OLD MUTUAL SUPERFUND CHOICE
INVESTMENTS PACKAGES

A guide to helping you and your employees make the right retirement investment decisions

CORPORATE
RETIREMENT SOLUTIONS

DO GREAT THINGS EVERY DAY

INVESTMENT PACKAGE OPTIONS

Old Mutual SuperFund recognises further that different Employers and Members have varying investment needs. Importantly, Members also have varying levels of ability when it comes to making the decision as to how their retirement savings should be invested. As such, the Trustees of Old Mutual SuperFund have created a variety of investment package options, as follows:

<table>
<tr><th></th><th>OLD MUTUAL SUPERFUND EASY</th><th>OLD MUTUAL SUPERFUND CHOICE</th><th>OLD MUTUAL SUPERFUND CUSTOMISED</th></tr>
<tr><td>Trustee selected default
5+ Members (and R15 000 per month total contribution for Old Mutual SuperFund Choice clients)</td><td>Currently Old Mutual Absolute Stable Growth (AGP80)</td><td>Currently Old Mutual Smoothed Lifestage</td><td rowspan="4">All underlying investment portfolios can be made available to Old Mutual SuperFund Customised clients</td></tr>
<tr><td>Lifestage
Alternative Default
5+ Members AND R15 000 per month total contribution</td><td>Not applicable</td><td>Range of Lifestage options
• Single Manager
• Multi-Manager (Active)
• Multi-Manager (Passive)</td></tr>
<tr><td>Single Portfolios
Alternative Default
5+ Members AND
R15 000 per month total contribution</td><td>Not applicable</td><td>• Old Mutual Absolute Stable Growth
• Old Mutual Albaraka (Shariah compliant)</td></tr>
<tr><td>Member Investment Choice
50+ Members;
OR
Total salaries greater than R250 000 per month</td><td>Not applicable</td><td>Strategy:
Range of Old Mutual Group managed portfolios
Extended:
Wide range of external and Old Mutual managed portfolios</td></tr>
<tr><td>Customised Investments
R1 billion in assets</td><td>Not applicable</td><td>Not applicable</td><td>Customised investment strategy designed by accredited Investment Manager</td></tr>
</table>

OLD MUTUAL SUPERFUND CHOICE INVESTMENT OPTIONS

The Old Mutual SuperFund Choice solution is designed to offer an Employer, and their Employees, the benefit of investment choice. While this may be a significant enhancement to their current retirement offering and their employees' retirement planning, it also presents a number of potential risks. The information in this document is provided to assist with making the right Old Mutual SuperFund Choice investment decisions.

THE EXTENT OF THE EMPLOYER'S INVESTMENT CHOICE

The **first key choice** an Employer needs to make within Old Mutual SuperFund Choice is:

What Investment Package default must apply?

Regulation 37 of the Pension Funds Act requires the Fund to include the provision of one or more Default Investment Portfolios. This portfolio(s) is defined as the investment portfolio into which the retirement funding contributions of a Member must be invested.

It is noted that different Employers have varying investment needs. As such, the Trustees of Old Mutual SuperFund have created a variety of Investment Package default options, as follows:

TRUSTEE SELECTED DEFAULT	EMPLOYER SELECTED ALTERNATIVE DEFAULTS	
	LIFESTAGE	SINGLE PORTFOLIOS
Smoothed Lifestage	Multi-manager (active) Multi-manager (passive) Single manager	Old Mutual Absolute Stable Growth OM Albaraka (Shariah compliant)

And the **next key choice** is:

What choices, if any, will be made available to Members?

Members also have varying levels of ability when it comes to making the decision as to how their retirement saving money should be invested. Members may elect in writing to invest their contributions in a different investment portfolio provided for in the Investment Policy Statement of the Fund or options available to Members of the Fund.

MEMBER CHOICE AVAILABLE IN ADDITION TO DEFAULT SELECTION		
OTHER LIFESTAGES	STRATEGY	EXTENDED
Smoothed Lifestage **Multi-manager (active)** **Multi-manager (passive)** **Single manager**	Expanded list of portfolios including only Old Mutual managed portfolios	As per Strategy plus external manager portfolios

It is noted that if a member selects a lifestage option, then no other portfolios may be selected i.e. split funding between lifestage and other portfolios is not possible.

THE LIFESTAGE INVESTMENT PACKAGE

What is it?

This investment package will be available to eligible Old Mutual SuperFund Choice Members. It offers Members a choice of four distinct Lifestage options and the ability to specify their own target retirement age.

Who is it suited to?

Members who want an automated and seamless investment development solution that switches them into appropriate investment funds as they progress through life on their way to retirement. Eligible Employers can select one of the Lifestage options as their Employer scheme default. This means that all their employees' retirement savings, and future contributions, will be invested automatically in the default Lifestage option unless a Member makes his or her own investment election.

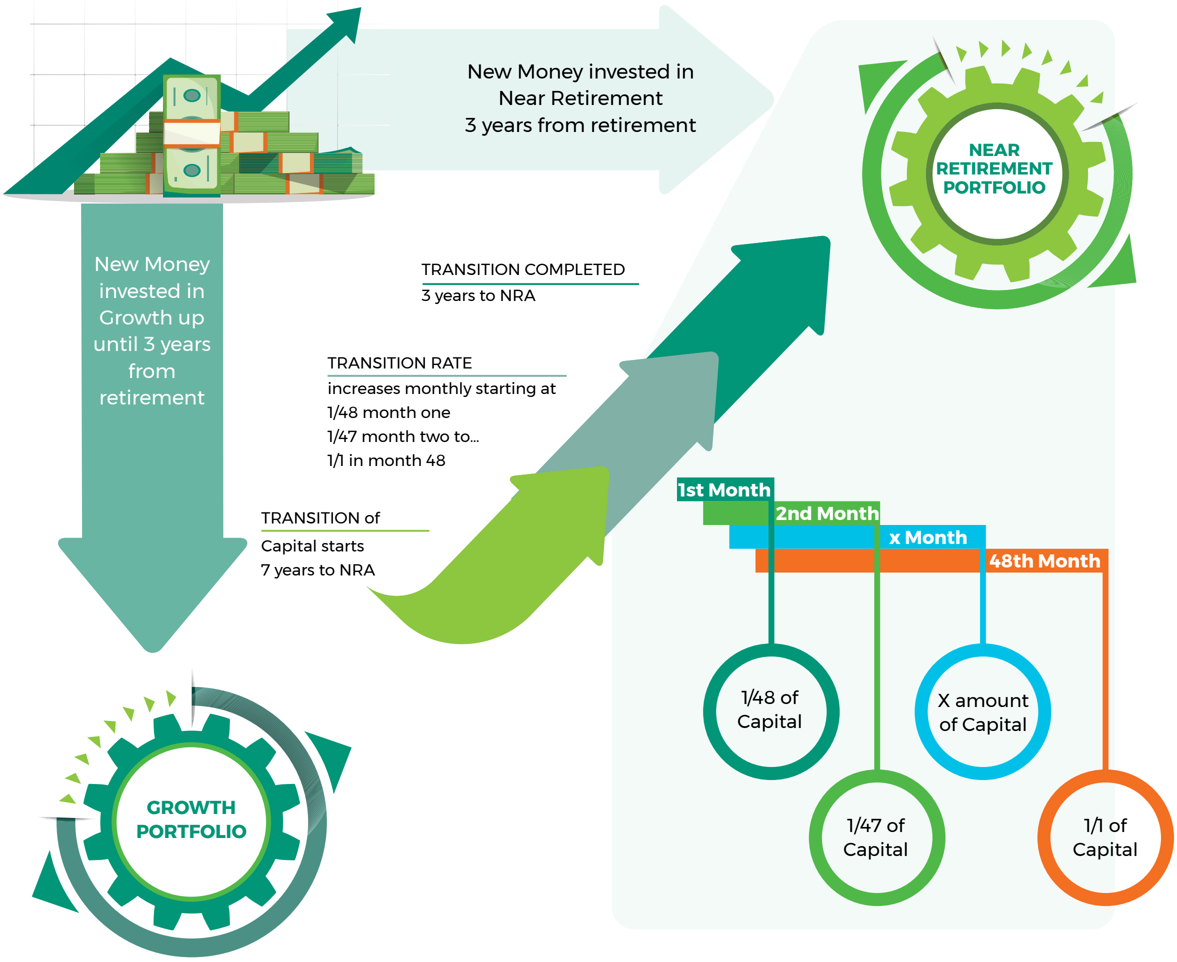
How does it work?

Members are invested in a growth investment portfolio for most of their working lifetime, and automatically transitioned to more conservative investments as they near retirement as shown below:

RETIREMENT SAVINGS GROWTH PHASE	AUTOMATED MONTHLY TRANSITION	RETIREMENT SAVINGS NEAR RETIREMENT PHASE	
(More than 7 years from Target Retirement Age)	(Over a 4-year period, starting from 7 years before retirement)	(3 years and less from Target Retirement Age)	
Aggressive Performance Objective: • CPI+5% - 7% **Short Term Volatility:** • Tolerated (except for Lifestage Investment Package Smoothing option where volatility is kept to a minimum)		**Conservative Performance Objective:** • CPI+3% (except Lifestage Investment Package Smoothing Option, which is CPI + 4.5% to 6.5% net of capital charge) **Short Term Volatility:** • Minimised	TARGET RETIREMENT AGE

Lifestage is seamless in that Members are automatically invested and transitioned according to the number of years to the target retirement date they have set.

LIFESTAGING PROCESS



Old Mutual works out the anticipated retirement date using the Member's Target Retirement Age. Lifestage Members can either specify their own Target Retirement Age, or the Normal Retirement Age value associated with the scheme will be used. Members can choose to move in or out of the Lifestage investment package at any time. The Member can also choose to move from one Lifestage option to another, provided that 100% of all retirement savings and future contributions are directed to a single Lifestage option at any given time.

The four Lifestage options are outlined visually below:

LIFESTAGE INVESTMENT OPTIONS

STYLE	RETIREMENT SAVINGS GROWTH PHASE	TARGET CPI 5-7% LINEAR MONTHLY TRANSITION	RETIREMENT SAVINGS NEAR RETIREMENT PHASE TARGET: CPI+3% (SMOOTHING: CPI+5.5%)
	7 YEARS PRIOR	3 YEARS PRIOR	TRA TARGET RETIREMENT AGE
SMOOTHING	OLD MUTUAL ABSOLUTE SMOOTH GROWTH	→	OLD MUTUAL ABSOLUTE STABLE GROWTH
SINGLE MANAGER	OLD MUTUAL RETIREMENT-DRIVEN INVESTMENT GROWTH PORTFOLIO	→	OLD MUTUAL RETIREMENT-DRIVEN INVESTMENT DEFENSIVE PORTFOLIO
MULTI-MANAGER	SYMMETRY 3 - 5	→	SYMMETRY 5 - 7
MULTI-MANAGER	NEDGROUP INVESTMENTS XS DIVERSIFIED FUND OF FUNDS	→	NEDGROUP INVESTMENTS XS GUARDED FUND OF FUNDS
TRACKER	SYMMETRY 4-6 TRACKER	→	SYMMETRY 3-5 TRACKER
TRACKER	NEDGROUP INVESTMENTS CORE DIVERSIFIED FUND	→	NEDGROUP INVESTMENTS CORE GUARDED FUND

THE OLD MUTUAL ALBARAKA INVESTMENT PACKAGE

What is it?

The Old Mutual Albaraka Balanced fund aims to offer investors an investment based on the principles of Shari'ah (Islamic Law), that provides steady, longterm capital growth, as well as a moderate level of income via a portfolio that diversifies across asset classes and regional exposure. Eligible Employers can select Old Mutual Albaraka as their Employer scheme default. This means that all their employees' retirement savings, and future contributions, will be invested automatically in the default Old Mutual Albaraka Balanced Fund unless a Member makes his or her own investment election.

Who is it suited to?

This fund is suited to investors wanting moderate to high long-term growth from their Shari'ah compliant investment, with less volatility in the short term than pure equity.

How does it work?

The Old Mutual Albaraka Balanced fund's objective is to achieve a real return with significantly less volatility than the market. The Fund has high exposure to offshore assets, allowing the fund to achieve greater diversification and a consequent reduction in volatility.

The fund is managed in accordance with Shari'ah (Islamic Law) and therefore does not invest in companies whose core business involves dealing in alcohol, pork products, pornography, gambling, military equipment or weapons. The fund has a Shari'ah Supervisory Board which oversees adherence to the applicable Islamic laws. Therefore, investors aiming to save in a socially responsible manner for retirement, education or any specific goal should consider this fund.

MORE ABOUT MEMBER INVESTMENT CHOICE

The Strategy and Extended investment packages offer Members a wide range of Trustee approved investment funds from which to choose.

To simplify decision-making by Members invested in these packages, the investment portfolios under each investment fund have been categorised into three main risk/reward categories:

RISK REWARD CATEGORY	WHAT RETURNS TO EXPECT FROM THESE INVESTMENT PORTFOLIOS
Higher Reward/Higher Volatility (generally target returns of CPI +5% - 7%)	You can expect these investment portfolios to experience higher levels of volatility (investment risk) than the other two categories, but they also offer the potential for higher returns (reward) in the long term. This category will be very heavily exposed to growth assets (e.g. equities).
Medium Reward/Medium Volatility (generally target returns of CPI +3% - 5%)	These investment portfolios have a slightly lower proportion of growth assets than the first category and a slightly higher proportion of cash and bonds. This medium volatility profile means you can expect lower returns than in the higher reward category but less volatility.
Low Reward/Low Volatility (generally target returns of CPI +1% - 3%)	You can expect these investment portfolios to experience lower levels of volatility (i.e. lower investment risk) than the other two categories, but also lower returns in the long term. They have the lowest exposure to growth assets (equities) and the highest exposure to cash and bonds.

Against this risk/reward backdrop, the types of investment portfolios available within Old Mutual SuperFund Choice are broadly categorised as follows:

PORTFOLIO TYPE	WHAT RETURNS TO EXPECT FROM THESE INVESTMENT PORTFOLIOS
Market-Linked Investment Portfolios	The returns on these investment portfolios are directly related to returns achieved on the stock and bond exchanges. They will therefore produce more variable returns than smoothed bonus investment portfolios but will typically deliver a long-term return equal to, or higher than, the smoothed bonus portfolios.
Smoothed Bonus Investment Portfolios	A smoothed bonus investment portfolio holds some of the returns in years of better-than-average performance to support returns in years of worse-than-average performance. These investment portfolios still aim to provide long-term returns like those earned on market-linked investment portfolios in the same category, but they levy a charge for the smoothing and guarantees that are built into them.
Targeted Return Investment Portfolios	These are market-linked investment portfolios in which the investment provider targets a specific real return more than inflation. The investment mix can vary to reduce the risk of not achieving the targeted return.
Fixed Interest Investment Portfolios	These portfolios usually invest in longer-term loan arrangements (known as bonds) issued by the government or companies to raise capital. This is a fairly secure investment portfolio with expected returns that are higher than cash over the long-term. A fixed interest investment portfolio is often used shortly before retirement to manage risk. Over the long term (five years or more), the returns on a balanced portfolio that includes equities will typically be higher than the returns on a fixed interest investment portfolio.
Money Market Investment Portfolio	This is also known as "cash" and is a low-risk investment portfolio earning a rate like what you would earn in a savings or a fixed deposit account from a bank. While such investment portfolios preserve capital (making them useful just before retirement) it is expected that the real return on cash will be lower than that available on the other asset classes. This means they are not suitable long-term investments for retirement funds.

For more information on the investment portfolios and fees available, refer the Old Mutual SuperFund website on **www.oldmutual.co.za/superfund.**

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