



OLD MUTUAL

EMPLOYEE GROUP IN SUPERFUND



Dear ,

Executive Summary: The current mandate of the FutureGrowth Money Market Fund will be increased from an average duration of 90 days to an average duration of 120 days. No action is required from members.

The OMEGS Joint Management Committee (JMC) is switching the assets currently invested in the FutureGrowth pooled money market fund to a new FutureGrowth pooled money market fund with slightly different characteristics. The new FutureGrowth pooled money market fund will allow the asset manager greater flexibility to invest in longer-dated instruments if they wish to do so. Instead of being restricted to investing in a portfolio with an average duration of 90 days to maturity, FutureGrowth will be allowed to invest in a portfolio with an average duration of 120 days to maturity.

An instrument with a longer duration tends to provide a higher return to compensate one for investing for a longer time. This is similar to being offered a higher interest rate on a fixed deposit with a bank for six months compared to the interest rate one would obtain for a three-month fixed deposit.

Given that we may be approaching the top of the interest rate cycle in South Africa, FutureGrowth may be able to take advantage of this by “locking in” higher interest rates for a longer period. The name of the pooled FutureGrowth product is the **FutureGrowth 120-day Money Market Fund**.

The JMC is of the opinion that the benefits of this change outweigh the risks and will, therefore, proceed with the transfer of assets into the new FutureGrowth pooled money market fund on **01 May 2024**.

Affected members are unlikely to notice any difference once the transfer has occurred and will continue to pay the same management fee of 10 basis points (bps).

Kind Regards
Karen Quinlan
Fund Executive Officer

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