

Dear



Shari'ah investment portfolio: we'd like your input!

You are receiving this email because you have a portion of your OMEGS retirement savings invested in the OMIG Shari'ah Balanced Fund. **We are sending this [short survey](#) to all OMEGS members over the age of 45, who are invested in the Shari'ah Balanced Fund.**

The OMEGS Joint Management Committee (JMC) is **considering an enhancement to the Shari'ah investment option**, but such a change would affect the risk profile of this investment option. **We are therefore giving you an opportunity to provide comment about the possible changes.**

There are only a few multiple choice questions, and it should only take you 3 to 5 minutes to complete. **Please [click here to complete the survey](#).** More detail about the reason for the survey is set out below.

Proposed Changes and Rationale

- The OMEGS Shari'ah Option is currently 100% invested in the Shari'ah Balanced Fund, which is managed by Old Mutual Investment Group (OMIG).
- The maximum equity exposure of the OMIG Shari'ah Balanced Fund is 60% (for both local equity and offshore equity). This means that the assets held by the Shari'ah Balanced Fund are slightly more conservative than the rest of the market-linked portfolios offered to OMEGS members, and therefore the long term expected return of the Shari'ah Balanced Fund is slightly lower than for the other portfolios.
- **The JMC is considering an enhancement to the OMEGS Shari'ah investment option, which would give the Portfolio Manager (OMIG) the mandate to increase the overall equity exposure of the OMEGS Shari'ah option up to 75%** (the maximum permitted by the Pension Funds Act), up from the current maximum of 60%. There would be **no additional cost** if this change was implemented.
- This mandate would allow the Portfolio Manager to make asset allocation decisions that are similar to the other investment portfolios offered to OMEGS members. It would also bring the OMEGS Shari'ah Option more closely in line with the asset allocation of other Shari'ah balanced funds in the market.
- If this change was made, the JMC would simply be giving the Portfolio Manager the flexibility to increase the overall equity exposure from 60% to 75%. It does not imply that the Portfolio Manager will automatically move the overall equity allocation to 75%. It merely gives the Portfolio Manager better flexibility to tactically manage the asset allocation of the OMEGS Shari'ah Option within a broader range.
- **The Shari'ah investment option would continue to be invested along the same strict Shari'ah requirements, and OMIG has a strong team responsible to ensure compliance.**

- The Portfolio Manager will manage the overall equity allocation according to their best view and professional judgement. You would therefore benefit from the asset allocation expertise of the Portfolio Manager without any additional cost.

What would it mean for you if this change was made?


- Equity investments (i.e. investment in the stock market) can be more volatile (“bumpy”) than the other assets currently held by the Shari’ah Balanced Fund. This means that, **if the allocation to equities was increased, you could be exposed to ups and downs more closely in line with the equity stock market.**
- However, over the longer term, equity investments are expected to give higher returns than other asset classes (although there is no guarantee that this will be the case). So in other words, you would be accepting slightly higher volatility in exchange for higher expected returns in the longer term.


Putting this all together: If this change were to be made, the risk profile of the OMEGS Shari’ah Option will most likely increase relative to its current level, which may make your investment slightly more volatile. The trade-off is that you are likely to earn slightly higher investment returns over the long term.


Your chance to provide input

The OMEGS JMC is therefore giving you a chance to comment and share your views about how the slightly increased risk and return profile might affect you. All feedback will be carefully considered by the JMC, but it is unlikely that everyone will express the same views. The JMC will therefore need to consider the diverse opinions expressed, and then take a decision that they consider best for the OMEGS membership, including those members invested in this portfolio who are below the age of 45.


FUND CONTACT DETAILS
 FUND SERVICE OFFICE | Tel 0860 20 30 40 | Email superfund@oldmutual.com







DO GREAT THINGS



OLDMUTUAL

INDEMNITY STATEMENT

This Newflash was produced by Old Mutual Corporate Consultants on behalf of the Old Mutual Employee Group in SuperFund (OMEGS), Mutualpark, Jan Smuts Drive, Pinelands 7405. It represents an overview of the topics currently under discussion. While every effort has been made to ensure that the information in this Newflash is correct, the Joint Management Committee (JMC) take no responsibility for any loss or damage suffered by any person as a result of their reliance on the information contained herein.