

# OLD MUTUAL SUPERFUND



## SUPERFUND CHOICE AND PRESERVER INVESTMENT PERFORMANCE UPDATE

FOR THE PERIOD ENDED 31 MARCH 2019

Broad Category	Investment Portfolio	Quarter		1-year		3-year			5-year		
		Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Volatility	Gross Return	Portfolio Specific Benchmark	Volatility
Lower Reward Lower Volatility	<b>Inflation</b>	1.5%		4.5%		4.8%			5.0%		
	<b>Money Market</b>	1.7%		5.5%		5.8%			6.0%		
	<b>Gross Trustee Target</b>	1.7%		5.5%		5.8%			6.0%		
	FutureGrowth Core Money Market	1.9%	1.7%	7.9%	6.9%	8.1%	7.1%	0.1%	7.6%	6.7%	0.6%
	Taquanta Cash Pooled Fund	2.2%	1.8%	8.9%	7.3%	9.1%	7.4%	0.3%	8.3%	7.0%	0.5%
	<b>Fixed Interest</b>	2.0%		6.5%		6.8%			7.0%		
	<b>Gross Trustee Target</b>	2.0%		6.5%		6.8%			7.0%		
	Nedgroup Investments Flexible Income Fund	2.7%	1.8%	10.9%	6.7%	9.7%	6.6%	1.4%	9.4%	6.4%	1.2%
	Taquanta Optimal Income Fund	2.9%	2.2%	11.7%	9.0%	12.0%	9.2%	0.4%	9.6%	8.8%	3.3%
	<b>Smoothed Bonus</b>	2.2%		7.5%		7.8%			8.0%		
	<b>Gross Trustee Target</b>	2.2%		7.5%		7.8%			8.0%		
	Old Mutual Absolute Secure Growth Portfolio	0.4%	2.3%	3.4%	8.0%	5.4%	8.3%	0.8%	8.3%	8.5%	1.4%
	Old Mutual CoreGrowth 100	1.2%	2.3%	8.0%	8.0%	8.4%	8.3%	0.5%	9.7%	8.5%	0.8%
	<b>Market Linked - Index Trackers</b>	2.2%		7.5%		7.8%			8.0%		
	<b>Gross Trustee Target</b>	2.2%		7.5%		7.8%			8.0%		
	Nedgroup Investments Core Guarded Fund	4.2%	4.0%	6.8%	6.3%	6.3%	5.8%	4.1%	8.0%	7.7%	4.0%
	Old Mutual Nucleus Conservative Index Life Fund	4.5%	2.3%	5.3%	8.0%	7.0%	8.3%	4.4%	7.8%	8.5%	4.7%
	<b>Market Linked</b>	2.2%		7.5%		7.8%			8.0%		
	<b>Gross Trustee Target</b>	2.2%		7.5%		7.8%			8.0%		
	Allan Gray Global Stable Portfolio	4.1%	2.2%	8.4%	9.0%	7.5%	9.2%	6.1%	9.0%	8.8%	5.2%
	Nedgroup Investments XS Guarded Fund of Funds	5.2%	2.2%	9.5%	7.5%	7.4%	7.8%	4.5%	8.4%	8.0%	3.9%
	Alexander Forbes Investments 37.5% Equity	3.9%	3.5%	4.4%	3.8%	5.4%	4.8%	4.2%	6.8%	6.8%	4.2%
	<b>Targeted Return (&lt; CPI + 4%)</b>	2.2%		7.5%		7.8%			8.0%		
<b>Gross Trustee Target</b>	2.2%		7.5%		7.8%			8.0%			
Old Mutual MM Inflation Plus 1-3% Strategy	6.0%	1.9%	6.0%	6.5%	7.6%	6.8%	3.6%	8.6%	7.0%	3.6%	
Macro Solutions - Profile Capital Portfolio	3.5%	3.6%	6.6%	7.8%	7.7%	6.7%	3.5%	8.3%	7.9%	3.4%	

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		Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Volatility	Gross Return	Portfolio Specific Benchmark	Volatility
Medium Reward Medium Volatility	<b>Inflation</b>	1.5%		4.5%		4.8%			5.0%		
	<b>Smoothed Bonus</b>										
	<b>Gross Trustee Target</b>	2.7%		9.5%		9.8%			10.0%		
	Old Mutual Absolute Stable Growth Portfolio	0.8%	2.8%	5.1%	10.0%	7.3%	10.3%	0.9%	10.2%	10.4%	1.4%
	Old Mutual Absolute Smooth Growth Portfolio	0.9%	2.9%	5.6%	10.5%	7.8%	10.8%	0.9%	10.7%	11.0%	1.4%
	<b>Market-linked - Index Trackers</b>										
	<b>Gross Trustee Target</b>	2.7%		9.5%		9.8%			10.0%		
	Old Mutual Nucleus Moderate Index Life Fund	5.0%	2.5%	5.0%	9.0%	5.9%	9.3%	6.3%	7.7%	9.5%	6.3%
	Nedgroup Investments Core Diversified Fund	5.2%	5.1%	5.6%	5.2%	5.0%	4.6%	7.3%	7.4%	7.4%	7.0%
	<b>Market-linked – Shari'ah Compliant</b>										
	<b>Gross Trustee Target</b>	2.7%		9.5%		9.8%			10.0%		
	Old Mutual Albaraka Balanced Fund	5.5%	8.2%	7.2%	16.9%	5.4%	7.7%	5.8%	7.4%	7.2%	5.8%
	Oasis Crescent Balanced Progressive Fund of Funds	6.2%	1.7%	8.9%	5.5%	5.0%	5.8%	7.3%	5.8%	6.0%	7.1%
	<b>Market-linked</b>										
	<b>Gross Trustee Target</b>	2.7%		9.5%		9.8%			10.0%		
	Allan Gray Global Balanced Portfolio	5.5%	6.4%	7.4%	7.2%	6.0%	5.6%	7.8%	8.5%	6.8%	7.2%
	Coronation Global Houseview Portfolio (Pre Sept 2013)	9.0%	6.0%	7.0%	12.2%	6.2%	7.6%	8.3%	7.8%	8.3%	8.0%
	Coronation Global Houseview Portfolio (Post Sept 2013)	9.0%	6.0%	7.0%	12.2%	6.2%	7.6%	8.3%	7.8%	8.3%	8.0%
	Alexander Forbes Investments Performer	6.6%	6.4%	8.4%	7.1%	6.5%	5.7%	7.7%	8.4%	7.2%	6.9%
	Nedgroup Investments XS Diversified Fund of Funds	6.2%	2.6%	6.7%	9.5%	5.6%	9.8%	6.9%	7.2%	10.0%	6.3%
	Macro Solutions - Profile Balanced Portfolio	5.5%	4.4%	6.5%	6.2%	6.6%	5.5%	6.6%	7.9%	8.0%	6.4%
	Prudential Life Global Balanced Fund	6.9%	6.4%	7.3%	7.2%	7.4%	5.6%	7.5%	8.3%	6.8%	6.9%
	Old Mutual MM Managed Fund	7.8%	6.4%	7.4%	7.1%	5.5%	5.7%	8.0%	6.8%	7.2%	7.4%
	Old Mutual Guided Growth	1.0%	2.6%	2.5%	9.5%		9.8%			10.0%	
	<b>Targeted Return (CPI + 4-5%)</b>										
	<b>Gross Trustee Target</b>	2.6%		9.0%		9.3%			9.5%		
	Prudential Inflation Plus Fund	4.8%	2.6%	4.1%	9.5%	5.0%	9.8%	5.3%	7.7%	10.0%	5.0%
	Old Mutual MM Inflation Plus 3-5% Strategy	7.5%	2.4%	5.9%	8.5%	6.3%	8.8%	6.5%	8.4%	9.0%	5.8%
Old Mutual MM Absolute Defensive Fund	6.6%	1.5%	9.7%	4.5%	6.1%	4.8%	5.7%	7.8%	5.0%	4.8%	

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		Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Gross Return	Portfolio Specific Benchmark	Volatility	Gross Return	Portfolio Specific Benchmark	Volatility
Higher Reward Higher Volatility	<b>Inflation</b>	1.5%		4.5%		4.8%			5.0%		
	<b>Market-linked Funds</b>										
	<b>Gross Trustee Target</b>	3.2%		11.5%		11.8%			12.0%		
	Allan Gray Global Absolute	5.6%	6.4%	8.0%	7.2%	4.7%	5.6%	7.9%	7.7%	6.8%	6.8%
	Coronation Managed Portfolio	8.7%	6.0%	5.1%	6.7%	5.8%	5.6%	8.3%	6.9%	7.4%	8.1%
	Investec Managed Fund	6.7%	6.4%	8.7%	7.1%	7.5%	5.7%	7.4%	10.4%	7.2%	6.5%
	Macro Solutions - Profile Edge28 Portfolio	4.6%	2.9%	4.9%	10.5%	6.1%	10.8%	6.9%	8.4%	11.0%	6.7%
	Old Mutual MM Max 28 Fund	8.4%	3.0%	5.6%	11.0%	4.7%	11.3%	8.5%	7.0%	11.5%	7.7%
	<b>Market-linked - Index Trackers</b>										
	<b>Gross Trustee Target</b>	2.7%		9.5%		9.8%			10.0%		
	Old Mutual Nucleus Balanced Index Life Fund	5.0%	2.6%	4.0%	9.5%	5.1%	9.8%	7.2%	7.3%	10.0%	7.3%
	<b>Targeted Return (&gt; CPI + 5%)</b>										
	<b>Gross Trustee Target</b>	2.9%		10.5%		10.8%			11.0%		
	Coronation Global Absolute Portfolio (Pre Sept 2013)	6.6%	2.6%	8.3%	9.5%	6.5%	9.8%	5.9%	7.2%	10.0%	5.8%
	Coronation Global Absolute Portfolio (Post Sept 2013)	6.6%	2.6%	8.3%	9.5%	6.5%	9.8%	5.9%	7.2%	10.0%	5.8%
	Old Mutual MM Absolute Balanced Fund	7.3%	2.6%	7.9%	9.5%	5.8%	9.8%	6.8%	7.3%	10.0%	5.8%
Old Mutual MM Inflation Plus 5-7% Strategy	8.2%	2.9%	5.3%	10.5%	5.7%	10.8%	7.8%	8.1%	11.0%	7.3%	

## What do the various figures mean, and what figures should you be looking at?

The picture below shows you the first few rows of the Investment Performance update. We have labeled the columns for easy reference.

BROAD CATEGORY	INVESTMENT PORTFOLIO	Quarter		1-year		3-year			5-Year		
		GROSS RETURN (A)	PORTFOLIO SPECIFIC BENCHMARK (B)	GROSS RETURN (A)	PORTFOLIO SPECIFIC BENCHMARK (B)	GROSS RETURN (A)	PORTFOLIO SPECIFIC BENCHMARK (B)	VOLATILITY (D)	GROSS RETURN (A)	PORTFOLIO SPECIFIC BENCHMARK (B)	VOLATILITY (D)
Inflation		1.5%		5.3%		5.1%			6.7%		
Market-linked PORTFOLIO											
Gross Trustee Target (C)		3.2%		12.3%		12.1%			13.7%		
HIGHER REWARD HIGHER VOLATILITY	Investment Portfolio Example 1	-2.0%	2.0%	15.1%	13.0%	11.9%	8.9%	11.2%	13.4%	10.8%	10.6%
HIGHER REWARD HIGHER VOLATILITY	Investment Portfolio Example 2	6.4%	3.5%	22.4%	15.0%	8.1%	8.9%	11.6%	10.6%	10.8%	11.2%

### Column A – Gross Return

This is the investment return earned by this investment portfolio for the period, before any allowance for investment fees or inflation has been deducted. It does not take account of the timing of your cash flows. It is sometimes called the time weighted rate of return.

### Column B – Portfolio Specific Benchmark

This is the benchmark of the investment portfolio. You can compare Column A to Column B to see how your investment portfolio is doing compared to its specific underlying benchmark. Details of the underlying benchmark can be found on the published fund fact sheets that are available on the web.

### Column C – Gross Trustee Target

The Trustees like to compare each investment portfolio's return against an inflation target (for example, inflation + 3% or inflation + 5%) over periods of 3 years or more. The Trustee Target gives you an idea of the kind of returns the Trustees would expect the investment portfolio to earn over the longer term.

### Column D – Volatility

Volatility gives you an idea of the predictability and investment risk related to an investment portfolio. If the value of the investment portfolio moves up and down sharply (i.e. it is unpredictable), then it will have high volatility. If the value stays very constant (i.e. it is very predictable) then it will have low volatility. You would expect more aggressive (higher risk) investment portfolios to have a higher volatility, while low risk investment portfolios should have low volatility. Volatility is measured using the standard deviation of the unit price.

### Investment tips:

- Past performance is no guarantee of future performance.
- If a portfolio did extremely well (or badly) in the past, this does not guarantee that it will do so in the future.
- It is normally not a good idea to try to time the markets by switching funds when they are doing poorly.
- Get financial advice before making any investment or switching decisions.
- Please refer to your annual benefit statement (or quarterly investment statement, if applicable) to see how your savings have really grown.

### Why are there different reporting periods?

- Every month, the Fund publishes investment performance results measured over the previous quarter, 1 year, 3 years and 5 years.
- The quarterly performance shows the monthly results compounded over the 3-month period to give the total return for the quarter.
- The one-year, three-year and five-year return figures have been annualised. The annualised three-year performance is the annual rate which, when compounded over the three-year period, gives the total return experienced over 3 years. The same applies to the five-year and one-year results.



## INVESTMENT PERFORMANCE UPDATE

CATEGORY	WHAT RETURNS TO EXPECT FROM THESE INVESTMENT PORTFOLIOS
<b>HIGHER REWARD – HIGHER VOLATILITY</b>	You can expect these portfolios to experience higher levels of volatility (i.e. investment risk) than the other two categories, but also higher returns (reward) in the long run. This category will be very heavily exposed to growth assets (e.g. equities) as opposed to the other categories. These growth assets, while being the cause of the volatility, are also the reason for the higher expected long-term returns.
<b>MEDIUM REWARD – MEDIUM VOLATILITY</b>	These investment portfolios typically have a slightly lower proportion of growth assets than the first category and a slightly higher proportion of cash and bonds. Cash and bonds tend to offer a lower but less volatile return over the long run. The lower volatility of cash and bonds offsets some of the volatility of the growth assets. This medium volatility profile means that investors can expect lower returns than in the higher reward category but less volatility.
<b>LOWER REWARD – LOWER VOLATILITY</b>	You can expect these portfolios to experience lower levels of volatility (i.e. lower investment risk) than the other two categories, but also lower returns in the long run. This category will have the lowest exposure to growth assets (e.g. equities) and the highest exposure to cash and bonds.

Within each of these broad categories, the investment portfolios are further classified as follows:

<b>MARKET-LINKED PORTFOLIOS</b>	The returns of these portfolios are directly related to the returns achieved on the stock and bond exchanges. They will therefore produce more variable returns than smoothed bonus portfolios (see below), but will tend over the long term to deliver a return that is higher by an amount equal to the smoothed bonus guarantee charge.
<b>SMOOTHED BONUS PORTFOLIOS</b>	A smoothed bonus portfolio holds some of the returns back in years of better-than-average performance to support returns in years of worse-than-average performance. These portfolios still aim to provide long-term returns similar to those earned on market-linked funds in the same category, less the charge for the guarantees that are built into the smoothed bonus portfolios.
<b>TARGETED RETURN PORTFOLIOS</b>	These are market-linked portfolios where the investment manager targets a specific real return in excess of inflation and can vary the investment mix (e.g. use derivatives) to reduce the risk of not achieving the targeted return.
<b>MONEY MARKET</b>	This is also referred to as "cash" and is a low-risk investment earning a rate similar to what you would earn in a savings account or fixed deposit account with a bank. While it preserves capital, and therefore has a role shortly before you retire, particularly for any portion to be taken in cash, over the long term (5 years or more), it is expected that the real return on cash will be lower than that available from the other asset classes and therefore it is not a suitable long-term investment for retirement funds.
<b>FIXED-INTEREST</b>	These are usually longer-term loan arrangements (known as bonds) issued by the government or companies to raise capital. This is a fairly secure investment with expected real returns over the long term being higher than that of cash. As the price of a conventional annuity policy is strongly influenced by prevailing market yields on long-term bonds, a fixed interest portfolio is often used shortly before retirement to manage the risk associated with market yields. Over the long term (5 years or more), it is expected that the real return on a balanced portfolio that includes equities will be higher than the returns on a fixed interest portfolio.

- The accuracy of this report is dependent on the data received from the investment managers.
- If you need help interpreting these results, please refer to the section at the end of this report, "Understanding this Investment Performance Update"
- For more information please call the SuperFund Service Centre on 0860 20 30 40 or consult the website at [www.oldmutual.co.za/superfund](http://www.oldmutual.co.za/superfund)
- The information is produced by Old Mutual on behalf of the Old Mutual SuperFund for the information of members.

