

SANLAM UNITY INVESTMENT STRATEGY REVIEW

The outcome of the review process is that the Sanlam Unity Umbrella Fund's default investment strategy will be amended to invest 100% in the Sanlam Stable Bonus Portfolio.

More information about the Sanlam Stable Bonus Portfolio can be found [here](#).

Some of the key reasons this decision was taken include:

- Whilst the current strategy has comfortably achieved the expressed objectives, the Investment Committee was particularly cognisant of the need to bring down costs for the Sanlam Unity Umbrella Fund members especially noting the profile of the membership base and current cost structures. Total Investment Cost ("TIC") reduces by approximately 0.28% per annum as a consequence of this change.
- It was also felt that costs are particularly important for the Sanlam Unity Umbrella Fund given that neither participating employers nor members have any options to invest differently.
- Although a portion of bonuses declared on the Sanlam Stable Bonus Portfolio are deemed non-vested and can be re-clawed by Sanlam in extreme circumstances, this is regarded as a small risk for the foreseeable future especially as the Sanlam Unity Umbrella Fund presently has no assets in this portfolio and hence the entire initial investment in the portfolio will be regarded as capital and not subject to any downside risk.
- A simple default strategy comprising only one well known and respected smoothed bonus portfolio was felt to be an appropriate and simple solution in this market segment and would result in better and more understandable communication to members than a more complicated investment strategy.

The change will be made over the next few months and only when the existing Sanlam Monthly Bonus Fund is fully funded so that no book value to market value adjustment will apply. Further stakeholder communication will follow once the change has been concluded.

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