

OLDMUTUAL



CORPORATE

DO GREAT THINGS EVERY DAY









INTEGRATED
ANNUAL REPORT
2020

OLD MUTUAL
SUPERFUND
PENSION AND
PROVIDENT
FUNDS

1 July 2019 - 30 June 2020

CONTENTS

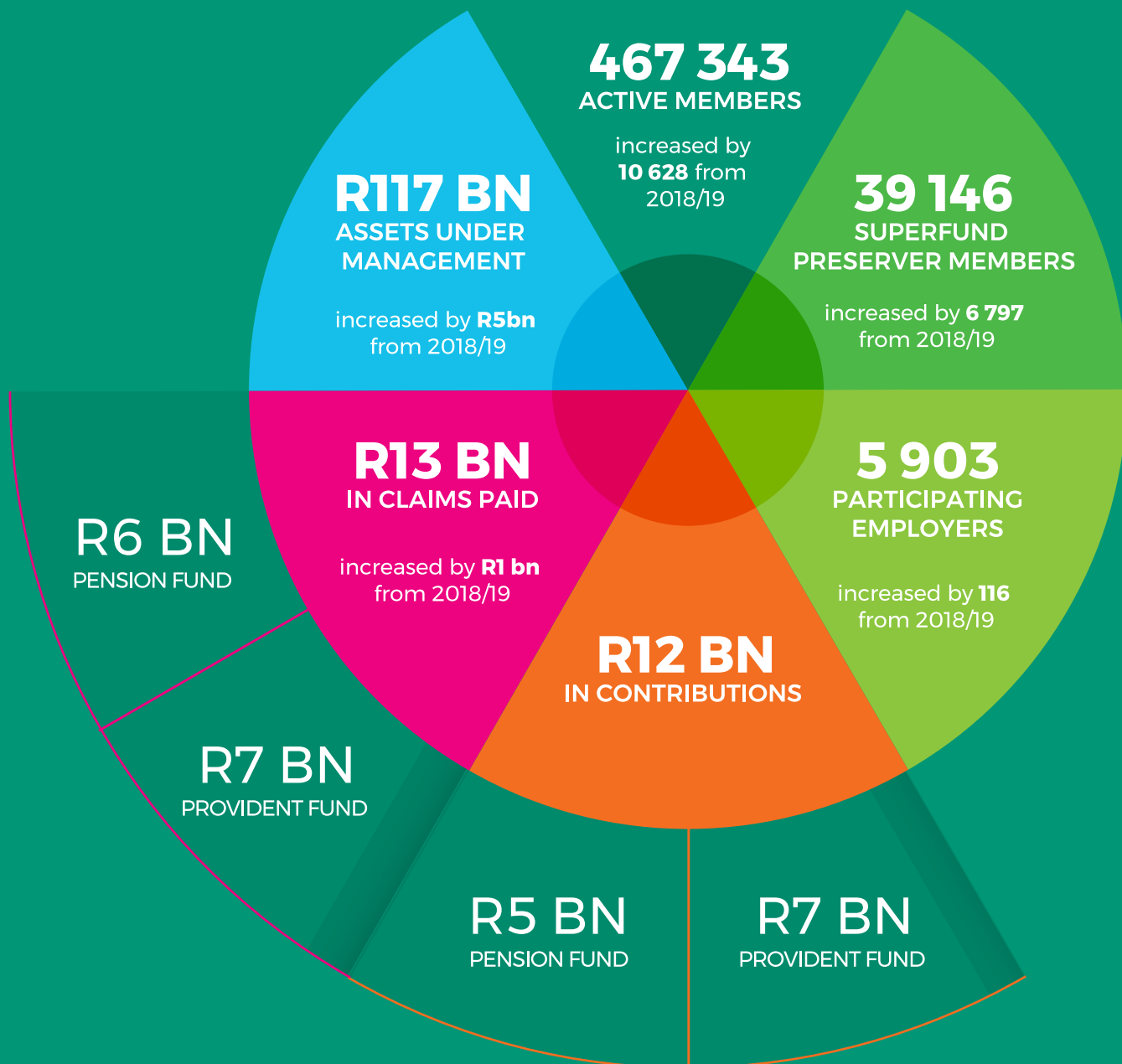


04	2019/20 HIGHLIGHTS	
06	ABOUT THIS INTEGRATED ANNUAL REPORT	
07	Statement of the Management Board	
07	Report Overview	
10	MESSAGES FROM THE CHAIRMAN AND PRINCIPAL OFFICER	
11	Message from the Chairman	
13	Message from the Principal Officer	
14	OLD MUTUAL SUPERFUND AT A GLANCE	
16	Old Mutual SuperFund Profile	
18	Old Mutual SuperFund's Stakeholders	
20	THE YEAR IN REVIEW	
21	Performance Metrics	
22	Annual Review of Investments	
24	Transformation and B-BBEE	
25	Responsible investing	
26	Member education and support	
27	Administration & Technology	
28	GOVERNANCE	
29	The Management Board	
29	Composition of the Management Board	
30	Management Board as at 30 June 2020	
31	The Principal Officer	
31	Sub-committees	
31	Board Meeting Attendance	
32	Risk Management and Compliance	
33	Ethics	
34	FINANCIAL REPORTS	
35	Auditor's Report on Summary Financial Statements	
36	Summary Financial Statement and Notes	
40	Statement of Responsibility by the Principal Officer	
41	Summary of the Actuarial Valuation Reports	
43	Professional Service Providers	
44	INVESTMENT PROVIDERS	
46	FUND REGISTRATION DETAILS	

Old Mutual SuperFund is an umbrella retirement fund made up of pension- and provident fund offerings, as well as preservation solutions. Unless stated otherwise, the use of the term Old Mutual SuperFund in this report refers to both the Old Mutual SuperFund Pension Fund and the Old Mutual SuperFund Provident Fund.

2019/20 HIGHLIGHTS





ABOUT
THIS
INTEGRATED
ANNUAL
REPORT



STATEMENT OF THE MANAGEMENT BOARD

The Management Board of Old Mutual SuperFund has fully applied its mind to the contents of this Integrated Annual Report and is of the opinion that it fairly represents all material issues relating to the Fund, and its impact on its members and other stakeholders. The Board is also confident that the report is in line with the requirements of the PFA and the King IV Report on Good Governance. In reaching these conclusions, the Board has:

- ensured that detailed registers, books and records of the operations of the Fund were kept as required by Section 7D(a) of the Pension Funds Act;
- considered all the facts and risks that could impact the integrity of this report;
- assessed the Fund's accounting practices and internal financial controls as required by Section 7D(b) of the Pension Funds Act; and
- approved the Annual Financial Statements.

The Board has subsequently unanimously approved this 2019/20 Old Mutual SuperFund Integrated Annual Report.

Bertie van Wyk

Chairman of the Board

REPORT OVERVIEW

Despite the challenges of Covid-19 during the year under review, Old Mutual SuperFund has remained steadfast in its promise to deliver value to its members and other stakeholders, and its commitment to advancing its journey towards fully integrated reporting.

At the same time, the Board understands that the Fund stakeholders have much to deal with at this time, and may be inundated with information – particularly pertaining to Covid-19. So, while this annual report focuses on presenting a comprehensive view of the Fund's performance, achievements, challenges and plans, the Board has attempted to deliver this information as concisely and effectively as possible.

This approach in no way diminishes the Board's commitment to reporting in a detailed and integrated manner, and aligning the content of this report with international best practices. A full set of Annual Financial Statements is available on the Old Mutual SuperFund website at <https://www.oldmutual.co.za/corporate/retirement-funds/superfund-communications-hub>

“Despite the challenges of Covid-19 during the year under review, Old Mutual SuperFund has remained steadfast in its promise to its members and other stakeholders, and its commitment to advancing its journey towards fully integrated reporting”.

REPORT SCOPE AND BOUNDARY

REPORTING PERIOD

Financial year: 1 July 2019 to 30 June 2020



CAPITALS

The SuperFund Management Board recognises that the six capitals identified by the International Integrated Reporting Council are integral to the Fund's continued ability to maximise the value delivered to its members and other stakeholders. These capitals, which are integrated into the Fund's strategic approach and inform its decisions, are defined as follows:

<p>Financial capital</p> <ul style="list-style-type: none"> The financial resources available to SuperFund to deliver on its promise of value creation. The Fund is sponsored by Old Mutual with its vast financial resources, and retains its own reserve levels. 	<p>Manufactured capital</p> <ul style="list-style-type: none"> The physical infrastructure that enables the Fund to create value. Includes required buildings, equipment and infrastructure. 	<p>Intellectual capital</p> <ul style="list-style-type: none"> The extensive knowledge, experience and expertise to which SuperFund has access, internally, and through its partnerships and working relationships.
<p>Human capital</p> <ul style="list-style-type: none"> The competencies, abilities and talent that exist within SuperFund and contributing partners. Delivered through the outstanding people it employs and engages. 	<p>Social and relationship capital</p> <ul style="list-style-type: none"> The relationships that exist between stakeholders that contribute to, or benefit from, the Fund. These maximise its ability to optimise members' retirement outcomes. 	<p>Natural capital</p> <ul style="list-style-type: none"> Renewable and non-renewable environmental resources that enable Old Mutual SuperFund to operate and deliver value. The Fund prioritises the protection of natural capital and inclusion of Environmental, Social and Governance (ESG) considerations.

REPORTING PRINCIPLES AND APPROACH

This Integrated Annual Report conforms to the recommendations of the Integrated Reporting Framework of the IIRC, the King IV Report on Corporate Governance, the Pension Funds Act, No 24 of 1956 as amended and other relevant South African legislation.

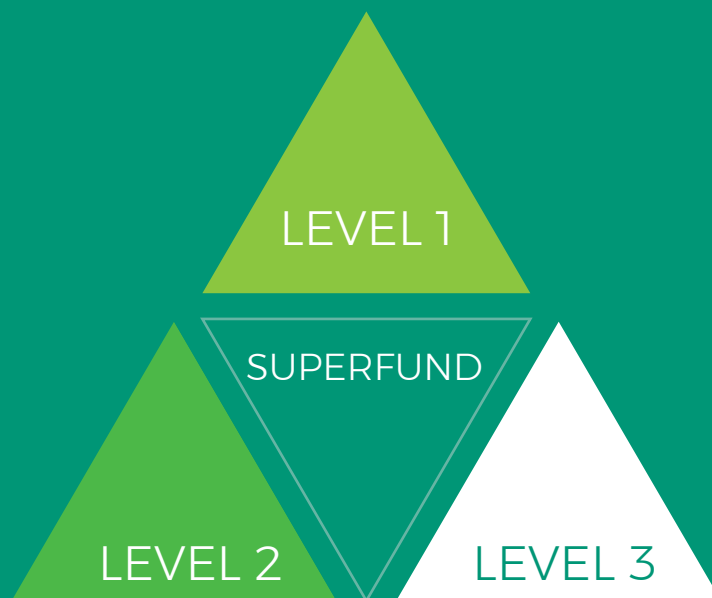
ABOUT THIS INTEGRATED ANNUAL REPORT

LEVELS OF ASSURANCE

Old Mutual SuperFund applies an integrated assurance approach comprising three assurance levels.

ASSURANCE LEVEL 1: RISK MANAGEMENT

- Specifications are set out in the Fund Rules and Sections 7C & D of the Pension Funds Act.
- The comprehensive Fund Risk Log is used to identify and monitor risks that could negatively impact the Fund or limit its delivery.
- Risks are actively managed in line with agreed policies and practices.
- Sub-committees are mandated to identify any deviations from policies and practices and to address the deviations.
- Issues deemed to be potentially high risk are reported in the Board Risk Log, with mitigating strategies implemented.
- The Fund has appropriate risk provision through fidelity cover. The cover is reviewed annually.
- Residual risks are specifically rated on a qualitative basis, with a 12-month view.



ASSURANCE LEVEL 2: GOVERNANCE, RISK AND COMPLIANCE

This comprises:

- Annual Governance Review - This is the responsibility of the Office of the Principal Officer. Results are monitored by the Governance and Risk Management Sub-Committee.
- Quarterly compliance audit - This is done by Old Mutual's Internal Compliance Office. Results are reported to the Management Board.
- Annual valuation - The valuation confirms the Fund's financial soundness, that the Fund's assets adequately match liabilities, and that the investment strategy is appropriate to the nature and term of the Fund's liabilities.

ASSURANCE LEVEL 3: EXTERNAL AUDIT

- The Administration and Financial Reporting Sub-Committee facilitates the external audit process. PricewaterhouseCoopers Inc. (PwC) is the Fund's external auditor.
- The Management Board reviews the external audit process annually.
- PwC conducts an annual review in terms of International Standard on Assurance Engagements (ISAE) 3402 which reviews the robustness of the controls in the administration system to deliver outcomes.

The background features a large, stylized umbrella with a green top and a dark blue bottom, set against a dark blue background with a pattern of smaller, darker umbrellas. A white diagonal line cuts across the scene. In the bottom right, there is a grey triangle pointing upwards.

MESSAGES
FROM
CHAIRMAN
AND
PRINCIPAL
OFFICER

“The year 2020 will go down in history as one of the most challenging periods for most people and businesses in South Africa and, indeed, across the world”.



MESSAGE FROM THE CHAIRMAN

The year 2020 will go down in history as one of the most challenging periods for most people and businesses in South Africa and, indeed, across the world. While Covid-19 was primarily a global health disaster resulting in significant loss of life, the economic fallout of the pandemic has had a devastating impact on many people.

There have been immediate challenges to income and livelihoods as a result of lockdowns in most parts of the world. The long-term impact of sudden and severe downturns in most markets has created fear and uncertainty for all those who have investments, including members of retirement funding schemes.

When Covid-19 first arrived in South Africa, the government responded with the hard lockdown. The Trustees of Old Mutual SuperFund recognised the need to develop a comprehensive plan, not only to secure the stability of the fund itself, but more importantly to assist our members through the crisis.

The Board also understands that members are not the only Fund stakeholders who have been impacted by Covid-19. Employers continue to face massive challenges, which not only impact on their own survival and sustainability, but also filter down to their employees. Many of our more than 5 900 SuperFund participating employers are facing these challenges. We have prioritised the delivery of relief options and solutions to support them, and their employees who are our Fund members, through these difficult times.

To achieve these objectives, we activated our Crisis Management Sub-Committee to focus on delivering a cohesive and effective Covid-19 response. This was built on the following four cornerstones:

- To provide meaningful Fund contribution relief to employers that need it.
- To closely monitor the Fund's investments and work with our investment managers to limit the impact of market volatility on member balances.
- To tighten up all areas of Fund operations and collaborate with all parties to ensure SuperFund could operate as normally as possible.
- To keep a close watch on any potential business continuity risks and immediately address these as they arose.

I am pleased to report that this crisis response strategy has stood SuperFund and its members in very good stead through the most challenging period of the pandemic. While there have been some setbacks due to Covid-19, we have managed to reduce its impact on our members, employers and other stakeholders.

MANAGING OUR MEMBERS' INVESTMENTS THROUGH THE CRISIS

We are very aware that the most concerning financial aspect of Covid-19 for most of our members is the impact the global crisis has had, and might continue to have, on their retirement savings. Short-term market volatility can be emotionally devastating for members because of the fear of what this may do to their accumulated fund values.

Fortunately for most of our SuperFund members, the Fund's primary default investment methodology, which harnesses smoothing and capital guarantees, helped to limit the impact of Covid-19.

That said, the Fund's primary default option, the Old Mutual Absolute Stable Growth Portfolio (AGP Stable) declared a negative bonus for the first time in its history. It nevertheless weathered the Covid-19 storm admirably compared to the vast majority of market-linked balanced funds.

The ability that AGP Stable demonstrated to absorb the shocks that resonated across global investment markets in 2020 confirms our confidence in this smoothed bonus fund as an excellent default investment solution for SuperFund members.

INVESTMENT REGULATIONS

While the effects of Covid-19 understandably dominated investment circles over the past financial year, the other challenges and issues facing the retirement industry did not simply disappear. In the South African context, the lingering uncertainty about government's stance on prescribed assets was a significant concern for everyone involved in the industry. The Board members are aware of these concerns, particularly amongst our members. We are committed to continuing to represent the best interests of our members by being as involved as possible in all discussions and policy decisions around this matter.

While the fears regarding government involvement in pension funds are understood, it is important to also remain balanced in our assessment of the possible implementation of prescribed assets. In fact, our default AGP Stable investment fund has a long history of responsible investment into various sustainable and socio-economic development sectors. These include education, housing, healthcare, agriculture and infrastructure. Our experience in this regard has shown that, if approached correctly, this type of impact investment not only delivers positive outcomes for society, but can also deliver solid returns for Fund members.

CONDOLENCES AND GRATITUDE

On behalf of the Old Mutual SuperFund Management Board and all the Fund's partners and suppliers, I would like to extend our condolences to all our Fund members

who have lost friends and family members to Covid-19. You are in our thoughts during this difficult time.

I would also like to express our heartfelt gratitude to all South Africa's frontline healthcare personnel who continue to work so selflessly to treat those infected with this virus. Your bravery and selflessness, despite the huge risks, is an inspiration to us all.

The extreme challenges of 2020 serve as an important reminder of just how important strong and enduring partnerships are in the success of any retirement fund. It is heartening to know that SuperFund enjoys such solid and reliable partnerships, not only with its service providers and business partners, but with all its members and participating employers as well.

I would like to thank all our partners for their continued trust, support and belief in Old Mutual SuperFund over the past financial year. Your confidence in our Fund inspires us to keep on doing better and achieving more for the benefit of all our members.

Thank you also to my colleagues on the SuperFund Management Board and our Principal Officer, Fiona Reynolds. Your commitment, determination and many sacrifices have been vital to SuperFund's continued stability and resilience over this trying period.

Finally, my gratitude goes out to all our business partners, suppliers, investment managers, as well as Old Mutual Corporate as Fund sponsor, and the Financial Sector Conduct Authority.

While we have no idea how long the world will be dealing with the impact of Covid-19, we have overcome the key challenges it has presented thus far. I have every confidence that we will continue to do so together in the future, and deliver the solid retirement outcomes our members deserve.

Bertie van Wyk

Chairman: Old Mutual SuperFund Management Board

MESSAGE FROM THE PRINCIPAL OFFICER

There can be no doubt that 2020 will be forever etched into the minds of those who faced the many challenges and hardships presented by the Covid-19 pandemic. Like most organisations, much of Old Mutual SuperFund's focus over the second half of the 2019/20 financial year was on supporting our participating employers and Fund members in order to keep their retirement plans and investments on track during this difficult time.

From a Fund management and administration perspective, the focus during 2020 has been on making sure that SuperFund continued to operate effectively. We have sought to deliver the same high levels of service to our participating employers and members, despite the challenges of remote working requirements and the imperative to keep staff and stakeholders safe.

A scenario like the one that the world has been put through this year, and continues to deal with, highlights the absolute importance for any business of robust systems, tried and tested operations and processes, and a solid foundation of excellent governance.

Thanks to having all of these firmly in place, SuperFund continued to run like clockwork over the financial year under review. The Fund experienced no significant interruptions to its management functions, investment processes or, most importantly, its member service levels. The prioritisation of good governance by the Fund over the years has been a major contributor to its ability to make a relatively seamless transition into the so-called 'new normal' global environment. What's more, our strong governance commitment has positioned us to offer our members the sense of security they need during times when the future is uncertain – as it undoubtedly is currently.

Coupled with our continued commitment to good governance, our response to Covid-19 has also included significant focus on prioritising and accelerating the digitisation of many SuperFund processes. Old Mutual, as our Fund administrator, shares this digital commitment, and once again demonstrated its value as a partner through the speed and agility with which it seamlessly transitioned to effective, technology-driven remote working structures when lockdown was first implemented.

The bottom line is that SuperFund's good governance, coupled with its strong digital foundations and absolute determination to put its members at the heart of everything it does, has meant that despite the highly volatile and uncertain investment market reactions to Covid-19, our members know they can trust their Fund to keep steering them towards the optimal retirement outcomes they want.

Regulatory compliance remains one of the cornerstones of this good governance commitment. Despite the challenges of Covid-19, the retirement industry regulatory bodies remained focused on ensuring good market conduct by funds and other industry participants. We support this continued prioritisation of effective industry regulation. We have now all seen, first hand, just how important it is to have well-considered rules and regulations in place to protect the interests of Fund members - especially during times of crisis.

The governance section of this report outlines some of the new regulations and changes made over the past financial year that are of particular relevance to SuperFund members and participating employers.

Importantly, the solid governance foundation outlined above has meant that the SuperFund trustees have not had to make critical short-term decisions about the Fund or its investments that may not be in the long-term best interests of its members. The Management Board and I have continued to be guided by these principles in all our actions and decisions. We will continue to hold governance excellence as our north star in the coming months and years, being led in all we do by the principles, practices, ethics and values that we consider non-negotiable. In this way, we know that we will continue to be in a position to deliver on our fiduciary responsibilities and meet our promises to the members we serve, irrespective of the circumstances or challenges SuperFund may face in the future.

Fiona Reynolds

Principal Officer: Old Mutual SuperFund



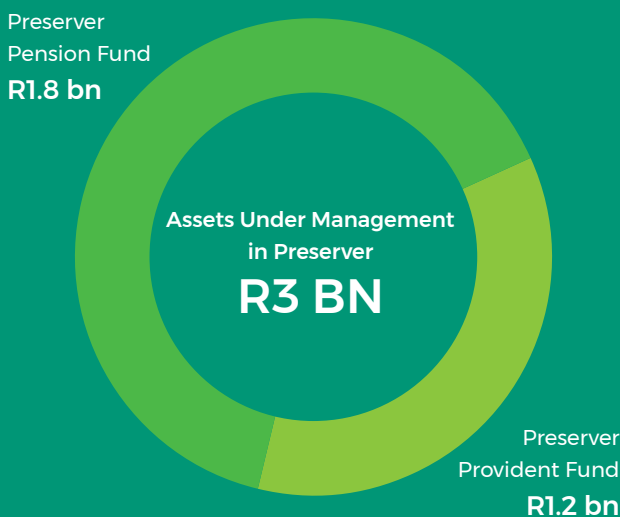
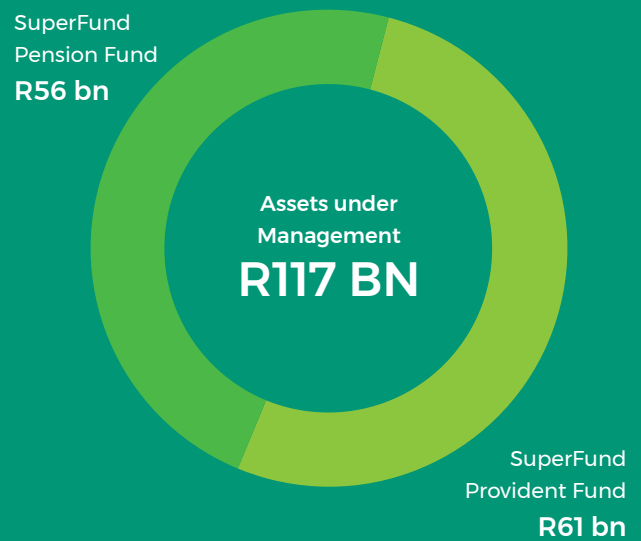
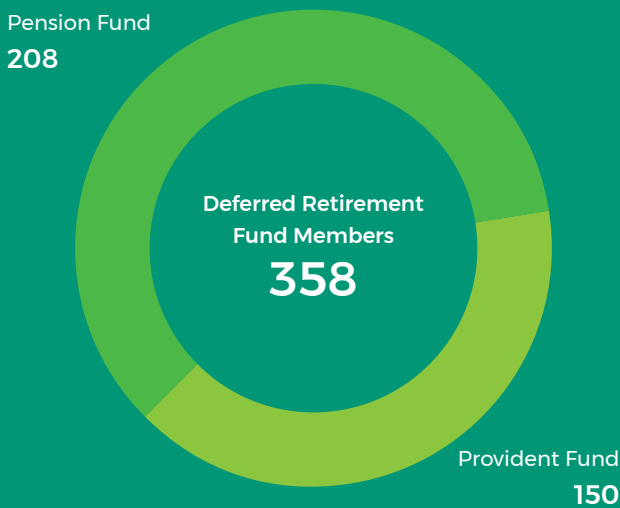
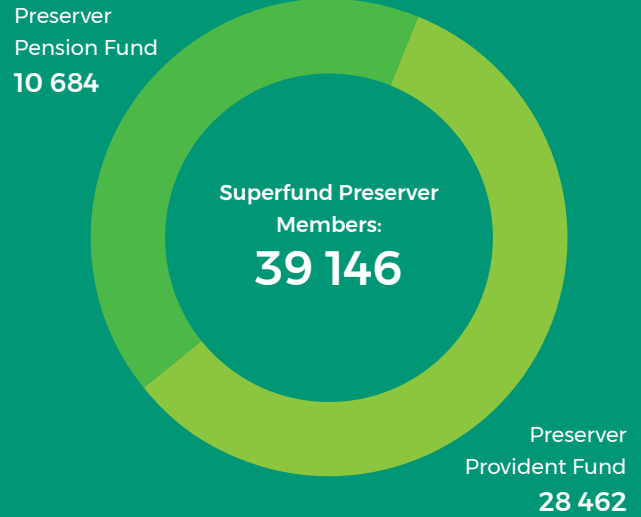
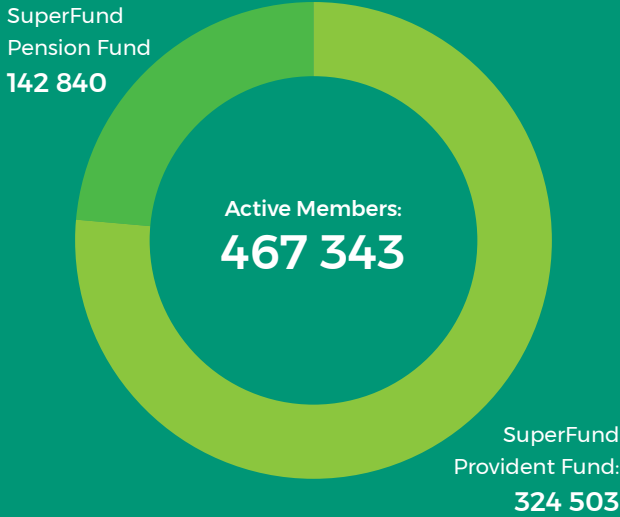
OLD MUTUAL
SUPERFUND
AT A
GLANCE



KEY FUND DATA

As at 30 June 2020

■ Pension Fund ■ Provident Fund



SUPERFUND IN SUMMARY



Largest commercial umbrella fund in South Africa



Offers flexible retirement solutions, preservation and deferred retirement options



Popular and proven default investment - Old Mutual Absolute Stable Growth Portfolio



Seamless at-retirement annuity options

MAIN FUND OBJECTIVES

- Be the confident first choice for provision of retirement fund services
- Consistently delight our members, participating employers and intermediaries
- Maintain a reputation for excellent governance, good investment performance and proven value for money
- Always add value through:
 - absolute member focus;
 - consistent service excellence;
 - fit-for-purpose benefits; and
 - responsible business and investment that delivers sustainable benefits



THE FUND OPTIONS IN BRIEF

OLD MUTUAL SUPERFUND

EASY	CHOICE	CONNECT	CUSTOMISED
<ul style="list-style-type: none"> • Simple, cost effective packaged solution • Ideal for small employers • Pre-selected investment options • Packaged death, disability, funeral and dread disease cover • Value-added member benefits and services 	<ul style="list-style-type: none"> • Cost effective • Offers investment and risk cover choice • Investment options include: <ul style="list-style-type: none"> - Trustee Choice - Default Absolute Stable Growth Portfolio - Lifestage investment package - smoothed or market- linked Lifestage investments - Strategy investment package - Old Mutual and Nedgroup investment portfolios - Extended investment package - trustee-approved single and multi-managed portfolios 	<ul style="list-style-type: none"> • Flexible solution • Allows for bespoke investment structure from SuperFund investment portfolios on offer 	<ul style="list-style-type: none"> • Designed for large organisations and corporates • Fully customisable for hands-on involvement • Choice of an Old Mutual integrated risk benefits or cover from external providers

PRESERVATION AND DEFERRED RETIREMENT

SUPERFUND PRESERVER

In-fund preservation solution

- Protects members' retirement savings when they change jobs or leave employer
- Seamless retention of fund benefit with same investment choices for most members
- Competitive costs

DEFERRED RETIREMENT

For retiring members who don't need to access their fund benefit yet

- Seamless retention of benefits in SuperFund
- Continued growth and service
- Easy access to fund benefits when needed



TREATING MEMBERS FAIRLY

SuperFund:

- Is committed to member centricity
- Fully supports Treating Customers Fairly (TCF) principles and outcomes
- Applies rigorous TCF governance processes including ongoing self-assessment
- Aligns with TCF outcomes



CULTURE AND GOVERNANCE

Fund exists to serve its members



PRODUCT AND SERVICE DESIGN -

Specifically designed to meet needs of members



DISCLOSURE AND INFORMATION

Full communications strategy with clear and simple information



SUITABLE ADVICE

Supported by experienced financial advisers



PERFORMANCE AND SERVICE DELIVERY

Committed to performance and consistent delivery on promises



AFTER SALES TREATMENT

Passionate about service and customer satisfaction

SOLUTIONS AT RETIREMENT

Provides members with two at-retirement annuity offerings

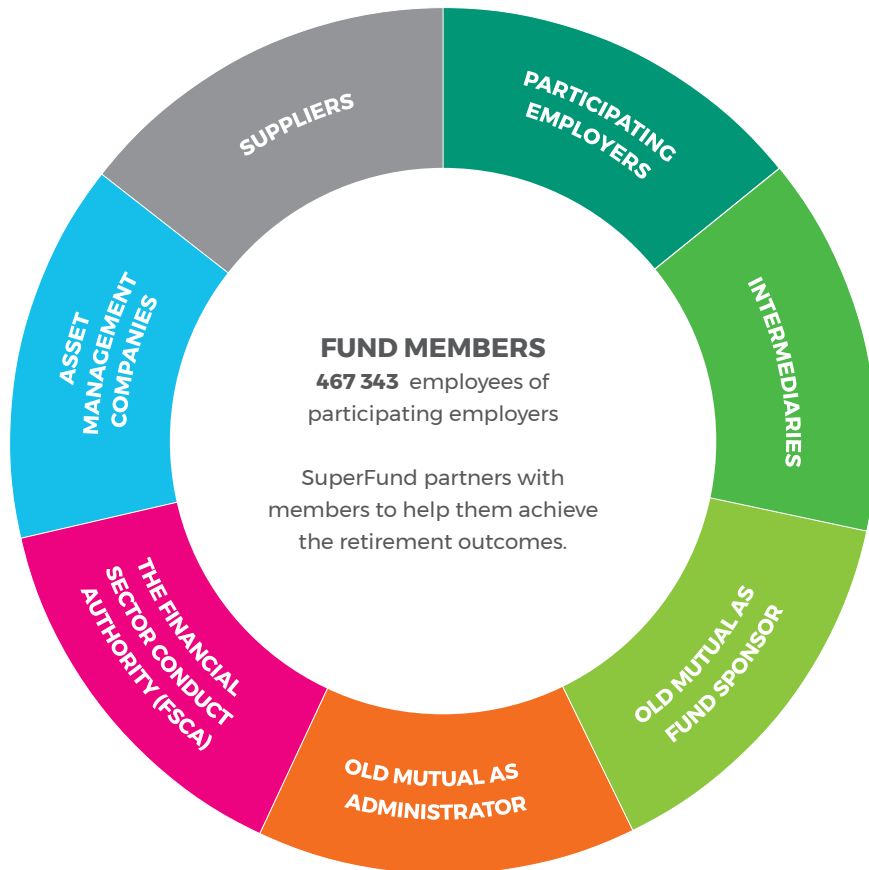
- Trustee-approved life and living annuity
- Seamless and affordable
- Supported with pre- and at-retirement guidance

MORE INFORMATION

<https://www.oldmutual.co.za/corporate/retirement-funds>

OLD MUTUAL SUPERFUND'S STAKEHOLDERS

Old Mutual SuperFund has relationships with a broad range of stakeholders. Its dealings with all of these are underpinned by a commitment to delivering the outcomes its members deserve. Below is a breakdown of the key stakeholders and the role they play in leading members towards these optimum outcomes:



	WHO?	WHY?	HOW?
PARTICIPATING EMPLOYERS	<ul style="list-style-type: none"> • 5 903 participating employers with businesses of all types and sizes 	<ul style="list-style-type: none"> • Partner with them to enable their employees to achieve good retirement outcomes • Understand their needs and offer a range of benefits • Improve ease of doing business with the Fund • Provide information, support and guidance • Together, build a better future for South Africa 	<ul style="list-style-type: none"> • Annual Old Mutual SuperFund Summit • Quarterly newsletters
INTERMEDIARIES	<ul style="list-style-type: none"> • Critical business partners & providers of professional services 	<ul style="list-style-type: none"> • Strengthen the relationship • Improve ease of doing business with the Fund • Improve two-way communication • Understand their needs • Help build their businesses 	<ul style="list-style-type: none"> • Annual Old Mutual SuperFund Summit • Special Intermediary Newsflashes • Corporate Adviser publication

OLD MUTUAL SUPERFUND PROFILE

OLD MUTUAL AS FUND SPONSOR	WHO? <ul style="list-style-type: none"> • Old Mutual South Africa • Comprehensive Governance Agreement in place 	WHY? <ul style="list-style-type: none"> • Ensure continued independence of the Management Board • Enable objective governance • Promote effective partnership • Address issues or challenges • Ensure effective collaboration • Align transformation efforts 	HOW? <ul style="list-style-type: none"> • Old Mutual representation at the annual Old Mutual SuperFund Summit • Quarterly newsletters • Direct engagement by Old Mutual with employers, brokers and members
OLD MUTUAL AS FUND ADMINISTRATOR	WHO? <ul style="list-style-type: none"> • Old Mutual South Africa • Old Mutual Corporate Administration agreement in place 	WHY? <ul style="list-style-type: none"> • Ensure accountability and service standards • Assess partnership effectiveness • Address issues or challenges • Ensure understanding of roles and responsibilities 	HOW? <ul style="list-style-type: none"> • Quarterly newsletters • Direct engagement by Old Mutual with employers, brokers and members
FINANCIAL SECTOR CONDUCT AUTHORITY	WHO? <ul style="list-style-type: none"> • Body that provides regulatory oversight to retirement fund industry 	WHY? <ul style="list-style-type: none"> • Maintain lines of communication • Ensure compliance • Provide regulatory and policy input and support 	HOW? <ul style="list-style-type: none"> • Regular discussions with the regulator • Engagements with the Pension Fund Adjudicator's office • FSCA visits to conduct Fund reviews
ASSET MANAGEMENT COMPANIES	WHO? <ul style="list-style-type: none"> • Fund's selected investment managers 	WHY? <ul style="list-style-type: none"> • Build relationships • Ensure understanding of desired investment outcomes • Agree on performance expectations • Promote and support transformation of asset managers • Conduct transformation and sustainability assessments • Address issues or challenges 	HOW? <ul style="list-style-type: none"> • Regular fund fact sheets and performance reports • Feedback against targets • Asset managers are part of the annual Old Mutual SuperFund Summit • Quarterly investment newsletters • Visits by Fund representatives
SUPPLIERS	WHO? <ul style="list-style-type: none"> • Providers of products and services to the Fund • Businesses that demonstrate a similar transformation leadership commitment 	WHY? <ul style="list-style-type: none"> • Optimise Fund's transformation efforts • Give effect to the Fund's preferential procurement policy • Maximise support of supplier businesses • Promote beneficial business relationships • Provide sustainability support and assistance 	HOW? <ul style="list-style-type: none"> • Engagement takes place with tracing service providers to assist with obtaining details of individual members for death benefit payments.







THE YEAR IN REVIEW









“The Trustees can take comfort that the investment funds available to members remain extremely competitive in the market.”

PERFORMANCE METRICS







FAIR VALUE OF ASSETS (R'BN)

30/06/2015		R82.2
30/06/2016		R88.6
30/06/2017		R97.8
30/06/2018		R105.0
30/06/2019		R112.0
30/06/2020		R117.0







TOTAL MEMBERSHIP

30/06/2015		358 914
30/06/2016		378 961
30/06/2017		400 187
30/06/2018		421 517
30/06/2019		456 715
30/06/2020		467 343

PRESERVER MEMBERSHIP

30/06/2015		9 558
30/06/2016		15 073
30/06/2017		21 668
30/06/2018		27 599
30/06/2019		32 349
30/06/2020		39 146

PARTICIPATING EMPLOYERS

30/06/2015		4 715
30/06/2016		4 976
30/06/2017		5 279
30/06/2018		5 523
30/06/2019		5 787
30/06/2020		5 903

ANNUAL REVIEW OF INVESTMENTS

Old Mutual Corporate Consultants (OMCC) provides professional, objective advice to the Old Mutual SuperFund Management Board regarding the Fund's investment strategy and the performance of its investment offerings for members.

To deliver on this mandate, OMCC:

- reports on the performance, compliance, and benchmarks of the Fund's underlying investment portfolios;
- monitors the performance of the investment professionals that manage these investments; and
- makes manager recommendations to the Board based on their performance and alignment with the Fund's investment strategy.

In delivering these services to the Fund, OMCC undertakes comprehensive and rigorous assessments of the investments and their managers, informed by the following criteria:



Risk-adjusted investment performance



Qualitative characteristics



Transformation and B-BBEE



Responsible investing



Regulatory compliance



Fee competitiveness



Compliance with Fund investment strategy

DEFAULT PORTFOLIO PERFORMANCE REVIEW

The Old Mutual Absolute Stable Growth Portfolio (AGP Stable) is the Trustee Choice default investment utilised extensively by members of SuperFund. The portfolio contains the bulk of the SuperFund assets. It offers a guarantee level of 80% and targets an inflation benchmark of CPI + 5.5%. This portfolio also forms part of the Life Stage Investment Option together with the Old Mutual Absolute Smooth Growth Portfolio. Both portfolios have the same underlying assets.

The chart below reflects the cumulative investment performance of the AGP Stable and AGP Smooth Growth portfolios for the past 10 years. The benchmark for AGP Stable is CPI + 5.5%.

RETURNS as of Date 30/06/2020

- Old Mutual Absolute Stable Growth
- Old Mutual Absolute Smooth Growth
- CPI +5.5%



THE YEAR IN REVIEW

The spread of COVID-19 led to markets across the world falling drastically in the first half of 2020, and South Africa was no exception. The Johannesburg Stock Exchange All Share Index (JSE ALSI) dropped by 26% over the first quarter of 2020 alone.

AGP has an underlying portfolio with significant exposure to the JSE and international investment markets. As a result, the value of the assets underlying AGP also fell. At the same time, none of the negative market returns were reflected in bonuses for the first quarter. These remained positive up to 31 March 2020. The Bonus Smoothing Reserve (BSR) shielded investors from the direct impact of these negative market returns and absorbed them. However, in the process, the BSR fell into a significantly negative position. As a result, a negative bonus of 5% was declared for April 2020 for AGP Smooth and AGP Stable.

Overall performance of the Old Mutual Absolute Stable Growth Portfolio, relative to its smoothed bonus peers in the market has been satisfactory over the various periods considered. Performance relative to peers over the most recent two years is also well positioned. When comparing the portfolio's performance to its peers, consideration must be given to the following:

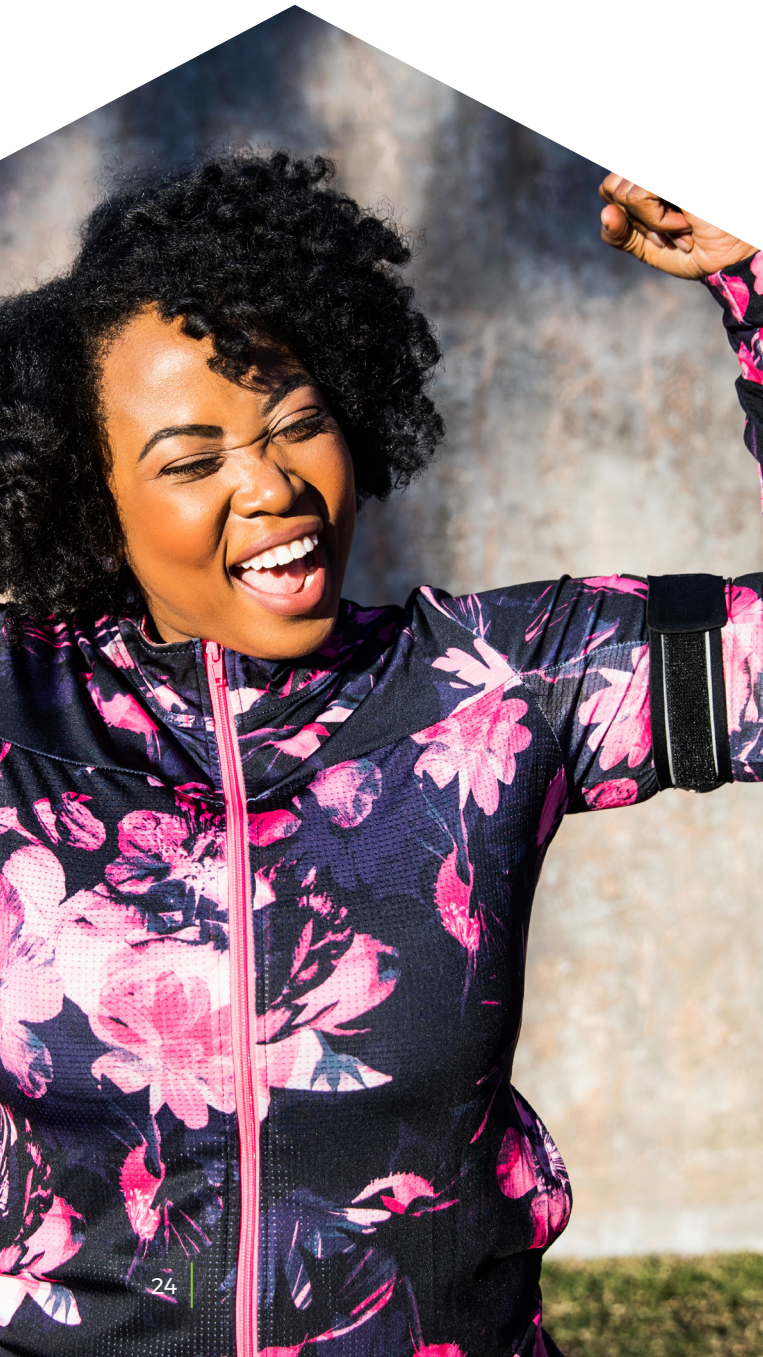
<p>The massive impact of Covid-19</p>	<p>The bonus smoothing reserves underlying all smooth bonus portfolios experienced significant losses over the first and second quarter of 2020. In the case of AGP Stable, the very sudden market decline resulted in a negative bonus declaration for the first time in the history of the portfolio. While the economic challenges created by the pandemic had an obvious effect on the short- to medium-term performance of the investment, the unprecedented situation should not be viewed as the long-term reality for the portfolio. As such, any long-term performance assessment should include due consideration for the 2020 Covid-19 impacts, but still retain a longer-term view of the performance trajectory ahead of the pandemic.</p>
<p>Underlying performance of asset class building blocks versus benchmarks</p>	<p>To the end of 2019, AGP Stable's performance relative to its benchmarks improved from the previous financial year, with only marginal underperformance of certain asset classes. This must also be viewed outside of the market conditions experienced in the first and second quarters of 2020. Given the Covid-19 anomaly in 2020, it is worth considering the performance of the various asset classes making up AGP over the three-year period to end-June 2020, during which time the portfolio has only marginally underperformed its benchmark. The figures below provide an attribution analysis of each asset class relative to its own benchmark:</p> <ul style="list-style-type: none"> • SA equities – have detracted approximately -0.6% • SA interest bearing assets – have added approximately 0.4%. • SA alternative assets – have detracted approximately -7.8%. • Property – has added approximately 0.8%. • Global equities – have added approximately 0.3%. • Global interest bearing – have detracted approximately -1.3%. • Global alternatives – have detracted approximately -5.7%. • Investment in Africa – have added approximately 8.6%.
<p>Asset allocation of the portfolio</p>	<p>AGP Stable has a greater weighting towards growth assets than any other smoothed bonus portfolio in the South African market. This means that over the long term, and during bull markets, it can be expected to deliver higher returns than other smoothed bonus offerings, but over the shorter term (and especially during bear and trendless markets) it is likely to underperform other offerings which have more conservative asset allocations.</p>
<p>Smoothing and the impact of bonus smoothing reserves</p>	<p>Any short-term comparison of declared bonuses against other smoothed bonus investments must take into account the distorting impact of smoothing and the relative level of each investment fund's bonus smoothing reserve. When considering "declared performance" (rather than the underlying performance of asset building blocks) it is therefore important to consider periods of five years or longer to minimise the distortions caused by the relative levels of bonus smoothing reserves.</p>

FINDINGS

OMCC expressed its overall satisfaction with the performance of all portfolios offered to SuperFund members in SuperFund Easy, Choice, Connect and Preserver.

“The Trustees can take comfort that the investment funds available to members remain extremely competitive in the market.”

All existing investment portfolios were found to be satisfactory, and no recommendations were made for the removal of any investment managers.



The Old Mutual SuperFund Management Board is satisfied that, despite the significant challenges created by Covid-19’s impact on the global economy, the performance of the portfolios offered to the Fund’s members have been fair and reasonable over the year in review. The Fund continues to deliver quality investment portfolios to its members, which are highly competitive in the South African retirement funding market.

TRANSFORMATION AND B-BBEE

Old Mutual SuperFund embraces its responsibility to contribute to the transformation of the retirement and investment industries, as well as the South African society. The Fund aligns itself to the transformation philosophy and commitment of Old Mutual South Africa and the Management Board places a priority on B-BBEE considerations when appointing and reviewing investment providers.

As part of the overall due-diligence information sourced from the Investment Providers the following information is actively sought:

Investment manager or investment firm:	✓
Can provide details on active implementation of BBEE.	✓
Is able to demonstrate commitment to, and investment in the following:	
• Enterprise development	✓
• Socio economic development	✓
• Skills development	✓
• Black ownership	✓
• Preferential procurement	✓
• B-BBEE procurement recognition levels	✓
• Diversity and appropriate demographic composition of investment teams	✓
Can show incorporation of B-BBEE into investment decisions	
• Does the firm encourage companies it invests in, to set B-BBEE targets and goals?	✓
• Does the stock selection process consider the B-BBEE level of the company selected?	✓

The results of this comprehensive transformation assessment also enable the Fund’s Investment Sub-Committee to actively engage with investment managers where concerns are identified regarding their B-BBEE performance.

RESPONSIBLE INVESTING

Old Mutual SuperFund's Investment Policy Statement, as adopted by the Management Board, guides the implementation of a robust responsible investment approach via its selected pooled investment portfolios.

All investment managers appointed by SuperFund are required to adopt the principles and practice recommendations set out in the Code for Responsible Investing South Africa (CRISA) and/or be signatories to the United Nations Principles for Responsible Investment (UN PRI). The Board seeks to partner with investment providers that share SuperFund's commitment to operating responsibly and sustainably, and that have fully integrated sustainability and criteria for responsible investment practices in their investment decisions.

The annual investment review undertaken by the Fund's investment consultants includes a requirement of all investment managers to provide detailed information about their responsible investment policies and practices, and how these are implemented. The responsible investment analysis includes (but is not limited to) the following considerations:

FIRM-LEVEL COMMITMENT	
Is the investment manager a signatory to UNPRI and/or CRISA?	✓
Does the investment manager:	
• have a responsible investment policy?	✓
• have evidence of thought leadership initiatives regarding responsible investment?	✓
• have an internal monitoring protocol in place to ensure continued compliance with CRISA/UNPRI?	✓
RESOURCES	
Does the manager employ a dedicated responsible investment professional?	✓
Are employee performance contracts structured to prioritise responsible investment?	✓
Do employees receive training regarding responsible investment?	✓
RESEARCH AND PROCESSES	
How does the manager take responsible investment issues into consideration in investment analysis and decision making?	✓
Does the decision-making process incorporate the key elements of sustainable development?	✓
Does the firm have a written proxy voting policy that is available upon request?	✓
Does the firm encourage companies they invest in to set ESG targets and goals?	✓
How does the investment team obtain RI/ ESG information or data?	✓
Can the investment team demonstrate how they have applied ESG and responsible investment across asset classes?	✓
PORTFOLIO-SPECIFIC FACTORS	
Does the investment mandate specify the Investment Portfolio's responsible investment approach?	✓

The results of this analysis are incorporated in the specific manager commentary sections of OMCC's annual performance review presented to the Management Board.

MEMBER EDUCATION AND SUPPORT

Effective and ongoing education gives fund members the ability to make informed decisions that are in their best interests and maximise their chances of achieving their desired outcomes. SuperFund provides an extensive programme of education and support that affords members access to an array of learning materials, workshops, online modules and financial management tools, and also ensures they benefit from appropriate at-decision input and information throughout their retirement journey.

In the year under review* the following progress was achieved for the various components of this member education and support programme:

FINANCIAL EDUCATION

Delivered through the Old Mutual Financial Wellbeing Programme (FWP).

FUND EDUCATION	
550 sessions	
140 employer sites	13 500 attendees

FINANCIAL EDUCATION	
30 sessions	
20 employer sites	700 attendees

E-LEARNING (OLD MUTUAL WEBSITE)
240 000 users
Main education topics Investment planning Home and vehicle purchasing

WELLNESS DAYS

>18 events	1100 attendees
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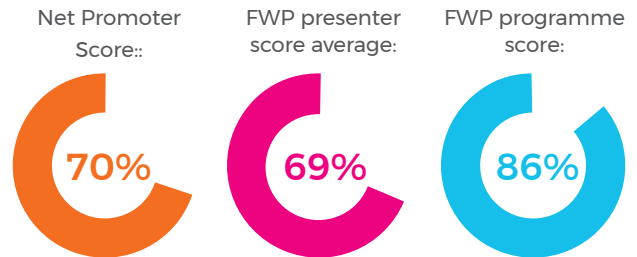
Key focus:

- Create awareness of member education and counselling
- Conduct basic health checks (BMI, Blood Pressure, Cholesterol and HIV screening)

MEMBER SATISFACTION

Transactional (post-education engagement) surveys:

4 114



AT-RETIREMENT COUNSELLING AND PRESERVATION

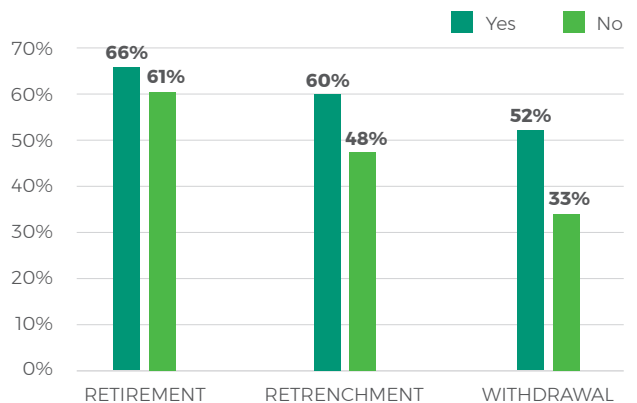
PRE-RETIREMENT WITHDRAWALS	
4 246 Leaving members engaged	647 Preservation chosen:

NEAR-RETIREMENT ENGAGEMENTS (by Retirement Benefit Counsellors)	
Members engaged:	
1 to 5 years to retirement age:	922
less than 1 year to retirement age:	1 250
at retirement:	1 269

*Some data for the full 2019/20 financial year was not available at the time of going to press

EDUCATION = PRESERVATION

Higher retention/preservation rates are evident across the three main exit categories, when members have attended education sessions (indicated by Yes columns below).



HIGHLIGHTS & ADVANCES

- FWP content was refined using behavioural economics and the member journey framework.
- Learning content was made more relevant and applicable.
- Prompted members to take action.
- Produced induction videos and ran on-line sessions for use during lockdown.

LOOKING FORWARD



Focus on further digitisation for enhanced access.



Educational content to be placed on the new Old Mutual WhatsApp self-service platform.



Campaigns planned to encourage greater use of online financial education.

ADMINISTRATION AND TECHNOLOGY

A key component of SuperFund's commitment to partnering effectively with its members, participating employers and intermediaries is proactively making it as easy as possible for these important stakeholders to do business with the Fund.

Digitisation and technological innovation are acknowledged key ways of achieving this objective, and this journey was significantly accelerated by Covid-19 and the unique engagement protocols created by the national lockdown. Technology is a key enabler to enhancing the member retirement funding experience and today, more than ever before, the Board recognises that it is critical the Fund leverages every opportunity it has to engage, educate and empower its members.

The technological developments of the last two years, combined with more recent delivery of additional digital capabilities has created a strong digital foundation that allows the Fund to achieve its vision of delivering a cohesive, multi-channel, digital member experience.

Specific highlights in this regard include the following:



The Fund's **Call Centre** provides a digital service enabling:

- receipt of account balances; and
- redirection to the WhatsApp service



Web functionality

- Member Web account statements have been enriched with additional information
- A bulk download capability on My Corporate Service enables employers access to print benefit statements for groups of members (as opposed to individually)



The **WhatsApp** platform enables mobile self-service for:

- Account balances
- Claims status
- Document downloads
- Member education
- Annual Member Benefit Statements



Increased use of robotics

The Fund currently uses Robotic Process Automation in seven of its processes, including claims authorisation, home loan reconciliation, broker servicing and member communication. There are a further three processes that are in various phases of development and will be rolled out shortly.



An increasingly digitally-focused member base

The response to this increased digitisation of member services has been very positive. At just under 1 500 per month, new member web registrations were almost four times higher in the first half of 2020 compared to the same period in the previous financial year. Usage of digital platforms continues to show a steady increase with the number of active digital users increasing by over 1 000 per month. At the end of the period under review, the member web had been accessed just under 79 000 times, which is double the number achieved in the 2018/19 financial year.

GOVERNANCE



Everything that Old Mutual SuperFund does is undertaken with the singular purpose of contributing towards helping members achieve their retirement outcomes. These efforts depend on, and are enhanced by, excellent governance, strong values and ethics, stringent regulatory compliance and adherence to global best practices.

COVID-19 RESPONSE

Covid-19 and the lockdown response by national government required that the Board act swiftly and decisively to protect and support the Fund's members and participating employers. This response was coordinated by the Fund's Crisis Management Sub-Committee, which was activated shortly after the hard lockdown was announced and mandated to deal with all issues that had the potential to negatively affect the Fund and its stakeholders.

The response included, but was not limited to, extensive Fund contribution relief, reviews of fund policies and procedures, timeous communications with all Fund stakeholders on key issues that may affect them, and the assessment and monitoring of the Fund's Investment Policy Statement to protect members investments.

THE MANAGEMENT BOARD

In delivering on its responsibility to manage the Fund effectively, the Management Board is mandated to exercise the powers, perform the functions and carry out the duties assigned to it by the Fund Rules and the laws governing retirement funds in South Africa.

SuperFund is exempt from section 7A (1) of the Pension Funds Act, which states that members of the Fund elect no fewer than 50% of the members of its Board. Members of the Board are appointed by the Fund's Sponsor, Old Mutual. At least 50% of the Board Members are independent of the Sponsor and are not employed by Old Mutual Group. The independent Chairperson and Deputy Chairperson of the Board are elected by the Board Members in consultation with the Sponsor.

COMPOSITION OF THE MANAGEMENT BOARD

The Board is diverse. All Board Members are experienced professionals with the proven skills to contribute to the effective management and governance of a retirement fund.

All Management Board members comply with the FSCA's Conduct Standard on Trustee Training.

During the year under review, the following Board changes occurred. Ms. Shirley Mabusela retired and Ms. Nomaxabiso Teyise was appointed as a member of the Management Board from 1 July 2019. Ms. Teyise has an honours degree with an HR background and has held various senior positions including Executive Director at the Oceana Group. The Board looks forward to working with her and leveraging this extensive experience for the benefit of Fund members. The Board also extends its sincere gratitude to Shirley Mabusela for the years of selfless service she gave to the Fund.

MANAGEMENT BOARD AS AT 30 JUNE 2020

At the end of the period under review, the Board comprised the following members:



Bertie van Wyk
Chairperson,
Independent Trustee



Wahida Parker
Deputy Chairperson,
Independent Trustee



Gary Hartwig
Independent Trustee



Krishna Patel
Sponsor-appointed
Trustee



Rama Govenden
Independent Trustee



Nomaxabiso Teyise
Independent Trustee



Nanie Rothman
Sponsor-appointed
Trustee



Thandeka Zondi
Independent Trustee



Fiona Reynolds
Independent Principal
Officer



Liesl Marais
Deputy Principal Officer



Sunil Harilall
Deputy Principal Officer

THE RELATIONSHIP BETWEEN OLD MUTUAL AND SUPERFUND

As required by law, all dealings between the Fund and Old Mutual, as the Sponsor, are conducted at an arm's length. This ensures the independence of the Management Board. The relationship between the two entities is governed by a detailed Governance Agreement, which is regularly reviewed and updated.

BOARD MEMBER REMUNERATION

Board Members who are employed by the Fund Sponsor do not receive any form of remuneration from the Fund. Independent Board Members are remunerated in line with industry standards. This includes payment for time invested into preparation for and attending of meetings, as well as reimbursement for reasonable travel expenses. All remuneration is governed by the Fund's Remuneration Policy, as approved and adopted by the Board. This includes a quarterly review of the gifts register which requires any gift above R500 to be disclosed.

THE PRINCIPAL OFFICER

The Independent Principal Officer, Fiona Reynolds, is accountable to the Financial Sector Conduct Authority (FSCA) with duties determined by the Fund rules and the Pension Funds Act. She is supported by two Independent Deputy Principal Officers, an independent claims assessor, a service provider manager and a fund secretary.

SUB-COMMITTEES

The Board delegates several of its functions to sub-committees that are governed in line with section 7D (2)(a) of the Pension Funds Act. The Delegation of Authority policy sets out a clear framework for such delegation and each sub-committee's scope of work is reviewed at least once a year. The following sub-committees assist the Board in the execution of its duties:

SUB-COMMITTEE	BOARD MEMBERS	RESPONSIBLE FOR
Administration and Financial Reporting	3	Overseeing administration risks, financial reporting risks, internal financial controls and fraud and IT risks.
Claims Sub-Committee	3	Allocation of death benefits and assessment of member disability claims.
Communications	3	Ensuring appropriate communications to all stakeholders.
Governance and Risk Management	2	Guiding the Board in matters of governance, and ensuring comprehensive and effective risk management policies.
Investment & Actuarial	3	Managing risks relating to investment, actuarial and risk benefits.
Legal and Contractual	2	Attending to any legal and contractual issues.

Each sub-committee comprises of at least two Board Members and the chairperson of each sub-committee is an Independent Board Member. The Principal Officer and Deputy Principal Officers serve on all the sub-committees, but do not have a vote.

In the year in review, a number of changes were made to the membership of the sub-committees. This was partly to ensure that the relevant committees benefit from the experience of new Board member, Norma Teyise, but also to give committee members the opportunity to gain experience in other areas of Fund oversight.

BOARD MEETING ATTENDANCE

Management Board meetings take place at least four times in every financial year. Sub-committees are required to meet at least quarterly and the Claims Sub-Committee meets weekly to adjudicate death claims. Despite the challenges of Covid-19 and the remote working requirements of the national lockdown, the Board remained committed to this meeting schedule, with the majority of such meetings taking place digitally. Attendance of Management Board meetings by Board members in the year under review was as follows:

NAME	TITLE	MEETING ATTENDANCE
Bertie van Wyk	Chairman	4
Rama Govenden	Board Member	4
Gary Hartwig	Board Member	4
Wahida Parker	Board Member	4
Krishna Patel	Board Member	4
Nanie Rothman	Board Member	3
Nomaxabiso Teyise	Board Member	4
Thandeka Zondi	Board Member	3

RISK MANAGEMENT AND COMPLIANCE

The Board is responsible for the governance of risk exposure, tolerance and opportunity for the Fund. This is in accordance with policy and practice guidelines that are monitored and managed by sub-committees. Any significant deviations from these policies are identified and reported in the Board Risk Log to be dealt with by the Management Board. The impact of residual risks on the Fund's reputation, relationship with regulators and on members is measured on a qualitative and quantitative basis with a 12-month view.



ETHICS

The Fund's ethical values apply to the decision-making, conduct and relationship between the Fund, its members, stakeholders and broader society. The Board has identified, and adheres to, the following specific ethical values, in alignment with the King IV Codes on Corporate Governance.



RESPONSIBILITY

Applying best practice governance principles and recommendations in the King Reports



ACCOUNTABILITY

Being transparent and open to scrutiny in terms of all decisions and actions.



FAIRNESS

Considering the interests and expectations of all stakeholders when making decisions.
Free from discrimination or dishonesty.



DECLARATIONS OF INTEREST

Declaring any personal interest that may impact on impartiality.



CONFIDENTIALITY

All member and client information kept strictly confidential.



GIFTS

Adhering to the Fund's comprehensive Gift Policy.



COMPETITION

Avoiding any arrangement that may prevent fair competition in the delivery of services to the Fund.



DISCLOSURE & TRANSPARENCY

All fees and expenses are fully disclosed.

FINANCIAL REPORTS



AUDITORS REPORT

Independent Auditor's report on summary financial statements to the Board of Fund of the Old Mutual Superfund Provident Fund and the Old Mutual Superfund Pension Fund.

OPINION

The summary financial statements of Old Mutual SuperFund Pension Fund and Old Mutual SuperFund Provident Fund, set out on pages 36 to 40, which comprise the summary statement of net assets and funds as at 30 June 2020, the summary statement of changes in net assets and funds for the year then ended, and related notes, are derived from the audited regulatory financial statements of Old Mutual SuperFund Pension Fund and Old Mutual SuperFund Provident Fund for the year ended 30 June 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited regulatory financial statements, in accordance with the basis described in Note 1 on page 40.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by the Regulatory Reporting Requirements for Retirement Funds in South Africa. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited regulatory financial statements and the auditor's reports thereon. The summary financial statements and the audited regulatory financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited regulatory financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed unmodified audit opinions on the audited regulatory financial statements in our reports dated 1 December 2020.

The audit opinions on the audited regulatory financial statements included an emphasis of matter paragraph drawing attention to the principal accounting policies of the regulatory financial statements in which the applicable financial reporting framework is identified, as prescribed by the Financial Sector Conduct Authority. Consequently the regulatory financial statements and related auditor's reports, as well as the summarised financial statements and related auditor's report, may not be suitable for another purpose.

BOARD OF FUND'S RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Board of Fund is responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1 on page 40.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited regulatory financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



PricewaterhouseCoopers Inc.

Director: P. Liedeman, Registered Auditor

Date: 8 February 2021

5 Silo Square V&A Waterfront, Cape Town, 8002, PO Box 2799, Cape Town 8000

OLD MUTUAL SUPERFUND PENSION FUND
SUMMARY STATEMENT OF NET ASSETS AND FUNDS AT 30 JUNE 2020

	NOTES	2019	2020
Investments		54 957 704 636	55 886 528 787
	Insurance Policies	48 844 390 958	50 492 850 905
	Segregated assets	2 534 380 875	2 450 881 767
	Collective Investment Schemes	3 578 932 803	2 942 796 115
Transfers Receivable		1 418 232 501	124 283 912
Accounts Receivable		101 160 913	187 181 295
Arrear contributions		196 068 836	149 723 575
Cash at Bank		159 422 467	55 830 584
Total Assets		56 832 589 353	56 403 548 153
Members Funds		(54 320 190 469)	(52 732 999 289)
Reserve Accounts		(76 222 963)	(87 364 285)
Expense		(5 667 903)	(8 437 722)
Processing		(70 555 060)	(78 926 563)
Total funds and reserves		(54 396 413 432)	(52 820 363 574)
Employer Surplus Account		(709 796 209)	(643 978 789)
Unclaimed Benefits		(85 854 631)	(135 099 986)
Transfers Payable		(7 851 552)	(1 153 652 363)
Benefits Payable		(1 499 262 457)	(1 563 858 611)
Lump sum on Retirement	Full Benefit	(483 171 977)	(583 938 741)
Lump sum before Retirement	Disability	(13 009 810)	(23 067 287)
	Death	(322 880 649)	(366 436 723)
	Withdrawal	(549 743 073)	(385 003 750)
	Divorce Orders	(11 278 934)	(5 611 381)
	Retrenchments	(89 801 415)	(171 030 113)
Default - Housing facilities		(361 567)	(201 976)
Liquidation benefits		(29 015 032)	(28 568 640)
Accounts Payable		(133 411 072)	(86 594 830)
Total Funds and Liabilities		(56 832 589 353)	(56 403 548 153)

OLD MUTUAL SUPERFUND PENSION FUND

SUMMARY STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE YEAR TO 30 JUNE 2020

	NOTES	2019	2020
Contributions Received and Accrued		(5 121 723 030)	(5 156 105 140)
	Members and Employers	(4 741 528 700)	(4 842 269 776)
	Employer Reserve contributions	(380 194 330)	(313 835 364)
Reinsurance Proceeds		(252 356 726)	(244 283 240)
Net Investment Income		(2 170 628 814)	(162 188 915)
	Dividends	(62 621 634)	(52 034 511)
	Interest	(81 501 160)	(86 755 480)
	Collective Investment Schemes	(53 702 179)	(57 259 882)
	Insurance Policies	(2 095 927 817)	76 460 948
	SI3A Late Payment Interest	(1 555 033)	(1 698 530)
	Fair Value Adjustment	(106 805 298)	(282 292 105)
	Investment Management Fees	231 484 307	241 390 645
Reinsurance Premiums		302 799 373	320 100 956
Administration Expenses		117 758 874	124 760 073
Allocated to Unclaimed Benefits		1 143 669	3 921 593
Transfers from other Funds		(1 913 635 802)	(820 037 604)
Transfers to other Funds		225 966 066	1 258 792 447
Benefits		5 533 967 642	6 316 907 109
Lump sum on Retirement	Full Benefit	2 104 948 270	2 841 261 711
Lump sum before Retirement	Disability	15 321 083	49 654 405
	Death	428 012 618	407 714 287
	Withdrawal	2 376 259 488	2 221 864 357
	Divorce Orders	66 892 763	85 509 025
	Retrenchments	487 449 548	654 272 114
Defaults - Housing facilities		2 388 220	945 176
Liquidation benefits		37 757 399	42 965 752
Return allocated to benefits		14 938 253	12 720 282
Net Employer Surplus Accounts Allocations		(38 924 761)	(65 817 420)
Total funds and reserves - start of the year		(51 080 779 923)	(54 396 413 433)
Total funds and reserves - end of the year		(54 396 413 432)	(52 820 363 574)

*all values are shown in R's.

OLD MUTUAL SUPERFUND PROVIDENT FUND
SUMMARY STATEMENT OF NET ASSETS AND FUNDS AT 30 JUNE 2020

	NOTES	2019	2020
Investments		57 196 164 444	61 079 064 448
	Insurance Policies	49 377 393 999	53 686 301 300
	Segregated assets	3 537 899 516	3 431 625 223
	Collective Investment Schemes	4 280 870 929	3 961 137 925
Transfers Receivable		307 358 765	336 965 825
Accounts Receivable		397 910 670	320 127 011
Arrear Contributions		422 822 381	349 889 575
Cash at Bank		145 719 981	112 183 287
Total Assets		58 469 976 241	62 198 230 146
Members Funds		(55 243 326 661)	(58 772 164 614)
Reserve Accounts		(232 862 689)	(271 783 086)
Expense		(27 096 088)	(26 041 552)
Risk		(7 852 822)	(16 837 027)
Processing		(197 913 779)	(228 904 507)
Total funds and reserves		(55 476 189 350)	(59 043 947 700)
Employer Surplus Account		(674 133 250)	(611 264 901)
Unclaimed Benefits		(171 687 847)	(183 860 396)
Transfers Payable		(40 133 892)	(118 224 010)
Benefits Payable		(1 923 068 717)	(2 073 173 375)
Lump sum on Retirement	Full Benefit	(411 464 656)	(546 003 775)
Lump sum before Retirement	Disability	(19 456 088)	(9 602 829)
	Death	(600 200 708)	(659 144 227)
	Withdrawal	(622 370 340)	(529 853 630)
	Divorce Orders	(12 385 578)	(12 617 867)
	Retrenchments	(245 794 735)	(286 718 286)
Default - Housing facilities		-	(197 270)
Liquidation benefits		(11 396 612)	(29 035 491)
Accounts Payable		(184 763 185)	(167 759 764)
Total Funds and Liabilities		(58 469 976 241)	(62 198 230 146)

OLD MUTUAL SUPERFUND PROVIDENT FUND

SUMMARY STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE YEAR TO 30 JUNE 2020

	NOTES	2019	2020
Contributions Received and Accrued		(6 691 773 681)	(7 343 983 105)
	Members and Employers	(5 920 546 266)	(6 687 731 401)
	Employer Reserve contributions	(771 227 415)	(656 251 704)
Reinsurance Proceeds		(498 991 343)	(512 192 758)
Net Investment Income		(2 140 759 702)	(133 545 152)
	Dividends	(108 947 986)	(86 296 264)
	Interest	(118 927 457)	(111 286 983)
	Collective Investment Schemes	(39 625 259)	(49 973 618)
	Insurance Policies	(1 919 835 489)	88 783 548
	S13A Late Payment Interest	(5 163 717)	(6 657 158)
	Fair Value Adjustment	(192 302 594)	(226 906 831)
	Investment Management Fees	244 042 800	258 792 154
Reinsurance Premiums		583 494 887	644 137 551
Administration Expenses		262 078 375	280 112 707
Allocated to Unclaimed Benefits		3 552 259	4 819 355
Transfers from other Funds		(1 499 676 964)	(3 868 294 733)
Transfers to other Funds		415 208 640	360 538 629
Benefits		6 580 956 416	7 063 517 505
Lump sum on Retirement	Full Benefit	1 873 088 125	2 550 387 143
Lump sum before Retirement	Disability	92 388 652	84 359 493
	Death	698 861 647	686 380 644
	Withdrawal	2 640 518 100	2 522 746 666
	Divorce Orders	91 202 248	81 884 745
	Retrenchments	1 149 699 962	1 058 824 185
Defaults - Housing facilities		645 145	1 578 822
Liquidation benefits		13 628 419	62 192 481
Return allocated to benefits		20 924 118	15 163 326
Net Employer Surplus Accounts Allocations		(49 222 330)	(62 868 349)
Total funds and reserves - start of the year		(52 441 055 907)	(55 476 189 350)
Total funds and reserves - end of the year		(55 476 189 350)	(59 043 947 700)

*all values are shown in R's.

**NOTE 1 TO THE SUMMARY FINANCIAL STATEMENTS:
BASIS OF PREPARATION OF SUMMARY FINANCIAL STATEMENTS**

The summary financial statements were derived from the regulatory financial statements of the Old Mutual SuperFund Pension Fund and Old Mutual SuperFund Provident Fund for the year ended 30 June 2020 which were compiled in terms of the Regulatory Reporting Requirements for Retirement Funds in South Africa.

The summary financial statements are prepared in accordance with criteria developed by the Management Board and are the responsibility of the Management Board. The Management Board discloses the summary statement of net assets and funds, the summary statement of changes in net assets and funds and other information which the Management Board determined as relevant. The purpose of the summary annual financial statements is to give the reader a broad overview of the financial position of each Fund as well as other relevant income and expense account movements, without providing the level of detail as per the regulatory financial statements.

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 kindly send us an e-mail at superfund@oldmutual.com.



SUMMARY OF THE ACTUARIAL VALUATION REPORTS

OLD MUTUAL SUPERFUND PENSION FUND AND OLD MUTUAL SUPERFUND PROVIDENT FUND

I have pleasure in presenting the statutory actuarial valuation reports of the Old Mutual SuperFund Pension Fund and the Old Mutual SuperFund Provident Fund as at 30 June 2019 ("the Valuation Date"). This summary is for reference purposes only, and should be read in the context of the full report.

This report has been prepared taking cognisance of the professional standards of the Actuarial Society of South Africa, the professional body governing the conduct of retirement valuers.

FINANCIAL CONDITION

The Fund has a level of funding of 100%, and is in a sound financial position at the Valuation Date.

The analysis of the complete member dataset has provided comfort that the Accumulated Credits have been maintained in line with Rules. Based on my analysis, I am satisfied that the individual member data for this period is adequate for the purposes of this report.

MEMBERSHIP

	OLD MUTUAL SUPERFUND PENSION FUND		OLD MUTUAL SUPERFUND PROVIDENT FUND	
	30 JUNE 2018	30 JUNE 2019	30 JUNE 2018	30 JUNE 2019
Number of Active Members	142,556	145,590	285,104	311,125
Number of Unclaimed Benefits	3,995	3,518	9,399	5,705

Of the members shown as active effective 30 June 2019, 24 331 are preservation members (in the Preserver section) and 152 are deferred retirals. There were 19 569 and 110 such members respectively as at 30 June 2018.

CONTINGENCY RESERVES

We recommended that the following contingency reserves be held as at 30 June 2019:

	OLD MUTUAL SUPERFUND PENSION FUND		OLD MUTUAL SUPERFUND PROVIDENT FUND	
Expense Reserve (umbrella)		R466,037		R8,721,264
Expense Reserve (sub funds)		R5,201,86		R18,374,824
Risk Reserve		0		R7,852,822
Surplus Apportionment Expense Reserve		0		R0
Processing Reserve		R70,555,061		R197,913,779

FINANCIAL POSITION

The financial position of the Fund (after taking into account the Contingency Reserve recommendations above) as at 30 June 2019 is set out here. Comparative figures as at 30 June 2018 are provided.

	OLD MUTUAL SUPERFUND PENSION FUND		OLD MUTUAL SUPERFUND PROVIDENT FUND	
	30 JUNE 2018 (R'000)	30 JUNE 2019 (R'000)	30 JUNE 2018 (R'000)	30 JUNE 2019 (R'000)
Market Value of Assets	51,829,501	55,106,210	53,164,411	56,150,323
LESS				
Fund Liabilities and Employer Surplus Accounts	51,829,501	55,029,987	52,953,956	55,917,460
Members' Individual Accounts – Financial Statements	51,013,695	54,320,190	52,230,600	55,243,327
Additional Fund Liabilities (Negative Member Values)	0	0	0	2,429
Employer Surplus Accounts	748,721	709,796	723,356	674,133
LESS				
Contingency Reserve Accounts	67,085	76,223	210,456	232,863
Expense Reserve – Umbrella	0	466	6,228	8,721
Expense Reserve – Sub Funds	4,242	5,202	20,088	18,375
Risk Reserve	0	0	0	7,853
Processing Error Reserve (Unitised Investments)	0	0	0	0
Processing Reserve	62,843	70,555	184,140	197,914
EQUALS				
Actuarial Surplus/(Deficit)	0	0	0	0
Funding Level (including Reserves)	100.00%	100.00%	100.00%	100.00%
Funding Level (excluding Reserves)	100.13%	100.14%	100.40%	100.42%

CONTRIBUTION RATES

Contribution rates differ by Participating Employer, and are defined in the Special Rules. Because of this, and because the Fund is Defined Contribution in nature, we have not made any recommendations here regarding contribution rates.



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

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
- MS Life Assurance Company Limited
- MMI Life Limited
- Momentum Group Limited
- Sanlam Life Insurance Limited

CUSTODIAN

- Nedbank Limited



INVESTMENT PROVIDERS





FUND REGISTRATION 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 the following 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 OLD MUTUAL SUPERFUND

PHYSICAL ADDRESS: Mutualpark, Jan Smuts Drive, Pinelands, 7405

POSTAL ADDRESS: P O Box 167, Cape Town, 8000, South Africa

Old Mutual is a Licensed Financial Services Provider





Old Mutual Life Assurance Company (SA) Limited is a licensed FSP and Life Insurer.