OLD MUTUAL
EMPLOYEE GROUP IN SUPERFUND

INVESTMENT UPDATE DECEMBER 2023

IN THIS EDITION WE PROVIDE

- A market overview;
- An investment performance update ending 31 October 2023;
- A link to a MindSpace article titled: "Protecting retirement outcomes from high inflation"; and
- Connect with your Fund.

MARKET OVERVIEW

Market Outlook

The third quarter was fairly poor, except for local cash and inflation-linked bonds. July was a strong month for money markets as most asset classes posted good returns, while investor views around interest rates and inflation resulted in market sell-offs between August and September.

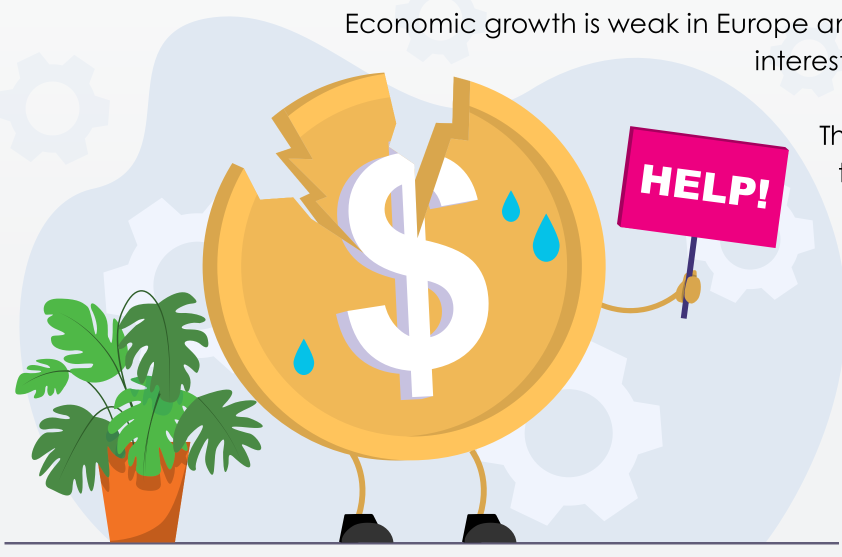
	3 months	6 Months	1 year
SA Equity (Capped SWIX)	-3.8%	-2.7%	11.9%
SA Bonds (ALBI)	-0.3%	-1.9%	7.2%
SA Property (ALPI)	-0.6%	0.4%	12.9%
SA Cash (STeFI)	2.1%	4.0%	7.5%
SA Inflation Linked Bonds (CILI)	0.8%	0.1%	3.0%
Global Equity (MSCI World ($))	-3.5%	3.1%	22.0%
Global Equity (MSCI World (R))	-3.7%	9.5%	27.8%
Global Bonds (WGBI ($))	-4.3%	-6.0%	1.0%
Global Bonds (WGBI (R))	-4.5%	-0.2%	5.9%

Global markets

The United States Federal Reserve (Fed) showed that interest rates may remain higher for longer, triggering a sell-off in risky asset classes. US bonds, usually a safe-haven asset, fell in value as US bond returns rose. Concerns about the US government shutdown were resolved in a last-minute deal. However, the shutdown risks were postponed.

There is still concern about a likely US recession over the next year as interest rates in the US rose fast compared to past hiking cycles. Most steep interest rate hiking cycles have resulted in a recession in the US, and there is fear that the same may happen again.

Economic growth is weak in Europe and the United Kingdom due to high inflation and interest rates, which triggered a cost-of-living crisis.



There is hope that China will bounce back following the end of its zero Covid-19 policies early this year. However, this has not been the case for a few reasons. China has yet to revive its economy as fiercely as before. China is battling structural problems in their property market, and its manufacturing sector faces headwinds from weak global growth and geopolitics.

Local markets

In August, South Africa (SA) hosted the BRICS Summit (Brazil, Russia, India, China, and SA). A key point was positioning the bloc as an economic alternative to the West. The group announced it will include Saudi Arabia, Iran, Ethiopia, Egypt, Argentina, and the United Arab Emirates as members starting the new year. SA used the summit to broker a deal with the Chinese government to assist the country with its power crisis through infrastructure knowledge and added funding.

SA's growth was better than expected for the second quarter of 2023. Inflation rose slightly to 4.8% but was still better than expected. The South African Reserve Bank (SARB) kept interest rates unchanged. Still, it highlighted very high risks to inflation, such as the oil price, a weaker Rand and SA's fiscal position.

The Government's duty to cut back on spending and balance its debt levels is uncertain ahead of the 2024 elections.

According to the electricity minister, load-shedding may cost the economy about R400 billion more than last year. Despite slow progress, there is progress in tackling supply.

Produced by:
Shainal Sukha and **Claire Rentzke**
Sukha & Associates - **Primary Asset Consultants to OMEGS**

INVESTMENT PERFORMANCE SUMMARY AS AT 31 OCTOBER 2023

The table below provides the gross return of each portfolio over the 1, 3- and 5-year periods ending 31 October 2023.

Category	Portfolio	1 Year	3 Years	5 Years	10 Years
Default	Old Mutual Absolute Smooth Growth	11.8%	11.8%	8.0%	10.1%
	Target: Inflation + 6%	**12.3%**	**12.5%**	**11.4%**	**11.5%**
Market-Linked	Old Mutual Multi-Managers Inflation Plus 5 - 7% Strategy	6.9%	13.7%	9.6%	8.9%
	Old Mutual Profile Edge 28	2.3%	14.3%	7.8%	8.4%
	Coronation Managed	9.5%	14.4%	10.0%	8.7%
	Target: Inflation + 6%	**12.3%**	**12.5%**	**11.4%**	**11.5%**
	M&G Balanced	5.8%	14.1%	8.7%	8.7%
	Old Mutual Balanced Index Fund	7.7%	12.7%	7.6%	7.5%
	Target: Inflation + 5%	**11.2%**	**11.5%**	**10.3%**	**10.5%**
Smooth Bonus	Old Mutual Absolute Smooth Growth	11.8%	11.8%	8.0%	10.1%
	Target: Inflation + 6%	**12.3%**	**12.5%**	**11.4%**	**11.5%**
	Old Mutual Coregrowth 100	8.9%	8.2%	7.2%	8.9%
	Target: Inflation + 3%	**9.1%**	**9.3%**	**8.2%**	**8.4%**
Shari'ah	Old Mutual Investment Group Shari'ah Composite Fund	9.4%	12.3%	7.1%	7.8%
	Target: Inflation + 4.5%	**10.7%**	**10.9%**	**9.8%**	**10.0%**
Money Market	Old Mutual SA Money Market	8.2%	5.7%	6.2%	6.8%
	Target: Inflation	**5.9%**	**6.2%**	**5.1%**	**5.2%**

Default Annuities

When selecting the SuperFund default With-Profit Annuity at retirement, you can now provide for greater increases in the future by requesting quotations based on lower post-retirement interest rates. The SuperFund default is 3.5% but you can request either 3% or 2.5%. The lower the post-retirement interest rate selected, the lower your starting pension, but the higher future increases. You can obtain further information from the Retirement Benefit Counsellors or your financial adviser.

FOR FREE INFORMATION & GUIDANCE

Your personal financial adviser
Contact a SuperFund Retirement Benefits Counsellor (RBC) on 021 503 0069 or superfundannuity@oldmutual.com

NB: *- RBCs are **not** financial advisers, nor do they earn a commission for any guidance or information given and their services are completely free.*

- If you use the services of a financial adviser, you may be charged for their services.

MINDSPACE ARTICLE

Protecting retirement outcomes from high inflation

As interest rates breach SARB's upper limit, investors must ensure they have diverse and robust strategies to drive growth over the long term, says Old Mutual's Head of Smoothed Bonus and Investment Strategy.

Click here to read the full article.

CONNECT WITH YOUR FUND

You can view your profile and access other services using one of our digital options below.

- Secure Services
- WhatsApp **0860 933 333**
- Call Centre **0860 20 30 40**

Find the **Old Mutual App** on: GET IT ON Google Play | Download on the App Store | EXPLORE IT ON AppGallery

Old Mutual SuperFund Master Rule Amendments 2023

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