

A close-up, low-angle shot of a smiling couple sitting on the side of a vintage orange car. The man, on the left, is wearing a yellow patterned shirt and blue shorts. The woman, on the right, is wearing a striped long-sleeve top and green shorts. They are both looking towards the right, away from the camera. The background shows a sandy beach and the ocean. The overall mood is joyful and carefree.

Employee Benefits  
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## THE FUND IN DETAIL

Sanlam Umbrella Fund

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Financial Planning | Investments | Insurance | Retirement | Wealth



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# Introduction

This document summarises the terms and conditions of participation in the Standard and Comprehensive product options of the Sanlam Umbrella Fund (“the Fund”) as applicable at the date of publication.

These terms and conditions apply from 1 July 2021 to all participating employers in the Fund. The document may be amended from time to time with 30 days' notice to the participating employers.

The Fund is administered in terms of a set of General and Special Rules registered in terms of Section 12(4) of the Pension Funds Act and is approved in terms of Section 1 of the Income Tax Act, and insurance policies issued by South African insurance companies registered in terms of the Long Term Insurance Act, No 52 of 1998. In the event of a discrepancy between the registered rules and policy documents versus this document, then the provisions of the registered rules and policy documents will prevail.

## The Fund in a Nutshell

An umbrella fund is a retirement fund in which many employers and their employees participate in order to derive benefit from economies of scale. These cost savings ultimately translate into enhanced retirement pay-outs to members. It is a structure that enables employers to offer their employees packaged, flexible retirement savings and group insurance.

As required by the Pension Funds Act Regulation 30(2) t(ii), each subsidiary company in a group of companies must be registered as a separate Sub-fund in an umbrella fund. Even if all the employees in a group of companies have identical benefit structures and even if all the subsidiaries are 100% owned by a parent company, each subsidiary must still be registered and set-up as a separate Sub-fund.

Under the Sanlam Umbrella Fund, employers can choose to participate in a pension fund or a provident fund. A wide range of group insurance are available that can be tailored at Sub-fund level.

Employers can also choose between two benefit design options:

- **Standard Option:** All the Sub-fund's investments are invested in the selected default investment strategy.
- **Comprehensive Option:** The Sub-fund will have a chosen default investment strategy. All members may opt out of their Sub-fund's default investment strategy, and choose a tailored investment strategy that meets their personal needs, including access to the Glacier Retirement Fund Solution.

**The Sanlam Umbrella Fund's leading edge Retirement Fund Administration platform offers integrated member administration, financial reporting and investment administration to maximise flexibility while containing costs.**

**The sound actuarial management of risk, excellent governance structures, transparency and integrity also form part of the Sanlam Umbrella Fund's offer.**

# Why choose the Sanlam Umbrella Fund?

- **Solid offer:** We have a highly competitive administration offering with superior service and competitive rates.
- **Trusted partner:** As a leading financial institution, Sanlam will provide the best solutions to meet your needs.
- **Choice:** The Fund's options range from basic solutions to comprehensive, custom-designed solutions.
- **Cost-effectiveness:** Clients benefit directly from economies of scale by being part of a significant Umbrella Fund backed by a major financial institution.
- **Communication and service:** Sanlam's wide footprint in South Africa facilitates physical interaction with our clients to ensure clear communication and prompt service.
- **Advanced systems and processes:** Key advantages of our innovative administration platform:
  - **Daily pricing:** Because benefit payments are based on daily unit prices, the investment instructions can be effected according to the values of the specific day of the instruction.
  - **Daily balancing:** By balancing assets, liabilities and the ledger daily, there is complete accuracy in administering funds.
  - **Workflow:** Any transaction can be traced so that enquiries can be handled quickly, accurately and efficiently. Our real-time reporting, which can be accessed via the Internet, will always provide you with the latest available information.
  - **Preservation option:** The Sanlam Umbrella Fund offers In-Fund preservation options that ensures the member remains continuously invested in the markets.

## Key Benefits

- ⌚ Well-structured product
- ⌚ Highly competitive cost structure
- ⌚ Leading edge administration platform
- ⌚ Sound actuarial management of risk pool
- ⌚ Excellent governance structures
- ⌚ Investment menu allowing a wide selection of investment choices
- ⌚ Transparency and integrity

## Unique Features

- ⌚ Alignment of the interests of members, participating employers, intermediaries and Sanlam
- ⌚ Member representation via Joint Forums and via the election of independent trustees
- ⌚ Integrated administration fee discounts based on asset size
- ⌚ An integrated risk rebroking facility
- ⌚ A choice between four trustee-approved default investment strategies
- ⌚ The backing of Sanlam's financial muscle
- ⌚ An excellent track record
- ⌚ A sustainable offering in the light of environmental and Government pressures to reform the South African retirement fund industry





# Member Representation

Members have equal representation at both levels of decision-making in the Fund, namely the Joint Forum where the benefit structure in respect of each participating employer is determined and on the Board of Trustees that is responsible for the ongoing management and control of the Fund.

- **The Joint Forum:** All participating employers are required to establish a Joint Forum on which members are entitled to elect 50% of the representatives. This ensures that members are represented at the negotiating table where members' benefit structure is determined and reviewed in terms of the Labour Relations Act, No 66 of 1995.
- **The Board of Trustees:** An Annual General Meeting (AGM) is held each year. At this meeting the trustees report directly to the member representatives of the Joint Forum and answer any questions they may have. In addition, every third year, members are entitled to elect independent trustees from a list of industry specialists that are independent of the Sponsor. These individuals have the knowledge, training and independence to protect members against any possible conflict of interest.

For more information on the Sanlam Umbrella Fund please visit: [www.sanlam.co.za](http://www.sanlam.co.za) or e-mail us at [sanlamumbrellafund@sanlaminvestments.com](mailto:sanlamumbrellafund@sanlaminvestments.com).

# How the Fund works

## Minimum Requirements

The minimum requirement for a new employer to participate in the Fund is a membership of 20 members, or a total annual contribution of at least R300 000.

The minimum member plus employer contribution rate for retirement benefits is 5%, net of costs for group insurance and operational expenses subject to the employer contribution rate exceeding the costs of group insurance and operating expenses.

A minimum of R5 million assets (including outstanding Section 14 bulk transfers) is required per Sub-fund at date of commencement in order to qualify to be permitted to have administration and consulting fees charged as a percentage of assets.

## Contributions

Contributions are payable monthly in arrears and may either include or exclude costs and insurance premiums.

Members may make additional voluntary contributions at any time to enhance their retirement benefit. A lump sum, to which a member has become entitled on withdrawal from another approved pension or provident fund prior to joining the Fund, may be transferred to the Fund.

## Normal Retirement Age

The Normal Retirement Age is determined by the participating employer and reflected in the Special Rules of the Sub-fund.

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## Salary Definitions

Salary refers to pensionable salary except where the employer has specified a separate risk salary. In this case the salary as used in sections 04 and 05 of this document refers to risk salary.

Unless the employer and the Insurer agree otherwise, the annual remuneration amount, upon which cover is based, of a member with a variable income (e.g. commission or fee earners) is equal to the income which he/she received from the employer during the twelve months immediately preceding the date of the claim. If the period is less than twelve months, the annual remuneration amount will be equal to his/her average monthly income during the number of months in which he/she received an income from the employer, times twelve.

The risk salary upon which the cover is based is normally defined as the member's total cost to company, excluding incentive bonuses. However, the risk salary may also be defined as a percentage of the member's total cost to company, e.g. pensionable salary.

**Please note:** The risk salary definition must be applied consistently to all members of a Sub-fund; and it may therefore not be implemented as an individual member choice where every member may choose a different definition or percentage. The same risk salary definition and therefore percentage should apply to all members of the Sub-fund or per defined category of members of the Sub-fund. In the case of weekly paid members or members with a variable income per month it is imperative that a risk salary for a 12 month period be stipulated.

# Death Benefits

The member's share in the Fund is payable when he/she dies.

The trustees determine the distribution of death benefits due to beneficiaries of deceased members in terms of Section 37C of the Pension Funds Act, No 24 of 1956. Where the trustees are of the opinion that it would not be in the interest of a minor beneficiary that his/her benefit be paid to his/her parent or guardian, the benefit may be paid to a registered beneficiary fund.

The trustees have approved the use of the Sanlam Trust Beneficiary Fund as well as the Legacy Beneficiary Fund. The Board of Trustees will only be able to pay the benefits allocated to minor beneficiaries into a trust in very limited circumstances, e.g. where the member has nominated a trust to receive the benefits on behalf of the minor.

# Group Insurance

Each participating employer is permitted to structure appropriate levels of core life insurance, flexible life insurance, income disability insurance, lump sum disability insurance, critical illness insurance, spouse's life insurance, accident insurance and funeral benefit to best meet its employees' insurance requirements.

Life insurance and lump sum disability insurance can be structured for tax purposes either via the Pension or Provident fund components of the Fund or via the participating employer's policy. All other insurance can only be structured via a participating employer's policy, and hence are subject to a different regulatory and tax regime.



# Housing Loan Surety

Participating employers can apply for a housing loan facility for their members whereby a loan is granted to a member by a financial institution. The Fund then grants a surety in favour of the financial institution, which is secured by the member's share value in the Fund. The loan may only be used for housing purposes envisaged in the Pension Funds Act.

The trustees have approved housing loan facilities via Standard Bank, First National Bank and IEMAS. These banking products are designed to protect the member from over-indebtedness, and to comply with both the letter and spirit of the Pension Funds Act, No 24 of 1956 and the National Credit Act, No 34 of 2005.

The maximum surety in respect of all providers is 50% of the member's share at the date of application. The maximum instalment is 25% of the member's net remuneration. The minimum loan is R5 000 and the repayment period is a maximum of 20 years, but must be paid before the member retires from the service of the employer.

# Investments

The Fund offers a wide variety of investment strategies and investment choices within a tightly controlled governance framework monitored by the trustees via the Investment Committee supported by professional investment consultants. The universe of available investment strategies and investment choices has been designed to meet the varying needs of the Fund's thousands of disparate participating employers and members.

Every Sub-fund must determine a default investment strategy, and whether or not member investment choice will be available or not.

# Governance

## Management of the Fund

The Sanlam Umbrella Fund is managed by a Board of six trustees, three of whom are appointed by Sanlam and three of whom are elected by the member representatives from a panel of suitably qualified industry professionals – all independent of Sanlam. Elected trustees are appointed for a 3 year period that may be extended to 5 years.

A professional Principal Officer supported by a Fund Secretariat manages the day-to-day operations of the Fund's governance and ensures compliance with all regulatory requirements.

The appointed administrator of the Fund is Sanlam Life Insurance Limited. Sanlam Corporate, a division of Sanlam Life Insurance Limited is responsible for the administration of the Fund, hereafter referred to as "the Administrator".

The Administrator maintains the records of each member including member share values, and processes and settles all exit benefits payable to members.

The following measures have been adopted by the Board of Trustees to ensure proper fund governance, compliance and the management of risks:

- Equal member representation on both levels of decision making, namely the Joint Forums at employer level and the Board of Trustees where they are represented by industry professionals who are independent of the Sponsor and in a position to protect members against any potential or perceived conflicts of interests
- A trustee code of conduct (based on annexure A to PF 130)
- An acceptance of trusteeship signed by each trustee (based on form A of annexure A to PF 130)
- A trustee training protocol
- A declaration of interests signed by each trustee (based on form C of annexure A to PF 130 and PF 129)
- A protocol on the acceptance of gifts signed by each trustee (a departure from the narrow provisions of form B of annexure A to PF 130)
- A system of appraisal to assist the Board in assessing its efficiency as well as those of the trustees (based on annexure C to PF 130)
- A fund governance and risk management plan, in terms of which the duties of the trustees over the next 3 years are identified and allocated to responsible persons, with an indication of action items and 'due by' dates
- A risk schedule in terms of which risks are evaluated and assessed in terms of impact and likelihood
- The preparation of a fund register that contains all the legal and contractual documentation of the Fund
- A year planner in which meeting dates and action items are identified
- A master process and format for the agenda and minutes at each trustee meeting to ensure that matters are prioritised and are receiving the trustees' attention and that all actions and decisions are recorded
- A range of protocols to clarify processes and procedures, and to identify the persons responsible for overseeing and ensuring compliance

The trustees have delegated certain duties to committees each comprising of individuals with the relevant specialist skills. In doing so, the trustees remain responsible for the entire operation of the Fund, and the committees report to the trustees via the Principal Officer and Fund Secretariat.

The appointed committees are as follows:

- An Administration Committee
- An Audit Committee
- A Communication Committee
- A Complaints Committee
- A Death Benefits Allocation Committee
- A Governance & Risks Committee
- An Individual Member Products and Servicing Committee
- An Insured Benefits Management Committee
- An Investments Committee
- A Remuneration Committee



## Fund Governance and King IV

The King III Code of Governance became effective on 1 November 2016 and served as a general governance criterion against which companies and all other entities, including retirement funds, should assess their level of governance.

The trustees of the Sanlam Umbrella Fund have embraced these principles and have implemented measures to ensure compliance with King III even before it became effective. The Fund is also in compliance with the requirements of PF 130, a good governance guide specifically prepared for retirement funds by the Financial Sector Conduct Authority (FSCA).

As a result, the Fund achieved a very high compliance rating on the Governance Assessment Instrument for retirement funds (GAI), managed and maintained by the Institute of Directors. The Fund has also since been awarded the trophy as well as the gold standard for its governance and compliance practice and its financial reporting practice in the IRFA industry best practice competition.

The Board has since adopted the principles of good governance contained in the King IV report on corporate governance which came into effect from 1 April 2017. The Board also subscribes to the revised Governance Assessment Instrument as a form of objective monitoring and support and are very happy with the results.

The following is new:

- The vocabulary is no longer listed company specific. It contains a special supplement to help adapt the Code to retirement fund governance.
- The 75 principles have been reduced to a mere seventeen, the latter being specifically applicable to institutional investors such as retirement funds.
- King IV is focused on outcomes. It emphasises not what practices have been implemented but rather what their impact has been on achieving the seventeen principles.
- King IV requires funds to “apply and explain”. The reader of the explanation must be able to make an informed decision about whether the organisation has achieved the principles and realised the four outcomes of ethical culture, performance in a sustainable manner, effective controls and legitimacy.

## Joint Forums

All participating employers must establish a Joint Forum comprising of employer and member representatives for each Sub-fund.

Joint Forums are designed to facilitate the process of consultation and decision making between the participating employer and its employees in respect of their group retirement benefits within the spirit of the Labour Relations Act, No 66 of 1995. The Joint Forum is convened and chaired by the Contracted Benefit Consultant, who guides the Forum to ensure the Sub-fund's benefit structure remains relevant.

The Joint Forum is not responsible for the operation and management (fund governance) of the Sanlam Umbrella Fund. This remains the duty of the Board of Trustees.

The trustees recommend that every Sub-fund should hold an initial Joint Forum meeting within 4 months of the establishment of the Sub-fund to review the installation process and the associated communication to members, and should thereafter meet at least once every year. A meeting declaration of all Joint Forum meetings should be sent to the Fund Secretariat for record keeping purposes.

The trustees accept that for smaller Sub-funds it might be appropriate and cost effective for the Joint Forum to either:

- meet every two years, or alternatively
- for the Joint Forum representatives to attend Centralised Joint Forum meetings organised by the Board of Trustees for multiple Sub-funds instead of the requirement to hold their own Joint Forum meetings.

The participating employer has the right to consider, approve or disapprove any decision made by the Joint Forum that might have an effect on the company's finances or its labour relations. The employer remains the contracting party in its communication with the Fund and other relevant service providers to the Fund.

## Equal Member Representation on the Board of Trustees

All member representatives are invited to an Annual General Meeting. At this meeting they can meet the trustees face-to-face and question them on their annual report. In addition, once every three years, the member representatives who serve on the Joint Forum are entitled to elect the independent, member representative trustees from a list of recommended industry specialists. These independent trustees have the knowledge, training and independence to protect members against any possible conflict of interest.

A panel of independent candidates is short-listed by a committee chaired by the Principal Officer taking into account qualifications, knowledge, and experience, and on condition that candidates must be entirely independent of Sanlam and not associated with a major competitor umbrella fund product offering. The resumés of all candidates are distributed to every Joint Forum electronically along with a ballot paper, and the member-elected representatives at each Joint Forum (maximum two per participating employer) can vote for their preferred candidates. The election procedure will be electronic but ballot papers completed by hand will also be accepted. The independent trustees are then elected based on the number of valid votes received by the election closing date, following a counting of votes by the Fund Secretariat.

## Sanlam's Corporate Governance Policy and Practice

The Sanlam Board of Directors is committed to the principles contained in the King IV Report on Corporate Governance (King IV).

Sanlam sees value in subscribing to a system whereby ethics, personal and corporate integrity, and governance practices set the standards for compliance. Sanlam is working to apply all the material aspects of King IV to its business.

**More information regarding corporate governance is available on request or you can visit us at [www.sanlam.co.za](http://www.sanlam.co.za).**

# Sanlam's Black Economic Empowerment Status

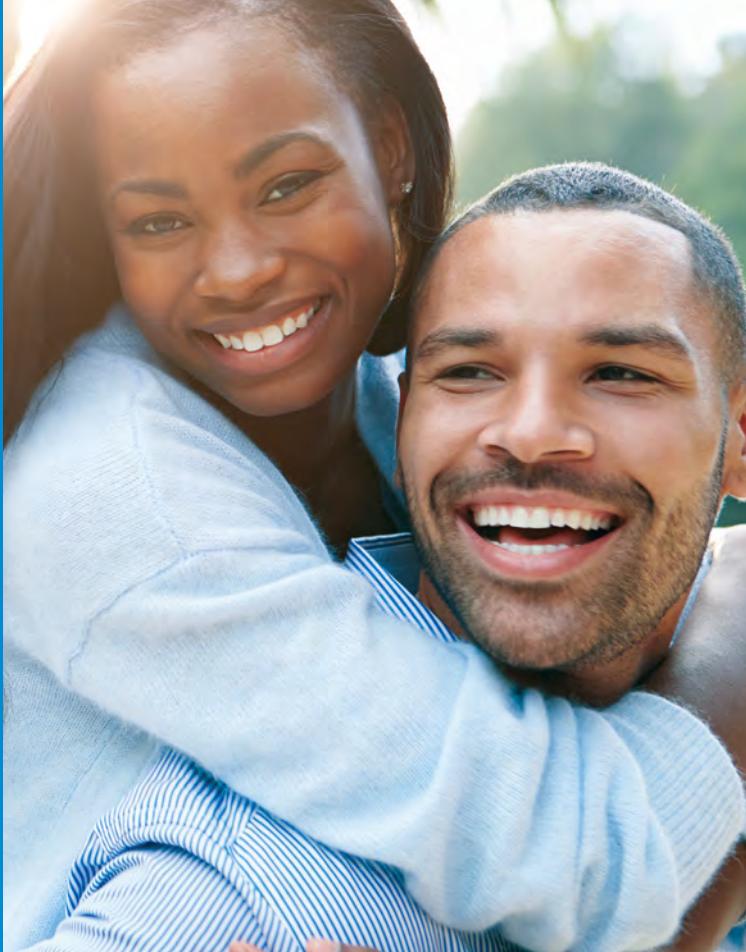
Sanlam understands that economic transformation is a national economic priority, and black economic empowerment (BEE) is a corporate responsibility.

Sanlam recognises that the principles enshrined in the Financial Sector Charter (FSC) are aimed at creating a broad-based BEE model through:

- Creating opportunities for previously disadvantaged employees and graduates, through accelerated skills development and employment opportunities
- Procuring goods and services from black-owned enterprises while working with them to develop these enterprises
- Investing in communities, in black entrepreneurs and in projects that support infrastructure development, low-cost housing and agriculture
- Ensuring that equity stakes are made available to black communities, and financing those.

In March 2019, Sanlam achieved a level 1 B-BBEE status.

For the past 20-odd years, Sanlam has successfully contributed to BEE through the Group's Ubuntu-Botho partnership, numerous empowerment deals via a range of initiatives, Sanlam Sky Solutions, which is focused on creating access to financial services at the lower end of the market, and the initiatives run by the Sanlam Foundation, to mention but a few. Further economic value is added through procurement of services and enterprise development initiatives.



## Sanlam's Plans and Targets

A more representative workforce and investment in our people remain our primary focus; however, our overall strategic objective with regard to the BBBEE scorecard is to improve on our BBBEE rating.

Ubuntu-Botho Investments (Pty) Limited, our BEE partner at Sanlam Group level, was born out of our strategy to reapply the principles of mutual co-operation – the original principles upon which Sanlam was founded more than 90 years ago and has grown so successfully.

In Africa, mutual co-operation is embodied in the terms "ubuntu" and "botho" (Nguni and Sotho, respectively), meaning, "I am because you are". Behind these words lie humanity, respect, good values and the understanding that each one of us is inextricably a part of the community around us.

The Ubuntu-Botho consortium has three anchor shareholders:

- Sizanani-Thusanang Helpmekaar led by Patrice Motsepe (55%)
- Sanlam/Ubuntu-Botho Community Development Trust (20%)
- The Broad-based Empowerment Groupings (25%)

**Further information on BEE, Ubuntu-Botho and sustainable development in Sanlam is available on our website [www.sanlam.co.za](http://www.sanlam.co.za).**

# Group insurance

## Insurers

The trustees have approved two insurance companies, being Sanlam and ABSA Life ("the Insurers") to underwrite the Sanlam Umbrella Fund's risk pool comprising of less than 400 members.

The trustees have approved Capital Alliance as a third option for Sub-funds comprising 400 or more members which are rated taking into account their own claims experience. Sub-funds comprising 400 or more members are permitted to request insurance from any insurer of their choice provided that:

- All policy terms and conditions are identical to the standard Sanlam Umbrella Fund insurance policies as approved by the Sponsor, and
- The chosen insurer commits to conform to the standard service levels of the Sanlam Umbrella Fund pertaining to insurance components, and
- Premium rates are lower than those quoted by the three approved insurance companies.

The quotation system has been designed so that participating employers and members enjoy the benefit of having each insurance component automatically placed with the Insurer, which in the opinion of the Sponsor, offers the most competitive premium rates for similar terms and conditions, and subject to product rules as agreed between the trustees and the Sponsor.

**The group insurance mentioned below are a summary of all the options available and may not necessarily apply in respect of a specific Sub-fund.**

The trustees have appointed an Insured Benefits Management Committee, including an actuary and other suitably qualified professionals, to continually review the management of the risk pool so that members' interests are protected via sound actuarial risk management practices. To the extent that these aims are achieved, members will benefit by way of competitive group insurance premium rates which are determined, by taking into account actual claims experience.

# Life Insurance

Each participating employer can select from the following options:

## Life Insurance

Cover is expressed as a multiple of salary for all members in a particular category. The participating employer selects the appropriate multiple per category of membership.

Categories must be specifically defined e.g. directors and staff etc. Members may not choose to belong to a specific category.

The maximum age at entry is the earlier of Normal Retirement Age or the age of 65 years. Cover ceases at the earlier of Normal Retirement Age or attainment of age 65. The participating employer can elect to continue cover until age 70 for members who remain in active service of the employer after the Normal Retirement Age. In the case of take over of an existing fund where an employer has elected for cover to continue until the age of 70, members over the Normal Retirement Age who previously enjoyed cover will be eligible for cover. Cover will be compulsory for those members who remain active in service after Normal Retirement Age to age 70.

The maximum Life Insurance is 10 x annual salary. Life Insurance is charged as a percentage of salary.

## Reinforced Life Insurance

The core life cover is reduced by the member's share to reduce costs.

Cover is expressed as the greater of the member's share in the Fund and a fixed multiple of salary (i.e. the amount insured will be equal to a multiple of salary minus the member's share in the Fund).

The maximum age at entry is before the age of 65 years. Cover ceases at the earlier of Normal Retirement Age and attainment of age 65. The participating employer can elect to continue cover until age 70 for members who remain on in the active service of the employer after the Normal Retirement Age. Cover will be compulsory for those members who remain active in service after Normal Retirement Age to age 70. Life Insurance is charged as a fixed unit rate per R1 000 of cover per month purchased.

## Flexible Life Insurance

This option offers a selected level of compulsory Life insurance for all members and is only available to employers with a membership of at least 50 members (*Flexible Life Insurance does not apply to contract workers*). Individual members may elect additional levels of life insurance, over and above the core life insurance. Members who choose this option will not be charged an additional administration fee or selection charges.

The maximum Life plus Flexible life Insurance is 15 x annual salary. Additional flex choices will only be available to active members and not members in receipt of an income disability benefit.

The ratio of life insurance versus flexible life insurance may not exceed 1:3. The cost for the flexible life insurance is determined by applying a quoted premium rate per age band and gender per R1 000 cover per month to the selected flexible life insurance. Members move between age bands only in the month following their birthdays.

Members may choose flexible life insurance in multiples of 0.5 x annual salary to the applicable maximum according to his or her own choice, within three months of each of the following events:

- The inception date of scheme (entry of a new member)
- Marriage (excluding co-habiting partners. Proof of the registration of the marriage in accordance with the applicable Act must be provided),
- Birth or legal adoption of a child.

Thereafter, members have the choice to reduce their flexible life insurance annually on a date determined by their employer. After cover has been reduced, it can be increased only if the choice is made within three months of the following events:

- Marriage (excluding co-habiting partners),
- Birth or legal adoption of a child.

Members who are 55 years and older, who wish to choose flexible life insurance, must provide medical evidence of good health.

Members who wish to increase their current flexible life insurance on grounds of other circumstances must provide medical evidence of good health.

Cover ceases at the earlier of Normal Retirement Age or attainment of age 65. The participating employer can elect to continue cover until age 70 for members who remain on in the active service of the employer after the Normal Retirement Age. Cover will be compulsory for those members who remain active in service after Normal Retirement Age to age 70.

**Please note** – In the event of a takeover (existing business moving from another retirement fund), existing members will be transferred with their existing cover provided certain conditions are met. Existing members will only have choices at marriage and birth or legal adoption of a child.

## **Spouse's Life Insurance (via separate scheme)**

Spouse's Life Insurance is a lump sum equal to the lesser of 2 x annual salary and R8 000 000 (but not more than the member's life insurance) that becomes payable to the member on the death of his/her spouse.

Spouse's cover ceases at the earlier of the member's normal retirement age or the member's attainment of age 65.

The participating employer can elect to continue spouse's cover until age 70 for members who remain on in the active service of the employer after the normal retirement age.

Spouse's cover will be compulsory for those members who remain active in service after normal retirement age to age 70. Spouse's cover also ceases -

- when the spouse attains the age of 70;
- on the death of the member;
- on the exit of the member from the FUND; and
- in the event of the divorce of the member and his/her spouse.

Marital status on the date of death of the spouse will be used to determine whether a claim is valid or not. A claim will only be admitted where the associated risk premiums have been paid up to date, and the onus lies with the employer to inform the Administrator timeously should the marital status of any employee change.

The Spouse's Life Insurance is charged as a percentage of salary.

## **Accident Insurance (via separate scheme)**

**This option offers an additional lump sum at death as a result of an accident.**

The benefit is expressed as a percentage of Life Insurance.

The following options are available:

- 50% of core group cover
- 100% of core group cover

A benefit may be claimed when the death of the member resulted directly and solely from a bodily injury caused by an accident and if the claim event (i.e. death) takes place within 12 months after the bodily injury (i.e. accident).

The maximum benefit available is the lesser of 6 x annual salary and R3 800 000 with effect from 1 April 2021.

Cover ceases at the earlier of Normal Retirement Age and attainment of age 65.

Accident Insurance is charged as a percentage of salary.

## **Funeral Benefit (via separate scheme)**

The maximum age at entry for the principal member is before the age of 65 years and for qualifying spouses before the age of 70 years. All cover ceases at the first of the following events:

- When the principal member dies; or
- When the principal member ceases to be an employee; or
- When the principal member reaches the Normal Retirement Age (or age 70 if applicable); or
- When a monthly premium is not paid; or
- If the scheme is dissolved.

The cover amount can be selected in multiples of R1 000, from R6 000 up to R70 000. Benefits are paid in respect of the death of the principal member, qualifying spouse or qualifying children according to the following scale:

- Principal member, qualifying spouse or qualifying children aged 14 and over are covered for 100% of the selected cover amount,
- Qualifying children aged 6 and over but younger than 14 are covered for 50% of the selected cover amount, subject to a maximum of R50 000.
- Qualifying children younger than 6 and still-born children are covered for 25% of the selected cover amount, subject to a maximum of R20 000.

Benefits and premiums are payable up to the Normal Retirement Age of the principal member. The participating employer can elect to continue the Funeral Benefit and premiums until age 70.

When the principal member dies, cover for the member's qualifying spouse and qualifying children ceases.

The Funeral Benefit is charged as a fixed Rand amount per member per month.

# Disability Insurance

## Lump Sum Disability Insurance

A retirement benefit becomes payable when a member qualifies in terms of the lump sum disability criteria. The lump sum is payable after a waiting period of six months if the member is totally, permanently and continuously prevented, even with further in-service training:

- from following the regular occupation which he/she practised immediately before; and
- from following the occupations which he/she, in view of his/her training and experience, may reasonably be expected to follow;
- and experiences loss of income.

(The lump sum will be reduced by 1.667% per month to nil over the last five years before the Normal Retirement Age).

The maximum benefit available is the lesser of 8 x annual salary and R12 000 000 with effect from 1 April 2021. Cover ceases at the earlier of Normal Retirement Age and attainment of age 65.

### Drivers and Pilots:

- The member must be unable to follow any occupation and must experience loss of income in order to qualify for the benefit.
- In the case of pilots, the insurance is only available to age 60.

### Contract workers:

- Contract workers are subject to a maximum benefit of 2x annual salary for Lump Sum Disability Insurance.

The Lump Sum Disability Insurance is charged on the same basis as the Life Insurance.

## Income Disability Insurance (via separate scheme)

### Disability is defined as when the member:

- is totally and continuously prevented from following his/her regular occupation in the first 24 months of disablement including the waiting period, and thereafter,
- is also totally and continuously prevented, with or without further in-service training, from following the occupations for which he/she is reasonably eligible by virtue of his/her training and experience.

### Participating employers can select from the following alternatives:

Alternative 1	Alternative 2	Alternative 3
<p>The maximum benefit will be equal to:</p> <ul style="list-style-type: none"><li>• 75% of the first R12 000 monthly salary, plus</li><li>• 50% of the monthly salary in excess of R12 000, plus</li><li>• 25% of the first R12 000 monthly salary during the first two years of disability (including waiting period).</li></ul>	<p>The maximum benefit will be equal to:</p> <ul style="list-style-type: none"><li>• 75% of the monthly salary.</li></ul>	<p>The maximum benefit will be equal to:</p> <ul style="list-style-type: none"><li>• 75% of the first R10 000 monthly salary; plus</li><li>• 60% of the next R30 000 monthly salary; plus</li><li>• 50% of the monthly salary in excess of R40 000</li></ul>
<p>The monthly income is subject to a total maximum of R15 000.</p>	<p>The monthly income will be limited to the lesser of:</p> <ul style="list-style-type: none"><li>• R220 000 per month;</li><li>• The average net monthly income that the member received immediately before disability (excluding the waiver of contributions).</li></ul>	<p>The monthly income will be limited to the lesser of:</p> <ul style="list-style-type: none"><li>• R220 000 per month; and</li><li>• The average net monthly income that the member received immediately before disability (excluding the waiver of contributions).</li></ul>
<p>The contribution waiver is limited to a maximum of R2 200 per month.</p>	<p>The contribution waiver is subject to a maximum of R57 000 per month.</p>	<p>The contribution waiver is subject to a maximum of R57 000 per month.</p>

**The Income Disability Insurance is payable, subject to the following criteria/options:**

- The waiting period for this benefit may be three, six or twelve months.
- Growth is available to the smaller of the chosen percentage (0%, 3%, 5%, 6%, 7.5% and 10%) and the increase in the consumer price index.
- The contribution waiver includes the premiums payable in respect of insurance effected by the Employer for the benefit of the member outside of Fund at the level as specified within the accepted Sanlam Umbrella Fund quotation/amendment document. The employer will be liable for any difference in the contributions if the actual percentage contribution rate is more than the percentage contribution rate insured and the Insurer had not been requested to insure the higher percentage rate.
- A member in receipt of an income disability benefit will be deemed to be an employee and a member of the Fund.

Where the Insurer identifies cases where rehabilitation or re-skilling of the disabled member is likely to be successful to enable the claimant to return to work, the Insurer will provide the necessary support to the claimant and the participating employer. A rehabilitation programme will be drawn up by an Occupational Therapist and it is important that in such cases the claimant cooperates fully with the programme as the income disability benefit being paid to the claimant can be suspended should he/she breach any condition imposed upon him/her in terms of the rehabilitation programme.

The costs for the rehabilitation programme will be paid by the Insurer, and will exclude the costs that are covered by:

- the registered medical aid fund(s) of which the disabled member is a member or dependant,
- the payment of any other costs will be at the Insurer's sole discretion.

Cover ceases at the earlier of Normal Retirement Age or attainment of age 65.

**Contract workers:**

The benefit will only be paid at the earlier of the end of the contract period, reaching Normal Retirement Age or benefit cessation age.

**Drivers and Pilots:**

- The member must be unable to follow any occupation and must experience loss of income in order to qualify for the benefit.
- In the case of pilots, the insurance is only available to age 60.

The Income Disability Insurance is charged as a percentage of salary.



## Supplementary Benefits

### Universal Education Protector Insurance

This benefit helps families cover the costs of qualifying children's education after the death of a member. Maximums for this benefit will automatically increase in January each year.

The benefit cessation age for Universal Education Protector Insurance is the earlier of the members' Normal Retirement Age or the age of 65.

### Salary Refund Insurance

The Salary Refund benefit refunds the employer the salaries paid to the employee during the waiting period of a disability claim. This benefit will only be applied if the income disability benefit is approved and accepted.

The Salary Refund amount will be based on the same salary on which the Income Disability insurance is based on (i.e. salary at date of disability).

*Please note: The insurance is not payable if the employee dies during the waiting period regardless of the cause of death*

Furthermore, the employer will have the option to add an additional 10% or 20% over and above the salary insured, to ensure

- the insurance is equal to the employee's gross annual salary; and
- to compensate the employer for other contributions made during the waiting period. These other contributions may include premiums for life and disability insurance, medical aid premiums etc.

### Medical Aid Premium Waiver Insurance

This benefit comprises the medical aid premium of an employee who is receiving an income disability benefit. Maximums for this benefit will automatically increase in January each year. The Medical Aid Premium Waiver in respect of the insured will be paid for a maximum period of 24 months less the waiting period.

This benefit will continue the medical aid premiums (including the savings element, if applicable) from the end of the waiting period in respect of a disabled employee, who was the principal member of a medical aid policy and is now receiving a monthly income from the underlying Income Disability insurance.

The benefit is paid directly to the employer, who will be responsible for the taxation before paying it over to the relevant medical aid policy.

The payment period will be equal to the initial period less the waiting period (depending on the "own occupation" period in the Income Disability insurance policy).

The benefit also allows for increases in the same month and at the same rate, in line with what the relevant medical aid is applying to its members' premiums, subject to a maximum of 20% per annum.

*Please note: The Medical aid premium waiver will not cover the premiums for adult dependents.*

## Temporary Income and Lump Sum Disability Insurance

**This insurance offers a member, in the event of disablement and after a three month waiting period, an income disability benefit for a period of 21 months, followed by a disability assessment.**

In respect of the income disability insurance, disability is defined as when the member is totally and continuously prevented from following his/ her regular occupation in the first 24 months of disablement including the waiting period.

The income disability benefit will be equal to 75% of the monthly salary.

- The monthly income benefit will be limited to the lesser of:
  - R220 000 per month; and
  - The average net monthly income that the member received immediately before disability.
- The contribution waiver is subject to a maximum of R57 000 per month.

The Temporary Income Insurance is payable, subject to the following criteria:

- A three month waiting period is applicable. No growth will be applied.
- No conversion option is available for this insurance.
- Cover ceases at earlier of Normal Retirement Age or attainment of age 65.

The lump sum disability benefit is payable after a waiting period of 24 months and a further assessment, provided that the member is totally, permanently and continuously prevented, even with further in-service training:

- from following the regular occupation which he/she practised immediately before; and



- from following the occupations which he/she, in the view of his/her training and experience, may reasonably be expected to follow, and experiences a loss of income.

The lump sum will be reduced by 1.667% per month to nil over the last five years before the Normal Retirement Age.

The maximum benefit available is the lesser of 8 x annual salary and R12 000 000. Cover ceases at the earlier of Normal Retirement Age and attainment of age 65.

#### **Drivers and Pilots:**

- The member must be unable to follow any occupation and must experience loss of income in order to qualify for the benefit.
- In the case of pilots, the insurance is only available to age 60.

The Temporary Income and Lump Sum Disability Insurance are charged as a percentage of salary.

## **Critical Illness Insurance (via separate group scheme)**

**A critical illness benefit is paid only once, on the diagnosis of a traumatic illness. Any such payment does not impact the Life Insurance.**

A survival period of fourteen days will apply immediately after the date on which the critical illness was diagnosed. Should the member contract a critical illness and die before the end of the survival period, no critical illness benefit will be payable.

The maximum cover available is the lesser of 3 x annual salary and R2 800 000 with effect from 1 April 2021.

The following critical illnesses are covered:

- Chronic renal failure
- Paraplegia
- Myocardial infarction
- Blindness (two eyes)

- Organ transplant
- Major burns
- Stroke (excluding a stroke resulting from external injuries)
- Coronary artery bypass surgery (excluding other procedures on the coronary vessels like percutaneous transluminal angioplasty or laser therapy)
- Deep coma (excluding a coma which is artificially induced for purposes of ventilation)
- Cancer, excluding:
  - Carcinoma in situ, like carcinoma in situ of the cervix
  - All skin cancers (except malignant melanomas with Clark level 2 or more depth invasion)
  - Early prostatic cancers, medically classified as TNM class T1(a) or T1(b) or equivalent; and
  - Kaposi sarcoma

All critical illnesses above are subject to policy conditions.

Cover ceases at the earlier of a member's Normal Retirement Age and attainment of age 65.

The Critical Illness Insurance is charged as a percentage of salary.

# Cover during Disability

While a member receives an income disability benefit or temporary income disability benefit, the Lump Sum Disability Insurance, Accident Insurance, Life Insurance, Spouse's Life Insurance and Funeral Benefit that applied before disability, will remain applicable.

The member will continue to qualify for Critical Illness insurance, providing their disability is as the result of an event other than one of the defined critical illness events.

Payments of premiums in respect of the disabled member must continue during disability.

Life Insurance, Accident Insurance and Critical Illness Insurance during disability, for future and current disability claimants, will increase each year at a rate equal to the selected disability increase growth rate subject to a maximum of the lesser of 10% or the increase in the Consumer Price Index.

## Conversion Options

- When a member retires, withdraws from employment or reaches the benefit cessation age, he/she has the option to apply to take out a similar individual policy (Life Insurance, Lump Sum Disability or Income Disability Insurance) with the Insurer, without having to provide medical evidence of good health. This policy must be effected within 2 months after the member's last working day. The option to apply for Lump Sum Disability Insurance and the Income Disability Insurance is only available to members younger than 60 years who have not reached the insurance cessation age.
- When converting from the group insurance to an individual policy, the premium rates, occupational risk and any other limitations (including the conditions that apply to HIV/AIDS and smokers) that are normally imposed by the Insurer will still apply. These provisions may differ from the conditions that applied to the group policy.
- In the event of a member having Spouse's Life Insurance, either the member or his/her spouse may exercise the option at divorce, death, withdrawal, retirement or insurance cessation age of the member, whichever event may occur first, to apply to a similar individual policy (life insurance on the spouse's life) with the Insurer without the spouse having to provide medical evidence of good health. This option also applies when the spouse reaches age 70 and the member remains in service of the employer.
- The maximum benefit in terms of these options may not exceed the smaller of the amount of the member's benefit on retirement or withdrawal and the maximum benefit applicable in the case of a similar individual policy.
- In cases where the participating employer elected group life insurance to continue to age 70, the conversion option continues to age 70.
- If a Participating Employer implements the Conversion Option on the scheme for their employees after the initial participation date to the Fund, the Conversion Option may only be exercised by these members once premiums for the Conversion Option have been paid for 12 consecutive months. In the case of new employees appointed after the implementation of the Conversion Option, only once these employees have been members of the scheme for at least 12 consecutive months may these members exercise the Conversion Option.



- Conversion option will not apply to contract workers.
- A member may only exercise the conversion option with the Insurer he is currently insured with.
- This option is not available in respect of a member when he/she ceases to be a member as a result of -
  - an amendment to the rules
  - termination of the employer's participation in the fund
  - termination of the employer's business
  - a retrenchment exercise where the employer retrenches the greater of three employees and 2% or more of the total number of employees; or
  - the business of the employer being transferred to or amalgamated with any other business, company or organisation.



# Underwriting conditions for group insurance

## General

### Membership

Quotations are only for eligible employees under the Normal Retirement Age and who are actively employed by the participating employer. Membership is compulsory for new qualifying employees and spouses where applicable. In the opinion of the Insurers, an actively employed member should be capable of performing his/her normal duties with the employer. In the case of a transfer of an existing fund where members past Normal Retirement Age were covered, members falling into this category are eligible provided such continued cover is indicated on the quotation. Cover will take effect from the date on which membership commences and applies 24 hours a day.

In the event that a quotation is accepted after the effective date of commencement, any insurance claim that is submitted and that occurred prior to submission of the employer's signed Confirmation of Acceptance shall not be admitted unless the Insurer agrees to admit the claim on an ex-gratia basis. The Insurer's decision in such circumstances shall be final and binding.

### Absence from Work

- **On date on which membership commences:**  
*(Not applicable to existing uninterrupted take-over risk benefits):*

The insurance of a member who is absent from work (because of sickness or an accident) on the date on which his membership commences, will take effect only after 60 days from the date on which he/she resumes his/her normal duties with the employer or after medical evidence of good health has been provided (whichever is the earlier).

The member will not be covered if he/she dies before he/she is capable of resuming his/her normal duties. The Insurers will decide whether the employee is fit to do his/her normal duties, and may require relevant proof and information in this regard before admitting a claim.

- **Temporary absence:**

If a member is temporarily absent from the service of the employer with the employer's consent, the insurance remain applicable to the member but not for longer than two years. Periods of absence that are interrupted by periods of service of less than three months are added together to determine whether the period of two years has elapsed or not. Premiums for the insurance remain payable to the Insurer.

## Members who work outside the borders of the RSA

The Insurers can provide cover for members who work temporarily outside the borders of the RSA, based on the following conditions:

- All payments to and from the Insurers will be in RSA currency.
- Cover and premiums will continue for a period of 6 months, at the same level as before these members started working outside the RSA.
- For extension of cover after the 6 months, and annually thereafter, the employer may request, in writing, an extension on the period of insurance after which new conditions (if applicable) will apply. A schedule of these members is required indicating the following:
  - The country in which the insured is physically present.
  - Nature of work responsibilities, and
  - The expected period of stay in the relevant country
- These members must remain on the local payroll.
- The Insurers reserve the right to have the final assessment of disability claims done locally.
- The normal territorial limitations with regard to claims in payment will apply.

## Definitions

### Qualifying Spouse

A qualifying spouse in the case of a member means the person with whom he/she is joined in marriage. If a member is joined in marriage with two or more persons, qualifying spouse means only that one of them whom the member nominated in a written document and submitted to the employer during the person's life. If the employer advises Sanlam that the insured has failed to nominate only one of them, only the one with whom he/she is joined in marriage first will qualify.

Once a nomination has been made, it remains in force as long as the member is joined in marriage with the nominated person.

Marriage means:

- a marriage or union in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, or the Civil Union Act, 2006, or the tenets of a religion (applicable to insurance provided via the Fund and via a separate scheme); or
- a union where two persons are living together as if married, with the commitment of continuing to do so permanently (applicable to insurance provided via a separate scheme) provided that:
  - they have been doing so for at least 6 months; and
  - in the format prescribed by the Employer from time to time, they applied in writing to the Employer, before the death of any one of them, for their union to be registered by the Employer; and
  - one or both of them are not joined in a marriage or union (as contemplated in the first bullet of the definition) with another person.

### Qualifying Child

A qualifying child in the case of a member (principal member) means his/her qualifying child or his/her qualifying spouse's child. This includes a biological child, a legally adopted child, a stepchild, a foster-child and a still-born child, who is dependent on the principal member, provided that the child:

- is unmarried and has not reached the age of 21 years; or
- is unmarried, has not reached the age of 26 years and is a full-time student at an educational institution of a public nature; or
- is incapacitated by a physical or mental infirmity from maintaining himself/herself and such incapacity commenced when the child was either under the age of 21 or under the age of 26 years while a full-time student at an educational institution,
- is nominated in the required format before the risk is accepted.

## Still-born Child

A still-born child means a child that has had at least 26 weeks of intra-uterine existence, but showed no sign of life after complete birth.

## Funeral Benefit

On the date of commencement, the employer must provide a membership list indicating the names and dates of birth of the principal members.



## Pre-existing Health Conditions

If existing underwritten business is taken over or there is an amendment such as an increase to an existing benefit, the entry date for the members is the date on which membership or the amendment commenced in respect of this benefit with the Insurers or with the previous Insurer. Should any benefits change as a result of the take-over, amendment or increase in benefit, the smaller of the previous or the new benefit will apply.

## Disability Insurance

The insurance does not apply if the date on which the disability started occurs within 12 months of the entry date and the disability arises directly or indirectly from/or is traceable to:

- A bodily injury which occurred; or
- An illness of which the member was aware or experienced symptoms of or for which the member received medical treatment;

during the 6 months (12 months for municipalities) immediately before the entry date.

## Critical Illness Insurance

A claim for a specific critical illness, which the member suffered within two years after the entry date, shall also not be admitted if that critical illness had been directly or indirectly caused by or can be traced to an illness of which the member had been aware or experienced symptoms of or received medical treatment within the two years prior to the entry date.

A critical illness claim will not be paid in respect of an employee, if he/she contracted that critical illness or would have qualified for a listed claim event for the applicable benefit option prior to:

- Commencement of the employee's insurance with Sanlam, or
- Take-over of existing employees' insurance by Sanlam that was previously insured in terms of a policy with another insurer.

## Maximum Income after Disablement

The maximum average monthly income that a member will receive from all sources after disablement will not exceed 100% of his/her net monthly salary before disablement. For these purposes, a lump sum disability benefit divided by 120 will be regarded as a regular monthly income.

The Fund will exclude the following receipts when determining a member's average monthly income after disablement:

- Lump sum receipts (including any receipt expressed as a capital amount payable in instalments over a period of ten years or less), of which the aggregate does not exceed the larger of R550 000 (with effect from 1 April 2021), and 2.5 x the member's annual salary as on the commencement of the total and or permanent disability.
- During the period of two years, on the commencement of total and or permanent disability, regular receipts, which in total are not more than a monthly receipt of 25% of the member's average monthly earnings before disability.



## Insured benefit claim conditions

The participating employer must submit insured benefit claims in writing to the Administrator, using the claim forms provided, within the timeframes set out in the policy.

The Insurer may from time to time insist on further requirements before considering a claim.

No benefit will be paid if the Insurer is not notified of the claim within six months of the event. In the case of the Disability Income Insurance, no benefit will be paid if the Insurers are not notified of a claim or potential claim within six months (three months in the event of a critical illness claim) immediately following the earlier of the event giving rise to a claim or the member's last working day.

At termination of a Sub-fund a period of 6 months is allowed for the submission of claim forms to the Insurer, except in the case of temporary income disability followed by lump sum disability where claim forms must always be submitted to the Insurer within 3 months after becoming totally disabled.

## Critical Illness Insurance

The benefit payable is limited so that the aggregate amount which is paid in terms of similar benefits from all sources does not exceed R6 900 000 with effect from 1 April 2021.

All costs related to submitting the claim for Critical illness must be covered by the member and/or the employer.

## Exclusions

Except where the policy provides otherwise the following exclusions are applicable:

- No benefit will be paid if the event giving rise to the claim is -
  - a direct or indirect consequence of active participation in -
    - war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, rebellion, revolution, military of usurped power, insurrection, civil commotion assuming the proportions of or amounting to an uprising; or
    - an act of terrorism; or
    - a riot; or
    - a strike, whether lawful or unlawful, during which lives are endangered, public or private property damaged, or an attempt or attempts are made to damage such property; or
    - any other unlawful act or conduct of whatever nature during which lives are endangered, public or private property damaged, or an attempt or attempts are made to damage such property.
  - a direct or indirect consequence of -
    - any radioactive contamination, including accidental radioactive contamination; or
    - the use of nuclear, biological or chemical weapons; or
    - attacks on or sabotage of facilities (including, but not limited to, nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective whether any of the aforesaid has been performed with the specific use of information technology.
- In respect of Flexible life insurance or any increases in it, a two year suicide clause applies from the inception date or from the date of the increase in the Flexible life insurance, as the case may be.
- No disability benefits will be paid if -
  - a member is a professional sportsman, professional sportswoman or a professional diver.
  - the disability is attributable to a member's having negligently or wilfully exposed himself/herself to danger, except in the interests of the law or to protect his/her or another's life or property.
  - the disability is attributable to an Insured's intentional self inflicted injury.
  - the disability can be substantially removed by surgery or any other medical treatment which, taking into account the risk and the prospect of success, an Insured can reasonably be expected to undergo.
- In respect of Accident Insurance, all pilots are excluded from this insurance, as well as passengers in a small aircraft which is piloted by a person who does not have a commercial pilot's license.

# Cover Free of Medical Evidence (Medical Proof Free Limit)

When determining a medical proof free limit, the benefit chosen as well as the data that applies at that stage is considered. No medical evidence of good health will be required (except for co-habiting partners) for an amount of cover less than or equal to the medical proof free limit. In the event where a member selected both the Core Life and Flexible Group Life Insurance, the medical proof free limit will be applied to the combined benefit.

The Insurers will only give a member cover in excess of the medical proof free limit after the member has provided medical evidence of good health. If the evidence is not acceptable, the excess cover may be given subject to special terms and conditions agreed to by the Insurers and the policyholder, or may be declined.

The medical proof free limit assumes that at least 80% of all qualifying employees will join the Fund on the commencement date.

## Accident Booster

This benefit will allow employees to have access to their full potential Group Life Insurance (excluding Flexible, Spouses & Reinforced Life Insurance) and Disability Insurance (excluding Critical & Severe Illness Insurance). The Accident Booster benefit provides a better outcome in that the employee's full potential cover is paid in the case of a claim resulting from an accident.

The benefit is provided on condition that the individual lives insured pay risk premiums on their full potential cover amounts.

This means that if the employee pays premiums only on his/her restricted cover amount, the employee will not qualify for the Accident Booster benefit at claim stage.

It is therefore important for the employer and/or fund to ensure that all lives insured, i.e. employees or fund members, pay premiums correctly on their full potential cover amounts.

Please note:

- An accident is defined as an unforeseen life event that cannot be attributed to an illness or disease.
- Suicide, self-inflicted injuries and certain hazardous pursuits are excluded.
- The employee's full potential insurance amount will remain subject to the applicable product maximums, as specified in the policy contract.

## Take-over of Existing Benefits and Cover

The Insurers will take over the present insurance and cover of all existing members of the participating employer provided that:

- substantially the same membership is covered as previously, and
- substantially similar benefits are covered as previously.

Please note that this excludes the previous Insurer's medical proof free limit. The Insurers are not compelled to take over existing medical proof free limits.

Benefits that change as a result of the take-over may result in applying the lesser of:

- either the previous benefits to members, or
- the new benefits to members

## Very important:

If an employer was part of a larger associated group/employer/company at a previous Insurer and breaks away from the association/employer/company or an umbrella arrangement where one free cover limit applied for all participating employers, the Insurers will not automatically take over existing benefits and cover if the new group is substantially different from the larger associated/employer/company group.

The Insurer's normal underwriting conditions may be applied as for new business.

## Previously accepted cover that was medically underwritten

The Insurers will take over the cover of members who have already provided medical evidence of good health to the previous insurer, subject to written confirmation by the previous insurer, and above certain maximums also subject to approval by the Insurer. Benefit statements will not be sufficient in this regard. Future increases are, however, subject to underwriting. Existing loadings and or limitations will also be taken into account by the Insurers and must be disclosed at the date of take-over.

Some Insurers apply forward underwriting, which means that when a member has provided medical evidence of good health, further increases in his/her cover are, subject to certain conditions, for a certain period not subject to medical evidence of good health. Please note that if forward underwriting applied at the previous Insurer, the previous Insurer's forward underwriting conditions will not necessarily be taken over.

Despite the fact that the member is still within the previous Insurer's forward underwriting period, the Insurer reserves the right to request medical evidence of good health in respect of any increases in a member's cover after the insurance has been transferred to the Insurer.



## **Previously accepted cover that was not medically underwritten**

Existing cover, for which no medical evidence of good health was provided (i.e. cover below the previous Insurer's medical proof free limit) will also be taken over.

Future increases in the existing cover are however subject to the Insurer's normal underwriting conditions, and medical evidence of good health will be required unless the member's cover is, after the increase, still below the Insurer's medical proof free limit.

## **Municipalities**

All existing members will qualify. New members, aged 55 years and older, must provide abbreviated details for medical evidence of good health.

## **Existing and Pending Disability Claimants**

Existing and pending disability claimants need to be identified by the employer at the quotation and acceptance stages, and quoted as a separate category so that their cover can be confirmed, subject to underwriting conditions.

These members are not eligible for additional disability or critical illness cover.

While a member receives an income disability benefit, the contributions to the Fund remain payable to the Fund on the basis on which contributions were being made immediately before the date the member became disabled.

## **Cover Requirements during the First Three Months**

Members above the medical proof free limit during the first three months will enjoy an interim accident insurance for the portion of cover between the medical proof free limit and the full entitled benefit, subject to the following:

- The benefit is limited to maxima as per the policy document.
- A member must be actively employed by the employer.
- It is applicable in the following situations:
  - In respect of new entries, i.e. new staff joining the employer,
  - In case of salary increases to members and their cover is not already limited,
  - In case of a change in the benefit structure to members and their cover is not already limited,
  - When a new Sub-fund is established and certain members' cover exceed the medical proof free limit on the commencement date.
- The salary on which a claim is based will be less than or equal to the actual salary paid.

When medical evidence of good health has been provided within the three-month period, the cover applies as determined by the Insurers.

# Individual Membership

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**The Fund makes provision for individual membership to continue even after a member leaves the employment of his/her participating employer.**

## Paid-up Members

These are members who have left employment prior to retirement, and elect to preserve their entire member share in the Fund. Paid-up Members are administered as part of a central Paid-up Member group rather than as part of their former participating employer's Sub-fund.

Paid-up Members must select their investment strategies or portfolios upon exit from employment from the available trustee-approved investment menu applicable to the Paid-up Members subject to a maximum of 4 investment portfolios per member. Paid-up Members can subsequently review investment choices at any time and no investment switch fee is charged.

If a member has left employment and has not provided the Fund with a written instruction for the payment of his/her benefit within 6 months of leaving employment, he/she will be defaulted into the Fund's elected default preservation strategy which is the Volatility Protection Strategy.

Members who have housing loan guarantees or any amount owing to their employer at date of exiting employment, are permitted to become Paid-up Members. Sanlam Corporate will settle this amount directly from the member's member share before becoming a Paid-up member.

Paid-up Members can elect to:

- withdraw his or her entire member share at any time before retirement (subject to paying tax at the prescribed rates);
- transfer his or her entire member share at any time before retirement to another registered pension fund, provident fund, preservation fund or retirement annuity fund (transferred amounts are not taxed at present, except a pension fund to provident fund transfer);
- retire from the Fund at any time after attaining age 55 and become an In-Fund Living Annuitant drawing a monthly pension from the Fund; or
- retire from the Fund at any time after attaining age 55 and elect a cash lump sum not higher than the permitted maximum, and purchase a compulsory annuity with the balance of his or her member share from any registered provider of such products.

# Phased Retirees

These are members who have retired from employment after attaining age 55, but have deferred making an election pertaining to their retirement pay-outs from the Fund, and therefore the entire member share remains in the Fund. Phased Retirees are administered as part of a central Phased Retiree group rather than as part of their former participating employer's Sub-fund.

Phased Retirees must select their investment strategies or portfolios at retirement from employment from the available trustee-approved investment menu applicable to the Phased Retiree subject to a maximum of four investment portfolios per member. Phased Retirees can subsequently review investment choices at any time and no investment switch fee is charged.

Members who have housing loan guarantees or any amount owing to their employer at date of exiting employment, are permitted to become Phased Retirees. Sanlam Corporate will settle this amount directly from the member's member share before becoming a Phased Retiree.

Phased Retirees can elect to:

- retire from the Fund at any time and become an In-Fund Living Annuitant drawing a monthly pension from the Fund; or
- retire from the Fund at any time and elect a cash lump sum not higher than the permitted maximum, and purchase an annuity policy with the balance of his or her member share from any registered provider of such products.
- transfer full benefit to a preservation fund.

# In-Fund Living Annuitants

These are members who have retired from employment, and elected to either preserve their entire member share to purchase an In-Fund Living Annuity or elect to take a portion in cash and use the balance to become an In-Fund Living Annuitant, drawing a monthly pension from the Fund which is debited to their member share.

In-Fund Living Annuitants are administered as part of a central In-Fund Living Annuitant group rather than as part of their former participating employer's Sub-fund.

The minimum member share to become an In-Fund Living Annuitant is R100 000.

In line with the requirements of Default Regulations, the Trustees of the Sanlam Umbrella Fund have made two In-Fund Living Annuity Options available to members, the Trustee Endorsed In-Fund Living Annuity and the Extended Range In-Fund Living Annuity.

Members who have elected the Trustee Endorsed In-Fund Living Annuity will be invested in the Sanlam Lifestage Capital Protection Portfolio and will not have any other investment choice.

Members who have elected the Extended Range In-Fund Living Annuity must select their investment strategies or portfolios from the available within the trustee-approved investment menu applicable to the Extended Range In-Fund Living Annuitant, subject to a maximum of 4 investment portfolios per member. Members of the Extended Range In-Fund Living Annuity strategy can subsequently review investment choices at any time and no investment switch fee is charged.

Members of the Extended Range In-Fund Living Annuity are required to select an annual drawdown percentage between 2.5% and 10% (or will be defaulted to a 5% drawdown rate in the absence of such a selection) which is then used to determine the initial level of monthly pension payable until the ensuing 1 March Annual Revision Date. Drawdown rates lower than 2.5% are not permitted in terms of current South African income tax legislation, and the trustees will not permit higher drawdown rates than 10% in order to protect the sustainability of pensions paid from the Fund. Members are only able to adjust their drawdown rates on 1 March of the year subsequent to being an In-Fund Living Annuitant for a minimum of 12 months.

Members who have elected the Trustee Endorsed In-Fund Living Annuity will be subject to prescribed maximum drawdown rates below which have been determined by age band and gender, since these relate to limits to preserve sustainability, which depends on longevity. Members may elect a lower drawdown rate, however members may not elect a draw down higher than the prescribed drawdown rates.

## Prescribed draw down rates for members of the Trustee

## Endorsed In-Fund Living Annuity

Age	Males	Females
55 - 59	4.5%	4.0%
60 - 64	5.0%	4.5%
65 - 69	5.5%	5.0%
70 - 74	5.5%	5.0%
75 - 79	6.0%	5.5%
80 - 84	7.0%	6.0%
85+	8.0%	7.0%

The Fund administrator pays the monthly pension (net of any income tax due in respect of the monthly pension) into the In-Fund Living Annuitants' personal bank account monthly in arrears.

In-Fund Living Annuitants can elect to transfer their entire member share at any time into another compulsory annuity offered by any other registered provider of such products subject to the FSCA Section 14 legislative procedures. This facility allows In-Fund Living Annuitants, at the appropriate time and preferably based on the advice of a FAIS-accredited financial adviser in terms of a customised financial plan, to secure a guaranteed pension from an insurance company in order to protect against the risk of living longer than expected.

If the balance in an In-Fund Living Annuitant's member share falls below the amount prescribed by the regulatory authorities or legislation, such an amount, less relevant fees and charges, may be withdrawn in a cash lump sum.

## Out of Fund Guaranteed Annuity

The trustees acknowledge that a living annuity is not best suited to all members and have therefore negotiated an institutionally priced Out of Fund Guaranteed Annuity.

This option offers members a 5% annual increase and can be taken out as a single or joint life annuity with a 75% reversion to the surviving spouse.

These members will receive a monthly pension but no death benefit is applicable. For more information on this option, members may contact the Individual Member Support Service.

## Investment Menu

The trustees have approved a limited investment menu applicable to Individual Membership options:

- SIM Balanced Fund
- SIM Moderate Absolute Fund
- SIM Cash Fund
- SIM Temperance Balanced Fund
- SPW Balanced Fund
- SMM70 Portfolio
- SMM50 Portfolio
- SMM30 Portfolio
- SMM Moderate Absolute Fund
- SMM NUR Balanced Fund
- SMM Select Balanced Fund
- Sanlam The Most Aggressive Portfolio
- Sanlam Accumulation Portfolio
- Allan Gray Global Balanced Portfolio
- Coronation Houseview Portfolio
- Ninety One Balanced Fund
- Kagiso Balanced Fund
- PSG Balanced Fund
- Sanlam Foord Balanced Fund
- Sanlam Prudential Balanced Portfolio
- Sanlam Monthly Bonus Fund
- Sanlam Stable Bonus Fund
- Sanlam Progressive Smooth Bonus Fund
- Satrix Enhanced Balanced Tracker Fund
- Truffle Balanced Fund
- Sanlam Wealth Creation Portfolio

It is strongly recommended that members exercising their own investment choices make use of a FAIS-accredited financial adviser to advise them on the basis of a written retirement investment plan. Members may either consult their former participating employer's Contracted Financial Adviser, or alternatively any FAIS-accredited financial adviser of their choice.

# Operating Expenses

The operating expenses applicable to these members are as follows:

## Administration fees

- **Trustee endorsed In-Fund Living Annuity** are 0.05% per annum (excluding VAT), recovered monthly, in respect of the first R1 500 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R26.50 per member per month (excluding VAT).
- **Extended Range In-Fund Living Annuity** are 0.10% per annum (excluding VAT), recovered monthly, in respect of the first R1 500 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R26.50 per member per month (excluding VAT).
- **Paid up members, Phased Retirees and Pending Exits:** R26.50 per member per month (excluding VAT)
- **Advice fees** to the member's appointed financial adviser are only payable upon written instruction by the member at the negotiated percentage of member share subject to:
  - an initial once-off fee of up to 0.50% per annum (excluding VAT),
  - and an on-going fee of up to 0.75% per annum (excluding VAT) recovered monthly from member share.
- **Investment Management Fees** vary per selected investment strategy or portfolio and are as set out in chapter 12.
- **Contingency Reserve Account Levies** which are currently R3.00 per member per month including VAT.

**Note:** All fees are reviewed periodically.

# Death Benefits

The member share is payable when an In-fund Preservation Member, Phased Retiree or In-Fund Living Annuitant dies.

The trustees determine the distribution of death benefits due to beneficiaries of deceased members in terms of Section 37C of the Pension Funds Act, No 24 of 1956. In the event of an In-Fund Living Annuitant's death, the dependants or nominees can either purchase a living annuity from the Fund or opt to receive a cash lump sum. Where the trustees are of the opinion that it would not be in the interest of a minor beneficiary that his/her benefit be paid to his/her parent or guardian, the benefit may be paid to a registered beneficiary fund.

The trustees have approved the use of the Sanlam Trust Beneficiary Fund as well as the Legacy Beneficiary Fund. The Board of Trustees will only be able to pay the benefits allocated to minor beneficiaries into a trust in very limited circumstances, e.g. where the member has nominated a trust to receive the benefits on behalf of the minor.

# Servicing Model

There is no longer an employee-employer relationship in respect of Individual Membership. Hence the members in these groups are administered in a different fashion to participating employer Sub-funds, and the administrator must be able to communicate directly with these members.

This implies that member contact details such as physical and postal addresses, cellular phone numbers, e-mail addresses and bank account details (for In-Fund Living Annuitants) must be provided as part of the implementation process.

The preferred communication channel for the members in these groups is the Member Portal. It is a participation requirement that all Individual Members sign up to access the Member Portal. This state-of-the-art Internet portal allows members and their appointed financial advisers online access to their Fund information and data. See Chapter 16 for more details.

# Investment overview

07

**The Fund offers a wide variety of investment strategies and investment choices that employers can offer their employees. The choices for each product option are described below.**

## Standard Option

Members on the Standard Option do not have an investment choice, and all their investments in the Sub-fund are invested in the trustee-approved default investment strategy selected by the participating employer from the four available default investment strategies (Sanlam Lifestage, Volatility Protection Strategy, Passive Lifestage Strategy or Sanlam Blue Lifestage Strategy). See chapter 8 for more details on these default investment strategies.

## Comprehensive Option

Members of participating employers on the Comprehensive Option have the following choices:

- To remain wholly invested in the default investment strategy (Sanlam Lifestage, Volatility Protection Strategy, Passive Lifestage Strategy or Sanlam Blue Lifestage Strategy) as selected by their participating employer. See chapter 8 for more details on these default investment strategies.

- To allocate some or all of their investments between a trustee-approved range of institutionally priced investment portfolios covering the full risk return spectrum. See chapter 9 for more details on these investment portfolios. The employer has the right to restrict and customise the available investment portfolio choices for the Sub-fund's members.
- Subject to employer agreement and Glacier's minimum product criteria, to allocate some or all of their investments to a wider range of investment options accessed via the Glacier Retirement Fund Solution. See chapter 10 for more details on this product feature.

The trustees have resolved that members choosing to make their own investment choices can spread their Fund investments among a maximum of 4 investment portfolios. All investments within the Glacier Retirement Fund Solution count as a single investment portfolio choice for the purposes of this rule.

## Optimal Option

For existing clients, the trustees have approved only one default investment strategy for the Optimal product option being Sanlam Blue Lifestage Strategy.

Members of participating employers on the Optimal Option have the following choices:

- To remain invested in Sanlam Blue Lifestage Strategy;
- To instead invest wholly in the Sanlam Monthly Bonus Fund;
- Subject to employer agreement and Glacier's minimum product criteria, to allocate their investments to a wider range of investment options accessed via the Glacier Retirement Fund Solution and may also invest a portion of their investments in the Sanlam Monthly Bonus Fund. See chapter 10 for more details on this product feature.

# Investment menu at a glance

Investment Strategy / Portfolio	Standard Option	Comprehensive Option	Individual Membership
Sanlam Lifestage <sup>+</sup>	✓	✓	
Volatility Protection Strategy <sup>+</sup>	✓	✓	
Passive Lifestage Strategy <sup>+</sup>	✓	✓	
Sanlam Blue Lifestage Strategy <sup>+</sup>	✓	✓	
Sanlam Wealth Creation Lifestage Strategy* <sup>+</sup>	✓	✓	
SIM Balanced Fund		✓	✓
SIM Moderate Absolute Fund		✓	✓
SIM Cash Fund		✓	✓
SIM Temperance Balanced Fund		✓	✓
SPW Balanced Fund		✓	✓
SMM 70 Portfolio		✓	✓
SMM 50 Portfolio		✓	✓
SMM 30 Portfolio		✓	✓
SMM Moderate Absolute Fund		✓	✓
SMM NUR Balanced Fund		✓	✓
SMM Select Balanced Fund		✓	✓
Sanlam Accumulation Portfolio		✓	✓
Sanlam The Most Aggressive Portfolio		✓	✓
Sanlam Monthly Bonus Fund		✓	✓
Sanlam Stable Bonus Fund		✓	✓
Sanlam Progressive Smooth Bonus Fund		✓	✓
Satrix Enhanced Balanced Tracker Fund		✓	✓
Allan Gray Global Balanced Portfolio		✓	✓
Coronation Houseview Portfolio		✓	✓
Kagiso Balanced Fund		✓	✓
Ninety One Balanced Fund		✓	✓
PSG Balanced Fund		✓	✓
Sanlam Foord Balanced Fund		✓	✓
Sanlam Prudential Balanced Fund		✓	✓
Truffle Balanced Fund		✓	✓
Sanlam Wealth Creation Portfolio		✓	✓
Glacier**		✓	

+ Trustee-approved Default Investment Strategies are not available as member choice investment strategies.

\* Only available to clients with previous exposure to this strategy.

\*\* Subject to Glacier product minima and participating employer agreement - see chapter 10.

# Trustee-approved default investment strategies

In line with Default Regulation 37, the trustees have approved the Sanlam Lifestage model as the Fund's default investment strategy, but in order to cater for divergent client preferences, have also approved four alternative default investment strategies that can be chosen as a default investment strategy at participating employer level depending on the required investment objectives and product option.

## 01 Sanlam Lifestage

Sanlam Lifestage is the Fund's trustee-approved default investment strategy and aims to meet each member's savings requirement by working towards a target date, which would be the Normal Retirement Age or the Planned Retirement Age (if different).

The investment strategy consists of two phases and members are automatically switched from one phase to another as they near retirement.

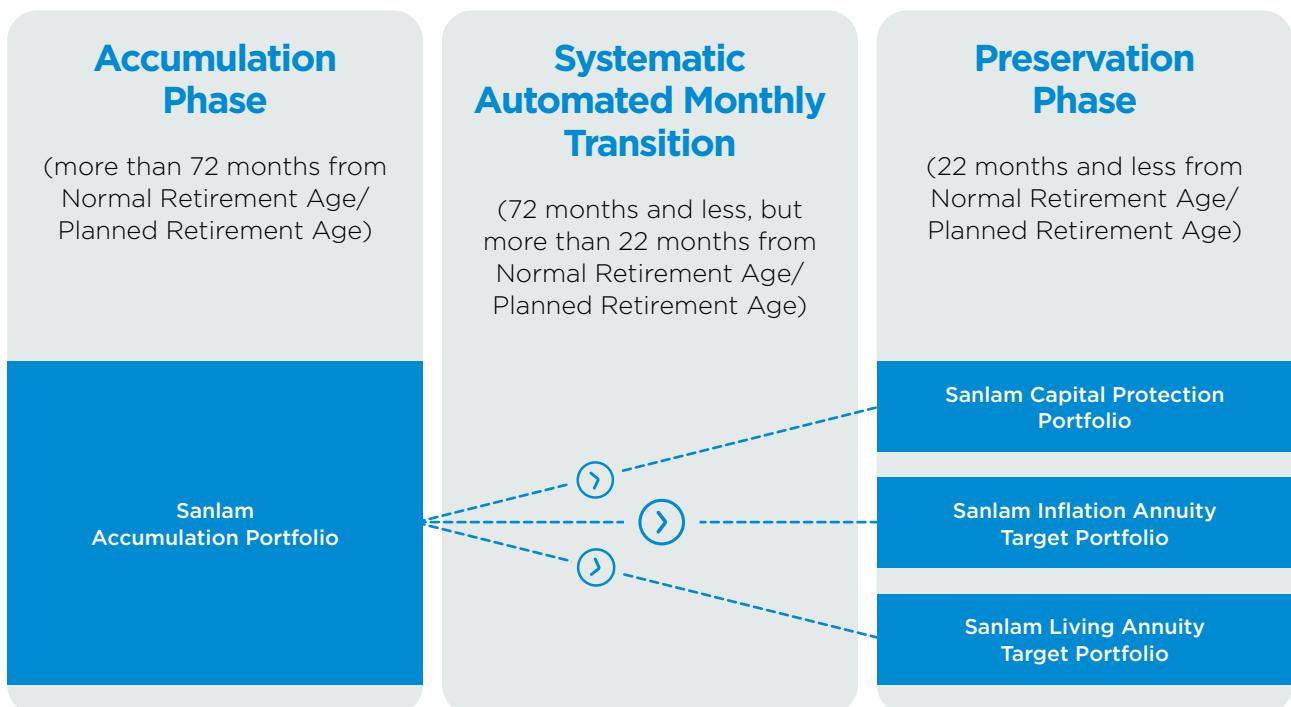
The two phases are:

- Accumulation phase
- Preservation phase

As retirement approaches, this target date strategy invests in an investment portfolio matching the member's post-retirement needs or plans, but in the years prior to this greater emphasis is placed on achieving capital growth. The strategy aims for members to hold an appropriate mix of assets which matches the changing risk profile as they approach retirement. In order to do this, members' assets are managed by industry leading investment managers to maximise performance.

Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in the Sanlam Lifestage Accumulation Portfolio which aims to achieve capital growth.

Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Sanlam Lifestage Accumulation Portfolio to his/her selected Sanlam Lifestage preservation portfolio by means of 50 monthly switches.



Members are required to select one of the following three Sanlam Lifestage preservation portfolios best suited to his/her post-retirement income needs:



The phasing from the Sanlam Lifestage Accumulation Portfolio to the relevant preservation portfolio is calculated and implemented monthly based on members' actual age, with no cost to the member. The first phasing switch disinvests 1/50th of exposure in the Sanlam Lifestage Accumulation Portfolio and re-invests the proceeds in the selected preservation portfolio. The second monthly phasing switches a further portion of the exposure in the Sanlam Lifestage Accumulation Portfolio and invests the proceeds in the selected preservation portfolio. The third monthly phasing switches a similar portion of the exposure in the Sanlam Lifestage Accumulation Portfolio and invests the proceeds in the selected preservation portfolio. The monthly phasing switches are repeated until, after 50 switches, the exposure to the Sanlam Lifestage Accumulation Portfolio is zero and the member is fully invested in the selected

preservation portfolio 22 months prior to retirement.

Members need to make a decision regarding their post-retirement plans and select a suitable preservation portfolio at least six years and one month before their Planned Retirement Age date. The Fund's communication strategy makes provision for the distribution of communication to members 7 years, 6.5 years and 1 year before retirement date.

# Sanlam Lifestage Investment Portfolios

## Sanlam Lifestage Accumulation Portfolio

The Lifestage Accumulation Portfolio aims to provide market-related growth to members who are more than six years from retirement and who need to grow their retirement savings. The portfolio allocates its assets across equity, bond, property, cash, hedge fund and international portfolios. In the case of each domestic portfolio a core/ satellite investment strategy is employed. The core is a low-cost index-tracking strategy, around which the satellite managers aim for active returns through the outperformance of their respective benchmarks. The portfolio has an aggressive risk profile.

## Sanlam Capital Protection Portfolio

The Sanlam Capital Protection Portfolio is the default preservation strategy. The investment exposure of all members who do not submit a written response before the deadline will be switched to this portfolio. This portfolio was selected as the default strategy given its objective to protect the invested capital by guaranteeing the net contributions invested. The portfolio is also suitable for members who have not decided whether to retire by means of an insured annuity or living annuity (ILLA) at retirement.

The portfolio invests in the Sanlam Stable Bonus Portfolio. The Stable Bonus Portfolio provides investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability.

Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986.

The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets. The portfolio has a conservative risk profile.

## Sanlam Inflation Annuity Target Portfolio

The Sanlam Inflation Annuity Target Portfolio aims to provide members nearing retirement with the ability to buy a targeted post-retirement income that will grow in line with inflation after retirement. As such, the investment portfolio may fluctuate when interest rates rise or fall, as it aims to match the movement in purchasing prices of inflation-linked annuities rather than protect capital in the short term.

The portfolio invests in a long-duration bond portfolio, the Sanlam Inflation Annuity Tracker portfolio, where the benchmark for this portfolio is the Sanlam Asset/Liability Index (SALI) Real. The SALI Real has been developed by Sanlam to track the cost of purchasing an inflation-linked annuity. The portfolio has a conservative risk profile.

## Sanlam Living Annuity Target Portfolio

Sanlam Living Annuity Target Portfolio aims to provide moderate market growth without full participation in market volatility. This portfolio is suitable for members who want to invest in an investment-linked living annuity at retirement. The portfolio allocates its assets across equity, bond, property, cash, hedge fund and international portfolios. In the case of each domestic sub portfolio a core/ satellite investment strategy is employed, the core is a low-cost index-tracking strategy, around which the satellite managers aim for active returns through the outperformance of their respective benchmarks. The portfolio has a moderate risk profile.

## General Provisions

**Members are allowed to switch out of Sanlam Lifestage at any time as per standard policy conditions. At retirement, members may withdraw their investment balance to invest how and where they wish, subject to the Rules of the Fund. Members within six years of retirement age are allowed to switch between the three available preservation portfolios. Members must switch their full member share and cannot switch in tranches.**

**Members may plan to retire earlier or later than the Normal Retirement Age determined by their employer, in which case Planned Retirement Age instead of Normal Retirement Ages can be used to determine the timing of the phasing process. Members who opt for a Planned Retirement Age strategy are required to inform Sanlam Corporate in writing.**



## 02 **Volatility Protection Strategy**

**The core objective of this alternative default investment strategy is to cater for the needs of members who are greatly concerned about short term volatility.**

The trustees have approved an alternative default investment strategy suitable for members who wish to achieve inflation-beating real returns over the medium to long term, but who are particularly concerned about protecting against significant short-term investment losses. The strategy will most likely result in lower returns than the Sanlam Lifestage over the long term as a consequence of the implicit cost of the underlying guarantees and lower effective equity exposure.

Nonetheless, the trustees recognise that such a strategy is suitable for many members – particularly those members who are not financially sophisticated and who might not appreciate that a high equity exposure inevitably implies some risk of capital loss over the short-term.

The trustees review the investment strategy of the Volatility Protection Strategy continually, and will make periodic changes to the underlying investments in line with the objectives of the strategy.

The Volatility Protection Strategy aims to invest 75% in the Sanlam Monthly Bonus Fund and 25% in the Satrix Enhanced Balanced Tracker Fund.

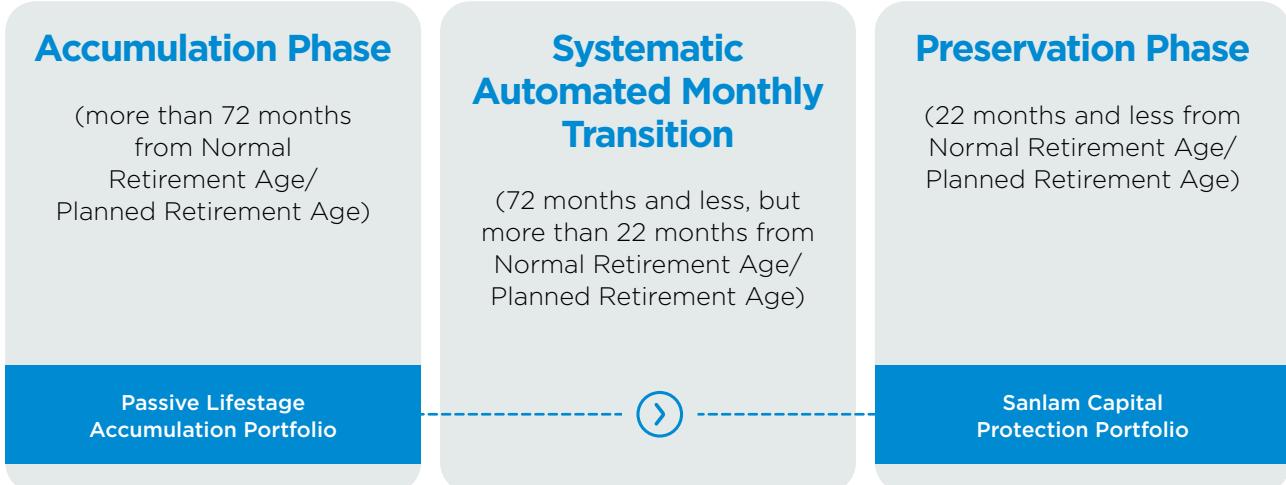
## 03 **Passive Lifestage Strategy**

**The core objective of this alternative default investment strategy is to cater for the needs of members who seek an aggressive strategy, working towards a target date, with a view to contain costs.**

The investment strategy consists of two phases and members are automatically switched from the one phase to the other as they near retirement. The two phases are:

- Accumulation phase (more than 6 years to Normal Retirement Age or Planned Retirement Age)
- Preservation phase (less than 6 years to Normal Retirement Age or Planned Retirement Age)

Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in the Passive Lifestage Accumulation Portfolio which aims to achieve capital growth. Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Passive Lifestage Accumulation Portfolio to the Sanlam Capital Protection Portfolio by means of 50 monthly switches.



The phasing from the Passive Lifestage Accumulation Portfolio to the Sanlam Capital Protection Portfolio is calculated and implemented monthly based on members' actual age, with no cost to the member. The first phasing switch disinvests 1/50th of exposure in the Passive Lifestage Accumulation Portfolio and re-invests the proceeds in the Sanlam Capital Protection Portfolio. The second monthly phasing switches a further portion of the exposure in the Passive Lifestage Accumulation Portfolio and invests the proceeds in the Sanlam Capital Protection Portfolio. The third monthly phasing switches a similar portion of the exposure in the Passive Lifestage Accumulation Portfolio and invests the proceeds in the Sanlam Capital Protection Portfolio. The monthly phasing switches are repeated until, after 50 switches, the exposure to the Passive Lifestage Accumulation Portfolio is zero and the member is fully invested in the Sanlam Capital Protection Portfolio 22 months prior to retirement.

## Sanlam Passive Lifestage Investment Portfolios

### Passive Lifestage Accumulation Portfolio

The Passive Lifestage Accumulation Portfolio pursues a passive management approach with a view to contain costs. The portfolio invests in tracker equity and bond indices, both locally and internationally, and also cash to create a moderate risk balanced portfolio which is expected to perform close to the underlying indices without incurring active management costs. Although this portfolio is not actively managed it is still considered to be aggressively managed due to its large exposure to market risk. This portfolio currently invests in the Satrix Enhanced Balanced Tracker Fund.

### Sanlam Capital Protection Portfolio

This portfolio was selected given its objective to protect the invested capital by guaranteeing the net contributions invested.

The portfolio invests in the Sanlam Stable Bonus Portfolio. The Stable Bonus Portfolio provides investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability.

Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986.

The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets. The portfolio has a conservative risk profile.

# 04 Sanlam Blue Lifestage Strategy

The core objective of this alternative default investment strategy is to cater for the needs of members who seek an aggressive strategy, working towards a target date, in line with Sanlam's best investment view.

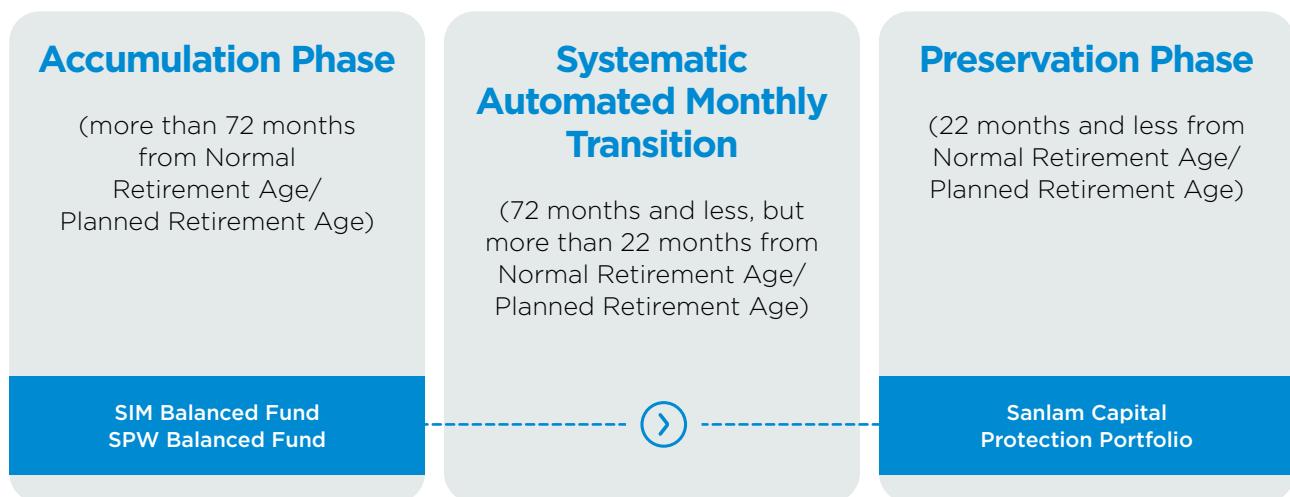
The investment strategy consists of two phases and members are automatically switched from the one phase to the other as they near retirement. The two phases are:

- Accumulation phase (more than 6 years to Normal Retirement Age or Planned Retirement Age)
- Preservation phase (less than 6 years to Normal Retirement Age or Planned Retirement Age)

Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in the Sanlam Blue Lifestage Accumulation Portfolio which aims to achieve capital growth. Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Sanlam Blue Lifestage Accumulation Portfolio to the Sanlam Capital Protection Portfolio by means of 50 monthly switches.

The phasing from the Sanlam Blue Lifestage Accumulation Portfolio to the Sanlam Capital Protection Portfolio is calculated and implemented monthly based on members' actual age, with no cost to the member. The first phasing

switch disinvests 1/50th of exposure in the Sanlam Blue Lifestage Accumulation Portfolio and re-invests the proceeds in the Sanlam Capital Protection Portfolio. The second monthly phasing switches a further portion of the exposure in the Sanlam Blue Lifestage Accumulation Portfolio and invests the proceeds in the Sanlam Capital Protection Portfolio. The third monthly phasing switches a similar portion of the exposure in the Sanlam Blue Lifestage Accumulation Portfolio and invests the proceeds in the Sanlam Capital Protection Portfolio. The monthly phasing switches are repeated until, after 50 switches, the exposure to the Sanlam Blue Lifestage Accumulation Portfolio is zero and the member is fully invested in the Sanlam Capital Protection Portfolio 22 months prior to retirement.



## Sanlam Blue Lifestage Investment Portfolios

### The Sanlam Blue Lifestage Accumulation Portfolio

The Sanlam Blue Lifestage Accumulation Portfolio aims to invest 50% in SIM Balanced Fund and 50% in SPW Balanced Fund. Both portfolios invest in a wide spectrum of investments in the equity, bonds, money and property markets in order to maximise total returns over the long term. By investing in a portfolio which diversifies across all the major asset classes, investors "outsource" the difficult decision of how much and when to invest in the different asset categories to the fund manager.

The portfolio is suitable for investors requiring capital growth via a moderate-aggressive risk balanced portfolio. Investors wishing to exploit fully the investment returns in the financial markets and who

have a higher appetite for risk could also consider using this investment strategy.

### Sanlam Capital Protection Portfolio

This portfolio was selected given its objective to protect the invested capital by guaranteeing the net contributions invested.

The portfolio invests in the Sanlam Stable Bonus Portfolio. The Stable Bonus Portfolio provides investors with exposure to the financial

markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability.

Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986.

The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets. The portfolio has a conservative risk profile.

## 05 Sanlam Wealth Creation Lifestage Strategy

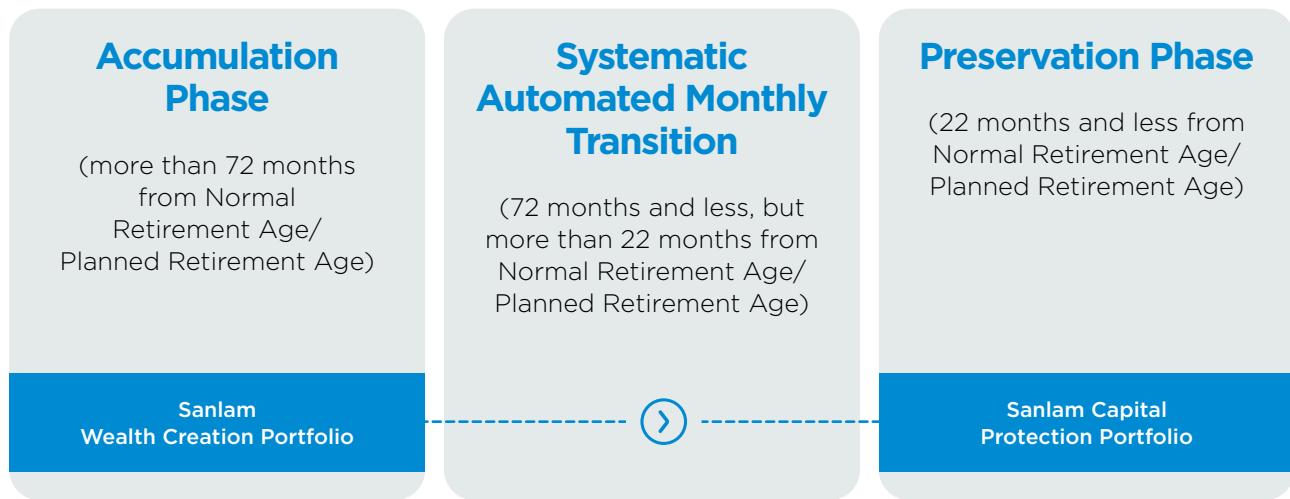
*Only available to clients with previous exposure to this strategy.*

The core objective of this alternative default investment strategy aims to meet each member's savings requirement by working towards a target date, which would be the Normal Retirement Age.

### How the Sanlam Wealth Creation Lifestage Strategy works

The investment strategy consists of two phases and members are automatically switched from one phase to another as they near retirement. The two phases are:

- Accumulation phase
- Preservation phase



As the member approaches retirement, this target date strategy invests in an investment portfolio that provides inflation beating returns with a 100% guarantee on the capital invested, but in the years prior to this greater emphasis is placed on achieving capital growth. Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in Sanlam Wealth Creation Lifestage Portfolio (Accumulation phase) which aims to achieve capital growth. Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Sanlam Wealth Creation Lifestage Portfolio to the Sanlam Capital Protection Portfolio by means of 50 monthly switches.

# Trustee-approved institutionally-priced investment portfolios

09



**The range of approved institutionally-priced investment portfolios is as follows:**

## Sanlam Investments

### Single Manager Range

- SIM Balanced Fund
- SIM Moderate Absolute Fund
- SIM Cash Fund
- SIM Temperance Balanced Fund
- SPW Balanced Fund

### Multi-manager Range

- SMM 70 Portfolio
- SMM 50 Portfolio
- SMM 30 Portfolio
- SMM Moderate Absolute Fund
- SMM NUR Balanced Fund
- SMM Select Balanced Fund
- Sanlam Accumulation Portfolio
- Sanlam The Most Aggressive Portfolio
- Sanlam Wealth Creation Portfolio

### Smooth Bonus Range

- Sanlam Monthly Bonus Fund
- Sanlam Stable Bonus Portfolio
- Sanlam Progressive Smooth Bonus Fund

### Index-tracking Range

- Satrix Enhanced Balanced Tracker Fund

## External Manager Range

### Single Manager Range

- Allan Gray Global Balanced Portfolio
- Coronation Houseview Portfolio
- Kagiso Balanced Fund
- Ninety One Balanced Fund
- PSG Balanced Fund
- Sanlam Foord Balanced Fund
- Sanlam Prudential Balanced Fund
- Truffle Balanced Fund

# Sanlam Investments

## Single Manager range

### SIM Balanced Fund

The SIM Balanced Fund is Sanlam's best investment view and invests in a wide spectrum of investments in the equity, bonds, money and property markets in order to maximise total returns over the long term. By investing in a single portfolio which diversifies across all the major asset classes, investors "outsource" the difficult decision of how much and when to invest in the different asset categories to the fund manager.

The portfolio is suitable for investors requiring capital growth via a moderate-aggressive risk balanced portfolio. Investors wishing to exploit fully the investment returns in the financial markets and who have a higher appetite for risk could also consider utilising this portfolio.

### SIM Moderate Absolute Fund

The SIM Moderate Absolute Fund invests in a flexible combination of investments in the equity, bond and money markets, both locally and abroad, aiming for positive real returns (comprising capital and income growth) over the medium to-long term. The portfolio is ideally suited to the cautious investor wanting to save for retirement, and who aims to achieve an inflation-beating return. The portfolio aims to smooth returns and reduce volatility and is thus an ideal investment for times of market instability. Capital protection is of primary importance.

The portfolio aims to outperform inflation (CPI) by a margin of 5% (before annual service fee) over any rolling 36-month period, while also aiming to prevent any capital losses over any rolling 12-month period

### SIM Cash Fund

The SIM Cash Fund provides capital stability by investing primarily in cash and money market instruments. The portfolio is suited to investors requiring competitive interest with regular income and total capital stability. It is ideal for risk-averse investors, or for investors who are waiting for market volatility or global uncertainty to subside.

The portfolio should produce higher returns than call deposits while interest rates are declining. In rising interest rate environments, these funds will benefit soonest from higher call deposit rates. The portfolio could be considered by investors preferring a cautious, arm's-length approach to money management; investors who require capital security and investors who regard financial security as highly important.

### SIM Temperance Balanced Fund

The SIM Temperance Balanced Fund invests in a wide spectrum of investments in the equity, bonds, money and property markets in order to maximise total returns over the long term. It follows a principled investment approach and therefore excludes investments in entities linked with tobacco, alcohol, pornography, gambling, etc.

This portfolio is suitable for investors wishing to achieve a good investment return while simultaneously avoiding unnecessary stress emanating from financial markets. It requires a longer-term time horizon.

### SPW Balanced Fund

The SPW Balanced Fund is a moderate-aggressive balanced portfolio by investing across most assets classes, both local and foreign. The fund will display moderate levels of volatility over the short terms and aim to provide market related growth.

The portfolio is suitable for investors requiring capital growth via a moderate-aggressive risk balanced portfolio. Investors wishing to exploit fully the investment returns in the financial markets and who have a higher appetite for risk could also consider utilising this portfolio.

## Multi-Manager Range

### SMM 70 Portfolio

SMM 70 Portfolio is managed by Sanlam Multi-Manager International and offers a focused risk profile balanced solution, aggressively positioned in the market. It has approximately

a 70% equity composition and an aggressive tracking error. The portfolio yields higher volatility in returns and is expected to outperform portfolios with lower equity content over the long-term.

SMM 70 Portfolio is suitable for investors wishing to exploit the investment returns in the financial markets to the fullest and who have a generous appetite for risk. It requires a longer-term time horizon. The portfolio represents aggressively managed exposure to market risk.

## **SMM 50 Portfolio**

SMM 50 Portfolio is managed by Sanlam Multi-Manager International and offers a moderate risk profile balanced solution, prudently positioned in the market. It has approximately a 50% equity composition and a medium tracking error. The portfolio provides moderate volatility in returns and is expected to be outperformed by portfolios with higher equity content over the long-term, but is in turn expected to outperform lower content equity portfolios.

SMM 50 Portfolio is suitable for investors wishing to exploit the investment returns in the financial markets and with a relatively moderate appetite for risk. It requires a longer-term time horizon. The portfolio represents more moderate exposure to market risk.

## **SMM 30 Portfolio**

SMM 30 Portfolio is managed by Sanlam Multi-Manager International and offers a low risk profile balanced solution, conservatively positioned in the market. It has approximately a 30% equity composition and a conservative tracking error. The portfolio provides low volatility in returns and is expected to be outperformed by portfolios with higher equity content over the long-term.

SMM 30 Portfolio is suitable for investors wishing to exploit the investment returns in the financial markets and with a relatively conservative appetite for risk. It requires a longer-term time horizon. The portfolio represents more conservative exposure to market risk.

## **SMM Moderate Absolute Fund**

The SMM Moderate Absolute Fund is a multi-managed portfolio, which aims to provide real returns to investors. The objective of the portfolio is to consistently beat the benchmark of CPI + 5% over rolling 36-month periods and to provide positive returns over any rolling 12 month period. The portfolio will primarily invest in equities, bonds, listed property and cash instruments. It is managed using specialist absolute return managers and value is added through manager selection and underlying absolute strategies.

The portfolio could be considered by investors preferring a cautious, arm's-length approach to money management; investors who require capital security and investors who regard financial security as highly important.

## **SMM NUR Balanced Fund**

The SMM NUR Balanced Fund is a multi-manager, Shari'ah-compliant portfolio. It aims to provide steady long-term returns and capital growth and seeks to provide moderate exposure to volatility in the short-term. The manager selection will ensure that the overall portfolio is managed in accordance with the guidelines and standards as set from time to time by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

## **SMM Select Balanced Fund**

The SMM Select Balanced Fund is a multi-managed fund of funds. The fund aims to achieve stable income and capital growth by investing in a balanced and diversified portfolio of collective investments, which in turn invests in sectors or shares with sound growth potential. It is suitable for investors who have a long-term investment horizon and who are willing to accept short-term volatility to maximise the potential long-term growth.

## **Sanlam The Most Aggressive Portfolio**

Sanlam The Most Aggressive Portfolio is managed by Sanlam Multi-Manager International with a maximum exposure to equities and invests in a number of various underlying investment managers (a multi-managed strategy).

It has approximately a 90% exposure to risky assets and an aggressive tracking error. The portfolio yields higher volatility in returns and is expected to outperform portfolios with lower equity content over the long-term.

Sanlam The Most Aggressive Portfolio is suitable for investors wishing to exploit the investment returns in the financial markets to the fullest and who have a generous appetite for risk. It requires a longer-term time horizon. The portfolio represents aggressively managed exposure to market risk.

## **Sanlam Accumulation Portfolio**

The Accumulation Portfolio aims to provide market-related growth to members who have a long term investment strategy and who need to grow their retirement savings. The portfolio allocates its assets across equity, bond, property, cash, hedge fund and international portfolios. In the case of each domestic portfolio a core/satellite investment strategy is employed. The core is a low-cost index-tracking strategy, around which the satellite managers aim for active returns through the outperformance of their respective benchmarks. The portfolio has an aggressive risk profile.

## **Sanlam Wealth Creation Portfolio**

To deliver superior real returns over the long term. This balanced portfolio is managed on a multi-manager basis and includes international exposure.

Each manager has been selected on the basis of rigorous quantitative and qualitative analysis. The underlying managers of the portfolio have been selected, mandated, monitored and reviewed by a Joint Investment Committee consisting of Simeka and Alexander Forbes Investments.

## **Smoothed Bonus Range**

### **Sanlam Monthly Bonus Fund**

The objective of the Sanlam Monthly Bonus Fund is to provide investors with exposure to the financial markets, while protecting them against adverse movements in the markets. This is achieved by smoothing the returns over time, and guaranteeing (for resignation, retirement, death, retrenchment and disability events) the net contributions invested together with the net bonuses declared on a monthly basis.

The portfolio could be considered by investors preferring a cautious approach to money management; investors who require capital security and investors who regard financial security as highly important.

### **Sanlam Stable Bonus Portfolio**

The objective of the Stable Bonus Portfolio is to provide investors with exposure to the financial markets, while protecting them against adverse movements in the markets. This is achieved by smoothing the returns over time, and guaranteeing (for resignation, retirement, death, retrenchment and disability events) the net contributions invested together with the vested bonuses. Non-vested bonuses are also declared on top of that. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986.

The portfolio could be considered by investors preferring a cautious, arm's-length approach to money management;

investors wishing to avoid any chance of losing money; investors who require capital security and investors who regard financial security as highly important.

## **Sanlam Progressive Smooth Bonus Fund**

The objective of the Sanlam Progressive Smooth Bonus Fund is to provide investors with exposure to the financial markets while protecting them against adverse movements in the markets. This is achieved by smoothing the returns over time, and providing an 80% guarantee (for resignation, retirement, death, retrenchment and disability events) on the net contributions invested together with the net bonuses declared on a monthly basis.

The portfolio could be considered by investors preferring a cautious approach to money management; investors who require capital security and investors who regard financial security as highly important.

# **Index-tracking Range**

## **Satrix Enhanced Balanced Tracker Fund**

The fund's objective is to provide stable long-term investment income and capital growth. It provides market-related investment returns by investing primarily in equities, property, fixed-interest investments, cash and foreign assets. Each of the underlying asset classes, except cash, is managed on a passive basis – in other words – by tracking an underlying index. The “Enhanced” nature of the portfolio is derived from the ability of the portfolio manager to make use of derivatives and employ tactical asset allocation (within a predefined range) to enhance the performance of the fund relative to the performance of its strategic asset allocation benchmark.

## **External Range**

## **Single Manager Range**

### **Allan Gray Global Balanced Portfolio**

The Allan Gray Global Balanced Portfolio is an actively managed pooled portfolio aimed at members with a moderate-aggressive risk tolerance. Investments are selected from all available asset classes, but will reflect Allan Gray's houseview for an optimal global balanced mandate retirement portfolio. This portfolio aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss.

This portfolio is suitable for investors wishing to achieve a good investment return while simultaneously avoiding unnecessary stress emanating from financial markets. It requires a longer-term time horizon.

## **Coronation Houseview Portfolio**

The Coronation Houseview Portfolio is pooled as moderate-aggressive risk balanced portfolio managed on a market-linked basis. It focuses on delivering strong, consistent returns over the long term.

The strong bottom-up stock selection process – using fundamental analysis and a focus of valuing companies on a mid-cycle basis, with free cash flow was the key determinant – should produce above-average performance over time.

The portfolios are suitable for investors wishing to achieve good investment returns while simultaneously avoiding unnecessary stresses emanating from financial markets. It requires a longer-term time horizon and is suitable for investors displaying a moderately generous propensity to accept market risk.

## **Kagiso Balanced Fund**

This fund aims to provide investors with high, long-term capital growth within the constraints of the statutory investment restrictions for retirement funds.

As the fund aims to maximise returns, it will have a strong bias towards equities – typically the asset class with the highest expected long-term returns.

The fund is suitable for investors who are building up their long-term retirement savings and require capital growth and are able to invest for the long-term and accept moderately high market risk.

## **Ninety One Balanced Fund**

The Ninety One Balanced Fund represents a stand-alone multi-asset strategy managed in accordance with the prudential investment guidelines.

The Ninety One Balanced Fund is suitable for investors who have a moderate to high risk profile, and provides a vehicle for investors seeking capital and income growth over the long-term.

## **PSG Balanced Fund**

The PSG Balanced Fund is a pooled moderate-aggressive risk balanced portfolio managed on a market-linked basis. The objective is to achieve long term growth of capital and a reasonable level of income for investors.

This portfolio is suitable for investors wishing to achieve a good investment return while simultaneously avoiding unnecessary stress emanating from financial markets. It requires a longer-term time horizon.

## **Sanlam Foord Balanced Fund**

The Sanlam Foord Balanced Fund aims to achieve the steady growth of income and capital as well as the preservation of capital over the long term.

The portfolio could be considered by investors whose risk tolerance is below that of a pure equity fund investor and those who require the asset allocation decision to be made for them, within prudential guidelines. The fund is suited to being a substantial component of any retirement savings portfolio and is especially suitable for retirement funds, pension fund members and holders of contractual savings products.

## **Sanlam Prudential Balanced Fund**

The Sanlam Prudential Balanced Portfolio is a specialist portfolio. In selecting securities for the portfolio, the investment manager seeks to follow an investment policy, which enables it to secure an optimum overall return for investors. The fund aims to achieve steady growth of capital and income through global asset allocation and stock selection across all industry sectors.

The Portfolio is suitable for investors who seek a suitable vehicle for retirement provision and those investors who wish to tilt their portfolio to value with controlled risk exposure, Retirement Funds that offer investment choice to its members, and investors who are comfortable with the risk of market fluctuations and potential capital loss, but less risk than with a typical equity fund.

## **Truffle Balanced Fund**

The Truffle Balanced Fund exposure is accessed through a Nedgroup vehicle called Nedgroup Investments Balanced Fund. This fund aims to achieve maximum long-term capital growth.

The fund is suitable for investors saving for retirement (Regulation 28-compliant), requiring moderate levels of capital growth and who do not wish to make complex asset allocation decisions between equities, cash and bonds, both locally and offshore.

The risk profile represents moderately high market risk. Returns can be more volatile over the short term relative to the broader market, but will be less volatile than the equity market.



# Glacier Retirement Fund Solution

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**Subject to product option rules, participating employer agreement and Glacier's minimum product criteria, some members qualify to invest via the Glacier Retirement Fund Solution.**

This allows qualifying members to allocate some or all of their investments to an extensive range of more than 1 000 retail Collective Investment Schemes (CIS) available on Glacier's investment administration platform.

As part of this offering, members can also choose to invest the equity component of their Glacier investments to design their own personalised share portfolio via Sanlam Private Wealth subject to a minimum of R500 000 being allocated to the equity component.

This solution allows the member to create a uniquely tailored solution encompassing his holistic financial plan, not just the savings in the Fund.

A key benefit of this solution is that seamless investment transition applies upon retirement into a Glacier living annuity or on preservation into a Glacier preservation fund.

In order to qualify to invest via Glacier, the following minimum requirements will apply:

- Minimum annual pensionable salary of R600 000
- Minimum monthly contribution of R7 500

Glacier administration fees:

	Rate (excl. VAT)
On the first R750 000	0.47%
On the next R200 000	0.32%
On the next R4 000 000	0.22%
Thereafter	0.17%
Minimum administration fee	R80.00 per month (excl. VAT)
Additional Administration fee on the value of a share portfolio	Up to 0.15% (excl. VAT)

It is strongly recommended that members exercising their own investment choices, particularly members choosing investment options via Glacier, make use of a FAIS-accredited financial adviser to advise them on the basis of a written retirement investment plan. Members may either consult their participating employer's Contracted Financial Adviser, or alternatively any FAIS-accredited financial adviser of their choice. Exercising individual investment choice may have significant cost implications and members are advised to request their financial advisers to do a cost comparison between the asset management and other fees payable in respect of the participating employer's default portfolio and the alternative portfolio they consider selecting.

**More information is available at [www.glacier.co.za](http://www.glacier.co.za).**

# Special arrangements within the comprehensive option

## Customised default investment strategies

**Subject to terms and conditions, participating employers can apply to establish their own customised default investment strategies.**

The consulting business takes full responsibility for all aspects of investment reporting to its client as well as all required disclosures in respect of any additional portfolios. These include (but are not limited to) monthly investment returns and portfolio monthly fact sheets. The Fund will not be responsible for any aspects of reporting on the additional portfolios. These portfolios will therefore not be included in any of the standard Fund reports. The consulting business must agree to furnish the Fund with electronic copies of investment reports issued to sub-funds in order for the Fund to fulfill its monitoring duties.

## Customised investment choice

The participating employer has the right to restrict and customise the available investment portfolio choices for the Sub-fund's members.

For good governance reasons, Sub-funds that implement a customised default investment strategy must (unless exemption from this requirement has been granted by the trustees following a written application) appoint an Investment Consultant to provide tailored investment consulting advice and reporting in line with standards approved by the trustees. The Investment Consultant may charge the Sub-fund a negotiated consulting fee not exceeding the approved maximum fee.

Because the customised investment strategies will not be reflected on the standard hard copy of the Sanlam Umbrella Fund investment instruction forms, any member instruction to invest wholly or partially in these portfolios must be submitted online via the Administrator's website.

## The Tailored Default Investment Strategy

The Tailored Default Investment Strategy allows the participating employer to opt out of the trustee-approved default investment strategies and select one or a combination of portfolios from the current list of the trustee-approved range of institutionally priced portfolios to create their own default strategy. Employers can specify a different cash flow mandate for net positive daily cash flows. Net negative cash flows will be dis-invested on a pro-rate basis. The Sub-fund must have a minimum of R20 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution). An additional asset based administration fee of 0.10% excluding VAT will be levied on all assets invested in this tailored default strategy (this additional fee will be reduced to 0.05% per annum excluding VAT where greater than R100 million is invested in this strategy). The participating employer may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option.

## The Tailored Default Lifestage Strategy

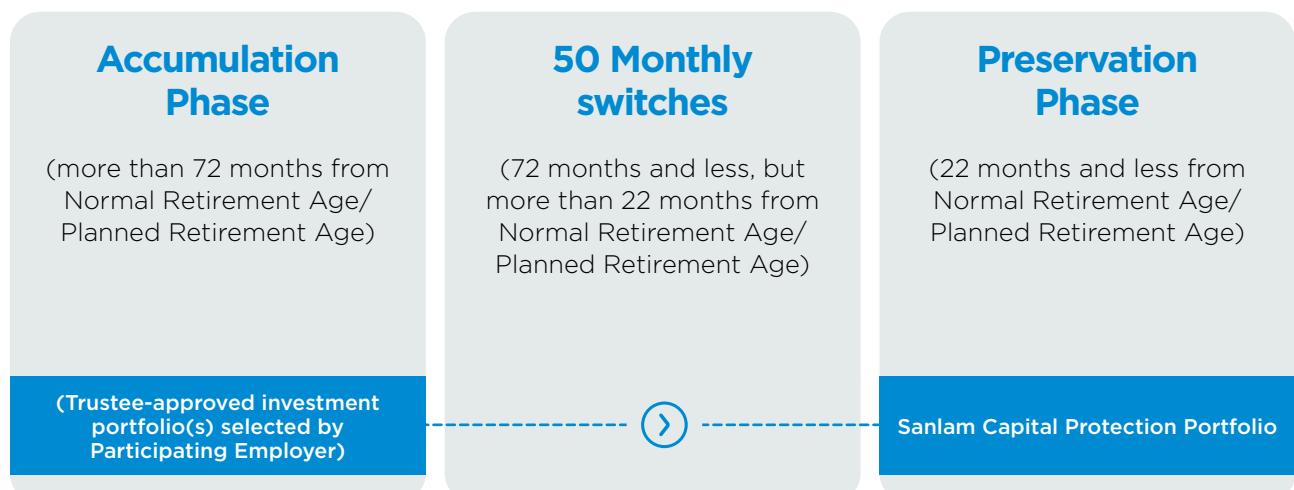
The Tailored Default Lifestage Strategy allows the participating employer to opt out of the trustee-approved default investment strategies and select from the current list of the trustee-approved range of institutionally priced portfolios to create their own Accumulation Phase portfolio. The Sub-fund must have a minimum of R50 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution). An additional asset based administration fee of 0.10% excluding VAT will be levied on all assets invested in the Accumulation Portfolio of the Tailored Default Lifestage Strategy (this additional fee will be reduced to 0.05% per annum excluding VAT where greater than R100 million is invested in this Accumulation Portfolio). The participating employer may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option.

The Tailored Default Lifestage investment strategy aims to meet each member's savings requirement by working towards a target date, which would be the Normal Retirement Age or the Planned Retirement Age (if different).

The investment strategy consists of two phases and members are automatically switched from one phase to another as they near retirement.

The two phases are:

- **Accumulation Phase:**
  - Members will be invested in the investment portfolio(s) selected by the Participating Employer from the Trustee-approved investment menu.
- **Preservation Phase:**
  - Members will be invested in the Sanlam Capital Protection Portfolio.



As retirement approaches, this target date strategy invests in an investment portfolio matching the member's postretirement needs or plans, but in the years prior to this greater emphasis is placed on achieving capital growth.

Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in the Accumulation Portfolio which aims to achieve capital growth. Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Accumulation Portfolio to Sanlam Capital Protection Portfolio by means of 50 monthly switches.

## Comprehensive Plus

**The Comprehensive Plus Option allows an asset management or asset consulting business to place their own customised portfolios on the Sanlam Umbrella Fund platform for use by their clients.**

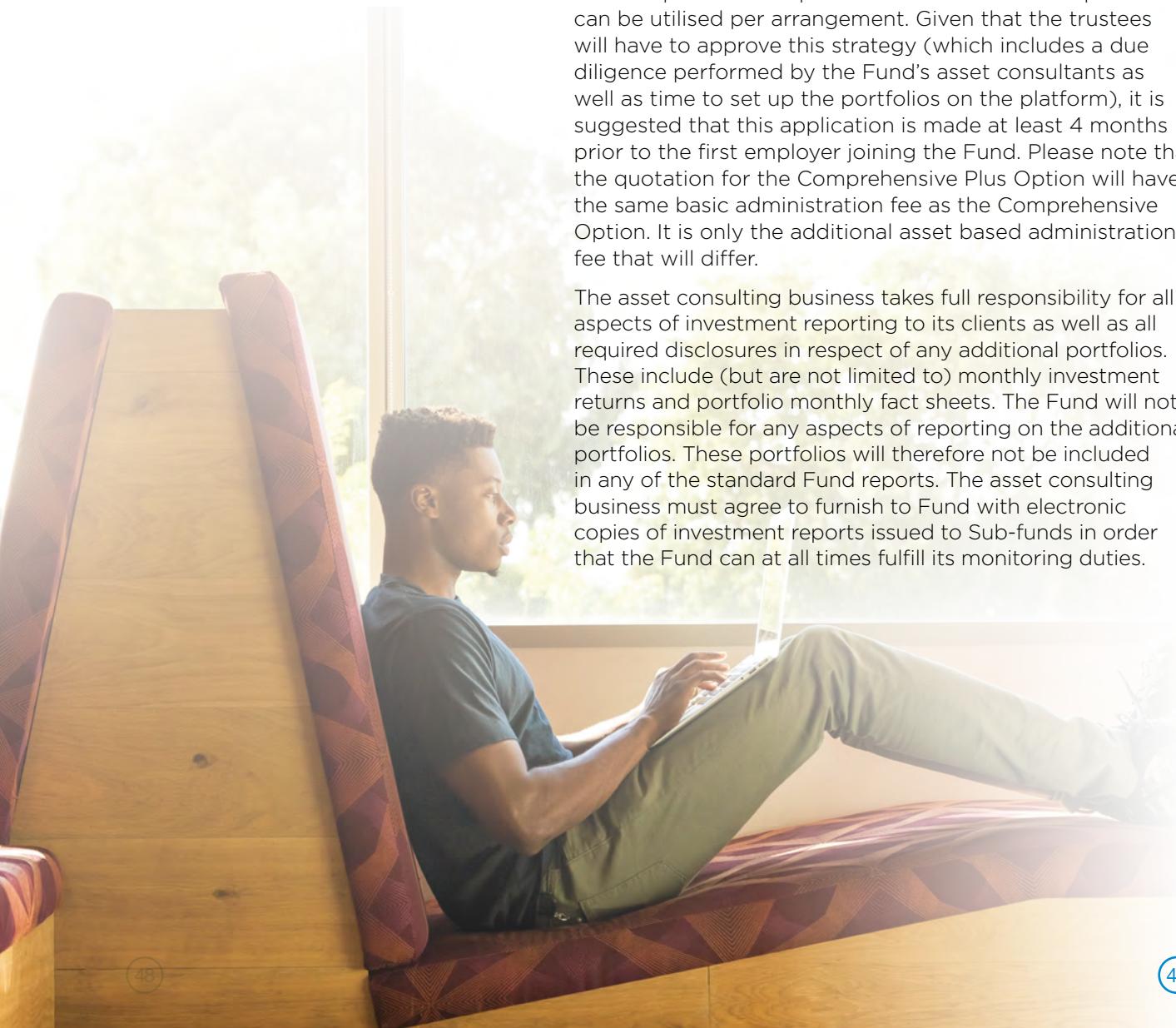
A commitment of an average of R100m per arrangement is required from the asset management or asset consulting business. The Sub-fund who wishes to make use of these portfolios must have a minimum of R20 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution).

Asset based administration fees per annum excluding VAT determined at portfolio level:

- 0.15% if R0 - R1bn
- 0.10% if R1bn - R2bn
- 0.05% if over R2bn

The participating employer may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option. A maximum of three portfolios can be utilised per arrangement. Given that the trustees will have to approve this strategy (which includes a due diligence performed by the Fund's asset consultants as well as time to set up the portfolios on the platform), it is suggested that this application is made at least 4 months prior to the first employer joining the Fund. Please note that the quotation for the Comprehensive Plus Option will have the same basic administration fee as the Comprehensive Option. It is only the additional asset based administration fee that will differ.

The asset consulting business takes full responsibility for all aspects of investment reporting to its clients as well as all required disclosures in respect of any additional portfolios. These include (but are not limited to) monthly investment returns and portfolio monthly fact sheets. The Fund will not be responsible for any aspects of reporting on the additional portfolios. These portfolios will therefore not be included in any of the standard Fund reports. The asset consulting business must agree to furnish to Fund with electronic copies of investment reports issued to Sub-funds in order that the Fund can at all times fulfill its monitoring duties.



# Investment Exceptions

Sub-funds advised by a Contracted Benefit Consultant and investment consultant, may apply to the trustees for an investment exception provided the arrangement has a minimum of R50 million assets. All such applications must be made in the prescribed format, and are always subject to a satisfactory due diligence report being prepared by the Fund's investment consultants, which will be considered by the Investment Committee who will then make a recommendation to the trustees whether or not to approve the application.

Where the investment exception is in respect of the sub-fund's default investment strategy, all requirements of Regulation 37 of the Pension Funds Act must be satisfied.

The final decision whether to approve or reject the application will be made by the trustees, and the approval will be subject to terms and conditions the trustees deem appropriate in the circumstances, including the signing on an indemnity by the participating employer, Contracted Benefit Consultant and investment consultant.

Given the approval process can take some time, it is strongly recommended that written application be made at least 4 months prior to the intended implementation date. Asset based administration fees per annum excluding VAT determined at portfolio level:

0.15% if R0m - R500m

0.10% if R500m - R1bn

0.05% if R1bn - R2bn

0.025% if over R2bn

Aside from this additional investment administration fee, all other fees will be precisely the same as applicable for the Comprehensive Option.

The standard Sanlam Umbrella Fund investment reports will not cover investment exceptions, and these must be facilitated by the sub-fund's appointed investment consultant, and must comply with the Fund's reporting standards and all legislation. The trustees, via the Fund's Investment Committee and investment consultants, do monitor all investment exceptions on a regular basis (at a minimum every 6 months), and the Sub-fund and its appointed investment consultants must furnish whatever reporting is required by the trustees to fulfil these monitoring duties including reporting on compliance with Regulation 28, Regulation 37, cost disclosure standards and any other regulatory requirements. The trustees have the legal right to withdraw approval of any investment exception at any point should circumstances warrant such action.

# Underfunded Smoothed Bonus portfolios with other insurers

Participating Employers wishing to join the Sanlam Umbrella Fund, whose members are currently invested in an underfunded smoothed bonus portfolio with another insurer, may apply to have the underfunded portfolio temporarily accepted on the Sanlam Umbrella Fund platform as an investment exception.

To exercise this arrangement the sub-fund is required to have a minimum of R50 million in assets.

Similar approval processes, terms and conditions, and investment administration fees will apply as for all other investment exceptions. This facility allows the Participating Employer to join the Sanlam Umbrella Fund without its members being adversely impacted by a book value to market value adjustment. This would be a temporary concession until the underfunded smoothed bonus portfolio is fully funded. The Participating Employer must elect a different portfolio for ongoing monthly contributions. Once the portfolio is fully funded, the administrators are empowered to terminate such investments (without further instruction or communication) and invest the proceeds into the investment portfolio(s) that receives the members' ongoing contributions.

Members invested in the underfunded smoothed bonus portfolio, will not be able to select a lifestage strategy for their ongoing contributions at least until the investment exception is eliminated. The Contracted Benefit Consultant is responsible to communicate all terms and conditions to the affected members.

# Investment Management Fees

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All Sub-funds are charged the investment management fees as detailed below per portfolio, and Sub-funds with large investments that have had a lower effective fee approved owing to their contribution towards economies of scale will be separately rebated for any savings due on a monthly basis.

# Trustee-approved default investment strategies

Default Strategies	Fees (including VAT if applicable)
Sanlam Lifestage	<p><b>Sanlam Lifestage Accumulation Portfolio:</b></p> <ul style="list-style-type: none"> <li>• 1.00% per annum</li> </ul> <p><i>A rebate is payable to Sub-funds investing in excess of R50 million in respect of this Portfolio, and the quantum thereof will be formally confirmed by Sanlam in writing.</i></p> <p><b>Sanlam Capital Protection Portfolio:</b></p> <ul style="list-style-type: none"> <li>• Investment Management Fees - 0.425% per annum</li> <li>• Guarantee Premium - 0.90% per annum</li> <li>• Annual Performance Linked Fee - The investment manager may be incentivised with performance fees (capped at 0.30% per annum). Details of the performance fees paid over the past calendar year are available on the quarterly Joint Forum investment reports.</li> </ul> <p><b>Sanlam Inflation Annuity Target Portfolio:</b></p> <ul style="list-style-type: none"> <li>• 0.70% per annum</li> </ul> <p><b>Sanlam Living Annuity Target Portfolio:</b></p> <ul style="list-style-type: none"> <li>• 0.80% per annum</li> </ul>
Volatility Protection Strategy	<p><b>Sanlam Monthly Bonus Fund:</b></p> <ul style="list-style-type: none"> <li>• Investment Management Fees - 0.425% per annum</li> <li>• Guarantee Premium - 1.60% per annum</li> <li>• Annual Performance Linked Fee - The investment manager may be incentivised with performance fees (capped at 0.30% p.a.). Details of the performance fees paid over the past calendar year are available on the quarterly Joint Forum investment reports.</li> </ul> <p><b>Satrix Enhanced Balanced Tracker Fund:</b></p> <ul style="list-style-type: none"> <li>• 0.36% per annum on both Domestic and International Assets.</li> </ul>
Passive Lifestage Strategy	<p><b>Passive Lifestage Accumulation Portfolio:</b></p> <ul style="list-style-type: none"> <li>• 0.36% per annum on both Domestic and International Assets.</li> </ul> <p><b>Sanlam Capital Protection Portfolio:</b></p> <ul style="list-style-type: none"> <li>• Investment Management Fees - 0.425% per annum</li> <li>• Guarantee Premium - 0.90% per annum</li> <li>• Annual Performance Linked Fee - The investment manager may be incentivised with performance fees (capped at 0.30% per annum). Details of the performance fees paid over the past calendar year are available on the quarterly Joint Forum investment reports</li> </ul>
Sanlam Blue Lifestage Strategy	<p><b>SIM Balanced Fund:</b></p> <ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.60% per annum on the portion of assets between R100m - R250m</li> <li>• 0.55% per annum on the portion of assets between R250m - R500m</li> <li>• 0.50% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul> <p><b>SPW Balanced Fund:</b></p> <ul style="list-style-type: none"> <li>• 0.80% per annum</li> </ul> <p><b>Sanlam Capital Protection Portfolio</b></p> <ul style="list-style-type: none"> <li>• Investment Management Fees - 0.425% per annum</li> <li>• Guarantee Premium - 0.90% per annum</li> <li>• Annual Performance Linked Fee - The investment manager may be incentivised with performance fees (capped at 0.30% per annum). Details of the performance fees paid over the past calendar year are available on the quarterly Joint Forum investment reports</li> </ul>

Default Strategies	Fees (including VAT if applicable)
Sanlam Wealth Creation Strategy	<p><b>Accumulation Portfolio: Sanlam Wealth Creation Portfolio**</b></p> <ul style="list-style-type: none"> <li>• Investment management fee 0.45% per annum</li> <li>• Investment consulting fee 0.05% per annum excl VAT</li> </ul> <p><b>Preservation Portfolio: Sanlam Capital Protection Portfolio</b></p> <ul style="list-style-type: none"> <li>• Investment Management Fees - 0.425% per annum</li> <li>• Guarantee Premium - 0.90% per annum</li> <li>• Annual Performance Linked Fee – The investment manager may be incentivised with performance fees (capped at 0.30% per annum). Details of the performance fees paid over the past calendar year are available on the quarterly Joint Forum investment reports.</li> </ul>

*\*\* These portfolios are not wrapped within an insurance policy issued by Sanlam and are charged an investment administration fee of 0.15% (excluding VAT) per annum.*

## Sanlam Investments

### Single Manager Range

Portfolios	Fees (Including VAT if applicable)
SIM Balanced Fund	<ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.60% per annum on the portion of assets between R100m – R250m</li> <li>• 0.55% per annum on the portion of assets between R250m – R500m</li> <li>• 0.50% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul>
SIM Moderate Absolute Fund	<ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.60% per annum on the portion of assets between R100m – R250m</li> <li>• 0.55% per annum on the portion of assets between R250m – R500m</li> <li>• 0.50% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul>
SIM Cash Fund	<ul style="list-style-type: none"> <li>• 0.20% per annum for the first R100m</li> <li>• 0.125% per annum on the portion of assets between R100m - R500m</li> <li>• 0.10% per annum on the portion of assets above R500m</li> </ul>
SIM Temperance Balanced Fund	<p><b>On Domestic assets:</b></p> <ul style="list-style-type: none"> <li>• 0.60% per annum</li> </ul> <p><b>On International assets:</b></p> <ul style="list-style-type: none"> <li>• 0.85% per annum on the portion of the SIM Temperance Balanced Fund that is physically moved offshore and invested in foreign currency</li> </ul>
SPW Balanced Fund	<ul style="list-style-type: none"> <li>• 0.80% per annum</li> </ul>



# Multi-Manager Range

Portfolios	Fees (Including VAT if applicable)
SMM 30 Portfolio	<ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.65% per annum on the portion of assets between R100m – R250m</li> <li>• 0.60% per annum on the portion of assets between R250m – R500m</li> <li>• 0.50% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul>
SMM 50 Portfolio	<ul style="list-style-type: none"> <li>• 0.75% per annum for the first R100m</li> <li>• 0.70% per annum on the portion of assets between R100m – R250m</li> <li>• 0.65% per annum on the portion of assets between R250m – R500m</li> <li>• 0.55% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.50% per annum on the portion of assets above R1bn</li> </ul>
SMM 70 Portfolio	<ul style="list-style-type: none"> <li>• 0.80% per annum for the first R100m</li> <li>• 0.75% per annum on the portion of assets between R100m – R250m</li> <li>• 0.70% per annum on the portion of assets between R250m – R500m</li> <li>• 0.60% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.55% per annum on the portion of assets above R1bn</li> </ul>
SMM NUR Balanced Fund*	<ul style="list-style-type: none"> <li>• 0.95% per annum</li> </ul>
SMM Select Balanced Fund	<ul style="list-style-type: none"> <li>• 0.95% on the first R100m</li> <li>• 0.90% on the portion of assets between R100m – R250m</li> <li>• 0.85% on the portion of assets between R250m – R500m</li> <li>• 0.75% on the portion of assets between R500m – R1bn</li> <li>• 0.65% on the portion of assets above R1bn</li> </ul>
SMM Moderate Absolute Fund*	<ul style="list-style-type: none"> <li>• 0.80% per annum for the first R100m</li> <li>• 0.75% per annum on the portion of assets between R100m – R250m</li> <li>• 0.70% per annum on the portion of assets between R250m – R500m</li> <li>• 0.65% per annum on the portion of assets between R500m – R1bn</li> <li>• 0.55% per annum on the portion of assets above R1bn</li> </ul>
Sanlam The Most Aggressive Portfolio *	<ul style="list-style-type: none"> <li>• 0.90% per annum</li> </ul>
Sanlam Accumulation Portfolio*	<ul style="list-style-type: none"> <li>• 1.00% per annum</li> </ul> <p>A rebate is payable to Sub-funds investing in excess of R50 million in respect of this portfolio, and the quantum thereof will be formally confirmed by Sanlam in writing.</p>
Sanlam Wealth Creation Portfolio**	<ul style="list-style-type: none"> <li>• Investment management fee of 0.45% per annum.</li> <li>• Investment consulting fee of 0.05% per annum excl VAT.</li> </ul>

\*SMMI may mandate any asset manager that manages assets within the Portfolio on a performance fee basis. This may result in higher overall fees, but only when performance targets agreed between Sanlam Investments and the asset manager have been exceeded

\*\* These portfolios are not wrapped within an insurance policy issued by Sanlam and are charged an investment administration fee of 0.15% (excluding VAT) per annum.

# Smoothed Bonus Range

Portfolios	Fees (Including VAT if applicable)
Sanlam Monthly Bonus Fund	<p>Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:</p> <p><b>Investment Management Fees:</b></p> <ul style="list-style-type: none"> <li>• 0.425% per annum</li> </ul> <p><b>Guarantee Premium:</b></p> <ul style="list-style-type: none"> <li>• 1.60% per annum</li> </ul> <p><b>Annual Performance Linked Fee:</b></p> <ul style="list-style-type: none"> <li>• The investment manager may be incentivised with performance fees (capped at 0.30% p.a.). Details of the performance fees actually paid over the past calendar year are available on request.</li> </ul>
Sanlam Stable Bonus Portfolio	<p>Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:</p> <p><b>Investment Management Fees:</b></p> <ul style="list-style-type: none"> <li>• 0.425% per annum</li> </ul> <p><b>Guarantee Premium:</b></p> <ul style="list-style-type: none"> <li>• 0.90% per annum</li> </ul> <p><b>Annual Performance Linked Fee:</b></p> <ul style="list-style-type: none"> <li>• The investment manager may be incentivised with performance fees (capped at 0.30% p.a.). Details of the performance fees actually paid over the past calendar year are available on request.</li> </ul>
Sanlam Progressive Smooth Bonus Fund	<p>Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:</p> <p><b>Investment Management Fees:</b></p> <ul style="list-style-type: none"> <li>• 0.805% per annum including VAT</li> </ul> <p><b>Guarantee Premium:</b></p> <ul style="list-style-type: none"> <li>• 0.70% per annum</li> </ul> <p><b>Annual Performance Linked Fee:</b></p> <p>27four may mandate any asset manager that manages assets within the Portfolio on a performance fee basis.</p>

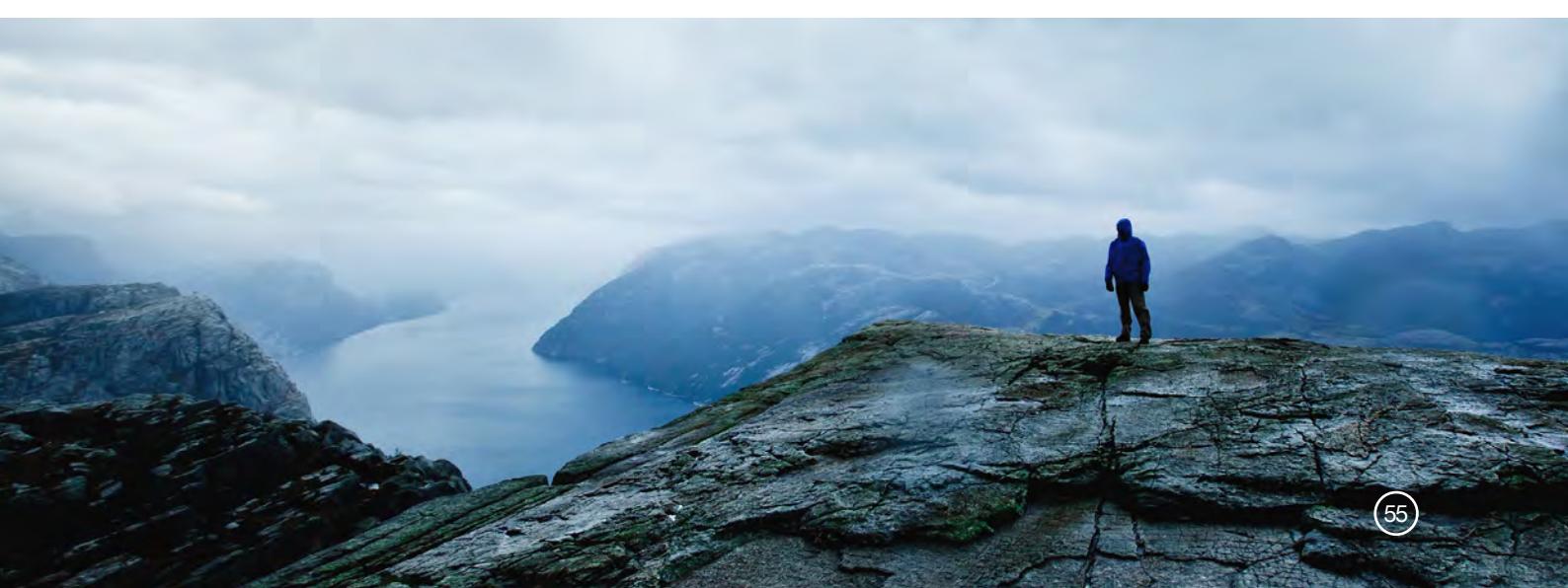


# External Single Manager Range

Portfolios	Fees (Including VAT if applicable)
Allan Gray Global Balanced** +	<b>On Domestic assets:</b> <ul style="list-style-type: none"> <li>• 1.00% per annum</li> </ul>
Allan Gray Global Balanced (closed)** +	<p>Portfolio is only available to participating employers who had exposure to this portfolio prior to 1 March 2015.</p> <b>On Domestic assets:</b> <ul style="list-style-type: none"> <li>• 0.65% per annum</li> </ul>
Coronation Houseview**	0.85% per annum on both domestic and international assets
Coronation Houseview portfolio (closed)**	<p>Portfolio is only available to participating employer who had exposure to this portfolio prior to 1 March 2015.</p> <ul style="list-style-type: none"> <li>• 0.62% per annum flat fee across both Domestic and International assets.</li> </ul>
Kagiso Balanced Fund**	0.86% on both domestic and international assets
Ninety One Balanced Fund**	<b>On Domestic assets:</b> <ul style="list-style-type: none"> <li>• 0.54% per annum</li> </ul> <b>On International assets:</b> <ul style="list-style-type: none"> <li>• 0.75% per annum</li> </ul>
Sanlam Foord Balanced Fund	<b>On Domestic assets:</b> <ul style="list-style-type: none"> <li>• 0.80% per annum</li> </ul> <b>On International assets:</b> <ul style="list-style-type: none"> <li>• 1.35% per annum</li> </ul> <p>Performance fee of 10% (excluding VAT) of the outperformance of its benchmark calculated over a rolling 12 month period.</p> <p>The performance fee is accrued daily and paid monthly. There is no cap on performance fee. A high water mark applies.</p>
Sanlam Prudential Balanced Fund	<b>On Domestic assets:</b> <ul style="list-style-type: none"> <li>• 0.95% per annum</li> </ul> <b>On International assets:</b> <ul style="list-style-type: none"> <li>• 1.05% per annum</li> </ul>
PSG Balanced Fund**	Investment management fee of 0.70% per annum
Truffle Balanced Fund**	0.75% on both domestic and international assets

*\*\* These portfolios are not wrapped within an insurance policy issued by Sanlam and are charged an investment administration fee of 0.15% (excluding VAT) per annum.*

*+On International assets: The Base Refundable Reserve Fee (RRF), levies a base fee of 0.60% p.a. plus 25% of the outperformance (net of the base fee) experienced relative to its benchmark, subject to a refund for subsequent underperformance. The maximum fee (base plus performance fee) that Orbis can receive in any one year is limited to 2.6%. The benchmark for the Selection (Base RRF) is 60% of the MSCI World Index (net dividends reinvested) and 40% of the JP Morgan Global Government Bond Index.*

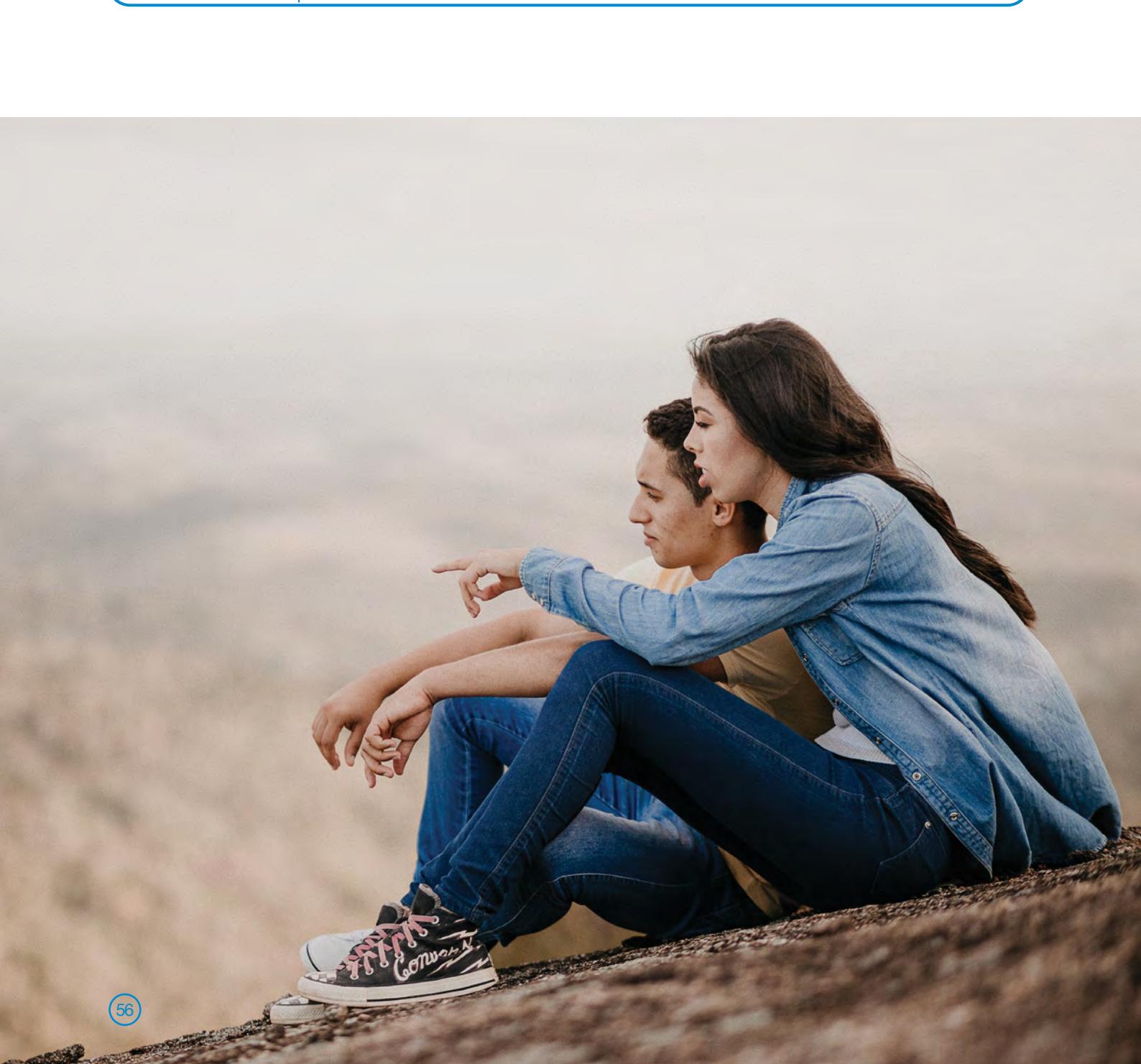


# Index-Tracking Range

Default Portfolios	Fees (Including VAT if applicable)
Satrix Enhanced Balanced Tracker Fund	<ul style="list-style-type: none"><li>• 0.36% per annum on both Domestic and International Assets.</li></ul>

# Glacier Retirement Fund Solution

Default Portfolios	Fees (Including VAT if applicable)
All Glacier portfolios	<p>These investments will attract an asset administration platform fee as well as investment management fees levied by the relevant fund management companies, depending on the underlying investments selected. A breakdown of the relevant fees and charges may be obtained from the Contracted Benefit Consultant, the Contracted Financial Adviser or from Glacier's Communication Centre. Consulting fees are negotiable with the FAIS-accredited financial adviser</p>



# Operating expenses

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**Sub-funds' operating expenses comprise the following:\***



## Administration fees

Administration fees are levied by Sanlam to cover the cost of administrating the scheme, and are calculated and quoted per Sub-fund and deducted monthly. The administration fee is quoted inclusive of a discount based on asset size that recognises each Sub-fund's contribution to enhancing the Fund's economies of scale. Administration Fees do not include the Investment Management Fees charged for the management of investments. On commencement the Administration Fee is guaranteed for 12 months, and thereafter is subject to review at 1 month's notice. Sanlam reserves the right to adjust the Administration Fee at any time should a participating employer's actual membership and/or asset base data materially differ from that employed for purposes of determining the quoted fees.

When a Participating Employer joins the Sanlam Umbrella Fund and has established a retirement fund for their employees for the first time, zero administration fees will be charged for the first 6 months of participation.

Participating Employers can elect to have the administration fees expressed as a Rand amount per member per month, a percentage of salaries or as a percentage of assets under management subject to a minimum of R5 million assets (including outstanding Section 14 bulk transfers) per Sub-fund at date of commencement.

Administration fees will be levied on members pending exits. These are members who are no longer on the payroll, but their exit documentation is outstanding. The following fees are applicable:

- Administration fees at 0.10% per annum (excluding VAT), recovered monthly, in respect of the first R1 500 000 of each member share (and nil in respect of the portion of each member share above this threshold) subject to a minimum fee of R26.50 per member per month (excluding VAT).
- Contingency Reserve Account Levy at the current rate.

### Standard Option and Comprehensive Option

These fees are deducted as a percentage of salary per member. However, participating employers can choose to have these fees deducted as a Rand amount per member per month or a percentage of assets under management.

Because fees expressed as a percentage of assets will be very low in Rand terms for new participating employers until the Section 14 transfer of assets from a previous fund is completed, administration and consulting fees will be expressed as a percentage of salaries during this interim period. The asset based fees will automatically apply once the Section 14 transfer of assets has been completed.

### Optimal Option

For existing clients, the fee is deducted as a percentage of assets under management (not exceeding 0.50% per annum excluding VAT). (Excluding any portion of the member share invested via Glacier as a separate administration fee applies on the Glacier Retirement Fund Solution). Because fees expressed as a percentage of assets will be very low in Rand terms for new participating employers until the Section 14 transfer of assets from a previous fund is completed, administration and consulting fees in Rand terms will only apply during this interim period. The asset based fees will automatically apply once the Section 14 transfer of assets has been completed.

# Investment administration fees

Investment based administration fees apply to investment portfolios not insured via the Sanlam Life License (refer chapter 12 for further details), as well as to any default investment strategy that is not one of the four trustee approved strategies (refer to chapter 11 for further details).

In administering any investment portfolio there are certain minimum tasks involved that incur a cost to the administrator. The administrator is required to perform intensive daily investment administration work. Amongst other things, this includes the investment accounting function, daily unitisation, Regulation 28 reporting, daily asset-liability matching, ongoing portfolio monitoring on behalf of the trustees, etc. This investment-related administration cost is incurred regardless of which asset managers the administrator deals with. These costs however are catered for within the investment management fees for portfolios using the Sanlam Life license, and are explicitly charged for those portfolios not on the Sanlam Life license.



# Consulting fees

A Consulting Fee is payable monthly to each participating employer's FAIS-accredited financial adviser for providing the Contracted Benefit Consulting and Contracted Financial Advisory services. Consulting Fees are not subject to review as part of the annual revision process, but can be reviewed at any time by negotiation and agreement between the Contracted Benefit Consultant, the Contracted Financial Adviser and the Participating Employer. Any consulting fee reviews are thereafter implemented by way of the Fund's formal amendments process. The trustees have approved the following standard intermediary remuneration scale per participating employer for the full range of contracted services:

- Calculated using total retirement contributions plus insurance premiums (excluding insurance premiums in respect of insurance policies falling outside the Fund's risk pool underwritten by the Insurers).
- Annualised amount determined on commencement based on the following scale:

## Annual contribution

The first R 200 000	7.50%
More than R 200 000 up to R 300 000	5.00%
More than R 300 000 up to R 600 000	3.00%
More than R 600 000 up to R 2 000 000	2.00%
More than R 2 000 000	1.00%

It is permissible for the Contracted Benefit Consulting and Contracted Financial Advisory services to be provided by different FAIS-accredited advisers, in which case the standard Consulting Fee will be split between these two contracted advisers, and the agreed split advised to Sanlam. Alternatively, an employer can opt to have Sanlam provide the Contracted Benefit Consulting service.

It is recognised that some participating employers may wish to negotiate a tailored consultancy service with their advisers. In such cases the trustees are prepared to allow the option of a negotiated Consulting Fee instead of the standard Consulting Fee scale, provided that a contract is signed by both the participating employer and financial adviser, and that it includes all the trustees' requirements for Contracted Benefit Consulting and Contracted Financial Advisory services.

This negotiated Consulting Fee is also payable monthly, and will be expressed using the same costing method selected for the administration fees.

For members on the Comprehensive Option who choose to invest some or all of their contributions via Glacier or Sanlam Private Wealth, the member can authorise payment of additional advisory fees which will be paid separately by Glacier or Sanlam Private Wealth (as applicable) on behalf of the member.

## Standard Option and Comprehensive Option

The agreed annualised amount is expressed and charged as a percentage of salaries or, on request from the intermediary, as a Rand amount per member per month or a percentage of assets under management. The fee is payable each month subject to the receipt of employer's contributions and updated member schedules.

Because fees expressed as a percentage of assets will be very low in Rand terms for new participating employers until the Section 14 transfer of assets from a previous fund is completed, participating employers and their appointed Contracted Benefit Consultants can instruct that the Standard Option administration and consulting fees should apply during this interim period only. The asset based fees will automatically apply once the Section 14 transfer of assets has been completed.

## Optimal Option

For existing clients, the agreed fee is deducted as a percentage of assets under management (not exceeding 0.50% per annum excluding VAT). Excluding any portion of the member share invested via Glacier as a separate consulting fee applies on the Glacier Retirement Fund Solution. Because fees expressed as a percentage of assets will be very low in Rand terms for new participating employers until the Section 14 transfer of assets from a previous fund is completed, participating employers and their appointed Contracted Benefit Consultants can instruct that the Standard Option administration and consulting fees should apply during this interim period only. The Optimal Option asset based fees will automatically apply once the Section 14 transfer of assets has been completed.

## Risk Management fees

Sanlam levies a Risk Management fee by way of a 5% loading within the Insurers' quoted insurance premiums for providing risk management services required to ensure the ongoing sound actuarial management of the Fund's risk pool.

In the case of Sub-funds comprising 400 or more members, a reduced 2.5% loading applies. The Fund's annual revision data is used to determine whether this reduction applies for the ensuing year, and this will be confirmed on each such Sub-fund's annual revision statement.

## Contingency reserve account levy

The Administration fees do not include the normal costs and disbursements incurred by the Fund, e.g. FSCA levies and fees, fidelity insurance premiums, actuarial services, audit services, independent trustee expenses, member communication, and other fees and disbursements. These fees are recovered by way of a monthly Contingency Reserve Account Levy which is determined by the trustees in terms of a budgeting process.

The Contingency Reserve Account Levy is currently R3.00 per member per month including VAT for all members, and is recovered from member shares.

## Annual revision date

Administration fees (including asset-based administration fees) and insurance premiums are reviewed annually on 1 April each year following negotiations between the Sponsor, the Insurers and the Board of Trustees. Insurers may invoke a new revision date as a result of national state of disaster. Participating employers will be given at least one month's written notice of any changes to Administration fees, Consulting fees and insurance premiums.

The Contingency Reserve Account Levy is subject to review at any time.

\* See chapter 6 for operating expenses in respect of Paid-up Members, Phased Retirees and In-Fund Living Annuitants.

# Taxation at a glance

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**The Sanlam Umbrella Fund offers a number of tax savings, both for participating employers and members.**

Taxation legislation is complex and subject to change. It is therefore vital for participating employers and members to obtain independent tax advice on the appropriate tax structuring of contributions to and benefits payable from pension or provident funds. The participating employer must ensure that all contributions are taxed correctly by their payroll system.

The table below briefly sets out the tax implications of member and employer contributions to and benefits payable by pension and provident funds, as applicable for the 2021/2022 year of assessment.

The tax exempt amount (R25 000 in case of withdrawal and R500 000 in case of retirement/retrenchment/death) is a lifetime amount. Any amounts used on previous withdrawals and tax paid on such withdrawals will be taken into account when calculating the tax-free portion of the benefit upon withdrawal or retirement/death/retrenchment, i.e. it is cumulative.

### Pension and Provident Fund

Employer contributions	The full contribution is tax-deductible for the employer. Note that employer contributions are taxed as a fringe benefit in the employee/member's hands.
Employee contributions	Employee/member contributions and employer contributions are tax-deductible up to 27.5% of remuneration or taxable income (whichever is the greater) per year, subject to an annual cap of R350 000.
Additional voluntary contributions by employees	Employee and employer contributions up to 27.5% of the employees' taxable income or remuneration (whichever is the greater) can be deducted, subject to an annual cap of R350 000. Contributions in excess of 27.5% or the R350 000 limit will be rolled over to future tax years and will be deductible in such or subsequent years. Amounts not previously deductible will be tax deductible upon and/or after retirement. Any contributions to a retirement fund after 1 March 2015 that did not rank as a tax deduction will be subject to estate duty in the estate of a member that dies.
Pensions purchased upon retirement	Pensions are taxable at marginal rates of tax in the year payable
Lump sum on retirement or death or retrenchment	R0 - R500 000 : 0% of taxable income R500 001 - R700 000 : 18% of taxable income above R500 000 R700 001 - R1 050 000 : R36 000 + 27% of taxable income above R700 000 R1 050 001 + : R130 500 + 36% of taxable income above R1 050 000
Lump sum on withdrawal	R0 - R25 000 : 0% of taxable income R25 001 - R660 000 : 18% of taxable income above R25 000 R660 001 - R990 000 : R114 300 + 27% of taxable income above R660 000 R990 001 + : R203 400 + 36% of taxable income above R990 000

### All other Insured Benefits (provided via a separate scheme)

Death and lump sum disability benefits provided via a separate scheme, as well as critical illness insurance, spouse's life insurance and family funeral insurance.	Premiums are not tax deductible by employees, and fringe benefit tax is payable if the employer pays these premiums on behalf of employees. The employer may claim a deduction as an operational expense. Benefits are not subject to income tax on pay-out.
Income disability benefits	Employee-paid premiums are not tax deductible by employees, but income disability benefits are tax-free. Employer-paid premiums are tax deductible by employers provided that such premiums are taxed in the employees' hands as fringe benefits. There is no tax deduction for the employee. Income disability benefits are tax-free.



# Communication

## Member communication

The trustees recognise that appropriate communication with all stakeholders is the key to assisting Fund members to take control of their own financial destinies.

The trustees further view it as critical that Fund members are empowered and influenced to arrive at good retirement outcomes.

The Fund has a formal communication strategy in place that formulates a number of solutions and processes, with the aim of ensuring that members are educated on all aspects related to their retirement so that they may make informed decisions about their retirement planning and savings.

The communication strategy provides for a number of digital solutions that are aimed at ensuring members have access to their retirement information at all times.

In order to deliver the solutions identified as part of the communication strategy, the Fund and Administrator requires that the participating employer provides contact details for each member at the inception date of the Sub-fund to ensure that members are able to register online and benefit from the digital solutions available to them.

### Members' contact details

To ensure that members are able to register online and benefit from the digital solutions available to them, the Fund and Administrator requires that the participating employer provides contact details for each member at the inception date of the Sub-fund.

Members' contact details will only be used for communication related to their retirement fund and will not be used for the purpose of marketing new products to members.

### Member Portal

The trustees and Sponsor make use of the Member Portal as an electronic communication tool and for the disclosure of fund information to members. Upon joining the Fund,

members may register to view their personal insurance and retirement information online via Sanlam Corporate's Member Portal.

The information is updated on a daily basis and reflects updated information as contained on the Fund's administration platform.

Members are able to access updated benefit statements at any time and view further valuable information related to:

- Their retirement savings
- Where their money is being invested
- Their group insurance benefits
- Factors to consider during certain life events
- Useful educational topics.

The Member Portal also allows members to interact with Sanlam and they are able to perform a number of functions related to their retirement information.

- By using the Retirement Calculator, members may evaluate and tailor their retirement plans.
- Members may view their beneficiary information on record with Sanlam and make changes if they wish.
- If their employer opted to offer investment choices, members are able to switch their investments online.

## “Sanlam My retirement app”

Fund members may download the “Sanlam My retirement app” that will provide them with effortless access to all their retirement information via any mobile device.

## Day One Tools

The Day One tools include two key educational elements which will help members embark on a good retirement plan when they join employment.

- **A 5 minute video**, which clearly explains both the calculator and how a retirement fund works.
- **A member replacement ratio calculator**, which projects a member's retirement outcome and suggests what they can do to improve it.

## Sanlam’s Member Call Centre

Members also have access to a call centre where they can ask questions relating to their benefits under the Fund, and enquire as to progress on benefit payments. The call centre agents have enquiry access to the workflow system so that they can appropriately respond to member queries. The call centre agents are not registered with the FSCA to give advice and accordingly cannot provide financial advice to members.

The call centre's details are:

- **Telephone number:** 086 122 3646
- **E-mail address:** SCClientCare@sanlam.co.za

## Individual Member Support

In order to comply with the default regulations the Sanlam Umbrella Fund now offers Individual Member Support to all its members.

The regulations introduce the concept of Retirement Benefit Counselling, which must be made available to members before they receive a withdrawal or retirement benefit.

This service offers all members of the Fund with much needed information to assist them in every step of their retirement savings journey, enabling members to make well-informed decisions about their retirement savings.

- **A self-help online retirement planning website:** This website contains valuable educational content that guides members' decisions through a sequence of steps. A variety of calculations and other useful tools are also available.
- **Telephonic support by Retirement Benefits Counsellors** compliments and supports the role of the Contracted Benefit Consultant and Contracted Financial Advisor, with the aim to further improve members' retirement outcomes. Counsellors do not offer advice to members, but rather help members through the sequence of steps.
- **Toll free phone number:** 0800 111 956
- **E-mail address:** IMS@sanlam.co.za
- **Free SMS number:** 38300
- **Telephone number for members outside of South African borders:** +27 21 916 6499

## The Contracted Financial Adviser

The appointment of a FAIS-accredited Contracted Financial Adviser for each participating employer is intended to ensure that members have access to much needed face-to-face financial advisory services. This can be particularly important at the time when benefits are due to be paid, when members are required to make significant financial decisions pertaining to their own retirement funding and insurance needs.

## Event Based Communication

Specific communication is issued to members at certain pre-determined events, with the aim at educating and empowering members.

- Upon entry into the Fund, every member is issued a member certificate by the Administrator.
- When a participating employer joins the Fund, a member guide is issued and made available to members on the Member Portal. Participating employers may also request to obtain printed member guides from the Fund's Administrator.
- Every member receives an annual benefit statement compliant with PF 86 as issued by the Registrar.
- Members in the trustee-approved lifestage strategies are supported with information at the time that they are being switched from one phase to another or when they are required to make particular decisions.
- Monthly investment fact sheets and quarterly investment updates are issued and made available on the Member Portal.
- An electronic member newsletter that contains Fund updates, topical information, industry updates, etc. is issued on a quarterly basis.

# Participating Employer Communication

The participating employer, Contracted Benefit Consultant and Contracted Financial Adviser can extract reports online, using the Sanlam Corporate Portal (SC Portal) facility that contains daily-updated information on the participating employer's members for purposes of fulfilling their duties and obligations in respect of the Fund.

The trustees and Sponsor make use of the SC Portal to ensure participating employers and its members have access to information such as the Fund's General Rules, Special Rules, Insured Benefits policies, Investment Policy statement and other relevant and useful information.

In terms of the Policyholder Protection Rules (Long-Term Insurance Act), 2017, it is required that policyholders, including members, of group schemes to be provided with the insured benefits policy. Participating Employers are required to make the policy available to members and retain proof thereof. Sanlam may request proof of such communication, from time to time, for the purpose of monitoring compliance with this legislation.

The mandatory appointment of a FAIS-accredited Contracted Benefit Consultant is intended to ensure that participating employers and Joint Forums are kept abreast of legislative and product updates, and also that the appropriateness of the chosen benefit structure is regularly reviewed. The mandatory Joint Forum process ensures that members are also consulted on such developments via their member representatives, and is a valuable additional communication channel.

## Annual General Meeting

Annual General Meetings are held each year to which all Joint Forum representatives (comprising participating employer and member representatives) and all Contracted Benefit Consultants are invited. The trustees and Sponsor are personally present at these sessions, and face-to-face communication follows, including summarising key achievements to date and plans going forward. Clients have the opportunity to question the trustees and the Sponsor on all aspects of the Fund.

## Centralised Joint Forums

Centralised Joint Forums are held periodically for all Joint Forum representatives. These forums serve as an extra communication and education channel between the Fund and these representatives, which can in turn enhance communication to the wider body of members.

## Other Communication

The trustees have also put in place various other mechanisms to communicate Fund developments.

- An annual trustee report is issued summarising the main developments on the Fund, and the trustees' plans for the future.
- *The Fund in Detail* document is regularly updated to ensure members and participating employers, Contracted Benefit Consultants, Contracted Financial Advisors, Insurers and all other stakeholders have access to updated information on the product offering.

## Protection of Personal Information

Sanlam Life Insurance Limited ("Sanlam Life"), a subsidiary of Sanlam Limited, will process and protect your personal information as required by relevant laws and the constitution of the Republic of South Africa ("RSA"). We may send your personal information to service providers outside of the RSA for storage or further processing on Sanlam Life's behalf. We will not send your information to a country that does not have information protection legislation similar to that of the RSA, unless we have a binding agreement with the service provider which ensures that it effectively adheres to the principles for processing of information in accordance with the Protection of Personal Information Act No 4 of 2013. For more information, please refer to the Sanlam Group Privacy Notice on [www.sanlam.co.za](http://www.sanlam.co.za), alternatively it can be sent to you on request.

# Sanlam Corporate Portal



## Communication via the internet

The Sanlam Corporate Portal (SC Portal) provides our employers, and consultants with state-of-the-art retirement fund administration processes via the Internet.

It is a participation requirement that all participating employers utilise the SC Portal to streamline the administration of their Sub-fund.

The trustees and Sponsor make use of the SC Portal as an electronic communication tool and for the disclosure of fund information to participating employers and members.

## How it works

Participating employers and consultants are issued with a unique pin-code that ensures confidentiality and security of member information.

Participating employers utilise this facility to transmit data to the Administrator electronically, thus streamlining the administration of their retirement fund.

## How to gain access

The participating employer and the Contracted Benefit Consultant as defined in the Confirmation of Acceptance document will automatically receive access to the SC Portal

# Data transmitted via the SC Portal

The participating employer submits the following data electronically to the Administrator:

- Updated monthly expected contribution schedule with member data
- New members joining the Sub-fund
- Exiting members on withdrawal or retirement
- Death claim notification and information
- Instructions regarding individual investment choices
- Changes in member information
- Details related to temporary absence of a member
- General communication

## Replacement ratio calculator

This easy-to-use calculator has been designed to offer members an indication of the level of income they could receive as a percentage of their current pensionable salary if they purchased an annuity at retirement, based on their accumulated savings and contributions rates.

The calculator automatically populates members' retirement fund information currently on record with Sanlam Corporate. Members then have an option to change certain assumptions or input additional retirement savings they are making, thus allowing for a comprehensive overview of their retirement savings situation.

The calculator also provides participating employers and Contracted Benefit Consultants with the option to request a "bulk report" for all members from a particular employer group in one report. The report is provided in Excel format, which allows one to manipulate the data in a flexible manner. Additional outputs include employer level graphs and summary tables based on the demographics for that employer.

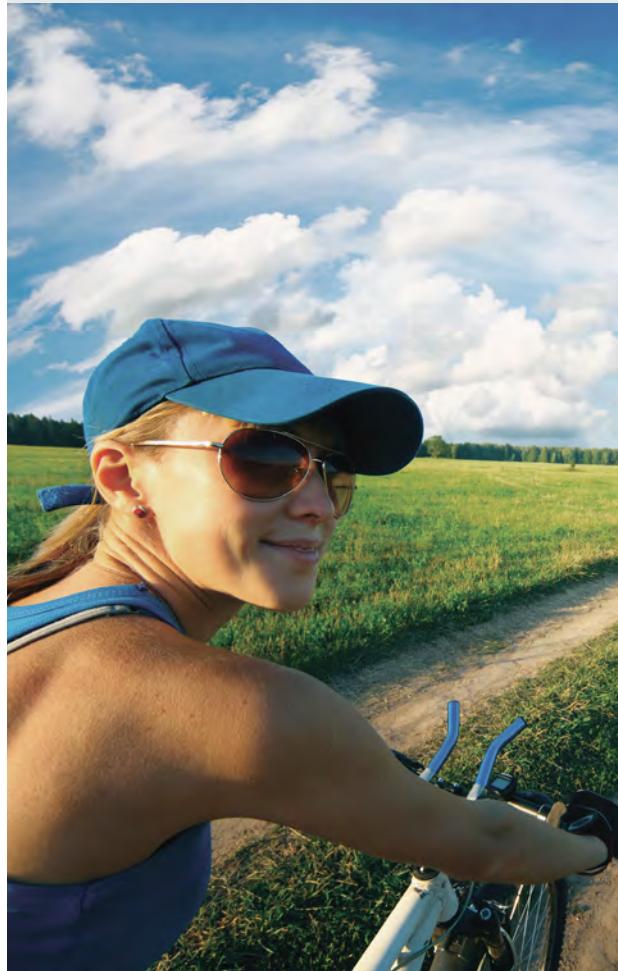
Users should note that the projections do not constitute an annuity quotation and that actual quotations would need to be obtained from the appropriate service provider for members close to retirement.

## Other functionalities available

The following further functionalities are currently available to users:

- View up-to-date member benefit statements
- View general member information
- View all payments made for members
- Trace all transactions on a history log/audit trail
- View monthly reports relating to member data
- View documentation relating to the Fund i.e. Rules and Policies
- Information on investment returns and investment portfolios

**For more information, visit [www.RetirementFundWeb.co.za](http://www.RetirementFundWeb.co.za).**



# Responsibilities

## Participating Employer

The participating employer undertakes to:

- Apply to the Administrator, on the required registration form, for access to the web facility for authorised personnel.
- Provide the Administrator, via the web, with accurate, updated data and information that is reasonably necessary to perform its administration services.
- Follow-up with Sanlam if no response is received regarding any SC Portal transaction.
- Establish and maintain proper controls to ensure only authorised personnel are granted access to view, change or update information and that persons no longer authorised to access data and information are deregistered with Sanlam.
- Make available and maintain the necessary computer hardware and software as well as network access to an Internet service provider and ensure these are free from computer viruses.

## Administrator

The Administrator undertakes to:

- Provide encryption of data and information during transmission and use the data and information provided by the employer for the purpose of effective administration services.
- Restrict access of data and information under its controls to authorised persons only.
- Sanlam will be entitled to accept that data and information provided by the participating employer via the SC Portal is correct and complete, and that persons registered with Sanlam have been duly authorised by the participating employer.



# Roles of the various parties

## Board of Trustees

The Board of Trustees is the body responsible for the management of the Fund and oversees the interests of the members. The Board appoints the Administrator, decides where investments may be placed and has the ultimate decision on allocation of death benefits in terms of section 37C of the Pension Funds Act, No 24 of 1956. The Board is assisted in fulfilling its duties by a Principal Officer and Fund Secretariat.

## Administrator

Sanlam Corporate is responsible for the administration of the Fund, and as such members enjoy the full backing and protection of Sanlam. The Fund is administered on the leading edge Retirement Fund Administration platform.

The Administrator is responsible for providing a comprehensive administration service in terms of the requirements of the Registrar of Pension Funds and legislation. The full ranges of duties of the Administrator, as well as the associated service level agreements, are set out in a formal administration contract that has been signed between the Sanlam Umbrella Fund and the Administrator.

## Sponsor

The Sponsor is Sanlam who is responsible for providing the necessary professional and technical resources so that an appropriate product offering can be delivered to the market. The Sponsor also provides the necessary capital to grow the membership of the Fund in order to deliver economies of scale for the ultimate benefit of members.

The Sponsor aims to make a profit by delivering services to the Fund, and adheres to the governance requirements of the Fund as laid down by the trustees.



## Client Solutions Specialist

Sanlam's nationwide team of Client Solutions Specialists is responsible for assisting potential clients and intermediaries with all aspects of the participation and installation process. The Client Solutions Specialists are employee benefit professionals who have received training on all aspects of the product offering. They are equipped to support potential clients and intermediaries with making appropriate benefit structuring decisions, and are available to provide training and support on the various product features.

The Client Solutions Specialists will provide an official Sanlam Umbrella Fund quotation in line with the specifications chosen by the employer, and thereafter will oversee the completion and signature of all required new business forms in order to implement a new Sub-fund.

# Sanlam Umbrella Fund Client Relations Manager

Once all the paperwork that is required to implement a new Sub-fund is completed, the Client Solutions Specialist hands over to the Sanlam Umbrella Fund Client Relations Manager who will thereafter liaise directly with the participating employer and the Contracted Benefit Consultant to ensure smooth and effective administration processes going forward.

Together with their reporting teams, the Client Relations Managers are responsible for the post-sales service and are the first point of contact in respect of administration queries, documentation and client support.

These post-sales service teams are regionally based and provide face-to-face, ongoing professional servicing of our Sanlam Umbrella Fund clients.

## Participating Employer

Each participating employer undertakes to comply with all requirements and duties imposed on participating employers in terms of the Rules, *The Fund in Detail* document, as well as the Administration Guide as amended from time to time. These documents contain the participation requirements to ensure compliance with all relevant insurance policies effected by the Fund, all service level agreements entered into with providers and all protocols adopted by the trustees and to adhere to all legislative requirements. In particular the employer undertakes:

- To appoint an HR contact person to deal with all operational issues and/or a Communication contact person to whom all rate review communication, AGM invitations, surveys and other Joint Forum matters will be channelled. Where the participating employer and the Contracted Benefit Consultant agree that the Contracted Benefit Consultant will act as the only employer contact person and that all communications must be channelled via the Contracted Benefit Consultant, the Fund will require the Contracted Benefit Consultant to complete a communication agreement to indemnify the Fund and the Administrator from any liability that may arise as a result of the arrangement between the employer and the Contracted Benefit Consultant. More
- than one person may be appointed by the employer to perform these functions but the HR contact person will be responsible unless the various duties are identified and agreed in writing.
- To appoint a Medical Correspondence person. This person will receive the personal health statement and the additional medical requirements for members who exceed the free cover limit or individual member limit, as well as all medical correspondence related to the members under the Sub-fund. This role could be performed by either the HR contact person or the Contracted Benefit Consultant
- To deduct the employee and employer contributions stipulated in the Special Rules and ensure that they are transferred to the Fund's bank account by the end of each month, using the assigned reference number so that deposits can be easily identified. Should contributions be deducted from members' salaries and not transferred to the Fund, the Joint Forum, failing which, the HR officer must take appropriate legal action on behalf of the members. A failure to make contributions will result in the suspension of participation.
- To update and maintain member records on a monthly basis and to transfer the information to the Administrator in the prescribed format by the end of each month. Without the data the Administrator will not be able to invest money and settle fees and premiums.
- To ensure that each member signs a beneficiary nomination form and a schedule of dependants form with regard to death benefits and update them regularly (preferably annually) and ensure that the forms are filed and stored.
- To provide the trustees with the required documentation and to gather information in respect of beneficiaries in the event of the death of a member.
- To inform the Administrator, within one month of joining, of the details of any new employees who are eligible to participate in the Fund. It is the duty of the HR contact person to monitor and ensure that all eligible employees are members of the Fund.
- To submit benefit claim forms in respect of exiting members as specified.
- To support members in the establishment of a Joint Forum on which they enjoy representation and where they can discuss and participate in reviewing the benefit structure of their Sub-fund. The employer will remain the contracting party for the Sub-fund, and will act on behalf of the Joint Forum. Failing the establishment of a Joint Forum, the HR contact person will be responsible to perform the duties of the Joint Forum.
- To distribute and communicate to employees all information intended for members.

- To identify and assist with the training of personnel to perform the various tasks identified, such as ensuring that records are maintained, payments are made, information in respect of deceased members is gathered, and that members are assisted to gain access to fund data via the SC Portal.
- To ensure that the Administrator receives all information that is reasonably necessary for the performance of the administration service.
- To utilise the SC Portal facility for submitting all relevant documentation to the Administrator.

## Contracted Benefit Consultant

The trustees of the Sanlam Umbrella Fund require that every participating employer has the services of a Contracted Benefit Consultant available to provide advice on benefit and fund structure to the participating employer on an annual basis.

The Contracted Benefit Consultant undertakes to comply with all requirements and duties imposed on Consultants in terms of the Rules of this, The Fund in Detail, document as well as the Consultants Guide as amended from time to time.

Unless otherwise agreed or in accordance with the signed agreement between the participating employer and Contracted Benefit Consultant, the Contracted Benefit Consultant is also responsible for the following services:

- To advise the participating employer on the selection of the most appropriate fund offering, or where appropriate, the most appropriate default investment strategy available under that offering, in the context of the employer's member profile.
- To review the participating employer's selection on a regular basis.
- To assist the participating employer with completion of all documents required for fund installation including section 14 transfer documentation where applicable.
- If nominated as the medical correspondence person, the Contracted Benefit Consultant will assist the participating employer in complying with all administrative duties and requirements set out by Sanlam and in accordance with the rules of the Fund, including:
  - ensuring adherence by members to all medical underwriting requirements,
  - ensuring an adequate process for members to complete forms as required (e.g. beneficiary nominations forms), and
  - product related and general member queries.
  - To receive the personal health statements and the additional medical requirements for members who exceed the free cover limit or individual member limit, as well as all medical correspondence related to the members under the Sub-fund
- To prepare a member booklet in electronic format for the Sub-fund working from

templates approved by the trustees for distribution to members via the Joint Forum.

- To provide Sanlam with electronic versions of any tailored Sub-fund member communication material that the Joint Forum requires to be posted on the SC Portal, subject to Sanlam's final approval.
- To assist the participating employer with the election of member representatives to the Joint Forum.
- To arrange and convene an annual Joint Forum meeting with the participating employer conforming to the agenda guidelines as prepared by the trustees. The first Joint Forum meeting should be convened within four months of inception date or as soon as possible thereafter.
- In the case of smaller Sub-funds, to ensure that the representatives are invited to Centralised Joint Forum meetings and to encourage the representatives to attend such forums.
- To timeously communicate and discuss the outcome of the Fund's annual revision process to the Joint Forum and participating employer.
- To obtain a personal access code to the SC Portal that will allow the Contracted Benefit Consultant to obtain any information required in order to provide advice to the participating employer.
- To provide the services of a Contracted Financial Adviser to members (as detailed below) or refer members to a qualified third party to fulfil this service.
- To keep abreast of all official communication issued by the Fund, including all Fund Updates as set out in the monthly Consultant Toolkit, and to timeously convey all such information, as appropriate, to the Joint Forum, the participating employer and the members as part of the ongoing advice process.
- To assist the participating employer and Joint Forum as regards any desired changes to the Sub-fund's benefit design, including advice on the implications thereof, assistance with the necessary processes to implement any such changes, and assistance with any necessary member communication pertaining to such changes.

The Contracted Benefit Consultant must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 to render the above services. The appointment of the Contracted Benefit Consultant is subject to the approval of the Board. If the Board is at any point of the opinion that the Contracted Benefit Consultant does not comply, or no longer complies, with the requirements set out in the rules, or if, in the opinion of the Board, the continued appointment of an Employer's Contracted Benefit Consultant exposes the Fund to unacceptable risks and/or is no longer in the interest of the Fund or its Members, the Board may require that the Employer appoints another Contracted Benefit Consultant.

## Contracted Financial Adviser

The Contracted Benefit Consultant may refer member advice services to a third party, who will be appointed as the Contracted Financial Adviser to the Sub-fund. This adviser must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002, but does not act on behalf of the Fund or trustees.

The Contracted Financial Adviser is responsible for the following services:

- To provide individual members with financial advice and a retirement needs analysis as required.
- To advise members of the importance of completing beneficiary nomination forms.
- To advise members on their options in case of retirement, withdrawal or disability.
- Be available to advise beneficiaries of deceased members on their options.
- To advise members on investment choices and provide them with financial advice when selecting individual investment portfolios for their assets.

## Investment Consultant

A sub-fund may appoint an Investment Consultant of their choice to provide a tailored investment consulting service to Joint Forums on a fee-for-service basis which is charged to the Sub-fund as an additional fee.

For good governance reasons, Sub-funds that implement a Tailored Default Investment Strategy must (unless exemption from this requirement has been granted by the trustees following a written application) appoint an Investment Consultant to provide tailored investment consulting advice and reporting in line with standards approved by the trustees.

Other Sub-funds can choose to appoint an Investment Consultant to provide a bespoke investment consulting service.

The sub-fund, together with investment consultant must agree the minimum services to be provided by the Investment Consultants and agree on a negotiated fee of assets, subject to the trustee imposed maximum of 0.40% excluding VAT, in respect of such services.

The Sanlam Umbrella Fund trustees include the investment consulting services in their ongoing monitoring, and may from time to time request to be furnished with supporting materials as confirmed in the appointment agreement.

# New Business terms and conditions

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## Validity

Quotations are valid for 90 days from the date of issue and are subject to Sanlam Corporate standard terms, conditions and assumptions.

## Membership Data and Details

The quotation is based on the details and data provided by the participating employer and assumes that at least 80% of all qualifying employees will join the Fund on the commencement date. The fees are subject to change if the details and data that were supplied were incomplete or differ on commencement.

In addition, the quotation excludes members (unless otherwise stipulated in the quotation):

- who are contract workers and seasonal workers - *subject to policy conditions*
- who are past the cover cease age
- in respect of whom no salary was provided at quotation stage
- in respect of whom no date of birth was provided at quotation stage
- who currently receive disability income benefits

## Quotation Conditions

A suspensive condition of the quotation is that the Administrator will conduct a reconciliation of data to ensure that it is compatible so as to ensure a smooth take-on. The take-on date will only be confirmed after this reconciliation has been completed and once the Administrator is satisfied with the status of the information.

Quotation requests for Sub-funds that have previously been underwritten, and comprising more than 400 members, must be accompanied by claims experience from the previous Administrators.

When a new claim is received during the transitional period before all assets are transferred:

- The Administrator will calculate the part of the benefit that accrues to the member for the period since the take-on date, arrange for a tax directive and pay the claimant.
- The previous Administrator remains responsible for the payment of the benefit that accrues to the member for the period before the take-on date.

# Administration Conditions

## Customer Due Diligence

The FIC Amendment Act, 2017 and party due diligence requirements obligates Sanlam to identify and verify all persons and entities we interact. Therefore all participating employers of the Sanlam Umbrella Fund need to provide the most updated documentation verifying ownership.

## Membership Data

- The correct membership data must reach the Administrator before or on the commencement date. Thereafter, it must be submitted within two working days before the end of the month.
- To ensure a smooth take-over, there will be a full reconciliation between the number of members and member credits received by the Administrator and the number of members and member credits transferred by the previous administrator. Any differences will need to be explained by the previous administrator.
- It is a legislative requirement that all existing eligible, permanent employees are given the opportunity to join the Fund on or after the commencement date. However, underwriting conditions will apply to existing employees joining the Fund more than three months after the date of inception of Sub-fund. The above is applicable to new funds and not existing funds transferring to the Sanlam Umbrella Fund.

## Late Entrants

If an employer establishes a new fund and any existing employee who does not join the fund within 3 months of being given the choice to join the fund, he/she will only be able to enjoy risk benefits later, with the approval of the insurer, and has provided proof of good health (medical underwriting).

## Contributions

- It is a participating requirement that all participating employers utilise the SC Portal and electronic contribution process.
- Participating employer and employee contributions must be paid over to the Fund within seven days of the end of the period for which the contributions are due. Interest is payable according to legislation on late payment of premiums. Late payment of premiums may also result in members not being covered in terms of the group insurance.
- Contributions will be allocated to individual member accounts on a monthly basis.
- The contribution payment received must reconcile fully with the final contribution data.
- In the case of temporary absence, e.g. maternity leave, the employer must continue to pay the contributions for insurance and operational expenses for these members.
- In the case of Participating Employers in financial distress, e.g. as a result of a national state of disaster, employers are urged to contact their Client Relations Manager who will advise them on the available solutions offered by the Fund.

## Benefit Claims

All documentation in respect of new benefit claims must be submitted to the Administrator before the end of each month to avoid delays. The assets of members who exit the Fund and for whom claim documentation has been received will be disinvested and transferred to an interest-bearing investment at the end of each month.

## General and Special Rules

The Sanlam Umbrella Fund is governed by a set of General Rules registered in terms of Section 12(4) of the Pension Funds Act and is approved in terms of Section 1 of the Income Tax Act. Once a quotation has been accepted, a set of Special Rules for each Sub-fund will be drafted based on the Confirmation of Acceptance document. The Special Rules will be signed by the trustees within one month of the commencement date, and thereafter submitted to the FSCA. The trustees will ensure that both the General Rules and all Special Rules comply with the requirements set out in Section 12(4) of the Pension Funds Act and Section 1 of the Income Tax Act.

Participating employers have access to the General and Special Rules via SC Portal.

## Guarantees

On commencement and after every review date, the Administration Fee and insurance premium rates are guaranteed for 12 months. After the guaranteed period of 12 months the fees and rates will be reviewed subject to 1 month's written notice. The 12 month guarantee will cease to apply if, in the Sponsor's opinion, there is a material change in the membership profile or Sub-fund data from that employed in determining the current fees and premium rates.



## Maxima

The maxima in respect of insurance components are reviewed at each Annual Revision Date.

## Installation

It is a requirement that the Administrator receives completed and signed documentation for installation by the 15th of the month prior to the month of intended participation.

All contributions received in the first month of participation will be invested as per the Sub-fund's selected default investment strategy. Investments of members who elect to make use of the alternative investment choice options will be moved to their chosen portfolios in the second month of participation (and only on receipt of signed investment instruction forms).

The Administrator is not permitted to process benefits until the Special Rules applicable to the new Sub-fund have been registered by the FSCA.

## Amendments

Rates quoted on amendments affected during the year will only be valid until the next annual revision date of the Fund.

If a participating employer amends their Sub-fund's benefit structure, and this results in a change to their current insurer, a two months' notice period to the current insurer will be required.

## Additional/Non-standard Services

- Certain prescribed fees are payable by the Fund to the statutory authorities. These fees are debited against the Central Contingency Reserve Account.
- The standard administration fees make provision for English correspondence. The Sanlam Umbrella Fund can accommodate correspondence in a second language, and this will be quoted for separately on request.
- Special fees can be negotiated for additional services. These fees will depend on the nature of the requested additional services, and the associated additional resource requirements and costs.

## Correspondence

Communication between the various parties will as a general rule be done by e-mail.

# Dissolution Fees and Conditions

The notice period for terminating participation in the Sanlam Umbrella Fund is two calendar months.

If the dissolution is not finalised within three months for reasons that cannot be attributed to delays on the part of the Sponsor, the Administrator or the Fund, any additional costs incurred may be recovered. These costs will be based on a reasonable fee per hour. Additional charges may be levied by the liquidator or any statutory charges payable.



## Disclosure

### Enquiries

On acceptance of a quotation, the employer enters into a contract/agreement with Sanlam Corporate. Any queries regarding the administration of the Sub-fund should be addressed to the Contracted Benefit Consultant or local Sanlam Corporate office.

After the acceptance of a quotation, any complaint in respect of the Fund or the Contracted Benefit Consultant may be sent in writing to:

The Compliance Office  
Sanlam Corporate  
PO Box 1  
Sanlamhof  
7532  
Email: [SCCompliance@sanlam.co.za](mailto:SCCompliance@sanlam.co.za)

### Complaints

Complaints can be addressed in writing to the Sanlam Umbrella Fund Complaints Committee, which is a special committee of the Board of Trustees. Both the Principal Officer and the Fund Secretary serve on this Committee. The Committee will investigate your complaint and help resolve your concerns.

The contact details are as follows:

#### Contact Details

Sanlam Umbrella Fund Complaints Committee  
Fax: **021 957 1105/2143**  
E-mail: [Sanlamumbrellafund@santlaminvestments.com](mailto:Sanlamumbrellafund@santlaminvestments.com)

Should a participating employer or a member's concerns not be addressed and resolved to his/her satisfaction within a period of thirty days, he/she may lodge a complaint with the Pension Funds Adjudicator. The contact details are as follows:

#### Contact Details

Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Pretoria  
Tel: **012 346 1738/012 748 4000**  
Fax: **086 693 7472**  
E-mail: [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

## **Claims notification**

Prescribed claim forms must be completed and sent to the Administrator. The Administrator and/or Insurers may, from time to time, insist on further requirements before considering a claim. This information will be requested in writing.

No benefit will be paid if the Insurers are not notified of the claim within six months of the event. In the case of the Income Disability Insurance, no benefit will be paid if the Insurers are not notified of a claim or potential claim within six months (three months in the event of a trauma claim) immediately following the earlier of the event giving rise to a claim or the member's last working day.

## **Cooling-off period**

Should a quotation be accepted, there is no cooling-off period during which membership of the Fund can be reconsidered, and cancellation at a later stage could result in potential financial loss.

## **Replacement**

Replacing an existing fund could be potentially detrimental to members. Detail of the actual and potential financial implications, costs and consequences of the replacement product should be disclosed in full by the intermediary and should cover:

- payment of new charges,
- loss of cover,
- change in investment risk,
- recoupment of unrecovered expenses under the replaced policy,
- loss of tax advantages (if any).

In terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 (FAIS) Sanlam is a duly authorised licensed financial services provider and all its representatives must adhere to, *inter alia*, the following requirements:

- Give appropriate advice in accordance with the client's needs and financial situation.
- Keep proper record of the advice and request the client's signature on the record of advice.

## **Administrative errors rectification**

The Administrator will be liable for, and will indemnify the Fund in respect of any loss or damage which arises as a result of the fraud, theft, dishonesty, negligence or breach of contract by the Administrator or any director, employee, officer, servant or agent of the Administrator. Such liability shall, however, be limited to direct damages actually suffered and loss incurred. Without derogating from the foregoing, the Administrator shall place the members in the position they would have been in had the aforementioned eventualities not occurred. The members will not be entitled to any windfall profits as a result of the aforementioned eventualities.

# Standard administration services

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This document is a summary of some of the service levels agreed between Sanlam Umbrella Fund and the Administrator.



The service levels are not intended to reflect performance guarantees, but rather the expected level of service deliveries against which the Sanlam Umbrella Fund trustees can measure service provider performance delivery, and which clients can reasonably expect from the relevant service providers in most circumstances barring those where specific reasonable mitigating reasons apply.

## 1. Installation of new employer Sub-fund

Time line and process as outlined in the Installation Guide.

Until the Sub-fund is fully installed (i.e. the first month's contribution receipting cycle has been completed) the time- frames below are not applicable.

## 2. Monthly fund contributions and schedules

Action	Responsible party	Time standards
<b>Electronic Contribution Process:</b> Email notification to the participating employer that the system is ready for the new month's input.	Administrator	By the 20th of every month
Log on to the SC Portal and confirm that all data is correct or update the necessary changes	Participating employer	By the 1st, not later than the 5th of each month

### 3. Monthly fund contributions and schedules

Action	Responsible party	Time standards
Confirm that all changes are correct and authorise payment of the contributions to Sanlam using the web payment facility.	Participating employer	By the 1st, not later than the 5th of each month
Allocate the net contribution for retirement benefits to member accounts and transfer to the selected investment managers in accordance with the selected portfolios of members/Board of Trustees.	Administrator	Within 5 business days of employers online confirmation and receipt of correct payment
Calculate interest on contributions received late and inform participating employer of amount due in terms of Section 13A of the Pensions Funds Act.	Administrator	Monthly
<b>Payment via debit order:</b> Provide expected monthly contribution schedule.	Administrator	By the 20th day of each month
Provide monthly electronic member data in agreed format, including information regarding exits, new members and relevant changes via the SC Portal, or general email inbox.	Participating employer	7 days before the end of each month
Arrange for debit order to be collected from participating employer's bank account.	Administrator	1st day of the month (unless agreed otherwise)
<b>EFT payments:</b> Provide expected monthly contribution schedule.	Administrator	By the 20th day of each month
Make an electronic funds transfer into the relevant bank account using the unique fund reference number supplied and provide the final matching contribution schedule electronically via the RFW, or general email inbox.	Participating employer	The money should reflect in the Fund's bank account on/before the 7th of the month
Reconcile the contribution and take up differences with the participating employer. Receipt the contributions onto the administration system. Allocate the net contribution for retirement benefits to member accounts and transfer to the selected investment managers in accordance with the selected portfolios of members/Board of Trustees.	Administrator	Within 10 business days from receipt of correct contribution payment and contribution schedule
Calculate interest on contributions received late and inform participating employer of amount due in terms of Section 13A of the Pension Funds Act.	Administrator	Monthly

Note:

*If contributions are not invested in member accounts (or paid into the relevant bank account in respect of investments administered outside the administration platform) within 10 DAYS from the date of receipt of correct contribution and matching schedule and the cause of the delay is attributable to SEB, then the full net interest earned in the bank account in respect of these moneys for the period beginning from the date the SERVICE LEVEL was breached and ending 30 days from the date of receipt of both the contribution and matching schedule shall be added to the member accounts concerned, and all such bank account interest allocations shall be reported to the SECRETARIAT; and*

*If contributions are still not invested (or paid into the relevant bank account in respect of investments administered outside the administration platform) beyond 30 days from the date of receipt of both the correct contribution and matching schedule, and the cause of the delay is attributable to SEB, then the administration errors rectification policy as specified in the then current version of THE FUND IN DETAIL shall apply, and any affected member accounts shall be accordingly rectified and all such rectifications shall be reported to the SECRETARIAT.*

#### 4. Section 14 transfers in

Action	Responsible party	Time standards
Obtain all information and relevant documentation i.e. <ul style="list-style-type: none"> <li>• Original Section 14 application</li> <li>• Approval letter from FCSA</li> <li>• Schedule containing individual member asset allocation and values</li> <li>• Tax directives for transferring members.</li> </ul>	Fund Secretariat	Ongoing
Issue written investment instruction in prescribed format.	Participating Employer and Contracted Benefit Consultant	Within 5 business days of notification of approval
Investment of Section 14 assets received according to instruction.	Administrator	Within 10 days after receipt of assets in Fund's bank account and completed documentation

#### 5. Interest allocations

Action	Responsible party	Time standards
<b>Bank interest on contributions:</b> Interest accumulated on contributions received in the Fund's bank account	Administrator	Distributed periodically to member accounts and the Central Contingency Reserve Account as per Trustee protocol
<b>Bank interest on Section 14 transfers (in):</b> Interest accumulated on lump-sum transfers received into the Fund's bank account	Administrator	Allocated to member accounts together with lump-sum transfers

#### 6. Maintenance of member data

Action	Responsible party	Time standards
Provide monthly electronic member data in agreed format via the SC Portal or e-mail.	Participating Employer	By the 15th day of the month, but not later than the 7th
Update member records and make all applicable changes.	Administrator	Within 10 business days after completion of monthly data reconciliation process

#### 7. Portfolio switches

Action	Responsible party	Time standards
Portfolio switches between standard portfolios: <ul style="list-style-type: none"> <li>• On receipt of instruction for an individual member investment switch, validate information and execute the instruction.</li> <li>• Issue confirmation of switch to member and Contracted Financial Adviser.</li> </ul>	Administrator	Within 5 days of receipt of valid switch request
Portfolio switches on Glacier and Sanlam Private Wealth: On receipt of instruction for an individual member investment switch.	Service providers	Separate standards apply per service provider

## 8. Member benefit statements

Action	Responsible party	Time standards
Issue one statement for each member per annum in the format as agreed with the Employer.	Administrator	Within 8 weeks after completion of annual cycle
Receive statements and deliver to Employer's office.	Contracted Benefit Consultant	On receipt
Distribute statements to individual members in confidential manner.	Participating Employer	On receipt

## 9. Member benefit payments at withdrawal or retirement

Action	Responsible party	Time standards
Submit the required official withdrawal forms and associated documentation to Administrator via email or via the SC Portal.	Participating Employer	Within 5 business days from date of the member's exit
<ul style="list-style-type: none"> <li>• Disinvest the member's share from the Fund, after the member has made an election.</li> <li>• Request a tax directive from SARS</li> </ul>	Administrator	Within 5 business days after receipt of all completed documentation and information and last contribution received
<ul style="list-style-type: none"> <li>• Settle any applicable deductions</li> <li>• Transfer the member's remaining benefit according to instruction</li> </ul>	Administrator	Within 3 business days of receipt of all necessary information, including the SARS tax directive
Provide breakdown of payment and tax certificate to member.	Administrator	Within 2 days after payment

If the payment of the benefit does not take place within 30 days of the expiry of the agreed service level standard, and the cause of the delay is attributed to Sanlam Corporate, then bank interest will be allocated for the days exceeding the 30 day period.

In the case of divorce and maintenance order payments and section 37D deductions, only a partial disinvestment will be made into the Fund's chosen money market portfolio. Glacier portfolios takes longer to disinvest and the required service level will be extended with the addition of 5 Days.

## 10. Benefit payments on member's death (benefits provided via the Fund)

Action	Responsible party	Time standards
Notification of member's death in writing.	Participating Employer	As soon as notice is received
Submit the completed required official death claim forms and associated documentation to Administrator.	Participating Employer	Within 6 months of the death
Disinvest the member's share from the relevant investment portfolio.	Administrator	Within 5 business days after receipt of official notice of death and last contribution in respect of the member has been receipted

### 11. Benefit payments on member's death (benefits provided via the Fund)

Action	Responsible party	Time standards
Board of Trustees death benefits allocation sub-committee meets monthly to decide on allocation to beneficiaries	Board of Trustees	Only death claims where all supporting documentation has been provided are reviewed
Payment instruction issued to Administrator in terms of Section 37C.	Administrator	5 business days after expiry of 30 day objection period from the Trustee resolution
Settle any applicable deductions. Transfer member's remaining benefit according to Trustee instructions.	Administrator	Within 8 business days of receipt of all requirements including tax directive from SARS
Provide breakdown of payment and tax certificate.	Administrator	Within 2 business days after payment

### 12. Funeral benefit payments

Action	Responsible party	Time standards
Submit the required official funeral claim forms and associated documentation to the Insurer.	Participating Employer	Within risk policy time frames
Settle the claim and pay the benefit to beneficiaries.	Insurer	Within 48 hours of receipt of all documents and requirements

### 13. Member benefit payments in case of disability/lump sum disability (benefits provided via the Fund)

Action	Responsible party	Time standards
Notification of the member's disability in writing.	Participating Employer	Within risk policy time frames
Submit the required official forms and associated documentation to Administrator.	Participating Employer	Within risk policy time frames
<ul style="list-style-type: none"> <li>• Reconcile schedules containing the member's last contribution</li> <li>• Disinvest the member's share from the Fund</li> </ul>	Administrator	Within 5 business days after receipt of all completed documentation and information
Assessment results and payment of disability benefit to the Administrator.	Insurer	10 business days turnaround time
<ul style="list-style-type: none"> <li>• Settle any applicable deductions</li> <li>• Transfer the member's remaining benefit according to instruction</li> </ul>	Administrator	Within 3 business days of receipt of all requirements including tax directive from SARS

#### 14. Member benefit payments in case of disability/income disability

Action	Responsible party	Time standards
Notification of member's disability in writing.	Participating Employer	Within risk policy time frames
Submit the required official forms and associated supporting documentation to Administrator.	Participating Employer	Within risk policy time frames
Reconcile schedules confirming member's contributions are up-to-date and provide documents to the Insurer.	Administrator	Within 5 business days after receipt of all completed documentation and current premiums
Receive assessment results from Insurers.	Administrator	Within 30 days after expiry of waiting period
Set up arrangements with Insurers and Employer for payment of the benefit and the contribution waiver.	Administrator	Within 5 business days of receipt of all requirements

#### 15. Amendments process

Action	Responsible party	Time standards
Request new quotation in line with required amendment.	Contracted Benefit Consultant	Prior to any amended contributions collected

Time lines and process outlined in Amendment request document.

#### 16. Employer Report

Action	Responsible party	Time standards
Provide Joint Forum reports to Contracted Benefit Consultant. The Employer Report is also available via the SC Portal.	Administrator	10 business days from receipt of request

# General fund information

## Regulatory Information for Sanlam Umbrella Pension Fund & Sanlam Umbrella Provident Fund

Statutory alternatives	Fund status	
Registered name	Sanlam Umbrella Pension Fund Sanlam Umbrella Provident Fund	
Registered as an	Umbrella Pension Fund and Umbrella Provident Fund (identical benefit and management structures)	
Umbrella Sponsor	Sanlam Life Insurance Ltd	
	Pension Fund:	Provident Fund:
Registration date	19/09/2001	19/09/2001
Approval date	06/02/2002	06/02/2002
Registration number	12/8/36828	12/8/36813
Approval number	18/20/4/41146	18/20/4/41147
Funding model	Defined Contribution Funds	
The Fund's financial reporting period	From 1 January to 31 December	
Fund exemptions	Valuation exempt, not audit exempt from 1 January 2008. Received valuation exemption for Pension Fund and Provident Fund from 1 January 2019 up to 31 December 2021.	
The Fund's registered postal address	PO Box 1, Sanlamhof, 7532	
The Fund's registered physical address	2 Strand Road, Bellville, Cape Town	
Separate bank accounts are being maintained for each fund	Pension Fund:	Provident Fund:
	ABSA, Arcadia Acc no: 4067972456	ABSA, Arcadia Acc no: 4067972383

## Fund Officers for Sanlam Umbrella Pension Fund & Sanlam Umbrella Provident Fund

	Principal officer	Responsible person
Full name	Kobus Hanekom	Erina le Grange
Company	Kobus Hanekom	Sanlam Corporate: Umbrella Solutions
Postal address	PO Box 1, Sanlamhof, 7532	
Physical address	2 Strand Road, Bellville, Cape Town	
Telephone number	082 490 5727	(021) 947-6504
Email address	kobus@kobushanekom.co.za	erina.legrange@sanlam.co.za

## Professional service providers

Independent external auditor	Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund
Company	RSM South Africa Inc.
Postal address	PO Box 1734, Randburg, 2194
Physical address	Cross Street & Charmaine Avenue, President Ridge, Randburg, 2194
Telephone number	(011) 329-6000

## Appointments for Sanlam Umbrella Pension Fund & Sanlam Umbrella Provident Fund

	Administrator	Sponsor
Company	Sanlam Life Insurance Ltd Sanlam Corporate: Core Solutions	Sanlam Life Insurance Ltd Sanlam Corporate: Umbrella Solutions
Postal address	PO Box 1, Sanlamhof, 7532	PO Box 1, Sanlamhof, 7532
Physical address	2 Strand Road, Bellville, Cape Town	2 Strand Road, Bellville, Cape Town
Telephone number	(021) 947-9111	(021) 947-1125
Reg number S13B / FAIS	24/85	24/85

	<b>Secretariat</b>	<b>Consultant: Governance &amp; Compliance</b>
Responsible person	Erina le Grange	Kobus Hanekom
Company	Sanlam Corporate: Umbrella Solutions	Kobus Hanekom
Postal address	PO Box 1, Sanlamhof, 7532	
Physical address	2 Strand Road, Bellville, Cape Town	
Telephone number	(021) 947-6504	082 490 5727
Email address	erina.legrange@sanlam.co.za	kobus@kobushanekom.co.za
Reg number S13B / FAIS	N/A	Simeka FAIS Licence No 13900

#### Specialist Investment Consulting

	<b>Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund</b>	
Responsible person	Willem le Roux	Victor Faria
Company	Simeka Consultants & Actuaries	Independent Actuarial Consultants
Postal address	PO Box 350, Sanlamhof, 7532	PO Box 1172, Cape Town, 8000
Physical address	Simeka House, Farm 2, Vineyards Office Estate, 99 Jip de Jager, Bellville, 7535	6th Floor, Wale Street Chambers, 38 Wale Street, Cape Town, 8000
Telephone number	(021) 912-3324	(021) 422-4373
Email address	willem@simekaconsult.co.za	victor@iac.co.za
Reg number FAIS	Simeka FAIS Licence No 13900	IAC FAIS Licence No FSP: 6832

#### Risk Insurers

	<b>Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund</b>		
Company	Sanlam Life Insurance Ltd	Capital Alliance Group Risk	ABSA Life
Postal address	PO Box 1, Sanlamhof, 7532	PO Box 2049, Johannesburg, 2001	PO Box 421, Johannesburg, 2000
Physical address	2 Strand Road, Bellville, Cape Town	3 <sup>rd</sup> Floor, Libridge Building, 25 Ameshoff Street, Braamfontein, Johannesburg, 2017	3 <sup>rd</sup> Floor, Absa Towers North, 180 Commissioner Street, Johannesburg, 2001
Telephone number	(021) 947-9111	(021) 526-1395	0860 227 253
FSCA approval number	24/185	2409	36116
Type of risk	Group Life, Disability, Funeral, Accident, Spouse's and Trauma Assurance	Group Life, Disability, Funeral, Trauma Assurance	Group Life, Disability, Funeral, Accident, Spouse's and Trauma Assurance

# Board of Trustees for Sanlam Umbrella Pension Fund / Sanlam Umbrella Provident Fund

Trustee Member	David Gluckman	Marius Jonas	Mkuseli Mbomvu	Joelene Moodley	Jolly Mokorosi	Cheryl Mestern
<b>Date appointed</b>	01 March 2020	01 January 2020	01 March 2020	01 January 2020	01 January 2020	01 January 2020
<b>End of term</b>	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023
<b>Compliance with Trustee Training Protocol</b>	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant
<b>Compliant with Governance Procedures(PF130)</b>	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant	Fully compliant
<b>Sponsor-appointed or member elected</b>	Sponsor-appointed	Sponsor-appointed	Sponsor-appointed	Member elected	Member elected	Member elected
<b>Status relative to the Sponsor</b>	Executive with extensive experience in the retirement funds industry	Non-Executive Entrepreneur with extensive experience in the administration of an umbrella fund.	Executive with extensive experience in corporate governance	Independent	Independent	Independent
<b>Trustee Fee</b>	Employed by sponsor	Contracted by the Sponsor. Agreed trustee fee	Employed by sponsor	Agreed trustee fee	Agreed trustee fee	Agreed trustee fee
<b>Performance Assessment</b>	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements	Exceeds job requirements
<b>Attendance at Trustee meeting: 25 June 2020</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Attendance at Trustee meeting: 19 November 2020</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Attendance at Trustee meeting: 18 February 2021</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Attendance of AGM webinar: 21 September 2020</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Attendance at Trustee meeting: 10 June 2021</b>	Yes	Yes	Yes	Yes	Yes	Yes

**Agreed Trustee Fee:** The standard trustee fee payable in respect of the meetings of the 2 related funds (8:30 to 17:00) is R23 871 plus VAT. The fee consists of an attendance fee of 50% and a preparation fee of 50% of the agreed fee. Fees for the attendance of the AGM are R11 594 plus VAT and travel costs. Committees' participation and additional research is remunerated at an hourly fee of R1 797. This is a very small percentage of the fees paid to independent trustees.

## Annual Assessment of the Board, Committees and service providers

	Entity assessed	Rating
<b>1</b>	The Board of Trustees	Exceeds job requirements
<b>2</b>	Chairman	Exceeds job requirements
<b>3</b>	Principal Officer	Exceeds job requirements
<b>4</b>	Fund Secretary	Exceeds job requirements
<b>5</b>	An Administration Committee	Exceeds job requirements
<b>6</b>	An Audit Committee	Exceeds job requirements
<b>7</b>	A Communication Committee	Exceeds job requirements
<b>8</b>	A Complaints Committee	Exceeds job requirements
<b>9</b>	A Death Benefits Allocation Committee	Exceeds job requirements
<b>10</b>	A Governance & Risks Committee	Exceeds job requirements
<b>11</b>	An Individual Member Products and Servicing Committee	Exceeds job requirements
<b>12</b>	An Insured Benefits Management Committee	Exceeds job requirements
<b>13</b>	An Investments Committee	Exceeds job requirements
<b>14</b>	A Remuneration Committee	Exceeds job requirements
<b>15</b>	Investment consultant	Exceeds job requirements
<b>16</b>	Administrator	Exceeds job requirements
<b>17</b>	Benefit Consultant	Exceeds job requirements
<b>18</b>	External auditor	Exceeds job requirements



# Protection of Personal Information Standards and Requirements

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## **POPIA standards and requirements for participating employers and all other operators and authorised persons.**

The offering provided by the Fund in respect of each participating employer and its members, requires the direct involvement and the processing of personal information by a number of stakeholders.

This chapter contains the requirements that all Operators and Authorised Persons must comply with to ensure that the Fund Data is always processed in compliance with the provisions of the Protection Of Personal Information Act (POPIA).

The participating employer is represented by a number of officers identified in the Confirmation of Acceptance (COA) document and each of them has different functions requiring various levels of access to the Fund Data. They include the HR Officer, Financial Authoriser, Communication Contact Person and the Medical Correspondence Contact Person.

The participating employer is further supported by persons authorised to fulfil certain functions. They include -

- The Contracted Benefit Consultant(CBC), who is authorised by the participating employer to engage with the Fund, the Fund administrator, the insurers as well as the members of the Fund
- The Contracted Financial Adviser(CFA), who is authorised to provide financial advice to the members who agree to such services
- The members of the Joint Forum established by the participating employer, who are authorised as a committee to monitor and manage service delivery and assist with member communication and support initiatives.

The participating employer, the CBC, the CFA and each member of the Joint Forum are required to comply with the provisions of POPIA to the extent that they are authorised and required to process personal information as set out in this document and or the Confirmation Of Acceptance (COA) document.

# Interpretation

The following definitions apply to this chapter and all other references relating to the management of Data Protection Legislation:

<b>Authorised Person/s</b>	Third parties, who are the service providers contracted by a participating employer and who are identified in the COA and TFID and perform the Services subject to the terms set out therein. These include the CBC, the CFA and the members of the Joint Forum.
<b>Data Protection Legislation</b>	POPIA or such other legislation as may become applicable to the protection of Personal Information in South Africa.
<b>Data Subject</b>	The member to whom Personal Information relates.
<b>Fund Data</b>	All data in respect of the Fund, its members and its participating employers, service providers, and other related data. This includes: Personal Information, that may be stored in a database or other electronic or physical format; all software and associated material and documentation, including information contained therein; any information relating to the business, financial affairs, dealings, trade secrets, transactions, methods of business, customers, clients, fees or other Personal Information and Intellectual Property whatsoever relating to the business, property or affairs of the Fund.
<b>Information Officer</b>	The person registered as such in terms of section 55(2) of POPIA with the office of the Information Regulator.
<b>Intellectual Property</b>	Any and all information of a proprietary nature in relation to the technology, business, products, processes, services or operation of the Fund, including any patent, trademark, logo or design, which has been registered or is capable of being registered, as well as any copyrightable works, trade secrets and know-how.
<b>Operator/s</b>	A Service Provider of the Fund appointed by the Board of Management, who Processes Personal Information for the Fund in terms of a contract or mandate, without coming under the direct authority of the Fund as responsible party. A participating employer will be an Operator when Fund Data is made available by the Fund to the participating employer or by the participating employer to any one of the participating employer's representatives.
<b>Personal Information</b>	All information relating to an identifiable natural or juristic person and processed as part of the Services, as envisioned in Data Protection Legislation.
<b>Personal Information Breach</b>	Any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, any Fund Data or Personal Information.
<b>POPIA</b>	The Protection of Personal Information Act 4 of 2013.
<b>Process or Processing</b>	Any operation or activity or any set of operations, whether or not by automatic means, concerning Personal Information. This includes – the collection, receipt, recording, organisation, collation, storage, updating or modification, retrieval, alteration, consultation or use; dissemination by means of transmission, distribution or making available in any other form; or merging, linking, as well as restriction, degradation, erasure or destruction of information.
<b>Responsible Party</b>	The Sanlam Umbrella Fund (the Fund).
<b>Service/s</b>	The services to be provided by the participating employer, the CBC, the CFA and each member of the Joint Forum as set out in the Confirmation of Acceptance document (COA) read with this document (The Fund In Detail).

# Data Protection

- The Fund and the Fund's administrator, Sanlam, will process and protect the Fund Data as required by Data Protection Legislation and the Constitution of the Republic of South Africa. **Click here** to access the Fund's Privacy Notice. Sanlam's Corporate Privacy Notice is available [here](#).
- Operators and Authorised Persons may be exposed to Fund Data while providing the Services.
- All Fund Data provided by the Fund or the participating employer to which Operators and Authorised Persons may be exposed, will constitute Personal Information and, where applicable, Intellectual Property belonging to the participating employer or the Fund as the case may be.
- All Fund Data will remain the property of the Fund and Operators and Authorised Persons will not obtain any rights thereto.
- Fund Data in the possession of Operators and Authorised Persons, or to which Operators and Authorised Persons may have access, may be used by them only in the performance of the Services they agreed to provide.
- Operators and Authorised Persons must take all reasonable steps and precautions to preserve the integrity of Fund Data and to prevent any corruption or loss of such data.
- Each Operator and Authorised Person shall
  - at all times strictly comply with its obligations under Data Protection Legislation.
  - not do any of the following: copy, compile, collect, collate, process, store, transfer, alter, delete, interfere with or in any other manner use Fund Data for any purpose other than, or to the extent necessary, to provide the Services agreed without the prior written consent of the Fund.
  - immediately inform the Information Officer (IO) of the Fund in writing if any Fund Data it has access to is compromised and how it will manage such compromise and what steps will be taken to rectify the situation.
- ensure that all its own systems and operations which it uses to provide the Services, including all systems on which Fund Data is copied, compiled, collated, processed, transmitted, stored, collected, altered or deleted or otherwise used as part of providing the Services, will at all times be of a standard required by Data Protection Legislation.
- ensure that they have the necessary processes and measures to safeguard Personal Information in place and to:
  - (a) have adequate protection against external system attacks, viruses and any other similar risks.
  - (b) have reliable and comprehensive offsite data protection as part of their disaster recovery plans in place to mitigate the risk of physical destruction of property, information and systems.
  - (c) develop and maintain adequate measures to protect against inappropriate access to systems, data and any other sensitive information through appropriate storage facilities, password requirements, building-entry systems, IT firewalls and other similar processes and/or systems.
  - (d) maintain the necessary cyber insurance to cover a data breach in which Members' Personal Information is stolen by a hacker or cybercriminal.
- not, without the written consent of and/or on the terms approved by the Fund, do anything, or omit to do anything that would cause the Fund Data to be transferred to and/or stored in a country other than South Africa. Should the Fund Data need to be processed outside South Africa, the Operator/Authorised Person must obtain the Fund's consent in writing before the Fund Data is transferred to and/or stored in another country and confirm to the Fund in writing that such other country has information protection legislation similar to that of South Africa. The Operator/Authorised Person must ensure that such processing is in line with transborder processing as envisaged by Data Protection Legislation and that all legislative requirements of the transferee country are met.
- Subject to legislative, regulatory, contractual and other legitimate conditions, Members have certain rights in terms of how their information is processed. A Member can request access to information or guidance on how to lodge a complaint or direct a request to exercise afforded rights to the Fund's Information Officer, or his/her deputy/ies, or the Information Regulator.

- The Operator's and Authorised Person's obligations under this clause shall survive the termination of the existing agreement between the Fund and the Operator or between the participating employer and the Authorised Person setting out the Services, respectively.
- Each Operator and Authorised Person shall comply with such guidelines, policies and procedures as the Fund may lay down from time to time for the retention and destruction of data and will retain data only as long as necessary for the identified purposes or to meet legal requirements or Fund policies.
- Each Operator and Authorised Person shall implement and maintain, at its cost and expense, appropriate, reasonable technical and organisational measures to prevent loss of, damage to or unauthorised destruction of Personal Information and unlawful access to or Processing of Personal Information.

## Confidentiality

- Operators and Authorised Persons must treat, and hold as confidential in compliance with the applicable Data Protection Legislation, all Fund Data which they may receive or which becomes known to them during the provision of the Services agreed to.
- In order to protect the confidentiality of Fund Data, Operators and Authorised Persons will be required to comply with the following requirements –
  - They will only make Fund Data available to those of their staff, agents and services providers who are actively involved in the execution of their Service obligations.
  - They will initiate internal security procedures in terms of applicable Data Protection Legislation to prevent unauthorised disclosure and will take all practical steps to impress upon those staff who need to be given access to Fund Data, the secret and confidential nature thereof.
  - Subject to the right to make the Fund Data available to their staff, agents and service providers and their right to use such Fund Data in performing the agreed Services, they will not at any time, either use any

- Fund Data or directly or indirectly disclose any Fund Data to third parties.
- They will secure the integrity and confidentiality of Fund Data in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent the loss or damage or unlawful access to or processing of such Fund Data.
- They will notify the Fund immediately where there are reasonable grounds to believe that any Fund Data has been accessed or acquired by any unauthorised person.
- All written instructions, notes, memoranda and records of whatever nature relating to the Fund Data which have or will come into the possession of Operators and Authorised Persons and their staff, will be, and will at all times remain, the sole and absolute property of the Fund and will be promptly handed over to the Fund when no longer required for the purposes of providing the Services agreed to.
- Upon termination of the Service relationship, Operators and Authorised Persons shall deliver to the Fund or, at the Fund's option, destroy all originals and copies of Fund Data and/or Personal Information of the Fund in its possession.
- The foregoing obligations will not apply to any Fund Data or information which –
  - is lawfully in the public domain at the time of disclosure;
  - subsequently and lawfully becomes part of the public domain by publication or otherwise;
  - subsequently becomes available to a Operator or Authorised Person from a source other than the Fund, which source is lawfully entitled without any restriction on disclosure to disclose such Fund Data;
  - is disclosed pursuant to a requirement or request by operation of law, regulation or court order; or
  - is disclosed for the purposes of providing financial and investment advice to Members of the Fund at their request.
- This clause on the protection of Fund Data will remain in force after the existing Service agreement has been terminated.

# Breach notification

In respect of any Personal Information Breach, Operators and Authorised Persons will, without undue delay:

- notify the IO of the Fund of any Personal Information Breach;
- provide the IO of the Fund with details of the Personal Information Breach;
- action such report and any other activities required under law; and
- immediately inform the IO of the Fund in writing as to how it will manage such compromise and what steps will be taken to rectify the situation.

## Information Officer

[sanlamumbrellafund@sanlaminvestments.com](mailto:sanlamumbrellafund@sanlaminvestments.com)







Live with confidence

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