

Introduction of new investment portfolios

The following new portfolios will be added to the list of member options:

Sanlam Accumulation Portfolio:

Due to the growing number of members requesting to invest in the Sanlam Lifestage Accumulation Portfolio, the trustees have agreed to add this portfolio as an option on the list of member investment choices.

The Most Aggressive Portfolio:

This portfolio is designed to give members a maximum exposure to riskier asset classes within the allowable limits of Regulation 28. It is a multi-managed strategy intended for members with a long-term investment horizon, wanting to maximize long-term growth while accepting high levels of volatility in the short-term.

 Local Equities 51%	 Listed Property 9%	 Private Equity 4%	 Local Fund of Hedge Funds 8%	 Cash 3%	 Global Equity 18%	 Global Property 3%	 Africa Equity 4%
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Sanlam Progressive Smooth Bonus Fund:

In 2017 Sanlam launched the first and only empowered smooth bonus portfolio in South Africa. The fund is managed by black asset managers and guaranteed by Sanlam.

It is a multi-managed fund where 27four as the multi-manager selects the underlying managers based on the following criteria:

- Greater than 50% effective black (South African) ownership with equivalent voting rights
- Greater than 50% black (South African) board members, and
- Greater than 50% black (South African) investment professionals

Sanlam provides an 80% capital guarantee on benefit payments, i.e. at resignation, retirement, retrenchment, death and disability.

The fund targets a return of CPI plus 4% over a rolling 3 year period.

SIM Moderate Absolute Fund:

The SIM Moderate Absolute Fund will be added to the list of member options, in place of the SIM Inflation Plus Fund, which is being closed by Sanlam Investment Management. The reason for the closure is that the two portfolios aim to achieve very similar objectives and are managed in a similar fashion. The main differentiator between the two portfolios is the inflation target. The SIM Inflation Plus Fund targets a return of CPI +4% **net of investment fees** whereas the SIM Moderate Absolute Fund targets a return of CPI +5% **gross of investment fees**, with the result being similar.

Both the SIM Inflation Plus Fund and the SIM Moderate Absolute Fund are managed by the same portfolio manager at Sanlam Investments, Natasha Narsingh. Both portfolios are managed according to an absolute return mind-set which aims to provide capital growth in the long-term whilst explicitly aiming to minimize capital loss in the short-term. Both portfolios comply with Regulation 28 of the Pension Funds Act of 1956.