

OLD MUTUAL
SUPERFUND
ANNUAL REPORT

1 JULY 2014 TO 30 JUNE 2015

2015

OLD MUTUAL
SUPERFUND
**PENSION &
PROVIDENT
FUNDS**



OLD MUTUAL
CORPORATE



PLEASE NOTE:

Old Mutual SuperFund is an umbrella fund that comprises a pension fund and provident fund offering as well as preservation fund solutions. For the purpose of this report, and unless stated otherwise, the term Old Mutual SuperFund (the Fund) implies all the fund offerings available under the Old Mutual SuperFund banner.

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1. A JOURNEY TOWARDS INTEGRATED REPORTING >



1. A JOURNEY TOWARDS INTEGRATED REPORTING

Welcome to the Old Mutual SuperFund 2014/15 Integrated Annual Report

This is our first attempt at producing an integrated annual report for Old Mutual SuperFund. We acknowledge that the journey to truly integrated reporting is an ongoing one, and this 2014/15 report is the first step on what is likely to be a lengthy path towards truly integrated reporting. We trust, however, that it represents a sound first attempt, and we have made every effort to align the content as far as possible with international best practice. We look forward to progressing further on our integrated reporting journey, in future Old Mutual SuperFund reports.

Our aim has always been to provide fully transparent, honest and informative reporting on Old Mutual SuperFund. This report is no different and, in it, we provide a detailed, balanced and unbiased account of the activities, progress, challenges and achievements of the Fund during the 2014/15 financial year. As such, it represents another component of our commitment to open and honest communication to all our stakeholders, but particularly to the Old Mutual SuperFund members who have entrusted their money, and financial futures, to us.

Report Scope & Boundary

This report covers the activities of Old Mutual SuperFund for the period 1 July 2014 to 30 June 2015. It incorporates financial, operational and non-financial information in order to provide a holistic view of the Fund's performance and demonstrates the full value that has been added to members over the past year.

Reporting Principles and Approach

The report is compiled with due cognisance of the principles of King III, the Pension Funds Act, No 24 of 1956 and other applicable South African legislation, including the Companies Act 2008.

Levels of Assurance

The Management Board has adopted an integrated assurance model, which is applied to provide a coordinated and comprehensive approach, including:

Risk Management: The Board has applied the 'object and duties of a board' specifications, as set out in the rules and sections 7C & D of the Pension Funds Act, as the foundation for its risk management approach. The Board identified risks that may negatively impact the Fund in achieving its mission. These risks were identified using the Fund Risk Universe as developed by Old Mutual. The risks are managed by the Board within the guidelines of agreed policies and practices, which are monitored and managed by sub-committees.

Each sub-committee identifies deviations from the policies and practices that are rated based on the likelihood of them materialising, and the possible impact they will have on the Fund should that be the case. The top ranking issues are reported in the Board Risk Log and all issues are allocated to the various sub-committees responsible for ensuring that appropriate mitigating strategies are implemented in line with their mandates. As the Fund has adequate fidelity cover, only residual risks are measured specifically on a qualitative basis, with a 12-month view.

External Audit: The Administration & Financial Reporting Sub-Committee oversees the external audit process. PricewaterhouseCoopers Inc. (PwC) was appointed by the Fund in 2009 and the Registrar approved the appointment in terms of section 9 (2) of the Act. The appointment of PwC as external auditor followed a comprehensive tender process including due diligence conducted by the sub-committee, which also approved

the terms of engagement and remuneration for the external audit function and is responsible for monitoring the performance of PwC. The Management Board formally reviews the quality and effectiveness of the external audit process on an annual basis.

Internal Audit: The Fund's internal audit functions are multi-faceted and include:

- Quarterly compliance monitoring: This is undertaken by the Old Mutual Compliance Officer who focuses on the Administrator's compliance with legislation directly impacting the administration of the Fund. This compliance monitoring is conducted in line with Old Mutual's compliance risk management methodology.
- Annual compliance monitoring: This is conducted by Old Mutual's Group Internal Audit function. All findings relating to the Fund are reported to the Administration & Financial Reporting Sub-Committee.
- Annual governance and compliance audit: This is the responsibility of the Office of the Principal Officer. The results are reviewed by the Governance & Risk Management Sub-Committee and reported to the Management Board.
- Quarterly audit: The Deputy Principal Officer undertakes a quarterly audit of the payment process relating to a sample of death claims adjudicated by the Claims Sub-Committee. The results are reported to the Claims Sub-Committee and the Management Board.
- An annual valuation: The Fund's Valuator is tasked with confirming that the nature of the assets in the Fund is appropriate, they adequately match the liabilities, and the investment strategy is suitable, taking into account the nature of the Fund and its membership. As at 30 June 2014, the Valuator confirmed that the assets of the Fund exceeded the Fund's accrued liabilities, certified that the Fund was in a sound financial position, and specified that members' accrued benefits were secure. The Fund will undergo another valuation on 30 June 2015, which will be finalised prior to 30 June 2016 for submission to the Registrar.





2. STATEMENT OF THE **MANAGEMENT BOARD** >



Bertie van Wyk
CHAIRMAN

2. STATEMENT OF THE MANAGEMENT BOARD

The Management Board recognises its responsibility in terms of King III to ensure the accuracy and integrity of this annual integrated report. The Board has applied its mind to the report and is of the opinion that it addresses and fairly represents all of the material issues facing the Fund and its impact on members and stakeholders.

In reaching this conclusion, the Board:

1. Ensured that proper registers, books and records of the operations of the Fund were kept as required by section 7D(a) of the Pension Funds Act;
2. Regarded all the facts and risks that could impact the integrity of this Report;
3. Reviewed the annual financial statements and PwC's Report to Management;
4. Reviewed the accounting practices and the effectiveness of the internal financial controls as required by section 7D(b) of the Pension Funds Act.

Chairman of the Board



3. 2014/15 HIGHLIGHTS AND ACCOLADES >

3. 2014/15 HIGHLIGHTS AND ACCOLADES

Fund Growth

R84BN IN ASSETS UNDER MANAGEMENT



4 715 PARTICIPATING EMPLOYERS

38.5% GROWTH IN TOTAL MEMBERSHIP OVER THE PAST YEAR

364 089 MEMBERS IN 2015

R7,8BN IN FUND CONTRIBUTIONS



R7.4BN IN CLAIMS



Operational Highlights

SUCCESSFUL MIGRATION OF MAJORITY OF STANDALONE FUNDS TO OLD MUTUAL SUPERFUND

EVERGREEN AMALGAMATED INTO OLD MUTUAL SUPERFUND

SUCCESSFUL **FSB ON-SITE VISIT**

“ THE FSB WAS IMPRESSED BY THE LEVEL OF FUND GOVERNANCE AND COMPLIANCE, ADHERENCE FOR A FUND OF THIS SIZE.

Products and Solutions

OLD MUTUAL SUPERFUND **PRESERVER LAUNCHED**

ASSETS: R565m



MEMBERS 14794



Industry Recognition and accolades



**2015 IMBASA YEGOLIDE AWARD -
FINANCIAL EDUCATION CATEGORY**

Old Mutual Corporate Financial
Wellbeing Program



**GOLD AWARD:
2015 BEST PRACTICES INDUSTRY**

Institute of Retirement Funds (IRF)
Africa Fund Governance category



4. ABOUT **OLD MUTUAL SUPERFUND** >

4. ABOUT OLD MUTUAL SUPERFUND

Mission Statement

To be the umbrella fund of choice in the market in terms of good governance, service excellence, value for money, ease of doing business, member empowerment and treating customers fairly.

A leading South African umbrella fund

Old Mutual SuperFund is the largest private sector umbrella fund in South Africa with 364 089 contributing members, 4 715 participating employers and over R84 billion in assets as at end-June 2015.

The Fund is registered in terms of the Pension Funds Act, No 24 of 1956 and the Income Tax Act, No 58 of 1962 under registration numbers:

- Pension Fund: Registration No: 12/8/20237/1 and SARS Approval No: 18/20/4/20740
- Provident Fund: Registration No: 12/8/20246/1 and SARS Approval No: 18/20/4/21305

An umbrella fund arrangement consists of the Fund (represented by the Management Board), the Sponsor (in this case Old Mutual) and the Administrator (in this case also Old Mutual). As an umbrella fund, Old Mutual SuperFund allows many employers to participate in a retirement fund arrangement with an existing Management Board and share in the benefits of a well-established and proven administration system. The benefits of participating in this type of umbrella fund include good governance, economies of scale, reduced costs and, ultimately, affordability and good value for members. In addition, employers that participate in Old Mutual SuperFund enjoy the peace of mind that their fund enjoys the full backing and support of one of the most trusted and respected financial services brands in the world.

Old Mutual SuperFund understands that every employer has unique employee benefits needs. To cater for these diverse needs, the Fund offers three flexible and customisable pension and provident fund solutions, namely Old Mutual SuperFund Easy, Old Mutual SuperFund Choice and Old Mutual SuperFund Customised. This ensures that participating employers in Old Mutual SuperFund are able to choose or tailor the very best retirement solution and risk cover options for their particular group, or groups, of employees.

Details of these offerings are available online at www.oldmutual.co.za/superfund.

Industry Recognition and Accolades

- **2015 Best Practices Industry Gold Award:**
Institute of Retirement Funds (IRF) Africa Fund Governance category
- **2015 Imbasa Yegolide Award - Financial Education Category:**
Old Mutual Corporate Financial Wellbeing Programme

Committed to putting fund members first

Old Mutual continues to play a major, and leading, role in providing retirement fund structures and retirement solutions that serve to enrich the lives of all South Africans and enable them to achieve the long term savings outcomes they desire.

While the focus of much of the retirement planning offers in South Africa in the past has been on supporting employers in their provision of employee benefits, in recent years, Old Mutual has led the way in shifting this paradigm by creating retirement solutions that place fund members and their requirements at their core. As a result, Old Mutual SuperFund is designed to:

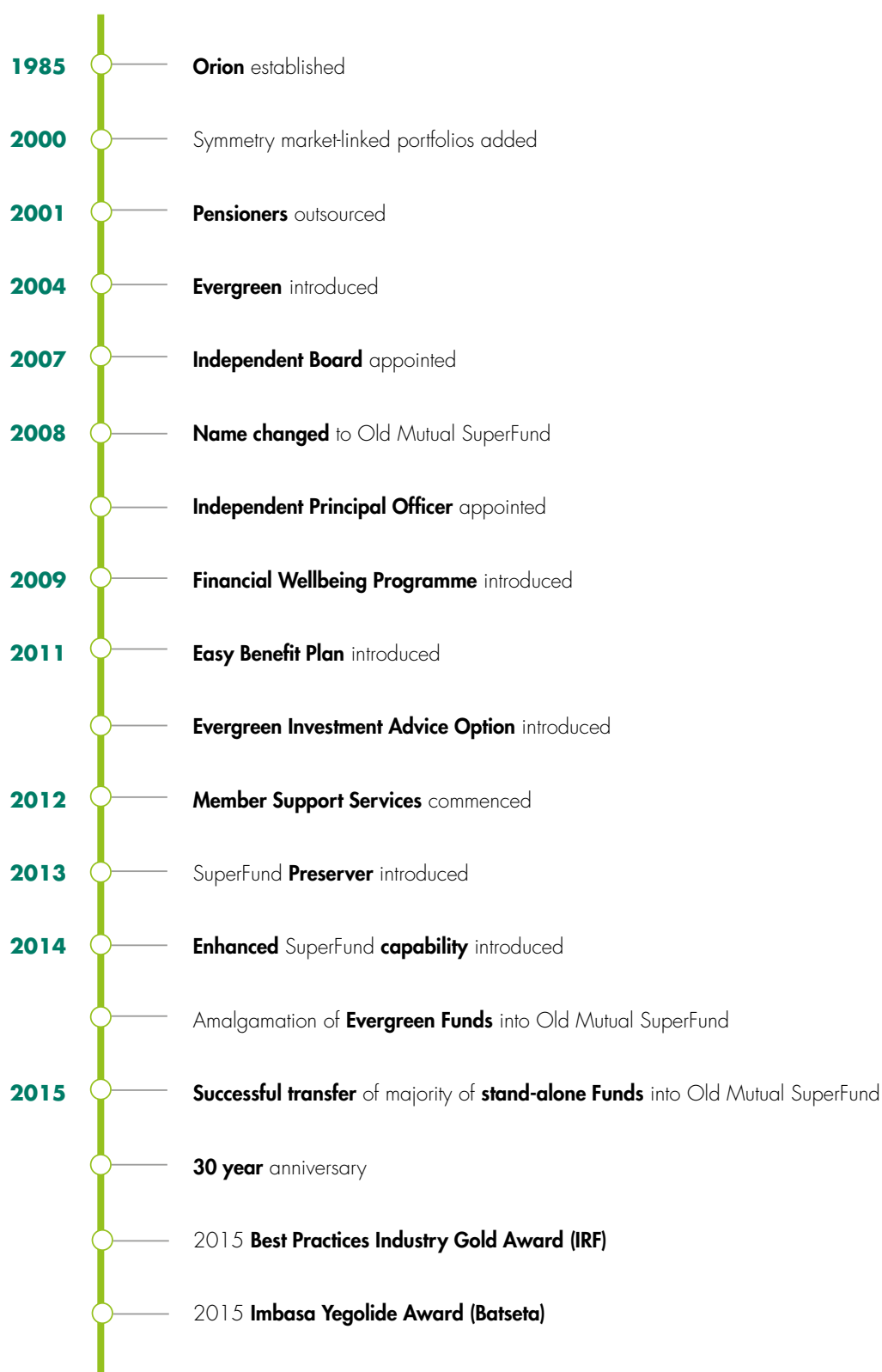
- be transparent in all aspects of its functioning, offering, fees and benefits;
- be highly competitive in a crowded marketplace; and
- deliver the highest levels of governance, integrity, responsibility and accountability.

A proud legacy of delivering positive member outcomes

In 2015, Old Mutual SuperFund celebrated 30 years of providing trusted and valuable benefits for South African employees. The Fund was originally established on 1 May 1985 as The Orion Money Purchase Pension & Provident Funds (SA). With effect from 1 October 2008 the Funds were converted to defined contribution funds and the name was changed to Old Mutual SuperFund - which comprised a Pension and Provident Fund offering.

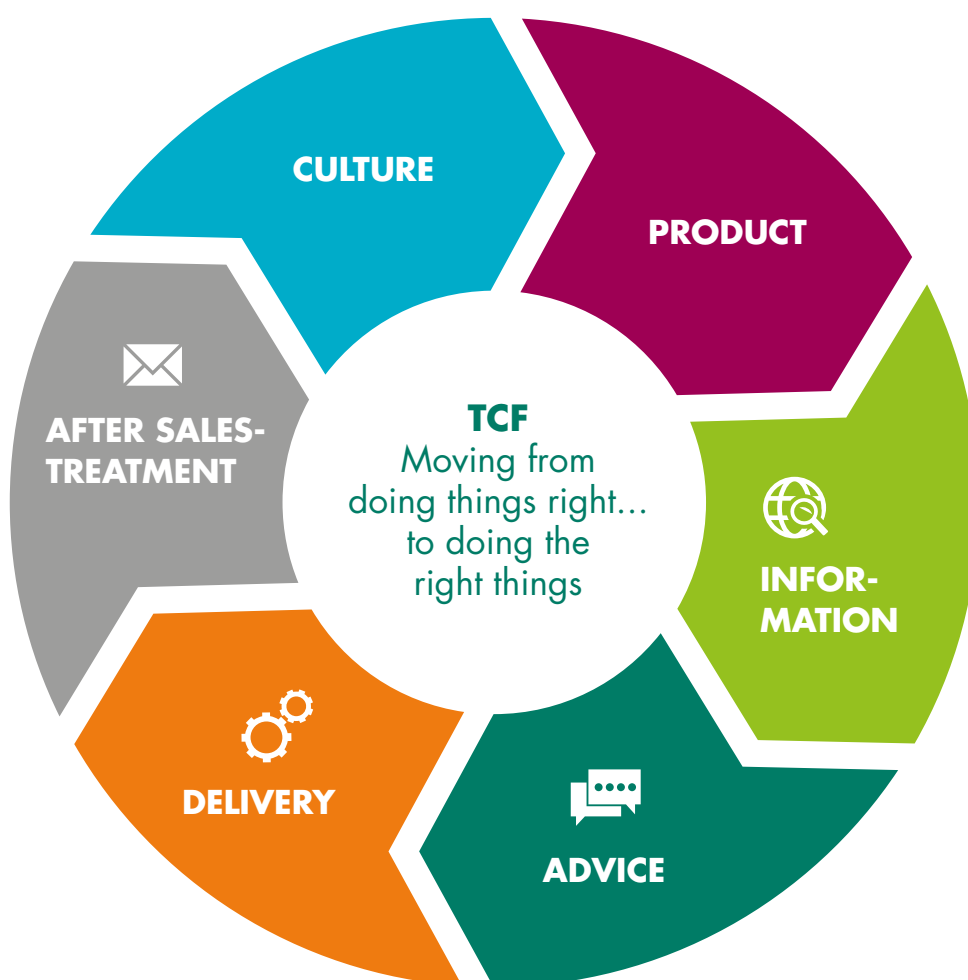


The Old Mutual SuperFund journey to date



Committed to Treating Customers Fairly

In line with Old Mutual Group's commitment to putting customers at the heart of everything it does, Old Mutual SuperFund fully supports the spirit and intentions of the Treat Customers Fairly (TCF) initiative embarked on by the Financial Services Board (FSB). That said, the principles underpinning TCF are in no way new to the Fund and have been at the core of its service ethos since it was first established. The primary significance of the official TCF requirements, therefore, is the responsibility we now have to clearly demonstrate our compliance with the various TCF principles as encapsulated in our member-centric approach. These principles can be outlined visually as follows:



OUTCOME 1: CULTURE AND GOVERNANCE

Our members (and clients) need to be confident that they are dealing with a Fund that has the fair treatment of customers as a core priority. The over-arching priority of the Fund is to be 100% member focused and this is demonstrated across every aspect of Old Mutual SuperFund's design, administration, governance, operation, and in every form of contact it has with members.

OUTCOME 2: PRODUCT AND SERVICE DESIGN

Old Mutual is committed to ensuring that the products and services it markets and sells are proven to meet the needs of identified customer groups. Old Mutual SuperFund is one such product and has a proven track record of delivering exactly the outcomes required by its members via three simple, affordable and flexible solutions that offer members and clients the appropriate levels of choice that they require.

OUTCOME 3: DISCLOSURE/INFORMATION

The Fund has a comprehensive communications strategy that provides clear information to prospective and existing clients and members before, during and after the time of contracting. Old Mutual SuperFund's communications and education strategy is proven to address the information needs of members throughout their retirement journeys. The Financial Wellbeing Programme provides free financial education to members at their place of work, equipping them to make informed financial decisions.

OUTCOME 4: SUITABLE ADVICE

The Fund is supported by extensive teams of financial experts, ranging from personal financial advisers to a dedicated Member Support Services call centre. These accredited and highly trained financial-journey-guides ensure that where members receive advice, it is unbiased, relevant and appropriate to their needs and circumstances. Members are always encouraged to seek advice before making any decisions that impact their financial future.

OUTCOME 5: PERFORMANCE AND SERVICE DELIVERY

The stellar growth in popularity of Old Mutual SuperFund in recent years is largely a result of the Fund's proven ability to deliver retirement and risk benefit solutions that meet and, in most cases, exceed the expectations of employers and members alike. This product performance is complemented by a service ethos that prioritises delighting members and partnering with them to achieve their retirement objectives with as little frustration as possible.

OUTCOME 6: AFTER SALES TREATMENT - CLAIMS, COMPLAINTS AND CHANGES

The Fund's commitment to customer service is not limited to the pre-sales relationship. In fact, once a prospect becomes a member, the service imperative is enhanced to ensure minimal, if any, barriers to satisfaction - whether the member needs to change a product, switch fund or provider, submit a claim or make a complaint. A 360 degree feedback loop ensures that the Fund is able to constantly improve its after sales treatment of clients and members through the application of learnings gleaned via complaints, feedback, suggestions or constructive criticism.



5. THE OLD MUTUAL **SUPERFUND STRATEGY >**

5. THE OLD MUTUAL SUPERFUND STRATEGY

The vision of Old Mutual SuperFund is to be the umbrella fund of choice in the South African retirement funding market. It's an ambitious objective, that requires total commitment to being the very best at excellent governance, proven delivery of service excellence, an innovative and effective retirement savings and risk benefit offering that offers real value for money, and a track record of caring for members, treating them fairly, and empowering them to achieve their best possible financial outcomes.

While, in many ways, the Fund is already delivering on most of these aspects of its vision, we recognise that being SA's retirement fund of choice is always going to be a journey rather than a destination. Ours is an extremely competitive environment and, while Old Mutual SuperFund's commitment to good governance, member-centric offerings, and consistently excellent service may currently see it enjoying a position as the largest umbrella fund in the country, we acknowledge that simply being the biggest doesn't necessarily make us the best.

To ensure that the Fund is, and remains, both the biggest and best, a clearly defined strategy is in place. The four prongs of this strategy are briefly as follows:

- **Member-focus** - This strategic intent is facilitated through engagement with our various partners, including intermediaries and participating employers, as well as via targeted direct member communications. In 2015, we significantly ramped up our efforts in this regard, with the aim of not only delighting our members and creating an affinity with our brand, but also, and arguably much more importantly, maximising the value of members' retirement provision and life assurance benefits. Our Financial Wellbeing Programme plays a central role in this strategic approach, empowering our members, through financial education and support, to keep moving forward on their financial journeys.
- **Service provision excellence** - The strategic enhancement of Old Mutual SuperFund that took place at the end of 2014 included an array of improvements aimed at providing an administration service that offers exceptional value for money, makes it easy to do business with our Fund, and deepens our relationship with all our stakeholders. A key outcome of these improvements has been a step change in our service delivery model, which has not only garnered much positive feedback from our existing clients and members, but also been instrumental in raising the appeal of the Fund to new clients and members.
- **Appropriate benefit sets** - While successful retirement saving is our main priority, we know that in addition to focusing on future financial security, our solution must protect the financial position of our members and their loved ones today. A significant part of our Fund's market appeal is the fact that it offers members a unique range of financial solutions and investment opportunities at competitive price levels, appropriate for all major life events, and extending way beyond mere membership of a retirement fund.
- **Sustainability** - Old Mutual SuperFund relies on a strong and symbiotic relationship with the Sponsor, Old Mutual Group. While our success is complemented by the invaluable support we receive from Old Mutual, we know the benefits need to be mutual. To this end, our strategy includes a commitment to work closely with our Sponsor to increase the membership of the Fund, particularly by positioning Old Mutual SuperFund to support retirement fund reform initiatives.

Pleasingly, over the past financial year, the Fund has made excellent strides forward in terms of all four of these strategic pillars. The growth in terms of members, employers and assets under management has been phenomenal, and is a direct result of consistent delivery in terms of putting members at the heart of everything we do, thereby, delivering appropriate, cost-effective solutions backed by superior service and unbiased, professional support.

Helping members achieve their goals in turbulent times

Going forward, our intention is to continue on this strategic path and build on the solid foundations of member-centricity, education and communication, service excellence and affordability that we have laid to date. Despite the likelihood of continued economic challenges in the coming year, and beyond, we have no doubt that these principles will ensure that the Fund continues to empower its members to achieve their retirement goals. In fact, we are confident that the robust and reliable structures that have been put in place by the Fund over the past year will provide clients and members with a significant measure of comfort and reassurance during times of market turmoil. We will continue to enhance our offering through a combination of innovation, technology, exceptional governance and the best people in the retirement business, so that our members continue to enjoy the security, peace of mind, and financial growth to which they have become accustomed.



6.

MESSAGE FROM THE **CHAIRPERSON** >

Bertie van Wyk
CHAIRMAN

6. MESSAGE FROM THE **CHAIRPERSON**

While this 2015 annual report is intended primarily to provide all Old Mutual SuperFund stakeholders with a comprehensive overview of the performance of the Fund for the past financial year, for me and my colleagues on the SuperFund Management Board, it also represents something of a celebration.

That's because 2015 proved to be another exceptional year for the Fund that saw it building significantly on the solid foundations that have been set since it underwent a successful revitalisation and realignment at the end of 2013. Since then, the enhanced Old Mutual SuperFund has gone from strength to strength, to the point where it now finds itself to be the largest private sector umbrella fund in South Africa with more than 364 089 contributing members, almost 4 715 participating employers and more than R82 billion in assets under management.

Committed to putting members first

Key to the Fund's success, particularly over the past financial year, has been its ability to deliver on its commitment to putting its members at the heart of everything it does and offers. At the beginning of 2015, we promised to turn traditional retirement provision paradigms on their head and lead the way in terms of moving our industry from product-focused offerings to the creation and delivery of solutions that meet the identified long-term financial security needs of working South Africans. Our enhanced Old Mutual SuperFund offering was designed to do precisely that, and the response by employers and their employees from all walks of life has more than proven the value of our member-centric approach.

In line with this commitment to putting our members first, 2015 saw us undertaking our first series of Old Mutual SuperFund roadshows at which we undertook to engage face-to-face with the management committees, employers and intermediaries who are, in effect, our primary means of connecting with our membership base and delivering the solutions they need. The roadshows were a huge success, and the feedback from attendees was extremely positive and valuable in terms of the constructive criticism that we have received. We will certainly be repeating these roadshows going forward and, based on the value that was unlocked through this proactive engagement, we will be seeking out additional opportunities to connect directly with all our stakeholder groups.

Embracing the evolution of SA's retirement environment

In response to the 2008 financial crisis, the South African financial sector regulators embarked on a complete structural shift to the so called "Twin Peaks" model of financial regulation, with prudential oversight to be handled by the South African Reserve Bank (SARB) and market conduct regulation to fall under a renamed Financial Service Board (FSB). The conduct of retirement funds and more specifically the boards of, and the product providers to, these funds now falls squarely under the market conduct component of this Twin Peaks model.

The stated intention of this increasingly legislated retirement industry is to improve outcomes for members, and the response by government has primarily taken the form of proposed retirement reforms aimed at encouraging more participation in, contributors to, and consolidation of SA's retirement funds. The legislation is also aimed at fostering vastly improved fund governance, while delivering better value for money for members along with appropriate and effective retirement solutions.

In early-2016 our industry will see the first concrete deliverables of the retirement reforms with the arrival of the Tax Laws Amendment Act with implementation on 1 March 2016, which has become known as T-Day. As of that date, the following changes will come into effect:

- All approved funds (Pension, Provident and Retirement Annuity Funds) will be subject to the same tax laws for contributions and retirement benefits;
- Rights associated with benefits accumulated up to 29 February 2016 will be vested; and
- The de Minimis annuitisation threshold will be increased from R75 000 to R247 500.

Default Regulations that require boards of trustees to develop and adopt appropriate default investment, preservation and annuity strategies for their funds are also currently under consideration by government.

Old Mutual SuperFund fully supports these proposed retirement reforms and is, in reality, already well ahead of the curve in terms of delivering on the requirements they present given the following:

- Fund consolidation and professional trusteeship is already central to the Fund;
- Trustee Choice investment and the Lifestage investment package are offered as default investment options;
- A default preservation solution (Preserver) and a default annuity solution (Fund Select Annuity) are offered to members;
- Fund councillors are in place through our benefit consultants and member support services, providing appropriate advice to members at every point on their retirement journeys.

As a result of the above, combined with our ongoing commitment to regulatory and legal compliance and good governance, Old Mutual SuperFund is already compliant with most of the T-Day reforms.

Winning through innovation and effective partnerships

While our primary focus is on helping our members to achieve their desired retirement outcomes, we know that achieving this objective would be impossible were it not for the invaluable partnership we enjoy with the employers and their management committees who we are privileged to call clients, as well as our talented and committed intermediaries. The support we receive from both of these vital groups of stakeholders has been a key driver of the Fund's immense success over the past 30 years, and will continue to underpin its success and growth in the years to come.

That trusted support has also served as a solid platform on which we have been able to enhance the operations and offerings of Old Mutual SuperFund over the past year. It allowed us to continue to refine our administration platform to ensure that employers and members alike enjoy ease of access to, and use of, all the benefits that the Fund offers them. Our commitment to constant innovation also saw us delivering a range of product enhancements over the past 12 months including the very well received Preserver offering that allows members to enjoy effortless, seamless and cost effective preservation of their retirement benefits by remaining SuperFund members even if they move to a different employer that doesn't offer it.

We are committed to continue to innovate in this way as we recognise that it is the only way to remain at the forefront of our fast-changing industry, thereby keeping our clients and members on track with their retirement planning.

Appreciation

I would like to use the opportunity presented by this message to personally thank a number of people for their exceptional contributions to the success and growth of Old Mutual SuperFund over the past year. First and foremost, my heartfelt appreciation to our very competent Principal Officer and my fellow board members without whose support and dedication my job as Chairman would be so much more difficult.

Thank you also to the Old Mutual SuperFund product, administration, support, investment and marketing teams, as well as our various service providers, whose tireless efforts have made, and will continue to make, our Fund the leading umbrella offering in the country.

A huge thank you also to our intermediaries who are, without doubt, the fuel that keeps on driving the Fund's growth in clients, members and market share. Also a very special thank you to our Regulator, the Financial Services Board whose door is always open for us to discuss, and their willingness to assist in resolving issues pertaining to the Fund.

Last, but certainly not least, thank you to every one of our Old Mutual SuperFund members. Without you, there would be no Fund and we sincerely appreciate the trust you display in allowing us to act as stewards of your important retirement savings.

Bertie van Wyk

CHAIRMAN:

OLD MUTUAL SUPERFUND

MANAGEMENT BOARD



7.

MESSAGE FROM THE **PRINCIPAL OFFICER** >

Cheryl-Anne Mestern
Independent Principal Officer

7. MESSAGE FROM THE PRINCIPAL OFFICER

Old Mutual SuperFund was established, first and foremost, to meet the needs of the Fund's members and their dependents whilst being transparent in terms of fees and expenses and characterised by good governance, integrity, responsibility and accountability.

In line with King III, we embarked on a process to align the Fund's governance structures with those proposed in PF Circular 130 and, ultimately, King III. We support the premise that King III applies to all entities and the assertion that governance is not a tick-box exercise involving a set of laws and rules, but rather goes to the heart of everything that we do. We believe that it is about doing the right thing, for the right reasons, so that we can look back with pride on what we have done and how we have achieved it.

For us, the combination of good governance and commitment to delighting our stakeholders is at the heart of the Fund's vision and strategy. To this end, our governance commitment aims to achieve the following main objectives:

1. The efficient management and control of the Fund.
2. Ensuring that the benefits promised to members are delivered smoothly, transparently and efficiently and that its assets are adequately managed. This requires that the performance of the governance structures be regularly monitored, reviewed, assessed and improved.
3. Building and maintaining the trust and confidence of the members and other stakeholders.

The positive response of the market to this commitment, and the large amount of new clients we have attracted over the past year, are evidence of our success in achieving these objectives. In fact, Old Mutual SuperFund has effectively doubled in size over the past year and we are confident that a significant contributor to this stellar growth has been our strong governance proposition.

Recognised by all our stakeholders for governance excellence

We approach the governance of the Fund from the four perspectives of:

- Management of the Board;
- Management of the operations of the Fund;
- Stakeholder Relations; and
- Risk Management and Compliance.

These four governance pillars are detailed in the governance section of this report, however, I believe the progress we have made, and the positive feedback we have received, for our efforts across all of them bears highlighting.

Management of the Board and Fund

The Board documented and published its Charter, setting out how it organises itself and how it conducts its affairs, always ensuring that it keeps abreast of the latest legislative developments and thought leadership on governance practices. It has also developed and documented a system of delegation, with accompanying policies to assist it in exercising its responsibilities. The most significant challenges faced by the Board in the past year have involved the implementation of King III principles in a logical and meaningful manner that enhances the governance of the Fund, without adding unnecessarily to the governance budget or increasing levels of bureaucracy.

Stakeholder Relations

We recognise that understanding the legitimate interests and expectations of our stakeholders, particularly our members, is fundamental to our success in this area. This means it is critical that we engage with our members in a positive and responsible manner. To achieve this, a project was developed that focused on obtaining key stakeholder data to enable us to deliver the desired customer experience, provide accurate information customised to members, demonstrate that we know who our customers are, provide appropriate education and grow loyalty amongst our stakeholders.

Putting our stakeholders at the heart of our governance commitment.

The perceptions of any organisation's stakeholders affect its reputation. We believe that stakeholders are far more than is implied by the definition in PF 130 and, as suggested in King III, include the broader society in which we operate rather than merely those who are directly affected by our operations. For this reason, sustainability underpins our operations and we strive at all times to ensure that all our stakeholders have full confidence in how the Fund is run.

The Management Board believes that it is fully accountable to these stakeholders for the manner in which it governs the Fund, and last year it demonstrated this accountability through, firstly, the publication of the first Old Mutual SuperFund Annual Report and then a countrywide roadshow at which the Chairman, Principal Officer and Board Members engaged with all stakeholders in attendance. They outlined the way in which they govern the Fund and gave attendees the opportunity to have their questions answered. Over 500 stakeholders attended these roadshow sessions and the feedback was very positive.

Of the attendees who responded to the post-roadshow feedback questionnaire, only four felt that the sessions were not particularly valuable.

The roadshows also afforded us the opportunity to get first-hand feedback from our stakeholders on their perceptions of the Fund as a whole. Here, too, the responses were very pleasing with an average 'ease of doing business' rating of 7.5 (where 10 is 'extremely easy') and a net promoter score of 8 (where 10 is 'extremely likely to recommend SuperFund to others').

We also took the opportunity to ask questions about possible improvements that our stakeholders would like to see us make to the Fund. We received a range of responses and these will inform many of our planned future Fund developments.

Recognised by our regulators

The positive stakeholder feedback received in 2015 was not limited to our members. Following a four-day on-site visit by the FSB, the report delivered to the Registrar concluded that:

“ ... THE FUND WAS COMPLYING WITH ITS RULES, PFA AND THE PENSION FUND CIRCULARS. THE FUND DISPLAYED A HIGH LEVEL OF COMPLIANCE AND RESPECT FOR REGULATION. THE BOARD OF MANAGEMENT OF THE FUND HAD IMPLEMENTED A NUMBER OF INITIATIVES, ILLUSTRATED BY THE ADDITIONAL POLICIES AND PROTOCOLS TO FURTHER STRENGTHEN THE EFFECTIVENESS OF THE FUND’S COMPLIANCE STRATEGY.”

Recognised by our industry

Our governance leadership was also acknowledged by the IRFA in the year under review, when Old Mutual SuperFund garnered the 2015 Best Practice Award for Fund Governance in Umbrella Funds.

Thank you

My thanks go to the Management Board, my office and all my Old Mutual SuperFund colleagues for your contribution to the level of governance excellence that we have achieved over the past year, and also to Old Mutual Group as Sponsor of the Fund for your unwavering support and the exceptional quality of the systems and infrastructure you provide.

A big word of thanks, also, to our colleagues at the Financial Services Board for the open and constructive manner in which they conducted the on-site visit and for their ongoing co-operation and support, as well as to the Office of the Pension Funds Adjudicator for the constructive, professional and efficient manner in which they deal with our stakeholder complaints.

Cheryl Mestern

INDEPENDENT PRINCIPAL OFFICER:
OLD MUTUAL SUPERFUND



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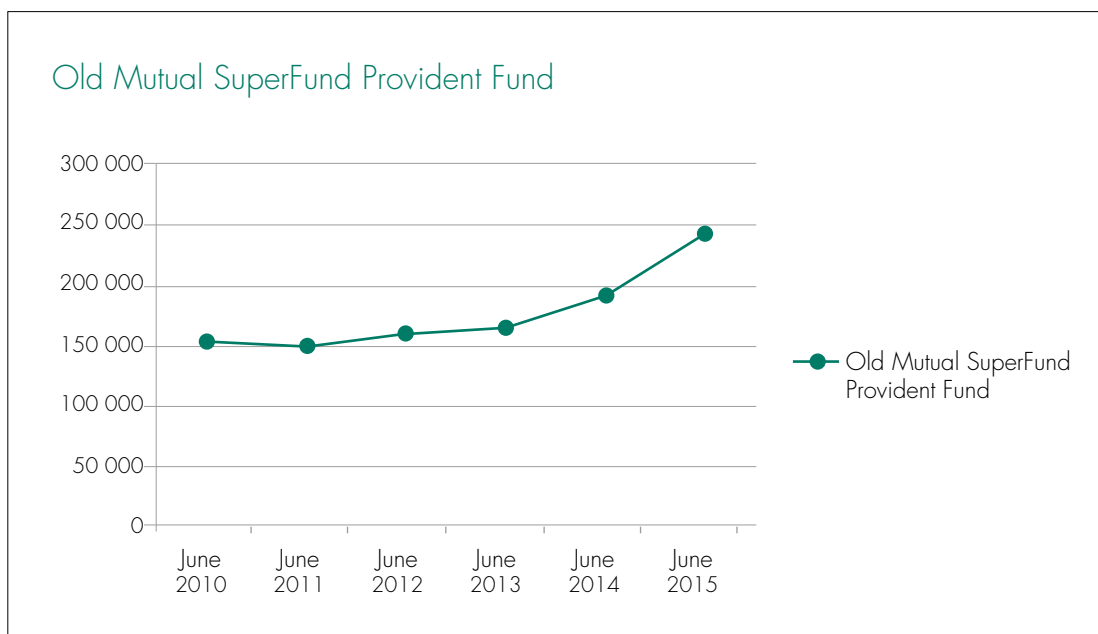
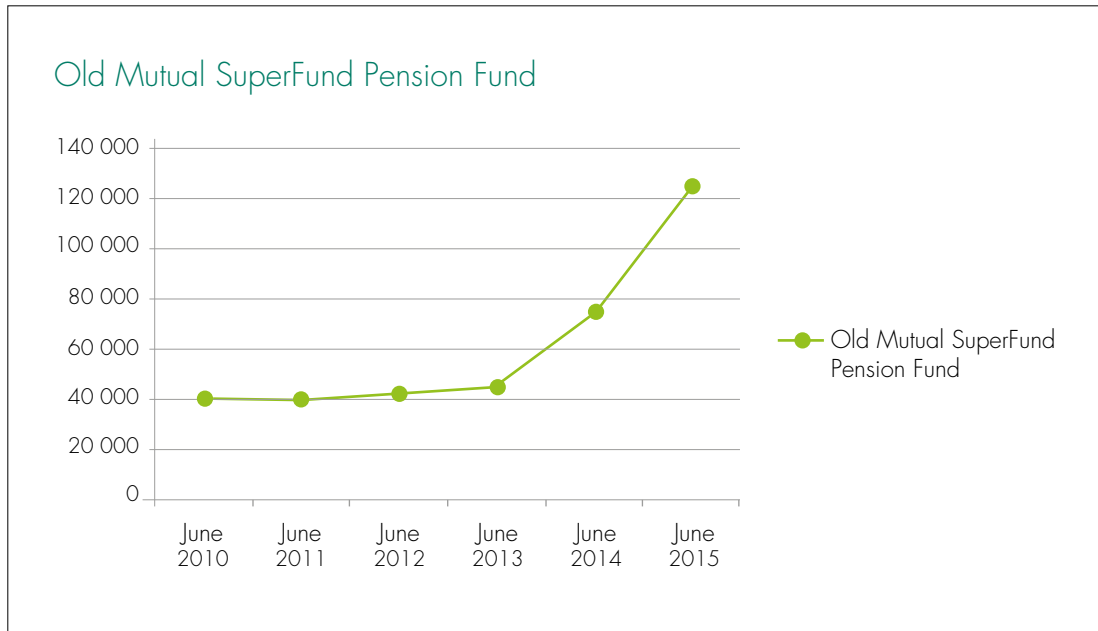
2015

PERFORMANCE REVIEW



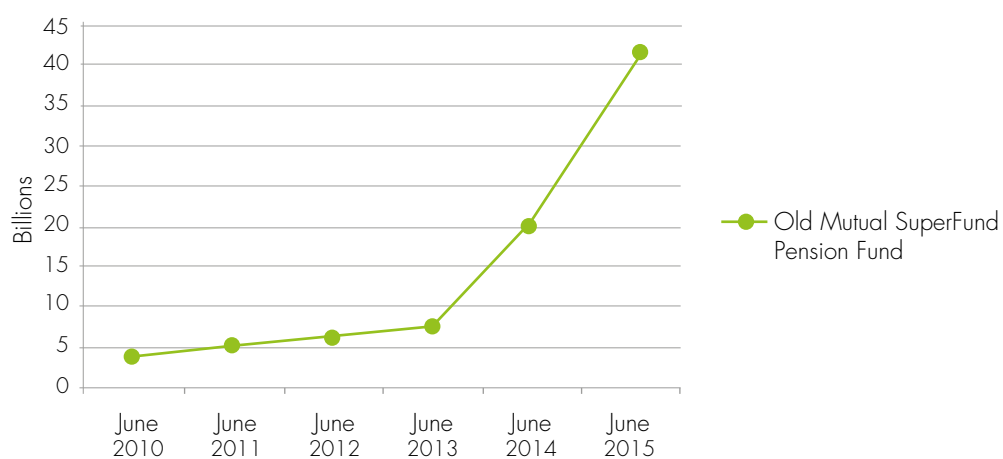
8. 2015 PERFORMANCE REVIEW

GROWTH IN MEMBERSHIP FROM 30 JUNE 2010 TO 30 JUNE 2015

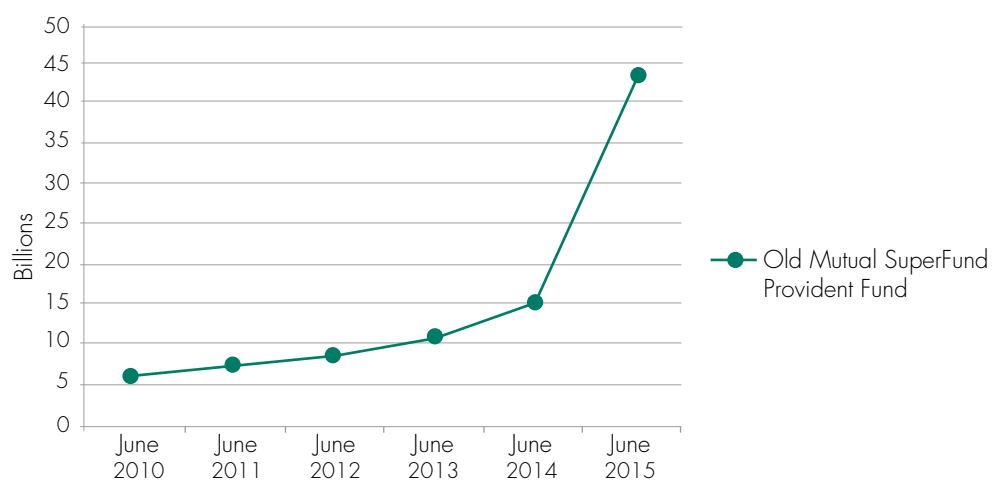


GROWTH IN ASSETS FROM 30 JUNE 2010 TO 30 JUNE 2015

Old Mutual SuperFund Pension Fund



Old Mutual SuperFund Provident Fund



SUMMARY OF INVESTMENTS

RAND VALUE OF FUND'S INVESTMENTS	30 JUNE 2015	30 JUNE 2014
Old Mutual SuperFund Pension Fund	R 41 645 276 329	R 21 859 997 430
Old Mutual SuperFund Provident Fund	R 43 113 699 988	R 16 285 481 027
TOTAL	R 84 758 976 317	R 38 145 478 457

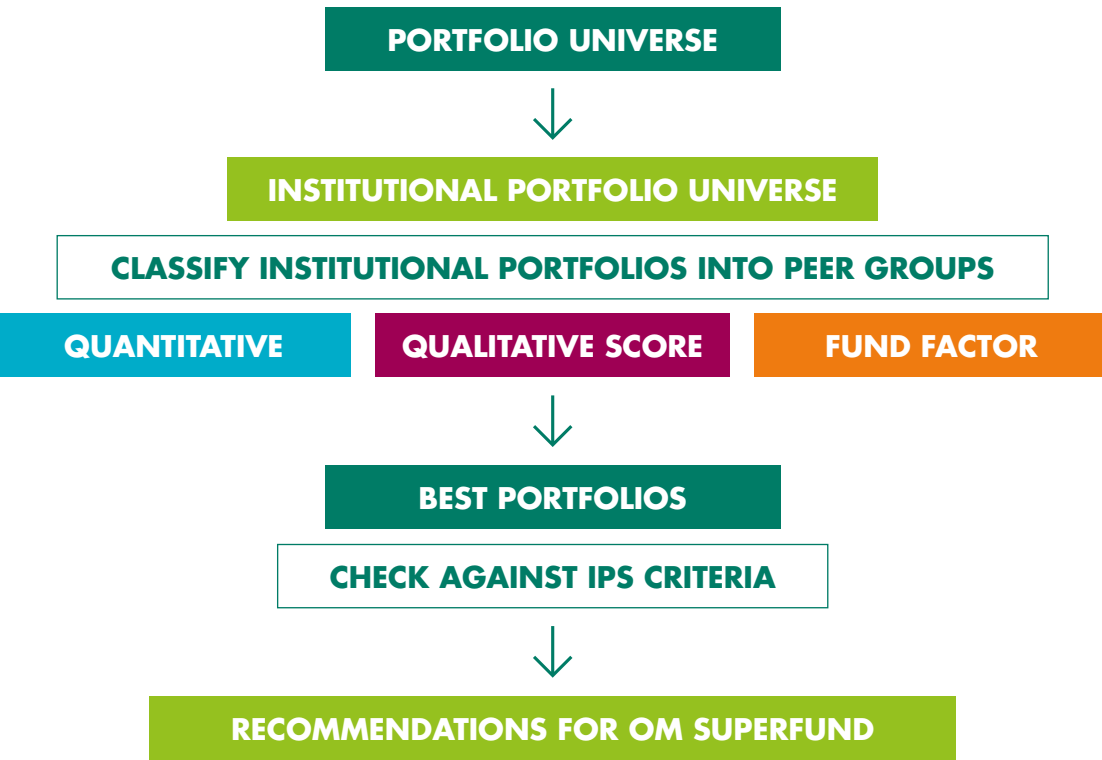
Annual review of investments

Due to the fact that the investment package options within Old Mutual SuperFund offer various levels of investment choice, the Management Board must make sure that the available investment portfolios (within the investment packages) consistently meet the investment needs of the members.

Regular reviews are conducted to ensure that the range of investment portfolios on offer meet the needs of the various categories of members in Old Mutual SuperFund, and are consistent with the criteria set out in the Fund's Investment Policy Statement.

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

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



The Process

Old Mutual SuperFund has appointed Old Mutual Corporate Consultants ('OMCC') as its investment consultant to advise the Management Board in developing the investment strategy for the Fund and the appropriate investment portfolios to offer members. OMCC also assists the Board with monitoring the performance of the investment portfolios, compliance with mandates, benchmarks and legislation and the annual review of the suitability of the investment portfolios.

STEP 1: PORTFOLIO UNIVERSE

The first stage is to identify all those investment portfolios available in the market for institutional investors such as retirement funds.

STEP 2: CLASSIFY INSTITUTIONAL PORTFOLIOS INTO PEER GROUPS

The next step is to classify these institutional portfolios into the same categories used by the Old Mutual SuperFund for the investment portfolios we offer to our members. These categories are called 'peer groups'.

STEP 3: ALLOCATE A QUANTITATIVE AND QUALITATIVE SCORE

For each peer group and each portfolio OMCC calculates a Quantitative and Qualitative Score.

STEP 4: CHECK AGAINST IPS CRITERIA

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

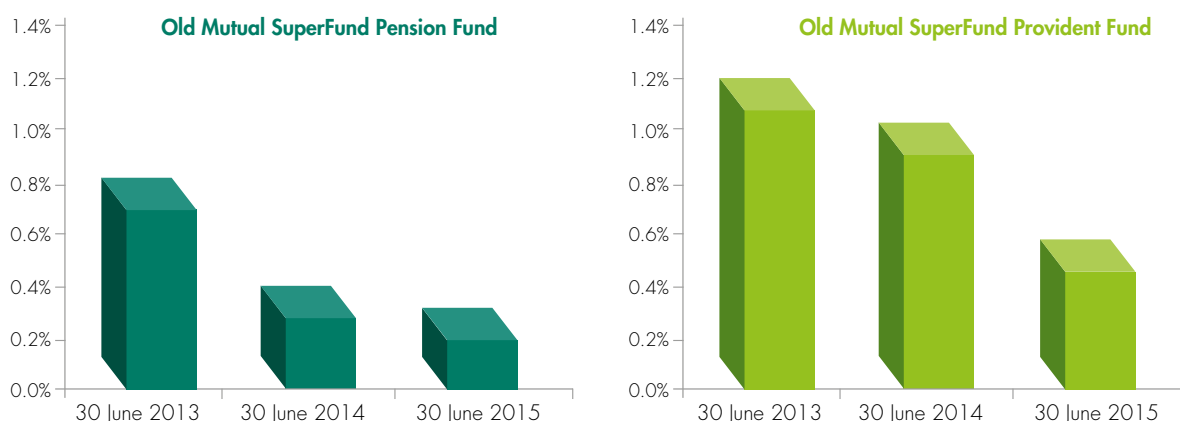
STEP 5: RECOMMENDATIONS FOR OLD MUTUAL SUPERFUND

OMCC will only recommend the addition of a new investment portfolio or replacement of an existing investment portfolio when the process identifies clearly that there is a more appropriate investment portfolio within a given category.

We are also mindful of keeping the balance right between the number of portfolios and appropriateness of the portfolios, trying to avoid significant changes in the number and types of investment portfolios on offer.

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

Administration fees as a percentage of total assets



Product enhancements in 2015

OLD MUTUAL SUPERFUND PRESERVER

Old Mutual SuperFund Preserver is an easy and innovative way for members to protect their retirement savings if they change jobs or leave their employer. It allows members to keep their retirement fund savings in the same Old Mutual SuperFund they had as part of their previous job, even if they don't work for that employer anymore. This way their retirement savings stay invested and have the potential to continue to grow. Plus they enjoy investment choice at institutional rates and good service at a competitive rate. No upfront fees and low monthly administration fees.

DEFERRED RETIREMENT

Old Mutual SuperFund allows retired members to continue their membership even though they have retired from their employer. This means that members are no longer forced to retire from Old Mutual SuperFund when they still have other sources of income and don't need their retirement benefit yet.

Members now have the option to keep their retirement savings invested, protected and growing while they decide on a more appropriate time to access their retirement benefit. This is especially important for members who are concerned that they may not have enough saved to retire comfortably, or if they want to give their accumulated retirement savings an extra boost.

Process enhancements in 2015

DEATH CLAIMS PROCESS

The law that applies to the allocation of death benefits of deceased members of retirement funds is complex. It requires the Management Board to conduct an investigation into the member's circle of dependants at the time of his/her death before deciding how the benefit will be allocated. In all instances, the Board aims to distribute the death benefit as quickly as possible. However, the process can be challenging and timing depends on the complexity of individual circumstances and how long it takes to find dependants. Some death claims can take an extended period of time to finalise.

As part of the Fund's commitment to delivering death claims payments as quickly as possible, a number of process improvements were made in the past year. These included:

- The re-engineering of the death claims operating model to improve turnaround times and the beneficiary experience.
- A complete overhaul of claims forms, using plain language principles and visual content as much as possible, to make them easier to understand and complete correctly.
- The introduction of a multi-lingual support team to help beneficiaries complete their claims forms.
- Focused member education sessions aimed at clearly explaining the death claims process.
- Call centre agents were given access to the claims system to enable them to provide immediate feedback to beneficiaries regarding their claims.
- Telephonic affidavits were introduced to make the claims process quicker and easier for claimants.

We also produced extensive educational material ranging from posters that were put up at the premises of participating employers, a claims process video, a simple claims process guide and a set of answers to Frequently Asked Questions posed by claimants.



9.

A FOCUS ON

MEMBER EDUCATION >

9. A FOCUS ON **MEMBER EDUCATION**

Old Mutual SuperFund has long recognized the importance of member education in delivering on its mission to make positive and sustainable retirement outcomes a reality for all South Africans. Key to the delivery of valuable financial education to members is the Old Mutual Financial Wellbeing Programme that was first implemented in 2009 and has gone from strength to strength ever since.

About the Financial Wellbeing Programme (FWVP)

FWP is a highly effective financial education and support programme, designed to help South Africans take control of their financial future. Since 2009, Old Mutual SuperFund has offered this programme at no cost to its members.

The programme allows our participating employers to provide their employees with invaluable financial education and all the support they need to make the most of their finances and maximise their chances of securing their financial futures.

FWP combines engaging educational workshops, individual financial health assessments and accredited financial advice, to deliver a holistic financial wellbeing solution, tailored to the exact needs of employees and members, enabling them to put the right plans in place to meet their financial and retirement needs at every stage of their lives.

FWP uses a modular approach to allow employers to tailor the workshops to the precise needs of all their employees, whether those needs are for very basic money management guidance or inputs into advanced financial understanding. To this end, the FWP modules include:

- On The Money basic education programmes
- Buying a home
- Short-term insurance
- Perspectives on financial planning
- Retirement planning
- Investment planning
- Risk planning
- Wills and Estates (estate planning)

The FWP workshops are complemented and supported by on-site Wellness Days as well as Old Mutual Member Support Services (MSS) - a dedicated call centre manned by qualified financial professionals who are available to assist members on their financial journeys or refer them to accredited financial advisers should they express a desire to receive financial advice. During the 2015 financial year, the FWP programme achieved the following:

GENERAL MEMBER EDUCATION

- **665** fund member education sessions were attended by **9 649** members
- **5 889** feedback forms were completed by attendees and **3 783** financial advice requests were received

FIN360 (ADVANCED EDUCATION PROGRAMME)

- **78** FIN360 financial planning sessions were attended by **1 101** members.
- **703** feedback forms were completed and **448** advice requests were received

ON THE MONEY (BASIC EDUCATION PROGRAMME)

- **103** financial planning sessions took place at the premises of **11** Old Mutual SuperFund clients
- **2 187** members attended and **298** advice requests were received

Since inception in 2009, FWP has reached over **230 000** members through their FIN360 and On the Money Programme.



10. COMMITTED TO EXCELLENT GOVERNANCE >





10. COMMITTED TO EXCELLENT GOVERNANCE

The Old Mutual SuperFund Management Board is responsible for the proper and efficient management of the Fund and is mandated to 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. This includes exercising its fiduciary duties towards the Fund and its members. It is acknowledged that all dealings between the Fund and Old Mutual should at all times be conducted at arms-length and the independence of the Management Board be maintained.

To this end, the Fund and Old Mutual entered into a Governance Agreement, the purpose of which is to:

- govern the relationship between Old Mutual and the Fund;
- protect the interests of all parties;
- ensure the effective, efficient and accountable management of the Fund;
- co-operate to ensure the continued success of the Fund for the ultimate benefit of the members of the Fund.

This commitment to the highest standards of governance aims to achieve the following objectives:

- the efficient management and control of the Fund;
- ensuring that the benefits promised to members are delivered smoothly, transparently and efficiently whilst also ensuring that the Funds' assets are adequately managed. regular review of the governance structures be regularly monitored, reviewed, assessed and improved; and
- building and maintaining the trust and confidence of the members and other stakeholders.

To ensure delivery of these objectives, the Management Board has acknowledged the need for a Board Charter as recommended in the Code of Governance Principles for South Africa – 2009 ("King III").



Bertie van Wyk

Capacity: Independent

Re-appointed: 3 July 2015*



Shirley Mabusela

Capacity: Independent

Re-appointed: 3 July 2015*



Jeremy Andrew

Capacity: Independent

Re-appointed: 3 July 2015*



Wahida Parker

Capacity: Independent

Re-appointed: 3 July 2015*

Composition of the Management Board

The members of the Old Mutual SuperFund Management Board were appointed by the Fund's Sponsor, Old Mutual. In line with all relevant legislation, at least 50% of the Board Members are independent of the Sponsor. These independent Board Members are not employed by Old Mutual Group, nor have they been employees of any company within the Old Mutual Group within the last two years. The Board currently comprises eight Board Members, five of whom are independent. There are no alternate Board Members.

The Fund was granted exemption in terms of section 7B(1)(b)(i) of the Pension Funds Act from compliance with the requirement of section 7A(1) of the PFA that the members of the Fund be given the right to elect no fewer than 50% of the members of its Board. This exemption was granted because the Old Mutual SuperFund exists for the benefit of employees of many different employers.

There was one resignation from the Board in 2015; Karabo Morule stepped down as a Board Member on 3 July 2015 to take up the position as Sponsor representative to the Fund. Her vacancy was filled by Dumo Mbethe.

Allowance is made for diversity in terms of race and gender in the composition of the Board and the members reflect the demographics of South Africa. The Board Members have, among them, extensive experience and complementary skills to properly govern the Fund. It includes professionals with practical experience in the administration of retirement funds, knowledge of the business of the Sponsor and expertise in the investment, actuarial, accounting, legal and social aspects of fund effective management.

The Board members elect the Chairperson and Deputy Chairperson. As a courtesy, the Sponsor is consulted on these appointments.

* Re-appointed for another term



Pierre Pretorius

Capacity: Sponsor appointed
Re-appointed: 3 July 2015*



Dumo Mbethe

Capacity: Sponsoremployed
Appointed: 22 Oct 2015



Thandeka Zondi

Capacity: Independent
Re-appointed: 3 July 2015*



Krishna Patel

Capacity: Sponsor-employed
Re-appointed: 3 July 2015*

Remuneration of board members

Board Members in the employ of the Sponsor are not remunerated by the Fund. Independent Board Members are remunerated for their work in respect of the governance of the Fund in accordance with the Remuneration Policy adopted by the Board. To avoid any potential conflicts of interest, the Board Members are remunerated from the Fund and not from the Sponsor. Independent Board Members are reimbursed for reasonable travel expenses in terms of the Travel Policy adopted by the Board.

Roles and responsibilities of the Management Board

The Management Board, together with the independent Principal Officer, is responsible for the following:

- Managing the Fund through effective leadership, based on sound governance and good corporate citizenship principles;
- Making sure that the interests of members are looked after and that regular and appropriate member communication takes place;
- Appointing the administrator and other service providers;
- Choosing the investment portfolios to be used to invest members' money; and
- Deciding how, and to whom, death claims should be paid.

* Re-appointed for another term



Cheryl-Anne Mescern
Independent Principal Officer



Jonathan van Oordt
Deputy Principal Officer

The Principal Officer

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

The legal duties include:

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

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

Delegation to sub-committees

Without abdicating its own responsibilities, the Board delegates various functions to well-structured sub-committees. Formal terms of reference are established and approved for each sub-committee of the Board in line with the provisions of section 7D(2)(a) of the PFA and the sub-committees are appropriately constituted with due regard to the skills required by each to effectively discharge its duties. Each sub-committee's scope of work is reviewed at least once a year;

The Board has an established framework for the delegation of authority to the sub-committees, the Principal Officer, Administrator and other persons. The Board has documented all such delegated powers and functions in a Delegation of Authority policy.

The Board has appointed the following sub-committees:

SUB-COMMITTEE	BOARD MEMBERS INCLUDED	MANDATE
Administration and Financial Reporting	2	To oversee (and report to the Board on) administration risks, financial reporting risks, internal financial controls and fraud and IT risks related to the management and governance of the Fund.
Claims Sub-Committee	3	To manage the risks relating to the allocation of death benefits and assessment of the qualification of members for disability benefits.
Communications	2	To ensure adequate, appropriate communications to members and other stakeholders.
Governance and Risk Management	2	To: <ul style="list-style-type: none"> • guide the Board in matters of governance; • ensure that the Board has implemented an effective policy and plan for risk management that will enhance its ability to achieve its strategic objectives; and • ensure that the disclosure regarding risk is comprehensive, timely and relevant.
Investment & Actuarial	3	To manage (and report to the Board on) any risks relating to the investment, actuarial and risk benefits of the Fund.
Legal and Contractual	2	To attend to any legal and contractual issues in relation to the Fund.
Transition (ad hoc)	Varies	To oversee system migrations and upgrades.

Each sub-committee comprises at least two Board Members, provided that the chairperson of any sub-committee dealing with financial reporting is an Independent Board Member. The Principal Officer and Deputy Principal Officer serve on each sub-committee, coordinate the activities of the sub-committees and also liaise between the sub-committees where necessary, but do not have a vote.

In the case of Old Mutual SuperFund Customised, the Board may, at the request of the participating employer, delegate some of its functions to the appointed Management Committee in line with such terms and conditions as it deems fit. Any such delegation is formally documented and accepted by the Management Committee.

Meeting procedures

FREQUENCY

Meetings of the Management Board take place at least four times in each financial year. Each sub-committee must meet at least quarterly, however, the Claims Sub-Committee meets weekly to adjudicate death claims.

Attendance at Management Board and sub-committee meetings during the year was as follows:

SUB – COMMITTEE MEMBER	MEETING	MEETINGS SCHEDULED	MEETINGS ATTENDED
Bertie van Wyk (Chairperson)	Board	5	5
The Chairman attends at least one meeting of every sub-committee in a year from an oversight perspective.	Administration	4	4
	Claims	4	4
	Claims adjudication	49	48
	Investments	4	4
	Governance	5	5
Cheryl Mestern (Principal Officer) and Jonathan van Oordt (Deputy Principal Officer)	Board	5	5
	Claims	4	4
	Claims adjudication	49	48
	Communication	4	4
	Governance	5	5
	Investments	4	4
	Legal	4	4
Jeremy Andrew	Board meeting	5	5
	Investments	4	4
	Legal	4	4
Karabo Morule	Board	5	5
	Investments	4	4
Krishna Patel	Board	5	4
	Administration	4	3
Pierre Pretorius	Board	5	5
	Legal	4	4
Shirley Mabusela	Board	5	5
	Claims	4	4
	Claims adjudication	49	38
	Communication	4	4
Thandeka Zondi	Board	5	3
	Administration	4	2
Wahida Parker	Board	5	5
	Claims	4	4
	Claims adjudication	49	45
	Communication	4	4
	Governance	5	5

Code of Conduct

The Board has adopted a code of conduct and each Board Member has signed acceptance thereof. The Board has put in place a process to deal with any breach of this Code of Conduct.

RISK MANAGEMENT AND COMPLIANCE

The Board is accountable for the governance of risk, including understanding the risk exposure of the Fund, its ability to tolerate risk, and the risk that it is willing to take. The risks faced by the Fund are managed by the Board within the guidelines of policies and practices that are monitored and managed by sub-committees. The sub-committees identify deviations from the policies and practices, which are then rated in terms of the likelihood of the risk materialising and the impact on the Fund should it materialise. The top ranking issues are reported in the Board Risk Log and dealt with by the Management Board. 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. Less significant risks are dealt with by the Principal Officer. Only residual risks are specifically measured on a qualitative basis with a 12-month view with respect to regulation, reputation and impact on members.

ETHICS STANDARDS

The Board has identified, and adheres to, the following specific ethics standards:

ETHICS STANDARD	COMPLIANCE APPROACH
Responsibility & Accountability	<p>Application of best practice governance principles and implementation of the principles and recommendations in King III. Where these are not implemented, explaining the reasons why.</p> <p>Being responsible and able to justify and explain decisions and actions of the Board. Accounting to the stakeholders in a transparent manner for the manner in which the Board has conducted the affairs of the Fund.</p>
Fairness	<p>Considering the legitimate interests and expectations of stakeholders when deciding what is in the best interests of the Fund. The best interests of the Fund are always interpreted within the parameters of the Fund as a sustainable enterprise and the requirements for it to be a responsible corporate citizen.</p> <p>Always acting in a manner that is free from discrimination or dishonesty and in conformity with agreed rules and standards.</p>

Declarations of interest	<p>Any personal interest, including family interest, that may impact on, or may reasonably be deemed by others to impact on, a Board Member's impartiality in any matter relevant to his or her duties must be declared to the Management Board.</p> <p>Where structural conflicts of interest arise or where a Board Member (or family member) is a shareholder or a director of a potential service provider, such conflict should not only be declared, but should be avoided and the Board Member must recuse himself/herself from the tender process. The Board Members must always act in the best interests of the Funds, members and beneficiaries.</p>
Gifts	<p>The confidentiality of information received in the course of duty must be respected and must never be used for personal gain other than for approved Fund purposes, and information given in the course of duty must be true and fair and not intentionally misleading. No Board Member or Fund official may engage with or provide any information to a service provider or potential service provider other than through the official channels during the tender process</p>
Competition	<p>Any arrangement that may, in the long-term, prevent the effective operation of fair competition in the delivery of services to the Funds must be avoided.</p>
Disclosure & transparency	<p>All fees and expenses are fully disclosed. The Board deals with the members and stakeholders in an open and transparent manner and in utmost good faith.</p>

Administration and IT

The Management Board appointed Old Mutual as the Administrator of the Fund. Old Mutual has been approved as an administrator by the Registrar in terms of Section 13B(1) of the Act. The Fund entered into this administration agreement with Old Mutual as contemplated in paragraph 3 of the Board Notice 24 of 2002. The principle underpinning this agreement, and the promise that Old Mutual and the Fund make to the members, is that members must always find themselves in the position that they should have been in. Key to this principle is the indemnity documented in the administration agreement.

The Fund has also entered into a service level agreement with Old Mutual, the purpose of which is to set out the frequency of services to be rendered by Old Mutual as well as the minimum service levels required. Old Mutual reports performance against the service level targets to the Administration & Financial Reporting Sub-Committee and the Management Board on a quarterly basis. Annually, with the assistance of an independent market research company, the Management Board rates the performance of the administrator and other key service providers to the Fund.

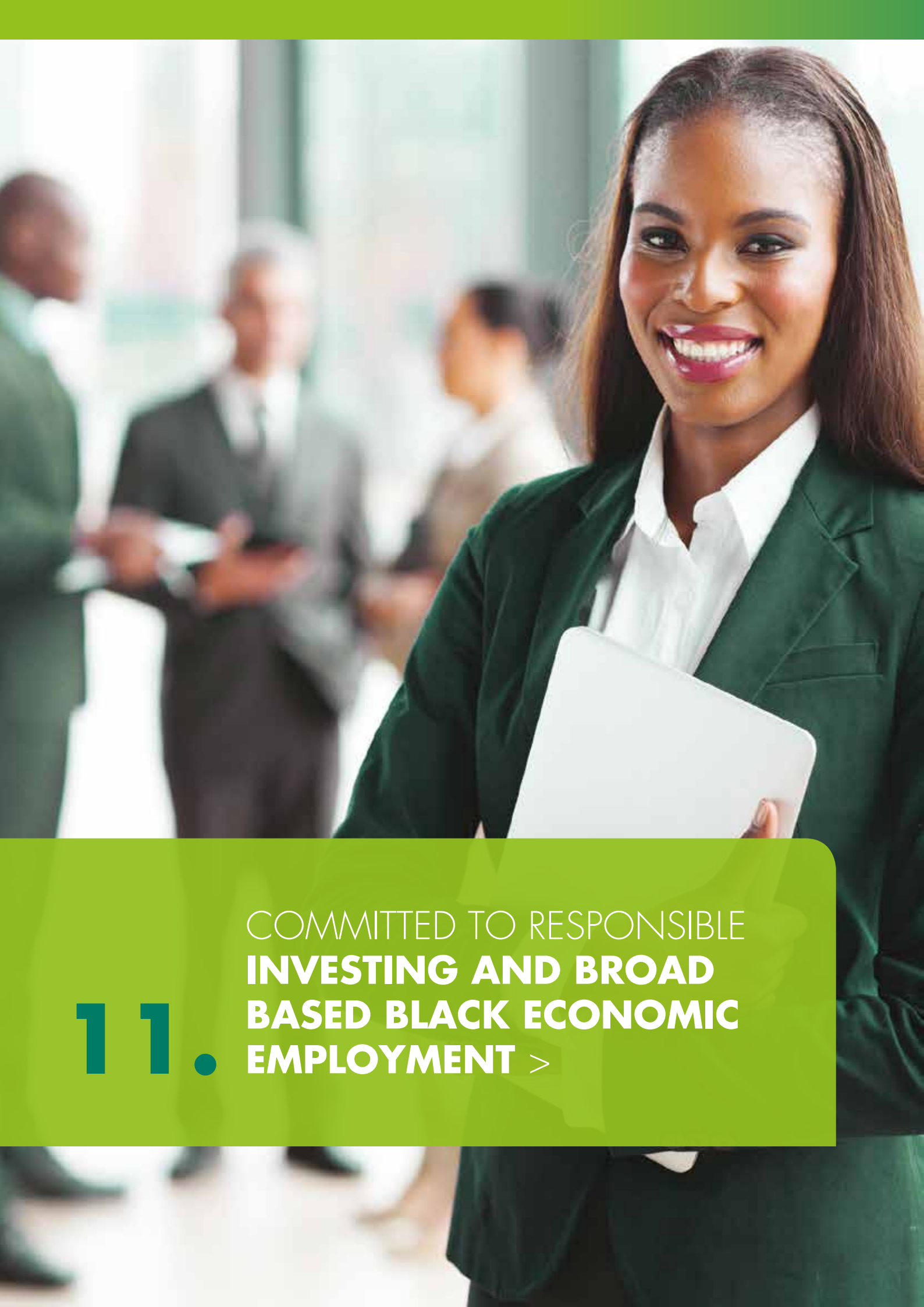
As the administration of the Fund is outsourced to Old Mutual, the Fund does not own its own Information Technology (IT) infrastructure and therefore relies on Old Mutual to provide a state-of-the-art computer system. Provision for this is also included in the administration agreement whereby Old Mutual certifies that its principles and practices in respect of the provision of IT services to the Fund comply with those recommended by King III and/or the Old Mutual IT architecture.

Stakeholder engagement

KEY STAKEHOLDERS

The key stakeholders of the Fund have been identified as its members, participating employers, intermediaries and the Sponsor. Other stakeholders include the regulator and investment providers and other service providers that have a relationship with the Fund

STAKEHOLDER	KEY ISSUES RAISED/ IDENTIFIED	RESPONSE	ENGAGEMENT CHANNELS
Member	<p>Inadequate retirement provision.</p> <p>Lack of understanding of the relationship between risk & reward.</p> <p>Prompt payment of benefits.</p>	<p>A range of products and investment choices to assist members achieve their targeted replacement ratio.</p> <p>Financial education and communication to assist members make better retirement choices.</p> <p>Default preservation options to support seamless cost effective preservation of benefits.</p> <p>Improved strategy for death benefits - continued roll out in 2016.</p>	<ul style="list-style-type: none"> • Newsflashes • Newsletters • Website • Financial Wellbeing Programme • Member Support Services • Audio visual clips • Proactive contact at the time of various life events • E-claims • Member benefit statements & member engagement in multiple languages
Participating employers	<p>Timeous payment of contributions and submission of data that matches the contributions.</p> <p>A range of benefit options that enables the participating employer to meet its benefit promise to its employees.</p> <p>Ease of doing business</p>	<p>Enhanced payroll interface with seamless integration.</p> <p>Flexible range of benefit options to suit the needs of most employers.</p> <p>Ongoing operational and administration enhancements to the Fund with consultants serving as dedicated points of contact.</p>	<ul style="list-style-type: none"> • Newsflashes • Newsletters • Website • Face-to-face consultations
Intermediaries	<p>Opportunities for ongoing product training and accreditation.</p> <p>Effective sales and servicing support.</p> <p>Ease of doing business.</p>	<p>Various enhancements rolled out in 2015 (continuing into 2016), including real-time quotation facility, dedicated service support teams, comprehensive sales tools, and ongoing product training across the country.</p>	<ul style="list-style-type: none"> • Regional training workshops • One-on-one meetings • Adviser communications • Newsflashes • Newsletters • Website



COMMITTED TO RESPONSIBLE
**INVESTING AND BROAD
BASED BLACK ECONOMIC
EMPLOYMENT >**

11.

11. COMMITTED TO RESPONSIBLE INVESTING AND BROAD BASED BLACK ECONOMIC EMPLOYMENT

Responsible Investing

Regulation 28 requires that, when contracting services, the Management Board should consider the need to promote broad-based black economic empowerment of those providing services. In terms of the Fund's Investment Policy Statement, the Fund should take into account principles of broad-based economic empowerment when outsourcing services to service providers. In situations where services are outsourced to parties that do not satisfy BBBEE principles, the Fund engages with the service provider in question to reach a satisfactory outcome, taking into account the contractual relationship between the Fund and the service provider.

This has been expanded in the Code for Responsible Investing in South Africa (CRISA), which sets out the following principles regarding responsible investing:

- An institutional investor should incorporate sustainability considerations, including environmental, social and governance, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.
- An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.
- Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.
- An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should proactively manage these when they occur.
- Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.

Old Mutual SuperFund's response

With the exception of some investment portfolios within Old Mutual SuperFund Customised the Fund does not directly own investments. Investment is made through pooled portfolios constituted as collective investment schemes or policies of insurance. However, while the Fund is limited in its ability to actively apply the requirements of Regulation 28 and CRISA, it can, and does, require that the investment providers who manage the investment portfolios comply with these requirements. An Environmental, Social and Governance (ESG) due diligence is conducted to ensure that investment providers fully embrace, and integrate, ESG issues into their investment analyses and processes.

The Fund therefore seeks to invest in a sustainable and responsible manner, but this is exercised indirectly through its investment providers. The criteria used to ensure such responsible investment include the following:

- Investment providers are signatories to the Code for Responsible Investment in South Africa ("CRISA Code").
- On the understanding that long-term sustainability contributes to long-term growth in value, the investment providers are required to take Environmental, Social and Governance factors into account when making their investments, without compromising their sound business reasons for making such investments.
- As the Fund makes use of pooled investments, voting rights do not accrue directly to the Fund. However, investment providers investing directly in equities must exercise their voting rights and be able to show written voting policies.
- Where the Fund makes use of segregated mandates at the request of a Management Committee under SuperFund Customised (in which case the assets will be registered in the name of the Fund and the Fund will have voting rights in relation to those investments), the Management Committee must exercise voting rights and have written voting policies. All voting rights exercised must be conveyed to the Fund by the Management Committee.
- The Investment Sub-Committee exercises the votes attaching to any units owned in any collective investment scheme by the Fund, where
 - there is a merger of collective investment schemes or alteration of the nature of those collective investment schemes, or
 - such exercise may promote the objectives of the Financial Sector Charter, or
 - such exercise may enhance the value of the investment.

Promoting Broad-based Black Economic Empowerment

The Broad Based Economic Empowerment Act of 2003 (BBBEE) provides a legal framework and road map on how empowerment should be constructed. Codes of Good Practice were gazetted that provided further clarity on what BBBEE is, and how an enterprise's contribution should be measured. In summary the Codes contain the following - with codes 100 to 700 making up the generic BBBEE scorecard:

CODE	INFORMATION	DETAILS
000		Provides general principles of BBBEE
100	Equity Ownership	Measures the level of black ownership of a business
200	Management and Control	Measures the level of black management and control
300	Employment Equity	Outlines measuring employment equity in the workplace
400	Skills Development	Extent to which skills and competencies are developed
500	Preferential Procurement	Measures the level of goods and services that a business buys from BBBEE compliant suppliers
600	Enterprise Development	Measures a business contribution to enterprise development
700	Socio Economic Development	Measures the extent to which a business promotes access to the economy and contributes to socio economic development

Old Mutual SuperFund is compliant with the requirements of Regulation 28 as the Fund takes into account principles of BBBEE when outsourcing services to service providers. In situations where the Fund is not satisfied with a service provider's progress in attaining a score acceptable to the Fund, the Fund engages with the service provider in question to reach a satisfactory outcome, taking into account the contractual relationship between the Fund and the service provider.

Key elements of the scorecard prioritised by the Fund

Enterprise Development - From a BEE perspective this relates to developing smaller enterprises controlled by black owners. In order for companies to earn points in this particular category they must contribute to a beneficiary company of their choice. This contribution can either be monetary (in the form of a recoverable loan or a discount) or non-monetary (which can be advice on management issues). If non-monetary, the contribution will need to be measurable in monetary terms. This is an important element of the scorecard.

Delivering on BBBEE: Based on the scorecard item, 70% of the Fund's investment providers scored 100% in terms of this principle in 2015.

Socio Economic Development - This element of the scorecard comprises of two components, industry specific contributions (that seek to address needs in a particular industry sector) and corporate social investment that covers a wider range of needs (from health programmes to conservation efforts). In order to achieve maximum points in this category the investment provider must contribute 1% of their earnings.

Delivering on BBBEE: In 2015, all of the Old Mutual SuperFund investment providers attained a full score in this regard.

Skills Development - A company classified as small enterprise in relation to its size of business can achieve maximum points in this category if they spend 2% of the company's total salary per annum on learning programmes and initiatives for black employees. For medium to larger companies this percentage is higher at 3%. Additional points can also be earned if 5% of employees in the company are black employees participating in learning programmes or if the company spends 0.3% of company's salary on learning programmes for disabled black employees.

Old Mutual SuperFund subscribes to and supports the BBBEE principles. As such, qualifying criteria are set for any vendor/supplier who would like to enter any agreement with the Fund. The adherence to the BBBEE principles is monitored on an ongoing basis and the necessary steps taken where a provider no longer conforms.



12. FINANCIAL UPDATE >





12. FINANCIAL UPDATE

Auditors Report

Independent auditor's report on summary financial statements of the Old Mutual SuperFund Provident fund and the Old Mutual SuperFund Pension Fund

The summary financial statements, set out on pages 55 to 59, which comprise the statement of net assets and funds as at 30 June 2015, the statement of changes in net assets and funds for the year ended, and related notes are derived from the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 5 December 2015. Our auditor's report on the audited financial statements contained an "Other Matters" paragraph (refer below).

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

Board of fund's responsibility for the summary financial statements

The Board of the Fund is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1 on page 59.

AUDITOR'S RESPONSIBILITY

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

OPINION

In our opinion, the summary financial statements derived from the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2015, are consistent, in all material respects, with those financial statements, in accordance with the basis described in Note 1 on page 59.

FINANCIAL REPORTING FRAMEWORK

The "Financial Reporting Framework" paragraph in our audit reports dated 5 December 2015 states that without modifying our opinion on those financial statements, we draw attention to the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Registrar. The paragraph also states that the financial statements and related auditor's reports thereon may not be suitable for another purpose. Consequently, the paragraph also has an effect on the summary financial statements and our opinion thereon.

OTHER MATTERS

The "Other Matters" paragraph in our audit report dated 5 December 2015 states that those financial statements include supplementary information in Schedule IA that was extracted from the Fund's underlying accounting records. The paragraph also states that we have compared the totals reflected in Schedule IA to the totals reflected in the underlying Fund's accounting records to determine whether such totals have been correctly extracted. The paragraph furthermore states that we have not performed any additional procedures to substantiate the disclosures of the individual totals included in Schedule IA and therefore we did not express an audit opinion on Schedule IA. The paragraph does not have an effect on the summary financial statements or our opinion thereon.



PricewaterhouseCoopers Inc. | Director: V. Wiese, Registered Auditor | Date: 5 December 2015 No 1
Waterhouse Place, Century City 7441, PO Box 2799, Cape Town 8000

**OLD MUTUAL SUPERFUND PENSION FUND
STATEMENT OF NET ASSETS AND FUNDS**

	NOTES	2014 "R"	2015 "R"
ASSETS			
Investments		20 239 967 330	40,460,512,529
	Non Market Linked Insurance Policies	20 084 707 433	36,622,170,322
	Market Linked Insurance Policies	-	1,897,885,609
	Collective Investment Schemes	155 259 897	1,940,456,598
Transfers Receivable		1 038 747 859	291 244 886
Accounts Receivable		114 750 084	73 547 950
Contributions Receivable		77 706 179	110 503 350
Cash at Bank		388 825 978	709 467 614
Total Assets		21 859 997 430	41 645 276 329
FUNDS AND LIABILITIES			
Members Funds		(20 925 656 177)	(40 199 153 278)
Reserve Accounts		(10 654 259)	(17 676 689)
Expense		(3 465 886)	(6 437 206)
Investment		-	-
Processing Error (unitised)		(784 572)	(767 570)
Processing Error (non-unitised)		(6 403 801)	(10 471 913)
Employer Surplus Account		(235 693 023)	(345 980 613)
Unclaimed Benefits		(124 166 313)	(31 074 221)
Transfers Payable		(1 793 811)	(7 940 280)
Benefits Payable		(508 397 105)	(947 117 791)
Lump sum on Retirement			
	Full Benefit	(91 164 237)	(281 165 957)
Lump sum before Retirement			
	Disability	(1 236 419)	(8 270 931)
	Death	(92 872 563)	(224 038 938)
	Withdrawal	(238 829 069)	(332 684 203)
	Divorce Orders	(973 675)	(15 002 436)
	Retrenchments	(26 266 194)	(64 866 123)
Liquidation benefits		(53 674 601)	(18 006 098)
Enhancements to former members		(3 380 347)	(3 083 105)
Accounts Payable		(53 636 742)	(96 333 457)
Total Funds and Liabilities		(21 859 997 430)	(41 645 276 329)

**OLD MUTUAL SUPERFUND PENSION FUND
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS**

	NOTES	2014 "R"	2015 "R"
Contributions Received and Accrued		(1 517 587 510)	(3 518 874 658)
	Members	(1 368 450 234)	(3 270 388 859)
	Reserves	(149 137 276)	(248 485 799)
Reinsurance Proceeds		(70 770 315)	(161 299 049)
Net Investment Income		(1 759 745 780)	(3 821 123 369)
	Interest Received	(8 703 557)	(34 632 070)
	Collective Investment Schemes	(1 885 179)	(6 924 034)
	Insurance Policies	(1 429 462 669)	(3 656 977 816)
	Late Payment Interest	(791 145)	(1 327 836)
	Fair Value Adjustment	(376 119 298)	(247 383 250)
	Investment Management Fees	57 216 068	136 320 512
Reinsurance Premiums		95 602 531	184 450 857
Administration Expenses		56 708 037	77 633 141
Allocated to Unclaimed Benefits		14 862 292	15 677 206
Transfers from other Funds		(12 448 244 549)	(15 751 741 010)
Transfers to other Funds		242 032 961	67 286 271
Benefits Accrued		1 345 933 540	3 517 183 490
Lump sum on Retirement			
	Full Benefit	349 690 874	1 324 482 047
Lump sum before Retirement			
	Disability	5 530 908	22 594 625
	Death	106 150 420	295 500 487
	Withdrawal	659 148 571	1 479 733 619
	Divorce Orders	11 445 780	41 564 194
	Retrenchments	119 332 098	294 371 330
Defaults - Housing loans		320 234	261 555
Liquidation benefits		90 057 354	51 183 245
Return allocated to benefits		1 258 427	7 361 606
Enhancements to Former Members		2 998 874	130 782
Net Employer Surplus Accounts Allocations		235 693 023	110 287 590
Balance at Year End Funds and Reserves		(20 936 310 436)	(40 216 829 967)

**OLD MUTUAL SUPERFUND PROVIDENT FUND
STATEMENT OF NET ASSETS AND FUNDS**

	NOTES	2014 "R"	2015 "R"
ASSETS			
Investments		14 599 057 659	41 707 200 309
	Non Market Linked Insurance Policies	14 491 885 976	35 977 293 361
	Market Linked Insurance Policies	-	2 899 089 680
	Collective Investment Schemes	107 171 683	2 830 817 268
Transfers Receivable		1 176 796 744	109 570 403
Accounts Receivable		97 338 437	223 476 012
Contributions Receivable		156 435 173	225 090 830
Cash at Bank		255 853 014	848 362 434
Total Assets		16 285 481 027	43 113 699 988
FUNDS AND LIABILITIES			
Members Funds		(14 941 725 525)	(40 210 855 575)
Reserve Accounts		(85 575 309)	(128 841 742)
Expense		(13 653 722)	(37 042 596)
Investment		-	-
Processing Error (unitised)		(4 865 860)	(4 343 593)
Processing Error (non- unitised)		(67 055 727)	(87 455 553)
Employer Surplus Account		(18 769 682)	(20 449 322)
Unclaimed Benefits		(357 146 181)	(109 969 568)
Transfers Payable		(26 927 502)	(63 157 894)
Benefits Payable		(701 944 875)	(1 446 611 806)
Lump sum on Retirement			
	Full Benefit	(92 311 969)	(374 128 168)
Lump sum before Retirement			
	Disability	(11 569 628)	(18 801 855)
	Death	(191 906 946)	(466 079 718)
	Withdrawal	(301 313 860)	(434 872 098)
	Divorce orders	(270 585)	(19 333 247)
	Retrenchments	(38 037 945)	(81 714 965)
Defaults - Housing loans		(26 887)	(9 313 097)
Liquidation benefits		(65 402 686)	(41 342 313)
Enhancements to former members		(1 104 369)	(1 026 345)
Accounts Payable		(153 391 953)	(1 133 814 081)
Total Funds and Liabilities		(16 285 481 027)	(43 113 699 988)

OLD MUTUAL SUPERFUND PROVIDENT FUND STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

	NOTES	2014 "R"	2015 "R"
Contributions Received and Accrued		(2 415 579 974)	(4 345 389 122)
	Members	(2 015 258 535)	(3 789 077 823)
	Reserves	(400 321 439)	(556 311 299)
Reinsurance Proceeds		(167 299 965)	(325 588 941)
Net Investment Income		(2 152 626 178)	(3 204 200 543)
	Interest Received	(10 469 995)	(50 921 252)
	Collective Investment Schemes	(1 024 750)	(5 318 567)
	Insurance Policies	(1 912 063 141)	(2 912 241 239)
	Late Payment Interest	(1 695 293)	(3 526 426)
	Fair Value Adjustment	(302 504 314)	(340 209 913)
	Investment Management Fees	75 131 315	121 940 795
Reinsurance Premiums		276 547 213	413 142 497
Administration Expenses		143 202 707	173 579 760
Allocated to Unclaimed Benefits		38 560 683	42 846 388
Transfers from other Funds		(2 441 157 389)	(22 345 258 711)
Transfers to other Funds		260 400 971	(389 956 334)
Benefits Accrued		1 873 766 782	3 886 836 215
Lump sum on Retirement			
	Full benefit	373 838 503	1 150 351 892
Lump sum before Retirement			
	Disability	48 767 743	45 125 691
	Death	197 262 895	490 567 206
	Withdrawal	871 353 108	1 550 410 162
	Divorce Orders	8 892 436	38 425 188
	Retrenchments	235 832 150	446 993 748
Defaults - Housing loans		(1 041 340)	41 282 438
Liquidation benefits		134 543 138	113 969 623
Return allocated to benefits		2 596 272	9 708 931
Enhancements to former members		1 721 877	1 336
Net Employer Surplus Accounts Allocations		18 769 682	1 679 640
Balance at Year End of Funds and Reserves		(15 027 300 834)	(40 339 697 317)

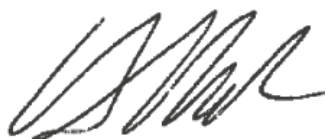
Note 1 to the Summary Financial Statements:

BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS

The summary financial statements are prepared in accordance with criteria developed by the Board of the Fund and is the responsibility of the Board of the Fund. Under the Board of the Fund's established criteria, they disclose the summary statement of net assets and Funds, the summary statement of changes in net assets and funds and other information which the Board of the Fund determined as relevant. These summary financial statements are derived from the audited financial statements of the Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2015. The statements were prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Funds and the provisions of the Pension Funds Act and do not contain full or complete details. Any investment decisions by investors and/or members should be based on consideration of the complete set of audited financial statements and the Funds' website as a whole. Should you wish to receive a full set of the audited financial statements, please send us an e-mail at superfund@oldmutual.com.

Statement of responsibility by the principal officer for the year ended 30 June 2015

I confirm that for the year under review the OLD MUTUAL SUPERFUND PROVIDENT FUND and the OLD MUTUAL SUPERFUND PENSION 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 Registrar of Pension Funds in terms of Section 15 of the Pension Funds Act, 1956.



Cheryl Anne Mestern

INDEPENDENT PRINCIPAL OFFICER

5 December 2015

Statement of Responsibility by the Board of the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund for the year ended 30 June 2015

The annual financial statements of the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund are the responsibility of the Board of the Funds'. The Board of the Funds' 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 Funds were implemented and maintained in accordance with the Funds investment strategy.

The summarised financial statements set out on pages 55 to 59 have been prepared for communication purposes with limited disclosure compared to the regulatory financial statements which are compiled in terms of the Regulatory Reporting Requirements for Retirement Fund in South Africa. The regulatory financial statements have been prepared and reported to the Financial Services Board (FSB). The summarised financial statements set out on pages 55 to 59 have been prepared in accordance with the basis set out in Note 1 on page 59.

The regulatory annual financial statements have been reported on by the independent auditors, Pricewaterhouse-Coopers Inc, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of the 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 page 53 to 54.

The summarised financial statements of the Funds' set out on pages 55 to 59 were approved by the Board of the Funds. The financial statements have been signed by the Chairman and two trustees on behalf of the Board of the Funds.



Burgert Jacobus van Wyk
INDEPENDENT CHAIRPERSON



Thandeka Pamela Zondi
INDEPENDENT BOARD
MEMBER



Krishnakumar Natverlal Patel
SPONSOR APPOINTED
BOARD MEMBER

Report of the Consulting Actuaries

OLD MUTUAL SUPERFUND PROVIDENT FUND

We have pleasure in presenting the statutory actuarial valuation report of the Old Mutual SuperFund Provident Fund (the "Fund") as at 30 June 2014 ("the Valuation Date"). This summary is for reference purposes only, and should be read in the context of the full report.

This report has been prepared taking cognisance of the professional standards of the Actuarial Society of South Africa, the professional body governing the conduct of retirement valuers.

Financial condition

The Fund has a level of funding of 100%, and is in a sound financial position at the Valuation Date.

The analysis of the complete member dataset has provided comfort that the Member Accounts have been maintained in line with Rules. Based on my analysis, I am satisfied that the individual member data for this period is adequate for the purposes of this report.

Membership of the Fund

	30 June 2014	30 June 2013
Number of Active Members	188,686	162,737
Number of Unclaimed Benefits	51,944	52,035

Contingency Reserves

We recommend that the Fund hold the following contingency and investment reserves:

• Expense Reserve (umbrella and sub funds)	R 13,653,722
• Risk Reserve	R 0
• Surplus Apportionment Expense Reserve	R 0
• Processing Error Reserve (Unitised Investments)	R 4,865,860
• Processing Error Reserve (Non-Unitised Investments)	R 44,239,637
• Investment Reserve	R 0

The above contingency reserve values are based on the actual value for the Expense Reserve shown in the Annual Financial Statements, actual value for the Processing Error Reserve (Unitised Investments) shown in the Annual Financial Statements since this is less than the targeted amount and the limited Processing Error Reserve (Non-Unitised Investments) balance based on the targeted amount.

Financial position

The financial position of the Fund (after taking into account the Contingency Reserve recommendations above) is set out here. Comparative figures as at 30 June 2014 are provided.

	30 JUNE 2014 (R'000)	30 JUNE 2013 (R'000)
Market Value of Assets	15,027,301	10,461,885
Fair Value of Assets (including Cash at Bank)	14,854,911	11,126,058
Net Accruals 1	172,390	(664,173)
Less		
Fund Liabilities	14,944,308	10,415,825
Members' Individual Accounts	13,749,231	8,976,723
Other Fund Liabilities	1,195,077	1,439,103
Less		
Contingency Reserves	82,993	46,060
Expense Reserve – Umbrella	13,364	8,883
Expense Reserve – Sub Funds	290	
Risk Reserve	0	0
Surplus Apportionment Expense Reserve	0	0
Processing Error Reserve (Unitised Investments)	4,866	3,281
Processing Error Reserve (Non-Unitised Investments)	64,473	33,896
Equals		
Actuarial Surplus/(Deficit)2 (Investment Reserve)	0	0
Funding Level (including Reserves)	100.00%	100.00%
Funding Level (excluding Reserves)	100.55%	100.44%

Contribution rates

Contribution rates differ by Participating Employer, and are defined in the Special Rules. Because of this, and because the Fund is Defined Contribution in nature, I have not made any recommendations here regarding contribution rates.

OLD MUTUAL SUPERFUND PENSION FUND

We have pleasure in presenting the statutory actuarial valuation report of the Old Mutual SuperFund Pension Fund (the "Fund") as at 30 June 2014 ("the Valuation Date"). This summary is for reference purposes only, and should be read in the context of the full report.

This report has been prepared taking cognisance of the professional standards of the Actuarial Society of South Africa, the professional body governing the conduct of retirement valuers.

Financial condition

The Fund has a level of funding of 100%, and is in a sound financial position as at the Valuation Date.

The analysis of the complete member dataset has provided comfort that the Member Accounts have been maintained in line with Rules. Based on our analysis, we are satisfied that the individual member data for this period is adequate for the purposes of this report.

Membership of the Fund

	30 JUNE 2014	30 JUNE 2013
Number of Active Members	74,167	43,439
Number of Unclaimed Benefits	9,602	9,960

Contingency reserves

We recommend that the Fund hold the following contingency and investment reserves:

Expense Reserve (umbrella and sub-funds)	R3,465,886
Risk Reserve	RO
Surplus Apportionment Expense Reserve	RO
Processing Error Reserve (Unitised Investments)	R784,572
Processing Error Reserve (Non-Unitised Investments)	R6,399,741
Investment Reserve	RO

Financial position

The financial position of the Fund (after taking into account the Contingency Reserve recommendations above) is set out here. Comparative figures as at 30 June 2014 are provided.

	30 JUNE 2014 (R'000)	30 JUNE 2013 (R'000)
Market Value of Assets	20,936,310	7,130,795
Fair Value of Assets (including Cash at Bank)	20,628,793	7,305,826
Net Accruals	307,517	(175,031)
Less		
Fund Liabilities	20,925,660	7,126,188
Members' Individual Accounts	19,870,624	6,243,969
Other Fund Liabilities (See 6.3 for detail)	1,055,036	882,219
Less		
Contingency Reserves	10,650	4,607
Expense Reserve – Umbrella	2,362	0
Expense Reserve – Sub Funds	1,104	0
Risk Reserve	0	0
Surplus Apportionment Expense Reserve	0	0
Processing Error Reserve (Unitised Investments)	785	323
Processing Error Reserve (Non-Unitised Investments)	6,400	4,283
Equals		
Actuarial Surplus/(Deficit) (Investment Reserve)	0	0
Funding Level (including Reserves)	100.00%	100.00%
Funding Level (excluding Reserves)	100.05%	100.06%

Contribution rates

Contribution rates differ by Participating Employer, and are defined in the Special Rules. Because of this, and because the Fund is Defined Contribution in nature, we have not made any recommendations here regarding contribution rates.



Stephen Walker

ACTUARY



12. PROFESSIONAL SERVICE PROVIDERS

ACTUARY/VALUATOR:

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

AUDITORS:

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

BENEFIT ADMINISTRATOR:

Old Mutual Life Assurance Company (South Africa) Limited
PO Box 1014, Cape Town 8000 Mutualpark, Jan Smuts Drive, Pinelands 7405

INVESTMENT CONSULTANT:

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

INVESTMENT PROVIDERS:

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

RISK PROVIDERS:

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

14. OLD MUTUAL SUPERFUND ADMINISTRATION DETAILS

OLD MUTUAL SUPERFUND PENSION AND PROVIDENT FUND

Pension Fund Registration Number: 12/8/20237

Provident Fund Registration Number: 12/8/20246

REGISTERED OFFICE OF THE FUND

Postal address:

P O Box 167, Cape Town, 8000, South Africa

Physical address:

Mutual Park, Jan Smuts Drive, Pinelands, 7405

CONTACT DETAILS

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Email: cmestern@oldmutual.com

Website: www.oldmutual.co.za/superfund



