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SANLAM UMBRELLA PROVIDENT FUND: SANLAM GROUP  
**INVESTMENT INFORMATION BROCHURE**

MARCH 2024

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Financial Planning | Retirement | Insurance | Health | Investments | Wealth | Credit

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# Introduction

**The Sanlam Umbrella Provident Fund: Sanlam Group (“the Retirement Fund”) is a defined contribution fund. A member therefore accrues a retirement benefit (member share) by accumulating contributions in the member’s fund account in the retirement fund. The contributions to this account together with investment returns form the member’s retirement benefit. Over time the compounding of investment returns plays an important role in saving for that retirement benefit.**

The purpose of saving for retirement is to replace the member’s income received immediately prior to retirement with an acceptable level of income after retirement. It is generally a long-term goal and most of the investment options of the Retirement Fund is structured accordingly. There are, however, also some investment options that cater for those members with shorter investment horizons.

The Retirement Fund offers members various risk-profiled investment portfolios to use in saving for retirement. A wide range of portfolios are made available in order for members to select investment portfolios suitable to their own needs and circumstances.

**A summary of the characteristics of the various portfolios are given in *Annexure A*.**

Although all members have the right to exercise an investment option, the Board of Trustees and Joint Forum of the Retirement Fund are fully aware that some members may not have the necessary expertise to exercise investment options, may not have done an analysis of their financial needs or simply do not wish to exercise an option. For such members the Retirement Fund has a default investment strategy, that it is governed by Regulation 37 of the Pension Funds Act, in place (Refer to Sanlam Wealth Creation Lifestage Strategy on page 4.)



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# Investment Options available to members

Members may choose to invest their accumulated member share differently from future contributions. As the Retirement Fund is structured towards long-term saving a member must recognise that there are investment risks associated with the options provided.

## Members have the following choices:

To remain wholly invested in the default investment strategy as selected by Sanlam Group (the employer).

To allocate their investments between a range of institutionally priced investment portfolios covering the full risk return spectrum. Members may choose to invest in a maximum of four portfolios at a time and are able to switch between portfolios without incurring any fees.

Subject to employer agreement and Glacier's minimum product criteria, to allocate their investments to a wider range of investment options accessed via the Glacier Retirement Fund Solution.



The various options are discussed below.

## Sanlam Wealth Creation Lifestage Strategy (also the default option)

The accumulated member share and contributions of the member will be invested in the default option unless the Retirement Fund has been instructed by the member in writing to invest his/her member share/contributions in another investment portfolio(s).

In terms of the Lifestage approach, a member's savings are initially invested in a portfolio that places emphasis on long-term capital growth with some tolerance for short-term market volatility. (Accumulation phase)

As retirement approaches, a member's savings are automatically switched to a preservation phase to protect the member against specific risks.

It does so in two phases: Accumulation (Growth) and Preservation.

**Accumulation (Growth) Phase:** Members more than 6 years before their Normal Retirement Age are fully invested in the accumulation (growth) portfolio of their Lifestage model. This allows their retirement savings to grow and provides a long time horizon, by investing in a growth portfolio while they are young.

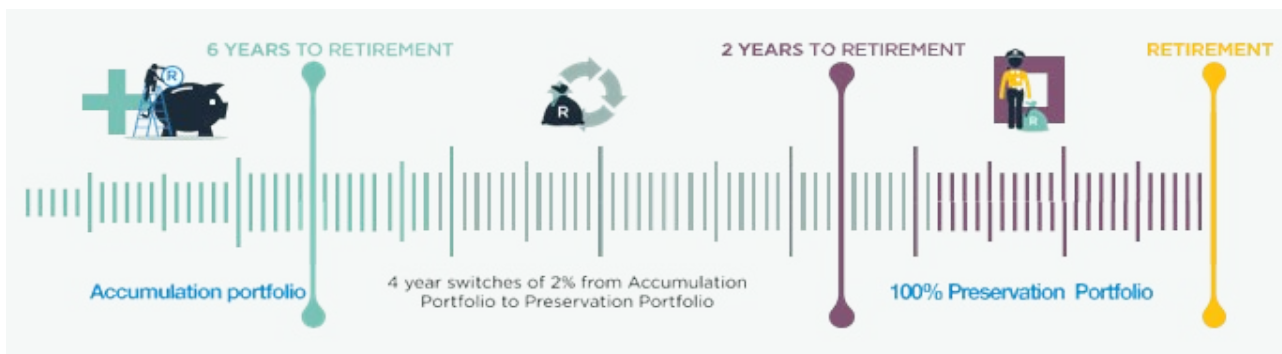


As members approach retirement, their retirement savings are automatically moved from the accumulation (Growth) to the preservation phase according to their age. This is done by transferring 2% of their retirement savings every month from the Sanlam Wealth Creation Portfolio to the Stable Bonus Portfolio.



**Preservation phase:** Members nearing retirement are invested in a more conservative portfolio that aims to protect their savings from fluctuations in the investment market.

Below is a graphic illustration of the functionality and design of the Sanlam Wealth Creation Lifestage Option (Refer Annexure A and B for more detail on the respective portfolios.)



ACCULATION PHASE	50 MONTHLY SWITCHES	PRESERVATION PHASE
Sanlam Wealth Creation Portfolio	4 year switches of 2% from Sanlam Wealth Creation Portfolio to Sanlam Stable Bonus Portfolio	Capital Protection Portfolio (the same as the Sanlam Stable Bonus Portfolio)



# Member investment choice portfolios

Furthermore the Retirement Fund offers a range of institutionally priced investment portfolios managed by different asset managers to members, ranging from passive, smoothed bonus, multi-managed and single manager balanced funds.

## Market linked portfolios

These portfolios include balanced portfolios that comprise of various asset classes where the asset manager decides on the weighting between asset classes and which holdings to buy and sell. Other portfolios are managed on a specialist basis where individual managers are appointed to manage different asset classes with the asset allocation being set at a portfolio level. All the portfolios may invest a part of their capital in global investments.



**Click here** to view the latest fund fact sheets and investment returns of the available portfolios on the retirement fund website.



**Click here** to view the latest Investment Report for the Sanlam Umbrella Provident Fund: Sanlam Group, including the latest total expense ratio (TER) for each portfolio.

The portfolios in this category are (Refer Annexure A and B for more details):

Single Manager range	SIM Moderate Absolute Fund
	SIM Temperance Balanced Fund
	SIM Moderate
Multi-manager range	SIM Aggressive
	SMM Moderate Absolute Fund
	SMM NUR Balanced Fund
	SMM Select Balanced Fund
	Sanlam The Most Aggressive Portfolio (TMAP)
	Sanlam Accumulation Portfolio
Index-tracking range	Sanlam Wealth Creation Portfolio
	Satrix Enhanced Balanced Tracker Fund
External Single Manager range	Allan Gray Global Balanced Fund
	Camissa Balanced Fund
	Coronation Managed
	Foord Balanced Fund
	M&G Balanced Fund
	Ninety One Balanced Fund
	PSG Balanced Fund
	Truffle Balanced Fund
	Sanlam Living Planet Fund

## Cash Portfolio

### SIM Enhanced Cash Portfolio

This portfolio is a money market portfolio with short duration liquid investments. The portfolio is generally a short-term investment portfolio and is not recommended for long-term investments in a retirement fund.

### Smoothed Bonus Portfolios

These portfolios are conservatively structured balanced portfolios which provide capital (book value) guarantees in certain circumstances. In the event of benefit payment at resignation, death or retirement, the capital (book value) is generally guaranteed as a minimum benefit. Should a member wish to make an investment switch out of these portfolios, such a switch will be implemented at the lower of market or book value. However, members have the option annually to give four months in advance notice to switch part of the fund value in the portfolio to another investment option on 1 April at book value.

## The portfolios in this category are:

### Sanlam Stable Bonus Portfolio / Capital Protection portfolio

The portfolio provides investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability.

Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986. The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets.

### Sanlam Monthly Bonus Fund

The returns on this portfolio are given through to members by means of monthly bonuses that are declared by Sanlam Life. These returns are smoothed over time. The full bonus vests immediately. Vested bonuses form part of guaranteed benefits in event of resignation, death and retirement.



**Click here** to view the latest fund fact sheets and investment returns of the available portfolios on the retirement fund website.



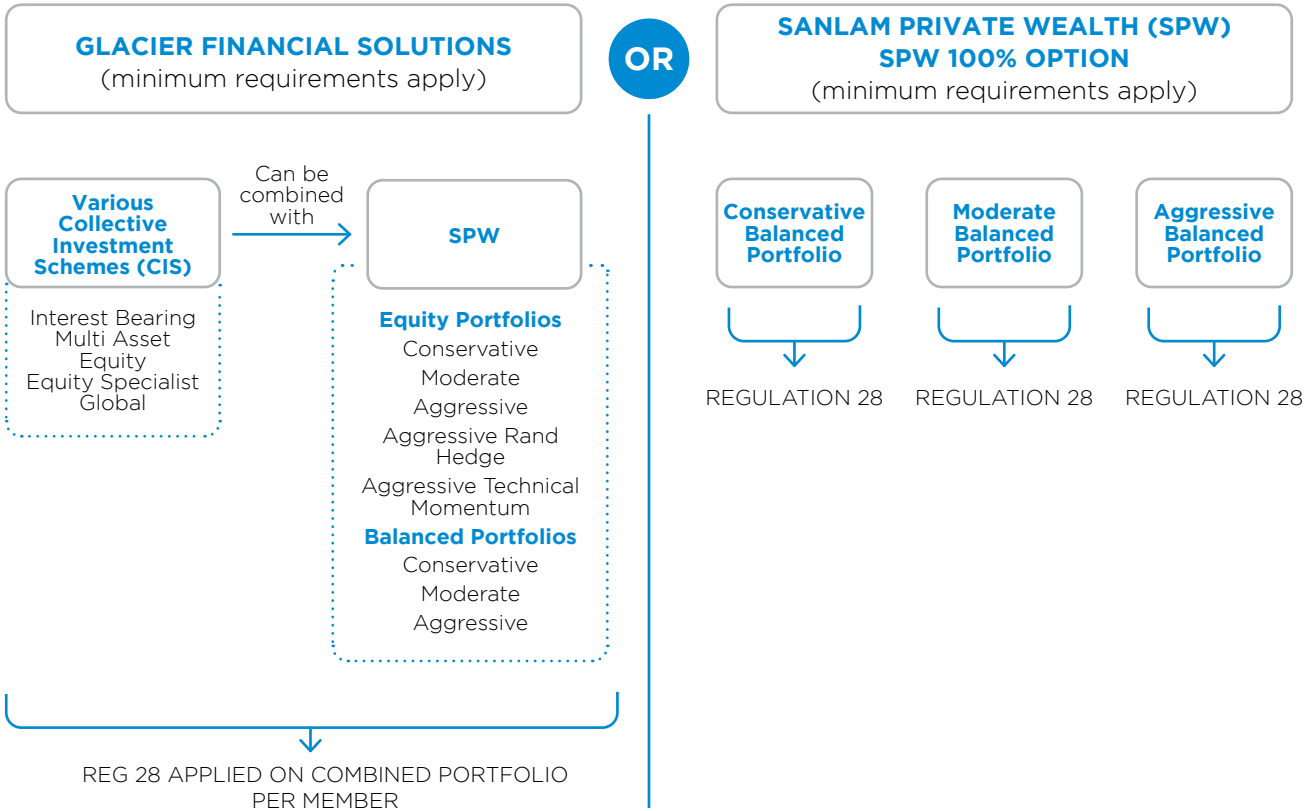
**Click here** to view the latest Investment Report for the Sanlam Umbrella Provident Fund: Sanlam Group, including the latest total expense ratio (TER) for each portfolio.





## Glacier Retirement Fund Solution or SPW option

Members who meet the minimum requirements may invest via the Glacier Retirement Fund Solution. This allows qualifying members to allocate some or all of their investments to a range of retail Collective Investment Schemes (CIS) available on Glacier's investment administration platform. As part of this offering, members can also choose to invest the equity component of their Glacier investments via Sanlam Private Wealth. This solution allows members to create a uniquely tailored solution encompassing their holistic financial plan, not just the savings in the Retirement Fund.



### Minimum requirements

#### Glacier Financial Solutions

- A minimum monthly contribution of R7 500 that can be supplemented by any fund value transfer.

OR

- A minimum Retirement Fund value investment of R500 000, which must be maintained and which can then be supplemented with any monthly contribution.

*Please note: If the member elects to combine collective investment schemes with a SPW share portfolio the minimum amount is R1 000 000.*

#### Spw 100% Option

- The minimum amount for the investment account is R1 000 000.

For more detail about the Glacier/SPW option, please refer to the document on the [Retirement Fund website](#).

# Frequently Asked Questions

**Q** Which members need to choose an investment portfolio?

**A**

All members have the right to make an investment choice. If you decide to exercise an option, you must:

- Understand the implications of your decision and its possible influence on your savings for retirement (member share);
- If you do not have sufficient financial knowledge, you are encouraged to consult with a financial adviser before finalising any investment decision, alternatively you can invest in the default Lifestage portfolio.

**Q** What happens if I do not make a choice?

**A**

Members who do not choose an investment portfolio when commencing membership of the Retirement Fund because they are not comfortable with making the decision themselves, or possibly as a result of insufficient knowledge, will have their fund value and contributions invested in the default Lifestage Option.

**Q** What factors should I take into account in exercising my option?

**A**

An important risk that needs to be considered is insufficient growth in capital over your working life. The intention of the Retirement Fund is to provide a benefit at retirement that will replace your income that you earn before retirement at an acceptable level. In order to achieve this goal, an equity rich portfolio is generally accepted until you approach retirement. Such portfolios may however incur more fluctuation in value over time (market volatility) and some members may want to invest more conservatively. It is however expected that more conservative investments over longer periods of time will earn lower investment returns.

A further important factor to take into account is the term until you expect to retire. Generally members take a part of their benefits in cash at retirement and then invest the remainder in a pension. Your investment strategy will depend on what type of pension you will purchase and how much cash you wish to withdraw.

When making your investment decisions, it is very important to consider your personal comfort level with risk. A summary of different risk profiles is given in Annexure C to the document.



## What is investment risk?



Investment risk can be broken down into various components. The Retirement Fund's investment risk is managed by using professional asset managers who diversify investments between different asset classes, and in fact legislation sets certain minimum diversification limits. Generally over longer periods of time higher returns are associated with higher risk and lower returns are associated with lower risk. Higher risk is, however, by no means a guarantee of higher returns over the longer term.

### Some types of investment risk are explained briefly below:

#### **Capital risk**

The possibility of a fall in the value of your investment is known as capital risk. The capital risk of investing in shares (equity) over the short term is greater than an investment in cash. A member who is concerned about short term capital risk will tend to invest in more cautious portfolios.

#### **Inflation risk**

The erosion of the purchasing power of savings by the inflationary increase in the cost of living, along with the resulting risk of members' investments having too little purchasing power, is known as inflation risk. In the past certain investments such as investments in property and equity have given better protection against inflation than cash over longer periods of time.

#### **Liquidity risk**

Where investments cannot be converted into cash quickly without capital loss, this is indicated as liquidity risk. Liquidity is only required when benefits become payable in cash. Liquidity is therefore more important for a member nearing retirement and in retirement rather than over the lifetime that a person saves for retirement. Most of the portfolios offered by SUF: Sanlam Group are large and investments can generally be changed into cash in a short period of time.

#### **Currency risk**

The value of investments globally may fluctuate with exchange rates.

Most of the portfolios, as part of a diversification process, make some investments outside of South Africa which are valued in currencies different to Rands. The value of a Rand compared to other currencies fluctuates.

#### **Credit risk**

When an asset manager lends money to an institution (usually in the form of purchasing bonds), the institution becomes a creditor of the retirement fund. If the institution fails, it may become difficult or impossible to return the capital. In the case of the borrowing institution being a government, the risk is generally lower than in the case of a smaller company. When the retirement fund therefore lends money to an institution the credit-worthiness of the borrower is assessed by professional asset managers and an appropriate interest rate is charged for the credit risk taken by the retirement fund.

**Q Where can I find the investment returns of the various portfolios?**

**A** Your member share (accumulated savings in the fund) is updated daily and the detail is available **online**. Most of the investments are in unitised portfolios where you purchase units in the larger portfolio with your contributions every month. The value of your member share is determined by multiplying the number of units by the price of a unit.

The investment returns are further summarised in a monthly publication which is available on the **Retirement Fund website**.

**Q Who determines the investment portfolio menu?**

**A** The Board of Trustees and SUF: Sanlam Group Joint Forum determines the investment portfolio menu. The Retirement Fund has an Investment Committee which receives regular reports and feedback from the Asset Managers and Investment Consultants. The intention of the Joint Forum of the Retirement Fund is to provide an investment portfolio menu across the risk spectrum with sufficient choice for members.

**Q Do I have to invest my full benefit in one portfolio?**

**A** No. You can choose different investment portfolios (maximum 4) for your accumulated member share and future contributions. You may change your investment portfolio choice at any time.

If you choose the default Lifestage Option you cannot choose any other portfolios along with it, since your member share will be automatically switched on your behalf as you approach retirement. Therefore, 100% of your accumulated member share and your future contributions must be allocated to the Lifestage Option.

**Q What will it cost to change my investment choice?**

**A** Members can change their investment portfolio selection at any time free of charge.

**Q How do I indicate my choice?**

**A** You may change your options **online**.

**Q How long does it take to implement my portfolio selection?**

**A** Switches are generally implemented within 5 working days of the administrator receiving an instruction.

**Q When do you have to choose a portfolio?**

**A** You are encouraged to monitor your investments on a regular basis together with your financial advisor.

# Annexure A

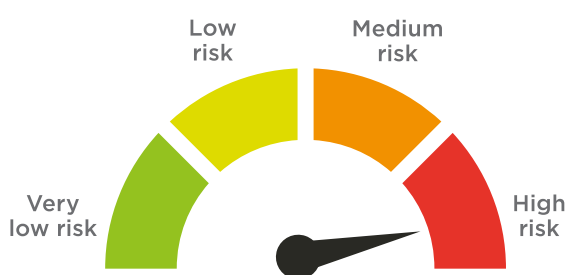
## Investment Portfolios

### Sanlam Wealth Creation Lifestage Strategy

#### Sanlam Wealth Creation Portfolio

The portfolio aims to deliver superior real returns over the long term. This balanced portfolio is managed on a multimanager basis and includes international exposure. Each manager has been selected on the basis of rigorous quantitative and qualitative analysis. The portfolio is suitable for members who have a long-term investment horizon. This is a multi-asset, multi managed portfolio and has exposure to all the major asset classes, including global assets.

The portfolio has a high risk profile.



Investment objective

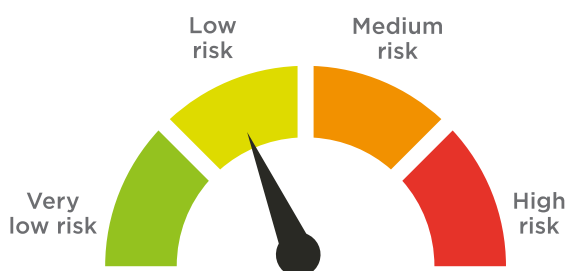
In excess of CPI (Inflation) + 6% in the long term.

#### Sanlam Stable Portfolio/Capital Protection Portfolio

These portfolios provide investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability.

Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986. The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets.

The portfolio has a low risk profile.



Investment objective

In excess of CPI (Inflation) in the medium term.

# Member investment choice portfolios

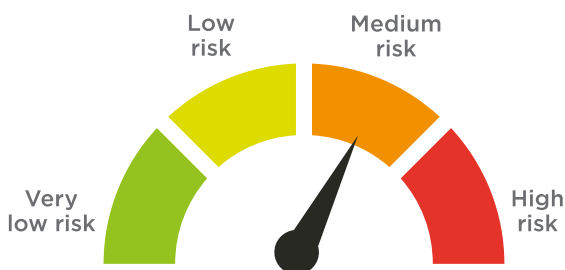
## 1. Single manager range

### SIM Moderate Absolute Return

The SIM Moderate Absolute Fund invests in a flexible combination of investments in the equity, bond and money markets, both locally and abroad, aiming for positive real returns (comprising capital and income growth) over the medium to-long term. The portfolio is ideally suited to the cautious investor wanting to save for retirement, and who aims to achieve an inflation-beating return. The portfolio aims to smooth returns and reduce volatility and is thus an ideal investment for times of market instability. Capital protection is of primary importance.

The portfolio aims to outperform inflation (CPI) by a margin of 5% (before annual service fee) over any rolling 36-month period, while also aiming to prevent any capital losses over any rolling 12-month period.

The portfolio has a medium risk profile.



#### Investment objective

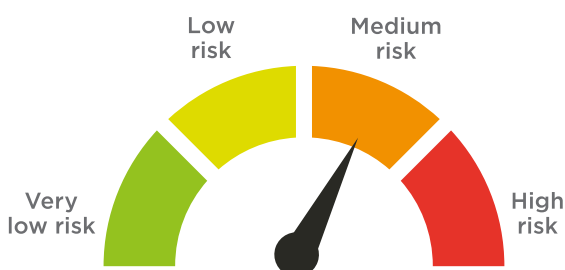
In excess of CPI (Inflation) + 5% in the long term.

### SIM Temperance Balanced Fund

The SIM Temperance Balanced Fund 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. It follows a principled investment approach and therefore excludes investments in entities linked with tobacco, alcohol, pornography, gambling, etc.

This portfolio is suitable for investors wishing to achieve a good investment return and requires a longer-term time horizon.

The portfolio has a medium risk profile.



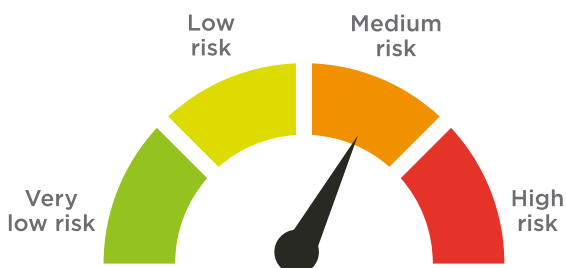
#### Investment objective

In excess of CPI (Inflation) + 5% in the long term.

## SIM Moderate Portfolio

The fund's objective is to provide medium long-term investment growth and is suitable for investors with a long-term investment horizon. The fund offers investors diversified exposure to most of the key local and international asset classes. The fund invests primarily in equities, fixed-interest investments, cash and foreign assets.

**The portfolio has a medium risk profile.**



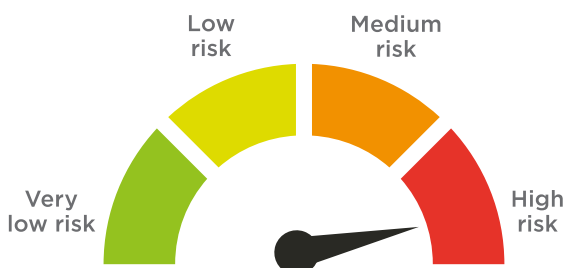
### Investment objective

In excess of CPI (Inflation) + 3% in the long term.

## SIM Aggressive Portfolio

The fund's objective is to provide medium to high long-term investment growth and is suitable for investors with a long-term investment horizon. The fund offers investors diversified exposure to most of the key local and international asset classes. The fund invests primarily in equities, fixed-interest investments, cash and foreign assets.

**The portfolio has a high risk profile.**



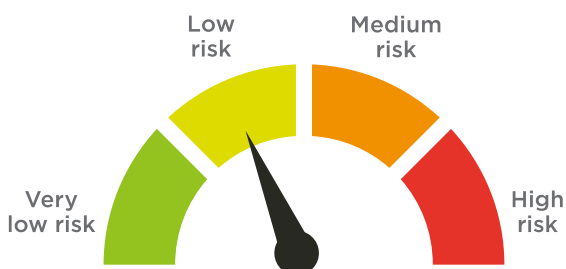
### Investment objective

In excess of CPI (Inflation) + 6% in the long term.

## SIM Enhanced Cash Portfolio

The fund's objective is to provide capital stability and high liquidity while offering competitive returns relative to bank deposits. It invests primarily in cash, money market instruments and short-dated credit instruments.

**The portfolio has a very low risk profile.**



### Investment objective

CPI (Inflation) in the short term.

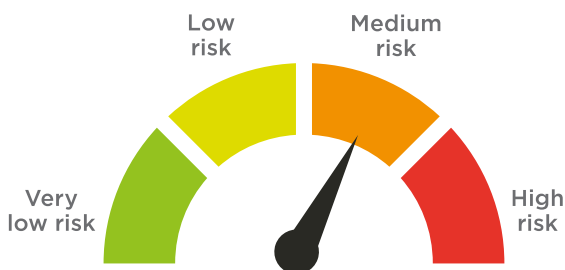
## 2. Multi manager range

### 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 positive returns over any rolling 12-month period.

The portfolio will primarily invest in equities, bonds, listed property and cash instruments. It is managed using specialist absolute return managers and value is added through manager selection and underlying absolute strategies.

**The portfolio has a medium risk profile.**



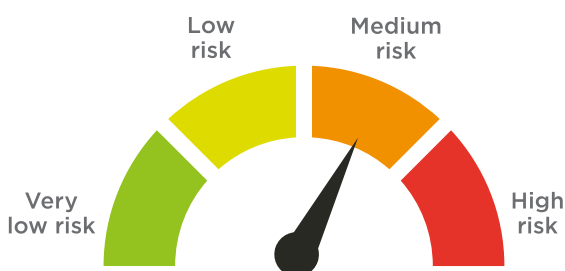
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

### SMM NUR Balanced Fund

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

**The portfolio has a medium risk profile.**



**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

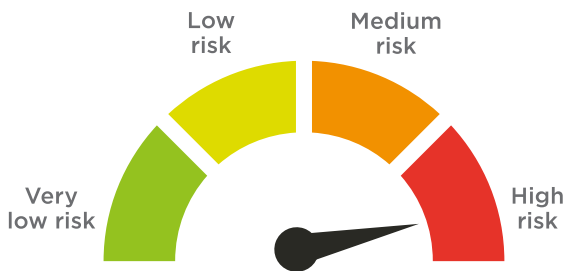




## SMM Select Balanced Fund

The SMM Select Balanced Fund is a multi-managed fund of fund. The fund aims to achieve stable income and capital growth by investing in a balanced and diversified portfolio of collective investments, which in turn invests in sectors or shares with sound growth potential. It is suitable for investors who have a long-term investment horizon and who are willing to accept short-term volatility to maximise the potential long-term growth.

**The portfolio has a high risk profile.**



**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

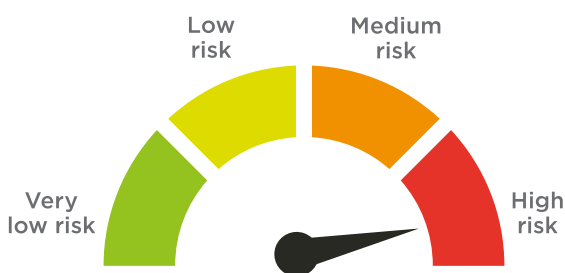
## Sanlam The Most Aggressive Portfolio

The portfolio is managed by Sanlam Multi-Manager International with a maximum exposure to equities and invests in a number of various underlying investment managers (a multi-managed strategy).

It has approximately a 90% exposure to risky assets 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.

Sanlam The Most Aggressive 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.

**The portfolio has a high risk profile.**



**Investment objective**

In excess of CPI (Inflation) + 7% in the long term.

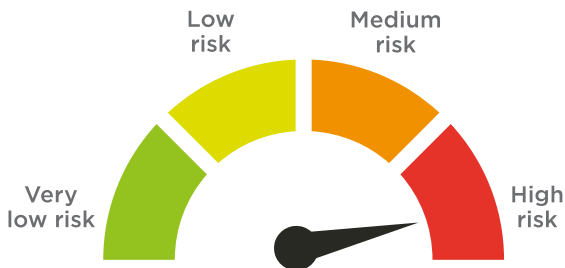


## Sanlam Accumulation Portfolio

The 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 a high risk profile.**



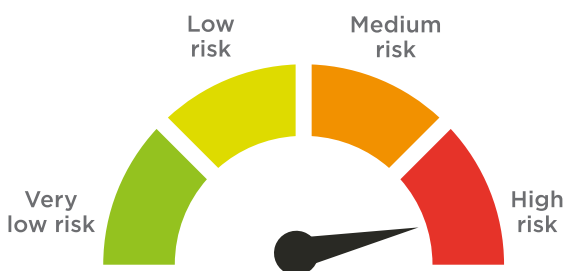
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Sanlam Wealth Creation Portfolio

The portfolio aims to deliver superior real returns over the long term. This balanced portfolio is managed on a multimanager basis and includes international exposure. Each manager has been selected on the basis of rigorous quantitative and qualitative analysis. The portfolio is suitable for members who have a long-term investment horizon. This is a multi-asset, multi managed portfolio and has exposure to all the major asset classes, including global assets.

**The portfolio has a high risk profile.**



**Investment objective**

In excess of CPI (Inflation) + 6% in the long term.

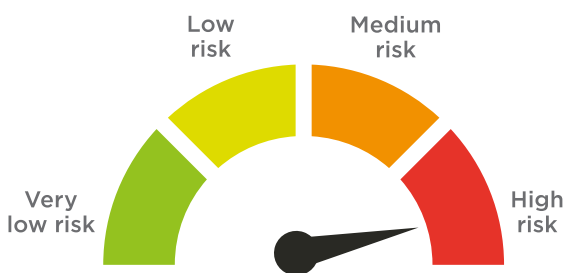


### 3. Index-tracking range

#### 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.

The portfolio has a high risk profile.



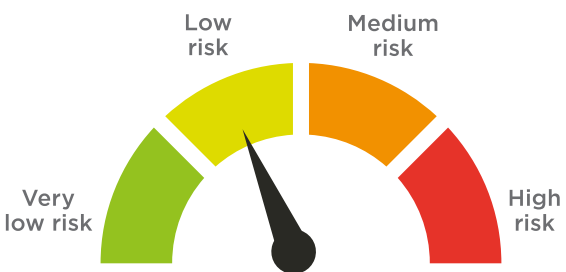
**Investment objective** In excess of CPI (Inflation) + 5% in the long term.

### 4. Smooth Bonus Portfolios

#### Sanlam Monthly Bonus 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.

The portfolio has a low risk profile.

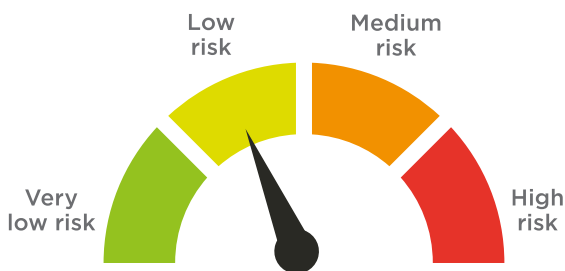


**Investment objective** In excess of CPI (Inflation) in the medium term.

## Sanlam Stable Bonus Fund

The Stable Bonus Portfolio provides investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability. Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986. The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets.

**The portfolio has a low risk profile.**



**Investment objective**

In excess of CPI (Inflation) in the medium term.

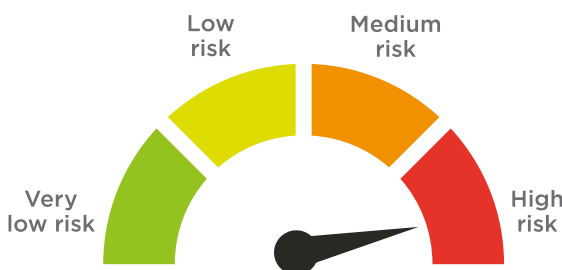
## 5. External Single Manager range

### Allan Gray Global Balanced Portfolio

The 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. This 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.

**The portfolio has a high risk profile.**



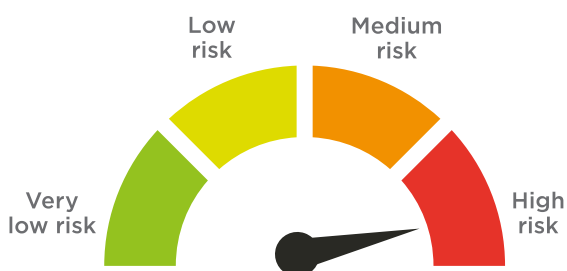
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Camissa Balanced Fund

This fund aims to provide investors with high, long-term capital growth within the constraints of the statutory investment restrictions for retirement funds. As the fund aims to maximise returns, it will have a strong bias towards equities – typically the asset class with the highest expected long-term returns. The fund is suitable for investors who are building up their long-term retirement savings and require capital growth and are able to invest for the long-term and accept moderately high market risk.

**The portfolio has a high risk profile.**



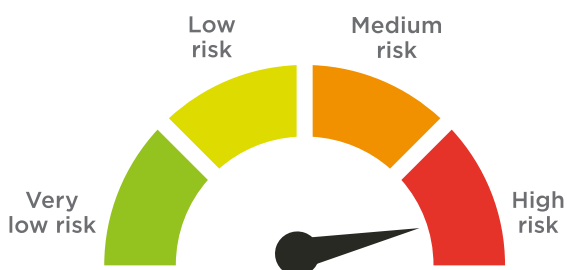
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Coronation Managed Portfolio

The Coronation Managed Strategy is an aggressive, clean slate fully discretionary balanced portfolio. The Strategy's objective is to outperform its peer group or a composite benchmark over meaningful periods (defined as at least 5 years). The Strategy is managed in accordance with the limits of Regulation 28 of the Pension Funds Act.

**The portfolio has a high risk profile.**



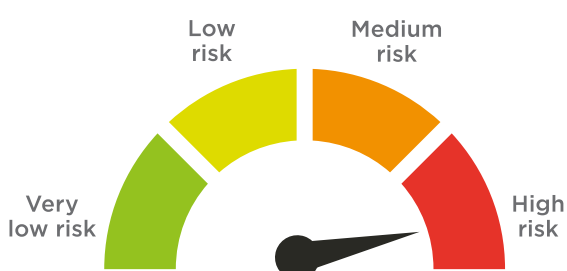
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Foord Balanced Fund

The Foord Balanced Fund aims to achieve the steady growth of income and capital as well as the preservation of capital over the long term. The portfolio could be considered by investors whose risk tolerance is below that of a pure equity fund investor and those who require the asset allocation decision to be made for them, within prudential guidelines. The Fund is suited to being a substantial component of any retirement savings portfolio and is especially suitable for retirement funds, pension fund members and holders of contractual savings products.

**The portfolio has a high risk profile.**



**Investment objective**

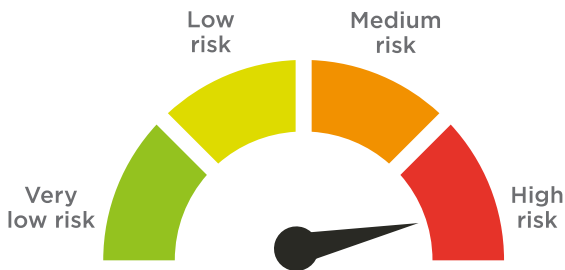
In excess of CPI (Inflation) + 5% in the long term.

## M&G Balanced Portfolio

The M & G Balanced Portfolio is a specialist portfolio. In selecting securities for the portfolio, the investment manager seeks to follow an investment policy, which enables it to secure an optimum overall return for investors. The fund aims to achieve steady growth of capital and income through global asset allocation and stock selection across all industry sectors.

The Portfolio is suitable for investors who seek a suitable vehicle for retirement provision and those investors who wish to tilt their portfolio to value with controlled risk exposure, Retirement Funds that offer investment choice to its members, and investors who are comfortable with the risk of market fluctuations and potential capital loss, but less risk than with a typical equity fund.

**The portfolio has a high risk profile.**



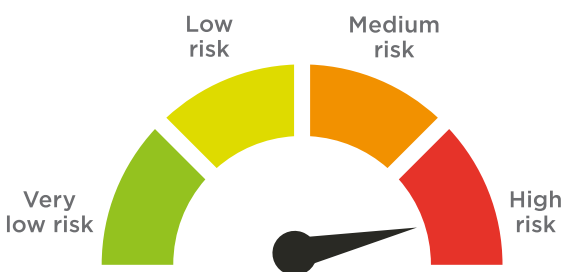
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Ninety One Balanced Portfolio

The Ninety One Balanced Fund represents a stand-alone multi-asset strategy managed in accordance with the prudential investment guidelines. The Ninety One Balanced Fund is suitable for investors who have a moderate to high risk profile, and provides a vehicle for investors seeking capital and income growth over the long-term.

**The portfolio has a high risk profile.**



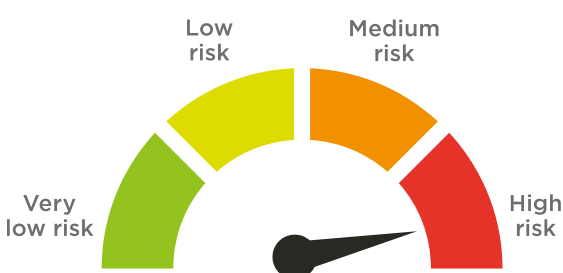
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## PSG Balanced Portfolio

The PSG Balanced Fund is a pooled moderate-aggressive risk balanced portfolio managed on a market-linked basis. The objective is to achieve long term growth of capital and a reasonable level of income for investors. This 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.

**The portfolio has a high risk profile.**



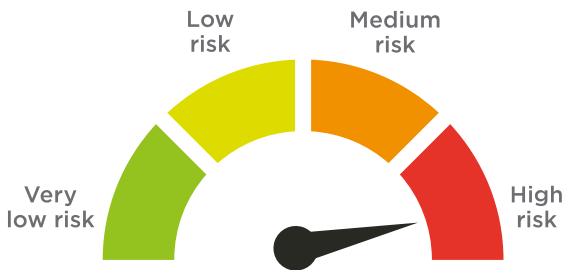
**Investment objective**

In excess of CPI (Inflation) + 5% in the long term.

## Truffle Balanced Fund

The Truffle Balanced Fund exposure is accessed through a Nedgroup vehicle called Nedgroup Investments Balanced Fund. This fund aims to achieve maximum long-term capital growth. The fund is suitable for investors saving for retirement (Regulation 28-compliant), requiring moderate levels of capital growth and who do not wish to make complex asset allocation decisions between equities, cash and bonds, both locally and globally. The risk profile represents moderately high market risk. Returns can be more volatile over the short term relative to the broader market, but will be less volatile than the equity market.

**The portfolio has a high risk profile.**



### Investment objective

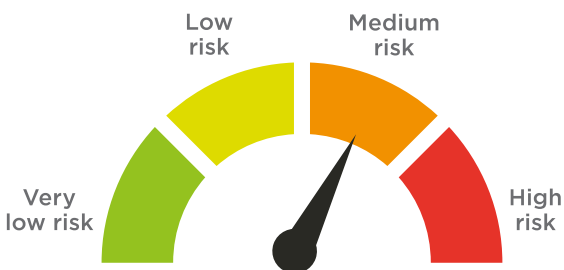
In excess of CPI (Inflation) + 5% in the long term.

## Sanlam Living Planet Fund

The WWF supported Sanlam Living Planet Fund (“the Fund”) aims to provide long term investors with acceptable financial returns within a framework that enhances environmental sustainability by redirecting investment flows towards sustainable opportunities and away from unsustainable practices. The mission is to reduce the degradation of the planet’s natural environment and to build a sustainable future in which humans live in harmony with nature.

The Fund is well diversified, actively managed and complies with Regulation 28 of the RSA Pensions Funds Act. It is managed by utilizing the combined capacity of regulated authorized investment managers and the World Wide Fund for Nature (WWF), a leading international environmental organisation.

**The portfolio has a medium risk profile.**



### Investment objective

In excess of CPI (Inflation) + 5% in the long term.



# Annexure B

# Investment management fees

Portfolio	Domestic Fees PLUS Global Fees pa	
<b>Sanlam Wealth Creation Lifestage</b>		
<b>Sanlam Wealth Creation Portfolio</b>	1st R50m - 0.950% Next R50m - 0.875% Next R50m - 0.700% Next R150m - 0.600% More than R300m - 0.575%	<b>Current fee estimated at 0.6% based on this portfolio becoming the new default.</b>
<b>Capital Preservation portfolio</b>	Fixed - 0.425%; plus Guaranteed fee - 0.90%	
<b>Single Manager Range</b>		
<b>SIM Moderate Absolute Fund</b>	0.45%	
<b>SIM Temperance Balanced Fund</b>	0.60% for local and 0.85% for global assets	
<b>SIM Moderate</b>	0.40%	
<b>SIM Aggressive</b>	0.45%	
<b>SIM Enhanced Cash Fund</b>	0.15%	





Multi Manager Range		
<b>Sanlam The Most Aggressive Portfolio</b>	0.80%	
<b>Sanlam Wealth Creation Portfolio</b>	1st R50m – 0.950% Next R50m – 0.875% Next R50m – 0.700% Next R150m – 0.600% More than R300m – 0.575%	<b>Current fee estimated at 0.6% based on this portfolio becoming the new default.</b>
<b>SMM Moderate Absolute Fund</b>	1st R100m – 0.800% Next R150m – 0.750% Next R250m – 0.700% Next R500m – 0.650% More than R1 billion – 0.600%	<b>Current fee estimated at 0.80%.</b>
<b>Sanlam Accumulation Portfolio</b>	1st R50m – 0.720% Next R50m – 0.670% Next R200m – 0.545% Next R200m – 0.520% Above R500m – 0.495%	<b>Current fee estimated at 0.51%.</b>
<b>SMM NUR Balanced Fund</b>	0.90%	
<b>SMM Select Balanced Fund</b>	1st R100m – 0.950% Next R150m – 0.900% Next R250m – 0.850% Next R500m – 0.750% Above R1 bn – 0.650%	<b>Current fee estimated at 0.95%.</b>
Smooth Bonus Portfolios		
<b>Stable Bonus Portfolio</b>	1st R100m – 0.425% Next R200m – 0.375% Above R300m – 0.325%; plus Guaranteed fee of 0.90%	<b>Current fee estimated at 1.25%.</b>
<b>Monthly Bonus Fund</b>	1st R100m – 0.425% Next R200m – 0.375% Above R300m – 0.325%; plus Guaranteed fee of 1.6%	<b>Current fee estimated at 2.00%.</b>
Index-tracking (Passive)		
<b>Satrix Enhanced Balanced Tracker Fund</b>	0.325%	

## External Single Manager Range

<b>Coronation Managed</b>	1st R200m – 0.50% Next R300m – 0.45% Next R500m – 0.425% Above R1bn – 0.40%	<b>Current fee estimated at 0.42%.</b>
<b>Allan Gray Global Balanced</b>	0.30% domestic assets and 0.60% global assets	
<b>Camissa Balanced Fund **</b>	0.86% per annum (excluding VAT) on both domestic and global assets	
<b>Foord Balanced Fund **</b>	0.40% (excluding VAT) per annum on domestic assets and global assets Fees within the global component are charged within the respective global funds and cannot be altered.	
<b>M&amp;G Balanced Fund **</b>	0.60% per annum on both domestic and global assets plus 0.65% per annum on the portion of the foreign assets invested into Africa, collective investments schemes, derivative instruments or directly into exchanged traded funds.	
<b>Ninety One Balanced Fund **</b>	0.54% per annum on domestic and 0.75% per annum on global assets	
<b>PSG Balanced Fund **</b>	0.70% (excluding VAT) per annum on both domestic and international assets.	
<b>Truffle Balanced Fund **</b>	0.75% per annum (excluding VAT) on both domestic and international assets.	
<b>Sanlam Living Planet Fund</b>	0.75% per annum excluding VAT) on both domestic and international assets.	

## Glacier or SPW – Individualised investment Portfolio Options

<b>Glacier or SPW investment portfolio options</b>	An asset administration platform fee plus investment management fees is payable, depending on the underlying investments selected. Consulting fees are negotiable with the FAIS-accredited financial adviser.
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\*\* 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.

## Performance Fees

<b>SIM Moderate</b>	For every 1.0% outperformance of the benchmark the basic fee increase 0.15% and decreases with -0.05% for underperformance of -1.0% or more. Maximum performance fee: 0.45 %
<b>SIM Aggressive</b>	For every 1.0% outperformance of the benchmark the basic fee increase 0.15% and decreases with -0.05% for underperformance of -1.0% or more. Maximum performance fee: 0.45 %
<b>Coronation Managed (effective 14 May 2021)</b>	22.8 % of the out performance of the benchmark over a rolling 3 year term, capped on 1% p.a.
<b>Allan Gray Global Balanced</b>	25% of under or outperformance of the benchmark paid into a reserve from where performance fees are paid.
<b>Foord Balanced Fund</b>	10% performance participation using a high watermark arrangement, with a benchmark of the Alexander Forbes Global Manager Watch mean. The performance fee is accrued daily and paid monthly. There is no cap on performance fee. A high water mark applies.
<b>Sanlam The Most Aggressive Portfolio</b>	Some of the Fund of Hedge Funds managed via Amplify have performance fee structures. The performance fee is capped at 5% of the manager.
<b>Sanlam Wealth Creation Portfolio</b>	Some of the underlying managers in the multi-management structure may earn a performance fee.
<b>SMM Moderate Absolute Fund</b>	Some of the underlying managers in the multi-management structure may earn a performance fee.

## Sanlam Wealth Creation Lifestage

<b>Sanlam Wealth Creation</b>	Some of the underlying managers in the multi-management structure may earn a performance fee.
<b>Capital Preservation Portfolio</b>	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).

## Smooth Bonus Portfolios

<b>Stable Bonus Portfolio</b>	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).
<b>Monthly Bonus Fund</b>	The investment manager may be incentivised with performance fees (capped at 0.3% p.a.).

## Annexure C

# Investment Risk Profiles

A summary of typical investment risk profiles is given below. It is important to consider your personal comfort level with investment risk but it is also noted that an important risk is that not sufficient capital growth is attained throughout the working life of a member. A member will therefore have to tolerate some investment risk at least until shortly before retirement to achieve a retirement benefit that has maintained its value in relation to inflation over their working life.



### Low Risk (Conservative)

The primary investment goal of a Conservative investor is capital protection in nominal terms. Only stable growth is required, and the investor may require access to the capital within three years. The portfolio will consist primarily of income orientated asset classes such as cash, bonds and property, with little exposure to equities. As a result the expected return of such a portfolio may be close to inflation with limited potential of real gains or losses. Investments portfolios with this profile can also be used as a temporary parking facility during times of turbulent market movements.

### Medium Risk (Moderate)

The primary investment goal of a Moderate investor is moderate capital growth. The investor is able to tolerate some fluctuations in short-term returns (in anticipation of higher long-term returns), and requires access to the investment only after five years. The portfolio is diversified across all major asset classes to create a balance between risk and return. It may experience short-term negative returns with a target return that will moderately outperform inflation over the longer term.

### High Risk (Aggressive)

The primary investment goal of an Aggressive investor is long-term capital growth. The investor is prepared to tolerate significant short-term fluctuations in returns, in anticipation of higher real returns over the long-term. The investment term is for longer than five years. The portfolio is diversified across all major asset classes, with a significant bias toward equities. It may experience severe short-term negative returns and aims to maximise return over the long-term (aims to significantly outperform inflation over the long-term).

**For more information on these investment solutions,  
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