Sanlam

Sanlam Umbrella Fund

The Fund in Detail

Insurance | Financial Planning | Retirement | Investments | Wealth

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01

Introduction

This document summarises the terms and conditions of participation in the Standard, Optimal 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 March 2017 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 with the Registrar of Pension Funds, 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.

The Pension Funds Act stipulates that 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 three benefit design options:

- **Standard Option:** All the Sub-fund's investments are invested in the selected default investment strategy.
- **Optimal Option:** The only trustee-approved default strategy available under this option is Sanlam Blue Lifestage Strategy. Members may opt out and invest all of their savings in the Sanlam Monthly Bonus Fund. Qualifying members will have access to the Glacier Retirement Fund Solution and may also invest a portion of their investments in the Sanlam Monthly Bonus Fund.
- **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 or e-mail us at sanlamumbrellafund@sanlaminvestments.com.

How the fund works

02

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.

The Optimal Option is only available to Sub-funds with greater than R5 million assets (including outstanding Section 14 bulk transfers) at date of commencement.

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.

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 individual account value 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 life insurance, lump sum disability life insurance, critical illness insurance, spouse's life insurance, accident insurance and family funeral insurance 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 and First National Bank. 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 normal retirement date or early retirement.

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 Sub-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.

03

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.

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 Employee Benefits, 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 individual account 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 sub-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 sub-committees report to the trustees via the Principal Officer and Fund Secretariat.

The appointed sub-committees are as follows:

- An Administration Sub-committee
- An Audit Sub-committee
- A Communication Sub-committee
- A Complaints Sub-committee
- A Death Benefits Allocation Sub-committee
- A Governance & Risks Sub-committee
- An Insured Benefits Management Sub-committee
- An Investments Sub-committee

Fund Governance and King IV

The King III Code of Governance became effective on 1 March 2010 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 Services Board (FSB).

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 King IV Report on Corporate GovernanceTM (King IV) was launched on 1 November 2016. King IV is effective in respect of financial years commencing on or after 1 April 2017. The trustees will adjust its Board Charter of 24 February 2010, to apply the revised principles and will communicate the score it achieves in the revised Governance Assessment Instrument. Based on the work done thus far, the Fund will only have to make minor adjustments to comply with the new requirements.

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.

In the case of Mini-funds (defined either at commencement date or subsequent annual revision date as Sub-funds comprising fewer than 50 members and less than R5 million assets), the trustees accept that it might be appropriate and cost effective for the Joint Forum to either:

- meet every two years, or alternatively
- for the member representatives to attend Centralised Joint Forum meetings organised by the Board of Trustees for multiple Mini-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 report. In addition, every three years members are entitled to elect independent trustees from a list of industry specialists that are independent of the Sponsor. 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 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 of the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance (King III), and to the highest level of corporate governance and best practice.

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 III to its business.

More information regarding corporate governance is available on request or you can visit us at www.sanlam.co.za.

Sanlam's Black Economic Empower-ment Status

Sanlam acknowledges the national priority and the critical importance of transforming the South African economy so that it is inclusive of all our people and affords everyone the opportunity to participate meaningfully in the mainstream economy. For us, this is both a social and a business imperative.

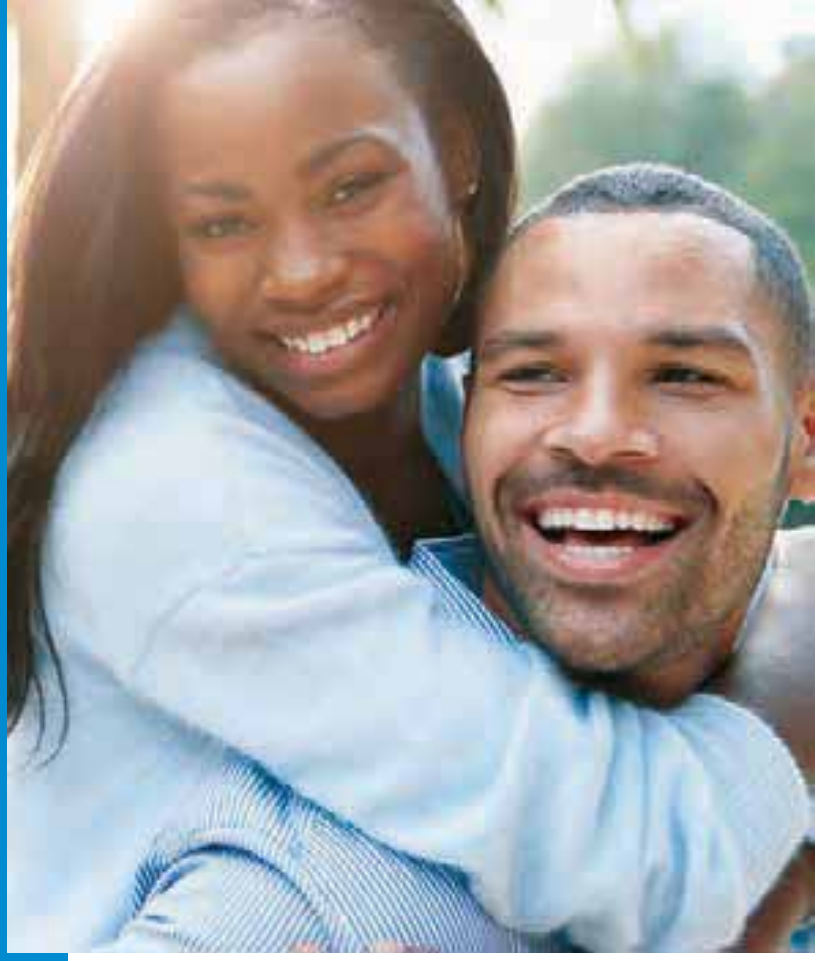
Transformation is, therefore, one of the key pillars of our business strategy and is one of the cornerstones of our approach to sustainable development.

Sanlam's Broad-Based Black Economic Empowerment strategy is based on the collective effort of all businesses in the group to implement BBBEE.

In 2013 we went to considerable lengths to improve our trans-formation performance across all aspects of the broad-based approach to black economic empowerment and have achieved a Level 2 Contributor status. This status has been maintained to date.

Because transformation is a journey, and an integral part to the sustainability of Sanlam, our strategy is built on achieving consistent improvement.

While continuing to report on the requirements of the scorecard, we remain committed to our long-term vision of moving beyond compliance to a more meaningful outcome-based measurement of transformational initiatives. We aim to foster a deeper appreciation across the business of the importance of transformation to our long-term viability, ensuring that our efforts continue to deliver worthwhile results.



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.

04

Group insurance

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.

Insurers

The trustees have approved two insurance companies, being Sanlam and Capital Alliance Group Risk ("the Insurers") to underwrite the Sanlam Umbrella Fund's risk pool.

Sub-funds comprising 300 or more members are rated taking into account their own claims experience, and 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 two 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. The placement of insurance components between the Insurers is reviewed on an annual basis to protect the interests of members.

The trustees have appointed an Insured Benefits Management Sub-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.

Group Life Insurance

Each participating employer can select from the following options:

Group 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 before 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.

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

Reinforced Group Life Insurance

The core group 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.

Group Life Insurance is charged as a fixed unit rate per R1 000 of cover per month purchased.

Flexible Group Life Insurance

This option offers a selected level of compulsory Group Life insurance for all members and is only available to employers with a membership of at least 50 members. 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 Group Life plus Flexible Group life Insurance is 15 x annual salary.

The ratio of group life versus flexible group life 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),
- 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.

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.

Group 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 group life insurance) that becomes payable to the member on the death of his/her spouse.

The insurance ceases at the earlier of the member's normal retirement age or attainment of age 70, the death of the member, the exit of the member from the Fund, in the event of divorce, or the spouse's attainment of age 70.

Should an employer opt for this insurance, it will be compulsory for all qualifying members.

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.

Group Accident Insurance (via separate scheme)

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

This option offers an additional lump sum at death as a result of an accident. The benefit is expressed as a percentage of Group 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 000 000.

Cover ceases at the earlier of normal retirement age and attainment of age 65.

Accident Insurance are charged as a percentage of salary.

Group Family Funeral Insurance (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 R5 000 up to R55 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,
- Qualifying children younger than 6 and still-born children are covered for 25% of the selected cover amount up to a maximum of R10 000.

Benefits and premiums are payable up to the normal retirement age of the principal member. The participating employer can elect to continue the Family Funeral Insurance and premiums until age 70.

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

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

Group Burial Repatriation Insurance

This benefit is offered on the death of the principal member or family members covered by our Group Family Funeral Insurance.

The benefit provides for transport of the deceased via road or air:

- From anywhere in South Africa, Lesotho, Swaziland, Zimbabwe, Botswana, Namibia or Mozambique (south of the 22° latitude).
- To the funeral home closest to the place of burial in South Africa.

Group Disability Insurance

Group 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 R10 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 lump sum disability insurance is charged on the same basis as the life insurance.

Group 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
The maximum benefit will be equal to: • 75% of the first R12 000 monthly salary, plus • 50% of the monthly salary in excess of R12 000, plus • 25% of the first R12 000 monthly salary during the first two years of disability (including waiting period).	The maximum benefit will be equal to: • 75% of the monthly salary.	The maximum benefit will be equal to: • 75% of the first R10 000 monthly salary; plus • 60% of the next R30 000 monthly salary; plus • 50% of the monthly salary in excess of R40 000
The monthly income is subject to a total maximum of R15 000.	The monthly income will be limited to the lesser of: • R190 000 per month; and • The average net monthly income that the member received immediately before disability (excluding the waiver of contributions).	The monthly income will be limited to the lesser of: • R190 000 per month; and • The average net monthly income that the member received immediately before disability (excluding the waiver of contributions).
The employer premium waiver is limited to a maximum of R2 200 per month.	The employer premium waiver is subject to a maximum of R49 000 per month.	The employer premium waiver is subject to a maximum of R49 000 per month.

- 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 employer premium waiver insurance at the level as specified within the accepted Sanlam Umbrella Fund quotation/amendment document is automatically included. 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.

Drivers and Pilots: The member must be unable to follow any occupation 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.

Group 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 maximum income will be equal to:

- 75% of the monthly salary. The monthly income benefit will be limited to the lesser of:
- R190 000 per month; and
- The average net monthly income that the member received immediately before disability (excluding the waiver of contributions).
- The employer premium waiver benefit is subject to a maximum of R49 000 per month.
- 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 R10 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 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.

Group 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 seven 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 200 000. 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

Cover ceases at the earlier of a member's normal retirement age and attainment of age 65.

In the event of diagnosis and subsequent partial recovery, a percentage of the claim might be payable in line with ASISA standards (further details are available on request).

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 Family Funeral Insurance that applied before disability, will remain applicable.

The Critical Illness Insurance will be continued during disability as a result of an event other than a defined critical illness. Premiums have to be continued. 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 or withdraws from employment he/she has the option 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 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 effect 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.
- 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 premiums for the Conversion Option commence after the participating employer's entry date, the Conversion Option may only be exercised by a member once premiums for the Conversion Option have been paid for 12 consecutive months and the member has been a member of the scheme for at least 12 consecutive months after the premiums for the Conversion Option commenced.

05

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:**

  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 legally adopted child, a stepchild, a foster-child and a posthumous 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,
- except a stepchild who on the date of the member's death was not dependent on the deceased for maintenance to any extent.

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.

Group Family Funeral Insurance

On the date of commencement, the employer must provide a membership list indicating the names and dates of birth of the principal members. Full statistics of principal members under the scheme must be sent to the Administrator once a year.

Pre-existing Health Conditions

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

Group 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.

Group 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.

No benefit is payable in respect of a critical illness if the member at any time prior to the entry date contracted a similar critical illness which would have entitled him/her to a critical illness benefit had the insurance already applied to him/her at that stage.

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 R400 000 or 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 trauma claim) immediately following the earlier of the event giving rise to a claim or the member's last working day.

At termination of the Sub-fund, a period of three months will be allowed in which notice can be given of claims that occurred before the termination date.

Group 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 R4 000 000.

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

Exclusions

Except where the policy provides otherwise, no benefit will be paid in the event of:

- Any disability claim where the member's occupation is that of a professional sportsman/sportswoman or a professional diver.
- In respect of disability, no benefit will be payable in the event of a condition being attributable to the member 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.
- In respect of disability, no benefit will be payable in the event of a condition being attributable to intentional self-inflicted injury; and that can be substantially removed by surgery or any other medical treatment which, taking into account the risk and the prospect of success of that treatment, the member can reasonably be expected to undergo.
- In respect of the Accident Insurance, all pilots are excluded from this insurance; as well as passengers in a small aircraft which is piloted by an unqualified pilot (unqualified pilot defined as a pilot without a commercial pilot's licence).
- The following exclusions in respect of war and terrorism will apply:
  - Death or disability that occurs as 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, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power;
  - Death or disability as a direct or indirect consequence of:
    - the use of nuclear, biological or chemical weapons, or any radioactive contamination; 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 of whether any of the above has been performed with the specific use of information technology.

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 Group 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 85% of all qualifying employees will join the Fund on the commencement date.

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, 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.

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.

Municipalities

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

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.

In-Fund Preservation Members, Phased Retirees and In-Fund Living Annuitants

06

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

In-fund Preservation Members

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

In-fund Preservation Members will remain invested in the investment strategies or portfolios they were invested in upon exit from employment (but only provided such strategies or portfolios are all available within the trustee-approved investment menu applicable to the In-fund Preservation Member), or else may make a new selection from the investment strategies or portfolios that are available within the trustee-approved investment menu applicable to the In-fund Preservation Member (subject to a maximum of 4 investment portfolios per member). In-fund Preservation Members 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 not permitted to become In-fund Preservation Members.

In-fund Preservation 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 will remain invested in the investment strategies or portfolios they were invested in as at retirement from employment (but only provided such strategies or portfolios are all available within the trustee-approved investment menu applicable to the Phased Retiree), or else must make a new selection from the investment strategies or portfolios that are available within the 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 not permitted to become Phased Retirees.

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 a compulsory annuity with the balance of his or her member share from any registered provider of such products.

In-Fund Living Annuitants

These are members who have retired from employment, and elected 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.

In-fund Living Annuitants will remain invested in the investment strategies or portfolios they were invested in upon exit from employment (but only provided such strategies or portfolios are all available within the trustee-approved investment menu applicable to the In-fund Living Annuitant), or else must make a new selection from the investment strategies or portfolios that are available within the trustee-approved investment menu applicable to the In-fund Living Annuitant (subject to a maximum of 4 investment portfolios per member). In-fund Living Annuitants can subsequently review investment choices at any time and no investment switch fee is charged.

Members who have housing loan guarantees outstanding or any amount owing to their employer at date of retirement, are not permitted to become In-fund Living Annuitants.

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

In-fund Living Annuitants are required to select a drawdown percentage between 2.5% and 10% in half-percent tranches (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 in order to protect the sustainability of pensions paid from the Fund. In-fund Living Annuitants have the opportunity to review and amend their selected drawdown percentage effective each 1 March Annual Revision Date.

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. 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.

Investment Menu

The trustees have approved a limited investment menu applicable to these members:

- Sanlam Lifestage*
- Volatility Protection Strategy
- Passive Lifestage Strategy*
- Sanlam Blue Lifestage Strategy*
- SIM Balanced Fund
- SIM Inflation Plus Fund
- Sanlam Cash Fund
- SMM70
- SMM50
- SMM30
- SMM Absolute Return CPI + 5% Portfolio
- Sanlam NUR Balanced Portfolio
- Allan Gray Global Balanced Portfolio
- Coronation Houseview Portfolio
- Investec Balanced Fund
- Sanlam Foord Balanced Fund
- Sanlam Prudential Balanced Fund
- Sanlam Monthly Bonus Fund
- Sanlam Stable Bonus Fund
- Satrix (SWIX) Balanced Tracker Fund

** The entire member share must be invested 100% in the selected trustee-approved default investment strategy.*

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** 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 R25 per member per month (excluding VAT).
- **Consulting Fees** to the member's appointed financial advisers are only payable upon written instruction by the member and are at the negotiated percentage of member share as instructed by the member subject to a maximum of 0.50% per annum (excluding VAT), recovered monthly, of each 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 R3.80 per member per month including VAT.

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 In-fund Preservation Members, Phased Retirees and In-fund Living Annuitants. 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 will be captured as part of the implementation process for all new In-fund Preservation Members, Phased Retirees and In-fund Living Annuitants.

The preferred communication channel for the members in these groups is the Retirement Fund Web. It is a participation requirement that all In-fund Preservation Members, Phased Retirees and In-fund Living Annuitants sign up to access the Retirement Fund Web. 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.

Optimal Option

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.

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 invest wholly instead in one of the other default investment strategies (Sanlam Lifestage, Volatility Protection Strategy, Passive Lifestage Strategy or Sanlam Blue Lifestage Strategy) that was not selected as the default strategy 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.

Investment menu at a glance

Investment Strategy / Portfolio	Standard Option	Optimal Option	Comprehensive Option	In-Fund Preservation Members / Phased Retirees / In-Fund Living Annuitants
Sanlam Lifestage*	√		√	√
Volatility Protection Strategy*	√		√	√
Passive Lifestage Strategy*	√		√	√
Sanlam Blue Lifestage Strategy*	√	√	√	√
SIM Balanced Fund			√	√
SIM Inflation Plus Fund			√	√
Sanlam Cash Fund			√	√
SMM70			√	√
SMM50			√	√
SMM30			√	√
SMM Absolute Return CPI + 5% Portfolio			√	√
Sanlam NUR Balanced Portfolio			√	√
Allan Gray Global Balanced Portfolio			√	√
Coronation Houseview Portfolio			√	√
Investec Balanced Fund			√	√
Sanlam Foord Balanced Fund			√	√
Sanlam Prudential Balanced Fund			√	√
Sanlam Allan Gray Domestic Balanced Portfolio#			√	
Sanlam Allan Gray Global Balanced Portfolio#			√	
Sanlam Coronation Houseview Portfolio#			√	
Sanlam Monthly Bonus Fund		√	√	√
Sanlam Stable Bonus Fund			√	√
Satrix (SWIX) Balanced Tracker Fund			√	√
Glacier+		√	√	

** Trustee-approved and alternative default investment strategies – see chapter 8*

 # Closed portfolios – not available to new investors

+ Subject to Glacier product minima and participating employer agreement – see chapter 10

08

Trustee-approved default investment strategies

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 three 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.

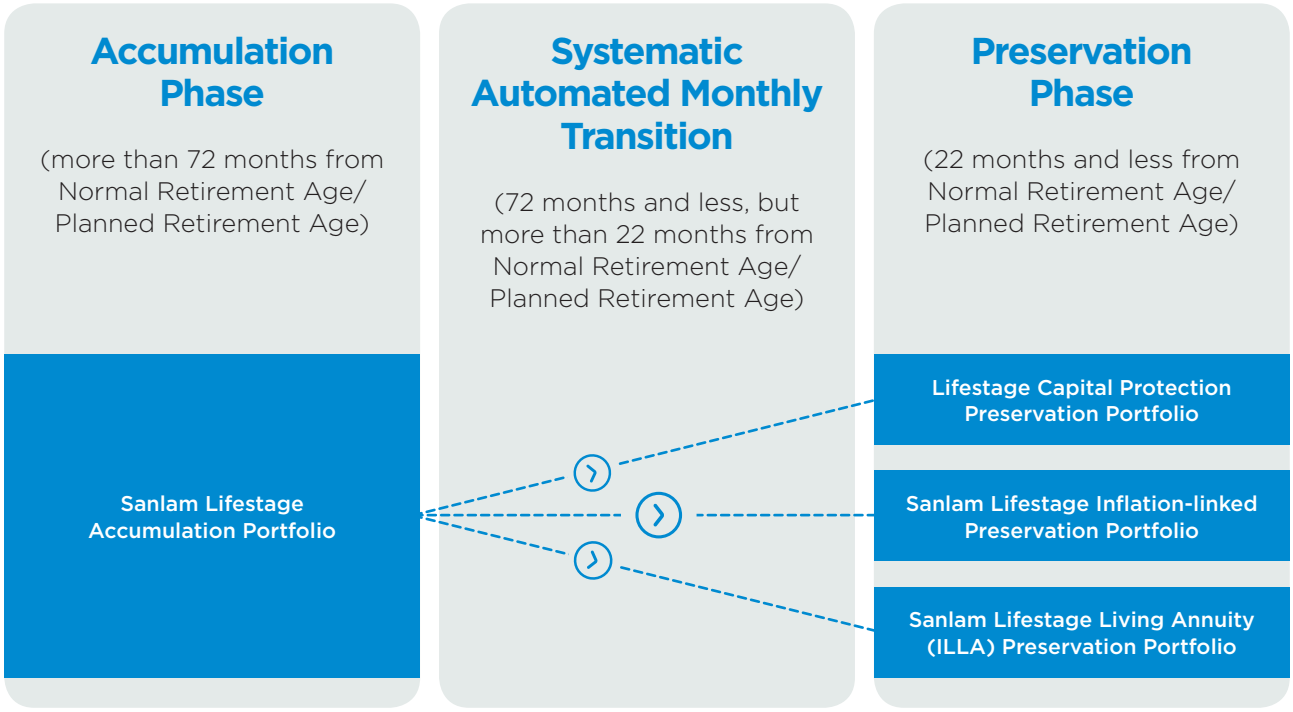
The two phases are:

- 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 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.

Lifestage Capital Protection Preservation Portfolio

The Lifestage Capital Protection Preservation 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 Lifestage Inflation-linked Preservation Portfolio

The Sanlam Lifestage Inflation-linked Preservation 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 Employee Benefit 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 Lifestage Living Annuity (ILLA) Preservation Portfolio

The Sanlam Lifestage Living Annuity (ILLA) Preservation 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 fund value and cannot switch in tranches.

Members may plan to retire earlier than the normal retirement age determined by their employer, in which case planned retirement dates instead of normal retirement ages can be used to determine the timing of the phasing process. Members who opt for a planned retirement age are required to inform Sanlam Employee Benefits' Member Administration Services 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 has historically invested contributions in the Sanlam Monthly Bonus Fund, but in early 2017 has commenced the process of investing new cash flows in the Satrix (SWIX) Balanced Tracker Fund with the intention that over time Volatility Protection Strategy will be invested 75% in the Sanlam Monthly Bonus Fund and 25% in the Satrix (SWIX) Balanced Tracker Fund.

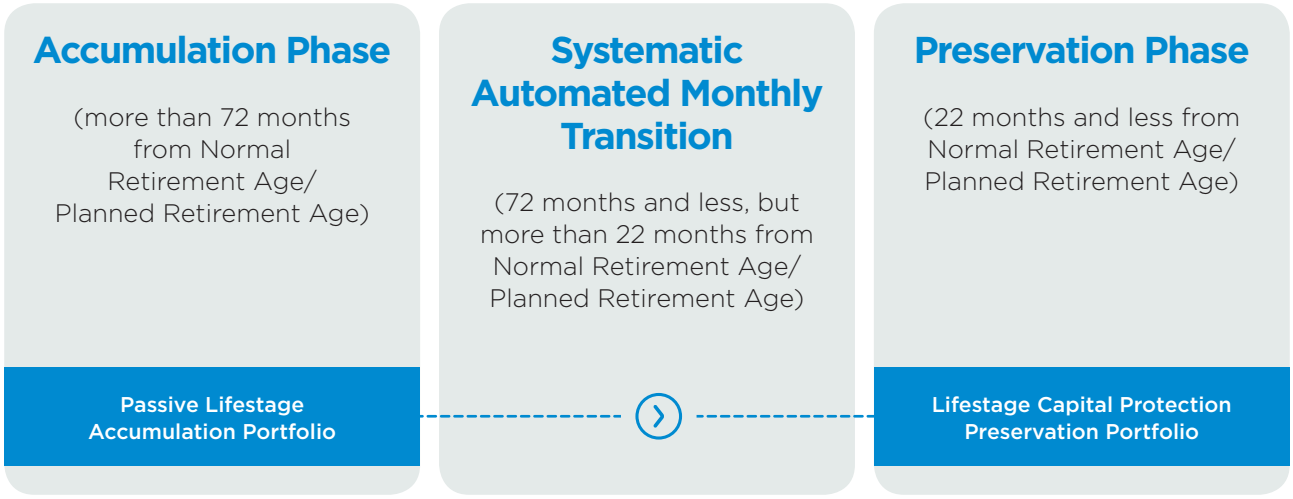
03 Passive Lifestage Strategy

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 or the Planned Retirement Age (if different).

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 Lifestage Capital Protection Preservation Portfolio by means of 50 monthly switches.



The phasing from the Passive Lifestage Accumulation Portfolio to the Lifestage Capital Protection 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 Passive Lifestage Accumulation Portfolio and re-invests the proceeds in the Lifestage Capital Protection Preservation Portfolio. The second monthly phasing switches a further portion of the exposure in the Passive Lifestage Accumulation Portfolio and invests the proceeds in the Lifestage Capital Protection Preservation Portfolio. The third monthly phasing switches a similar portion of the exposure in the Passive Lifestage Accumulation Portfolio and invests the proceeds in the Lifestage Capital Protection Preservation 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 Lifestage Capital Protection Preservation 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 (SWIX) Balanced Tracker Fund.

Lifestage Capital Protection Preservation 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 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 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 Lifestage Capital Protection Preservation Portfolio by means of 50 monthly switches.

The phasing from the Sanlam Blue Lifestage Accumulation Portfolio to the Lifestage Capital Protection 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 Blue Lifestage Accumulation Portfolio and re-invests the proceeds in the Lifestage Capital Protection Preservation 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 Lifestage Capital Protection Preservation 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 Lifestage Capital Protection Preservation 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 Lifestage Capital Protection Preservation Portfolio 22 months prior to retirement.

Accumulation Phase

(more than 72 months from Normal Retirement Age/ Planned Retirement Age)

Sanlam Blue Lifestage Accumulation Portfolio

Systematic Automated Monthly Transition

(72 months and less, but more than 22 months from Normal Retirement Age/ Planned Retirement Age)

Preservation Phase

(22 months and less from Normal Retirement Age/ Planned Retirement Age)

Lifestage Capital Protection Preservation Portfolio

Sanlam Blue Lifestage Investment Portfolios

The Sanlam Blue Lifestage Accumulation Portfolio

The Sanlam Blue Lifestage Accumulation Portfolio invests in the Sim Balanced Fund. It 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.

Lifestage Capital Protection Preservation 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.

Trustee-approved institutionally-priced investment portfolios

09

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

Sanlam Investment Management Single Manager Range

- SIM Balanced Fund
- SIM Inflation Plus Fund
- Sanlam Cash Fund

Sanlam Multi-manager International Multi-Manager Range

- SMM 70 Portfolio
- SMM 50 Portfolio
- SMM 30 Portfolio
- SMM Absolute Return CPI + 5% Portfolio
- Sanlam NUR Balanced Portfolio

External Single Manager Range

- Allan Gray Global Balanced Portfolio
- Coronation Houseview Portfolio
- Investec Balanced Fund
- Sanlam Foord Balanced Fund
- Sanlam Prudential Balanced Fund
- Sanlam Allan Gray Domestic Balanced Portfolio*
- Sanlam Allan Gray Global Balanced Portfolio*
- Sanlam Coronation Houseview Portfolio*

** Please note – These portfolios are closed to new investors.*

Smoothed Bonus Range

- Sanlam Monthly Bonus Fund
- Sanlam Stable Bonus Portfolio

Index-tracking Range

- Satrix (SWIX) Balanced Tracker Fund

The objectives of each of these investment portfolios are as follows:

Sanlam Investment Management (SIM) 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 Inflation Plus Fund

The SIM Inflation Plus 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 4% (after annual service fee) over any rolling 36-month period, while also aiming to prevent any capital losses over any rolling 12-month period.

Sanlam Cash Fund

The Sanlam 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.

Sanlam Multi-Manager International 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 Absolute Return CPI + 5% Portfolio

The SMM Absolute Return CPI + 5% Portfolio 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.

Sanlam NUR Balanced Portfolio

The Sanlam NUR Balanced Portfolio 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).

External
Single Manager Range

Sanlam Allan Gray Global Balanced Portfolio*/Allan Gray Global Balanced Portfolio

**This portfolio is closed to new investors*

The Sanlam Allan Gray Global Balanced Portfolio and the Allan Gray Global Balanced Portfolio are actively managed pooled portfolios 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. These portfolios aim to offer long-term returns superior to the benchmark, but at lower risk of capital loss.

These portfolios are 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 Coronation Houseview Portfolio*/Coronation Houseview Portfolio

**This portfolio is closed to new investors*

The Sanlam Coronation Houseview Portfolio and Coronation Houseview Portfolio are pooled as moderate-aggressive risk balanced portfolios managed on a market-linked basis. They focus on delivering strong, consistent returns over the long term.

The investment strategy underlying these portfolios reflects Coronation's "best houseview." 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.

Investec Balanced Fund

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

The Investec 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.

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 Fund 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.

Sanlam Allan Gray Domestic Balanced Portfolio

This portfolio is closed to new investors

The Sanlam Allan Gray Domestic Balanced Portfolio represents an actively managed pooled portfolio and is aimed at members with a moderate-aggressive risk tolerance. Investments are selected from all available domestic asset classes, but will reflect Allan Gray's houseview for an optimal domestic balanced mandate retirement fund. The portfolio is aimed at delivering superior long-term investment returns at a lower risk of capital loss.

The portfolio is 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. Specifically, it is well suited to investors displaying a moderately generous propensity to accept market risk.

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.

Index-tracking Range

Satrix (SWIX) Balanced Tracker Fund

The SATRIX (SWIX) Balanced Tracker Fund 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.

Glacier Retirement Fund Solution

10

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.

The following sliding scale minimum investment amounts apply in order to qualify to invest via Glacier:

Lump Sum Amount	Minimum Required Monthly Contribution
R0 to R199 999	R7 500
R200 000 to R399 999	R5 000
R400 000 to R599 999	R3 500
R600 000 to R799 999	R2 000
R800 000 to R999 999	R1 000
Above R1 000 000	Any contribution (or zero)

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.

11

Special arrangements within the comprehensive option

Customised default investment strategies

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

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 SMMI as the Accredited Investment Consultant to provide tailored investment consulting advice and reporting in line with standards approved by the trustees. The Accredited Investment Consultant may charge the Sub-fund an investment consulting fee.

Alternatively the Sub-fund can, subject to approval by the trustees, resolve to appoint another investment consultant to provide similar tailored investment consulting advice and reporting in line with standards approved by the trustees at a negotiated investment consulting fee, not exceeding the approved maximum fee scales for the Accredited Investment Consulting service.

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. 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 default lifestage strategy. 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 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 Consultant Tailored Default Strategy

The Consultant Tailored Default Strategy allows the Contracted Benefit Consultant to customise a default investment strategy or default lifestage strategy from the current list of the trustee-approved range of institutionally priced portfolios for multiple Sub-funds. The Contracted Benefit Consultant's Sub-funds must comprise a minimum of R50 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution). Any Sub-fund that wishes to make use of these customised strategies must have a minimum of R10 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% per annum excluding VAT will be levied on all assets invested in this Consultant Tailored Default Strategy. The participating employer may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option.

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 additional portfolio 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 R10 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution). In addition to the asset management fees and advice fees (if applicable), an additional asset based administration fee of 0.20% per annum excluding VAT will be levied (this additional fee will be reduced once the commitment of an average of R100m per additional portfolio has been achieved). The participating employer may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option. 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 quote 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 duty.

Customised investment choice

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

Glacier Institutional Wrap Funds Solution

The Glacier Institutional Wrap Funds Solution allows a Contracted Benefit Consultant who has been duly accredited by Glacier to offer such customised wrap funds for use by their Sanlam Umbrella Fund clients as either a default investment strategy or on a member investment choice basis.

The first Sub-fund selecting this option must be a new Sanlam Umbrella Fund client with a minimum of R20 million in assets to so invest (including outstanding Section 14 bulk transfers), and thereafter any Sub-fund with a minimum of R5 million in assets can so invest. In addition to asset management fees, an advice fee of 0.20% per annum plus a Glacier investment administration fee of 0.20% per annum plus a Sanlam Employee Benefits investment administration fee of 0.20% per annum will apply (all excluding VAT). The Sub-fund may continue to allow member investment choice as per the terms and conditions under the Comprehensive Option. Glacier is responsible for monitoring these arrangements (reporting through to the Sanlam Umbrella Fund's Investment Sub-committee) and will ensure that all governance and legislative requirements are adhered to such as Regulation 28 compliance and that total costs remain within limits approved by the Sanlam Umbrella Fund Trustees. Please note that the quote for the Glacier Institutional Wrap Funds Solution will have the same basic administration fee as the Comprehensive Option - it is only the additional asset based fees that will differ.

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Delegated Investment Services

This offering allows very large Sub-funds to construct their own customised investment solutions in terms of a rigorous implemented consulting governance framework. Sub-funds with greater than R300 million in assets (including outstanding Section 14 bulk transfers but excluding assets invested via the Glacier Retirement Fund Solution) are permitted to select this option.

The customised investment solutions can be constructed using any of the investment managers that have satisfied a due diligence process and are on the Sanlam Investments' Buy List.

The solution offers the following:

- Participation in customising investment solutions as well as the portfolio management process
- Access to strategic consulting, the implementation of an investment strategy and a modular range of products and services that offer the flexibility to create a customised solution
- Access to dedicated investment professionals, providing support with their in-depth investment knowledge and skills
- A clearly documented and well-defined investment philosophy and process
- Portfolios that are implemented and continually monitored by an investment professional
- Confidence that legal and compliance obligations are met
- Access to market- and manager research
- Streamlined investment administration and the ability to implement portfolio changes across your client base
- Competitive pricing
- Comprehensive and regular reporting

Investment management fees will depend upon the final selection of managers and mandates within the selected customised solutions, but clients will get the benefit of Sanlam Investments' bulk buying power where applicable. Additional fees will apply in respect of Sanlam Investments service delivery, Sanlam Employee Benefits administration and independent investment consulting fees (where applicable).

The solutions are wrapped within a Sanlam Life policy, and hence clients benefit from this additional governance layer.

The service delivery in terms of this offering is as follows:

	Sub-fund size		
	R300m to R500m	R500m to R1b	R1b and more
Investment Policy Statement	yes	yes	yes
Retirement Readiness Report	yes	yes	yes
Investment Monitoring Reports (standardised)	Bi-annual	Bi-annual	Quarterly
Customised Fact Sheets (standardised)	Monthly	Monthly	Monthly
Investment Compliance Certification Letter	Quarterly	Quarterly	Quarterly
Investment Committee Framework Meetings (including investment report back presentation)	Annual	Bi-annual	Quarterly
Lifestage model communication support	Yes	Yes	Yes

Investment Management Fees

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Trustee-approved default investment strategies

Default Portfolios	Fees (including VAT if applicable)
Sanlam Lifestage	**Sanlam Lifestage Accumulation Portfolio:** • 1.00% per annum for the first R50m • 0.90% per annum on the portion of assets between R50m - R100m • 0.775% per annum on the portion of assets between R100m - R300m • 0.70% per annum on the portion of assets between R300m - R500m • 0.65% per annum on the portion of assets above R500m • SMMI may mandate any asset manager in the portfolio, on a performance fee basis which may result in higher overall fees. Details of the performance fees paid over the past calendar year are available in the quarterly Joint Forum investment reports. **Lifestage Capital Protection Preservation Portfolio:** • Investment Management Fees - 0.425% per annum • Guarantee Premium - 0.90% per annum • 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. **Sanlam Lifestage Inflation-Linked Preservation Portfolio:** • 0.70% per annum **Sanlam Lifestage Living Annuity (ILLA) Preservation Portfolio:** • 0.80% per annum
Volatility Protection Strategy	**Sanlam Monthly Bonus Fund:** • Investment Management Fees - 0.425% per annum • Guarantee Premium - 1.60% per annum • 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. **Satrix (SWIX) Balanced Tracker Fund:** • 0.38% per annum on South African assets • 0.30% per annum on international equities • 0.25% per annum on international interest-bearing assets
Passive Lifestage Strategy	**Passive Lifestage Accumulation Portfolio:** • 0.38% per annum on South African assets • 0.30% per annum on international equities • 0.25% per annum on international interest-bearing assets **Lifestage Capital Protection Preservation Portfolio:** • Investment Management Fees - 0.425% per annum • Guarantee Premium - 0.90% per annum • 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.
Sanlam Blue Lifestage Strategy	**Sanlam Blue Lifestage Accumulation Portfolio:** • 0.75% per annum • No performance fees payable **Lifestage Capital Protection Preservation Portfolio:** • Investment Management Fees - 0.425% per annum • Guarantee Premium - 0.90% per annum • 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.

Sanlam Investment Management
Single Manager Range

Portfolios	Fees (Including VAT if applicable)
SIM Balanced Fund	0.75% per annum
SIM Inflation Plus Fund	0.70% per annum
Sanlam Cash Fund	0.30% per annum

Sanlam Multi-Manager
International Multi-Manager Range

Portfolios	Fees (Including VAT if applicable)
SMM 30*, 50*, 70* Portfolios	**On South African assets:** • 1.00% per annum for the first R10m • 0.75% per annum on the portion of assets between R10m – R30m • 0.65% per annum on the portion of assets between R30m – R150m • 0.55% per annum on the portion of assets above R150m **On international assets:** • 0.90% per annum
SMM Absolute Return CPI + 5% Portfolio*	0.75% per annum
Sanlam NUR Balanced Portfolio	1.05% per annum

**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.*

External Single Manager Range

Portfolios	Fees (Including VAT if applicable)
Allan Gray Global Balanced**	Fees applicable to Participating Employers who did not have exposure to this portfolio prior to 1 March 2015 **On South African assets:** • 1.00% per annum **On International assets:** • The Orbis* fees within the respective Orbis Funds. **Performance related fees variable between 0.5% and 2.5% per annum of the value of the international assets. The Global Balanced Fund can be invested in several Orbis funds at a time. The client pays the fees levied by the individual Orbis funds. Allan Gray does not levy any fees on the international portion of the funds.*
Coronation Houseview**	Fees applicable to Participating Employers who did not have exposure to this portfolio prior to 1 March 2015 **Investment Management Fees:** The following base fees are applicable to the portion of assets invested in the portfolios: • Coronation Global Equity Fund of Funds 0.75% per annum • Coronation Global Opportunity Equity Fund 0.75% per annum • Coronation Global Bond Fund 0.55% per annum • Coronation Global Capital Plus Fund 0.75% per annum • Coronation Global Emerging Markets Fund 0.75% per annum • Coronation Global Emerging Markets Equity Fund 0.75% per annum • Coronation Global Emerging Markets Opportunities Fund 1.00% per annum • Coronation Africa Fund 1.50% per annum • Coronation Africa Frontiers Fund 1.50% per annum • Coronation World Opportunities Fund 0.75% per annum • Coronation Global Managed Fund 0.75% per annum • Coronation Active Global Equity Fund 0.75% per annum • Coronation Global Equity Select Fund 0.75% per annum • Coronation Global Frontiers Fund 1.50% per annum Domestic assets and direct international assets not invested in any of the portfolios above: 0.85% per annum
Investec Balanced Fund **	**On South African assets:** • 0.54% per annum **On International assets:** • 0.75% per annum
Sanlam Foord Balanced Fund	**On South African assets:** • 0.70% per annum **On International assets:** • 1.35% per annum Performance fee of 10% (excluding VAT) of the outperformance of its benchmark calculated over a rolling 12 month period. The performance fee is accrued daily and paid monthly. There is no cap on performance fee. A high water mark applies.
Sanlam Prudential Balanced Fund	**On South African assets:** • 0.90% per annum **On International assets:** • 0.65% per annum, and • 0.45% per annum deducted by the asset manager before the unit price is declared

Portfolios	Fees (Including VAT if applicable)
Sanlam Allan Gray Domestic Balanced	• One-twelfth of 1.00% per annum, recovered monthly on the portion of assets under management between R0 & R25m • One-twelfth of 0.85% per annum, recovered monthly on the portion of assets between R25m & R50m • One-twelfth of 0.70% per annum, recovered monthly on the portion of assets between R50m & R100m • One-twelfth of 0.60% per annum, recovered monthly on the portion of assets between R100m & R500m • One-twelfth of 0.50% per annum, recovered monthly on the portion of assets above R500m
Sanlam Allan Gray Global Balanced	Fees applicable to Participating Employers who had exposure to this portfolio prior to 1 March 2015 **On South African assets:** • 1.00% per annum for the first R25m • 0.85% per annum on the portion of assets between R25m – R50m • 0.75% per annum on the portion of assets above R50m • No performance fee on South African assets. **On International assets:** • 0.10% per annum of the international assets, after the recovery of the performance related fee. A performance related fee variable between 0.5% and 2.5% per annum of the value of the international assets, with a fee of 1.5% per annum for returns equal to the benchmark.
Sanlam Coronation Houseview	Fees applicable to Participating Employers who had exposure to this portfolio prior to 1 March 2015 **On South African assets:** • 0.60% per annum **On International assets:** • 1.00% per annum

*** 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	Sanlam's cost in relation to the investment plan is recouped by recovering the following fees: **Investment Management Fees:** • 0.425% per annum **Guarantee Premium:** • 1.60% per annum **Annual Performance Linked Fee:** • 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.
Sanlam Stable Bonus Portfolio	Sanlam's cost in relation to the investment plan is recouped by recovering the following fees: **Investment Management Fees:** • 0.425% per annum **Guarantee Premium:** • 0.90% per annum **Annual Performance Linked Fee:** • 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.

Index-Tracking Range

Portfolios	Fees (Including VAT if applicable)
SATRIX (SWIX) Balanced Tracker Fund	**On South African assets:** • 0.38% per annum **On International assets:** • 0.30% per annum on international equities, and • 0.25% per annum on international interest bearing assets The domestic equity component tracks the SWIX Index. Scrip lending is permitted in respect of this basket of shares, and the resultant income (net of associated costs) is periodically rebated to clients participating in this portfolio, and effectively serves to reduce the quoted management fee.

Glacier Retirement Fund Solution

Portfolios	Fees (Including VAT if applicable)
All Glacier portfolios	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.

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Operating expenses

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 differ from that employed for purposes of determining the quoted fees.

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 R25 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 flat percentage of salary per member. However, participating employers can choose to have these fees deducted as a flat Rand amount per member.

Optimal Option

The fee is deducted as a flat percentage (not exceeding 0.50% per annum excluding VAT) of member shares (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, 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.

Asset-based administration fees

Asset 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:
  - 7.5% of the first R142 000 contributions per year, plus
  - 5.0% of the next R103 000 contributions per year, plus
  - 3.0% of the next R284 000 contributions per year, plus
  - 2.0% of the next R1 021 000 contributions per year, plus
  - 1.0% of the remainder of contributions.

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 can be expressed as a flat Rand amount per member per month or a flat percentage of salaries.

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 flat Rand amount per member per month. The fee is payable each month subject to the receipt of employer's contributions and updated member schedules.

Optimal Option

The agreed fee is deducted as a flat percentage (not exceeding 0.50% per annum excluding VAT) of member shares (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 300 or more members, a reduced 2.5% loading applies from the 1 March 2016 Annual Revision Date (or from date of commencement in the case of new Sub-funds commencing on or after 1 August 2015). 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. the FSB 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 R3.80 for each Sub-fund per member per month including VAT.

Annual revision date

Administration fees, insurance premiums and investment management fees (where applicable) are reviewed annually on 1 March each year following negotiations between the Sponsor, the Insurers and the Board of Trustees. 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 In-Fund Preservation 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 2017/2018 year of assessment (as from 1 March 2016).

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. However, from 1 January 2016, 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 on or after 1 January 2016.
Pensions purchased upon retirement	Pensions are taxable at marginal rates of tax in the year payable
Lump sum on retirement or death	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 payable on or after 1 March 2012 are taxed in the employees' hands as fringe benefits. There is no tax deduction for the employee. Income disability benefits are tax-free.

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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 formulises 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.

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 of the Fund.

Member Web Portal

The trustees and Sponsor make use of the member web 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's member web 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 web 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 FSB 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:** SEBClientcare@sanlam.co.za

Retirement Optimisation Services

The Sanlam Umbrella Fund's Retirement Optimisation Service provides 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.

- **The Retire-mate online self-help option** offers members information and tools in a sequence of easy to follow steps that is aimed at educating and empowering members.
- **Telephonic support by Retirement Benefit Counsellors** compliments and supports the role of the Contracted Benefit Consultant, 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.
- Participating employers may also choose to select the **Premium Service** at an additional cost. This service goes a step further in securing good retirement outcomes for members.

The Contracted Financial Adviser

The mandatory 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 web portal. Participating employers may also request to obtain printed member guides from the Fund's Adminstrator.
- Every member receives an annual benefit statement compliant with PF 86 as issued by the Registrar.
- Members in the Sanlam Lifestage 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 web 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 Retirement Fund Web 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 Retirement Fund Web facility to ensure participating employers have access to information such as the Fund's General Rules, Special Rules, Risk policies, Investment Policy statement and other relevant and useful information.

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.

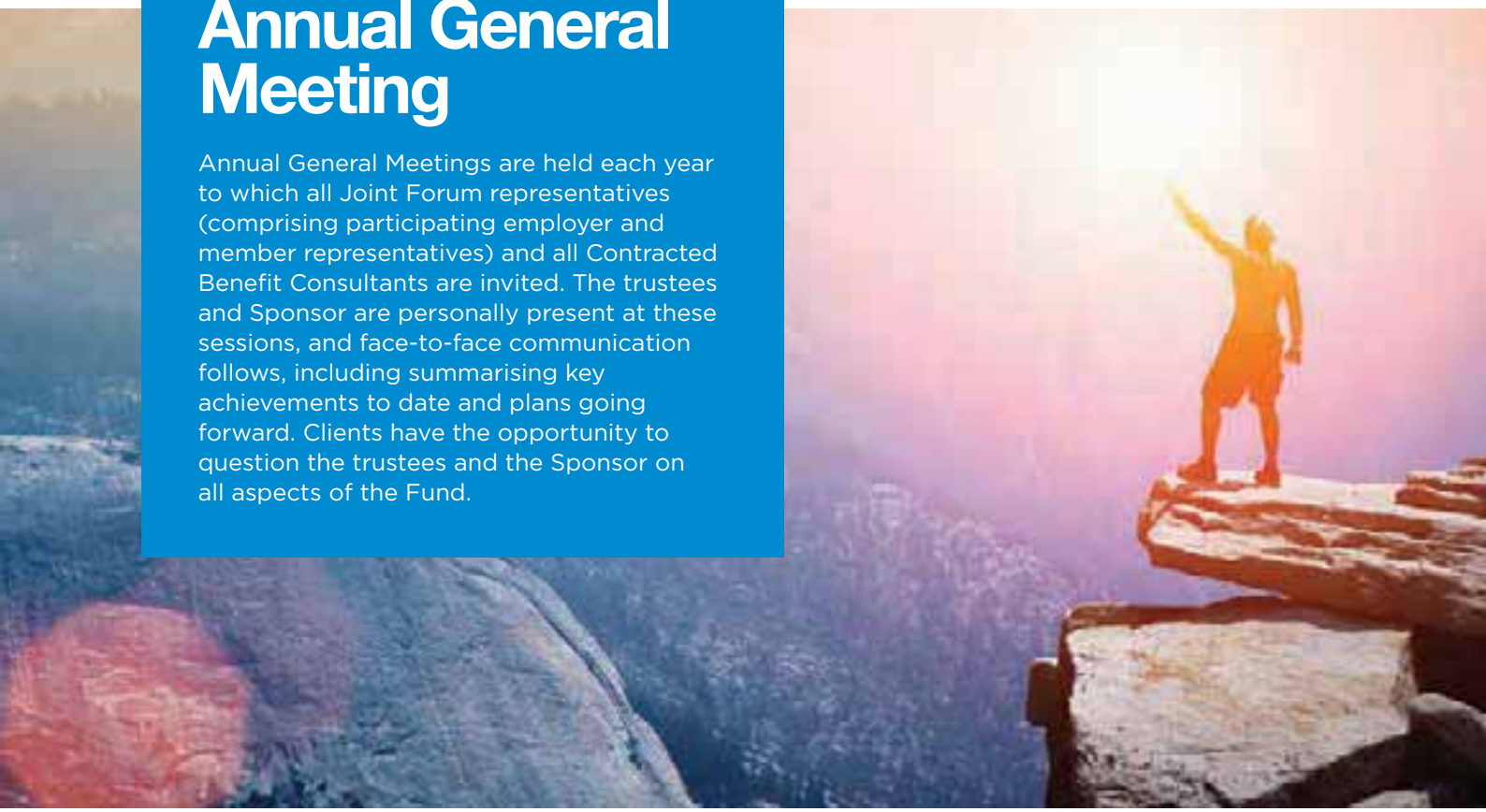
Centralised Joint Forums

Centralised Joint Forums are held periodically in the major centres for all Mini-Funds' member representatives. These forums serve as an extra communication and education channel between the Fund and these member 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 have access to updated information on the product offering.



Retire-ment fund web

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Communication via the internet

The Retirement Fund Web 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 Retirement Fund Web facility to streamline the administration of their Sub-fund.

The trustees and Sponsor make use of the Retirement Fund Web facility 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, the Contracted Benefit Consultant and the Contracted Financial Adviser as defined in the Confirmation of Acceptance document will automatically receive access to the Retirement Fund Web.

Data transmitted via retirement fund web

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 Employee Benefits. 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.

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 Retirement Fund Web 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 Retirement Fund Web is correct and complete, and that persons registered with Sanlam have been duly authorised by the participating employer.

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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 Employee Benefits is responsible for the administration of the Fund, and as such members enjoy the full backing and protection of Sanlam. Sanlam Employee Benefits employs approximately 1 150 retirement fund administration staff countrywide, and administers approximately 600 000 members of South African retirement funds. 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-place. 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 these 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 Installation 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 an indemnity (contained in the Confirmation of Acceptance document) 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 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 Retirement Fund Web facility.
- To ensure that the Administrator receives all information that is reasonably necessary for the performance of the administration service.
- To utilise the Retirement Fund Web 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.

The Contracted Benefit Consultant is also responsible for the following services:

- To assist the participating employer with completion of all documents required for fund installation including section 14 transfer documentation where applicable.
- To 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 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 Retirement Fund Web, subject to Sanlam's final approval.
- To assist the participating employer with the election of member representatives to the Joint Forum.
- To arrange, convene and chair an annual Joint Forum meeting with the participating employer conforming to the agenda guidelines as prepared by the trustees, and to complete and e-mail a Joint Forum meeting declaration to the Fund Secretariat. The first Joint Forum meeting should be convened within four months of inception date or as soon as possible thereafter.
- In the case of Mini-funds, to ensure that the member representatives are invited to Centralised Joint Forum meetings held in the region, and to encourage the member 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 Retirement Fund Web 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.

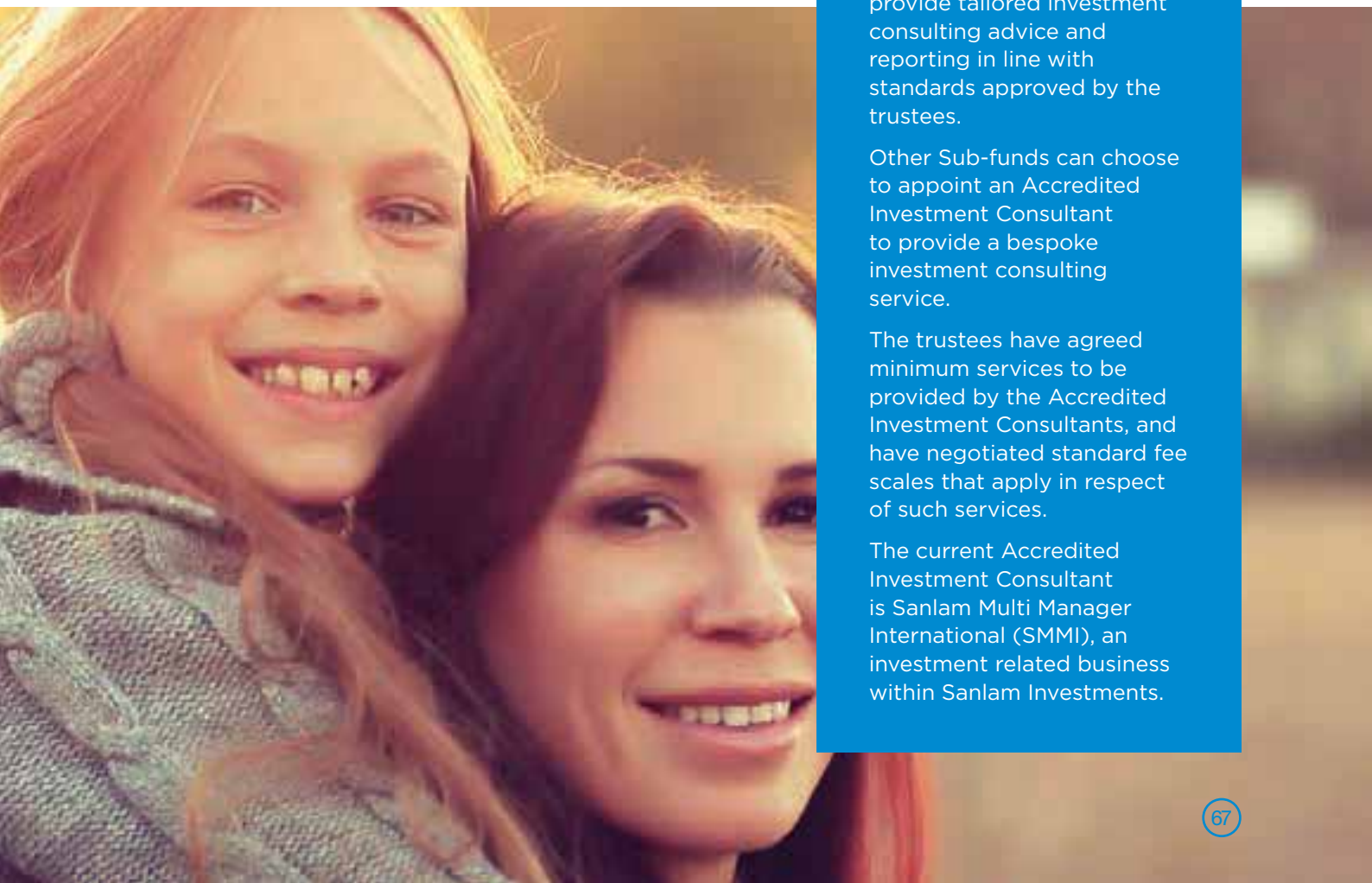
The Contracted Benefit Consultant must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002 to render the above services. The appointment of the Contracted Benefit Consultant is subject to the approval of the Board. If the Board is at any point of the opinion that 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.
- To obtain a personal access code to the Retirement Fund Web that will allow the Contracted Financial Adviser to obtain any information required in order to provide advice to members.



Accredited Investment Consultant

An Accredited Investment Consultant is a specialist retirement fund investment consulting business that has been accredited by the Sanlam Umbrella Fund Trustees 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 Accredited 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 Accredited Investment Consultant to provide a bespoke investment consulting service.

The trustees have agreed minimum services to be provided by the Accredited Investment Consultants, and have negotiated standard fee scales that apply in respect of such services.

The current Accredited Investment Consultant is Sanlam Multi Manager International (SMMI), an investment related business within Sanlam Investments.

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 Employee Benefits' standard terms, conditions and assumptions.

Membership Data and Details

The quotation is based on the details and data provided by the participating employer. 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
- 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 300 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

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 commencement date. This option must be exercised within 12 months of such date. Underwriting conditions will apply to employees joining the Fund three months or more after the date of employment.

Contributions

- It is a participating requirement that all participating employers utilise the Retirement Fund Web 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.

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 with the Registrar of Pension Funds. 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 both the Registrar of Pension Funds and the Commissioner for the South African Revenue Services. The trustees will ensure that both the General Rules and all Special Rules comply with the requirements of both these institutions.

Participating employers have access to the General and Special Rules via Retirement Fund Web.

Guarantees

On commencement, the Administration Fee and insurance premium rates are guaranteed for 12 months, and thereafter are subject to review at 1 month's notice. This guarantee will cease to apply in the event that there is, in the Sponsor's opinion, a material change in the membership profile or Sub-fund data from that employed for purposes of determining the quoted fees.

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 Financial Services Board.

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.

A dissolution fee equal to three months' administration fees will be payable on the date of termination. 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. The dissolution fee is in addition to any charges that may be levied by the liquidator or any statutory charges payable.

In the event of a partial termination of a Sub-fund, or where the Sub-fund's benefit structure changes substantially, a pro rata dissolution fee will be payable.

Disclosure

Enquiries

On acceptance of a quotation, the employer enters into a contract/agreement with Sanlam Employee Benefits. Any queries regarding the administration of the Sub-fund should be addressed to the broker/consultant or local Sanlam Employee Benefits office.

After the acceptance of a quotation, any complaint in respect of the Fund or the introducing intermediary may be sent in writing to:

The Compliance Officer
Sanlam Employee Benefits:
Compliance
PO Box 1
Sanlamhof 7532

Alternatively, via fax at
(021) 957 2255

Complaints

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

The contact details are as follows:

Contact Details

Sanlam Umbrella Fund Complaints Sub-committee
Fax: **021 957 1105/2143**
E-mail: **Sanlamumbrellafund@sanlaminvestments.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**

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 aforegoing, 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
Electronic Contribution Process: 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 Administrator's web 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

2. 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
Payment via debit order: 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 RFW, 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)
EFT payments: 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	By the 1st day, but not later than the 5th of each 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.

3. Section 14 transfers in

Action	Responsible party	Time standards
Obtain all information and relevant documentation i.e. • Original Section 14 application • Approval letter from FSB • Schedule containing individual member asset allocation and values.	Fund Secretariat	
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
Obtain all information and relevant documentation i.e. • Original Section 14 application • Approval letter from FSB • Schedule containing individual member asset allocation and values.	Fund Secretariat	
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

4. Interest allocations to member accounts

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

5. Maintenance of member data

Action	Responsible party	Time standards
Provide monthly electronic member data in agreed format via the Retirement Fund Web or e-mail.	Participating Employer	By the 1st 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

6. Portfolio switches

Action	Responsible party	Time standards
Portfolio switches between standard portfolios: • On receipt of instruction for an individual member investment switch, validate information and execute the instruction. • Issue confirmation of switch to member and Contracted Financial Adviser.	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

7. Member benefit statements

Action	Responsible party	Time standards
Issue one statement for each member per annum.	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

8. Member benefit payments at withdrawal or retirement

Action	Responsible party	Time standards
Submit the required official withdrawal forms and associated documentation to Administrator.	Participating Employer	Within 5 business days from date of the member's exit
• Disinvest the member's share from the Fund, after the member has made an election. • Request a tax directive from SARS	Administrator	Within 5 business days after receipt of all completed documentation and information and last contribution receipted
• Settle any applicable deductions • Transfer the member's remaining benefit according to instruction	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 SEB, then bank interest will be allocated for the days exceeding the 30 day period.

9. 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
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

10. 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

11. 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

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

Action	Responsible party	Time standards
• Reconcile schedules containing the member's last contribution • Disinvest the member's share from the Fund	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
• Settle any applicable deductions • Transfer the member's remaining benefit according to instruction	Administrator	Within 3 business days of receipt of all requirements including tax directive from SARS

12. 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.	Administrator	Within 5 business days of receipt of all requirements

13. 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.		

14. Joint Forum report

Action	Responsible party	Time standards
Provide Joint Forum reports to Contracted Benefit Consultant.	Administrator	10 business days from receipt of request

General fund information

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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 permanent / full valuation exemption for Pension Fund and Provident Fund on 2 February 2012.	
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:** ABSA, Arcadia Acc no: 4067972456	**Provident Fund:** 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	Simeka Consultants & Actuaries	Sanlam Umbrella Solutions
Postal address	PO Box 350, Sanlamhof, 7532	PO Box 1, Sanlamhof, 7532
Physical address	Simeka House, Farm 2,Vineyards Office Estate, 99 Jip de Jager, Bellville, 7535	2 Strand Road, Bellville, Cape Town
Telephone number	(021) 912-3311	(021) 947-6504
Email address	kobus@simekaconsult.co.za	erina.legrange@sanlam.co.za

Professional service providers

Independent external auditor	Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund
Company	RSM Betty & Dickson
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 (Business unit: Sanlam Umbrella Solutions)	Sanlam Life Insurance Ltd (Business unit: Sanlam 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

	Secretariat	Consultant: Governance & Compliance
Responsible person	Erina le Grange	Kobus Hanekom
Company	Sanlam Umbrella Solutions	Simeka Consultants & Actuaries
Postal address	PO Box 1, Sanlamhof, 7532	PO Box 350, Sanlamhof, 7532
Physical address	2 Strand Road, Bellville, Cape Town	Simeka House, Farm 2, Vineyards Office Estate, 99 Jip de Jager, Bellville, 7535
Telephone number	(021) 947-6504	(021) 912-3311
Email address	erina.legrange@sanlam.co.za	kobus@simekaconsult.co.za
Reg number S13B / FAIS	N/A	Simeka FAIS Licence No 13900

Specialist Investment Consulting

	Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund	
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 Insurer

	Sanlam Umbrella Pension Fund and Sanlam Umbrella Provident Fund	
Company	Sanlam Life Insurance Ltd	Capital Alliance Group Risk
Postal address	PO Box 1, Sanlamhof, 7532	PO Box 2049, Johannesburg, 2001
Physical address	2 Strand Road, Bellville, Cape Town	3rd Floor, Libridge Building, 25 Ameshoff Street, Braamfontein, Johannesburg, 2017
Telephone number	(021) 947-9111	(021) 526-1395
FSB approval number	24/185	2409
Type of risk	Group Life, Disability, Funeral, Accident, Spouse's and Trauma Assurance	Group Life, Disability, Funeral, Spouse's and Trauma Assurance

Board of Trustees for Sanlam Umbrella Pension Fund & Sanlam Umbrella Provident Fund

Trustee Member	Derek Smorenburg	Marius Jönas	Jolly Mokorosi	Ian Mcdonald	Joelene Moodley	Alex Paterson
Date appointed	Initial appointment 1/7/ 2007 Re-appointed 1/1/2016	Initial appointment 1/8/ 2009 Re-appointed 1/1/2016	Initial appointment 1/3/2016	Initial appointment 1/1/ 2007 Re-elected 1/1/2016	Initial appointment 1/1/ 2016	Initial appointment 1/8/ 2009 Re-elected 1/1/2016
End of term	31/12/2018	31/12/2018	31/12/2018	31/12/2018	31/12/2018	31/12/2018
Compliance with Trustee Training Protocol	Fully compliant	Fully compliant	Newly appointed	Fully compliant	Newly-elected	Fully compliant
Compliant with Governance Procedures (PF130)	Fully compliant	Fully compliant	Newly appointed	Fully compliant	Newly-elected	Fully compliant
Sponsor appointed	Yes	Yes	Yes			
Member elected				Yes	Yes	Yes
Status relative to the Sponsor	Non-Executive Entrepreneur with extensive experience in the administration of an umbrella fund.	Non-Executive Entrepreneur with extensive experience in the administration of an umbrella fund.	Non-Executive Entrepreneur with extensive experience in retirement funds.	Independent	Independent	Independent
Trustee Fee	Contracted and remunerated by the Sponsor	Contracted by the Sponsor. Agreed trustee fee	Contracted by the Sponsor. Agreed trustee fee	Agreed trustee fee	Agreed trustee fee	Agreed trustee fee
Performance Assessment: Jun 2014	Exceeds job requirements	Exceeds job requirements	n/a	Exceeds job requirements	n/a	Exceeds job requirements
Attendance at Trustee meeting: 21 Oct 2014	Yes	Yes	n/a	Yes	n/a	Yes
16 Feb 2015	Yes	Yes	n/a	Yes	n/a	Yes
26 Jun 2015	Yes	Yes	n/a	Yes	n/a	Yes
Attendance of 2014 AGM	Yes	Yes	n/a	Yes	n/a	Yes

Agreed Trustee Fee: The standard trustee fee payable in respect of the meetings of the 5 related funds (8:30 to 17:00) is R24 258 plus VAT (Sanlam Umbrella Fund R15 080, Sanlam Unity Umbrella Fund R5 485, Sanlam Plus Preservation Fund R3 693). Accommodation and transport costs are for the trustees' own account. 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 R9 367 plus VAT and travel costs. Sub-committees' participation and additional research is remunerated at an hourly fee of R1 369. This is a very small percentage of the fees paid to independent trustees..

Annual Assessment of the Board, Sub-committees and service providers

	Entity assessed	Rating
1	The Board of Trustees	Exceeds job requirements
2	Chairmen	Exceed job requirements
3	Principal Officer	Exceeds job requirements
4	Fund Secretary	Exceeds job requirements
5	Administration Sub-committee	Exceeds job requirements
6	Death Benefits Sub-committee	Exceeds job requirements
7	Audit Sub-committee	Exceeds job requirements
8	Investments Sub-committee	Exceeds job requirements
9	Complaints Sub-committee	Exceeds job requirements
10	Member Communication Sub–committee	Exceeds job requirements
11	Risk and Governance Sub-committee	Exceeds job requirements
12	Investment consultant	Exceeds job requirements
13	Administrator	Meets job requirements
14	Benefit Consultant	Exceeds job requirements
15	External auditor	Exceeds job requirements

SCO076 06/2017

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Wealthsmiths

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