



# OLD MUTUAL SUPERFUND MEMBER NEWSLETTER



December 2019

## MESSAGE FROM THE PRINCIPAL OFFICER



Earlier this year the 2019 Old Mutual Savings and Investment Monitor painted a very grim picture of South Africans' saving patterns. It revealed that only 4% of participants make the recommended choice of leaving their pension or provident fund lump sum intact and opt to receive a monthly pension.

A mere 6% of working South Africans surveyed, said they were executing a retirement plan that they had properly thought through, and were on the right track for a decent retirement. This figure, which is down from 7% last year, chimes with National Treasury's figure of 6%.

How do you make sure that you are part of the 4% or 6% mentioned above?

As an Old Mutual SuperFund member you have the support and tools available to make the most of your retirement journey and to reach your retirement goal. We urge you to at least read all communication from the Fund to enrich your knowledge in order to make informed decisions.

This is the final Member Newsletter for 2019, let's aim to make 2020 even better!

We would like to hear from you! What topic do you think we should cover in the next Newsletter?



**Happy Reading!**  
Fiona Reynolds  
Independent Principal Officer



## IMPACT OF COSTS ON RETIREMENT SAVINGS

One of the most overlooked factors when planning for retirement is costs. Even a well thought through plan will not meet its objective if costs are not considered. Costs affect your retirement outcome irrespective of the retirement vehicle you're in, and it compounds over time and eats into your final retirement nest egg.

Every month, you and your employer pay a contribution into the Fund. These two contributions, less costs to administration, advice, risk benefits (if applicable) and governance, are invested, so that you can build up a healthy retirement nest egg. This invested value, plus any investment growth, less investment management costs, is known as your Member Account Balance.

As a member of the Old Mutual SuperFund, you can be certain that the Management Board regularly reviews offerings, services, and fees levied across the retirement funding industry. The Board then benchmark the Fund against these industry standards, to ensure it provides the best possible offering at competitive costs.

### BELOW SHOWS HOW A SMALL AMOUNT CAN IMPACT YOUR OVERALL RETIREMENT SAVINGS WITH REGARDS TO COST:

A little goes a long way! Let's assume that an extra **R20** will now be allocated to your monthly retirement savings (the average price of a cup of coffee). This monthly contribution of **R20 over 20 years**, together with the power of compound interest would give you an additional **R14 365** (assuming a stable inflation rate of **5%** and an investment return of **CPI + 5%** over **20 years**) towards your retirement savings. This example clearly illustrates that every single saving/cost, no matter how small, can indeed make a difference over time.



This is why long-term savings is so important. We would like to challenge you to focus on your retirement plan and increase your retirement contribution amount in 2020.

*We remain focused on keeping costs low and your retirement savings high!  
Speak to your HR to find out more about increasing your contribution rate.*



## DID YOU KNOW YOU HAVE ACCESS TO AN OLD MUTUAL SUPERFUND RETIREMENT BENEFITS COUNSELLOR?

As an Old Mutual SuperFund member, you've already taken important steps towards enjoying a financially comfortable retirement. But saving is only half of any successful retirement journey. Making the right decision about where to invest your savings is equally important.

All SuperFund members have **FREE** access to a Retirement Benefits Counsellor (RBC). Access is initiated either by the member contacting the RBC (via email or the call centre) or by the RBC contacting members six months before the member's fund retirement date. Remember, the counsellor is not a financial adviser, therefore no financial advice will be given by them. Their goal is to provide you with information about your options, and to assist you with any questions you may have about your retirement fund benefits. The counsellor is not a commission-earner, nor will you be charged commission should you wish to purchase either of the two SuperFund default annuity options after consulting the counsellor.

[read more](#) about the **Retirement Benefits Counsellor**.

[read more](#) about **Old Mutual SuperFund Solutions at Retirement**.

### DON'T GET HOOKED BY PHISHING ATTACKS!

Criminals seek out targets via email, text or calls. They pretend to be someone legitimate and try to lure you into disclosing information that will lead to some sort of financial gain for them and a huge financial loss for you.

For phishing guidelines, [read more](#)

For a copy of the **Rule Amendment Summary for Old Mutual SuperFund Pension & Provident Funds** for the year ended 30 June 2019.

[read more](#)

### Update: Old Mutual SuperFund Choice and Connect suite of investment offerings with effect from 1 October 2019

The Vunani Global Absolute Inflation Plus 7% will be available from 1 December 2019 and will be added to the Higher Reward /Risk Absolute Return category. This portfolio has an aggressive investment approach with a primary objective to obtain a return of CPI + 7% per annum over a rolling three-year period, and a return of CPI over a rolling 12-month period. The asset manager fees for this portfolio will be 0.75% (excl VAT) per annum.

## OLD MUTUAL REWARDS

SMALL STEPS. GREAT REWARDS

### Get money smart, get rewarded

Old Mutual Rewards will reward you for building your financial knowledge and making sensible financial decisions. You earn points for every smart financial step you take! We give you all the tools and information to help you stay on track with your financial journey. You can earn from activities in financial categories:

Managing your money, Savings and Insurance, as well as promotional activities and many more easy and fun ways to earn points!

Anyone can join and it is **FREE** click on the join now button to sign up.

[JOIN NOW!](#)



WE WANT YOU TO KNOW HOW MUCH WE APPRECIATE YOUR VALUABLE CONTRIBUTION IN MAKING THIS YEAR A GREAT SUCCESS. WE TAKE THIS OPPORTUNITY TO THANK YOU AND TO WISH YOU A PEACEFUL FESTIVE PERIOD AND GREAT YEAR AHEAD.

