



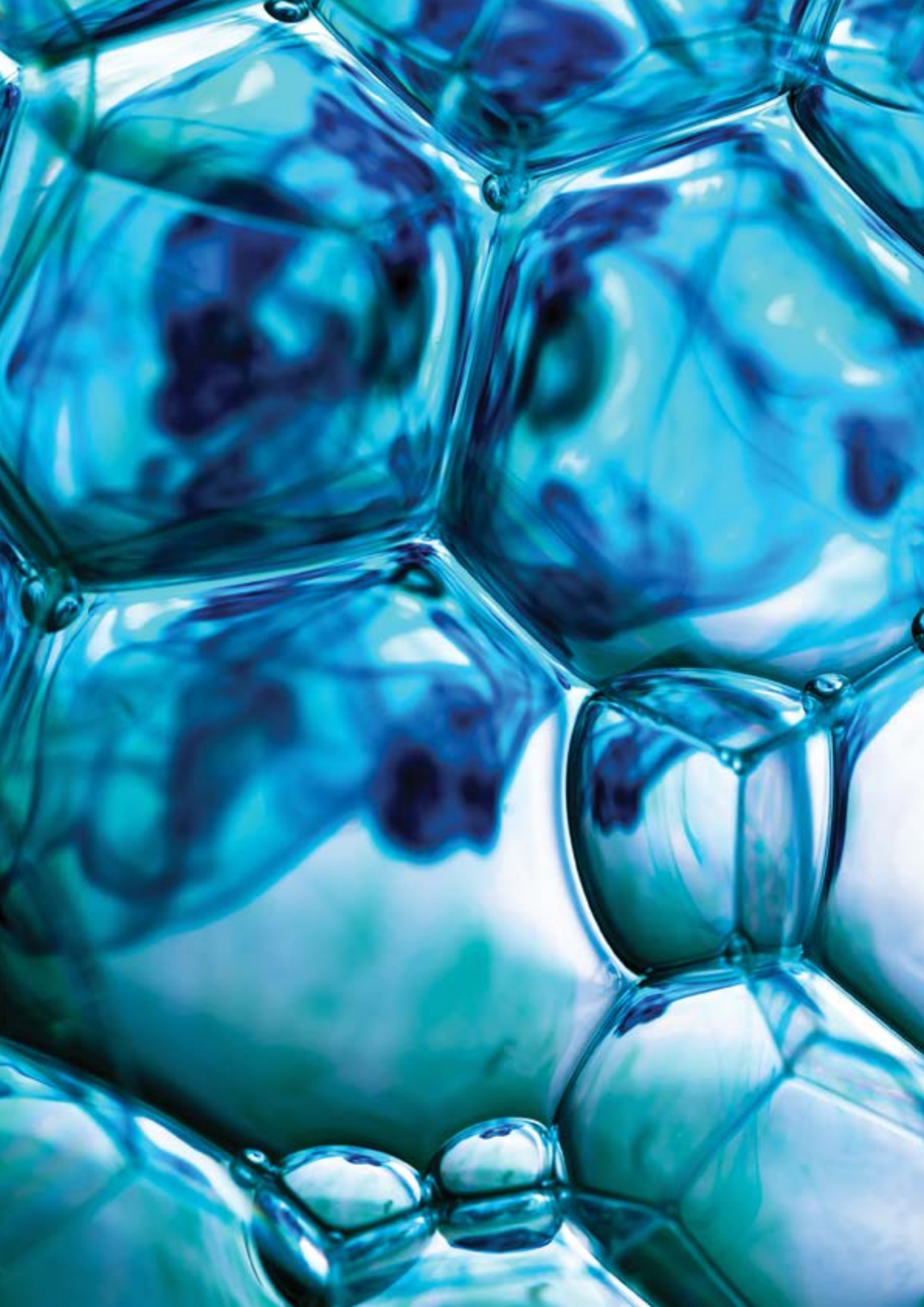
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## **SANLAM PLUS PRESERVATION FUND PRODUCT GUIDE**

Sanlam Corporate

[www.sanlam.co.za](http://www.sanlam.co.za)

Financial Planning | Investments | Insurance | Retirement | Wealth





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# introduction

This document summarises the terms and conditions of participation in the Sanlam Plus Pension Preservation Fund and the Sanlam Plus Provident Preservation Fund (“the Fund”) as applicable at the date of publication.

The document may be amended from time to time with 30 days’ notice to the members. These terms and conditions apply to all members joining the fund from 1 July 2012.

The Fund is administered in terms of a set of General Rules registered with the Registrar of Pension Funds.

## The Fund in a Nutshell

A preservation fund is a fund into which retirement fund benefits may be transferred and preserved when a member of a pension or provident fund terminates his services (but does not retire) or when a fund is dissolved in terms of section 28 of the Pension Funds Act, No. 24 of 1956.

Preservation of members’ benefits when leaving a retirement fund is critical in order to ensure members’ benefits at retirement is sufficient to purchase a sustainable pension for their old age.

Under the Sanlam Plus Preservation Fund, members’ benefits can be transferred to a pension fund or a provident fund.

The Fund’s leading edge Retirement Fund Administration platform offers integrated member administration, financial reporting and investment administration to maximise flexibility while containing costs.

# Why Choose the Sanlam Plus Preservation 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,
- **Cost-effectiveness:** Clients benefit directly from economies of scale by being part of a significant Fund backed by a major financial institution,
- **Communication:** The communication is overseen by the Fund's sub-committee and conducted electronically via the Fund's website,
- **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 on the specific day of the instruction,
  - **Daily balancing:** By balancing assets, liabilities and 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 members with the latest available information.

## Key Benefits

- ① Members avoid paying tax upon transfer of a lump sum from a pension / provident fund,
- ① Members' savings grow tax free,
- ① Members can make one pre-retirement withdrawal,
- ① Highly competitive cost structure, with no initial fees or exit penalties,
- ① Leading edge administration platform,
- ① Excellent governance structures,
- ① Investment menu allowing a wide selection of investment choices,
- ① Transparency and integrity.

## Unique Features

- ① Seamless transfer of investments for most members transferring from Sanlam Umbrella Fund or Sanlam Unity Umbrella Fund,
- ① The backing of Sanlam's financial muscle,
- ① An excellent track record,
- ① A sustainable offering in the light of environmental and Government pressures to reform the South African retirement fund industry.



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## how the **fund** works



### Membership

The minimum requirement for a new member to belong to the Fund is an initial transfer from an approved fund to the value of R25 000. This minimum amount is not applicable on any subsequent transfers from an approved fund to the Fund.

Benefits from a pension fund can only be transferred to the Sanlam Plus Pension Preservation Fund and benefits from a provident fund to the Sanlam Plus Provident Preservation Fund.

## Retirement Date

The retirement date of the fund is 70 years but members are permitted to retire early from age 55 onwards.

## Retirement Benefits

Members' retirement benefits consist of an annuity policy purchased with the member's share. Members may convert the benefit or part thereof to a lump sum payment. Members, who belong to the Sanlam Plus Pension Preservation Fund, may only convert a maximum of one-third of the retirement benefit to a lump sum.

## Disability Benefits

A member's retirement benefit becomes payable if the member, in the opinion of the Board, becomes permanently incapable of carrying on his/her occupation due to sickness, accident, injury or incapacity through infirmity of mind or body.

## Death Benefits

The member's share in the Fund is payable when he/she dies.

The death benefit is payable in the form of an annuity policy purchased with the member's share. Dependants or nominees may request to convert the benefit or part thereof to a lump sum payment.

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.

## Withdrawal before Retirement

A member may apply to make one pre-retirement withdrawal (for each transfer made into the Fund) from the Fund at any date before the retirement date, provided the rules of the transferring fund do not prohibit this. Thereafter a member will not be allowed to make another withdrawal before the retirement date, or disability or death.

Such withdrawal is not deemed as retirement and is taxable according to the withdrawal tax table of the Income Tax Act.

## Investments

The Trustees have approved a range of institutionally priced investment portfolios, including smoothed bonus, single manager and multi-manager investment options.



# governance

# 03

## Management of the Fund

The Sanlam Plus Preservation Fund is managed by a Board of five trustees, three of whom are appointed by Sanlam and two of whom are elected 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 Corporate, 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:

- 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 Audit Sub-committee
- A Communication Sub-committee
- A Death Benefits Allocation Sub-committee
- A Governance & Risks 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 Plus Preservation 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 Governance™ (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.

# 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](http://www.sanlam.co.za).**



## Sanlam's Black Economic Empowerment Status

Sanlam understands that economic transformation is a national economic priority, and black economic empowerment (BEE) is a corporate responsibility.

Sanlam recognises that the principles enshrined in the Financial Sector Charter (FSC) are aimed at creating a broad-based BEE model through:

- Creating opportunities for previously disadvantaged employees and graduates, through accelerated skills development and employment opportunities
- Procuring goods and services from black-owned enterprises while working with them to develop these enterprises
- Investing in communities, in black entrepreneurs and in projects that support infrastructure development, low-cost housing and agriculture
- Ensuring that equity stakes are made available to black communities, and financing those.

In March 2019, Sanlam achieved a level 1 B-BBEE status.

For the past 20-odd years, Sanlam has successfully contributed to BEE through the Group's Ubuntu-Botho partnership, numerous empowerment deals via a range of initiatives, Sanlam Sky Solutions, which is focused on creating access to financial services at the lower end of the market, and the initiatives run by the Sanlam Foundation, to mention but a few. Further economic value is added through procurement of services and enterprise development initiatives.





# taxation at a glance

Taxation legislation is complex and subject to change. It is therefore vital for members to be advised on the appropriate tax structuring from a tax specialist.

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 2020/2021 year of assessment.

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 fund and provident fund components

Realised and unrealised capital gains	No tax is payable	
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
	R 500 001 - R 700 000	18% of taxable income above R500 000
	R 700 001 - R 1 050 000	R36 000 + 27% of taxable income above R700 000
	R 1 050 000 +	R130 500 + 36% of taxable income above R1 050 000
Lump sum on withdrawal	R0 - R 25 000	0% of taxable income
	R 25 001 - R 660 000	18% of taxable income above R25 000
	R 660 001 - R 990 000	R114 300 + 27% of taxable income above R660 000
	R 990 001 +	R203 400 + 36% of taxable income above R990 000
Amounts transferred to preservation funds or other approved pension, provident or retirement annuity funds will not be taxed except a pension to provident fund transfer.		

# investment menu

The Trustees have approved an extensive range of investment portfolios and have resolved that members choosing to make their own investment choices can spread their Fund investments between a maximum of 4 investment portfolios.

Any member investment selection must be submitted electronically via the SC Portal.

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

## Single Manager Range

- SIM Balanced Fund
- SIM Cash Fund

## Multi-manager Range

- SMM 70 Portfolio
- SMM 50 Portfolio
- SMM 30 Portfolio
- SMM NUR Balanced Fund
- SMM Moderate Absolute Fund
- Sanlam Accumulation Portfolio
- Simeka Wealth Creation

## External Multi Manager Range

- Momentum Investments Classic Factor 5\*
- Momentum Investments Classic Factor 6\*
- Momentum Investments Classic Factor 7\*

*\*This portfolio is closed to new investors.*

## External Single Manager Range

- Kagiso Balanced Fund
- Sanlam Allan Gray Global Balanced Portfolio
- Sanlam Coronation Houseview Portfolio
- Sanlam Ninety One Balanced Fund

## Smoothed Bonus Range

- Sanlam Monthly Bonus Fund
- Sanlam Stable Bonus Portfolio

## Index-tracking Range

- Satrix Enhanced Balanced Tracker Fund

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

## 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 Cash Fund**

The SIM 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.

## 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 close to 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 close to 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 NUR Balanced Portfolio**

The SMM NUR Balanced Fund is a multi-manager, Shari'ah-compliant portfolio. It aims to provide steady longterm 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).

- **SMM Moderate Absolute Fund**

The SMM Moderate Absolute Fund 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 returns over any rolling 12 month period. The portfolio will primarily invest in equities, bonds, listed property and cash instruments. It is managed using specific 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 Accumulation Portfolio**

The Sanlam Accumulation Portfolio aims to provide market-related growth to members who have a long term investment strategy 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.

- **Simeka Wealth Creation**

The Simeka Wealth Creation Portfolio aims to provide market-related growth to members who have a long term investment strategy and who need to grow their retirement savings. The portfolio allocates its assets across equity, bond, property, cash and international asset classes. The portfolio has an aggressive risk profile.

## External Multi Manager Range

- Momentum Investments Classic Factor 5\*
- Momentum Investments Classic Factor 6\*
- Momentum Investments Classic Factor 7\*

*\*This portfolio is closed to new investors.*

## External Single Manager Range

- **Kagiso Balanced Fund**

The primary objective is to provide investors with high long-term capital growth, within the constraints of the statutory investment restrictions for retirement funds. The fund will be broadly diversified across asset classes.

- **Sanlam Allan Gray Global Balanced Portfolio\***

The Sanlam Allan Gray Global Balanced Portfolio is an actively managed pooled portfolio 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. This portfolio aims to offer long-term returns superior to the benchmark, but at lower risk of capital loss.

The portfolio is 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.

*\*This portfolio is closed to new investors.*

- **Sanlam Coronation Houseview Portfolio\***

The Sanlam Coronation Houseview Portfolio is a pooled moderate-aggressive risk balanced portfolio managed on a market-linked basis. It focusses on delivering strong, consistent returns over the medium-to-long term.

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 as the key determinant – should produce above-average performance over time.

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

and is suitable for investors displaying a moderately generous propensity to accept market risk.

*\*This portfolio is closed to new investors.*

- **Sanlam Ninety One Balanced Fund**

The primary objective is to deliver capital growth over the medium to long term at volatility levels that reflect a moderate risk profile. The portfolio will invest in a combination of equities, bonds, money market instruments, listed property as well as international equities and fixed interest investments. The portfolio will be broadly diversified across asset classes. Active asset allocation and securities selection strategies appropriate to the needs of moderate investors will be followed.

## 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 approach to money management; investors who require capital security and investors who regard financial security as highly important.

## Index-tracking Range

- **Satrix Enhanced Balanced Tracker Fund**

The fund's objective is to provide stable long-term investment income and capital growth. It provides market-related investment returns by investing primarily in equities, property, fixed-interest investments, cash and foreign assets. Each of the underlying asset classes, except cash, is managed on a passive basis – in other words – by tracking an underlying index. The “Enhanced” nature of the portfolio is derived from the ability of the portfolio manager to make use of derivatives and employ tactical asset allocation (within a predefined range) to enhance the performance of the fund relative to the performance of its strategic asset allocation benchmark.





# operating expenses 06

The Fund's operating expenses comprise the following:

## Administration Fees

Administration Fees are levied by Sanlam to cover the cost of administering the Fund.

For members who joined the Fund after 1 June 2012 these fees are deducted monthly in arrears on the following scale:

- 0.57% per annum, recovered monthly on the portion of assets under management between R0 & R1.5m.
- 0.285% per annum, recovered monthly on the portion of assets under management between R1.5 & R5m.
- R Nil for the portion of assets under management above R5m.

Subject to a minimum fee of R22.80 per member per month.

For members who joined the Fund after 1 January 2016 these fees are deducted monthly in arrears on the following scale:

- 0.15% (excluding VAT) per annum on the portion of assets under management between R0 and R1.5 million.
- 0.10% (excluding VAT) per annum on the portion of assets under management between R1.5 million and R3 million.
- Nil for the portion above R3 million.

Subject to a minimum fee of R25 (excluding VAT) per member per month.

No initial administration fee is payable. Administration fees do not include the Investment Management Fees charged.

## Consulting Fees

Consulting Fees to financial advisers are only payable upon agreement between the member and his/her financial adviser. If applicable, fees are limited to the following provision.

Annual fees are subjected to a maximum of 0.50% (excluding VAT) per annum of assets, levied monthly in arrears.

## Contingency Reserve Account

The Contingency Reserve Account is used to pay expenses related to the following:

FSCA levies and fees, fidelity insurance premiums, actuarial services, audit services, independent trustee expenses, member communication expenses, and other fees and disbursements.

## Revision of Fees

Administration fees and the Contingency Reserve Account are subject to review at any time with a three month written notice period of any changes.

# investment management fees

## Single Manager Range

Portfolios	Fees (including VAT if applicable)
SIM Balanced Fund	<ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.60% per annum on the portion of assets between R100m - R250m</li> <li>• 0.55% per annum on the portion of assets between R250m - R500m</li> <li>• 0.50% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul>
SIM Cash Fund	<ul style="list-style-type: none"> <li>• 0.20% per annum for the first R100m</li> <li>• 0.125% per annum on the portion of assets between R100m - R500m</li> <li>• 0.10% per annum on the portion of assets above R500m</li> </ul>

# Multi-Manager Range

Portfolios	Fees (including VAT if applicable)
SMM 70 Portfolio	<ul style="list-style-type: none"> <li>• 0.80% per annum for the first R100m</li> <li>• 0.75% per annum on the portion of assets between R100m - R250m</li> <li>• 0.70% per annum on the portion of assets between R250m - R500m</li> <li>• 0.60% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.55% per annum on the portion of assets above R1bn</li> </ul>
SMM 50 Portfolio	<ul style="list-style-type: none"> <li>• 0.75% per annum for the first R100m</li> <li>• 0.70% per annum on the portion of assets between R100m - R250m</li> <li>• 0.65% per annum on the portion of assets between R250m - R500m</li> <li>• 0.55% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.50% per annum on the portion of assets above R1bn</li> </ul>
SMM 30 Portfolio	<ul style="list-style-type: none"> <li>• 0.70% per annum for the first R100m</li> <li>• 0.65% per annum on the portion of assets between R100m - R250m</li> <li>• 0.60% per annum on the portion of assets between R250m - R500m</li> <li>• 0.50% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.45% per annum on the portion of assets above R1bn</li> </ul>
SMM NUR Balanced Fund	<ul style="list-style-type: none"> <li>• 0.95% per annum</li> </ul>
SMM Moderate Absolute Fund*	<ul style="list-style-type: none"> <li>• 0.80% per annum for the first R100m</li> <li>• 0.75% per annum on the portion of assets between R100m - R250m</li> <li>• 0.70% per annum on the portion of assets between R250m - R500m</li> <li>• 0.65% per annum on the portion of assets between R500m - R1bn</li> <li>• 0.55% per annum on the portion of assets above R1bn</li> </ul>
Sanlam Accumulation Portfolio*	<ul style="list-style-type: none"> <li>• 1.00% per annum for the first R50m</li> <li>• 0.90% per annum on the portion of assets between R50m - R100m</li> <li>• 0.775% per annum on the portion of assets between R100m - R300m</li> <li>• 0.70% per annum on the portion of assets between R300m - R500m</li> <li>• 0.65% per annum on the portion of assets above R500m</li> </ul>
Simeka Wealth Creation	<ul style="list-style-type: none"> <li>• 0.45% per annum</li> </ul>

*\* 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 Multi Manager Range

Default Portfolios	Fees (including VAT if applicable)
Momentum Investments Classic Factor 5*	<p><b>On South African Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• First R25 million or part thereof 0.83%</li> <li>• Next R25 million or part thereof 0.68%</li> <li>• Next R50 million or part thereof 0.60%</li> <li>• Next R150 million or part thereof 0.55%</li> <li>• Next R250 million or part thereof 0.50%</li> <li>• Balance over R500 million Negotiable</li> </ul> <p><b>On International Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• 0.90%</li> </ul>
Momentum Investments Classic Factor 6*	<p><b>On South African Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• First R25 million or part thereof 0.83%</li> <li>• Next R25 million or part thereof 0.68%</li> <li>• Next R50 million or part thereof 0.60%</li> <li>• Next R150 million or part thereof 0.55%</li> <li>• Next R250 million or part thereof 0.50%</li> <li>• Balance over R500 million Negotiable</li> </ul> <p><b>On International Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• 0.90%</li> </ul>
Momentum Investments Classic Factor 7*	<p><b>On South African Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• First R25 million or part thereof 0.83%</li> <li>• Next R25 million or part thereof 0.68%</li> <li>• Next R50 million or part thereof 0.60%</li> <li>• Next R150 million or part thereof 0.55%</li> <li>• Next R250 million or part thereof 0.50%</li> <li>• Balance over R500 million Negotiable</li> </ul> <p><b>On International Assets per annum:</b></p> <ul style="list-style-type: none"> <li>• 0.90%</li> </ul>

\*This portfolio is closed to new investors.



# External Single Manager Range

Default Portfolios	Fees (including VAT if applicable)
Kagiso Balanced Fund	<p><b>On South African assets:</b></p> <ul style="list-style-type: none"> <li>• 0.85% per annum</li> </ul> <p><b>On International assets:</b></p> <ul style="list-style-type: none"> <li>• 0.85% per annum</li> </ul>
Sanlam Allan Gray Global Balanced Portfolio**	<p>Portfolio not available to participating employers who did not have exposure to this portfolio prior to 1 March 2015.</p> <p><b>On South African assets:</b></p> <ul style="list-style-type: none"> <li>• 1.00% per annum for the first R25m</li> <li>• 0.85% per annum on the portion of assets between R25m – R50m</li> <li>• 0.75% per annum on the portion of assets above R50m</li> <li>• No performance fee on South African assets.</li> </ul> <p><b>On International assets:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Sanlam Coronation Houseview Portfolio**	<p>Portfolio not available to participating employers who did not have exposure to this portfolio prior to 1 March 2015.</p> <p><b>On South African assets:</b></p> <ul style="list-style-type: none"> <li>• 0.60 per annum</li> </ul> <p><b>On International assets:</b></p> <ul style="list-style-type: none"> <li>• 1.00% per annum</li> </ul>
Sanlam Ninety One Balanced Fund	<p><b>On South African assets:</b></p> <ul style="list-style-type: none"> <li>• 0.95% per annum</li> </ul> <p><b>On International assets:</b></p> <ul style="list-style-type: none"> <li>• 0.70% per annum</li> </ul>
<p>** 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.</p>	

# Smoothed Bonus Range

Default Portfolios	Fees (including VAT if applicable)
Sanlam Monthly Bonus Fund	<p>Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:</p> <p><b>Investment Management Fees:</b></p> <ul style="list-style-type: none"> <li>• 0.425% per annum</li> </ul> <p><b>Guarantee Premium:</b></p> <ul style="list-style-type: none"> <li>• 1.60% per annum</li> </ul> <p><b>Annual Performance Linked Fee:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
Sanlam Stable Bonus Portfolio	<p>Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:</p> <p><b>Investment Management Fees:</b></p> <ul style="list-style-type: none"> <li>• 0.425% per annum</li> </ul> <p><b>Guarantee Premium:</b></p> <ul style="list-style-type: none"> <li>• 0.90% per annum</li> </ul> <p><b>Annual Performance Linked Fee:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>

# Index Tracking Range

Default Portfolios	Fees (including VAT if applicable)
Satrix Enhanced Balanced Tracker Fund	<ul style="list-style-type: none"><li>• 0.36% per annum on both South African and International Assets.</li></ul>



# 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 formulates 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 member provides contact details to the Fund.

### Member Portal

The trustees and Sponsor make use of the Member 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 Corporate's Member 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 Member 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.
- 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.

### 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:** [SCClientCare@sanlam.co.za](mailto:SCClientCare@sanlam.co.za)

### 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.
- Every member receives an annual benefit statement compliant with PF 86 as issued by the Registrar.
- Monthly investment fact sheets and quarterly investment updates are issued and made available on the Member Portal.





## 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 Product Guide* document is regularly updated to ensure members have access to updated information on the product offering.

# 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 claims in terms of section 37C of the Pensions Fund Act, No 24 of 1956. The Board is assisted in fulfilling its duties by a Principal Officer and Fund Secretariat.

## Administrator

Sanlam Corporate is responsible for the administration of the Fund, and as such members enjoy the full backing and protection of Sanlam. 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 Plus Preservation Fund and the Administrator.

## Sponsor

The sponsor of the Sanlam Plus Preservation Fund 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. 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 services to the Fund, and adheres to the governance requirements of the Fund as laid down by the Trustees.

## Financial Adviser

In the event that the member elects to appoint a financial adviser, the adviser must be compliant in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002. The adviser does not act on behalf of the Fund or Trustees.

Any consulting fees payable to the Financial Adviser must be agreed between the member and his/her adviser. The services to be performed by the adviser in return must also be agreed upfront between the member and his/her adviser.



# new business

## terms and conditions



### Complaints

Should a member's concerns not be addressed and resolved to his or 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**

### 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 foregoing, the Administrator shall place the member in the position he/she would have been had the aforementioned eventualities not occurred. The member will not be entitled to any windfall profits as a result of the aforementioned eventualities.

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# general fund information

## Regulatory Information for Sanlam Plus Pension Preservation Fund & Sanlam Plus Provident Preservation Fund

Statutory Alternatives	Fund Status	
<b>Registered name</b>	Sanlam Plus Pension Preservation Fund Sanlam Plus Provident Preservation Fund	
<b>Registered as a</b>	Preservation Pension Fund & Preservation Provident Fund (identical benefit and management structures)	
<b>Umbrella sponsor</b>	Sanlam Life Insurance Ltd	
<b>Registration date</b>	<b>Pension Fund:</b> 25/01/2012	<b>Provident Fund:</b> 28/01/2012
<b>Approval date</b>	22/02/2012	21/02/2012
<b>Registration number</b>	<b>Pension Fund:</b> 12/8/30343	<b>Provident Fund:</b> 12/8/30342
<b>Approval number</b>	18/20/4/35399	18/20/4/35399
<b>Funding model</b>	Defined Contribution Funds	
<b>The Fund's financial reporting period</b>	1 January to 31 December	
<b>Fund exemptions</b>	Valuation exempt, not audit exempt. Received permanent / full valuation exemption on 30 September 2010.	
<b>The Fund's registered postal address</b>	PO Box 1, Sanlamhof, 7532	
<b>The Fund's registered physical address</b>	2 Strand Road, Bellville, 7530	
<b>Separate bank accounts are being maintained for each fund</b>	<b>Pension Fund:</b> ABSA, Sanbel Acc no: 4075042057	<b>Provident Fund:</b> ABSA, Sanbel Acc no: 4075042031

# Fund Officers for Sanlam Plus Pension Preservation Fund & Sanlam Plus Provident Preservation Fund

	Principal Officer
Full name	Jolly Mokorosi
Email address	jmokorosi@mfinconsult.com
Company	Mokorosi Financial Consulting Pty (Ltd)
Postal address	PO Box 783163, Sandton, 2146
Physical address	PO Box 783163, Sandton, 2146
Telephone number	083 6400 545

## Professional service providers

Independent External Auditor	Sanlam Plus Pension and Provident Preservation Funds
Company	PriceWaterhouseCoopers
Postal address	PO Box 2799, Cape Town, 8000
Physical address	No 1 Waterhouse Place, Century City, 7441
Telephone number	(021) 529-2000

# Appointments for Sanlam Plus Pension Preservation Fund & Sanlam Plus Provident Preservation 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, 7530	2 Strand Road, Bellville, 7530
Telephone number	(021) 947-5251	(021) 947-1125
Reg number S13B / FAIS	24/85	

	Secretariat	Consultant : Governance & Compliance
Responsible person	Anna Herholdt	Willem le Roux
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, 7530	Simeka House, Farm 2, Vineyards Office Estate, 99 Jip de Jager, Bellville, 7530
Telephone number	(021) 947-1145	(021) 912-3324
Email address	anna.herholdt@sanlam.co.za	willem@simekaconsult.co.za
Reg number S13B / FAIS	N/A	Simeka FAIS Licence No. 13900







2 Strand Road, Bellville 7530 | PO Box 1, Sanlamhof 7532, South Africa

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