



Sanlam Umbrella Fund Comprehensive Plus

The Comprehensive Plus product option allows an institutional asset management or asset consulting business (“Investments Business”) to:

- ▶ Create customised asset management portfolios to meet its clients’ needs subject to certain minimum criteria and due diligence investigations, and to
- ▶ Provide a tailored asset consulting service to a Subfund’s Joint Forum and be remunerated for providing such services in addition to and separate from Contracted Benefit Consulting and Contracted Financial Advisory Services.

The Investments Business must hold a valid discretionary investment license (FSP Category 2) issued by the Financial Services Board in terms of the Financial Advisory and Intermediary Services Act.

The Contracted Benefit Consultant remains the primary consultant to the Subfund and remains responsible for arranging, convening and chairing of Joint Forum meetings. The Investments Business is an investment specialist and thereby assists the Contracted Benefit Consultant to provide a holistic consulting service to the Subfund. The decision to utilise the specialist services of an Investments Business must be ratified by both the participating employer and the Contracted Benefit Consultant.

Differences to Comprehensive Option

Aside from the additional investment choice flexibility permitted, all other terms and conditions of the Sanlam Umbrella Fund’s Comprehensive Option apply – as set out in *The Fund in Detail* document as amended from time to time.

Product minima

The Investments Business must contract that new inflows will average R100 million per additional portfolio within a period to be agreed in writing with Sanlam. A contract will be signed to reflect all terms and conditions that apply in respect of the Investments Business and its clients.

Unless otherwise agreed by the Sanlam Umbrella Fund Investments Subcommittee, the first sub-fund invested in a new Comprehensive Plus arrangement must be a new Sanlam Umbrella Fund client with a minimum of R50 million in assets investing in the arrangement from commencement.

Thereafter, any sub-fund who wishes to make use of these portfolios 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), until such time that the committed scale is achieved.

As required by Default Regulation 37, when exercising this option, Consultants must complete the Regulation 37 Compliance form to confirm that the chosen investment strategy is appropriate for the enrolled members

The additional portfolios must also fully comply with all requirements of Regulation 28 of the Pensions Fund Act.



Special Arrangement Investment Strategy

The option of a Tailored Lifestage Strategy (including automated movement of members' money between portfolios based on predetermined parameters) is available to the Investments Business provided that the identical parameters apply in respect of all Sanlam Umbrella Fund members invested in any such strategy.

Member portfolio switch instructions

Because the customised investment portfolios will not be reflected on the standard hard copy Sanlam Umbrella Fund investment instruction forms, any member instruction to invest wholly or partially in these portfolios must be submitted electronically via Retirement Fund Web.

Investment management fees

A complete breakdown of all investment management fees in respect of the Investments Business' customised investment portfolios must be fully disclosed in writing to all investors before any decision is made to invest in these portfolios, and must also be reflected in the regular ongoing standard investment reporting to Sanlam Umbrella Fund clients invested in these portfolios. The identical asset management fee per portfolio (expressed in basis points terms) applies for all Sanlam Umbrella Fund investors.

Investment consulting fees

Any investment consulting fees payable to the Investments Business must be recorded in writing, and must be approved in writing by all affected participating employers. The maximum permissible asset consulting fee scale is 0.40% per annum exclusive of VAT on Members' Shares (but excluding assets invested via the Glacier platforms).

Sanlam investment administration fees

Sanlam will charge an investment administration fee on the customised Investments Business portfolios to cover extra costs to Sanlam associated with administering and

governing these additional portfolios. The stepped asset based admin fee scale (per annum excluding VAT) is:

- ▶ 0.15% of RO - R1bn
- ▶ 0.10% of R1bn - R2bn
- ▶ 0.05% of over R2bn

Maximum investment-related fees

The Trustees have imposed a fee cap in respect of Comprehensive Plus arrangements. No investment portfolios will even be considered where the Total Investment Charge exceeds 1.8% including VAT. This fee cap include asset management fees (base and performance fees), asset consulting fees, investment administration fees and VAT.

Approval process for additional portfolios

An initial screening checklist needs to be completed confirming minimum criteria for the arrangement, whereafter a written application covering each additional investment portfolio must be submitted in the prescribed format to the Sanlam Umbrella Fund via the Chairman of the Sanlam Umbrella Fund's Investments Subcommittee. It is suggested that this application is made at least four months prior to the first investments into the desired additional portfolios to allow sufficient time for the necessary due diligence and approval process.

Thereafter a detailed due diligence process will begin to ensure the additional portfolios satisfy the Sanlam Umbrella Fund's stringent governance requirements. The application must be approved by ALL of the following parties:

- ▶ The Sanlam Umbrella Fund's appointed investment consultants
- ▶ The Sanlam Umbrella Fund's Investments Subcommittee
- ▶ The Sanlam Umbrella Fund's Board of Trustees

The due diligence will also cover administrative aspects to ensure that the additional portfolios adhere to the service level standards of the Sanlam Umbrella Fund's appointed administrator. These standards include daily pricing, as well as daily reporting of opening balances, cash flows and closing balances in the administrator's required format.

Any approval granted by the Sanlam Umbrella Fund for any additional investment portfolio can be withdrawn with immediate effect should circumstances change such that the portfolio no longer satisfies the Sanlam Umbrella Fund's stringent governance requirements.

Reporting requirements

The Investments 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 Sanlam Umbrella 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 Sanlam Umbrella Fund reports.

In order to fulfill its monitoring mandate from the Trustees, the Investment Business must furnish the Investment Committee with:

- ▶ Electronic copies of investment reports issued to the Sub-fund.
- ▶ Sanlam Umbrella Fund Annual Declaration for Special Arrangements within the Comprehensive Option.
- ▶ Record of Advice to the client.

How can I find out more details about Comprehensive Plus?

For more information or to submit an application, please contact your local Client Solutions Specialist.