



Sanlam Employee Benefits

Sanlam Umbrella Fund investment report to the Joint Forum

June 2020

Insurance

Financial Planning

Retirement

Investments

Wealth

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As of 30/06/2020

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Investment Strategy

The trustees take responsibility to ensure that the fund offers an appropriate range of investment choice options. Under the Sanlam Umbrella Fund, employers can choose to participate in a pension fund or a provident fund and can choose from a number of investment structures.

- The **Standard Option**: all members' are invested in the employer selected default investment strategy, i.e. no member investment choice is available. A choice of four default strategies are available.
- The **Optimal Option**: members are invested in the Sanlam Blue Lifestage Strategy. Conservative members have the option to opt out and invest in the Sanlam Monthly Bonus Fund. Qualifying members have access to more than 1 000 retail collective investment schemes available on Sanlam's Glacier Retirement Fund Solution. Members can also choose to invest the equity component in their own share portfolio.
- The **Comprehensive Option**: members are invested in the employer selected default (a choice of four default strategies are available). Members can choose a tailored investment strategy that suits their personal needs, selecting from the 4 trustee approved default investment strategies, a range of institutionally priced investment portfolios, including passive, smoothed bonus, multi-managed, absolute return and single manager balanced funds. Qualifying members have access to more than 1 000 retail collective investment schemes available on Sanlam's Glacier Retirement Fund Solution. Members can also choose to invest the equity component in their own share portfolio.

The Trustees have approved four default investment strategies to choose from for the Standard & Comprehensive Options, which are selected at participating employer level depending upon the investment objectives of the employer's members.

- **Sanlam Lifestage** aims over the long term to maximize retiring members' post-retirement income within acceptable risk levels as they approach retirement. The accumulation phase is a multi-managed strategy combining the best of both a passive and active management style. Also unique to Sanlam Lifestage is its ability to match the member's pre-retirement investment strategy to what the member intends on doing post their retirement date
- **Volatility Protection Strategy** is suitable for members who wish to achieve inflation-beating real returns over the medium to long term, but who are concerned about protecting against significant short term investment losses.
- **Passive Lifestage Strategy** is suitable for members who aim to contain investment management costs by choosing a passive investment management strategy tracking market indices.
- **Sanlam Blue Lifestage Strategy** invests in a "Best of Sanlam" lifestage model and aims over the long term to provide strong inflation-beating returns whilst offering capital protection as members approach retirement. This is also the only default investment strategy available on the Optimal Option.

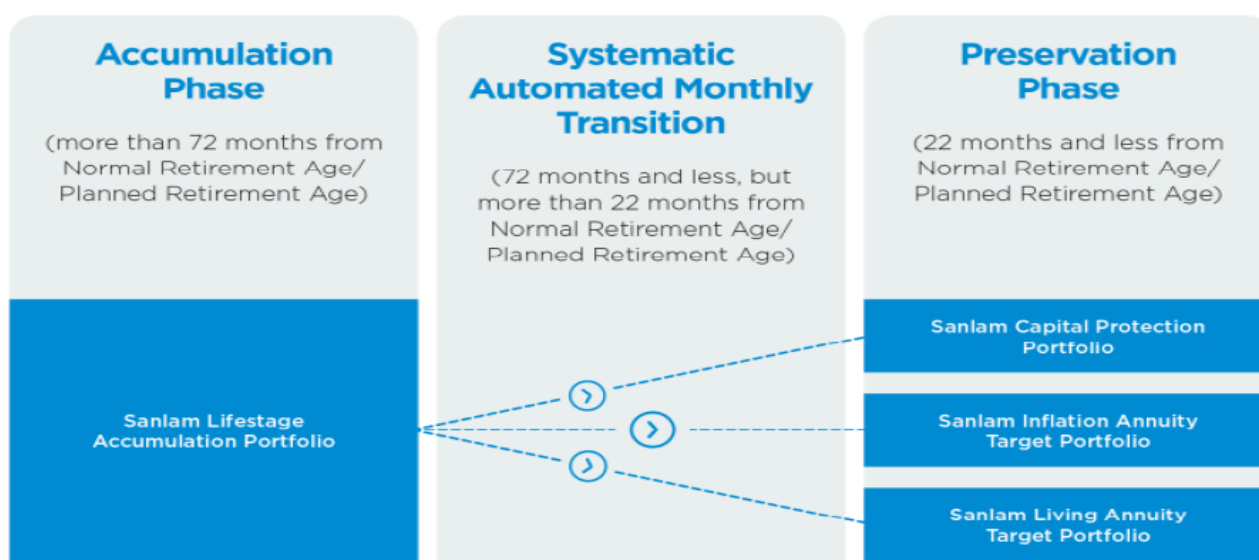
The performance of the portfolios selected will directly affect member's eventual retirement benefit. The trustees regularly monitor the investment strategy and the investment choices on offer to ensure their appropriateness. A key part of this process is monitoring the performance of the portfolios selected and comparing it to the agreed investment benchmarks. The trustees appointed Simeka Consultants & Actuaries as investment consultants to assist them to monitor and manage the Funds' investments.

The role of the Joint Forum

Each participating employer is required to establish and maintain a Joint Forum. This is a representative forum with equal representation by member and employer representatives where retirement fund benefits are considered and agreed upon. This forum therefore ensures member participation in the decision making and monitoring processes. One of the most important roles of the Joint Forum is to consider the appropriateness and performance of the default strategy as selected. Note that the employer technically remains the contracting party who acts on the decisions taken at the Joint Forum.

The Fund's default investment strategies

Sanlam Lifestage Strategy



Summary of Returns

	MRQ	1 Year	3 Years	5 Years	7 Years
Sanlam Lifestage Accumulation Portfolio	17.2%	0.1%	4.7%	4.5%	8.0%
Sanlam Capital Protection Portfolio*	0.5%	6.1%	7.1%	7.8%	10.4%
Sanlam Inflation Annuity Target Portfolio	5.5%	-4.6%	0.3%	1.8%	3.9%
Sanlam Living Annuity Target Portfolio	13.3%	1.0%	5.2%	5.6%	—

Volatility Protection Strategy

The trustees have agreed the following objectives for the Volatility Protection Strategy:

- An investment return of CPI + 3% net of fees over any 3 year rolling period (i.e. long term, inflation-beating returns);
- Aim to prevent capital loss not greater than 10% in any 12 month rolling period or 5% in any one month (i.e. protection against significant short term losses);
- “Volatility Protection” does not necessarily imply a 100% capital guarantee (however still structured to protect assets against significant losses).

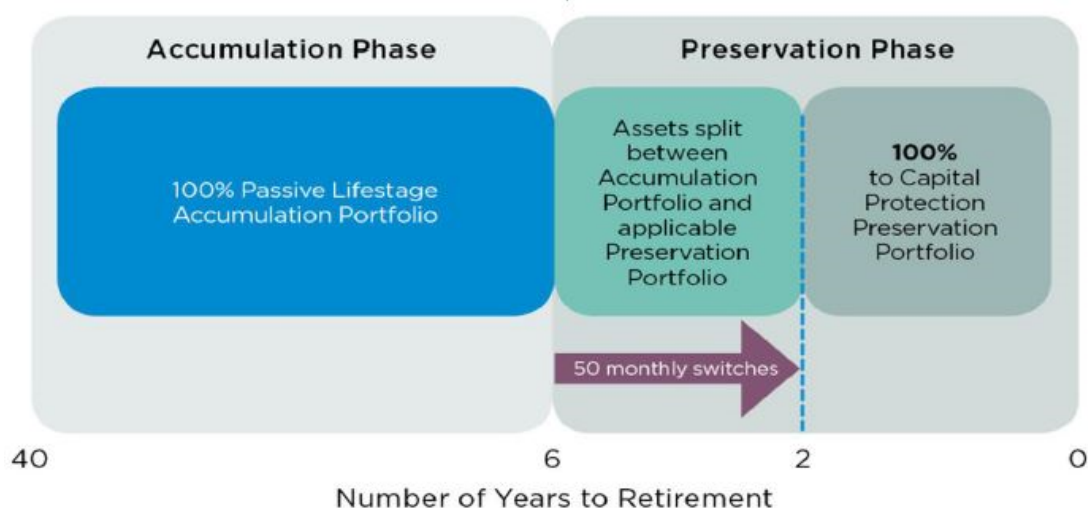
The trustees review the investment strategy of the Volatility Protection Strategy continually, and will make periodic changes to the underlying investments in line with the objectives of the strategy. The Volatility Protection Strategy has historically invested contributions in the Sanlam Monthly Bonus 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 the Volatility Protection Strategy will be invested 75% in the Sanlam Monthly Bonus Fund and 25% in the Satrix (SWIX) Balanced Tracker Fund.

Summary of Returns

	MRQ	1 Year	3 Years	5 Years	7 Years
Satrix Enhanced Balanced Tracker	17.2%	-1.5%	4.3%	4.8%	8.2%
Sanlam Monthly Bonus Portfolio	0.5%	5.5%	6.5%	7.2%	9.7%

The Fund's default investment strategies

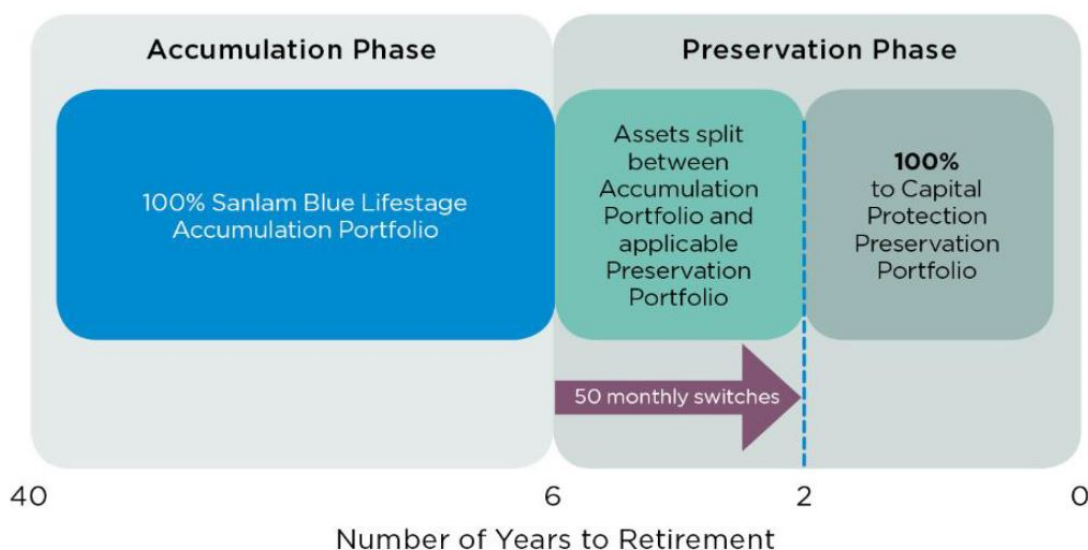
Passive Lifestage Strategy



Summary of Returns

	MRQ	1 Year	3 Years	5 Years	7 Years
Satrix Enhanced Balanced Tracker	17.2%	-1.5%	4.3%	4.8%	8.2%
Sanlam Capital Protection Portfolio*	0.5%	6.1%	7.1%	7.8%	10.4%

Sanlam Blue Lifestage Strategy



Summary of Returns

	MRQ	1 Year	3 Years	5 Years	7 Years
SIM Balanced	13.6%	-0.5%	3.9%	4.8%	7.9%
Sanlam Capital Protection Portfolio*	0.5%	6.1%	7.1%	7.8%	10.4%

Please note:

- Investment returns for the Lifestage Programme are quoted gross of investment management fees but net of performance fees.
- For the Smooth Bonus range, the bonuses declared are gross of investment management fees, but net of guarantee charges and performance fees.
- Investment returns for periods greater than 12 months are annualized.

Summary of Returns

Multi-Manager Range

Product Name	MRQ	1 Year	3 Years	5 Years	7 Years
SMM 70	17.4%	-0.3%	4.6%	4.1%	7.6%
SMM 50	14.3%	2.0%	5.7%	5.4%	7.8%
SMM 30	11.4%	2.7%	6.7%	6.8%	8.3%
SMM Moderate Absolute Fund	12.4%	7.1%	8.1%	7.2%	8.9%
SMM NUR Balanced	10.9%	0.1%	5.1%	5.2%	—
Sanlam The Most Aggressive Portfolio	17.3%	-2.2%	—	—	—
Sanlam Accumulation Portfolio	17.2%	0.1%	4.7%	4.5%	8.0%
SMM Select Balanced Fund	17.6%	4.0%	—	—	—
*ACA Houseview Wealth Creation	15.3%	2.3%	5.5%	6.0%	8.8%

SIM Single Manager Range

Product Name	MRQ	1 Year	3 Years	5 Years	7 Years
SIM Balanced	—	—	—	—	—
SIM Moderate Absolute Return	—	—	—	—	—
Sanlam Cash	—	—	—	—	—
SIM Temperance Balanced Fund	—	—	—	—	—
**SPW Balanced Fund	9.3%	9.3%	9.3%	9.3%	9.3%

External Single Manager Range

Product Name	MRQ	1 Year	3 Years	5 Years	7 Years
Allan Gray Life Global Balanced	14.0%	3.1%	4.1%	6.4%	8.3%
Coronation Global Houseview	15.2%	3.8%	5.3%	5.5%	8.6%
Sanlam Foord Balanced Fund	15.1%	10.2%	6.0%	5.4%	7.8%
Ninety One Balanced	13.3%	2.8%	6.2%	5.9%	9.8%
Sanlam Prudential Balanced Fund	16.7%	-2.7%	4.6%	4.9%	8.7%
PSG Balanced	16.9%	-12.6%	-2.0%	1.8%	6.3%

Index Tracking Range

Product Name	MRQ	1 Year	3 Years	5 Years	7 Years
Satrix Enhanced Balanced Tracker	17.2%	-1.5%	4.3%	4.8%	8.2%

Smoothed Bonus Range

Product Name	MRQ	1 Year	3 Years	5 Years	7 Years
Sanlam Monthly Bonus Portfolio	0.5%	5.5%	6.5%	7.2%	9.7%
Sanlam Stable Bonus Portfolio	0.5%	6.1%	7.1%	7.8%	10.4%
Sanlam Prog Smooth Bonus Portfolio	0.2%	6.1%	—	—	—

*The ACA Wealth Creation portfolio's inception date is June 2016 . Therefore 5 year returns are a combination of the old portfolio on Sygnia 's platform and the current portfolio on AFI's platform.

**SPW Balanced Fund is actual returns from 1 Sep 2019. Returns prior are from a Model Portfolio similar to the SPW Balanced Fund.

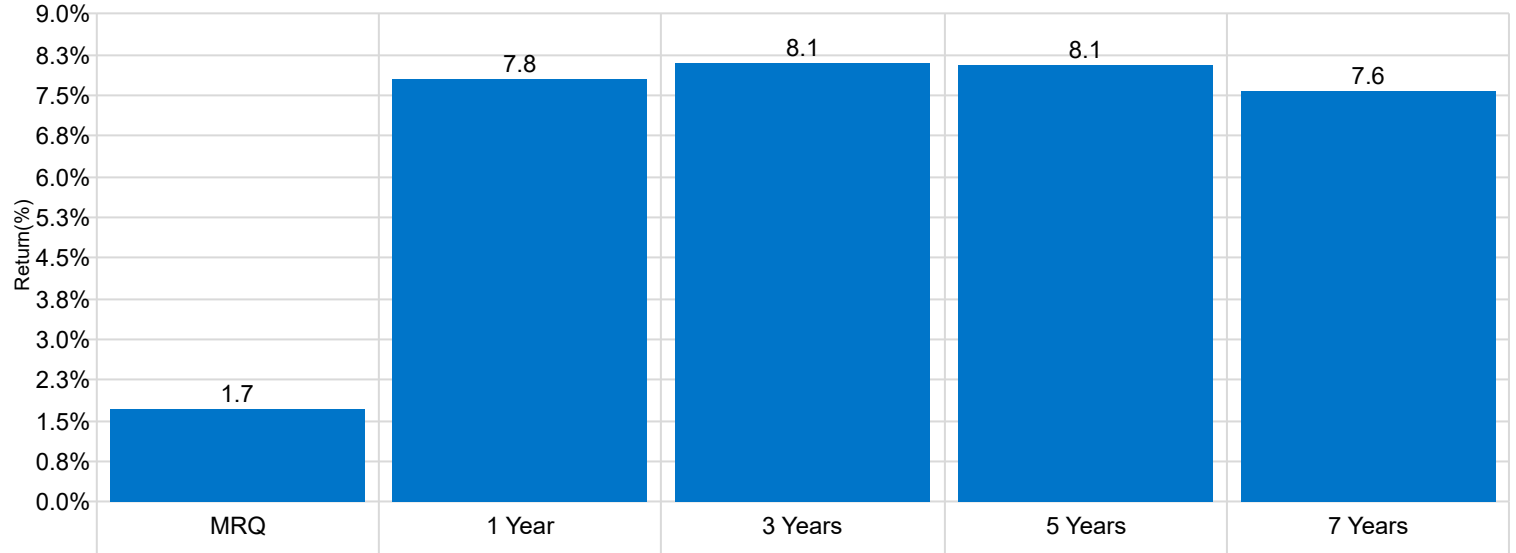
Fund Analysis (Domestic Money Market)

As of 30/06/2020

● Sanlam Cash

Historical Performance

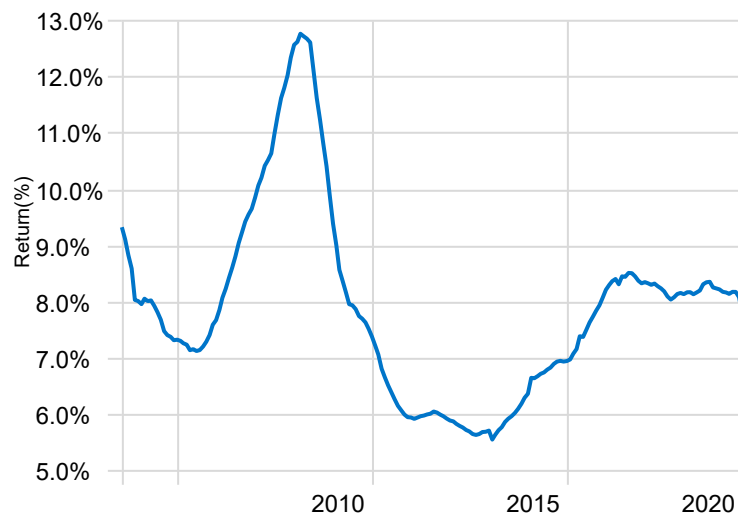
As of Date: 30/06/2020



1-Year Rolling Returns

Time Period: Since Common Inception (01/08/2003) to 30/06/2020

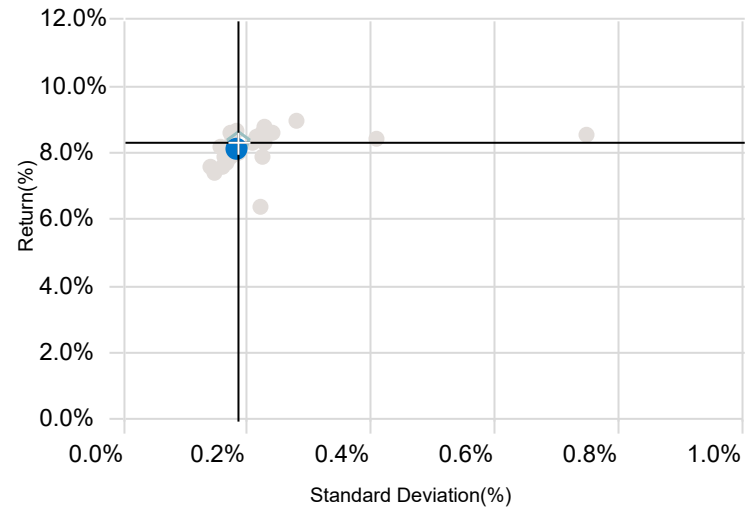
Rolling Window: 1 Year 1 Month shift



3-Year Risk-Return Analysis

Time Period: 01/07/2017 to 30/06/2020

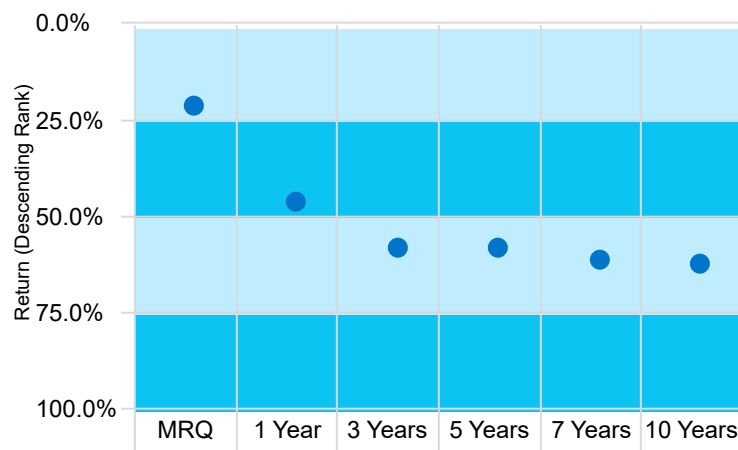
Peer Group (1-100%): Money Market (includes Enhanced Cash)



Performance Relative to Peer Group (descending rank)

Peer Group: Money Market (includes Enhanced Cash)

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



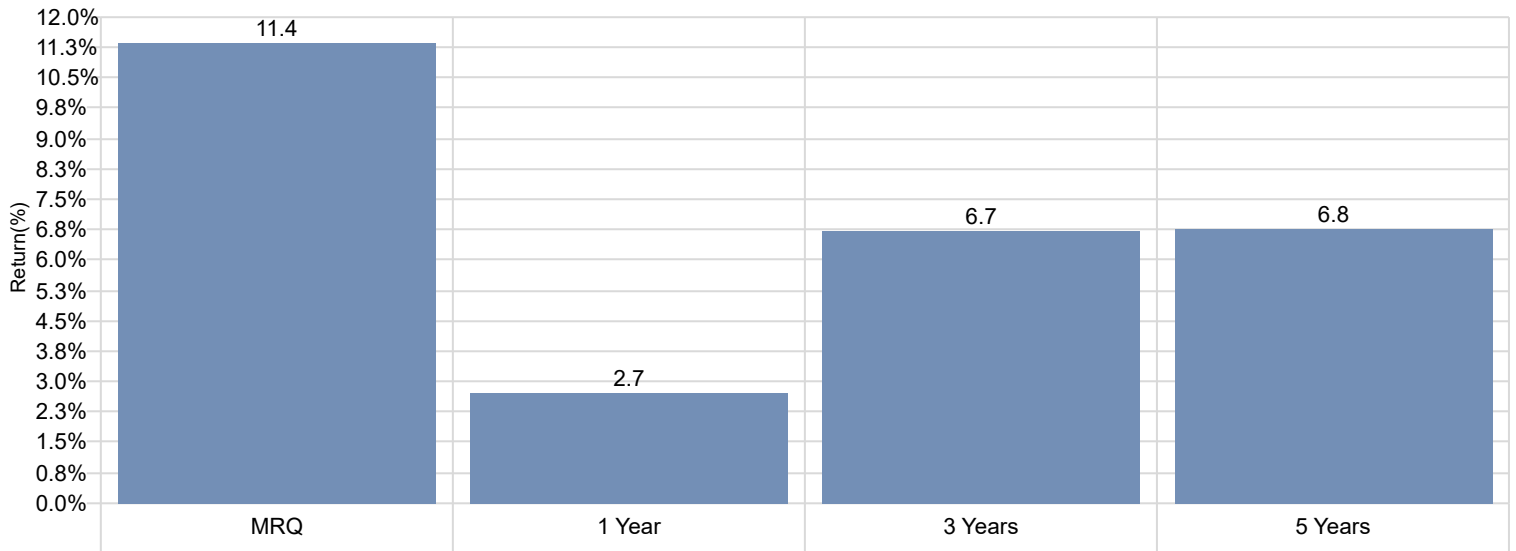
Fund Analysis (Conservative Global Multi-Asset Class)

As of 30/06/2020

SMM 30

Historical Performance

As of Date: 30/06/2020



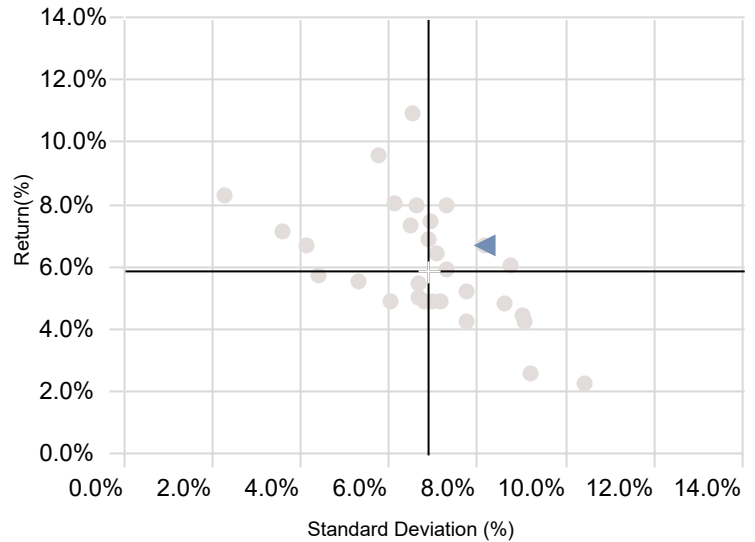
1-Year Rolling Returns

Time Period: Since Common Inception (01/08/2010) to 30/06/2020



3-Year Risk-Return Analysis

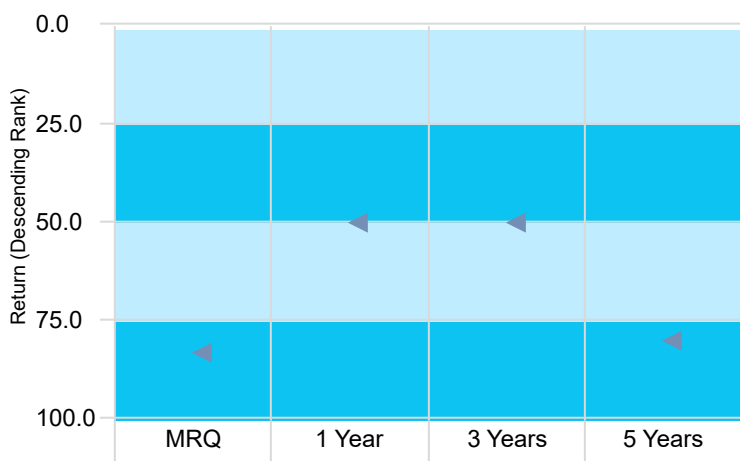
Time Period: 01/07/2017 to 30/06/2020



Performance Relative to Peer Group (descending rank)

Peer Group: Conservative Global Multi-Asset Class

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



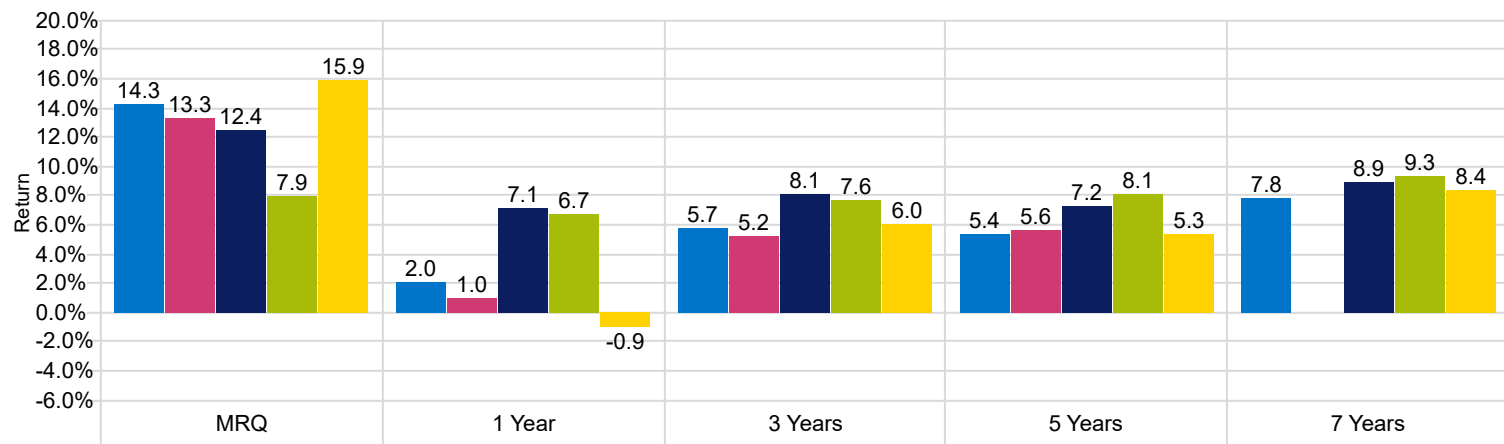
Fund Analysis (Moderate Global Multi-Asset Class)

As of 30/06/2020

- SMM 50
- Sanlam Living Annuity Target Portfolio
- SMM Moderate Absolute Fund
- SIM Moderate Absolute Return
- SIM Temperance Balanced Fund

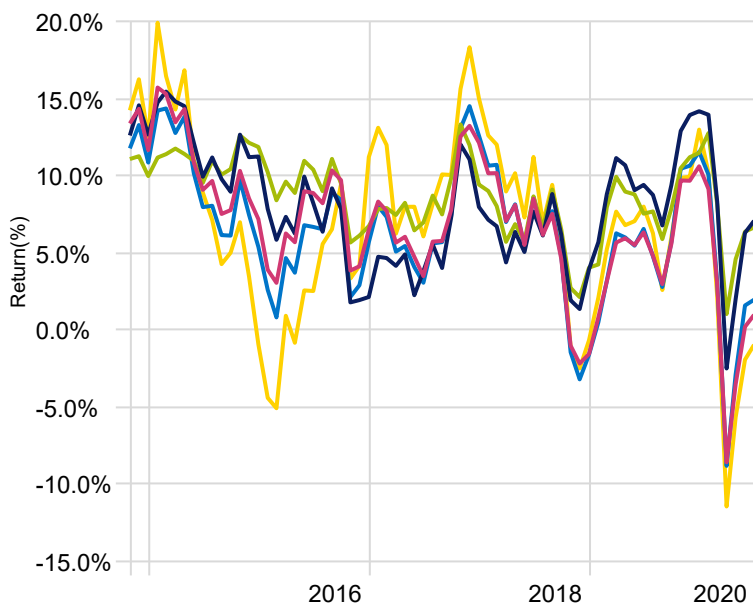
Historical Performance

As of Date: 30/06/2020



1-Year Rolling Returns

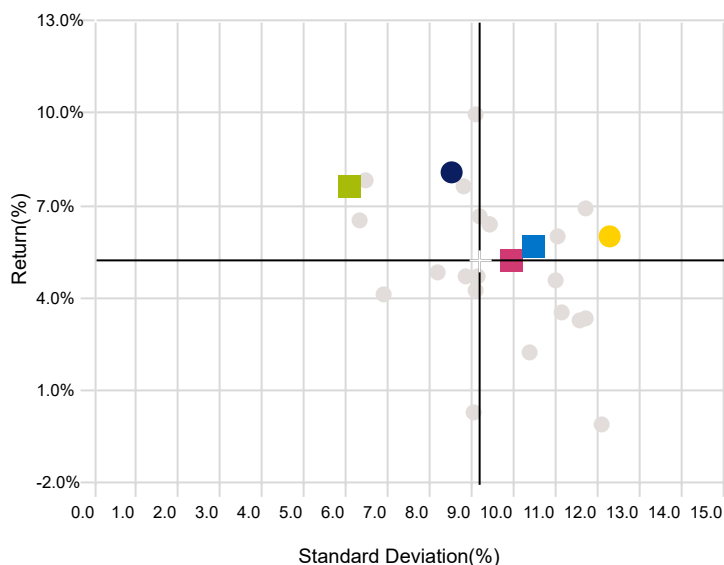
Time Period: Since Common Inception (01/11/2013) to 30/06/2020



3-Year Risk-Return Analysis

Time Period: 01/07/2017 to 30/06/2020

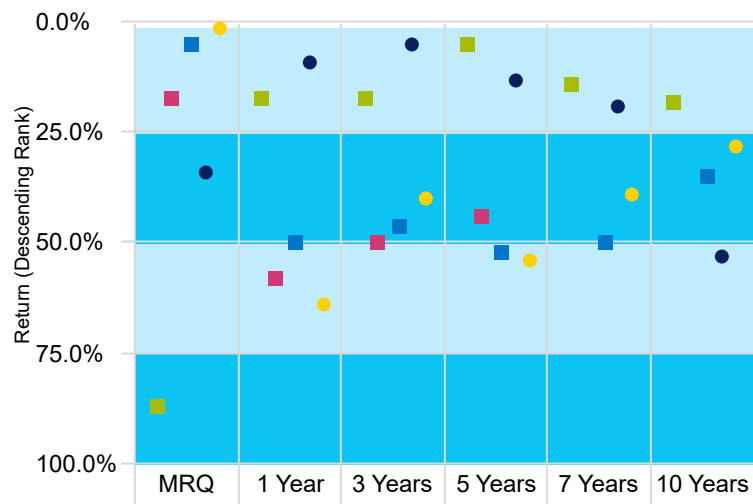
Peer Group: Moderate Global Multi-Asset Class



Performance Relative to Peer Group (descending rank)

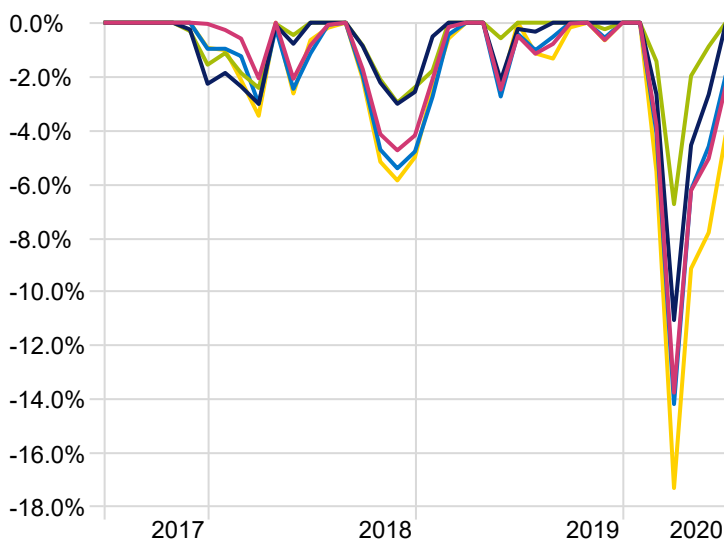
Peer Group: Moderate Global Multi-Asset Class

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



3-Year Maximum Drawdown

Time Period: 01/07/2017 to 30/06/2020



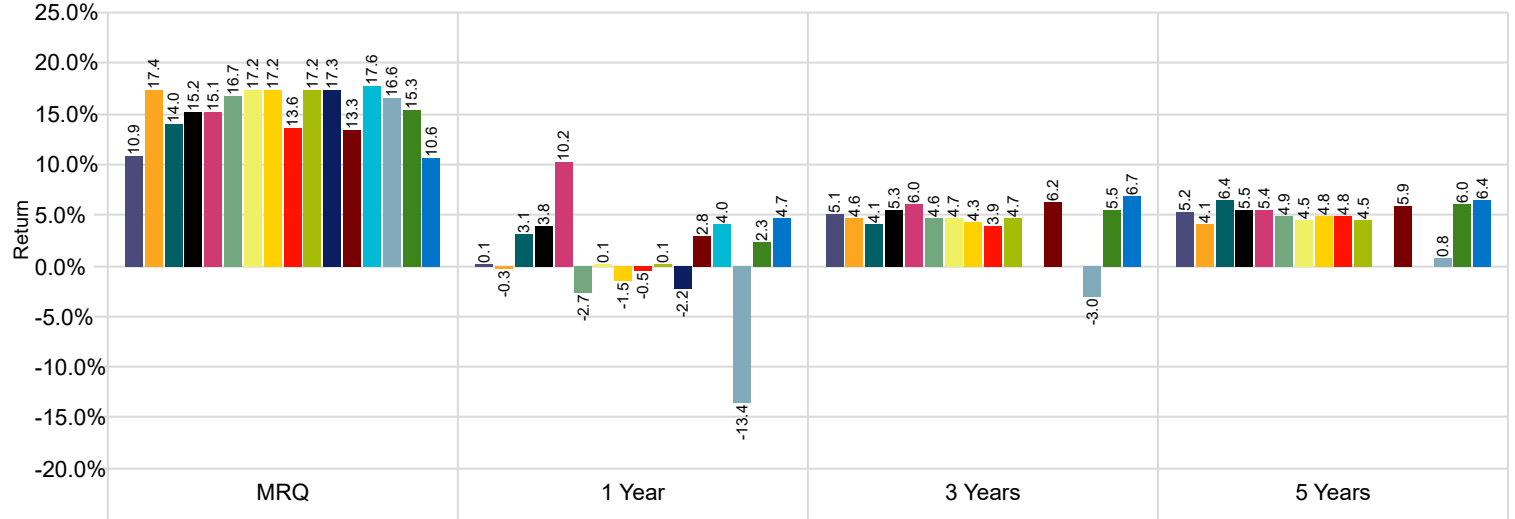
Fund Analysis (Aggressive Global Multi-Asset Class)

As of 30/06/2020

- ▲ SMM NUR Balanced
- Coronation Global Houseview
- Satrix Enhanced Balanced Tracker
- Sanlam Accumulation Portfolio*
- SMM Select Balanced Fund
- SPW Balanced Fund
- ▲ SMM 70
- Sanlam Foord Balanced Fund
- Sanlam Lifestage Accumulation Portfolio
- Sanlam The Most Aggressive Portfolio
- PSG Balanced
- ▲ Allan Gray Life Global Balanced
- Sanlam Prudential Balanced Fund
- ▲ SIM Balanced
- Ninety One Balanced
- ACA Houseview Wealth Creation*

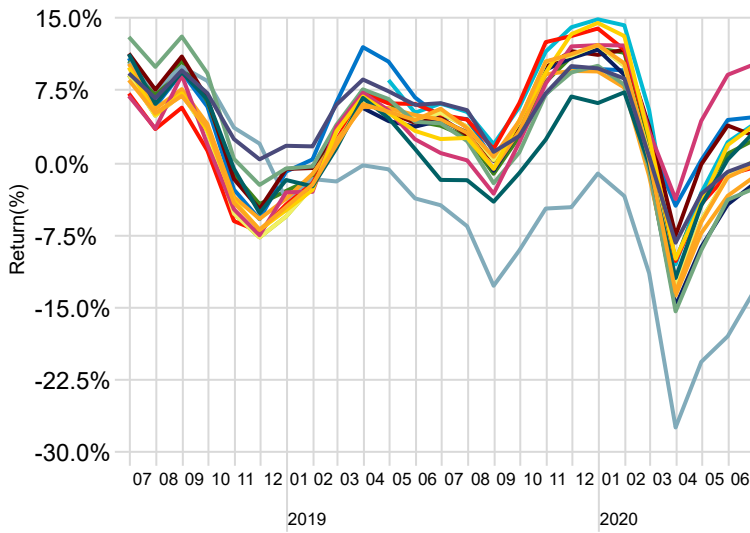
Historical Performance

As of Date: 30/06/2020



1-Year Rolling Returns

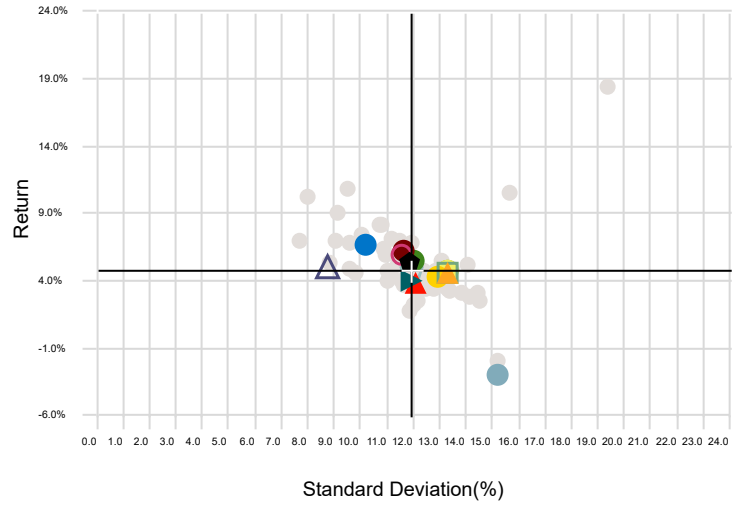
Time Period: 01/07/2017 to 30/06/2020



3-Year Risk-Return Analysis

Time Period: 01/07/2017 to 30/06/2020

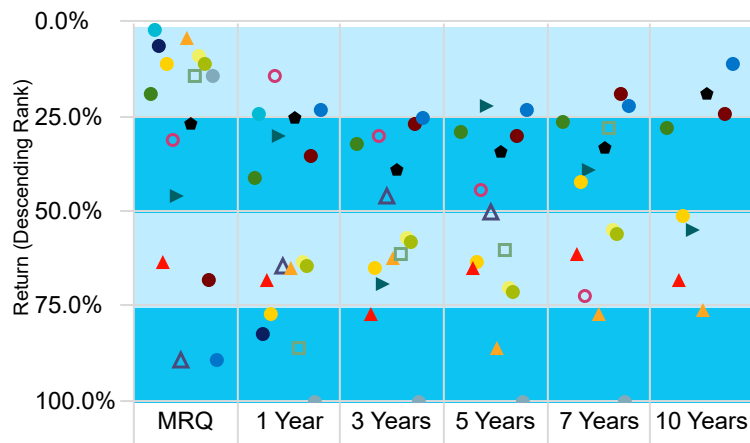
Peer Group (1-100%): Aggressive Global Multi-Asset Class



Performance Relative to Peer Group (descending rank)

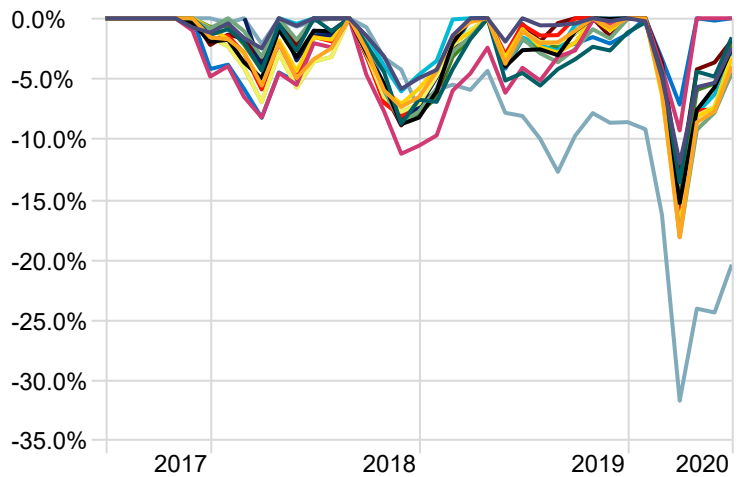
Peer Group: Aggressive Global Multi-Asset Class

1st to 25th Percentile | 26th to Median | 51st to 75th Percentile | 76th to 100th Percentile



3-Year Maximum Drawdown

Time Period: 01/07/2017 to 30/06/2020



Fee Breakdown as at 31 December 2020

As of 30/06/2020

Sanlam Umbrella Fund: Total Investment Costs

as at December 2019

	Guarantee Premium	Total Expense Ratio (incl. Guarantee Premium)	Trading Costs	Total Investment Costs	Performance fees (incl. in TER)
Sanlam Lifesage					
Sanlam Lifesage Accumulation Portfolio	-	1.140%	0.130%	1.270%	0.123%
Sanlam Lifesage Capital Protection Preservation Portfolio	0.900%	1.398%	0.060%	1.458%	0.010%
Sanlam Lifesage Inflation-Linked Preservation Portfolio	-	0.700%	0.010%	0.710%	n/a
Sanlam Lifesage Living Annuity (ILLA) Preservation Portfolio	-	0.876%	0.100%	0.976%	0.058%
Volatility Protection Strategy					
Sanlam Monthly Bonus Fund	1.600%	2.107%	0.060%	2.167%	0.010%
Satrix Enhanced Balanced Tracker Fund	-	0.420%	0.120%	0.540%	n/a
Volatility Protection Strategy Total ⁷	1.200%	1.685%	0.075%	1.760%	0.008%
Passive Lifesage Strategy					
Passive Lifesage Accumulation Portfolio	-	0.420%	0.120%	0.540%	n/a
Lifesage Capital Protection Preservation Portfolio	0.900%	1.398%	0.060%	1.458%	0.010%
Sanlam Blue Lifesage Strategy					
Sanlam Blue Lifesage Accumulation Portfolio	-	0.830%	0.170%	1.000%	n/a
Lifesage Capital Protection Preservation Portfolio	0.900%	1.398%	0.060%	1.458%	0.010%
Single Managed					
SIM Balanced Fund	-	0.830%	0.170%	1.000%	n/a
SIM Cash Fund	-	0.200%	0.010%	0.210%	n/a
SIM Moderate Absolute Fund	-	0.720%	0.050%	0.770%	n/a
SIM Temperance Balanced Fund	-	0.870%	0.090%	0.960%	n/a
Multi Managed					
SMM 30	-	0.782%	0.100%	0.882%	0.042%
SMM 50	-	0.871%	0.150%	1.021%	0.102%
SMM 70	-	0.897%	0.200%	1.097%	0.056%
SMM Moderate Absolute Fund	-	0.834%	0.170%	1.004%	0.000%
SMM NUR Balanced Fund	-	1.094%	0.170%	1.264%	0.000%
The Most Aggressive Portfolio	-	0.975%	0.150%	1.125%	0.000%
Sanlam Accumulation Portfolio	-	1.140%	0.130%	1.270%	0.123%
SMM Select Balanced Fund	-	1.005%	0.190%	1.195%	0.000%
Smoothed Bonus Funds					
Sanlam Monthly Bonus Fund	1.600%	2.107%	0.060%	2.167%	0.010%
Sanlam Stable Bonus Portfolio	0.900%	1.398%	0.060%	1.458%	0.010%
Sanlam Progressive Smooth Bonus Fund	0.700%	1.780%	0.200%	1.980%	0.000%
Passive Managed					
Satrix Enhanced Balanced Tracker Fund	-	0.420%	0.120%	0.540%	n/a

Sanlam Umbrella Fund: Total Investment Costs

as at December 2019

	Investment Administration Fee	Total Expense Ratio (incl. Investment Administration Fee)	Trading Costs	Total Investment Costs	Performance fees (incl. in TER)
External Single Managed Portfolios					
Allan Gray Global Balanced**	0.173%	0.998%	0.086%	1.084%	- ⁸
Sanlam Allan Gray Global Balanced* ⁶	-	1.120%	0.050%	1.170%	- ⁸
Coronation Houseview ⁶	0.173%	1.203%	0.130%	1.333%	n/a
Sanlam Coronation Houseview*	-	0.850%	0.140%	0.990%	n/a
Sanlam Foord Balanced Fund	-	0.790%	0.030%	0.820%	0.000%
Investec Balanced Fund** ⁶	0.173%	0.843%	0.220%	1.063%	n/a
Sanlam Prudential Balanced Fund	-	1.090%	0.140%	1.230%	n/a
PSG Balanced Fund	0.173%	0.998%	0.240%	1.238%	n/a
ACA Wealth Creation ⁹	0.173%	0.743%	0.070%	0.813%	-0.010%

NOTES:

1. The values above are estimated over a rolling 3 year period and annualized unless otherwise stated.
2. Figures as at December 2019
3. The highest fee tier (i.e. lowest asset size) is assumed in the TERs.
4. Portfolios that are less than 6 months old, may not have underlying data available to calculate a reliable estimate.
5. Where applicable asset consulting fees must still be added.
6. TER includes an investment administration charge of 0.173% (including VAT) for portfolios not wrapped in a Sanlam policy.
7. Estimated assuming 75% in Monthly Bonus Fund and 25% in Satrix Enhanced Balanced Tracker Fund.
8. The Orbis fees are included in the total TER and will no longer be disclosed separately under performance fees.
9. Calculated over a 1 year period.

*Applicable to Clients invested before March 2015

**Averaged as Pension and Provident Fund figures differ slightly