# OLD MUTUAL SUPERFUND

October 2023

## To pick or not to pick

Whether you are joining a retirement fund for the first time or even moving from one Employer to the next during your working career, you will be faced with a range of different investment portfolios to choose from. Deciding which is the best option for you may feel overwhelming!

Deciding what to select doesn't stop there. When you retire from a retirement fund, the most important decision that you will be faced with will be what type of annuity to purchase. It just feels like an everlasting decision-making process!

**If you feel overwhelmed by all this choice, don't stress! There are well-crafted default investment portfolios which have been 'pre-selected' for SuperFund Members.** These 'default' investment portfolios will be used to grow your savings if you prefer not to make a choice. They are well suited to the typical needs of a SuperFund Member. There are also default (pre-selected) annuity options available when you retire.

However, you may prefer to consider other options. Let's try and imagine a world of deciding which investment portfolio to pick being like a very large craft food and drink market. With so many different options, selecting the perfect flavour to savour is no easy task. Your choices will depend on your taste preferences, dietary needs, and whether you're looking for a quick bite or a long-lasting treat.

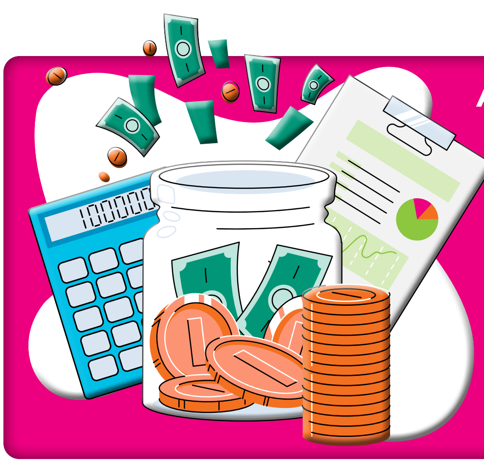
**Here are some different ways you can navigate this delectable market:**

1. Handpick your favourites at a speciality store. Like choosing your favourite chocolates, you can select from a range of different types of investment portfolios to build your unique investment strategy. Selecting between market-linked portfolios, absolute return strategies, smooth bonus offerings, money market or fixed interest solutions - the sky is the limit! But remember that one time when you were young and you had too many chocolates to eat all at once - everything in moderation, nothing in excess!
2. Choose to indulge in a diverse coffee blend. Just as a well-crafted coffee blend offers a balanced mix of beans, **passive (or index tracking) funds** provide a low-cost way to invest in a range of broad market indices which captures the essence of the market.
3. Fancy a cheese platter? Enjoy a selection of cheeses handpicked to create a perfectly blended balanced assortment. **Similarly, an active single manager portfolio** provides diversification and is backed by a professional asset management team and analysts that navigate the investment market for you.
4. You could opt for a pre-selected collection of wines chosen by an expert winemaker. The default **life-stage portfolios** offer a pre-built investment solution designed to meet specific objectives and risk profiles.
5. Explore a craft beer tasting experience. Embark on a journey through a variety of brews from different brewers, each with their unique style and flavour. A **multi-manager solution** is managed by an expert who has selected the best brews to taste from. They can do this by combining specific underlying asset class portfolios, or existing balanced portfolios, offering diversification and professional management.

Remember, investing does not have to be "one size fits all". It can be tailored to your unique preferences and needs. The key to savouring your investment journey is finding the right blend of flavours that suits your palate and keeps you engaged over time!

Now let us look closer at the different kinds of investment categories that are available to you as a retirement fund Member, and what to expect for each category. Old Mutual SuperFund offers a wide range of investment funds to Employers and Members. Note that some packages limit the number of choices available to Members.

| Category | What to expect from these investment funds |
|---|---|
| Higher reward – Higher risk | • These funds are the most aggressive within the limits of Regulation 28. They are most likely to be affected by market ups and downs. (In technical terms, they have higher *volatility* or *risk*). However, over the long term you can expect the highest returns from these investment funds.<br>• This category has more growth assets (for example, equities) than the others. These growth assets tend to be the cause of the risk, but also give higher expected long-term returns.<br>• **In summary:** If you are OK with ups and downs over the shorter term, investment funds in this category should give you the best returns over the long term. |
| Medium reward – Medium risk | • These investment funds fall somewhere in the middle. They have slightly less growth assets and may have more bonds and cash/money-market investments. These funds are still affected by the ups and downs of the markets, but not as much as the first category.<br>• Smooth bonus investments in this category can provide good growth prospects with lower volatility. Investment growth is smoother over time.<br>• **In summary:** Over the long term, you can expect good inflation-beating returns from investment funds in this category, with slightly lower risk than the first category. |
| Lower reward – Lower risk | • These funds are the most conservative. They are the least affected by the ups and downs of the markets (so they can provide good short-term capital protection, although this is generally not guaranteed), they also tend to give the lowest long-term returns.<br>• This category has the highest exposure to cash and bonds, so may be more affected by interest rates.<br>• **In summary:** Over the long term, this category provides the most predictable returns. Returns are not likely to be much higher than inflation, so this category does not provide significant real investment growth.<br>• **This category is not usually suitable as a long-term investment.** |



### Always remember

Your retirement savings are targeted for the long term! It is important to remember that while investment markets can get stressful at times, and you may wonder whether your choices were correct, the effect on investments tend to be temporary. One feature of investment markets is that it is near impossible to correctly time the up and down swings of returns. The effect is that one must endure the pain to take part in the recovery. **The key is therefore to remain invested through the volatility to be able to gain advantage of good long-term returns** and to be comfortable that your choices best suit your needs.

## Old Mutual SuperFund Master Rule Amendments 2023

**Master Rule Amendments 2023**

**OLD MUTUAL SUPERFUND PENSION & PROVIDENT FUNDS MASTER RULE AMENDMENTS (For the year ended 30 June 2023)**

| Rule amendment | Description and Motivation | | Date of Board of Fund Resolution | Effective Date | Date registered by the Financial Sector Conduct Authority |
|---|---|---|---|---|---|
| Amendment | The reasons for the | • to clarify the Fund's intention from the date of inception of the Fund, which is the reason for the retrospective effective date, which was to allow persons who are granted permanent residence or an exemption, to be regarded as | | 01/05/1985 | |

To view the latest SuperFund Rule Amendments 2023, please **click here**

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