

OLD MUTUAL
SUPERFUND
ANNUAL REPORT

1 JULY 2015 TO 30 JUNE 2016

2016

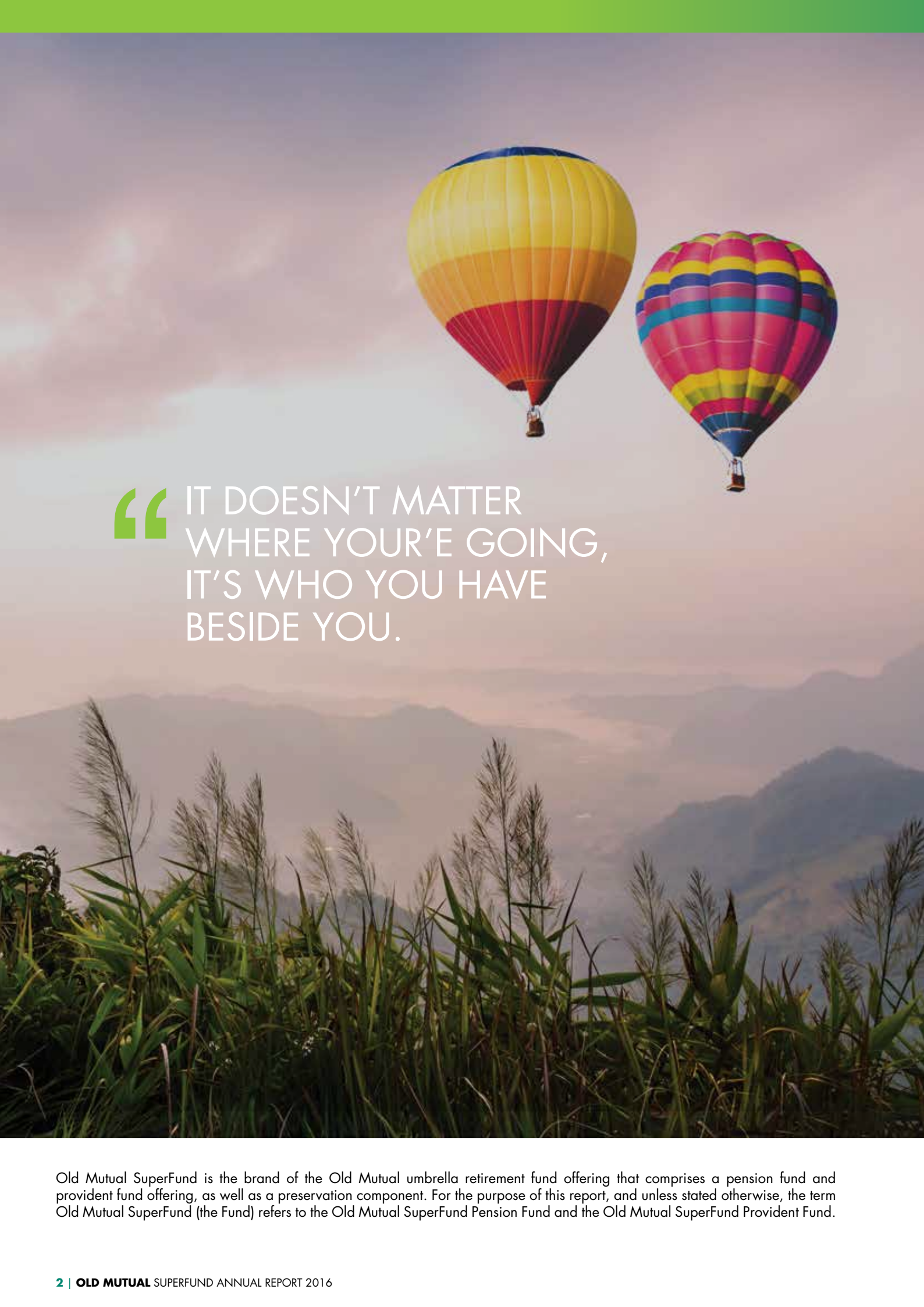
OLD MUTUAL
SUPERFUND
**PENSION &
PROVIDENT
FUNDS**



DO GREAT THINGS



OLD MUTUAL
CORPORATE



“ IT DOESN'T MATTER
WHERE YOUR'E GOING,
IT'S WHO YOU HAVE
BESIDE YOU.

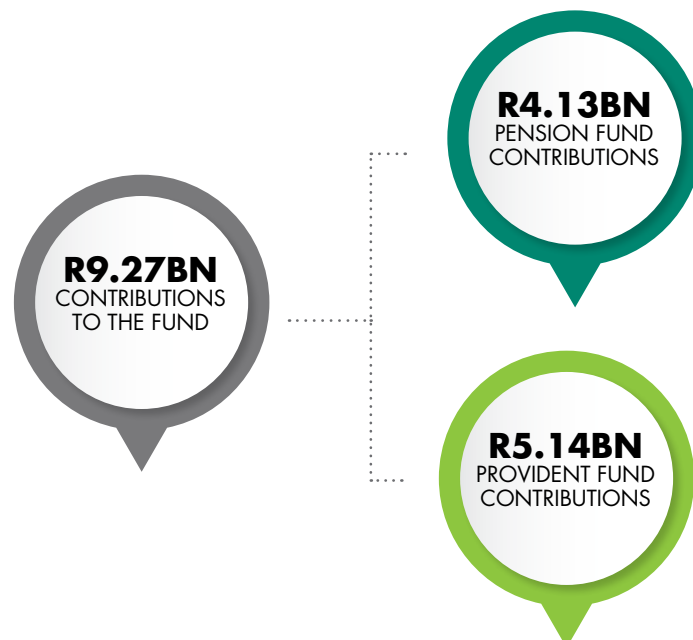
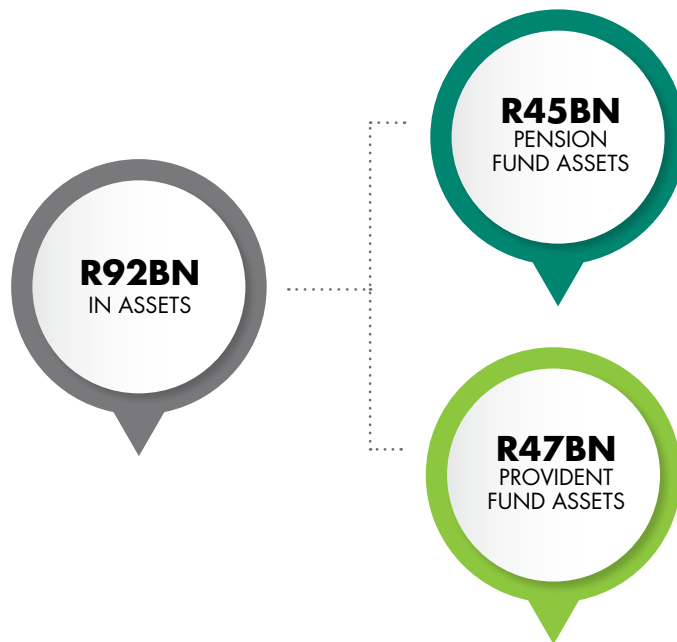
Old Mutual SuperFund is the brand of the Old Mutual umbrella retirement fund offering that comprises a pension fund and provident fund offering, as well as a preservation component. For the purpose of this report, and unless stated otherwise, the term Old Mutual SuperFund (the Fund) refers to the Old Mutual SuperFund Pension Fund and the Old Mutual SuperFund Provident Fund.

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FUND GROWTH

2015/2016



HIGHLIGHTS 2015/2016



INDUSTRY RECOGNITION AND ACCOLADES

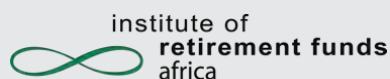


BATSETA IMBASA YEGOLIDE AWARDS 2016

Member Education Fund Challenge:
Special recognition for Old Mutual SuperFund for financial planning.

This is the second consecutive year Old Mutual Corporate was recognised for its financial education capability.

Communications and Marketing Provider of the Year
This was awarded to Old Mutual Corporate Consultants for the communication consulting provided to Old Mutual SuperFund



INSTITUTE OF RETIREMENT FUNDS AFRICA (IRFA) 2016 BEST PRACTICES INDUSTRY AWARDS

Winner: Financial reporting
This was in recognition for our financial reporting to stakeholders in the form of the Old Mutual SuperFund Annual Report and Management Board Forum

Winner: Stakeholder Communication – Specific Project
This was in recognition of the educational communication we championed within the industry and to the Old Mutual SuperFund members on the Taxation Laws Amendment Act.



01

OUR INTEGRATED **REPORT**



Bertie van Wyk
Capacity: Independent
Re-appointed: 3 July 2015



Jeremy Andrew
Capacity: Independent
Re-appointed: 3 July 2015



Pierre Pretorius
Capacity: Independent
Re-appointed: 3 July 2015



Dumo Mbethe
Capacity: Sponsor-employed
Appointed: 22 Oct 2015



Cheryl-Anne Mestern
Independent Principal Officer



Shirley Mabusela
Capacity: Independent
Re-appointed: 3 July 2015



Wahida Parker
Capacity: Independent
Re-appointed: 3 July 2015



Thandeka Zondi
Capacity: Independent
Re-appointed: 3 July 2015



Krishna Patel
Capacity: Sponsor-employed
Re-appointed: 3 July 2015



Steve Prout
Deputy Principal Officer

STATEMENT OF THE MANAGEMENT BOARD

The Management Board recognises its responsibility as articulated in the King Code of Governance Principles and the King Report on Governance (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:

- Took into account all the facts and risks that could impact the integrity of this Report;
- Reviewed the annual financial statements and PwC's Report to Management; and
- Reviewed the accounting practices and the effectiveness of the internal financial controls.

THE 2015/16 INTEGRATED ANNUAL REPORT

Old Mutual SuperFund is on a journey towards comprehensive integrated reporting, to provide our stakeholders with a holistic view of our governance, strategic development, performance and financial management. As a retirement fund which exists for the benefit of our membership, our reporting approach is somewhat different to that of a listed company. We have sought to align the content of this integrated report as far as possible with international best practice, while ensuring that the unique characteristics of Old Mutual SuperFund are reflected.

Our objective is to provide transparent, honest and informative reporting on Old Mutual SuperFund. In this report, we have set out a detailed, balanced and unbiased account of the activities, progress, challenges and achievements of the Fund during the 2015/16 financial year. We are committed to open and honest communication with all our stakeholders, and 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 2015 to 30 June 2016. It incorporates financial and operational information in order to provide a holistic view of the Fund. The report 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 and other applicable South African legislation, including the Companies Act.

Levels of Assurance

The Management Board has adopted an integrated assurance model, which includes:

Risk Management

The Board has applied the 'object and duties of a board' 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. These risks were identified using the Fund Risk Universe as developed by Old Mutual. The risks are managed by the Board's sub-committees within the framework of guidelines, policies and practices approved by the Board.

Each sub-committee identifies the risks, assesses the probability and impact on the Fund, and reviews the status of any remedial actions. High risk issues are reported and tracked in the Board Risk Log. 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. 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 an Old Mutual Compliance Officer, who focuses on the Administrator's compliance with legislation directly impacting the administration of the Fund.
- 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 Independent Principal Officer. The results are reviewed by the Governance & Risk Management Sub-Committee and reported to the Management Board.

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 2015, 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 as at 30 June 2016, which will be finalised prior to 30 June 2017 for submission to the Registrar. A statutory valuation is required once every 3 years; however, the Fund chooses to perform a statutory valuation every year.

A man in a light-colored t-shirt is running through a field of tall grass at sunrise. The sun is low on the horizon, creating a strong lens flare and illuminating the scene with a warm, golden light. The man is in profile, running towards the right side of the frame.

02

REPORTS TO **STAKEHOLDERS**



MESSAGE FROM THE CHAIRMAN

Bertie van Wyk, Chairman of the Board

After the exponential growth experienced by Old Mutual SuperFund from 2013 to 2015, the year under review has been a period of consolidation and forward-looking, to ensure continued improvement in how we work with all our stakeholders. Navigating change successfully requires a strong governance focus. We are therefore continually building on the strong platform already in place to ensure sound management of the largest private sector umbrella fund in the country.

Making partnerships real

We would not be able to achieve our objective of helping our members to achieve their desired retirement outcomes without the invaluable partnerships we enjoy with the employers, management committees and intermediaries who have placed their trust in us.

The 2016 Fund Roadshow provided a wonderful opportunity for the Management Board and Sponsor representatives to meet stakeholders across South Africa in person. Our goal is to foster a transparent and open relationship with our stakeholders. The feedback and insights flowing from this forum help ensure that we remain closely in touch with the “on-the-ground” reality of each of our partners.

Building for the future

The support we receive from these vital groups of stakeholders has served as a foundation to enable the continued development of the operations and offerings of Old Mutual SuperFund over the past year.

Continued refinements to the administration platform mean that we can be proud of industry-leading payroll administration via a straight-through authorised collection process, which means that 94% of our client payrolls require zero manual intervention and are finalized in under 3 days (compared to industry norms of up to 7 days). 2016 has seen the introduction of an automated Annual Rate and Fee Review process, and the implementation of ring-fenced member call centres for our larger clients.

We are committed to a focus on innovation. This is the only way to remain at the forefront of our fast-changing industry and to ensure that we deliver on our commitments to stakeholders. Technology is also an enabler to ensure that saving for retirement remains top-of-mind for our members.

Flourishing in an evolving retirement fund context

National Treasury have clearly articulated that the goal of retirement reforms is to improve outcomes for members. The reforms are 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.

T-Day: A wonderful opportunity to increase savings levels

1 March 2016 (T-Day) saw the implementation of the Tax Laws Amendment Act. These changes have created the opportunity for members to significantly increase their retirement savings contributions, while benefiting from tax deductibility. Members of pension, provident and retirement annuity funds now qualify for a contribution deduction of 27.5% of the greater of their taxable income or the total remuneration received from employment. The deduction is capped at R350 000 a year, but contributions not allowed as a deduction for the year can be rolled over and claimed in the following tax year.

These changes have created a wonderful opportunity for employers to enable contribution flexibility for their employees so that employees can increase their contribution rates. Further, the current provisions regarding provident funds mean that member contributions are now tax deductible, resulting in increased take-home pay for many provident fund members.

The Fund considers the ability to increase contribution rates as an extremely positive step to enable members to address the challenge of inadequate retirement provision. Employers which introduced the option for employees to increase their contribution rates report that the change has been very well received, and that some members have significantly increased their contribution rates.

We were very pleased with the recognition extended by the Institute of Retirement Fund Africa (IRFA) for the educational communication we championed within the industry and to the Old Mutual SuperFund members on the Taxation Laws Amendment Act. Old Mutual SuperFund was the winner in the IRFA 2016 awards in the Stakeholder Communication – Specific Project category for this work.

Draft Default Regulations

Both Old Mutual and the Management Board support the objectives of the draft default regulations. In particular:

1. We support a requirement that the management boards of defined contribution funds select a default investment portfolio that is suited to the profile of the membership taking account of their earnings, ages, financial sophistication and risk preferences. We have such a default at present.
2. We support making in-fund preservation the default option when a member leaves service, with the member being required to consciously elect to take his benefit in cash after receiving advice on the desirability of preservation as the primary means to secure an adequate retirement income. We have such a default in place currently called Preserver, into which former members are placed when they have not made an election as to what to do with their interest in the Fund within 120 days of the date of termination of service.
3. We support offering members a default annuity on retirement, which members can elect at a low cost and without needing financial advice. We currently offer an Old Mutual with-profit annuity called Fund Select Annuity which members can access without advice.

02 REPORTS TO STAKEHOLDERS

4. We have a counselling programme dealing with general financial matters, including planning for retirement (the Financial Wellbeing Programme) and more specific education on the options available when a member leaves the Fund (telephonic contact by Member Support Services). These are outsourced to Old Mutual. In neither of these cases are the counsellors remunerated on a commission basis. These counsellors provide members with information on their options, but they do not provide advice. If the exiting member wants advice, they are referred to a FAIS licensed financial planner.

Nonetheless, there are aspects of the detail in the draft regulations with which the Management Board is uncomfortable. We are concerned that some of these aspects may negatively impact our membership due to their impact on existing options, and we have therefore made several submissions to National Treasury in this regard. Issues that we have highlighted relate to potential impacts on our existing default investment portfolio, our education of members on their options on leaving service, and our default annuity.

An updated version of the Draft Default Regulations is expected later in 2016 or early 2017. We will continue to engage National Treasury to ensure the best possible outcome for our membership.

Appreciation

We have highlighted throughout this report that Old Mutual SuperFund exists for the benefit of our membership, and to serve our participating employers. I would like to express my gratitude to each one of our 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. Thank you also to each employer that has chosen Old Mutual SuperFund as their trusted partner, from the smallest to the largest. We are grateful for your support and confidence in us.

We would like to extend a huge thank you to our intermediaries, whose commitment is the enabler in our relationships with employers and members, and who provide the fuel to the Fund's growth. We are grateful to our Regulator, the Financial Services Board, whose door is always open for discussion, and who are always willing to assist in resolving issues pertaining to the Fund.

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.

Finally, I would like to personally express my heartfelt appreciation to a number of people for their exceptional contributions to the success of Old Mutual SuperFund over the past year. I am so grateful for the support and dedication of our Principal Officer and each of my fellow board members, who share my passion to govern Old Mutual SuperFund with excellence. Thank you to each one for your efforts in the year which is past, and for your commitment to Old Mutual SuperFund's exciting future.

Bertie van Wyk,
Chairman of the Board



MESSAGE FROM THE PRINCIPAL OFFICER

Cheryl Mestern, Independent Principal Officer: Old Mutual SuperFund

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. The values of integrity, responsibility, fairness and accountability are the cornerstone on which the Fund conducts its affairs.

The Management Board and my Office embarked on a process to align the Fund's governance structures with those proposed in PF Circular 130 and King III and will ultimately do the same with King IV now that it is published. We have always supported the premise that the King codes apply to all entities and 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. King IV and the sector supplements will guide our conduct as we continue to strive for ethical and effective leadership and governance excellence.

We believe that it is about doing the right thing, for the right reasons.

02 REPORTS TO STAKEHOLDERS

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:

- Sustainable long-term performance of Old Mutual SuperFund's assets, taking into account environmental, social and governance factors.
- Ethical and efficient management and control of the Fund.
- Smooth, transparent and efficient delivery of benefits to members and their dependants.
- Building and maintaining the trust and confidence of the members and other stakeholders.

The positive response of the market to this commitment and significant growth of Old Mutual SuperFund over the past two years are evidence that our strong governance proposition is recognised by our stakeholders.

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 made and the positive feedback received for our efforts across all of them bears highlighting.

Management of the Board

The Board has 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.

Management of the operations of the Fund

This year we embarked on a review of our beneficiary fund provider. We do this every three years to ensure that the choice of beneficiary fund provider remains appropriate and that the service to our beneficiaries is of a very high standard. With the assistance of a third party consultant, we benchmarked the services of a large number of beneficiary funds in the market, including our existing providers at the time, against criteria set by the Board. In selecting a beneficiary fund, of great importance is the ability of the beneficiary fund to engage with and service dependants in the communities in which they live, in the language of their preference. The appropriateness of the investment strategy, value for money and governance excellence also rank highly. After presentations from the short-listed funds, the

Board agreed that future death benefits allocated to minor dependants, where appropriate, would be paid to the Fairheads Beneficiary Fund for administration.

Stakeholder Relations

We recognise that understanding the legitimate interests and expectations of our stakeholders, is fundamental to our success in this area. It is critical that we engage with our members in a positive and responsible manner. There has been a focus on obtaining key stakeholder data to enable us to deliver the desired customer experience, provide accurate information that is customised to members, and provide appropriate education. This project is well underway. Lack of contact details of our members and their next of kin and barriers to obtaining this information remain challenges. This area is enjoying renewed focus from the Financial Services Board in their recently published circular, and we hope that this will encourage stakeholders to provide SuperFund with the information and keep it up to date.

Risk Management and Compliance

Risk Management and compliance are key to our governance commitment and central to the mandates given by the Board to the Sub-Committees. Our Sub-Committees are structured around our key risk areas. Risk management and compliance spans all of our operations and the activities of the Board and the Fund. This year we revisited all of our risks but, this time, with a focus on our outsourcing arrangements to ensure that we appropriately contract with our third party providers to manage the risks associated with these arrangements.

My office conducts an annual audit of compliance to legislation. This year we expanded our approach to include the broader legislative and governance environment. I am delighted to confirm that there were no areas of non-compliance identified. We also take account of our auditor's report in the management of risk areas requiring intervention and the implementation of mitigating strategies. As in past years, there were no high risk areas noted, and Sub-Funds referenced in the report are alerted to any issues raised.

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, 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 demonstrates this accountability through the publication of the Annual Integrated Report and countrywide roadshow at

We demonstrate this accountability through the publication of the Annual Integrated Report and countrywide roadshow at which the Chairman, Principal Officer and Board Members engage with stakeholders

which the Chairman, Principal Officer and Board Members engage with stakeholders. These interactions afford us the opportunity to account to stakeholders and get first-hand feedback on their perceptions of the Fund as a whole. The annual roadshow has been very well received with very positive feedback that has enabled us to further improve our service commitment to our stakeholders.

Recognised by our industry

Our 2015 Annual Integrated Report and Roadshow were acknowledged by the IRFA in the year under review, when Old Mutual SuperFund garnered the 2016 Best Practice Award for Financial Reporting in Umbrella Funds.

Collaboration with other funds

The Principal Officers of the large commercial umbrella funds have been collaborating in an attempt to improve the standards of governance in the industry, streamline processes, improve service levels and lobby government on key issues facing the industry. We have had a number of successful meetings, the highlights being with the Financial Services Board on the governance model for umbrella funds and with National Treasury on the Draft Default Regulations.

Thank you

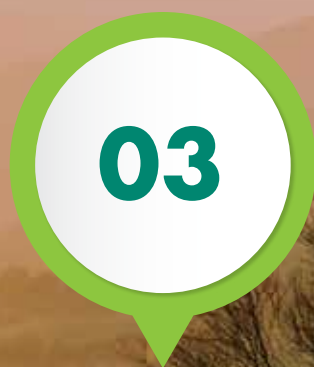
During 2016 we have welcomed Steve Prout to my office as Deputy Principal Officer and said goodbye to Jonathan Van Oordt, who has left to pursue his own interests. Jonathan provided my office and the Board with invaluable support over the past 8 years, and prior to that he skilfully served the Orion Funds. We wish him every success in his new venture.

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

Finally, a big word of thanks to our colleagues at the Financial Services Board for the open and constructive manner in which they engage with my office 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



SUPERFUND **PROFILE**

WHAT IS OLD MUTUAL SUPERFUND?

Old Mutual SuperFund is an umbrella retirement fund offering that comprises a pension fund and provident fund offering, as well as preservation components. It is the largest private sector umbrella fund in South Africa with **383 769** members, **4 976** participating employers and **R92 billion** in assets as at end-June 2016.

It is a fund aimed foremost at meeting the needs of the members and their dependants

The umbrella fund arrangement consists of the Fund, the Sponsor (Old Mutual), the participating employers and, most importantly, the members.

Old Mutual, as an extension of its desire to enrich the lives of all South Africans and help them prepare better for retirement, acts as the Sponsor of the Fund on the basis that it is a fund aimed foremost at meeting the needs of the members and their dependants. The Management Board of Old Mutual SuperFund is responsible to direct, control and oversee the operations of the Fund, and their primary focus is to ensure that the interests of members are protected.

The primary focus of the Management Board is to ensure that the interests of members are protected

As an umbrella fund, Old Mutual SuperFund allows many employers to participate in a retirement fund arrangement through ring-fenced Sub-Funds, under the overall control of a single Management Board. This enables employers and members to share in the benefits of a well-established and proven Fund. 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. 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.

Our benefit offering

Old Mutual SuperFund understands that every employer has unique employee benefits needs. The Fund offers three flexible and customisable pension and provident fund options, namely Old Mutual SuperFund Customised, Old Mutual SuperFund Choice and Old Mutual SuperFund Easy. This allows participating employers to choose or tailor the best retirement solution and risk cover options for their own group, or groups, of employees. Members leaving or retiring from their employers can also keep their retirement savings invested in the Preserver and Deferred Retirement facilities.

Old Mutual SuperFund Customised

Old Mutual SuperFund Customised is specifically designed for large organisations and corporates. It offers fully customisable solutions for the employer who wants complete hands-on involvement in formulating the retirement and risk benefits for its staff.

Participating employers are required to establish a management committee which works with an accredited investment consultant to structure the investment offering most appropriate for the employees.

Employers can opt for the ease and cost-effectiveness of the integrated risk benefits offered by Old Mutual, or a more fully customised risk benefit solution.

Old Mutual SuperFund Choice

Old Mutual SuperFund Choice is designed for medium to large organisations. It is a flexible employee benefits solution that offers wide choice within a broad, standardised framework, while keeping costs low. It offers increasing and varied levels of investment and risk benefit flexibility to employers and employees. Employers with 100 or more permanent employees also have the option of customising their risk benefit offering.

SuperFund Choice enables the employer to decide if its employees need to have the option of making individual investment choices, or if it would prefer to offer only the Trustee Choice portfolio. If an employer does elect to offer choice, the following options are available:

- Lifestage investment package: a selection of smoothed and market-linked lifestage investment options within which employees are automatically switched
- Strategy investment package: a selection of Old Mutual and Nedgroup investment portfolios that can be combined to suit the individual investment strategy of each member
- Extended investment package: a wide selection of single and multi-managed investment portfolios offered by a variety of investment managers

03 SUPERFUND PROFILE

Old Mutual SuperFund Easy

Old Mutual SuperFund Easy is a convenient and affordable employee benefits solution with pre-selected, packaged benefits, designed for small to medium companies. It provides carefully selected retirement, death, disability and dread disease benefits, as well as funeral cover and many value added benefits and services. Employers are able to select their retirement fund contribution levels above a specified minimum. Risk benefits are fixed and pre-priced.

Old Mutual SuperFund Preserver and Deferred Retirement

Preserver

The Preserver facility enables members to protect their retirement savings if they change jobs or leave their employer, by allowing members to keep their retirement fund savings in the Old Mutual SuperFund. Members enjoy investment choice and good service at a competitive rate, with a seamless transfer into the Preserver facility.

Deferred Retirement

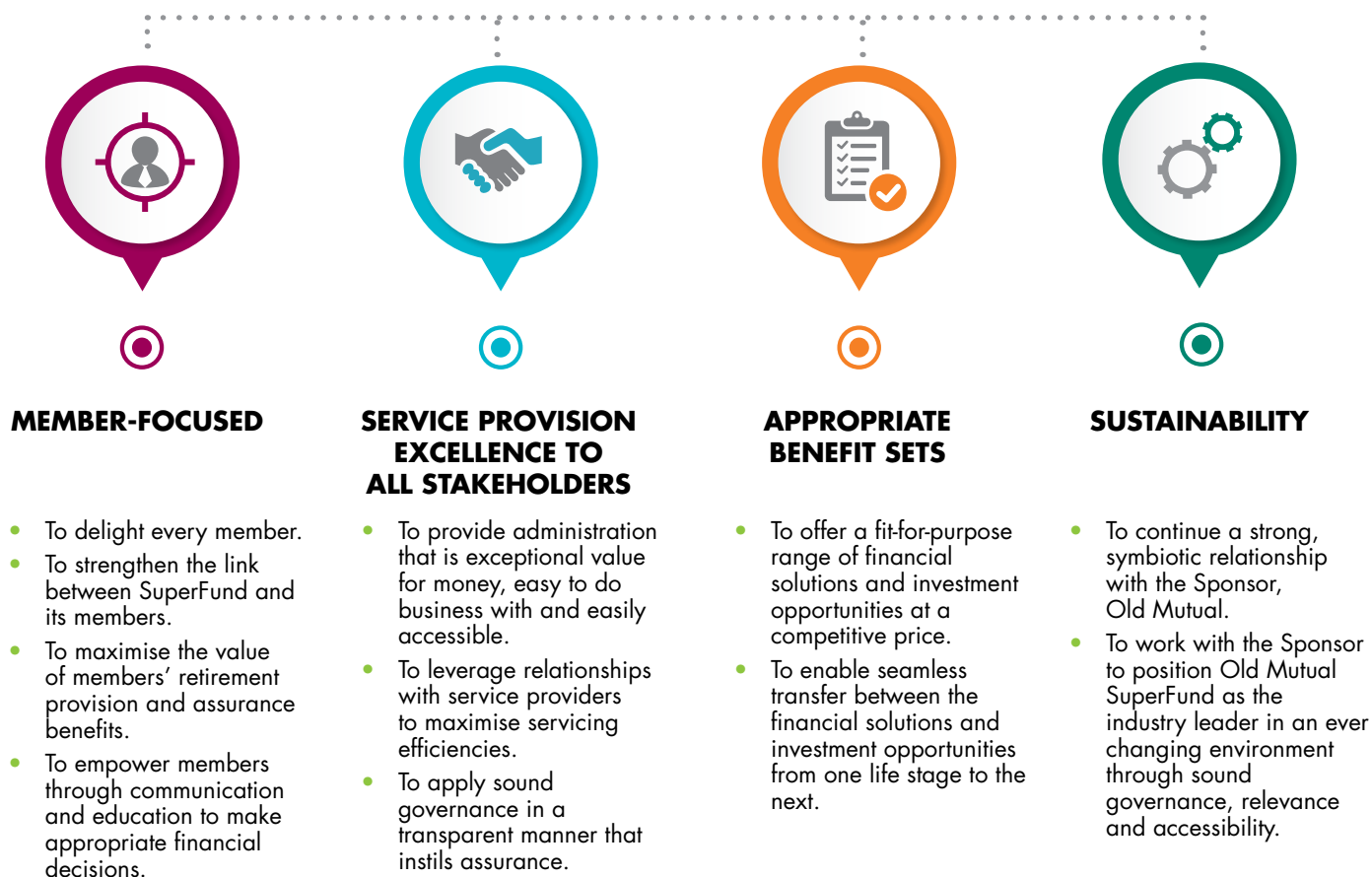
This facility enables retiring members to continue their Old Mutual SuperFund membership even though they have retired from their employer. This gives great flexibility to individuals who continue to work after retirement, or who have other sources of income and don't need their retirement benefit yet.



OUR VISION AND STRATEGY



KEY COMPONENTS



OUR **STAKEHOLDERS**

Members

Old Mutual SuperFund is very cognisant of the critical role played by numerous stakeholders. As Old Mutual SuperFund exists for the benefit of its members, the Management Board's energies are directed to working with other stakeholders to continuously improve member outcomes.

Old Mutual SuperFund exists
for the benefit of its members

Old Mutual SuperFund's membership is extremely diverse, representing a cross-section of South Africans spanning all industries, locations, work environments, ages, languages, cultures, income levels and financial education levels.

Within the challenging South African economic context saving for retirement may be a lower priority for many members, who are focused on their immediate circumstances and find it difficult to plan for their financial future. As a result, contribution rates are low, the vast majority of exiting members elect not to preserve their savings, and inadequate retirement provision is a key challenge. Further, there is a relatively low level of understanding of benefits offered under Old Mutual SuperFund, and a lack of understanding of the relationship between risk and reward.

As such, there is a key need for understandable communication which is easily accessible by members, and which enables members to make the most of their retirement fund outcomes. Old Mutual SuperFund is continuously working to address these member needs and challenges by prioritising approaches to improve retirement provision, simplifying administration processes and continuously working to improve communication.

Participating Employers and Management Committees

Although Old Mutual SuperFund unashamedly recognises members as the most important stakeholder, it is clear that as an umbrella fund, Old Mutual SuperFund also exists to serve its participating employers. There is extreme diversity in the nature of participating employers. Old Mutual SuperFund caters across the spectrum for extremely small to very large participating employers, each one with its own needs and

characteristics. The smallest employer has just a few employees, while the two largest employers each account for more than 18 000 members.

It is critical for Old Mutual SuperFund to offer an appropriate range of benefit options so that participating employers can meet their benefit promises to employees. Further, participating employers need the Fund to make it easy to do business, by providing simple administration, easy ways to submit data and payments, and straightforward communication to their employees.

Participating employers and their management committees (where applicable) play a critical role in enabling the Fund to meet the needs of members. This includes providing accurate data, timeous payment of contributions, enabling clear communication to members, and assisting the Management Board in the event of the passing of a member.

Intermediaries

Intermediaries work with Old Mutual SuperFund to form a critical partnership, without which it would not be possible to provide quality servicing to members and participating employers. The Fund is committed to strengthening this relationship and making it more straightforward for intermediaries to do business with it, and to improving two-way communication with intermediaries. This focus has seen various enhancements rolled out to intermediaries in 2015 and 2016, including real-time quotation facilities, dedicated service support teams, comprehensive sales tools, and ongoing product training across the country.



DOING THE RIGHT THINGS FOR THE RIGHT REASONS

- Our 2016 Management Board Forum enabled us to meet participating employers, intermediaries and other stakeholders face to face in Cape Town, Durban, Port Elizabeth and Johannesburg. Such interactions are invaluable in helping us to better understand the needs of our clients and the challenges they face.
- We are focused on empowering management committees to act as vital connections between the Fund and the members, to improve member communication and enable better death claim allocations.

Other Stakeholders

Old Mutual as Sponsor

The Management Board has entered into a comprehensive Governance Agreement with Old Mutual as the Sponsor of the Fund. This Governance Agreement creates clarity regarding the roles and responsibilities of each party. It recognises the independence of the Management Board of the Fund so as to enable good governance focused on the best interests of members.

Old Mutual as Administrator

The Fund's contractual relationship with Old Mutual as the Administrator of the Fund is separate from the Governance Agreement. By clearly defining roles and responsibilities, this administration agreement ensures appropriate accountability and service standards from the Administrator.

Registrar of Pension Funds

The Registrar of Pension Funds oversees the regulation of the retirement funding industry, focused on the good governance and financial soundness of funds. Old Mutual SuperFund has developed clear lines of communication with the Registrar, and the Registrar has acknowledged the high level of compliance and respect for regulation demonstrated in the governance of Old Mutual SuperFund.

OUR COMMITMENT TO TREATING CUSTOMERS FAIRLY

Old Mutual SuperFund is committed to putting customers at the heart of everything we do, and we fully support the spirit and intentions of the Treat Customers Fairly (TCF) initiative. The principles underpinning TCF have been at the core of its service ethos since it was first established.

Old Mutual has implemented a rigorous governance process via a Committee of Customer Affairs Board, who are responsible for interrogating TCF deliveries and operate as the steering committee for TCF improvement initiatives. There is regular reporting to executive management on the status of tasks in the annual Corporate TCF implementation plan and the ongoing business alignment to all six TCF outcomes.

An annual self-assessment review is conducted across the business and is independently audited by the Risk and Group Internal Audit Team. The Principal Officer represents SuperFund in the self-assessment process. Feedback is reported and reviewed by executive management, and the relevant actions are incorporated into the annual TCF Implementation Plan and on the Management Board agenda.

Executive management are also responsible for driving TCF-thinking into the day-to-day operational decision-making. TCF elements have been included in performance management scorecards, so that all TCF outcome owners and operational managers are held accountable.



CULTURE AND GOVERNANCE

Old Mutual SuperFund strives to give our members (and clients) confidence that the fair treatment of members is a core priority, and that serving the member is the Fund's main reason for being.

The Management Board seeks to lead by example in its member focus, so that there is complete member focus across every aspect of Old Mutual SuperFund's design, administration, governance, operation, and in every form of contact it has with members.



PRODUCT AND SERVICE DESIGN

The Management Board's independent yet collaborative relationship with Old Mutual enables the Board to ensure that the products and services marketed and sold within the framework of Old Mutual SuperFund are proven to meet the needs of identified customer groups (i.e. the members and various stakeholders referred to in this report).

Old Mutual SuperFund is designed to deliver the outcomes required by its members via simple, affordable and flexible solutions that offer members and participating employers the appropriate levels of choice.



DISCLOSURE/ INFORMATION

The Fund has a comprehensive communications strategy that provides clear information to prospective and existing participating employers and members before, during and after the time of contracting with the Fund. Old Mutual SuperFund's communications and education strategy is being continuously improved 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.



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.



PERFORMANCE AND SERVICE DELIVERY

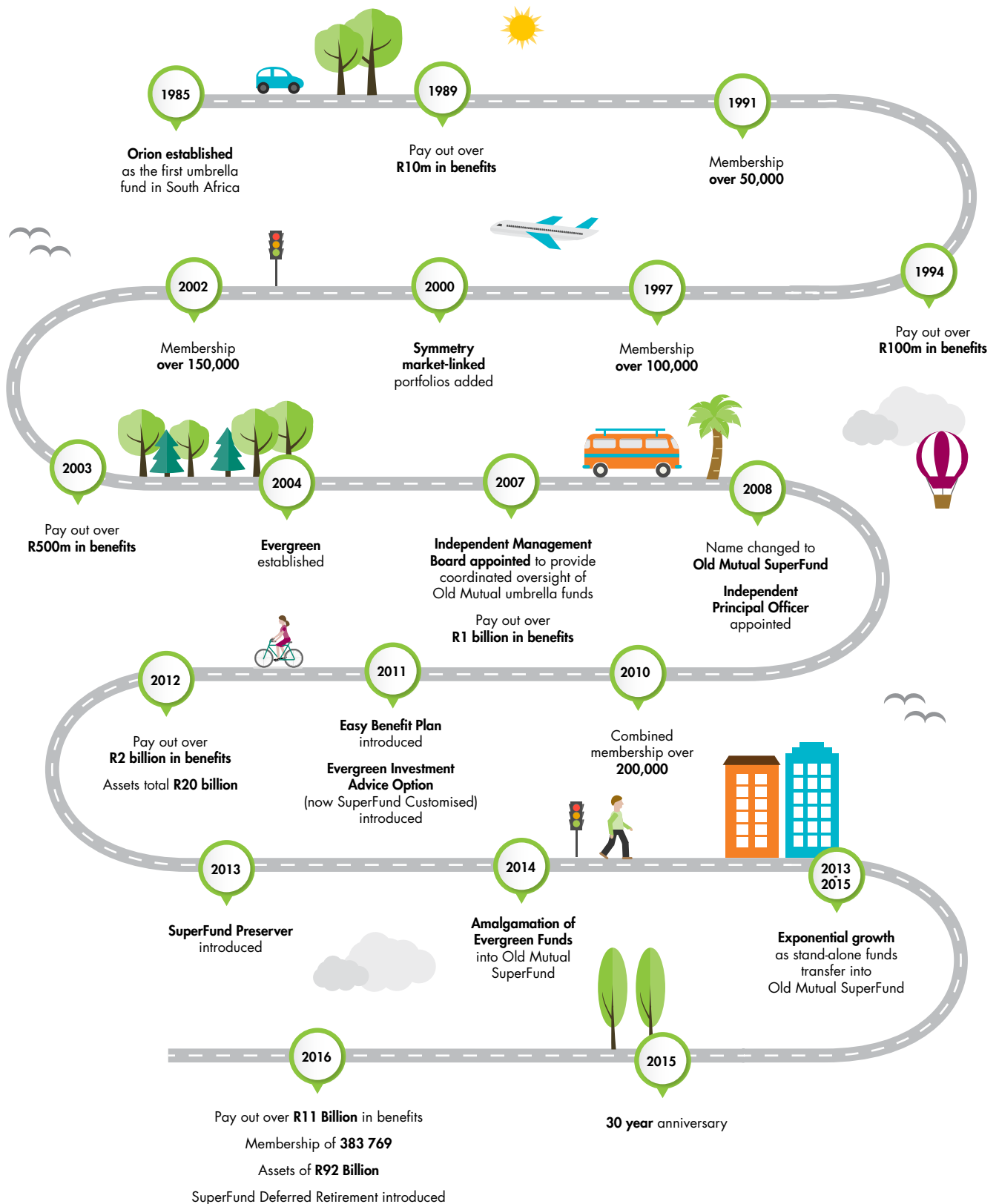
Over a period of 30 years Old Mutual SuperFund has proved its ability to deliver retirement and risk benefit solutions that meet and, in most cases, exceed the expectations of employers and members alike. This is complemented by a service ethos that prioritises delighting members and partnering with them to achieve their retirement objectives with as little frustration as possible.



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 portfolio or provider, submit a claim or make a complaint. The Fund continuously strives to improve after sales treatment of participating employers and members through the application of learnings gleaned via complaints, feedback, suggestions or constructive criticism.

A SNAPSHOT OF THE SUPERFUND JOURNEY



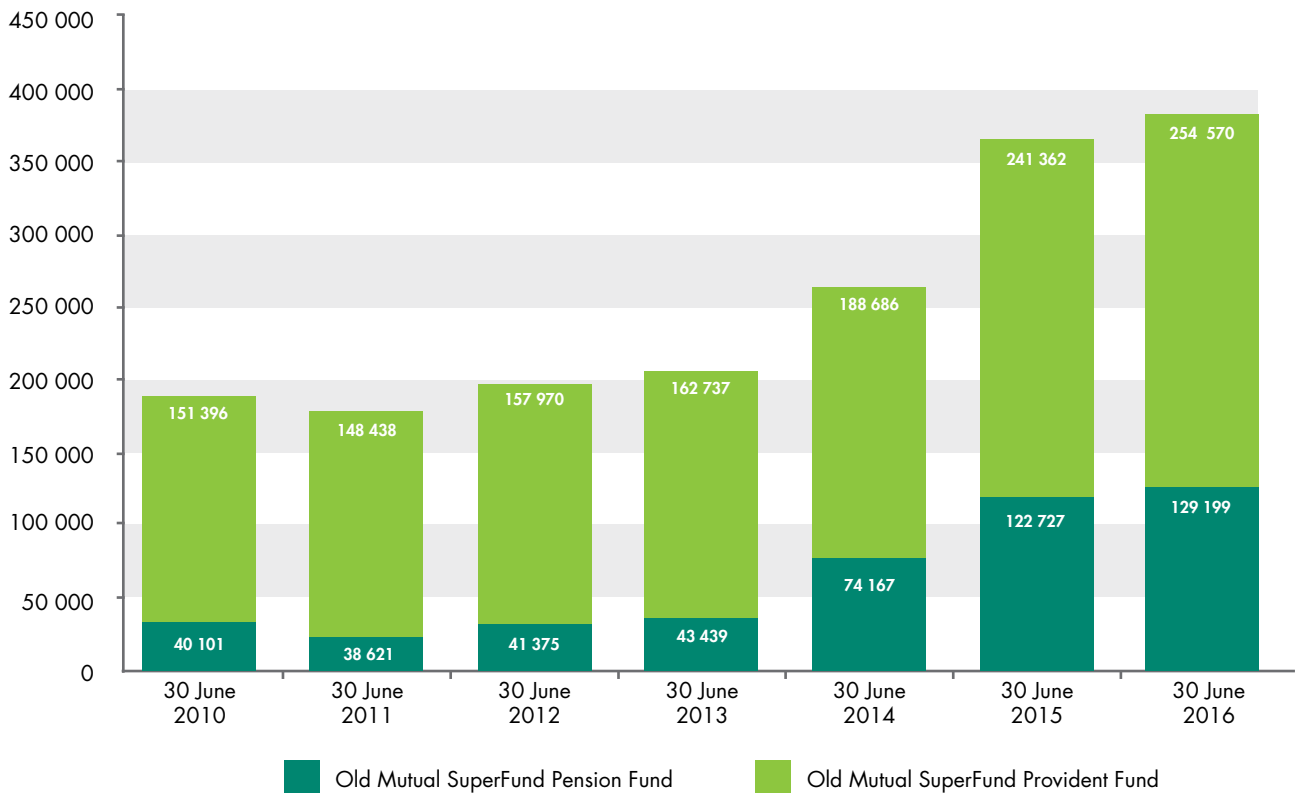


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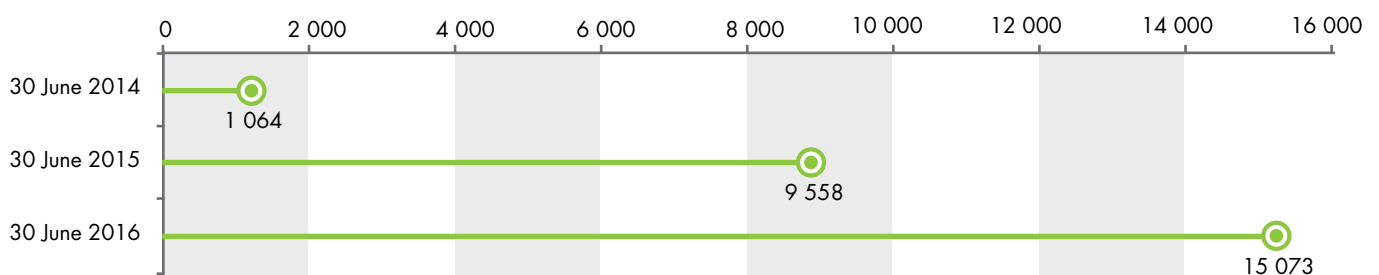
THE YEAR IN REVIEW

PERFORMANCE METRICS

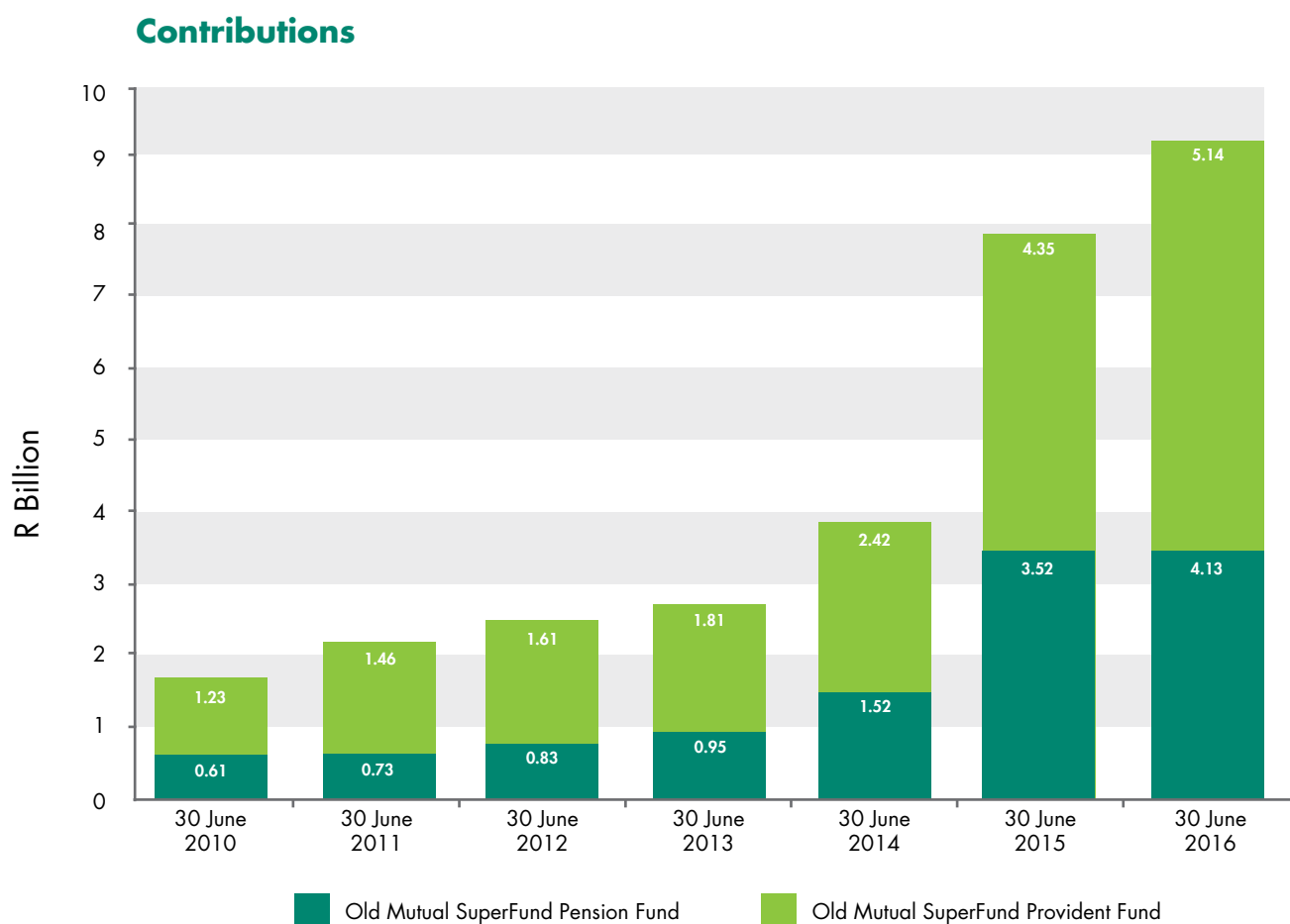
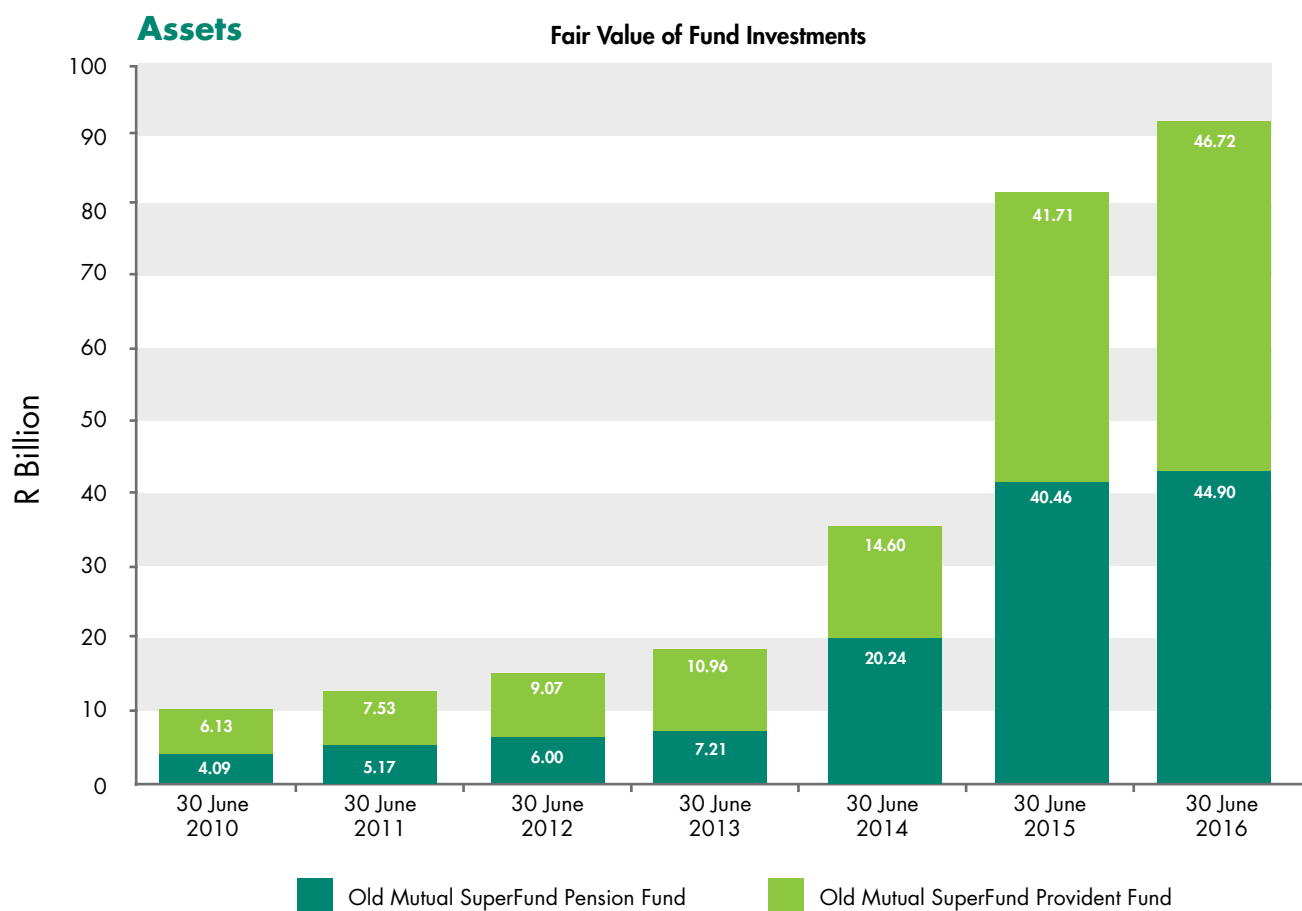
Total Active Members



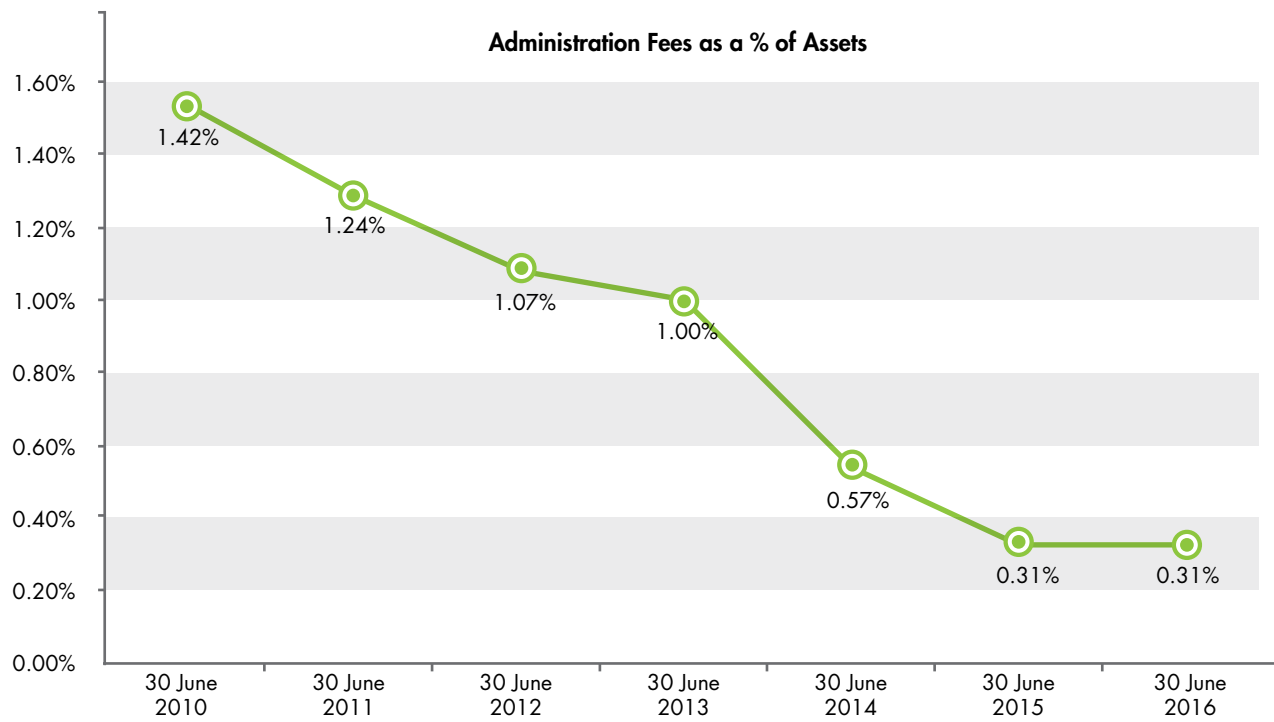
SuperFund Preserver Membership



04 THE YEAR IN REVIEW



Administration Fees



ANNUAL REVIEW OF INVESTMENTS

Overview

Old Mutual SuperFund offers varying levels of investment choice to participating employers and to members. The Management Board must ensure that the available investment portfolios within each investment option and investment package are appropriate for the investment needs of the membership. Further, the Management Board must ensure that the overall investment strategy (as set out in the Investment Policy Statement) is suitable for the Fund and the membership.

The Management Board's investment consultant conducts a detailed annual performance review of all investment portfolios available to members

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 Management Board's investment consultant conducts a detailed annual performance review of all investment portfolios available to members, considering a range of factors including:

- Historic risk-adjusted investment performance against benchmarks and peers over a range of time periods;
- Qualitative characteristics of the investment managers;
- Broad Based Black Economic Empowerment qualitative analysis;
- Responsible investing;
- Regulation 28;
- Investment management fees; and
- General compliance with the requirements of the Fund's Investment Policy Statement.

The Management Board also assesses the appropriateness and compliance of the investment strategy, investment consultants, investment portfolios and investment-related communication for members participating in the Customised option. The goal of the Management Board is to work with the management committees to ensure appropriate oversight of investment-related matters.

Based on these analyses, the Management Board takes action where required, to revise strategy, cull or add portfolios, engage with investment managers and work with management committees.

Findings from reviews conducted in 2015/2016

Old Mutual SuperFund Customised

The 2016 analysis of the offerings available to members in the Old Mutual SuperFund Customised option was conducted by the Management Board's investment consultants. This analysis enables the Management Board to assess the appropriateness and compliance of these offerings. Where appropriate, the Management Board engages with the management committees of Sub-Funds to ensure that the strategies and underlying portfolios remain suitable for the membership.

Old Mutual SuperFund Choice and Old Mutual SuperFund Easy

The annual investment review was conducted as at 31 December 2015 by the Management Board's investment consultants. They concluded that the performance of the portfolios offered to members under the Old Mutual SuperFund Choice and Old Mutual SuperFund Easy options was reasonable over the review period. They further reported that Old Mutual SuperFund continues to deliver quality investment portfolios to members, and the investment portfolios available to members remain extremely competitive in the market.

The investment portfolios available to members remain extremely competitive in the market

On guidance from the investment consultants, the Management Board has elected to replace all domestic-only balanced investment portfolios with the corresponding "global" investment portfolios as members are best served in the long run by investing in portfolios that include foreign investment. The "global" investment portfolios include exposure to international investment markets, subject to the requirements of Regulation 28.

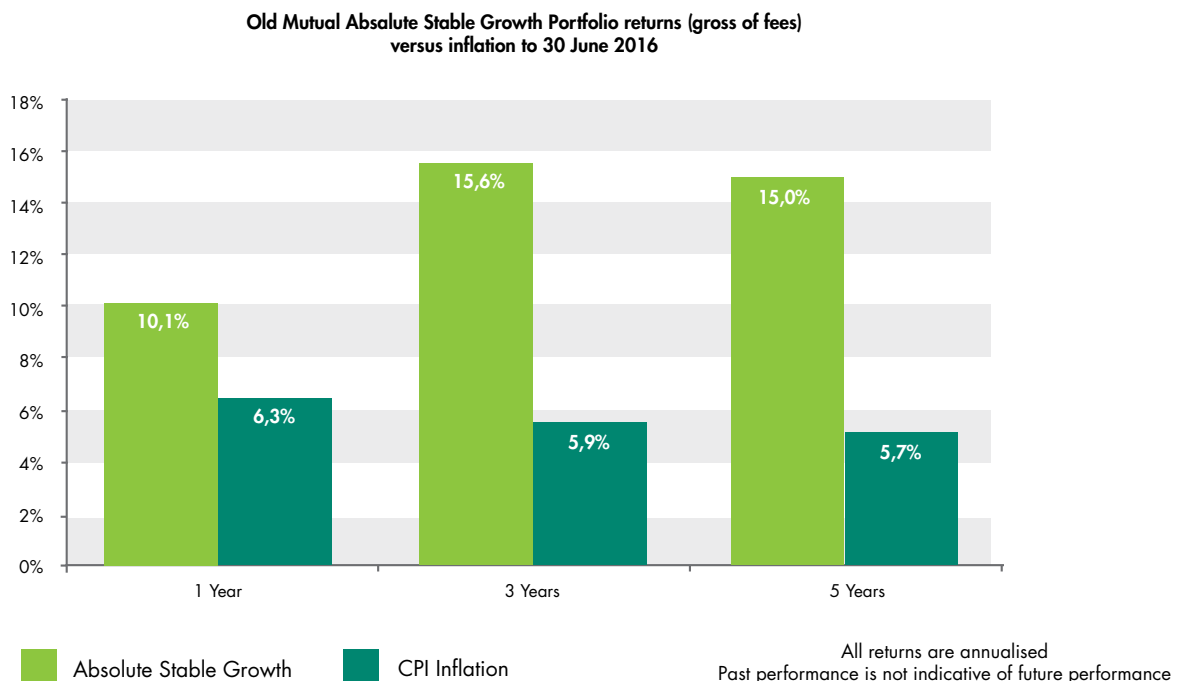
Participating employers are now able to select either the standard Trustee Choice portfolio as the default on offer to members, or one of the Lifestage investment options. This flexibility has proved popular, with many participating employers selecting the smoothed lifestage investment option as the default for their membership.

Default Investment Portfolio

The Management Board is responsible to select a default investment portfolio which is utilised where members do not make any investment election, or where an employer has elected not to offer investment choice to their employees. The Old Mutual SuperFund default portfolio must be able to meet the needs of the Fund's diverse membership, providing appropriate investment returns to enable members to achieve their retirement goals while managing investment volatility within reasonable bounds and seeking to meet participating employer expectations. The Management Board favours investment smoothing as the most effective way to satisfy these needs in one portfolio, because it enables long-term investment returns comparable to those of a balanced market-linked fund with the advantage of extremely low volatility.

Smoothing enables long-term investment returns comparable to those of a balanced market-linked fund with the advantage of extremely low volatility

The Management Board has selected the Old Mutual Absolute Stable Growth Portfolio as its default. This smoothed bonus investment portfolio has a high weighting towards growth assets, giving it scope to provide the requisite growth in excess of inflation, with a target of CPI + 5.5% over the long term. However, the smoothing component ensures that volatility is low, thereby protecting members against fluctuations in investment markets.



The Management Board continuously monitors the default for suitability and competitiveness, given that it accounts for **36%** of the Fund's total assets and **70%** of assets in the SuperFund Choice option.

The Absolute Stable Growth Portfolio has delivered very competitive declared returns

In their latest annual investment review, the Fund's investment consultants confirmed that the Absolute Stable Growth Portfolio has delivered very competitive declared returns, both within the context of their peer-group and within the context of the SuperFund Choice range of investment funds. The product has delivered on its goals of providing long-term inflation-beating returns with consistent downside protection.



DOING THE RIGHT THINGS FOR THE RIGHT REASONS

- Our extremely detailed annual investment reviews focus on both quantitative and qualitative aspects, to ensure that members have access to optimal investment portfolios and that the default investment portfolio is appropriate for our diverse membership.
- We place significant emphasis on Responsible Investing and B-BBEE to encourage sustainability and transformation, and to improve the lives of South Africans.

OUR COMMITMENT TO RESPONSIBLE INVESTING

The critical impact that responsible investing can have on environmental, societal and governance-related matters has been a key focus for the Investment Sub-Committee during the year under review.

Responsible investment means considering material environmental, social and governance (ESG) issues when making investment decisions. It also means being responsible stewards of customers' money by actively engaging with companies around ESG issues and voting on company resolutions (proxy voting). This helps to ensure that companies have sound governance practices, good labour practices and manage their impact on the environment and local communities.

Responsible investment means considering material environmental, social and governance issues when making investment decisions



The Fund itself is not able to directly implement a responsible investing approach, because it does not directly own investments (with the exception of a very small proportion of its assets). This is because investment is made through pooled portfolios, which are constituted as collective investment schemes or policies of insurance.

Although the Fund is therefore limited in its ability to actively apply the requirements of Regulation 28 and CRISA, it requires that the investment providers who manage the Fund's investment portfolios must comply with these requirements. An Environmental, Social and Governance (ESG) due diligence of all investment portfolios 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.

Responsible Investing in the default portfolio

The Absolute Growth Portfolio range accounts for **57%** of the Fund's total assets and therefore the Management Board monitors the responsible investing focus of this range of investment portfolios very closely.

One of the reasons that the default investment portfolio was selected from the Absolute Growth Portfolio range is the strong emphasis placed on Responsible Investing. This emphasis is implemented by Old Mutual by monitoring the extent to which asset managers invest responsibly and by directly investing in the building blocks of a sustainable economy, such as housing, education and renewable energy. Old Mutual has incorporated Responsible Investing requirements into the investment mandate with the Old Mutual Investment Group (OMIG). OMIG gives effect to its Responsible Investing commitments through a dedicated team, the Sustainability Research and Engagement Unit, which engages with the boutiques within OMIG, as well as executive committees throughout the Old Mutual Group.

Old Mutual's RI Policy and other RI documents are available publicly on Old Mutual's website by following the Responsible Investment link and browsing the Responsible Investment pages for Old Mutual and OMIG.

Some of the highlights of how Responsible Investing was put into practice by the Absolute Growth Portfolios during the year ended 30 June 2016 include the following:

- In respect of local listed equities, regular portfolio-wide assessments of ESG risks are conducted, and 100% of proxy votes were cast during the year under review. Numerous engagements were held with investee companies resulting in, amongst other things, changes to company remuneration policies to align better with shareholder interests, improvements to governance practices, and better disclosure on environmental impacts such as carbon footprint.

04 THE YEAR IN REVIEW

- Investments in bonds include exposure to assets with an infrastructure and developmental theme. These investments offer commercially acceptable returns while, at the same time, having a positive impact on society, the environment and the economy.
- The property portfolio is managed by Old Mutual Property, which is a Platinum Founding Member of the Green Building Council of South Africa.
- Some of the most tangible components of Responsible Investing can be seen in the alternative assets held by the Absolute Growth Portfolios. This includes infrastructure investments in renewable energy; development finance including low-income housing, schools and finance for micro-enterprises; and allocations to natural resources such as agriculture investments in leased farmland to unlock value.



CASE STUDY: RENEWABLE ENERGY

The Absolute Growth Portfolios invest in the IDEAS Managed Fund, which is South Africa's largest domestic infrastructure equity fund investing in economic infrastructure, social infrastructure and renewable energy. The figures below apply to the total IDEAS Management Fund, not just components applicable to the Absolute Growth Portfolio or Old Mutual SuperFund's investments.

- Renewable energy allocations include 19 investments in energy projects across SA including wind farms, solar, hydro, landfill and biomass plants amounting to R3.3bn.
- The clean power generation capacity of projects is approximately 1204 MW.
- 15 projects have already been connected to the power-grid that can collectively power approximately 700 000 households per annum.
- Together, they have an implied carbon offset of approximately 1.7 million tonnes p.a. and implied water saving of approximately 3.2 billion litres p.a.
- These projects have resulted in approximately 3 600 jobs being created for South African citizens.

OUR COMMITMENT TO BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The Investment Sub-Committee of the Old Mutual SuperFund has placed particular focus on Broad-based Black Economic Empowerment, as well as Responsible Investing, during 2016.

The Management Board is very cognisant of the principles set out in Regulation 28 regarding Broad-based Black Economic Empowerment (B-BBEE). These principles require that when contracting services, the Management Board should consider the need to promote B-BBEE of those providing services.

The Fund takes into account principles of B-BBEE when outsourcing services to service providers. In situations where services are outsourced from parties that do not satisfy B-BBEE principles, the Fund will engage with the service provider in question to reach a satisfactory outcome, taking into account the contractual relationship between the Fund and the service provider. The weighting given to B-BBEE scores in evaluating service providers was significantly increased in 2016, to ensure appropriate outcomes.

The annual investment review included an extensive analysis of the commitment to B-BBEE of asset managers with investment portfolios offered by Old Mutual SuperFund

At the request of the Management Board, the annual investment review as at 31 December 2015 included an extensive analysis of the commitment to B-BBEE of asset managers with investment portfolios offered by the Fund. This analysis has enabled the Management Board to take action by engaging with service providers who do not satisfy B-BBEE principles. In such cases, asset managers would be required to present their B-BBEE transformation plans to the Management Board, and within a given period they are required to demonstrate their implementation of such plans.

ENHANCEMENTS TO THE STAKEHOLDER EXPERIENCE

- Our member communication has taken a step up with the introduction of regular educational Member Newsflashes in five of South Africa's most broadly spoken languages, Zulu, Xhosa, Sesotho, Afrikaans and English. These Member Newsflashes are focused on educating members about making good financial choices. Where appropriate, other important communications are also made available in multiple languages.

Regular educational Member Newsflashes in Zulu, Xhosa, Sesotho, Afrikaans and English have been introduced

- Almost 2 000 Orion clients were upgraded into the applicable SuperFund offerings that enable a multitude of benefit and service enhancements, including a vastly more sophisticated product, investment and online capability for members, employers and intermediaries. The upgrade process was completed in quarterly tranches with focused support given to employers and intermediaries.
- Member Benefit Statements were sent by 30 October 2016, and all benefit statements are available on the Member Web.
- To overcome member frustrations relating to registration for the Member Web, a fast-track registration capability has been built, resulting in over 10 772 new self-service registrations over a period of only 3 months.
- Multiple enhancements have been made to the Member Web, Client Web and Intermediary Web interfaces, as well as to the Old Mutual App.
 - The "Trevor and Thandi" online help tool has been deployed across Member, Client and Intermediary websites. This is a fully interactive training tool for the Old Mutual Corporate Self-Service platforms.
 - Intermediaries have access to a new online dashboard that reflects the administrative health of their SuperFund participating employers. This is available to them from the existing intermediary website or via a new mobile servicing channel on their tablets and smartphones. There is a focus on digitally providing payroll, claim reports (including claim payment letters and tax certificates), Member Benefit Statements, and a host of other critical administrative documents.
 - The new quarterly employer administration report is available, providing the employer and intermediary with a detailed overview of investment performance, cash flow statements, membership profile data, claims paid, claims outstanding, payroll cycle times and late payment interest feedback.
- From a payroll perspective, 94% of participating employers now require zero manual intervention and are finalised in 3 days.
- The eClaims process has dramatically simplified the exit process, enabling faster and more accurate processing so members get paid more quickly.
- Centres of Excellence for Death Claims and for Section 14 transfers (i.e. transfers of benefits from one retirement fund to another) have been established to simplify and optimise these critical processes.
- As part of the Intermediary Value Proposition, access to a differentiated service model has been rolled out to the Top 25 Intermediaries nationally. The key component of the offering allows access to Face-2-Face training for employers on payroll, support to register employee and employers, and intermediary practices to drive improved service experience.
- A ring-fenced member call centre has been put in place for our largest clients.



DOING THE RIGHT THINGS FOR THE RIGHT REASONS

- Our Financial Wellbeing Programme is designed to empower, educate and enable our members to achieve the best possible financial outcomes.
- Our Deferred Retirement option gives members flexibility regarding their retirement from the Fund.
- Our Preserver option has made it much simpler for members to preserve their retirement savings in a cost-effective, hassle-free way.
- The drive towards authorised collection means that monthly contributions are invested more quickly, claims are paid faster and administrative hassles are reduced.
- We are actively working to increase our database of member contact details to enable improved communication and increased member empowerment.

MEMBER EDUCATION

Transforming futures through Member Education

Old Mutual is committed to investing in the financial future of the country's people and working towards a financially literate and empowered society. The Old Mutual Financial Wellbeing Programme (FWP) was established in 2009 to help give effect to this vision, seeking to empower, educate and enable all South Africans to achieve the best possible financial outcomes. Since 2009, nearly 300 000 retirement fund members across South Africa have benefited from attendance at FWP workshops.

"I now fully understand the options that are available at retirement and I will have better insight and understanding the next time I see my adviser."

Financial Wellbeing Programme workshop attendee

Old Mutual SuperFund considers it a valuable addition to make FWP available to all employers participating in the Fund. We believe that this partnership with Old Mutual will help members to achieve a key element of the Fund's vision, to maximise the value of their retirement provision and assurance benefits, by equipping them with the knowledge needed to make the most of their benefits.

FWP forms part of a comprehensive and holistic suite of member support services. These include the following:

Facilitated financial education workshops	Customised to the varying needs and knowledge levels of attendees.
Online financial education modules	Financial education and empowerment that's accessible to employees anytime, anywhere.
On-site Wellness Days	Coordinated by Old Mutual and offered in partnership with employers, these invaluable half- or full-day events are designed to facilitate direct engagement with employees and fund members and help them enhance their financial and personal wellbeing.
Financial health tools	To enable employees and members to assess, monitor and manage their finances at all stages of their career and life.

Decision-based support	Delivered, via a call centre, by professional consultants from the Old Mutual Member Support Services.
Individual financial advice	Professional, one-on-one input that can be accessed when needed to ensure sound financial and investment decisions. This is typically delivered by dedicated and professional worksite advisers who visit Fund members at their places of employment.

Empowering. Educating. Enabling.

The FWP learning component comprises two main sections, namely:

- **On the Money** - A Bankseta-accredited programme that was created to help South Africans break any bad financial and investment habits that are often at the root of poor money management. The five entertaining, but highly informative modules give insights into the key principles of good money management in an accessible and easy-to-understand way.
- **FIN360°** - This more advanced learning offering focuses on the key pillars of successful financial planning. The various modules offer information that is critical to our members' financial growth and development at every stage of their lives. Modules cover intermediate and advanced information on, amongst others: Buying a home, short-term insurance, investment planning, wills and estate planning, retirement planning, and making the most of your retirement fund membership.

"These sessions should be offered to younger people.
Had I known earlier in life what I know now, I would not have made some
of the choices that I did early in my working life."

FWP workshop attendee

Trained and experienced FWP facilitators are based across the country and are able to offer customised learning experiences to employees and fund members from all walks of life and aligned to their existing levels of financial knowledge.

The table below summarises engagements with Old Mutual SuperFund members during the year under review.

	Member Education Sessions	FIN360 Education Sessions	Wellness Days
Number of sessions:	501	221	32
Members reached:	10 225	4 711	2 312
Advice requests:	2 975	1 247	1 157

In the past year, Old Mutual Corporate also developed a training programme aimed at educating Sub-Fund management committees about Old Mutual SuperFund and the functions of the management committee. The workshops cover a range of topics, including:

- The roles and responsibilities of a management committee and its members
- What is SuperFund?
- Choosing the right SuperFund solutions and benefits
- Employer benefit structures
- Default options
- Effective member communication



05

OUR COMMITMENT TO **SUPER GOVERNANCE**

OUR COMMITMENT TO SUPER 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.

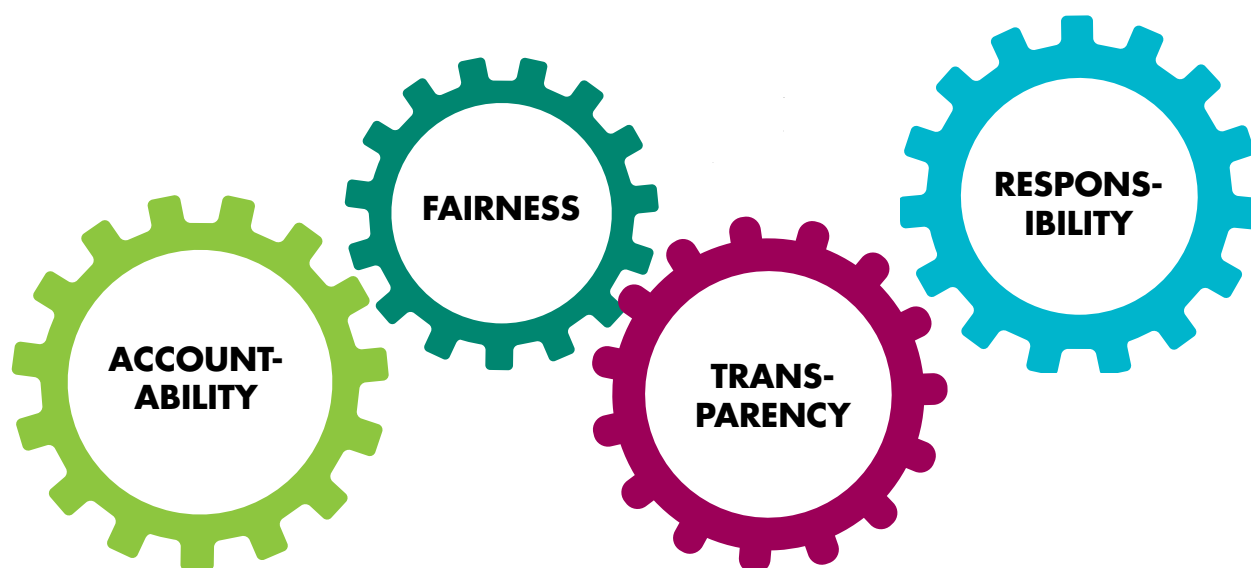
To this end, the Fund and Old Mutual entered into a Governance Agreement, the purpose of which is to:

- 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 Fund's assets are adequately managed.
- 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").





DOING THE RIGHT THINGS FOR THE RIGHT REASONS

- We've been engaging with National Treasury to encourage a change in Section 15H of the Pension Funds Act so as to make it more appropriate for umbrella funds.
- Our compliance audits reduce risks and ensure we are performing in terms of our Service Level Agreements.
- We've updated our Selection principles for Board Members to ensure adequate skills and representation on the Management Board.
- Our death claims principles have been revised to enable better decisions by the Management Board and reduced likelihood of adverse findings by the Pension Funds Adjudicator.
- We've commenced a review of our Participation Agreement and Management Committee mandate for clients selecting the Customised option, to enable clearer definition of the roles and responsibilities of relevant stakeholders.

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, six 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.

All of the Board Members were reappointed on 3 July 2015 following a rigorous review, which took into account performance and factors that might impair independence and ensured that all fit and proper requirements had been met. The vacancy left by Karabo Morule was filled by Dumo Mbethe on 22 October 2015.

The Board Members have, among them, extensive experience and complementary skills to properly govern the Fund

Allowance is made for diversity in terms of race and gender in the composition of the Board, and its 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.

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 (including meeting attendance) in accordance with the Remuneration Policy adopted by the Board. To avoid any potential conflicts of interest, the Independent 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 benefits should be paid.

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 two Deputy Principal Officers. 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 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	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	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 guide the Board in matters of governance; To 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 To 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. This sub-committee is accountable for overseeing the activities of the SuperFund Customised Option.
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 Officers 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

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	4	4
	Claims	5	5
	Claims adjudication	50	48
	Investments	4	4
	Governance	4	4
Cheryl Mestern (Principal Officer) / Jonathan van Oordt (Deputy Principal Officer) / Steve Prout (Deputy Principal Officer)	Administration	4	4
	Board	4	4
	Claims	5	5
	Claims adjudication	50	49
	Communication	4	4
	Governance	4	4
	Investments	4	4
	Legal	4	4
Jeremy Andrew	Board meeting	4	4
	Investments	4	4
	Legal	4	4
Dumo Mbete	Board	4	4
	Investments	4	3
Krishna Patel	Board	4	4
	Administration	4	4
Pierre Pretorius	Board	4	4
	Legal	4	4
Shirley Mabusela	Board	4	4
	Claims	4	4
	Claims adjudication	50	44
	Communication	4	4
Thandeka Zondi	Board	4	3
	Administration	4	4
Wahida Parker	Board	4	4
	Claims	5	5
	Claims adjudication	50	41
	Communication	4	4
	Governance	4	4

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. Minor 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 way 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 Fund, members and beneficiaries.</p>
Confidentiality	<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>
Gifts	<p>Board Members may accept nominal gifts to the value of less than R500. Gifts in excess of that require Board approval. The purpose of this policy is to determine appropriate conduct in relation to any gift offered to or received by any Board Member or the Principal Officer. In this way the governance of the Fund is intended to be demonstrated as one of integrity, independence and accountability.</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 Fund 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, which sets 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 on a quarterly basis to the Administration & Financial Reporting Sub-Committee and the Management Board. 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.



06

FINANCIAL REPORTING

AUDITORS REPORT

Independent Auditor's Report on summary financial statements to the Board of the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund

The summary financial statements, set out on pages 47 to 51 (which comprise the statement of net assets and funds as at 30 June 2016, the statement of changes in net assets and funds for the year ended 30 June 2016, 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 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 9 December 2016. 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.

Responsibility of the Board of Funds for the summary financial statements

The Board of the Funds is responsible for the preparation of a summary of the audited financial statements in accordance with the basis described in Note 1 on page 51.

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

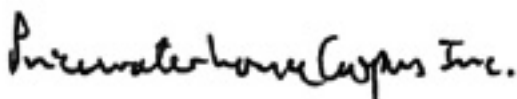
In our opinion, the summary financial statements derived from the audited financial statements of Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2016, are consistent, in all material respects, with those financial statements, in accordance with the basis described in Note 1 on page 51.

Financial Reporting Framework

The "Financial Reporting Framework" paragraph in our audit reports dated 9 December 2016 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 9 December 2016 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: 9 December 2016 |
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	2015 "R"	2016 "R"
ASSETS			
Investments		40,460,512,529	44,896,196,667
	Non Market Linked Insurance Policies	36 622 170 323	40 192 132 743
	Market Linked Insurance Policies	1 897 885 609	2 324 880 489
	Collective Investment Schemes	1 940 456 598	2 379 183 435
Transfers Receivable		291 244 886	29 943 356
Accounts Receivable		73 547 950	140 659 077
Contributions Receivable		110 503 350	135 228 828
Cash at Bank		709 467 614	193 353 506
Total Assets		41 645 276 329	45 395 381 434
FUNDS AND LIABILITIES			
Members Funds		(40 199 153 278)	(43 295 803 530)
Reserve Accounts		(17 676 689)	(41 358 750)
Expense		(6 437 206)	(7 096 093)
Investment		-	-
Processing Error (unitised)		(767 570)	(6 016 209)
Processing Error (non-unitised)		(10 471 913)	(28 246 448)
Employer Surplus Account		(345 980 613)	(397 604 590)
Unclaimed Benefits		(31 074 221)	(40 972 032)
Transfers Payable		(7 940 280)	(31 329 710)
Benefits Payable		(947 117 791)	(1 302 903 502)
Lump sum on Retirement			
	Full Benefit	(281 165 957)	(410 282 758)
Lump sum before Retirement			
	Disability	(8 270 931)	(3 388 503)
	Death	(224 038 938)	(253 155 208)
	Withdrawal	(332 684 203)	(378 066 841)
	Divorce Orders	(15 002 436)	(11 705 273)
	Retrenchments	(64 866 123)	(233 815 118)
Liquidation benefits		(18 006 098)	(12 485 169)
Enhancements to former members		(3 083 105)	(4 632)
Accounts Payable		(96 333 457)	(285 409 320)
Total Funds and Liabilities		(41 645 276 329)	(45 395 381 434)

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

	Notes	2015 "R"	2016 "R"
Contributions Received and Accrued		(3 518 874 658)	(4 125 035 755)
	Members	(3 270 388 859)	(3 850 677 433)
	Reserves	(248 485 799)	(274 358 322)
Reinsurance Proceeds		(161 299 049)	(188 466 778)
Net Investment Income		(3 821 123 369)	(3 913 631 122)
	Dividends	(10 198 875)	(49 784 767)
	Interest Received	(34 632 070)	(77 693 927)
	Collective Investment Schemes	(6 924 034)	(6 022 309)
	Insurance Policies	(3 656 977 816)	(3 073 484 567)
	Late Payment Interest	(1 327 836)	(1 478 156)
	Fair Value Adjustment	(247 383 250)	(912 043 064)
	Investment Management Fees	136 320 512	206 875 668
Reinsurance Premiums		184 450 857	203 983 014
Administration Expenses		77 633 141	88 957 122
Allocated to Unclaimed Benefits		15 677 206	2 791 434
Transfers from other Funds		(15 751 741 010)	(686 335 618)
Transfers to other Funds		67 286 271	179 316 709
Benefits Accrued		3 517 183 490	5 266 464 704
Lump sum on Retirement			
	Full Benefit	1 324 482 047	1 856 220 147
Lump sum before Retirement			
	Disability	22 594 625	18 390 248
	Death	295 500 487	344 067 534
	Withdrawal	1 479 733 619	2 048 414 208
	Divorce Orders	41 564 194	66 762 500
	Retrenchments	294 371 330	839 952 224
Defaults - Housing loans		261 555	754 366
Liquidation benefits		51 183 245	81 294 688
Return allocated to benefits		7 361 606	10 455 250
Enhancements to Former Members		130 782	153 539
Net Employer Surplus Accounts Allocations		110 287 590	51 623 977
Balance at Year End Funds and Reserves		(40 216 829 967)	(43 337 162 280)

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

	Notes	2015 "R"	2016 "R"
ASSETS			
Investments		41 707 200 309	46 724 560 929
	Non Market Linked Insurance Policies	35 977 293 361	39 905 565 612
	Market Linked Insurance Policies	2 899 089 680	3 527 495 037
	Collective Investment Schemes	2 830 817 268	3 291 500 280
Transfers Receivable		109 570 403	4 664 647
Accounts Receivable		223 476 012	386 726 591
Contributions Receivable		225 090 830	253 763 760
Cash at Bank		848 362 434	215 343 686
Total Assets		43 113 699 988	47 585 059 613
FUNDS AND LIABILITIES			
Members Funds		(40 210 855 575)	(45 223 864 075)
Reserve Accounts		(128 841 742)	(154 029 358)
Expense		(37 042 596)	(29 632 614)
Investment		-	-
Processing Error (unitised)		(4 343 593)	(6 004 648)
Processing Error (non-unitised)		(87 455 553)	(118 392 096)
Employer Surplus Account		(20 449 322)	(113 387 894)
Unclaimed Benefits		(109 969 568)	(138 128 678)
Transfers Payable		(63 157 894)	(102 676 202)
Benefits Payable		(1 446 611 806)	(1 642 945 561)
Lump sum on Retirement			
	Full Benefit	(374 128 168)	(331 668 732)
Lump sum before Retirement			
	Disability	(18 801 855)	(13 233 871)
	Death	(466 079 718)	(569 000 307)
	Withdrawal	(434 872 098)	(484 511 525)
	Divorce orders	(19 333 247)	(22 911 299)
	Retrenchments	(81 714 965)	(188 631 116)
Defaults - Housing loans		(9 313 097)	(315 799)
Liquidation benefits		(41 342 313)	(32 565 477)
Enhancements to former members		(1 026 345)	(107 435)
Accounts Payable		(1 133 814 081)	(210 027 845)
Total Funds and Liabilities		(43 113 699 988)	(47 585 059 613)

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

	Notes	2015 "R"	2016 "R"
Contributions Received and Accrued		(4 345 389 122)	(5 140 388 827)
	Members	(3 789 077 823)	(4 556 269 096)
	Reserves	(556 311 299)	(584 119 731)
Reinsurance Proceeds		(325 588 941)	(388 813 518)
Net Investment Income		(3 204 200 543)	(4 193 862 253)
	Dividends	(13 923 941)	(81 323 229)
	Interest Received	(50 921 252)	(103 825 922)
	Collective Investment Schemes	(5 318 567)	(4 895 463)
	Insurance Policies	(2 912 241 239)	(2 750 929 978)
	Late Payment Interest	(3 526 426)	(3 338 409)
	Fair Value Adjustment	(340 209 913)	(1 473 329 018)
	Investment Management Fees	121 940 795	223 779 766
Reinsurance Premiums		413 142 497	436 113 716
Administration Expenses		173 579 760	198 232 194
Allocated to Unclaimed Benefits		42 846 388	8 390 635
Transfers from other Funds		(22 345 258 711)	(2 255 051 545)
Transfers to other Funds		(389 956 334)	(310 650 113)
Benefits Accrued		3 886 836 215	5 893 594 797
Lump sum on Retirement			
	Full benefit	1 150 351 892	1 712 219 934
Lump sum before Retirement			
	Disability	45 125 691	59 915 661
	Death	490 567 206	608 685 433
	Withdrawal	1 550 410 162	2 269 807 649
	Divorce Orders	38 425 188	68 866 145
	Retrenchments	446 993 748	1 080 300 195
Defaults - Housing loans		41 282 438	818 768
Liquidation benefits		113 969 623	76 356 621
Return allocated to benefits		9 708 931	16 718 076
Enhancements to former members		1 336	(93 685)
Net Employer Surplus Accounts Allocations		1 679 640	92 938 572
Balance at Year End of Funds and Reserves		(40 339 697 317)	(45 377 893 433)

Note 1 to the Summary Financial Statements:


Basis of Preparation of Summary Financial Statements

The summary financial statements are prepared in accordance with criteria developed by management and are the responsibility of management. Under management's established criteria, management discloses the summary statement of net assets and funds, the summary statement of changes in net assets and funds and other information which management determined as relevant.

These summary financial statements are derived from the audited financial statements of the Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund for the year ended 30 June 2016. 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 2016

I confirm that for the year under review the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund have 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
9 December 2016

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 2016


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

The summarised financial statements set out here 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 here have been prepared in accordance with the basis set out in Note 1.

The regulatory annual financial statements have been reported on by the independent auditors, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board 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 46.

The summarised financial statements of the Funds set out here were approved by each 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
Member



Thandeka Pamela Zondi
Independent Board Member



Jeremy Andrew
Independent Board Member

9 December 2016

SUMMARY OF THE ACTUARIAL VALUATION REPORTS

Old Mutual SuperFund Provident Fund and Old Mutual SuperFund Pension Fund

Summaries of the statutory actuarial valuation reports of the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund for the 1-year period ending 30 June 2015 are set out below in line with the format required by the Registrar of Pension Funds. The actuarial valuation is conducted after the Audit has been completed, so results are somewhat delayed, and hence results presented here are for the period ending 30 June 2015. The Funds elect to perform the statutory valuation each year even though it is only required to be done once every 3 years.

The Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund each have a level of funding of 100%, and both entities are in a sound financial position at the valuation date.

The analysis of the complete member dataset has provided comfort that the Member Accounts of both the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund have been maintained in line with the Rules.

Membership

	Old Mutual SuperFund Provident Fund		Old Mutual SuperFund Pension Fund	
	30 JUNE 2015	30 JUNE 2014	30 JUNE 2015	30 JUNE 2014
Number of Active Members	241 362	188 686	122 727	74 167
Number of Unclaimed Benefits	6 964	51 944	909	9 602



Financial Condition

The financial position of the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund is set out here. Comparative figures as at 30 June 2014 are provided.

	Old Mutual SuperFund Provident Fund		Old Mutual SuperFund Pension Fund	
	30 JUNE 2015 (R'000)	30 JUNE 2014 (R'000)	30 JUNE 2015 (R'000)	30 JUNE 2014 (R'000)
Fair Value of Assets (equal to the actuarial value of assets) ¹	41 257 364	15 046 071	40 562 811	21 172 003
Less				
Accrued Liabilities of the Funds & Employer Surplus Accounts ²	41 132 044	14 963 078	40 548 236	21 161 353
Members' Individual Accounts – Financial Statements	41 108 073	14 941 726	40 199 153	20 925 656
Additional Fund Liabilities (Interest Due not in Financials)	0	183	0	0
Additional Fund Liabilities (Negative member values)	3 522	2 399	3 102	4
Employer Surplus Accounts	20 449	18 770	345 981	235 693
Less				
Contingency Reserves	125 320	82 993	14 575	10 650
Expense Reserve – Umbrella	17 487	13 364	2 152	2 362
Expense Reserve – Sub Funds	19 555	290	4 285	1 104
Risk Reserve	0	0	0	0
Surplus Apportionment Expense Reserve	0	0	0	0
Processing Error Reserve (Unitised Investments)	4 344	4 866	768	785
Processing Reserve	83 934	64 473	7 370	6 400
Equals				
Actuarial Surplus/(Deficit)³	0	0	0	0
Funding Level (including Reserves)	100.00%	100.00%	100.00%	100.00%
Funding Level (excluding Reserves)	100.30%	100.55%	100.04%	100.05%

Notes:

1. This reflects the fair value of the net assets of the Fund, after deduction of current liabilities and any liabilities arising from the pledging, hypothecation or other encumbering of the assets of the Fund. There have been no adjustments to the fair value of the assets. The actuarial value of assets of the Fund is included for purposes of comparison with the accrued liabilities of the Fund. The actuarial value is equal to the fair value.
2. This is the total of all members' individual account balances and related liabilities.
3. The Funds' assets match their liabilities after making provision for contingency reserves. The Funds are in a sound financial condition at the valuation date for the purposes of the Pension Funds Act, 1956.

Contribution Rates

Contribution rates differ by participating employer, and are defined in the Special Rules. Because of this, and because the Old Mutual SuperFund Provident Fund and the Old Mutual SuperFund Pension Fund are Defined Contribution in nature, I have not made any recommendations here regarding contribution rates.

Each Participating Employer should carefully consider whether the contribution rate elected is high enough to provide members with sufficient retirement savings.

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

A handwritten signature in black ink, appearing to read 'Walker', is positioned above the printed name and title.

Stephen Walker
Valuator

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 | 5 Silo Square,
V&A Waterfront, Cape Town 8002

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:

- Abax Investments (Pty) Ltd
- Absa Bank Limited
- Absa Asset Management (Pty) Ltd
- Acsis Limited
- Allan Gray Life Limited
- Allan Gray South Africa (Pty) Limited
- Boutique Collective Investments (RF) (Pty) Ltd
- Coronation Asset Management (Pty) Limited
- Coronation Life Assurance Company Limited
- Fairtree Capital (Pty) Ltd
- Firststrand Bank Limited
- Foord Asset Management (Pty) Limited
- Futuregrowth Asset Management (Pty) Limited
(a member of Old Mutual Investment Group)
- Investec Asset Management (Pty) Limited
- Investec Assurance Limited
- Investec Bank Limited
- Investec Fund Managers (RF) (Pty) Limited
- Investment Solutions Limited
- Investors Fund Services (Ireland) Limited (PIMCO)
- Kagiso Asset Management (Pty) Limited
- Nedbank Limited

- Nedgroup Investments (Pty) Limited
- Oasis Crescent Management Company Limited
- Old Mutual Investment Group (Pty) Limited
- Old Mutual Life Assurance Company (South Africa) Limited
- Old Mutual Unit Trust Managers (RF) (Pty) Limited
- Prudential Investment Managers (Pty) Limited
- Prudential Portfolio Managers SA (Pty) Limited
- Sanlam Investment Management (Pty) Limited
- Standard Bank Limited
- Sygnia Asset Management (Pty) Limited
(Provident Fund only)
- Taquanta Asset Managers (Pty) Limited
- Truffle Asset Management (Pty) Ltd
- Visio Capital Management (Pty) Ltd
- Walter Scott and Partners Limited

Risk Providers:

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

Custodian:

Nedbank Limited

A full-page background image featuring a rock climber in a green shirt and dark shorts scaling a steep, grey rock face. The climber is positioned in the upper left quadrant, with a rope extending down the side of the cliff. The sky is a deep blue with scattered white clouds. In the lower portion of the image, a dark, silhouetted mountain range is visible, with a small, calm lake nestled in a valley. A green circular graphic with a white center and a green border is positioned in the middle of the page, containing the number '07'.

07

ADMINISTRATION DETAILS

ADMINISTRATION DETAILS

Old Mutual SuperFund Pension and Provident Fund

Old Mutual SuperFund 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:

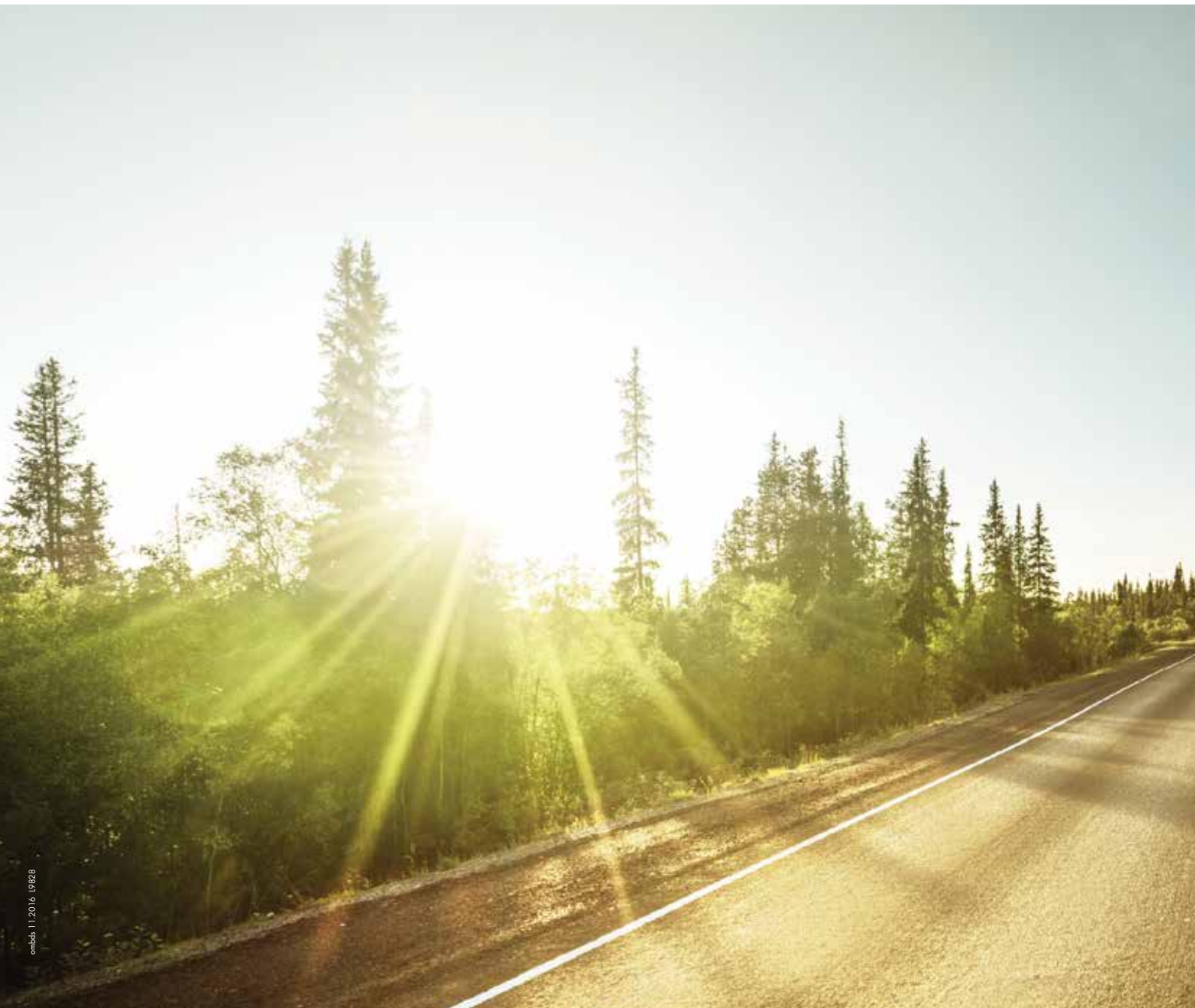
- Pension Fund: Registration No: 12/8/20237/1 and SARS Approval No: 18/20/4/20740
- Provident Fund: Registration No: 12/8/20246/1 and SARS Approval No: 18/20/4/21305

Registered Office of the Fund

Postal address: PO Box 167, Cape Town 8000, South Africa

Physical address: Mutualpark, Jan Smuts Drive, Pinelands 7405





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