

## Sanlam Umbrella Fund Defaults Review

The Sanlam Umbrella Fund recently reviewed the default investment strategies available to participating employers. As per Regulation 37 of the Default Regulations, each participating Employer must select a default investment strategy wherein all members will be invested, except for any members that give instruction to invest in other investment portfolios.

The trustees have approved the Sanlam Lifestage model as the Fund's primary default investment strategy. However, to cater for divergent client preferences, the trustees have also approved three alternative default lifestage strategies, and three protection strategies that can be chosen as a default investment strategy at participating employer level, where these are deemed more appropriate for a sub-fund's specific membership profile.

This means that a Participating Employer will now have two default streams to choose from; namely Lifestage or Protection, when selecting a default investment strategy.

### Lifestage

Members should be invested aggressively for the bulk of their savings years, and switch to a more conservative portfolio when nearing retirement.

OR

### Protection

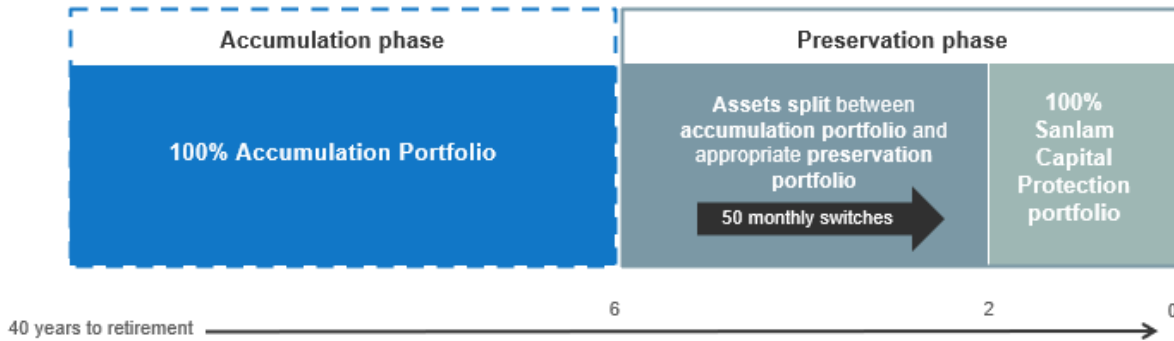
Members should be invested in smooth bonus products to protect capital invested and avoid negative returns.

The Fund has further decided to simplify the Sanlam Lifestage model, by removing the two alternative pre-retirement glidepath portfolios for members, namely the Sanlam Inflation Annuity Target portfolio and the Sanlam Living Annuity Target portfolio, and only retaining the default pre-retirement portfolio of the Sanlam Capital Protection portfolio. This aligns the Sanlam Lifestage model to the same structure of the other default lifestage models.

The multiple glidepaths were often confusing for members, and the very low take up in these portfolios suggested that they were an unnecessary complication. Members currently invested in the Sanlam Inflation Annuity Target portfolio and the Sanlam Living Annuity Target portfolio will be contacted regarding their options.



Therefore, all default lifestage models will follow the same de-risking structure, and only the Accumulation portfolios will differ between models:



The Sanlam Umbrella Fund believes that the two default streams, with underlying options provides sufficient flexibility to cater for our vast client preferences.



OR



Select the Accumulation portfolio that best suits the sub-fund needs:

1. Sanlam Lifestage Accumulation portfolio  
OR
2. Sanlam Passive Accumulation portfolio  
OR
3. Sanlam Blue Accumulation portfolio  
OR
4. Sanlam Wealth Creation portfolio

Select the protection strategy that best suits the sub-fund needs:

1. Volatility Protection Strategy  
OR
2. Sanlam Stable Strategy (Stable Bonus Portfolio)  
OR
3. Sanlam Secure Strategy (Monthly Bonus Fund)

Please refer to the Sanlam Umbrella Fund monthly investment fact sheets for more detail on all the available default investment strategies and underlying investment portfolios.