is proportioned to an equitable basis amongst the Funds and therefore the current year fees increased in comparison to the prior year.

**12.3. Sub-Fund expenses\***

|                                   | <b>30 June 2018</b> | <b>30 June 2017</b> |
|-----------------------------------|---------------------|---------------------|
|                                   | <b>R</b>            | <b>R</b>            |
| Consulting fees                   | 8,292,476           | 4,532,964           |
| Communication costs               | 39,440              | 48,479              |
| Management Committee support fees | 4,717,432           | 10,709,858          |
| <b>Total</b>                      | <b>13,049,348</b>   | <b>15,291,301</b>   |

\* Related parties

Sub-fund expenses are expenses incurred by the Participating Employers Management Committee in fulfilling its mandates and the delegation of duties as provided for in the Master Rules. These expenses are governed by the expense policy adopted by the Management Committee and approved by the Board of Fund. The current year decrease relates to once-off expenditure that was incurred by sub-funds in the prior year.

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**13. RISK MANAGEMENT POLICIES**

**Risk management framework**

The Board of Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies.

This is a defined contribution Fund where members' benefits are defined according to the investment portfolio they are invested in and where the value of those benefits is directly driven by the value of the portfolio at the time the benefits become payable.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund's obligation towards its members is to pay the amount transferred in the Fund augmented with interest earned thereafter less the expenses of managing the Fund, tracing the members and paying the benefits. Members are thus exposed to the risk of their benefits not matching their expectations when they become payable.

Because of the nature of the Fund's investments, a number of the risks have been grouped together below so that the risk management approach is not necessarily duplicated:

**13.1. Legal risks**

Legal risk is the risk that the Fund will be exposed to financial or reputational loss as a result of -

- a lack of awareness or misunderstanding to the way the law applies to the business of the Fund, its relationships, processes, products and services;
- the rules and contracts entered into by the Fund being legally and commercially sound;
- a failure to comply with its legal duties and obligations; and
- a failure to exploit opportunities presented by the applicable legal framework

In the narrow sense this is the risk that a loss will be suffered through inadequate compliance or non-compliance with the lawful duties and responsibilities of the Board of Fund; and in the broader sense it is the risk of any claim being made against the Fund on any other basis.

The legal risk of the Fund in the above narrow sense is managed by a strong emphasis in the Fund on proper governance which includes a rigorous oversight function by the Board of Fund and its various Sub-Committees (Administration and Financial Reporting, Claims, Communication, Governance and Risk Management, Investment and Actuarial, Legal and Contractual). The Board of Fund and Sub-Committees meet regularly to ensure that the requisite compliance responsibilities of the Fund are being performed. In particular, the Sponsor is tasked with ensuring that such proper compliance is carried out on an ongoing basis. On an annual basis, the Office of the Principal Officer benchmarks compliance against legislation and the Rules of the Fund.

The Fund has a comprehensive Risk Management Policy which includes provision for indemnity insurance. The risks faced by the Fund are managed by the Board of Fund within the guidelines of policies and practices which are monitored and managed by the Sub-Committees. The Sub-Committees identify deviations from the policies and practices (called issues) which are then rated in terms of their impact on the Fund and its members, should they materialise and the likelihood of the risk materialising. The top ranking issues are reported in the Board of Fund's Issues Log and dealt with by the Board of Fund. Less significant issues are allocated to the various Sub-Committees in accordance with their mandates and they are responsible for ensuring that appropriate mitigating strategies are implemented with input by the Principal Officer. Insignificant risks are dealt with by the Principal Officer. Risks are noted by the Board of Fund at the quarterly Board of Fund meetings. Only residual risks are specifically measured on a qualitative basis with a 12-month view with respect to regulation, reputation and impact on members. In addition, particular care is taken to ensure that there is a right of recourse against the various service providers of the Fund; that decisions of the Board of Fund which may have a financial consequence are properly minuted so as to ensure that they are defensible; and, finally, to the extent that any claim may be made against the Fund for any loss that such claim is properly and appropriately defended and which, if eventually successful, will not result in any loss to the Fund because of the rights of recourse or the indemnity arrangements of the Fund.

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018**

**13. RISK MANAGEMENT POLICIES (continued)**

**13.2. Reputational risk**

A Fund's reputation is perhaps its most valuable asset. The Board of Fund views reputational risk as the possible loss of the Fund's reputational capital. Reputational damage could lead to loss of confidence in the Fund, increased concern from stakeholders, including the regulator, and could in turn impact on the Fund's strategy and operational activities. In its assessment of risks in terms of its Risk Management Policy, the Board of Fund considers the impact of all risks, and the likelihood of the risks materialising, on the Fund's reputation.

The Board of Fund acknowledges that many Participating Employers have and will in future participate in the Fund on the basis that the Fund is sponsored by Old Mutual. In applying for participation in the Fund, they envisage an enduring sponsorship of the Fund by Old Mutual. The Board of Fund is responsible for the proper and efficient management of the Fund and must exercise the powers, perform the functions and carry out the duties assigned to it or imposed on it in terms of the Rules and by law, including the exercising of its fiduciary duties towards the Fund and its Members. Consequently, reputational damage to either party could impact the relationship between Old Mutual and the Fund. To this end, the Board of Fund and Old Mutual have entered into an agreement which governs the relationship between them and the manner in which the parties conduct themselves but always acknowledging the independence of the Board of Fund.

The Fund and Old Mutual, in its capacity as Sponsor of the Fund, have implemented a robust complaints procedure and all social media channels are monitored and complaints responded to timeously. The Board of Fund is committed to putting customers at the heart of everything it does, and it fully supports the spirit and intentions of the Treat Customers Fairly (TCF) initiative. The principles underpinning TCF have been at the core of its service ethos since it was first established. A rigorous process has been implemented for interrogating TCF deliveries and the ongoing alignment to all six TCF outcomes. Financial security, good governance, service excellence, value for money, ease of doing business, member empowerment, treating customer's fairly, member-focus and service provision excellence to all stakeholders is at the heart of the Fund's mission and central to Board of Fund's activities.

**13.3. Investment risks**

Investments in financial instruments are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements. All the investment risk is borne by members provided the Fund has invested the members' money in the correct investment portfolios as selected by the members (or the Board of Fund where a default investment applies). Continuous monitoring takes place to ensure that there is an appropriate match between assets and liabilities in respect of each investment portfolio.

**13.3.a. Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value. The Board of Fund monitors cash flows by using monthly cash flow projections.

**13.3.b. Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. Any drop in the value of an instrument will be passed on to members through a fall in the unit price or a drop in the declared bonus. The currency risk is therefore borne by the members and not the Fund.

The Fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments. The Board of Fund monitors this aspect of the Fund's investments and limits it to 40% of total assets in accordance with Regulation 28, which includes a 10% deemed African component.

**13.3.c. Inflation risk**

The risk that over the long term the investment does not out perform inflation to the expected levels. The investment portfolio must offer a reasonable chance of outperforming inflation, subject to providing capital protection. The selected portfolio invests in "growth" assets that aim to give a targeted return above inflation.

**13.3.d. Interest rate risk**

Interest rate risk is the risk that the value and/or future cash flows of financial instruments will fluctuate as a result of changes in interest rates. Any drop in the value of an instrument will be passed on to members through a fall in the unit price or a drop in the declared bonus. The only interest rate risk that is borne by the Fund is that in relation to moneys held in cash or short term instruments as part of the Fund's cash management policy. As these are all short-term instruments the interest rate risk borne by the Fund is minimized.

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**13. RISK MANAGEMENT POLICIES (continued)**

**13.3.e. Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund's liabilities are backed by appropriate assets and it has significant liquid resources. Cash flows are actively monitored.

**13.3.f. Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

Continuous monitoring by the Board of Fund and the Fund's Valuator takes place to ensure that appropriate assets are held where the Fund's obligation to Members are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

**13.3.g. Price risk**

Price risk is the risk that the value and/or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. This risk is borne wholly by the members.

**13.3.h. Solvency risk**

Solvency risk is the risk that the value of the Fund's assets falls below the value of its liabilities. Continuous monitoring takes place to ensure that there is an appropriate match between the obligations to members and the assets held by the various asset managers. Valuations are performed annually by the Fund's Valuator, even though these are only required to be done once every 3 years. Provided there is such a match, any drop in the value of the assets will be passed on to the members through the unit prices or the bonus declarations. The solvency risk is therefore minimized.

## OLD MUTUAL SUPERFUND PROVIDENT FUND

### SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018

#### 14. RELATED PARTY TRANSACTIONS

The Fund is sponsored by Old Mutual Life Assurance Company (South Africa) Limited. All transactions with the Sponsor and parties related to the Sponsor are disclosed in the financial statements (refer notes 2, 3, 4, 5, 6, 8, 9, 11 and 12).

Old Mutual Life Assurance Company (South Africa) Limited is also one of the risk providers of the Fund and the premiums paid are set out in the table below.

The Fund's Valuator is an employee of Old Mutual Life Assurance Company (South Africa) Limited.

Old Mutual Corporate Consultants, a division of Old Mutual Assurance Company (South Africa) Limited is the Investment Consultant of the Fund.

Investments are held with the following related parties on behalf of the members (refer note 2.2):

Old Mutual Investment Group (Pty) Limited

Old Mutual Life Assurance Company (South Africa) Limited

Old Mutual Unit Trust Managers (RF) (Pty) Limited

Futuregrowth Asset Management (Pty) Limited (a member of the Old Mutual Investment Group)

Nedgroup Investments (Pty) Limited

Taquanta Asset Managers (Pty) Limited

The Fund earned Investment Income of R 2,918,274,012 (2017: R1,979,184,392) from investments administered by related parties.

As was the case last year, the Fund has submitted a blanket Section 14 for the twelve months ending 30 June 2019 enabling the transfer of existing unclaimed benefits from the Unclaimed Benefits Account in the Old Mutual SuperFund Provident Fund to the Old Mutual SuperFund Unclaimed Benefits Preservation Provident Fund. Both funds are overseen by the same Board of Fund. The new blanket Section 14 was approved by the FSCA on 20 September 2018 (Refer note 8).

It is envisaged that in future there will be no further unclaimed benefits as such members will become Preserver members or their benefits will be transferred to an approved pension preservation fund chosen by the Board of Fund. This is currently the Protektor Preservation Provident Fund; which the Board of Fund also oversees.

##### 14.1. Participating Employers

Participating Employers who are related parties made contributions to the Fund for members' retirement and towards re-insurance and expenses amounting to R3,750,538,698 (2017: R3,581,469,640) and R672,686,943 (2017: R619,576,085) respectively (refer note 10).

Included in this are permanent employees of the Sponsor, the Administrator, Nedbank Limited and Taquanta Asset Managers who are members of the Fund. The Participating Employers made contributions amounting to R880,230,528 (2017: R836,417,448) and the Fund paid benefits in respect of the Member's Participating Employers amounting to R1,070,106,799 (2017: R825,140,921). The market value of the assets in respect of the Participating Employers amount to R12,118,557,113 (2017: R10,893,289,385) which represents 22 % (2017: 22%) of total Fund assets.

##### 14.2. Fees earned by Old Mutual Life Assurance Company (South Africa) Limited

|                                 | 30 June 2018       | 30 June 2017       |
|---------------------------------|--------------------|--------------------|
|                                 | R                  | R                  |
| Actuarial fees                  | 1,267,057          | 623,249            |
| Administration fees             | 197,877,155        | 181,777,226        |
| Consulting fees                 | 2,385,209          | 129,835            |
| Investment fees                 | 176,626,445        | 169,910,368        |
| Liquidation fees                | 408,920            | 576,495            |
| <b>Total amount contributed</b> | <b>378,564,786</b> | <b>353,017,173</b> |

##### 14.3. Risk premiums earned and risk recoveries paid by Old Mutual Life Assurance Company (South Africa) Limited

|                             | 30 June 2018 | 30 June 2017 |
|-----------------------------|--------------|--------------|
| <b>Risk earned and paid</b> | <b>R</b>     | <b>R</b>     |
| Risk premiums               | 320,764,176  | 279,264,206  |
| Risk recoveries             | 317,826,251  | 191,809,981  |

## **OLD MUTUAL SUPERFUND PROVIDENT FUND**

### **SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2018**

#### **14.4. Board of Fund**

The following Board of Fund members are employed by Old Mutual Life Assurance Company (South Africa) Limited and members of the Old Mutual SuperFund Pension Fund, overseen by the same Board of Fund:

Krishnakumar Natverlal Patel (Appointed 1 July 2018)  
Kanyisa Ncemane (Resigned 30 June 2018)  
Anna Elizabeth Rothman (Appointed 1 July 2018)

None of the Board of Fund Members are members of the Fund or received remuneration from the Fund other than in their capacity as Board of Fund members.

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 30 JUNE 2018

15. SURPLUS AND RESERVE ACCOUNTS

|   | Employer<br>Surplus<br>account | Reserve<br>Accounts Total | Expense<br>Reserve  | Risk reserve         | Processing<br>error reserve -<br>Unitised<br>Investments | Processing<br>Reserve |
|---|--------------------------------|---------------------------|---------------------|----------------------|--|-----------------------|
|   | R                              | R                         | R                   | R                    | R  | R                     |
| At beginning of year                            | 88,592,506                     | 184,142,753               | 28,591,709          | -                    | 6,004,648  | 149,546,396           |
| Contributions received and accrued              | -                              | 672,686,943               | 161,878,527         | 510,808,416          | -  | -                     |
| Contributions transferred to Member Accounts    | (499,951,003)                  | -                         | -                   | -                    | -  | -                     |
| Reinsurance proceeds                            | -                              | 533,779,227               | -                   | 533,779,227          | -  | -                     |
| Net investment income                           | 13,152,410                     | 95,916,011                | 1,918,728           | -                    | -  | 93,997,283            |
| Allocated to unclaimed benefits                 | -                              | -                         | -                   | -                    | -  | -                     |
| Less:   | -                              | (743,240,765)             | (230,490,825)       | (510,808,416)        | -  | (1,941,524)           |
| - Re-insurance premiums                         | -                              | (510,808,416)             | -                   | (510,808,416)        | -  | -                     |
| - Administration costs                          | -                              | (232,432,349)             | (230,490,825)       | -                    | -  | (1,941,524)           |
| <b>Net income before transfers and benefits</b> | <b>(398,206,087)</b>           | <b>743,284,169</b>        | <b>(38,101,861)</b> | <b>533,779,227</b>   | <b>6,004,648</b>   | <b>241,602,155</b>    |
| <b>Transfers and benefits</b>                   | <b>1,121,561,666</b>           | <b>(584,527,236)</b>      | <b>-</b>            | <b>(533,779,227)</b> | <b>-</b>   | <b>(50,748,009)</b>   |
| Transfers from other funds                      | 1,121,561,666                  | -                         | -                   | -                    | -  | -                     |
| Transfers to other funds                        | -                              | -                         | -                   | -                    | -  | -                     |
| Benefits  | -                              | (584,527,236)             | -                   | (533,779,227)        | -  | (50,748,009)          |
| <b>Net income after transfers and benefits</b>  | <b>723,355,579</b>             | <b>158,756,933</b>        | <b>(38,101,861)</b> | <b>-</b>             | <b>6,004,648</b>   | <b>190,854,146</b>    |
| Transfer between reserve accounts               | -                              | -                         | -                   | -                    | (6,004,648)  | 6,004,648             |
| Bonus distributions                             | -                              | (12,719,236)              | -                   | -                    | -  | (12,719,236)          |
| Administration and governance fees              | -                              | 64,418,229                | 64,418,229          | -                    | -  | -                     |
| <b>At end of year</b>                           | <b>723,355,579</b>             | <b>210,455,926</b>        | <b>26,316,368</b>   | <b>-</b>             | <b>-</b>   | <b>184,139,558</b>    |

Included in the expense reserve balance is an amount of R20,088,127 (2017: R20,036,864) accruing to specific sub-funds in which the assets and liabilities corresponding to specific participating employers are held.



## Old Mutual SuperFund Provident Fund

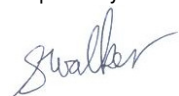
### REPORT OF THE VALUATOR

#### Particulars of financial condition of the fund at the last statutory valuation as at 30 June 2017

1. Net assets available for benefits<sup>(a)</sup>.  
The net assets available to meet the benefits of the Fund are R48 657 million.
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits.  
Assets were valued at fair value of R48 657 million. This is inclusive of total Employer Surplus Account balances of R88.593 million.
3. The actuarial present value of promised retirement benefits amounts to R48 386 million. This amount is fully vested. There are non-vested benefits.
4. Contingency reserves, as a sub-set of the general reserves, are as follows:

|   |                         |
|---|-------------------------|
| Processing Error Reserve (Unitised Investments) | R6.005 million          |
| Processing Reserve                              | R147.118 million        |
| Expense Reserve (Umbrella fund level)           | R8.555 million          |
| Expense Reserve (Sub-fund level)                | R20.037 million         |
| <b>TOTAL</b>                                    | <b>R181.714 million</b> |
5. Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.  
The member liabilities were taken to be the balance in the member accounts and the fund assets were valued at fair value. Contingency Reserves as approved by the Board were calculated considering PF Circular 117 guidelines and the particulars of the fund.
6. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report.  
This is a defined contribution fund and therefore no assumptions have been required.
7. Any other particulars deemed necessary by the valuator for the purposes of this summary.  
Nil
8. A statement as to whether the fund was in a sound financial condition for the purposes of the Pension Funds Act, 1956.  
The Fund was in a sound financial position as at the valuation date of 30 June 2017.

Prepared by me:



**S Walker**

**VALUATOR**

Fellow of the Actuarial Society of South Africa

In my capacity as the Valuator of the Fund and an employee of Old Mutual Corporate Consultants.

**23 October 2018**

#### REMARKS

For the purposes of this summary of report:

- (a) Net assets available for benefits are the fair value of the assets of the fund less liabilities other than the actuarial present value of promised retirement benefits.
- (b) The actuarial present value of promised retirement benefits means:
  - i. The actuarial liabilities in respect of past service benefits (including accrued bonus service) of active members, with due allowance for future salary increases where these affect the benefits in respect of past service, and with due allowance for increases in pension and deferred pensions at rates consistent with the pension increase policy of the fund;
  - ii. The actuarial liabilities in respect of pensions in course of payment and deferred pensions, including any contingent annuity payable on the death of a pensioner, with due allowance for increases at rates consistent with the pension increase policy of the fund; and
  - iii. Any other accrued liability.

Vested benefits are benefits, the right to which, under the conditions of the fund, are not conditional upon continued employment.

**OLD MUTUAL SUPERFUND PROVIDENT FUND  
SCHEDULE I**

**FACTUAL FINDINGS REPORT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY IN TERMS OF SECTION 15 OF THE  
PENSION FUNDS ACT, 1956**

We have performed the procedures agreed with Financial Sector Conduct Authority (the "Authority") and set out below with respect to the audited financial statements ("annual financial statements") and other information in the general ledger and management information comprising the accounting records of the Old Mutual SuperFund Provident Fund (the "Fund") for the year ended 30 June 2018. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Authority in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Authority.

**Procedures and findings**

Our procedures performed are set out in the numbered paragraphs in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 30 June 2018.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB's International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

**Restriction on use and distribution**

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Authority and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.



.....  
**V Wiese**  
**Director**  
**Chartered Accountant (SA)**

Date: ..... 28 November 2018 .....  
Address: 5 Silo Square V&A Waterfront, Cape Town, 8002

**OLD MUTUAL SUPERFUND PROVIDENT FUND  
SCHEDULE I**

**FACTUAL FINDINGS REPORT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY IN TERMS OF SECTION 15 OF THE  
PENSION FUNDS ACT, 1956**

|          | Procedures   | Findings  |
|----------|--|---|
|          | <b>Statement of Net Assets and Funds</b>   |   |
| <b>1</b> | <b>Investments</b>   |   |
| 1.1      | Inspect the list of investment balances reflected in the general ledger of the Fund as at 30 June 2018 for any investments in accordance with the terms of section 19(4) of the Act.   |   |
| 1.1.1    | Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger.  | Details of the written confirmations obtained from the investment managers/issuers agreed to the investment balances reflected in the general ledger.   |
| 1.1.2    | Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Authority.  | Not applicable as the investments in the participating employers did not exceed 5% of total assets.   |
| 1.2      | Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrator(s), and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates):          |   |
| 1.2.1    | Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.   | For a sample of 10 mandates the underlying investments agree to the signed investment policy statement ("IPS") and investment mandate as set out in Annexure A.                                 |
| 1.2.2    | Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.  | The investment mandate and the investment policy statement did provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed. |
| 1.2.3    | Inspect whether the collateral and counterparty requirements as prescribed are complied with.  | For investments held in derivative instruments the counterparty requirements were met.  |
| 1.2.4    | For segregated portfolios, confirm directly with the investment administrator(s):<br>(a) whether scrip lending took place during the year and, if so,<br>(b) whether there was collateral provided by the counterparty/(ies) for any scrip lending activities and, if so,<br>(c) the percentage exposure covered by the collateral. Report on the amount for a). | Not applicable as no scrip lending took place.  |

**OLD MUTUAL SUPERFUND PROVIDENT FUND  
SCHEDULE I**

**FACTUAL FINDINGS REPORT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY IN TERMS OF SECTION 15 OF THE  
PENSION FUNDS ACT, 1956**

|          | Procedures   | Findings  |
|----------|--|---|
| <b>2</b> | <b>Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)</b>  |   |
| 2.1      | Obtain a list of member individual accounts per participating employer that agrees in total to the Statement of Net Assets and Funds as at 30 June 2018.   |   |
| 2.2      | Select a random sample of the lesser of 50 or 10% of the number of members (from participating employers selected in 8.1 below) from the list of members and perform the following procedures:   |   |
| 2.2.1    | Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review).   | The member and employer contributions received and allocated for the members selected as reflected on the administrator's system agreed to information supplied by the participating employers for the three months selected September 2017, February 2018 and June 2018. |
| 2.2.2    | Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the year under review).  | The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the sub-fund rules of the Fund for the three months selected, except for the instances as set out in Annexure B.                                 |
| 2.2.3    | In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member. | The conversion of the units was calculated correctly and agreed to the amount recorded in each member's record on the member register for the three months selected September 2017, February 2018 and June 2018.  |
| 2.2.4    | In respect of unitised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.  | The conversion of the units was calculated correctly and agreed to the amount recorded in each member's record on the member register at year end.  |
| 2.2.5    | In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end.  | The unit prices agreed to the unit prices on the administration system at 30 June 2018.   |
| 2.2.6    | In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.                               | Not applicable.   |

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|                              | Procedures   | Findings  |                              |   |                          |                |                             |                |                            |           |
|------------------------------|--|---|------------------------------|---|--------------------------|----------------|-----------------------------|----------------|----------------------------|-----------|
| 2.3                          | Obtain a list of members who switched investment portfolios during the year from the Fund/administrator, select a random sample of the lesser of 50 or 10% of members who switched between investment portfolios during the year, and perform the following procedures:                                    |   |                              |   |                          |                |                             |                |                            |           |
| 2.3.1                        | Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund. | <p>The portfolios were switched in accordance with notification of the member's instruction/investment strategy (including life stage models) of the Fund and were switched within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund except for:</p> <ul style="list-style-type: none"><li>Certain "customised" participating employers have a unique Lifestage model as part of their investment offering to members. In our sample of members tested (from the "customised" participating employers) seven (with a combined value of R3,879,123) members were potentially not invested in the correct portfolios according to the rules of the Lifestage model (the administrator have investigated and correct these affected members subsequent to year end).</li></ul>  |                              |   |                          |                |                             |                |                            |           |
| 2.3.2                        | Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.  | Fees deducted were approved by the Board of Fund and were agreed to authorised supporting documentation by the Board of Fund.   |                              |   |                          |                |                             |                |                            |           |
| 2.4                          | For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:   |   |                              |   |                          |                |                             |                |                            |           |
| 2.4.1                        | Compare the investments per product on the ALM reconciliation to the investment certificates in total.   | The investments per product agreed to the investment certificates in total.   |                              |   |                          |                |                             |                |                            |           |
| 2.4.2                        | Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.  | <p>The member individual accounts on the ALM reconciliation per investment portfolio agreed to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds except for the following difference:</p> <table><tr><td>Members' individual accounts</td><td>R</td></tr><tr><td>Per financial statements</td><td>52,230,599,981</td></tr><tr><td>Per administration system *</td><td>52,226,288,142</td></tr><tr><td>Amounts to be allocated **</td><td>4,311,839</td></tr></table> <p>* Members' individual accounts according to the underlying administration systems adjusted for valid timing differences.</p> <p>** Represent 0.008% of Members' individual accounts according to the financial statements.</p> <p>The various timing and other differences (detailed asset liability match per portfolio) is set out in Annexure C.</p> | Members' individual accounts | R | Per financial statements | 52,230,599,981 | Per administration system * | 52,226,288,142 | Amounts to be allocated ** | 4,311,839 |
| Members' individual accounts | R  |   |                              |   |                          |                |                             |                |                            |           |
| Per financial statements     | 52,230,599,981   |   |                              |   |                          |                |                             |                |                            |           |
| Per administration system *  | 52,226,288,142   |   |                              |   |                          |                |                             |                |                            |           |
| Amounts to be allocated **   | 4,311,839  |   |                              |   |                          |                |                             |                |                            |           |

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|----------|---|--|
| 2.4.3    | Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Authority.  | The total mismatch for all portfolios was within the range as prescribed by the Authority. |
| <b>3</b> | <b>Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)</b>  |  |
| 3.1      | Select a sample of the lesser of 50 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:   |  |
| 3.1.1    | Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review). | Not applicable.  |
| <b>4</b> | <b>Surplus apportionment scheme</b>   |  |
| 4.1      | If a surplus apportionment scheme was approved by the Authority in the current year or if allocation and/or payments to members were made during the year, perform the following procedures:  |  |
| 4.1.1    | <u>Active members:</u><br>Select a random sample of the lesser of 50 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:   |  |
| 4.1.1.1  | Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.  | Not applicable.  |
| 4.1.1.2  | Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.  | Not applicable.  |
| 4.1.2    | <u>Former members and pensioners:</u><br>Select a random sample of the lesser of 50 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:         |  |
| 4.1.2.1  | Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.   | Not applicable.  |

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|----------|--|---|
| 4.1.2.2  | Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Pension Funds Act and allocated to the member records in the administration system. | Not applicable.   |
| 4.1.2.3  | Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.                                  | Not applicable.   |
| <b>5</b> | <b>Member and employer surplus accounts</b>  |   |
| 5.1      | Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure:  |   |
| 5.1.1    | Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.   | The transactions were made in terms of the registered rules of the Fund and/or the Act.   |
| <b>6</b> | <b>Reserves</b>  |   |
| 6.1      | Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures:   |   |
| 6.1.1    | Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.   | The reserve and other accounts held by the Fund were in accordance with the registered rules of the Fund.   |
| 6.1.2    | Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act.  | The movements in reserves as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act. |
| <b>7</b> | <b>Other assets, liabilities and guarantees</b>  |   |
| 7.1      | Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 30 June 2018, and perform the following procedure:  |   |
| 7.1.1    | Agree the total loans on the above list to the corresponding account in the annual financial statements.   | Not applicable, the fund rules do not allow for the granting of housing loans.  |
| 7.2      | From the list in 7.1, randomly select a sample of the lesser of 50 or 10% of the number of members' housing loans granted and perform the following procedures:  |   |
| 7.2.1    | Inspect evidence that the value of the loan provided does not exceed the amount permitted by the rules and the home loan agreement.  | Not applicable.   |
| 7.2.2    | Inspect evidence that the loan has been granted in terms of Section 19(5) (a).   | Not applicable.   |
| 7.2.3    | Inspect evidence that repayments are being made in accordance with the loan agreement.   | Not applicable.   |
| 7.2.4    | Inspect the interest charged on the outstanding loan and compare the rate used to the prescribed rate.   | Not applicable.   |
| 7.2.5    | If the Fund issued more than 100 loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).                                 | Not applicable.   |

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|----------|--|--|
| 7.3      | Obtain the list of housing loan guarantees and select a sample of the lesser of 50 or 10% of the number of housing loan guarantees and perform the following procedures:   |  |
| 7.3.1    | For the sample selected, determine that each selected guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund.   | The selected guarantees did not exceed the gross value of the benefit that the members would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund, except for the instance as set out in Annexure D. |
| 7.3.2    | Inspect evidence that the guarantee has been granted in terms of Section 19(5) (a).  | The agreement between the financial institutions (granting the housing loans) and the Fund prescribes that loans may only be granted in terms of Section 19(5)(a) of the Pension Funds Act.  |
| 7.4      | Obtain a list of other loans per the general ledger of the Fund as at 30 June 2018 and perform the following procedure:  |  |
| 7.4.1    | Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.   | Not applicable.  |
|          | <b>Statement of Changes in Net Assets and Funds</b>  |  |
| <b>8</b> | <b>Contributions</b>   |  |
| 8.1      | Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:  |  |
| 8.1.1    | Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.   | The contributions received by or on behalf of the Fund agreed (within the 2.5% tolerance level) to the remittance advice from the participating employer/pay-point for the sample selected, except for the instance set out in Annexure E.   |
| 8.1.2    | Inspect the bank statements for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.  | Contributions were deposited with a registered bank in accordance with section 13A of the Act and where contributions were deposited late, late payment interest had been raised in terms of regulation 33, except for the instances set out in Annexure F.                              |
| 8.2      | Select a sample of the lesser of 50 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year-end from a list supplied by the Fund/administrator and perform the following procedure:  |  |
| 8.2.1    | Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such. | Amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act.   |



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|          | Procedures  | Findings   |
|----------|---|--|
| <b>9</b> | <b>Benefits</b>   |  |
| 9.1      | Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:   |  |
| 9.1.1    | Compare the list to the respective general ledger benefit expense accounts reconciliation.  | The list agreed to the respective general ledger benefit expense accounts reconciliation.  |
| 9.2      | Select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedures:   |  |
| 9.2.1    | Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.   | The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.  |
| 9.2.2    | For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.   | The recovery from the insurer was received/accrued by the Fund.  |
| 9.2.3    | <p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u></p> <p>Inspect that the calculation of the benefit payment was done by the actuary in accordance with the requirements of the rules of the Fund and/or the Act.</p> <p><u>For a defined contribution fund</u></p> <p>Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit.</p> | <p>This is a defined contribution fund.</p> <p>The opening fund credit for the member agreed to the opening fund credit report and contributions were added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) agreed to the fund credit report or administration system as at the date of exit.</p> |
| 9.3      | Obtain a list of all benefits not yet paid at year-end, select a sample of the lesser of 50 benefits or 10% of the total number of benefits from the list and perform the following procedure:  |  |
| 9.3.1    | Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits.  | The benefits that were older than the period as set out in the Act, or a shorter period defined by the Rules, were correctly classified as unclaimed benefits.   |

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|           | <b>Procedures</b>   | <b>Findings</b>  |
|-----------|---|--|
| <b>10</b> | <b>Transfers</b>  |  |
| 10.1      | Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.  | The list of total section 14 transfers to and from the Fund agreed to the corresponding account in the general ledger.   |
| 10.2      | From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 50 or 10% of the number of transfers in and the lesser of 50 or 10% of the number of transfers out, and perform the following procedures:   |  |
| 10.2.1    | Agree the sample of section 14 transfers to and from the Fund to:<br>a) the section 14(1) documentation as approved by the Authority in respect of each transfer; and/or<br>b) the section 14(8) documentation as prescribed.   | The sample of section 14 transfers to and from the Fund agreed to:<br>a) the section 14(1) documentation as approved by the Authority in respect of each transfer; and/or<br>b) the section 14(8) documentation as prescribed  |
| 10.2.2    | Inspect whether the transfers to and from the Fund were received/paid within 60 days of Authority approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.  | The transfers to and from the Fund were received/paid within 60 days of Authority approval for section 14(1) transfers, except for the instances as set out in Annexure G. Growth and investment return was allocated from the effective date of transfer to the date of final settlement. |
| 10.2.3    | In respect of unitised funds, select a sample of the lesser of 50 or 10% of the number of members transferred from other funds and recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase). | The conversion of transfers from other funds was correctly calculated and, where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase.   |
| 10.3      | <b>Individual transfers</b><br>Obtain the list of individual transfers throughout the year ended 30 June 2018, select a sample of the lesser of 50 or 10% of the number of individual transfers, and perform the following procedures:  |  |
| 10.3.1    | Agree the transfers to the approved recognition of transfer documentation.  | The transfers agreed to the approved recognition of transfer documentation.  |

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|-----------|--|--|
| 10.3.2    | <b>For individual transfers in selected</b><br>In respect of unitised funds, recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was added from the date of receipt to the date of purchase). | The conversion of transfers from other funds was correctly calculated and, where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase. |
| <b>11</b> | <b>Pensioners paid</b>   |  |
| 11.1      | Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:   |  |
| 11.1.1    | Agree the total pensions paid for the year ended 30 June 2018 to the corresponding account reconciliation to the general ledger balance.   | Not applicable   |
| 11.2      | Select a sample of the lesser of 50 or 10% of the number of pensioners paid directly from the fund from the above list and perform the following procedures:   |  |
| 11.2.1    | Inspect the pensioner increases for authorisation by the Board of Fund.  | Not applicable   |
| 11.2.2    | Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.  | Not applicable   |
| 11.3      | Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:   |  |
| 11.3.1    | Agree the closing market value of the annuity to the annual financial statements.  | Not applicable   |
| 11.3.2    | Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements.  | Not applicable   |
|           | <b>General</b>   |  |
| 12.1      | Inspect evidence that the Fund's fidelity insurance cover was in place throughout the year ended 30 June 2018 that the Fund's fidelity insurance cover extends after year-end and report the date to which the subsequent fidelity insurance cover extends.  | The Fund's fidelity insurance cover was in place throughout the year ended 30 June 2018 and extends after year-end to 31 December 2018.  |
| 12.2      | Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at year ended 30 June 2018.  | Per inspection of the confirmations for the sample selected, the GLA policies have not lapsed at the year ended 30 June 2018.  |

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|        | <b>Procedures</b>  | <b>Findings</b>   |
|--------|--|---|
| 12.3   | Obtain the most recent statutory valuation signed and submitted by the valuator and perform the following procedures:  |   |
| 12.3.1 | Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).  | According to the 30 June 2017 statutory valuation report the Fund was fully funded. |
| 12.3.2 | Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Authority. | Not applicable, the fund was fully funded.  |

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**Annexure A**

1.2.1. Investments as determined by the Investment Policy Statement and/or Investment Mandate:

| <b>Asset Manager</b>                                     | <b>Portfolio</b>                             | <b>Underlying investment</b> | <b>Policy Statement</b>     | <b>Investment mandate</b>   |
|--|--|------------------------------|-----------------------------|-----------------------------|
| Old Mutual Life Assurance Company (South Africa) Limited | SF Old Mutual Absolute Stable Growth (Net)   | Non-linked insurance policy  | Non-linked insurance policy | Non-linked insurance policy |
| Allan Gray Life Limited                                  | SF Allan Gray Global Balanced RRF (Nedbank)  | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |
| Old Mutual Life Assurance Company (South Africa) Limited | SF OM Absolute Stable Growth (Nedbank)       | Non-linked insurance policy  | Non-linked insurance policy | Non-linked insurance policy |
| Coronation Asset Management (Pty) Limited                | SF Coronation Global Segregated (Nedbank)    | Segregated portfolio         | Segregated portfolio        | Segregated portfolio        |
| Old Mutual Life Assurance Company (South Africa) Limited | SF Old Mutual Absolute Smooth Growth (Net)   | Non-linked insurance policy  | Non-linked insurance policy | Non-linked insurance policy |
| Alexander Forbes Investments Limited                     | AMRF (Prov Sec) IS Performer Local - AM      | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |
| Old Mutual Life Assurance Company (South Africa) Limited | SF OM MM Inflation Plus 5-7%                 | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |
| Old Mutual Life Assurance Company (South Africa) Limited | SF SYmmETRY Absolute Balanced Fund (ForLife) | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |
| Investec Assurance Limited                               | SF Investec Balanced (Nedbank)               | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |
| Sygnia Life Limited                                      | SF Sygnia Signature 70                       | Linked insurance policy      | Linked insurance policy     | Linked insurance policy     |

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**Annexure B**

2.2.2 The member and employer contribution rates for the members selected as reflected on the administrator's system did not agree to the sub-fund rules of the Fund:

| Employer number | Months                  | Contributions rate in terms of Special Rules % | Contributions rate received %   |
|-----------------|-------------------------|--|---------------------------------|
| R000107D        | Sep'17, Feb'18, June'18 | Employer: 13.59%                               | Employer: 13.6%                 |
| R000155D        | Sep'17, Feb'18, June'18 | Member: 0%                                     | Member: 7.5%                    |
| R001131D        | Sep'17, Feb'18, June'18 | Employer: 16.5%                                | Employer: 17.5%                 |
| R004296D        | Sep'17, Feb'18, June'18 | Employer: 8.7%                                 | Employer: ranges from 1% to 18% |

**Annexure C**

2.4.2. The values of investments specified by the members' investment choice do not always agree to the members' liabilities per product for that choice. In total the assets exceed the member liabilities:

| SuperFund Provident Fund Portfolio        | Investment Value      | Accumulated Credits ** | Pending trades / other adjustments* | Net Excess/ (Deficit) |
|---|-----------------------|------------------------|-------------------------------------|-----------------------|
|   | A                     | B                      | C                                   | A-B-C                 |
| Taquanta Core Cash (Nedbank)              | 233,432,521           | 233,282,108            | 22,878                              | 127,535               |
| Nedgroup Investments Flexible Income Fund | 5,152,436             | 5,247,712              | (1)                                 | (95,275)              |
| Coregrowth Unpaid Deaths                  | 311,785,157           | 311,727,099            | (23,397)                            | 81,455                |
| OM Absolute Stable Growth (Nedbank)       | 3,576,907,029         | 3,576,309,249          | 535,293                             | 62,487                |
| Old Mutual Absolute Stable Growth (Net)   | 23,938,008,483        | 23,928,026,818         | 9,920,995                           | 60,670                |
| Other (Compass)                           | 27,080,427,126        | 27,032,974,971         | 47,500,878                          | -48,723               |
| <b>Total</b>                              | <b>55,145,712,752</b> | <b>55,087,567,957</b>  | <b>57,956,646</b>                   | <b>188,149</b>        |

\* Pending trades represents timing differences between the member records and the market (price differences and investment fees), un-invested cash and non-member related liabilities (reserves) invested in the market.

\*\* The "Accumulated Credits" include the reserve account balances

**Annexure D**

7.3.1 The selected guarantee for the following instance was declined by the administrator and instructed the Bank accordingly, however the member was still included in the loan schedule of the Bank as at 30 June 2018:

| Participating Employer | Institution   | Number of members | Member credit pledged as security | Value of outstanding loan |
|------------------------|---------------|-------------------|-----------------------------------|---------------------------|
| R000162D               | Standard Bank | 1                 | R322,508                          | R514,993                  |

**OLD MUTUAL SUPERFUND PROVIDENT FUND  
SCHEDULE I**

**FACTUAL FINDINGS REPORT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY IN TERMS OF SECTION 15 OF THE  
PENSION FUNDS ACT, 1956**

**Annexure E**

8.1.1 The contributions received by or on behalf of the Fund did not agree (within the 2.5% tolerance level) to the remittance advice from the participating employer/pay-point:

| Scheme   | Month  | Data received<br>R | Cash received<br>R | Difference<br>R | Difference<br>% | Over/Under-<br>payment |
|----------|--------|--------------------|--------------------|-----------------|-----------------|------------------------|
| R004811D | Feb-18 | 3,932,793          | 3,706,781          | 226,012         | 5.75%           | Underpayment           |

**Annexure F**

8.1.2 Late payment interest had not been raised in terms of regulation 33:

| Scheme   | Month         | Amount  | Due date   | Date received | Authorised<br>collection<br>client | Late payment<br>interest levied |
|----------|---------------|---------|------------|---------------|------------------------------------|---------------------------------|
| R004385D | February 2018 | 967,859 | 07/03/2018 | 27/03/2018    | No                                 | No                              |
| R004385D | June 2018     | 891,368 | 07/07/2018 | 23/07/2018    | No                                 | No                              |

**Annexure G**

10.2.2. The transfers to and from the Fund were not received/paid within 60 days of Authority approval for section 14(1) transfers:

**Section 14 transfers not received within the prescribed period of 60 days**

| Employer<br>number | Transferor Fund                                   | Amount<br>R | Approval<br>Date | Date<br>Received | Number<br>of days |
|--------------------|---|-------------|------------------|------------------|-------------------|
| R006935D           | Cliffe Dekker Hofmeyr Directors Provident Fund    | 334,944,237 | 09/03/2018       | 22/06/2018       | 105 *             |
| R006935D           | Cliffe Dekker Hofmeyr Directors Provident Fund    | 6,165,411   | 09/03/2018       | 29/06/2018       | 112 *             |
| R006595D           | Corporate Selection Umbrella Retirement Fund No 2 | 6,472,073   | 29/03/2018       | 29/05/2018       | 61                |
| R006823D           | Corporate Selection Umbrella Retirement Fund      | 208,140     | 14/12/2017       | 04/04/2018       | 111 *             |
| R006823D           | Corporate Selection Umbrella Retirement Fund      | 48,896      | 14/12/2017       | 16/04/2018       | 123 *             |
| R003061D           | Crystal Retirement Fund                           | 11,195,205  | 31/08/2017       | 14/11/2017       | 75 *              |
| R003061D           | Crystal Retirement Fund                           | 242,546     | 31/08/2017       | 05/06/2018       | 278 *             |
| R001763D           | Nedgroup Defined Contribution Provident Fund      | 5,148,212   | 30/08/2017       | 08/02/2018       | 162               |
| R001763D           | Nedgroup Defined Contribution Provident Fund      | 191,154     | 30/08/2017       | 23/02/2018       | 177               |
| R004597D           | Road and Logistics Industry Provident Fund        | 113,257     | 28/03/2017       | 08/12/2017       | 255 *             |
| R004597D           | Road and Logistics Industry Provident Fund        | 37,787      | 28/03/2017       | 31/01/2018       | 309 *             |
| R000168D           | Metal Industries Provident Fund                   | 130,465     | 13/02/2018       | 16/05/2018       | 92 **             |
| R003034D           | Chamber Provident Fund                            | 4,374,119   | 10/08/2016       | 22/07/2017       | 346 *             |
| R006029D           | Motor Industry Provident Fund                     | 105,629     | 02/08/2017       | 23/10/2017       | 82 **             |

\* The Fund reported the Transferor Funds to the Financial Sector Conduct Authority for non-compliance with the requirements contained in Section 14 of the Pension Funds Act.

\*\* Application for extension to the 60 day period was made by the Transferor Fund to the Financial Sector Conduct Authority, however, the application has not yet been approved.

**OLD MUTUAL SUPERFUND PROVIDENT FUND  
SCHEDULE I**

**FACTUAL FINDINGS REPORT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY IN TERMS OF SECTION 15 OF THE  
PENSION FUNDS ACT, 1956**

**Section 14 transfers not paid within the prescribed period of 60 days**

| <b>Employer number</b> | <b>Transferor Fund</b>                       | <b>Amount R</b> | <b>Approval Date</b> | <b>Date Received</b> | <b>Number of days</b> |
|------------------------|--|-----------------|----------------------|----------------------|-----------------------|
| R001145D               | Fundsatwork Umbrella Provident Fund          | 128,402,237     | 07-Dec-17            | 6-Mar-18             | 89 *                  |
| R001145D               | Fundsatwork Umbrella Provident Fund          | 230,477         | 07-Dec-17            | 14-Mar-18            | 97 *                  |
| R001145D               | Fundsatwork Umbrella Provident Fund          | 269,935         | 07-Dec-17            | 22-Mar-18            | 105 *                 |
| R001145D               | Fundsatwork Umbrella Provident Fund          | 432,158         | 07-Dec-17            | 4-Apr-18             | 118 *                 |
| R001145D               | Fundsatwork Umbrella Provident Fund          | 159,890         | 07-Dec-17            | 6-Apr-18             | 120 *                 |
| R001145D               | Fundsatwork Umbrella Provident Fund          | 445,666         | 07-Dec-17            | 10-Aug-18            | 246 *                 |
| R001502D               | Sanlam Umbrella Provident Fund               | 58,335          | 12-Oct-17            | 26-Jan-18            | 106 *                 |
| R001502D               | Sanlam Umbrella Provident Fund               | 24,569          | 12-Oct-17            | 29-Mar-18            | 168 *                 |
| R006225D               | 10X Umbrella Provident Fund                  | 9,225,504       | 13-Jun-18            | 16-Aug-18            | 64 *                  |
| R006211D               | Corporate Selection Umbrella Retirement Fund | 8,793,076       | 27-Jul-17            | 26-Oct-17            | 91 *                  |
| R001660D               | Bidvest SA Pension Fund                      | 56,173          | 16-Apr-18            | 16-Jul-18            | 91 *                  |
| R001660D               | Bidvest SA Pension Fund                      | 122,062         | 16-Apr-18            | 24-Jul-18            | 99 *                  |
| R001660D               | Bidvest SA Pension Fund                      | 121,907         | 16-Apr-18            | 31-Jul-18            | 106 *                 |
| R001660D               | Bidvest SA Pension Fund                      | 309,941         | 16-Apr-18            | 21-Aug-18            | 127 *                 |

\* Application for extension to the 60 day period was made by the Fund and submitted to the Transferee Funds for onward submission to the Financial Sector Conduct Authority, however, the applications have not yet been approved.



OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS  
AT 30 JUNE 2018

INVESTMENTS

|  | Notes | Direct<br>Investments | Non-compliant<br>Collective<br>investment<br>schemes<br>Note M1 | Non-<br>compliant<br>Insurance<br>policies<br>Note M2 | Compliant<br>Investments<br><br>Note L | Total                 | Local                 | Foreign               | Foreign<br>Africa  | Total Foreign         | Total<br>percentage<br>of<br>foreign<br>exposure<br>% | TOTAL as per<br>Regulation 28<br>(Schedule IB) |
|--|-------|-----------------------|---|---|--|-----------------------|-----------------------|-----------------------|--------------------|-----------------------|---|--|
|  |       | R                     | R   | R   | R                                      | R                     | R                     | R                     | R                  | R                     |   | R  |
| Cash (including cash at bank)                          | A     | 2,003,847,173         | 150,978,871   | 191,784,311   | -                                      | 2,346,610,355         | 2,292,719,001         | 53,891,354            | -                  | 53,891,354            | 2.30  | 2,346,610,355                                  |
| Commodities  | B     | 9,055,119             | 2,666,231   | -   | -                                      | 11,721,350            | 11,721,350            | -                     | -                  | -                     | -   | 11,721,350                                     |
| Debt instruments including<br>Islamic debt Instruments | C     | 505,708,835           | 305,684,832   | 342,518,910   | -                                      | 1,153,912,577         | 852,478,506           | 301,434,071           | -                  | 301,434,071           | 26.12   | 1,153,912,577                                  |
| Investment and owner occupied<br>properties            | D     | 465,852,769           | 190,213,693   | 88,209,106  | -                                      | 744,275,568           | 567,290,941           | 176,984,627           | -                  | 176,984,627           | 23.78   | 744,275,568                                    |
| Equities   | E     | 1,884,792,742         | 2,247,664,134   | 13,264,496  | -                                      | 4,145,721,372         | 2,350,125,556         | 1,795,595,816         | -                  | 1,795,595,816         | 43.31   | 4,145,721,372                                  |
| Investments in participating<br>employers              | H     | 81,309,511            | -   | -   | -                                      | 81,309,511            | 81,309,511            | -                     | -                  | -                     | -   | 81,309,511                                     |
| Other assets   |       | -                     | (43,318,451)  | 519,599   | -                                      | (42,798,852)          | 521,440               | (43,320,292)          | -                  | (43,320,292)          | 101.22  | (42,798,852)                                   |
| Hedge Funds  |       | -                     | 33,766,824  | -   | -                                      | 33,766,824            | 33,766,824            | -                     | -                  | -                     | -   | 33,766,824                                     |
| Collective Investment Schemes                          |       | -                     | -   | -   | 485,194,396                            | 485,194,396           | 387,457,334           | 94,728,458            | 3,008,604          | 97,737,062            | 20.14   | 485,194,396                                    |
| Insurance policies                                     |       | -                     | -   | -   | 46,333,682,781                         | 46,333,682,781        | 34,204,794,577        | 11,180,969,936        | 947,918,268        | 12,128,888,204        | 26.18   | 46,333,682,781                                 |
| Linked policies  |       | -                     | -   | -   | 14,159,014,379                         | 14,159,014,379        | 10,733,888,719        | 3,207,643,238         | 217,482,422        | 3,425,125,660         | 24.19   | 14,159,014,379                                 |
| Non-linked policies                                    |       | -                     | -   | -   | 32,174,668,402                         | 32,174,668,402        | 23,470,905,858        | 7,973,326,698         | 730,435,846        | 8,703,762,544         | 27.05   | 32,174,668,402                                 |
| <b>Total investments</b>                               |       | <b>4,950,566,149</b>  | <b>2,887,656,134</b>  | <b>636,296,422</b>                                    | <b>46,818,877,177</b>                  | <b>55,293,395,882</b> | <b>40,782,185,040</b> | <b>13,560,283,970</b> | <b>950,926,872</b> | <b>14,511,210,842</b> | <b>26.24</b>  | <b>55,293,395,882</b>                          |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

A CASH

| Instrument  | Fair Value<br>R      |
|---|----------------------|
| <b>Local</b>  |                      |
| <b>Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments</b> | <b>2,003,847,173</b> |
| Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets   | 1,996,595,199        |
| A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets  | 58,746,373           |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| Any positive net balance in a margin account with an exchange - exceeding 5% of total assets  | 310,036              |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets - exceeding 5% of total assets   | (51,804,435)         |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| <b>Foreign</b>  |                      |
| <b>Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments</b>   | -                    |
| Any balance or deposit held with a foreign bank - exceeding 5% of total assets  | -                    |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| Any balance or deposit held with an African bank - exceeding 5% of total assets   | -                    |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets  | -                    |
| <b>Total of issuers not exceeding 5%</b>  | -                    |
| <b>Total</b>  | <b>2,003,847,173</b> |

B COMMODITIES

| Instrument   | Holding number | Holding %        | Fair value<br>R  |
|--------------|----------------|------------------|------------------|
| <b>Other</b> |                | <b>Holding %</b> |                  |
| Various      | -              | 0.02             | 9,055,119        |
|              |                |                  | <b>9,055,119</b> |
|              |                |                  | <b>9,055,119</b> |
| <b>Total</b> |                |                  | <b>9,055,119</b> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

| Instrument   | Local or foreign | Secured/ Unsecured | Issued/<br>Guaranteed | Redemption<br>value<br>R | Fair value<br>R    |
|--|------------------|--------------------|-----------------------|--------------------------|--------------------|
| <b>Government debt:</b>  |                  |                    |                       |                          |                    |
| Debt instruments issued by an loans to the government of the Republic and any debt or loan guaranteed by the Republic        |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 64,808,718         |
| <b>Bank debt :</b>   |                  |                    |                       |                          |                    |
| Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-                                    |                  |                    |                       |                          |                    |
| Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed  |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 360,465,953        |
| Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 65,561,891         |
| Not listed on an exchange  |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 8,951,020          |
| <b>Debentures:</b>   |                  |                    |                       |                          |                    |
| Listed on an exchange  |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 3,393,254          |
| Not listed on an exchange  |                  |                    |                       |                          |                    |
| <i>Total of issuers not exceeding 5%</i>   |                  |                    |                       |                          | 2,527,999          |
| Total debt instruments including Islamic debt instruments  |                  |                    |                       |                          | <b>505,708,835</b> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

| Instrument   | Local/ Foreign | Issued shares | Holding number | Ordinary/<br>Preference<br>shares | Holding<br>% | Fair value<br>R    |
|--|----------------|---------------|----------------|-----------------------------------|--------------|--------------------|
| <b>Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:</b> |                |               |                |                                   |              |                    |
| <b>Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed</b>                                 |                |               |                |                                   |              |                    |
| Total of issuers not exceeding 5%  |                |               |                |                                   |              | 393,844,841        |
| <b>Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed</b>                  |                |               |                |                                   |              |                    |
| Total of issuers not exceeding 5%  |                |               |                |                                   |              | 62,972,673         |
| <b>Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed</b>                                |                |               |                |                                   |              |                    |
| Total of issuers not exceeding 5%  |                |               |                |                                   |              | 9,035,255          |
| <b>Total</b>   |                |               |                |                                   |              | <b>465,852,769</b> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

E EQUITIES

| Instrument   | Local/ Foreign | Ordinary/<br>Preference<br>shares | Fair value<br>R             |
|--|----------------|-----------------------------------|-----------------------------|
| <b>Listed equities</b>   |                |                                   |                             |
| Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed<br><i>Total of issuers not exceeding 5%</i>                |                |                                   | <u>1,695,720,602</u>        |
| Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed<br><i>Total of issuers not exceeding 5%</i> |                |                                   | <u>181,367,508</u>          |
| Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed<br><i>Total of issuers not exceeding 5%</i>               |                |                                   | <u>7,703,504</u>            |
| <b>Unlisted equities</b>   |                |                                   |                             |
|  | Local          | Ordinary                          | <u>1,128</u>                |
| <b>Total</b>   |                |                                   | <u><b>1,128</b></u>         |
| <b>Total equities</b>  |                |                                   | <u><b>1,884,792,742</b></u> |

H INVESTMENTS IN PARTICIPATING EMPLOYER/S

| Instrument  | Listed or not<br>listed | Issued/<br>Guaranteed | Fair value<br>R          |
|---|-------------------------|-----------------------|--------------------------|
| <i>Total of issuers not exceeding 5%</i>                |                         |                       | <u>81,309,511</u>        |
| <b>Subtotal</b>   |                         |                       | <u><b>81,309,511</b></u> |
| <b>Total for investments in participating employers</b> |                         |                       | <u><b>81,309,511</b></u> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

L CERTIFIED REGULATION 28 COMPLIANT INVESTMENTS

| Instrument  | Fair value<br>R       |
|---|-----------------------|
| <b>Collective Investment Schemes – regulation 28(8)(b)(i)</b> |                       |
| <b>Local</b>  |                       |
| <i>Total of issuers not exceeding 5%</i>                      | 387,457,334           |
| <b>Total</b>  | <u>387,457,334</u>    |
| <b>Foreign</b>  |                       |
| <i>Total of issuers not exceeding 5%</i>                      | 97,737,062            |
| <b>Total</b>  | <u>97,737,062</u>     |
| <b>Linked policies – regulation 28(8)(b)(ii)</b>              |                       |
| <b>Local</b>  |                       |
| Allan Gray Global Balanced (Nedbank)                          | 2,599,898,591         |
| <i>Total of issuers exceeding 5%</i>                          | <u>2,599,898,591</u>  |
| <i>Total of issuers not exceeding 5%</i>                      | 8,133,990,128         |
| <b>Total</b>  | <u>10,733,888,719</u> |
| <b>Foreign</b>  |                       |
| Allan Gray Global Balanced (Nedbank)                          | 1,281,806,752         |
| <i>Total of issuers exceeding 5%</i>                          | <u>1,281,806,752</u>  |
| <i>Total of issuers not exceeding 5%</i>                      | 2,143,318,908         |
| <b>Total</b>  | <u>3,425,125,660</u>  |
| <b>Non Linked policies – regulation 28(8)(b)(iii)</b>         |                       |
| <b>Local</b>  |                       |
| Old Mutual Absolute Stable Growth                             | 17,463,649,489        |
| OM Absolute Stable Growth (Nedbank)                           | 2,609,484,020         |
| <i>Total of issuers exceeding 5%</i>                          | <u>20,073,133,509</u> |
| <i>Total of issuers not exceeding 5%</i>                      | 3,397,772,349         |
| <b>Total</b>  | <u>23,470,905,858</u> |
| <b>Foreign</b>  |                       |
| Old Mutual Absolute Stable Growth                             | 6,474,358,994         |
| OM Absolute Stable Growth (Nedbank)                           | 967,423,009           |
| <i>Total of issuers exceeding 5%</i>                          | <u>7,441,782,003</u>  |
| <i>Total of issuers not exceeding 5%</i>                      | 1,261,980,541         |
| <b>Total</b>  | <u>8,703,762,544</u>  |
| <b>Total certified Regulation 28 compliant investments</b>    | <u>46,818,877,177</u> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

**M REGULATION 28 NON-COMPLIANT INVESTMENTS**

**M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES**

| Instrument   | Holding<br>% | Fair value<br>R      |
|--|--------------|----------------------|
| <b>Local</b>   |              |                      |
| OM SuperFund - AMRF (Prov Sec) Abax Equity Fund                  | 0.30         | 167,505,683          |
| OM SuperFund - AMRF (Prov Sec) BCI SA Equity Fund                | 0.27         | 150,107,051          |
| Nedgroup Investments Flexible Income Fund - B1                   | 0.01         | 5,261,225            |
| OM Albaraka (Nedbank) (Shariah)                                  | 0.09         | 52,133,981           |
| Coronation Global Segregated (Nedbank)                           | 0.41         | 228,415,849          |
|  |              | <b>603,423,789</b>   |
| <b>Foreign</b>   |              |                      |
| OM SuperFund - AMRF (Prov Sec) Orbis                             | 0.58         | 321,153,250          |
| OM SuperFund - AMRF (Prov Sec) Pimco                             | 0.48         | 264,861,666          |
| OM SuperFund - AMRF (Prov Sec) Walter Scott                      | 0.62         | 340,840,927          |
| OM SuperFund - Lindsell Train Global Equity Fund Class C         | 0.64         | 354,881,787          |
| OM SuperFund - Resolution Capital Global Property Securities CCF | 0.36         | 196,924,385          |
| Nedgroup Investments Flexible Income Fund - B1                   | -            | (108,789)            |
| OM Albaraka (Nedbank) (Shariah)                                  | -            | 131,908              |
| Coronation Global Segregated (Nedbank)                           | 1.46         | 805,547,211          |
|  |              | <b>2,284,232,345</b> |
| <b>Total Non-compliant collective investment schemes</b>         |              | <b>2,887,656,134</b> |

**M2 NON-COMPLIANT INSURANCE POLICIES**

| Instrument  | Holding<br>% | Fair value<br>R      |
|---|--------------|----------------------|
| <b>Linked policies</b>                            |              |                      |
| <b>Local</b>                                      |              |                      |
| OM SuperFund - AMRF (Prov Sec) Futuregrowth Bonds | 0.56         | 307,191,416          |
| OM SuperFund - AMRF (Prov Sec) Investec Property  | 0.17         | 95,234,419           |
| Taquanta Core Cash (Nedbank)                      | 0.42         | 233,432,522          |
| Taquanta Enhanced Cash                            | -            | 84,834               |
|   |              | <b>635,943,191</b>   |
| <b>Foreign</b>                                    |              |                      |
| OM SuperFund - AMRF (Prov Sec) Investec Property  | -            | 353,231              |
|   |              | <b>353,231</b>       |
| <b>Total linked policies</b>                      |              | <b>636,296,422</b>   |
| <b>Total Non-compliant Investments</b>            |              | <b>3,523,952,556</b> |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
AT 30 JUNE 2018

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

|   | Fair value<br>current period<br>(as per<br>Schedule HA<br>2.1)<br>R | Cash at bank<br>R  | Non-compliant<br>CIS<br>R | Non-compliant<br>Insurance<br>Policies<br>R | Other<br>R    | Total<br>R            |
|---|---|--------------------|---------------------------|---|---------------|-----------------------|
| Cash  | 1,848,870,561   | 147,683,130        | 150,978,871               | 191,784,310                                 | 7,293,483     | 2,346,610,355         |
| Commodities   | 9,055,119   | -                  | 2,666,231                 | -   | -             | 11,721,350            |
| Debt instruments including Islamic debt instruments | 560,893,280   | -                  | 305,684,832               | 342,518,910                                 | (55,184,445)  | 1,153,912,577         |
| Investment properties and Owner occupied properties | -   | -                  | 190,213,693               | 88,209,106                                  | 465,852,769   | 744,275,568           |
| Equities  | 2,302,773,690   | -                  | 2,247,664,134             | 13,264,496                                  | (417,980,948) | 4,145,721,372         |
| Investment in Participating Employer(s)             | 81,309,511  | -                  | -                         | -   | -             | 81,309,511            |
| Hedge funds   | -   | -                  | 33,766,824                | -   | -             | 33,766,824            |
| Collective investment schemes                       | 3,372,831,389   | -                  | (2,887,656,134)           | -   | 19,141        | 485,194,396           |
| Insurance policies                                  | 46,969,979,202  | -                  | -                         | (636,296,421)                               | -             | 46,333,682,781        |
| Other assets  | -   | -                  | (43,318,451)              | 519,599                                     | -             | (42,798,852)          |
| <b>Total investments</b>                            | <b>55,145,712,752</b>   | <b>147,683,130</b> | <b>-</b>                  | <b>-</b>                                    | <b>-</b>      | <b>55,293,395,882</b> |



OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018

|              |  | Fair value<br>R      |
|--------------|--|----------------------|
| <b>A</b>     | <b>Total assets (Schedule IA -Total investments)</b>   | 55,293,395,882       |
| <b>B1</b>    | <b>Less:</b> Reg 28 compliant investments<br>(certificate received from issuing entity):-            | (46,818,877,177)     |
| <b>B.1.1</b> | Collective Investment Schemes (Reg 28(8)(b)(i))  | (485,194,396)        |
| <b>B.1.2</b> | Linked Policies (Reg 28(8)(b)(ii))   | (14,159,014,379)     |
| <b>B.1.3</b> | Non-Linked policies (Reg 28(8)(b)(iii))  | (32,174,668,402)     |
| <b>B.1.4</b> | Entity regulated by FSCA (Reg 28(8)(b)(iv))  | -                    |
| <b>B2</b>    | <b>Less:</b> Reg 28 excluded investments   |                      |
| <b>B2.1</b>  | Insurance Policies ( Reg 28(3)(c))   | -                    |
| <b>C</b>     | <b>Less:</b> Investments not disclosed /data not available for disclosure<br>[Refer to schedule IAN] | -                    |
| <b>D</b>     | <b>TOTAL ASSETS FOR REGULATION 28 DISCLOSURE</b>   | <b>8,474,518,705</b> |

| Categories of kinds of assets |   |                  | Fair value<br>R      | Fair value<br>% |
|-------------------------------|---|------------------|----------------------|-----------------|
| 1                             | <b>CASH</b>   |                  | <b>2,346,610,355</b> | <b>27.69%</b>   |
| 1.1                           | <b>Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments</b> | 100%             | <b>2,292,719,001</b> | <b>27.05%</b>   |
| (a)                           | Notes and coins; any balance or deposit in an account held with a South African bank;   |                  | 2,017,706,618        | 23.81%          |
|                               | Nedbank Limited   | 25%              | 599,548,178          | 7.07%           |
|                               | First National Bank   | 25%              | 4,218,630            | 0.05%           |
|                               | ABSA  | 25%              | 382,240,619          | 4.51%           |
|                               | Investec Bank Limited   | 25%              | 456,096,366          | 5.38%           |
|                               | First Rand Merchant Bank  | 25%              | 76,571,736           | 0.90%           |
|                               | Standard Bank   | 25%              | 456,073,133          | 5.38%           |
|                               | Coronation Global Segregated - Various  | 25%              | 10,269,470           | 0.12%           |
|                               | Various   | 25%              | 31,382,731           | 0.37%           |
|                               | Nedbank Group Limited   | 25%              | 1,305,755            | 0.02%           |
| (b)                           | A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument   |                  | 326,261,920          | 3.85%           |
|                               | Coronation Global Segregated - Various  | 25%              | 64,338,671           | 0.76%           |
|                               | Various   | 25%              | 261,923,249          | 3.09%           |
| (c)                           | Any positive net balance in a margin account with an exchange   |                  | 3,041,851            | 0.04%           |
|                               | Safex   | 25%              | 3,036,761            | 0.04%           |
|                               | Yieldx  | 25%              | 4,273                | 0.00%           |
|                               | Various   | 25%              | 817                  | 0.00%           |
| (d)                           | Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets  |                  | (54,291,388)         | (0.64)%         |
|                               | Nedbank Group Ltd   | 25%              | (51,813,441)         | (0.61)%         |
|                               | Coronation Global Segregated - Various  | 25%              | (525,029)            | (0.01)%         |
|                               | Various   | 25%              | (1,952,918)          | (0.02)%         |
| 1.2                           | <b>Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments</b>   | SARB max. limits | <b>53,891,354</b>    | <b>0.64%</b>    |
| (a)                           | Any balance or deposit held with a foreign bank   |                  | 53,891,354           | 0.64%           |
|                               | HSBC Bank   | 5%               | 14,605,666           | 0.17%           |
|                               | JP Morgan Chase Bank  | 5%               | 25,200,769           | 0.30%           |
|                               | Various   | 5%               | 14,084,919           | 0.17%           |
| (b)                           | Any balance or deposit held with an African bank  |                  | -                    | 0.00%           |
| (c)                           | A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument   |                  | -                    | 0.00%           |

Carried forward 2,346,610,355 27.69%

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018

| Categories of kinds of assets |   |      | Fair value<br>R      | Fair value<br>% |
|-------------------------------|---|------|----------------------|-----------------|
| Brought forward               |   |      | 2,346,610,355        | 27.69%          |
| 2                             | <b>DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS</b>  |      | <b>1,153,912,577</b> | <b>13.62%</b>   |
| 2.1                           | <b>Inside the Republic</b>  | 100% | <b>852,478,506</b>   | <b>10.06%</b>   |
| (a)                           | Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic   | 100% | 190,488,484          | 2.25%           |
|                               | R2044 8.75%   | 100% | 52,476,584           | 0.62%           |
|                               | R2035 8.875%  | 100% | 9,943,828            | 0.12%           |
|                               | I2025 2%  | 100% | 1,315,222            | 0.02%           |
|                               | Coronation Global Segregated - Various  | 100% | 1,073,084            | 0.01%           |
|                               | Various   | 100% | 125,679,766          | 1.48%           |
| (b)                           | Debt instruments issued or guaranteed by the government of a foreign country  | 75%  | 96,551               | 0.00%           |
|                               | Various   | 10%  | 96,551               | 0.00%           |
| (c)                           | Debt instruments issued or by a South African bank against its balance sheet  | 75%  | 389,616,377          | 4.60%           |
| c(i)                          | Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed  | 75%  | 388,492,181          | 4.58%           |
|                               | Firststrand 9.50%   | 25%  | 31,222,361           | 0.37%           |
|                               | Standard Bank   | 25%  | 26,556,606           | 0.31%           |
|                               | Firststrand 5.5%  | 25%  | 19,875,693           | 0.23%           |
|                               | Coronation Global Segregated - Various  | 25%  | 281,999,610          | 3.33%           |
|                               | Various   | 25%  | 28,837,911           | 0.34%           |
| c(ii)                         | Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed  | 75%  | -                    | 0.00%           |
| c(iii)                        | Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed  | 75%  | 1,124,196            | 0.01%           |
|                               | Various   | 10%  | 1,124,196            | 0.01%           |
| c(iv)                         | Not listed on an exchange   | 25%  | -                    | 0.00%           |
| (d)                           | Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed | 50%  | 127,160,930          | 1.50%           |
| d(i)                          | Listed on an exchange   | 50%  | 100,899,038          | 1.19%           |
|                               | Impala Platinum   | 10%  | 12,843,388           | 0.15%           |
|                               | Netcare   | 10%  | 7,109,744            | 0.08%           |
|                               | Old Mutual  | 10%  | 5,478,590            | 0.06%           |
|                               | Coronation Global Segregated - Various  | 10%  | 35,796,880           | 0.42%           |
|                               | Various   | 10%  | 39,670,436           | 0.47%           |
| d(ii)                         | Not listed on an exchange   | 25%  | 26,261,892           | 0.31%           |
|                               | Various   | 5%   | 26,261,892           | 0.31%           |
| (e)                           | Other debt instruments:-  | 25%  | 145,116,164          | 1.71%           |
| e(i)                          | Listed on an exchange   | 25%  | 23,954,679           | 0.28%           |
|                               | Various   | 5%   | 23,954,679           | 0.28%           |
| e(ii)                         | Not listed on an exchange   | 15%  | 121,161,485          | 1.43%           |
|                               | Various   | 5%   | 121,161,485          | 1.43%           |
|                               | SARB max. limits  |      |                      |                 |
| 2.2                           | <b>Foreign</b>  |      | <b>301,434,071</b>   | <b>3.56%</b>    |

|                 |               |        |
|-----------------|---------------|--------|
| Carried forward | 3,199,088,861 | 37.73% |
|-----------------|---------------|--------|

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018**

| Categories of kinds of assets |  |                  | Fair value<br>R      | Fair value<br>% |
|-------------------------------|--|------------------|----------------------|-----------------|
| Brought forward               |  |                  | 3,199,088,861        | 37.73%          |
| (a)                           | Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic                  | SARB max. limits | -                    | 0.00%           |
| (b)                           | Debt instruments issued or guaranteed by the government of a foreign country   | SARB max. limits | 295,719,724          | 3.49%           |
|                               | Sovereign - USA Governemnt   | 10%              | 26,739,868           | 0.32%           |
|                               | Sovereign - Turkish Governemnt   | 10%              | 1,432,638            | 0.02%           |
|                               | Sovereign - Egypt Government   | 10%              | 579,065              | 0.01%           |
|                               | Coronation Global Segregated - Various   | 10%              | 564,952              | 0.01%           |
|                               | Various  | 10%              | 266,403,201          | 3.14%           |
| (c)                           | Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-  | SARB max. limits | -                    | 0.00%           |
| c(i)                          | Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed                | SARB max. limits | -                    | 0.00%           |
| c(ii)                         | Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed | SARB max. limits | -                    | 0.00%           |
| c(iii)                        | Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed               | SARB max. limits | -                    | 0.00%           |
| c(iv)                         | Not listed on an exchange  |                  | -                    | 0.00%           |
| (d)                           | Debt instruments issued or guaranteed by an entity that has equity listed on an exchange   | SARB max. limits | 5,714,347            | 0.07%           |
| d(i)                          | Listed on an exchange  | SARB max. limits | 5,541,334            | 0.07%           |
|                               | New Look Senior Issuer   | 10%              | 4,706,904            | 0.06%           |
|                               | Citi group Inc   | 10%              | 659,454              | 0.01%           |
|                               | Coronation Global  | 10%              | 174,976              | 0.00%           |
| d(ii)                         | Not listed on an exchange  | 25%              | 173,013              | 0.00%           |
|                               | Tullow Oil   | 5%               | 173,013              | 0.00%           |
| (e)                           | Other debt instruments   | 25%              | -                    | 0.00%           |
| e(i)                          | Listed on an exchange  | 25%              | -                    | 0.00%           |
| e(ii)                         | Not listed on an exchange  | 15%              | -                    | 0.00%           |
| <b>3</b>                      | <b>EQUITIES</b>  |                  | <b>4,145,721,372</b> | <b>48.92%</b>   |
| 3.1                           | <b>Inside the Republic</b>   | 75%              | <b>2,350,125,556</b> | <b>27.73%</b>   |
| (a)                           | Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-                               | 75%              | 2,335,975,829        | 27.56%          |
| a(i)                          | Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed  | 75%              | 2,100,719,394        | 24.79%          |
|                               | Naspers Ltd  | 15%              | 181,768,046          | 2.14%           |
|                               | British American Tobacco PLC   | 15%              | 166,114,485          | 1.96%           |
|                               | MTN Group Ltd  | 15%              | 96,213,963           | 1.14%           |
|                               | Coronation Global Segregated - Various   | 15%              | 907,876,352          | 10.71%          |
|                               | Various  | 15%              | 748,746,548          | 8.84%           |
| a(ii)                         | Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed                               | 75%              | 219,604,162          | 2.59%           |
|                               | Hosken Cons Investments Ltd  | 10%              | 17,168,545           | 0.20%           |
|                               | Famous Brands Ltd  | 10%              | 15,520,422           | 0.18%           |
|                               | African Oxygen Ltd   | 10%              | 14,826,612           | 0.17%           |
|                               | Coronation Global Segregated - Various   | 10%              | 78,223,020           | 0.92%           |
|                               | Various  | 10%              | 93,865,563           | 1.11%           |
| a(iii)                        | Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed   | 15%              | 15,652,273           | 0.18%           |
|                               | Quantum Foods  | 5%               | 701,487              | 0.01%           |
|                               | Distribution and Warehousing Network   | 5%               | 668,655              | 0.01%           |
|                               | Adcorp Holdings Limited  | 5%               | 506,371              | 0.01%           |
|                               | Coronation Global Segregated - Various   | 5%               | 854,295              | 0.01%           |
|                               | Various  | 5%               | 12,921,465           | 0.15%           |
| Carried forward               |  |                  | 5,836,498,761        | 68.86%          |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018

| Categories of kinds of assets |   |                  | Fair value<br>R      | Fair value<br>% |
|-------------------------------|---|------------------|----------------------|-----------------|
| Brought forward               |   |                  | 5,836,498,761        | 68.86%          |
| (b)                           | Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange  | 15%              | 14,149,727           | 0.17%           |
|                               | Bryant Technology Limited   | 2.5%             | 1,127                | 0.00%           |
|                               | Various   | 2.5%             | 14,148,600           | 0.17%           |
| 3.2                           | <b>Foreign</b>  |                  | <b>1,795,595,816</b> | <b>21.19%</b>   |
| (a)                           | Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-  | SARB max. limits | 1,788,639,664        | 21.11%          |
| a(i)                          | Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed   | SARB max. limits | 1,536,859,308        | 18.14%          |
|                               | Egerton Capital   | 15%              | 83,449,305           | 0.98%           |
|                               | Contrarius  | 15%              | 78,157,693           | 0.92%           |
|                               | S&P Emini   | 15%              | 43,387,223           | 0.51%           |
|                               | Coronation Global Segregated - Various  | 15%              | 291,991,758          | 3.45%           |
|                               | Various   | 15%              | 1,039,873,329        | 12.27%          |
| a(ii)                         | Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed  | SARB max. limits | 248,838,662          | 2.94%           |
|                               | Eminence  | 10%              | 83,589,870           | 0.99%           |
|                               | Maverick Long Ltd   | 10%              | 65,884,392           | 0.78%           |
|                               | Tremblant Long Fund Ltd   | 10%              | 40,999,110           | 0.48%           |
|                               | Coronation Global Segregated - Various  | 10%              | 58,012,058           | 0.68%           |
|                               | Various   | 10%              | 353,232              | 0.00%           |
| a(iii)                        | Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed  | SARB max. limits | 2,941,694            | 0.03%           |
|                               | Liberty Kenya Holding Ltd   | 5%               | 759,001              | 0.01%           |
|                               | Lecico Egypt  | 5%               | 723,026              | 0.01%           |
|                               | National Breweries PLC  | 5%               | 442,021              | 0.01%           |
|                               | Coronation Global Segregated - Various  | 5%               | 1,017,646            | 0.01%           |
| (b)                           | Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange  | 10%              | 6,956,152            | 0.08%           |
|                               | Sechaba Brewery Holdings Ltd  | 2.5%             | 1,678,884            | 0.02%           |
|                               | Brac Bank Ltd   | 2.5%             | 526,992              | 0.01%           |
|                               | British American Tobacco  | 2.5%             | 516,899              | 0.01%           |
|                               | Coronation Global Segregated - Various  | 2.5%             | 2,274,342            | 0.03%           |
|                               | Various   | 2.5%             | 1,959,035            | 0.02%           |
| 4                             | <b>IMMOVABLE PROPERTY</b>   |                  | <b>744,275,568</b>   | <b>8.78%</b>    |
| 4.1                           | <b>Inside the Republic</b>  | 25%              | <b>567,290,941</b>   | <b>6.69%</b>    |
| (a)                           | Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange | 25%              | 567,290,941          | 6.69%           |
| a(i)                          | Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed   | 25%              | 487,343,480          | 5.75%           |
|                               | Fortress Income Fund Ltd  | 15%              | 93,935,642           | 1.11%           |
|                               | Intu Properties PLC   | 15%              | 75,145,575           | 0.89%           |
|                               | Redefine Properties Limited   | 15%              | 62,852,786           | 0.74%           |
|                               | Coronation Global Segregated - Various  | 15%              | 138,183,600          | 1.63%           |
|                               | Various   | 15%              | 117,225,877          | 1.38%           |
| a(ii)                         | Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed  | 25%              | 68,439,392           | 0.81%           |
|                               | Dipula Income Fund  | 10%              | 19,511,277           | 0.23%           |
|                               | Rebosis Property Fund Ltd   | 10%              | 16,835,635           | 0.20%           |
|                               | Accelerate Property Fund Ltd  | 10%              | 16,663,760           | 0.20%           |
|                               | Coronation Global Segregated - Various  | 10%              | 4,151,004            | 0.05%           |
|                               | Various   | 10%              | 11,277,716           | 0.13%           |
| a(iii)                        | Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed   | 25%              | 11,508,069           | 0.14%           |
|                               | Gemgrow Properties Ltd  | 5%               | 8,433,359            | 0.10%           |
|                               | Various   | 5%               | 3,074,710            | 0.04%           |
| Carried forward               |   |                  | 8,213,535,245        | 96.92%          |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018**

| Categories of kinds of assets |   |     | Fair value<br>R    | Fair value<br>% |
|-------------------------------|---|-----|--------------------|-----------------|
| Brought forward               |   |     | 8,213,535,245      | 96.92%          |
| (b)                           | Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange              | 15% | -                  | 0.00%           |
| 4.2                           | <b>Foreign</b>  | 25% | <b>176,984,627</b> | <b>2.09%</b>    |
| (a)                           | Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange | 25% | 176,984,627        | 2.09%           |
| a(i)                          | Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed   | 25% | 176,984,627        | 2.09%           |
|                               | Unibail-Rodamco-Westfield   | 15% | 4,543,223          | 0.05%           |
|                               | Vonovia   | 15% | 3,584,583          | 0.04%           |
|                               | Leg Immobilien  | 15% | 3,364,566          | 0.04%           |
|                               | Coronation Global Segregated - Various  | 15% | 11,496,988         | 0.14%           |
|                               | Various   | 15% | 153,995,267        | 1.82%           |
| a(ii)                         | Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed  | 25% | -                  | 0.00%           |
| a(iii)                        | Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed   | 25% | -                  | 0.00%           |
| (b)                           | Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange              | 15% | -                  | 0.00%           |
| 5                             | <b>COMMODITIES</b>  |     | <b>11,721,350</b>  | <b>0.14%</b>    |
| 5.1                           | <b>Inside the Republic</b>  | 10% | <b>11,721,350</b>  | <b>0.14%</b>    |
| (a)                           | Kruger Rands and other commodities on an exchange, including exchange traded commodities  | 10% | 11,721,350         | 0.14%           |
| a(i)                          | Gold (including Kruger Rands)   | 10% | 2,666,231          | 0.03%           |
|                               | Various   | 10% | 2,666,231          | 0.03%           |
| a(ii)                         | Other commodities   | 5%  | 9,055,119          | 0.11%           |
|                               | Arfcarhodium Debentures   | 5%  | 7,402,547          | 0.09%           |
|                               | Various   | 5%  | 1,652,572          | 0.02%           |
|                               |   | 5%  | -                  | 0.00%           |
| 5.2                           | <b>Foreign</b>  | 10% | -                  | <b>0.00%</b>    |
| (a)                           | Gold and other commodities on an exchange, including exchange traded commodities  | 10% | -                  | 0.00%           |
| a(i)                          | Gold  | 10% | -                  | 0.00%           |
| a(ii)                         | Other commodities   | 5%  | -                  | 0.00%           |
| 6                             | <b>INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-</b>  |     | <b>81,309,511</b>  | <b>0.96%</b>    |
| (a)                           | Section 19(4) of the Pension Funds Act  |     | 81,309,511         | 0.96%           |
|                               | Various   | 5%  | 81,309,511         | 0.96%           |
| (b)                           | To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act   |     | -                  | 0.00%           |
| 7                             | <b>HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)</b>  | 95% | -                  | <b>0.00%</b>    |
| 8                             | <b>HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE</b>   |     | <b>(9,032,028)</b> | <b>(0.11)%</b>  |
| 8.1                           | <b>Inside the Republic</b>  | 15% | <b>34,288,264</b>  | <b>0.40%</b>    |
| (a)                           | Hedge fund  | 10% | 33,766,824         | 0.40%           |
| a(i)                          | Funds of hedge funds  | 10% | -                  | 0.00%           |
| Carried forward               |   |     | 8,483,550,733      | 100.11%         |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018

| Categories of kinds of assets       |   |       | Fair value<br>R      | Fair value<br>% |
|-------------------------------------|---|-------|----------------------|-----------------|
| Brought forward                     |   |       | 8,483,550,733        | 100.11%         |
| a(ii)                               | Hedge funds   | 10%   | 33,766,824           | 0.40%           |
|                                     | Coronation Multi-Strategy Arbitrage Hedge Fund              | 2.5%  | 17,218,837           | 0.20%           |
|                                     | Coronation Presidio Hedge Fund                              | 2.5%  | 16,547,987           | 0.20%           |
| (b)                                 | Private equity funds  | 10%   | -                    | 0.00%           |
| b(i)                                | Funds of private equity funds                               | 10%   | -                    | 0.00%           |
| b(ii)                               | Private equity funds  | 10%   | -                    | 0.00%           |
| (c)                                 | Other assets not referred to in this schedule and excluding |       |                      |                 |
|                                     | a hedge fund or private equity fund                         | 2.5%  | 521,440              | 0.01%           |
|                                     | Various   | 2.5%  | 521,440              | 0.01%           |
| 8.2                                 | <b>Foreign</b>  | 15%   | <b>(43,320,292)</b>  | <b>(0.51)%</b>  |
| (a)                                 | Hedge fund  | 10%   | -                    | 0.00%           |
| a(i)                                | Funds of hedge funds  | 10%   | -                    | 0.00%           |
| a(ii)                               | Hedge funds   | 10%   | -                    | 0.00%           |
| (b)                                 | Private equity funds  | 10%   | -                    | 0.00%           |
| b(i)                                | Funds of private equity funds                               | 10%   | -                    | 0.00%           |
| b(ii)                               | Private equity funds  | 10.0% | -                    | 0.00%           |
| (c)                                 | Other assets not referred to in this schedule and excluding |       |                      |                 |
|                                     | a hedge fund or private equity fund                         | 2.5%  | (43,320,292)         | (0.51)%         |
|                                     | EECash-Blank  | 2.5%  | (43,320,292)         | (0.51)%         |
| <b>TOTAL ASSETS – REGULATION 28</b> |   |       | <b>8,474,518,705</b> | <b>100.00%</b>  |

OLD MUTUAL SUPERFUND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018

INVESTMENT SUMMARY (Regulation 28)

|  | Local                 | Fair value   | Foreign<br>(Excluding Africa) | Fair value   | Africa             | Fair value  | Total                 |
|--|-----------------------|--------------|-------------------------------|--------------|--------------------|-------------|-----------------------|
|  | R                     | %            | R                             | %            | R                  | %           | R                     |
| 1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments | 2,292,719,001         | 4.15         | 53,891,354                    | 0.10         | -                  | -           | 2,346,610,355         |
| 2 Debt instruments including Islamic debt instruments  | 852,478,506           | 1.54         | 301,434,071                   | 0.55         | -                  | -           | 1,153,912,577         |
| 3 Equities   | 2,350,125,556         | 4.25         | 1,795,595,816                 | 3.25         | -                  | -           | 4,145,721,372         |
| 4 Immovable property   | 567,290,941           | 1.03         | 176,984,627                   | 0.32         | -                  | -           | 744,275,568           |
| 5 Commodities  | 11,721,350            | 0.02         | -                             | -            | -                  | -           | 11,721,350            |
| 6 Investment in the business of a participating employer   | 81,309,511            | 0.15         | -                             | -            | -                  | -           | 81,309,511            |
| 7 Housing loans granted to members - section 19(5)   | -                     | -            | -                             | -            | -                  | -           | -                     |
| 8 Hedge Funds, private equity funds and any other assets not referred to in this schedule                                      | 34,288,264            | 0.06         | (43,320,292)                  | (0.08)       | -                  | -           | (9,032,028)           |
| 9 Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28                                       | 34,592,251,911        | 62.56        | 11,275,698,394                | 20.39        | 950,926,872        | 1.72        | 46,818,877,177        |
| 10 Investments not disclosed/data not available for disclosure   | -                     | -            | -                             | -            | -                  | -           | -                     |
| <b>TOTAL</b>   | <b>40,782,185,040</b> | <b>73.76</b> | <b>13,560,283,970</b>         | <b>24.52</b> | <b>950,926,872</b> | <b>1.72</b> | <b>55,293,395,882</b> |

**OLD MUTUAL SUPERFUND PROVIDENT FUND**

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28  
AS AT 30 JUNE 2018**

**BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28**

| <b>Table 1 items</b> | <b>Asset Limits in terms of sub regulation 3(f)</b> | <b>Total (Inside &amp; Foreign)<br/>R</b> | <b>Percentage of Fair value<br/>%</b> | <b>Regulation 28 limits</b> |
|----------------------|---|---|---------------------------------------|-----------------------------|
| 2.1(e)(ii)           | Other debt instruments not listed                   | 121,161,485                               | 1.43                                  |                             |
| 3.1(b)               | Equities not listed                                 | 14,149,727                                | 0.17                                  |                             |
| 4.1(b)               | Immovable properties not listed                     | -   | -                                     |                             |
| 8                    | Hedge funds , Private Equity funds and other assets | (9,032,028)                               | (0.11)                                |                             |
|                      | <b>TOTAL</b>  | <b>126,279,184</b>                        | <b>1.49</b>                           | <b>35</b>                   |

| <b>Table 1 items</b> | <b>Asset Limits in terms of sub regulation 3(g)</b> | <b>Fair value<br/>R</b> | <b>Fair value<br/>%</b> | <b>Regulation 28 limits</b> |
|----------------------|---|-------------------------|-------------------------|-----------------------------|
| 3.1(b)               | Equities not listed                                 | 14,149,727              | 0.17                    |                             |
|                      | <b>TOTAL</b>  | <b>14,149,727</b>       | <b>0.17</b>             | <b>15</b>                   |

| <b>Table 1 items</b> | <b>Asset Limits in terms of sub regulation 3(h)</b>        | <b>Fair value<br/>R</b> | <b>Fair value<br/>%</b> | <b>Regulation 28 limits</b> |
|----------------------|--|-------------------------|-------------------------|-----------------------------|
| 1.1                  | Cash and deposits with a South African Bank                | 2,292,719,001           | 27.05                   |                             |
| 2.1(c)               | Debt instruments guaranteed by a South African Bank - Item | 389,616,377             | 4.60                    |                             |
|                      | <b>TOTAL</b>   | <b>2,682,335,378</b>    | <b>31.65</b>            | <b>25</b>                   |

The percentage exposure to the assets classes set out in items 1 to 8 (on pages 72 to 77) and breaches in terms of sub-regulation 3 of regulation 28 set out on page 79 was calculated with reference to "Total assets for Regulation 28 disclosure" (item D on page 72) to comply with the Financial Services Board reporting requirements. In terms of Regulation 28 of the Pension Funds Act, the percentage exposure should be calculated with reference to the "Total assets" (item A on page 72). Had the percentage exposure been correctly calculated none of the individual securities/instruments in items 1 to 8 on pages 72 to 77 would have breached the maximum exposure as allowed in Regulation 28 of the Pension Funds Act.

\* No other issuer exceeds the prescribed limit of 15%





**INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE  
WITH REGULATION 28**  
TO THE BOARD OF FUND OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND

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*Our opinion*

We have audited Schedule IB "Assets held in compliance with Regulation 28" of the Old Mutual SuperFund Provident Fund ("the Fund") at 30 June 2018 (the "Schedule") for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation), as set out on pages 72 to 79. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Board of Fund to report to the Authority.

In our opinion, Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2018 by the Old Mutual SuperFund Provident Fund is prepared in all material respects in accordance and in compliance with the Regulation.

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*Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Schedule* section of our report. We are independent of the Fund in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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*Emphasis of matter – Financial reporting framework and restriction on use*

Without modifying our opinion, we draw attention to the purpose of our report as indicated in the opinion paragraph, and the basis of accounting. Consequently, the Schedule and our auditor's report may not be suitable for another purpose.

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*Other matter*

The information contained in Schedule IB has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement. Our audit of the annual financial statements of the Old Mutual SuperFund Provident Fund for the year ended 30 June 2018 was conducted in accordance with International Standards on Auditing and in our report of

... 23 November 2018 ... we expressed an unmodified opinion, and therefore the annual financial statements are prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

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*Other information*

The Board of Fund is responsible for the other information. The other information comprises the Integrated Report and the Annual Financial Statements in terms of section 15 of the Pension Funds Act no 24, 1956, but does not include Schedule IB and our auditor's report thereon.

Our opinion on Schedule IB does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of Schedule IB, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with Schedule IB or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Chief Executive Officer: T D Shango

Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682



**INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE  
WITH REGULATION 28  
TO THE BOARD OF FUND OF THE OLD MUTUAL SUPERFUND PROVIDENT FUND**

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*Responsibilities of the Board of Fund for the Schedule*

The Board of Fund is responsible for the preparation of the Schedule in compliance with the Regulation, and for such internal control as the Board of Fund determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibilities for the Audit of the Schedule*

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Schedule.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
PricewaterhouseCoopers Inc.  
Director: V Wiese  
Registered Auditor

Address: 5 Silo Square, V&A Waterfront, Cape Town 8002

Date 28 November 2018