

OLD MUTUAL SUPERFUND

What you should know about how your retirement fund is managed

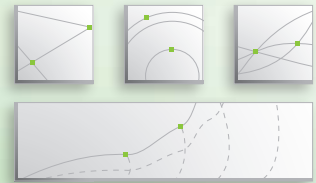
Your pension or provident fund is a large component of your retirement savings but many people do not know enough about their funds and how they are managed. Find out just what Good Governance actually means and how the Old Mutual SuperFund Management Board manage your funds according to the highest governance standards.

do great things



OLD MUTUAL

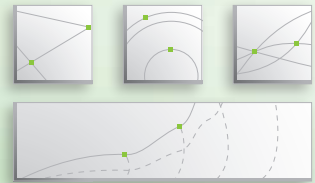
Corporate



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A STORY OF GOVERNANCE EXCELLENCE

In response to prevailing factors in the retirement industry, Old Mutual is consolidating its various sponsored umbrella retirement funds and has developed a governance system for these Funds that will allow them to be managed as a single “virtual” fund known as SuperFund.

The driving consideration behind the consolidation of the various retirement funds and products is to:

- increase accessibility,
- ensure and enhance good governance practices,
- increase cost-efficiency,
- offer greater benefits, and
- offer more versatile products and improved service to the members.

The Management Board has aligned its objectives to those of the Sponsor (Old Mutual) whilst ensuring that the members interest remain paramount.

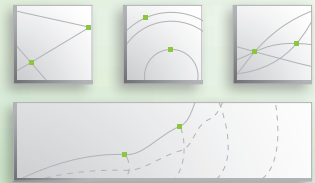
CONSTITUTION OF THE BOARD

In terms of the Pension Fund Act, every fund is required to have a board consisting of at least 4 board members. The Registrar has waived the requirement that 50% of the Board of SuperFund must be elected by the members.

The first step toward the alignment of Funds under the SuperFund banner was the appointment of a consistent Board across all of the entities. The founding Board members (or Trustees as they are sometimes referred to) were appointed by Old Mutual. These Board members’ first 3-year term expired on 26 June 2010. As the consolidated SuperFund concept is still in its initial phases, it was agreed that the existing Board members would remain in office for a further 3 year-term.

Succession planning is necessary to ensure that the simultaneous departure of a significant number of Board members and as a consequence the loss of skill and continuity is prevented. Furthermore, the Board and Old Mutual acknowledge the importance of some participation by members in the selection of the independent Board members. The Board and Old Mutual have developed a strategy which seeks to ultimately have an equal number of Board members in each of the categories (Old Mutual appointed, Independent, Member appointed) with staggered terms of office. This strategy will be phased in over a period of 6 years.

When appointing Board members, diversity in terms of culture, gender and skills is taken into account. Adequate complimentary skills and experience also play a very important role. Skills include expertise in fund administration, actuarial science, accounting, law, social work and investments.



BOARD MEMBERS

Profiles of each of the Board members can be found on the Old Mutual website - www.oldmutual.com/superfund/trustees.

The Chairman is appointed by the Sponsor in accordance with terms and conditions agreed with the Board. The Deputy Chairman is elected by the Board from its number for a one-year term and may stand for re-election at the end of the term of office.

REMUNERATION

The independent Board members are remunerated by the Fund. The services of Sponsor-employed Board members are provided through their performance contracts with Old Mutual.

The Board does not have a remuneration committee but it does have a remuneration policy. Independent Board members are remunerated on a fixed fee per quarter for their Board commitments and sub-committee work. The adequacy of the fixed fee in relation to actual hours spent is reviewed twice a year and adjustments brought into effect if need be.

The fee is reviewed annually taking cognisance of the time commitments of the various Board and sub-committee activities, inflation, comparisons to the fees paid to Board members of other funds and directors of similar sized organisations and Old Mutual's remuneration policy for senior management. Old Mutual and the Board jointly agree the remuneration of Board members.

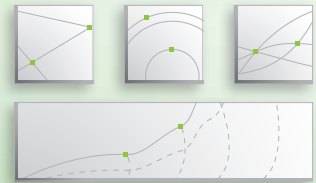
BOARD MEETINGS

The Board meets at least four times per year and all decisions made at these meetings are clearly documented and recorded. The proceedings are recorded and transcribed and a register is kept of all decisions taken at those meetings.

BOARD DEVELOPMENT

The Board has adopted a Training and Induction Policy for new and existing Board members. The Fund provides orientation and induction to new Board members with a focus on Fund-related orientation. Exiting Board members are required to play an active role in the hand-over to a successor. The Fund also provides ongoing training on Fund related matters.

With regard to continuous and lifelong learning/professional development, the onus is on the Board members to ensure that they maintain and enhance their professional capability for which they are appointed. Board members pay for this themselves and must account to the Board on a quarterly basis.



THE PRINCIPAL OFFICER

As is required by the Act, the Fund is required to have a principal executive officer. Cheryl Mestern was appointed by the Board and will serve a 3-year term. She is supported by a Deputy Principal Officer, Jonathan van Oordt, who was the former Principal Officer of Orion, as well as independent claims assessor, a service provider manager, fund secretary, personal assistant and office administrator. Cheryl's contract is directly with the Funds and she is remunerated by the Funds. The Board reviews her performance and remuneration on an annual basis.

Cheryl's profile can also be found on the Old Mutual website - www.oldmutual.com/superfund/trustees.

MEMBER COMMITTEES

To further enhance interaction with members, a provision for member committees has been included in the Rules. Employers and their members are encouraged to make use of the member committee structure as they can serve as a link between members, the employer and SuperFund. Guidelines have been published by the Board to assist employers in establishing such committees and the Old Mutual Customer Liaison Team is also available to assist.

STRATEGIC OBJECTIVE

As set out in King III (the regulatory South African Corporate Governance code), the Board acknowledges that it is firstly responsible for the strategic direction of the Fund and then for the control of the Fund. Governance excellence therefore underpins the strategy. At its strategy conference, the Board agreed the following imperatives in taking SuperFund from its present environment to a future environment:

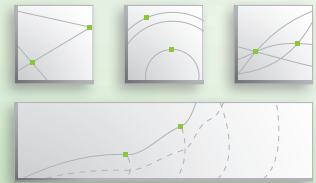
Leadership imperatives (Governance)

1. Clear role and delivery mandate for Board members agreed.
2. Board mandate converted into operational procedures and deliveries; performance feedback system in place.
3. Capability for ongoing skills sharpening for Board members.

Change management imperatives (Business)

4. Processes for effective governance embedded in operational procedures.
5. Sponsor commitment to Board members documented and performance feedback system in place.
6. Regulatory influence process actively driven by the Sponsor.

Vision: First choice for the provision of retirement funds' services - achieved through "member, participating employer and intermediary delight".



The Board identified the following key components:

- A. Member-focused (facilitated through intermediary and participating employer interactions).
- B. Service provision excellence to all stakeholders.
- C. Appropriate benefit sets.
- D. Sustainability.

THE MANDATE

The first initiative emanating from the strategy was the clarification of the roles of the parties. The Sponsor established SuperFund to provide retirement and other related benefits to the members of the Fund via financial products of the Sponsor; and invested substantial effort, resources and capital to ensure the success of the Fund. The Board acknowledged that many members have and will in future become members of the Fund on the basis that the Fund is sponsored by the Sponsor but that the independence of the Board must be respected and requires protection. Against this background the Fund and Old Mutual entered into an Agreement (the Governance Agreement) which sets out to -

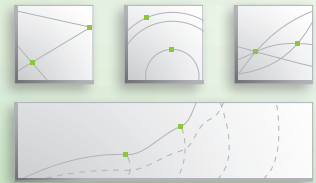
- govern the relationship between the Sponsor and the Fund;
- protect the respective interests of the Sponsor and the Fund;
- ensure the effective, efficient and accountable management of the Fund;
- co-operate towards the continued success of the Fund for the ultimate benefit of the members of the Fund;
- set out the additional support services to be provided by the Sponsor.

Now that the Agreement has been concluded, processes will be embedded in the operating environment as a means to achieve governance excellence. Measures will be introduced to demonstrate performance in the attainment of governance excellence. Finally, the Board will demonstrate to members and the market, as a means of creating confidence and security, the success of the processes and measures introduced.

The Board has adopted as an entrenched principle that it is the focal point for and custodian of corporate governance. As such, it, together with the Sponsor, has set out its responsibilities in a Charter (the Governance Document) which is closely aligned to PF Circular 130 (PF130).

(What is a PF circular? A document issued by the Registrar to clarify certain matters in the Pension Funds Act which is not legally binding but is generally followed by the Retirement Fund Industry as acceptable practice in the administration and management of retirement funds.)

Compliance with the Pension Fund Act, the Rules and other relevant legislation is a given.



GOVERNANCE FRAMEWORK

In order to assist it in its duties, the Board has established a framework of sub-committees. The purpose of establishing sub-committees is to delegate certain tasks to that sub-committee including the risk management function of the Board over the relevant aspect. The sub-committees have the power to investigate and report to the Board any of the matters referred to in its mandate or as specifically requested by the Board, to implement any instruction given to it by the Board and to seek independent professional advice to assist it in its deliberations and the attainment of its objectives. With reference to the nature of the Fund, the Board established the following sub-committees:

- Administration & Financial Reporting
- Claims
- Communication
- Governance and Risk Management
- Investment and Actuarial
- Legal and Contractual
- Transition (constituted specifically to oversee the transition to SuperFund)

Each of the sub-committees are properly constituted and have a formal, written agreed mandate from the Board which sets out clearly the responsibilities and authority of that sub-committee, as well as the requirements of that sub-committee for reporting to the Board members. Ad hoc committees are constituted in the same manner.

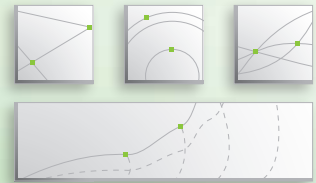
Board members are appointed to sub-committees based on their skills. However, the Board acknowledges that these committees also offer useful development opportunities for Board members. It has therefore developed a policy which regulates the constitution of and movement between sub-committees.

Sub-Committees meet at least 4 times per year. The Claims Sub-Committee meets weekly to adjudicate death claims. Old Mutual convenes a communication forum every month which is attended by the Communication Sub-Committee.

COMMITMENT

The Board members hold a position of trust and owe a fiduciary duty to the members and to the Funds; they must act independently and not submit to influence by any party. A Code of Conduct has been adopted by the Board and each of the Board members has committed to it by signing the Acceptance of Trust.

Conflicts of interest (perceived and actual) including related third parties are disclosed in writing to the Board on an annual basis and at every meeting each delegate (including service providers) has an opportunity to disclose any interests that they might have in relation to any of the agenda items.



Whilst the Board acknowledges that modest hospitality or gifts is an accepted courtesy of a business relationship, the recipient should not allow himself to reach a position where he may be or may be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality. The Board has adopted a gift policy and requires disclosure at its quarterly Board meetings by Board members of any gifts/hospitality received. Where a gift exceeds R500, acceptance of the gift is by Board resolution only.

MONITORING PERFORMANCE

The Board is committed to governance excellence. As such it subjects itself to an annual assessment of its performance benchmarked against its Charter. The Board members, Principal Officer and key service providers have an opportunity to input into the assessment. The results are compared year on year in order to assess trends. Areas requiring attention are identified and addressed. An assessment of the performance of the Chairman and Principal Officer is also conducted annually.

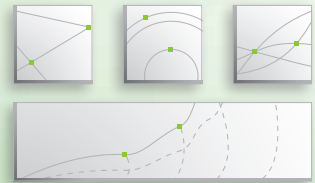
MONITORING COMPLIANCE

The Office of the Principal Officer conducts a compliance audit on an annual basis. A comprehensive checklist has been approved by the Board and compliance is measured against it. A full report is tabled before the Board, non-compliances are highlighted and development objectives agreed.

The Funds are subject to audit by PricewaterhouseCoopers (PwC). PwC was appointed after a comprehensive tender process conducted by the Board in which all of the large audit firms were invited to submit tenders. The scope of the audit, the audit plan and the budget are agreed upfront every year. Progress is closely monitored by the Principal Officer. The performance of PwC is assessed on an annual basis following completion of the audit. PwC issues a report to management in which it details its findings. The Report together with comments from the Administrator and action plans for dealing with any issues are submitted to the Board. Where appropriate, the Board will commission PwC to review ad hoc matters.

Some other interventions:

- The Old Mutual Compliance Officer conducts a quarterly compliance audit of administration processes to legislation.
- Old Mutual Actuaries and Consultants benchmarked the governance interventions of the Funds against the Registrar's minimum requirements set out in PF130. (What is a PF circular? A document issued by the Registrar to clarify certain matters in the Pension Funds Act which is not legally binding but is generally followed by the Retirement Fund Industry as acceptable practice in the administration and management of retirement funds.)
- The Office of the Principal Officer conducts an audit of death claims and death claims assessments on a quarterly basis.
- Old Mutual Group Internal Audit conducts an internal annual review of a number of the administration processes, the results of which are submitted to PwC.



In 2008, a whistle-blowing function was added to the duties of the principal officer in the Pension Fund Act, as with the auditor and valuator. The principal officer is required to inform the Registrar in writing on becoming aware of any matter which, in the opinion of the principal officer, may prejudice the fund or its members. To ensure that this is done in an orderly manner, the Board agreed a process that will be adopted by the Principal Officer in reporting in terms of the Act in the event that a need should arise. The purpose of the practice is to ensure appropriate resolution and in no way hinders the ability of the Principal Officer from performing her duties in terms of the Act.

RISK MANAGEMENT

The essential focus of King III (the regulatory South African Corporate Governance code) is that the Board should prevent risk management from becoming a series of activities that are detached from the realities of the fund's business. The Board acknowledged that it is accountable for the governance of risk, understanding the risk exposure that the Fund has, its ability to tolerate risk, and the risk that it is willing to take.

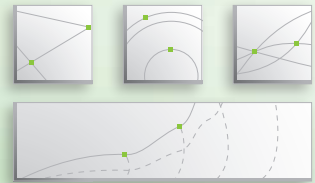
The risks faced by the Fund are managed by the Board within the guidelines of policies and practices which are monitored and managed by sub-committees. The sub-committees identify deviations from the policies and practices (called issues) which are then rated in terms of its impact on the Fund should it materialise and the likelihood of the risk materialising. The top ranking issues are reported in the Board Issues 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. Insignificant 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.

FIDELITY COVER

In terms of Regulation 30(2)(u) of the Pension Funds Act, the Fund is required to take out 'fidelity cover'. This aims to indemnify the Funds against losses owing to dishonesty by its officers. The policies taken out by the Funds cover the Funds and Board members for both fraud and negligence.

The Funds currently use Marsh Vikela as their insurance broker who has subcontracted Old Mutual's Risk and Insurance Division to perform certain administrative functions for them. Old Mutual is remunerated by Marsh Vikela with a share of the commission. This arrangement has been disclosed to the Board.



The Funds' insurance policies are reviewed and renewed each year and the sum insured for each Fund is reviewed at least annually by the Governance and Risk Management Sub-Committee. For 2010, the following cover has been taken out for each of the Funds:

Old Mutual SuperFund Pension Fund	R 50,000,000
Old Mutual SuperFund Provident Fund	R 60,000,000
Evergreen Pension Fund	R 20,000,000
Evergreen Provident Fund	R 30,000,000
Protector Preservation Pension Fund	R 12,000,000
Protector Preservation Provident Fund	R 6,000,000

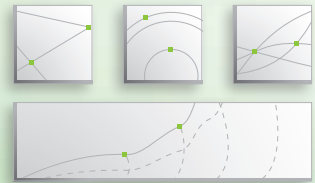
In terms of the rules, all the Fund's contractors are required to indemnify the Fund against losses caused by their actions. Since the insurer would usually recoup any losses from a service provider through subrogation it is more efficient for the Board to seek first to claim directly from the service provider before it will claim on the insurances it has taken out. The administration agreement with Old Mutual and the actuarial and investment consulting agreements with Old Mutual Actuaries and Consultants specifically provide for such an indemnity.

In addition, Old Mutual has indemnified each member of the Board. OMLACSA is a life insurer, it is required to get permission from the Financial Services Board annually for the indemnity. The FSB places an upper limit on the indemnity, currently R50 million across all of the board members and principal officers listed in the application.

COMMUNICATIONS

The Board and Old Mutual agree that effective communication is a critical feature in ensuring good governance and the resultant benefit to members. There is a strong emphasis on members' needs (for individuals and groups of members alike), including open channels of communication, well managed complaints resolution mechanisms and member-centric access to the Superfund.

The Board has developed a communication strategy built on the principles of King III (the regulatory South African Corporate Governance code). It wishes to demonstrate to its stakeholders (members, participating employers, intermediaries, sponsor and service providers) through its reporting and communication, the social, economic and sustainable advantages of subscribing to SuperFund. It acknowledges that the loyalty of stakeholders is not only dependent on service delivery but also being influenced to such an extent by the economic value of the Fund that they wish to be associated with it. Transparency and disclosure build trust and foster allegiance.



The objectives of the Communication Strategy are to:

- reach the member (physically, intellectually and emotionally);
- increase accessibility to all stakeholders through communication that is understandable, meaningful and timeous;
- empower stakeholders to make informed decisions;
- demonstrate to all stakeholders that SuperFund is the best decision that they have made;
- communicate in a manner that supports brand values and enhances the SuperFund value proposition;
- deliver communication that is cost effective; and
- fully exploit new technologies in the delivery of communication.

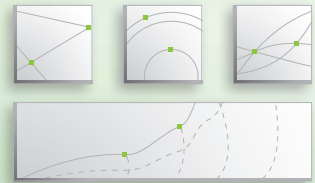
For 2010/2011 the key words are: Member-centric, rebuilding the brand, building consumer loyalty. The focus will be on:

- revamping the benefit statements to meet the requirements of members, removing jargon & using consistent understandable terminology;
- hosting events country wide that enable the Board to reach many of its stakeholders (instead of the annual general meetings that were historically not well attended);
- benefit summaries;
- roll out of financial wellbeing and awareness programmes.

In future the focus will shift to delivering an ongoing programme of innovative, holistic education and communication for members - from the point of becoming a member of the Fund, right through to their retirement years. This programme will be differentiated along product lines, with different levels of education and communication in place for the different products, depending on the needs of members.

Currently in process of development are:

- a product specific member guide (under development)
- a member certificate (in the process of being revamped)
- quarterly financial wellbeing newsletters (new)
- an annual benefit statement (in the process of being revamped)
- access to secure online services, including their latest benefit statement and details of how underlying investment portfolios are performing (Evergreen & Easy Benefit Plan only; future development for Protektor & Orion)
- member education sessions (Evergreen only)
- access to all brochures and seminar presentations (product specific)
- investment performance updates
- call centre support



Members can also submit queries, questions or comments directly to Old Mutual via a dedicated email address (rfamembers@oldmutual.com), which promises to answer all emails within 48 hours during weekdays.

The Board is committed to delivering communication that is compliant with the Registrar's minimum requirements as set out in PF Circulars 86, 90 and 130. (What is a PF circular? A document issued by the Registrar to clarify certain matters in the Pension Funds Act which is not legally binding but is generally followed by the Retirement Fund Industry as acceptable practice in the administration and management of retirement funds.) During 2008, the Principal Officer benchmarked the current communication deliveries against the requirements of PF 130. Areas that needed improvement were identified and changes implemented.

INVESTMENTS

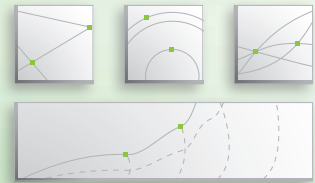
By pooling the retirement funds of many thousands of individuals, SuperFund is able to offer a range of investment options that would normally only be accessible to large corporate retirement funds.

The Board is responsible for selecting the investment portfolios that are included within SuperFund. The level of expertise inherent in the Board members, together with their expert advisors, is unmatched amongst umbrella funds in South Africa.

There is a formal investment decision-making process that is documented in writing in the Funds' Investment Policy Statement. The Investment and Actuarial Sub-Committee meets quarterly to review all aspects of the investments. Old Mutual Actuaries and Consultants have been appointed as the investment consultants. On an annual basis the Sub-Committee, with the assistance of Old Mutual Actuaries and Consultants, reviews all of the investment funds on offer. Performance monitoring also takes place on a quarterly basis.

The Board recognises that any investment strategy must be formulated within constraints that members effectively impose on themselves as a result of their individual tolerance of the various investment risks. As the Funds will be marketed to a wide range of employers, members are expected to range across the full spectrum of employees in terms of financial expertise, age, and risk tolerance. The Board has constructed typical membership profiles broadly categorised as follows:

- Desire to be involved in the investment decision-making
- Earnings levels
- Retirement savings outside own home
- Age
- Tolerance of volatility risk
- Exposure to interest risk on retirement
- Exposure to inflation risk
- Likelihood of preservation on early exit

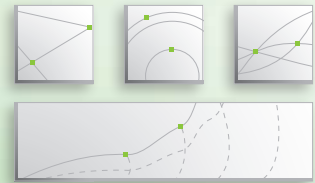


Based on the various membership profiles, the Board identified the characteristics of the investment funds that should be offered to each category of members and then selected suitable investment funds for each. The features of each of the categories on which the investments were selected are as follows:

Group	A	B1	B2	C
Evergreen	Low Choice	Managed Choice¹	Managed Choice²	Flexible Choice
Orion	Smoothed Bonus	Choice of Smoothed Bonus or Market Linked	N/a	N/a
Easy Benefit Plan	Smoothed Bonus	N/a	N/a	N/a
Features:	<p>Trustee selected and managed fund</p> <p>Low volatility of returns</p> <p>High level of guarantees: at least 80% (Evergreen) or 70% (Orion)</p> <p>High liquidity</p> <p>No choice</p>	<p>Trustee selected and managed funds</p> <p>Limited choice according to broad risk profiles – only a single investment fund will be selected by the member</p> <p>Board members must automatically change the risk profile of the investment funds as the member gets close to retirement, reducing volatility, incorporating guarantees and increasing liquidity. This is known as a lifestyle option.</p>	<p>Trustee selected and managed funds (with varying affinity group involvement)</p> <p>Member will choose affinity group investment fund only</p> <p>Volatility of returns and guarantees will depend on profile of affinity group. In certain cases, the affinity group may decide on an appropriate risk profile.</p> <p>High liquidity</p>	<p>Comprehensive range of funds for members to choose from, covering widely different levels of volatility, expected returns and liquidity</p> <p>Some low volatility / low interest risk funds for members close to retirement.</p> <p>Allow members to determine their own appetite for risk (risk profile) and to align their investment portfolio accordingly classes</p>

¹ and ² As both groups B1 and B2 under Evergreen are expected to be invested in a single investment fund, managed by the Board (with affinity group involvement in the case of B1 members), we have combined B1 and B2 into a single member group, B, namely the Managed Choice option.

Group	A	B1	B2	C
	All the options should have a reasonable exposure to assets that are expected to outperform inflation except in the period immediately before retirement.			



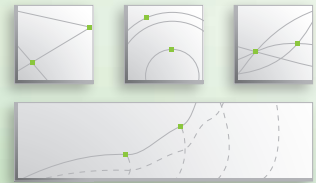
The interaction between the retirement fund investment offerings can be better understood by considering a diagram of the amalgamated structure, set out here.

Choice decided by Employer or Member?			Single investment fund; No flexibility	Limited range of investment funds; Limited flexibility	Wider range of investment funds; complete flexibility
	Easy Benefit Plan	No Choice		✓	
Orion	Employer Choice		✓		
	Employer + Member Choice		✓	✓	
Evergreen	Employer Choice		✓		
	Employer + Member Choice		✓	✓	
	Employer + Member Choice		✓	✓	✓

Protektor

Protektor offers a Guaranteed Option, an Investment Choice Option and an Individual Option. The Board selected the Old Mutual Absolute Stable Growth Fund as the current investment fund in the Guaranteed Option from 1 April 2010. Members previously invested in the Old Mutual Guaranteed Fund were given the option of remaining invested in the Guaranteed Fund or transferring to the Absolute Stable Growth Fund. A selection of Old Mutual Unit Trusts and a smoothed bonus investment fund are offered under the Investment Choice Option. The Old Mutual Guaranteed Fund under the Guaranteed Option and the Individual Option are closed to new members.

One of the objectives of the Board for the consolidated SuperFund is to facilitate the smooth transfer from a retirement fund to a preservation fund within the Group. It is therefore the intention of the Board to align the Protektor investment offering with the investment offerings of Evergreen, Easy Benefit Plan and Orion so that members electing to preserve their benefits after termination of service can do so without changing their investment strategy.



INSURED/RISK BENEFITS

The Board has adopted a Risk Benefit Policy Statement which sets out its philosophy with regard to the provision of risk benefits. The policy fulfils a role analogous to an Investment Policy Statement but in the risk benefit sphere. Not only does the Policy define SuperFund's risk benefit strategy but it also defines the criteria and processes for selecting risk benefit providers, benchmarks and processes for monitoring risk benefits and the decision-making infrastructure. The Investment and Actuarial Sub-Committee is responsible for the oversight of this policy and the approval of risk providers.

The most significant underlying principle of the policy is that SuperFund does not take on a liability in the provision of risk benefits. Risk benefits are provided by SuperFund only insofar as they are accepted and paid by a policy of insurance provided by a risk benefit provider approved by the Board.

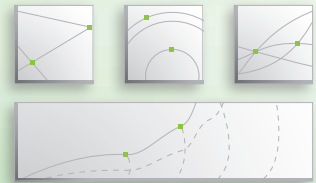
SuperFund provides risk benefits tailored to the needs of members. They are either provided through the default insurance policy underwritten by Old Mutual, in the case of Orion and Easy Benefit Plan, or in the case of Evergreen, either the default insurance policy or an insurance policy underwritten by other insurers. The Board has structured the offering in terms of complexity and cost as follows:

1. Fully-flexible: Evergreen: The participating employer chooses the risk benefit provider from a list of Board-approved providers (including Old Mutual), the benefit types and level of risk. If feasible, it may include employer chosen core benefits with flexible options for members.
2. Semi-flexible: Orion: The risk benefit provider is selected by the Board (which will be Old Mutual so long as its policy and premium rates remain competitive) but the benefit types and levels of cover are chosen by the participating employer.
3. Rigid: Easy Benefit Plan: Old Mutual is the risk benefit provider and the benefit types and levels are determined by Old Mutual and are fixed.

Employers who participate in Evergreen and Orion may also choose not to offer any risk benefits or to offer risk benefits but not through the Fund. If an employer offers risk benefits outside the Fund (through employer-owned unapproved policies of insurance directly with insurers) the Fund cannot be responsible for the provision of these benefits; this includes disability income benefits.

All members within a risk category pay the same premium rate resulting from a costing of the category using the relevant members' ages, gender, occupational group and experience; here there is a degree of cross-subsidisation between them.

The premium rates of the Old Mutual default insurance policy are reviewed annually based on the claims experience of the risk pool. Actuarially sound risk management processes are in place and each participating employer is charged appropriate risk premiums based on its own membership risk profile. Ongoing independent market research has confirmed that Old Mutual's risk rates have been and are still highly competitive.



FEES

SuperFund is absolutely transparent in terms of the costs it levies. The fee structure for the Funds comprises a monthly administration charge, investment fees and commission. These fees are clearly outlined upfront when employers or members express an interest in any of the Funds, and members are timeously advised of any changes to any of the fees.

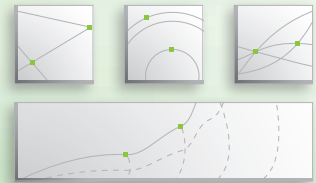
Member administration

	R (pmpm) incl. VAT
Easy Benefit Plan	R21.00 plus 0.8% of salary
Orion	R21.00
Evergreen Low Choice	R21.00
Evergreen Managed Choice	R37.00
Evergreen Flexible Choice	R63.00
Evergreen Investment Advice	R40.00
Unclaimed benefit accounts	R14.00
Protektor	1,50% of the first R250 000 of the member's transfer amount and 0,50% of the balance, with a minimum of R1 000 and a maximum of R7 500 Part of the investment fee (0.25 basis points)s allocated towards the management of the Funds.

[The Board agreed the deduction of a fee in respect of unclaimed benefits as active members should not be burdened with the costs of administering unclaimed benefits but at the same time did not wish to discourage the active tracing of unclaimed benefits. A strategy for dealing with and a procedure for tracing unclaimed benefits was adopted by the Board.]

The member administration fees are arrived at in the following way:

	R (pmpm) incl. VAT
Governance	R 4.50
Administration	R11.50
Unclaimed account administration	R 9.50
Communication and service	R 5.00
Evergreen Managed Choice charge	R16.00
Evergreen Flexible Choice charge	R42.00



Participating Employer administration

	R (ppepm) incl. VAT
Orion (using debit order)	400.00
Orion (not using debit order)	600.00
Evergreen (using debit orders)	1000.00
Evergreen (not using debit orders)	1500.00

Investment Fees

Investment fees are charged by the investment manager to manage the investment portfolios. These fees depend on the particular investment portfolio selected. Investment fees are specifically negotiated between the Board members and the investment managers and are charged for managing the various investment options on behalf of members. In many cases, as the Board is able to bulk the investments across all of the entities within SuperFund, it is able to negotiate fees that are lower than the fees usually charged by these investment managers for investment in the portfolios they manage. The fees are reviewed annually with the assistance of Old Mutual Actuaries and Consultants.

Certain investment portfolios are subject to a sliding scale fee structure. These structures allow the investment manager to charge a lower fee as the size of the Fund's investment in that portfolio increases. In the case of the smooth bonus options (Absolute Stable Growth, Coregrowth and the Guaranteed Fund) the sliding scale has been removed and a single fee applied across all of the entities for each of the investment funds.

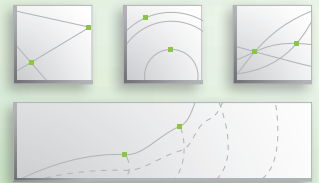
Certain investment portfolios charge investment fees based on the performance of the portfolio; currently only Alan Gray and Coronation under the Evergreen option charge such performance fees.

All investment fees, per investment manager, are listed on the Funds' website. Any changes to fees are updated in this document.

EXPENSES

Of the fee received, R4.50 is used for the ongoing management of the Fund (audit, trustee, consulting, communication, FSB levies, bank charges, etc.). In the interests of transparency, the Board has adopted an Income and Expenses Policy.

Annually in advance, the Board agrees an Expense Budget. On a quarterly basis, actual management expenses incurred are measured against the budget and variances identified and reported on.



ADVICE

Professional advice, at all levels, is key to the successful performance of a retirement fund. Section 7C of the Pension Funds Act places a duty of Board members to obtain expert advice on matters where Board members may lack expertise.

The Board regularly makes use of specialist consultants and advisors, as and when the need arises. Leading legal specialists in the industry, including senior counsel, have been consulted on an ad hoc basis to provide guidance on specific matters.

Old Mutual Actuaries and Consultants has been appointed as investment consultants and actuaries. Evergreen retains the appointment of Fifth Quadrant as its actuaries. The Really Useful Communications Company has been appointed as the communication consultants.

The costs of all consultants are negotiated at the time of appointment and these are reviewed annually in respect of those consultants who are retained on an ongoing basis. The Board has made provision for these costs in the fees that are charged to members, and hence there is no separate additional charge to cover these costs.

As with all service providers, the appointment of consultants is governed by the Procurement Policy that has been adopted by the Board.

All participating employers are strongly encouraged to appoint their own advisors. FAIS compliance and Old Mutual product accreditation are pre-requisites for the payment of commission to these advisors. It is important to note that commission payments are paid in accordance with the LOA commission scale by Old Mutual and not the Funds.

Members are strongly encouraged to consult their own personal financial advisors. Where members require assistance with appointing their own personal financial advisors, Old Mutual facilitates this interaction via the participating employer-appointed intermediary, or a representative from Old Mutual Personal Financial Advisors. No commission is paid from the Fund to these financial advisors in respect of personal advice provide to members.