



**Sanlam Umbrella Provident Fund: Sanlam Group (Retirement Fund)  
Information Guide for Members regarding retirement fund and related group insurance benefits**

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This booklet does not form part of the official Retirement Fund Rules and Group Insurance Policies. In the event of any contradiction between the contents of this booklet and the official Rules and/or Policies, the provisions of the Rules and Policies shall prevail. These rules and policies are available on request at [myretirementfund@sanlam.co.za](mailto:myretirementfund@sanlam.co.za)

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**Note: On 1 December 2022 all members of the Sanlam Staff Umbrella Pension and Provident Funds (SSUF) were transferred to the Sanlam Umbrella Provident Fund - Participating Employer: Sanlam Group.**

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## 1. Introduction

Retirement Fund and related group insurance benefits for office staff employees within the Sanlam Group and its affiliates, are provided by four separate products, namely the Sanlam Umbrella Provident Fund: Sanlam Group (the Retirement Fund), Sanlam Office Staff Group Life Assurance, Sanlam Family/Funeral Insurance and Sanlam Office Staff IncomeCare Insurance. The benefits offered by the Retirement Fund and related group insurance policies are covered briefly in this document. More information is available on the My Retirement Fund website:

<http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>

Membership is compulsory for all permanent office staff employees who are in the full-time service of a participating employer in the Sanlam Group.

## 2. Proof of good health

There is a lot of flexibility regarding the level of lump sum death and disability benefits. You will notice that you will qualify for these cover within certain limits without having to provide medical proof of good health.

However, should the cover that you opted for or that you qualify for by default (as explained at point 8) exceed the following limits (refer to as proof free limits) the underwriter will require medical proof of good health before you can qualify for the amount that exceeds the proof free limits mentioned below:

- **Death benefits payable by the Retirement Fund and Group Life Insurance (including the lump sum disability benefit)**

Combined proof free limit = R17 000 000

- **Death benefit on your spouse's life (optional)**

R2 000 000

- **Monthly income disability benefit**

R130 000 pm

(Including the 14.56 % x TGP retirement savings contributions to the Retirement Fund - see point 12.1)

### **Please note:**

The onus is on the member to provide all outstanding medical reports/information to the underwriter (Sanlam Group Risk). Until the medical examination report has been finalised and the results are in Sanlam's possession the member's benefits will be limited to the above proof free limits.

- **Critical Illness insurance**

No proof of good health is required, but this benefit is limited to a maximum of R1 500 000.

## 3. Operation of the Retirement Fund

The Sanlam Umbrella Provident Fund: Sanlam Group (the Retirement Fund) is a **defined contribution retirement fund**.

The retirement benefits cannot be determined in advance and depend on the contributions to retirement benefits and the investment returns earned thereon.

Contributions are a fixed percentage of Total Guaranteed Package (TGP). Refer to point 5.1.

As a member, you carry the risk of any negative investment returns, but you also enjoy the benefit of any positive investment returns. You have a choice of investment portfolios with different risk profiles. (See point 15.) **Your contribution period, chosen contribution rates and investment returns largely determine the size of your benefit.**

## 4. Basis for calculation of benefits and contributions

- Retirement Fund Contributions are a % of Total Guaranteed Package (TGP).
- Disability income benefits are calculated as a % of TGP according to a sliding scale
- Death, lump sum disability and critical illness benefits are calculated as a multiple of TGP.

### **Please note:**

The remuneration structure of certain occupational categories consists of a low TGP and a higher flexible component. The Board of Trustees, on request of the employer, may decide to increase the TGP of such employees with a factor for the purpose of calculating their death and disability benefits.

## 5. Retirement Fund contributions

Employees can choose the level of their contribution rates within certain limits.

**Important:** By choosing lower contributions rates you will increase your take home pay, **but you will pay more tax and save less for retirement.** This may have a significant, negative effect on your retirement benefit and your quality of life after retirement.

### 5.1. Contribution rate options

The default contribution rate is set at 17.5 % of TGP.

The default contribution rate is not compulsory and you may opt to make a lower contribution.

Members can choose to adjust the contribution rate in multiples of 0.5 % subject to a minimum level of 10 % and a maximum level of 27.5 %.

The allowable contribution rates (as a percentage of TGP) are as follows: 10 % (minimum contribution rate), 10.5 %; 11%; 11.5 %; 12%; 12.5 %; 13%; 13.5%; 14%; 14.5%, 15%; 15.5%; 16%; 16.5%; 17%; 17.5% (the recommended contribution rate); 18%; 18.5%; 19%; 19.5%; 20%, 20.5%; 21%; 21.5%; 22%; 22.5%; 23%; 23.5%; 24%; 24.5%; 25%; 25.5%; 26%; 26.5%; 27%; and 27.5 % (maximum contribution rate).

### **Please note:**

- When salaries are reviewed members may increase or reduce their contribution rate, subject to minimum and maximum rates as indicated above.
- The cost for death benefits (See point 8.1) is deducted from the contribution where after the balance is saved for retirement.

### 5.2. Additional voluntary contributions

You may, subject to certain conditions, make additional voluntary contributions over and above those mentioned at Point 5.1 to improve your benefits at retirement.

## 6. Retirement

### 6.1. Retirement age

Your normal retirement age is as contracted between you and your employer.

### 6.2. Early retirement

In terms of the rules of the Retirement Fund you may retire up to 10 years before your normal retirement date. The employer's permission is required should you wish to retire more than 5 years before your normal retirement date.

### 6.3. Retirement benefit

The retirement benefit will be equal to all your contributions, plus the net investment returns earned thereon, i.e. your Member Share.

- Member whose membership commenced 1 March 2021 or later

A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

- Members whose membership commenced before 1 March 2021:

- o If you were younger than 55 years on 1 March 2021

**Unvested benefit:** A maximum of one-third of your Member Share may be taken in cash. The balance must be used to purchase a pension of your choice.

If the unvested benefit is less than R247 500 then you can take the full portion in cash at retirement. However, if the unvested benefit is more than R247 500 then you may only take one-third of this in cash and you must use at least two-thirds to buy a pension when you retire.

**Vested benefit:** You can use the vested portion to purchase a pension of your choice or you have the flexibility to take the full benefit or part thereof as a cash lump sum.

Please consult with your financial advisor regarding the taxability of benefits payable.

## 7. Benefit at termination of employment

Your full Member Share to the date of termination of service comprising of all your contributions (after deducting the cost for death benefits – see point 8.1), plus the actual net investment returns earned thereon is payable.

The termination of service benefit can be preserved in the Retirement Fund, taken in cash or transferred to another approved fund.

## 8. Death benefits before retirement

### Commencement date of death cover:

If the employee is on date of permanent appointment in the opinion of Sanlam incapable of performing his/her normal duties with the employer as a result of a bodily injury or sickness the death benefits only become applicable on the date that he/she is in the opinion of Sanlam capable of resuming his/her normal duties.

Death benefits are provided by the Retirement Fund, Group Life and Family Insurance and are explained separately.

### 8.1. Death benefits provided by the Retirement Fund

- Your full Member Share is payable; plus
- a lump sum insured benefit, according to the option you exercised, subject to a maximum of 3x your annual TGP.

#### Cost of insured death benefit

See table below for the rate per age band. The ages refer to your current age and not the age at which you entered the Retirement Fund.

| Age band              | Monthly Premium Rate per R1 000 cover From 1 April 2024 |
|-----------------------|---|
| Younger than 26 years | R0.190  |
| 26 – 30 years         | R0.142  |
| 31 – 35 years         | R0.148  |
| 36 – 40 years         | R0.165  |
| 41 – 45 years         | R0.172  |
| 46 – 55 years         | R0.198  |
| 56 years and older    | R0.247  |

### **Options and conditions to decrease or increase cover**

- At inception, you qualify for a maximum death benefit of 3x your annual TGP but you have the option **to decrease** your cover, subject to a minimum level of 0.5x TGP.
- Annually on 1 May, you will be given the option **to either increase or decrease** your level of cover. The new cover level may not be more than the maximum level of 3x TGP.

Any increase will be subject to proof of good health.

- A member can also **increase** his/her death cover up to the maximum of 3x TGP, within 3 months of the following events:
  - when he/she marries, and/or
  - when a child is born or legally adopted.

In the case of members younger than 50 years an increase of 1x TGP will be allowed without proof of good health at the said events.

To qualify for the above option to increase cover, the member must submit his/her option form to the Retirement Fund via the Human Capital department within three (3) months of said event.

- In the case of members who are 50 years and older any option to increase cover will be subject to proof of good health.
- With respect to your insured death benefit under the Retirement Fund you may select a minimum of 0x TGP, subject to your member share being at least 0.5x TGP or more.
- If you choose to reduce your insured death benefit, the saving in the cost of death benefits will be applied for your retirement benefits. Alternatively, if you choose to increase your insured death benefit your savings for retirement will be reduced according
- Formula for calculating the saving or extra cost for reducing or increasing your insured death benefit:

$$\frac{\text{Amount by which benefit is decreased/increased}}{1\ 000} \times \text{Rate} = \text{Saving / extra cost}$$

### **Example**

**Important Note:** The example is for a hypothetical member and should in no way be construed as advice. Each member has specific death cover needs. You are strongly advised to make any decision regarding your death cover with an accredited financial advisor.

We consider a 37-year old member with a TGP of R120 000, who reduces his/her cover.

We assume that this member's circumstances are such that a death cover level of 2x TGP will satisfy the member's requirements. As a result, the member reduces the death cover multiple from 3 to 2x TGP. We quantify the new level of death cover and the reduction in the cost of death cover, which will be added to the member's monthly contribution for retirement savings:

|   |           |
|---|-----------|
| Rate per R1 000 of cover under the Retirement Fund  | R0.165    |
| Cover = 3x TGP  | R360 000  |
| Cost for cover of 3x TGP  | R59.40    |
| Decreased cover selected = 2x TGP   | R240 000  |
| Cost for cover of 2x TGP  | R39.60 pm |
| Additional contribution for retirement benefits to the Retirement Fund due to decrease in cover (R360 000 – R240 000 = R120 000 ÷ 1 000 x R0.165) | R19.80 pm |

The example above can be extended to members of any age with any level of decreased cover, to calculate any additional retirement contribution savings that will be redirected to the Retirement Fund.

Should the member at a later stage wants to increase his/her cover then the additional premium for the increased cover will reduce the contribution for retirement savings.

## 8.2. Death benefits provided by the Group Life Insurance

### 8.2.1 On your own life

The following benefits are payable if a member dies before retirement:

- An amount equal to maximum 3x TGP (whatever level was elected) is payable;

#### Plus

- In the case of members who were members of the Group Life Insurance before 1 August 2018 and have remained a member uninterrupted since then, any additional cover level which they enjoy as a result of the conversion of their cover to a multiple of TGP as from 1 August 2018.

#### Option to decrease or increase benefit

- Members may decrease their group life insurance on 1 May annually, provided that the death benefit may not be less than 0.5x TGP on their own life.
- Members who have less than 3x TGP cover may increase their level of cover annually during the flex event, subject to proof of good health and a maximum cover level of 3x TGP.

### 8.2.2 Cover on your spouse's life (Optional)

Spouse cover is not compulsory.

Married members can at appointment choose maximum 1x TGP cover on the life of their spouse. The maximum age of the spouse to qualify for cover is 69 years. No proof of good health is required if cover is less than proof free limit. (See point 2).

#### Important:

- **No benefit will be payable if the spouse dies within 12 months of joining this insurance.**
- **Spouse cover lapses when the marriage is dissolved, unless the member within 3 months of divorce submits the relevant documents to retain the cover, subject to a maximum of 1x TGP on the life of the former spouse.**

Married members who have no spouse cover will annually on 1 May be granted the option to take out spouse cover. Proof of the spouse's good health will then be a requirement.



In the case of cohabiting spouses, proof of your spouse's good health at your own cost will always be a requirement.

### 8.2.3 Cost of cover under Group Life Insurance

The cost of the cover under this Insurance will be recovered as an after tax deduction from your salary and is from 1 April 2024:

- Cover on your own life : R0.318 per month per R1 000 cover
- Cover on your spouse's life : R0.262 per month per R1 000 cover

### 8.3. Death Benefit provided by Family Insurance (Optional)

All new permanent appointed employees have a once-off option to become a member of this insurance at appointment and need to select either Option 1 or Option 2.

Should the member elect to insure parents, then he/she can also select the additional parent cover.

#### 8.3.1 Benefits and Premiums

The benefits payable at death are:

|   | Benefits payable at death from 1 April 2024 |                   |                         |
|---|---|-------------------|-------------------------|
|   | Option 1                                    | Option 2          | Additional parent cover |
| <b>Family member on whom benefit is applicable</b>          |   |                   |                         |
| • Basic benefit   |   |                   |                         |
| Principal member  | R35 000                                     | R70 000           |                         |
| Qualifying Spouse   | R35 000                                     | R70 000           |                         |
| Qualifying child aged 14 and over                           | R35 000                                     | R70 000           |                         |
| Qualifying child aged 6 and over but younger than 14        | R19 250                                     | R38 500           |                         |
| Qualifying child younger than age 6 and/or still-born child | R10 000                                     | R20 000           |                         |
| • Additional spouses  | R35 000                                     | R70 000           |                         |
| • Parents cover   | R10 000                                     | R20 000           | R10 000                 |
|   | Monthly premiums                            |                   |                         |
| • Basic benefit   | R11.40                                      | R22.75            | -                       |
| • Additional spouse   | R 5.20 per spouse                           | R10.40 per spouse | -                       |
| • Parent cover  | R40.50 per parent                           | R81.00 per parent | R52.00 per parent       |

**Qualifying spouse** in regard to a member means the person with whom he/she is joined in marriage, provided that such person, at the time of qualifying for the insurance, has already reached the age of 15 years. The cover will lapse at termination of the membership of the member or when the spouse reaches 75 years of age, whatever happens first.

If a member is joined in marriage with two or more persons, qualifying spouse means only that one of them whom the member nominated in writing to the employer during the person's life, on the understanding that –

- the member may, with the consent of the employer, nominate more than one qualifying spouse, provided that –
  - the spouse must be nominated within three months after the marriage;
  - every qualifying spouse must be registered by the employer;
  - an additional monthly premium as determined by Sanlam is paid in respect of each additional qualifying spouse;
  - once a nomination has been made, it remains in force as long as the member is joined in marriage with the relevant spouse or until the member revoke such nomination;

- (b) if there is any doubt, the employer in consultation with the management committee may in its sole discretion determine if a person is an additional qualifying spouse.

A member may, within three months after his/her marriage is dissolved, choose to have his/her former qualifying spouse still regarded as an additional qualifying spouse, provided that the former qualifying spouse has been nominated as an additional qualifying spouse and an additional monthly premium as determined by Sanlam is paid in respect of each additional qualifying spouse.

### 8.3.2 Example of premium

An employee gets divorced and then gets married to another person. (Member prefers to keep ex-spouse on insurance)

|                                     | Option 1       | Additional parent cover | Option 2       | Additional parent cover |
|-------------------------------------|----------------|-------------------------|----------------|-------------------------|
| Employee and family (Basic benefit) | R11.40         | -                       | R 22.75        | -                       |
| Ex-spouse                           | R 5.20         |                         | R 10.40        |                         |
| 2 Parents                           | R81.00         | R104.00                 | R162.00        | R104.00                 |
| <b>Sub-totals</b>                   | <b>R97.60</b>  | <b>R104.00</b>          | <b>R195.15</b> | <b>R104.00</b>          |
| <b>Total premium per month</b>      | <b>R201.60</b> |                         | <b>R299.15</b> |                         |

### 8.3.3 Addition of family members

New employees also have an once-off option of adding the following family members to the insurance

#### 1. Legal parents and parents-in-law [maximum: four (4)]

The maximum age of entry for parents is 79 years. If your parents and/or parents-in-law are 80 years and older they cannot be added under the Family Insurance benefit.

**Important:** In the case of the death of a parent owing to natural causes within 6 months of joining the insurance, no benefit will be payable.

**Qualifying parent** in regard to a member means the legal father or mother of the member or the spouse of such a person, or the legal father or mother of a qualifying spouse of the member or the spouse of such a person, provided that –

- he/she is nominated in writing to the employer by the member within three months after the marriage; and
- an additional monthly premium as determined by Sanlam is paid; and
- he/she at the time of qualifying for insurance in terms of the Policy, is not yet 80 years of age;
- not more than four qualifying parents per member are insured in terms of this Policy;
- the legal father or mother of an additional qualifying spouse or the spouse of such a person will not be regarded a qualifying parent.

The insurance lapse on the lives of:

- the parents of a spouse when the spouse dies.
- stepparents when the biological parent dies or when they are no longer legally married to the parent of the member;
- parents of the spouse in the event of divorce.

#### 2. Additional spouses

This includes an employee's ex-spouse in the case of divorce.

**Important:** In a case where additional spouses are added, no benefit will be payable if one of the additional spouses die within 6 months of joining the insurance.

This stipulation is not valid in the case of a divorced person who keeps his/her ex-spouse on the insurance.

#### 8.3.4 Future additions

- The future addition of parents-in-law will be permitted only when an employee marries and provides Human Resources with a copy of the marriage certificate and the particulars of the parents-in-law, within **3 months** after the wedding.
- If in the case of divorce the member prefers to keep the ex-spouse on the insurance, he/she must provide Human Resources with a copy of the divorce order within **3 months** after the divorce.

#### 8.3.5 Important conditions:

1. The basic benefit (refer point 8.3.1), is compulsory to be a member of the insurance. The premium for this basic benefit is the same for all members, irrespective of their circumstances, for example an employee who is married with children, pays the same premium as someone who is not married.

The number of children is unlimited, but the requirements of the following definition must be met to qualify for the benefit:

**Qualifying child** in regard to a member means his/her unmarried child and which includes a legally adopted child, a stepchild, a foster-child and a posthumous child, provided that –

- (a) the child is under the age of 21 years; or
- (b) if the child is 21 years or older, but under the age of 26 years, such child is a full-time student at an educational institution; or
- (c) if the child is incapacitated by a physical or mental infirmity from maintaining himself/herself such incapacity commenced when the child was either under the age of 21 or under the age of 26 years while a full-time student at an educational institution; or
- (d) still-born,

excluding a stepchild who, on the date of death of the member, was not to any extent dependent on the member for maintenance.

For purposes of this definition –

- (i) Stepchild means a child who is the biological child of the member's legal spouse, which child was born from a previous relationship between the spouse and a person other than the member.
- (ii) Foster child means a child placed in foster care as envisaged in terms of applicable legislation.
- (iii) Adopted child means a child formally adopted in terms of applicable legislation.
- (iv) A posthumous child means a biological child of the member, born after the death of the member.
- (v) A still-born child means a child that has had at least 26 weeks of intra-uterine existence but showed no sign of life after complete birth.

2. The inclusion of additional family members is optional at appointment. Please refer points 8.3.3 and 8.3.4 for future additions.

Once you added them to the insurance you cannot remove them.

3. The cover of your in-laws will cease on their death, the death of your spouse, your divorce or when your membership ceases, whatever happens first.
4. In the event that you become divorced, the cover on the life of your ex-spouse lapses, although you can apply to keep your ex-spouse on the insurance and pay a monthly premium for your ex-spouse. (Refer point 8.3.4)
5. If the principal member dies or becomes occupationally disabled before normal retirement age, the cover continues until normal retirement age, but no further premiums are payable.
6. The benefit will lapse under the following circumstances:
  - as soon as you terminate your service with your employer, other than as a result of total and permanent disability; or
  - on reaching your normal retirement date; or
  - as soon as the period of five years has lapsed or on the 31<sup>st</sup> of December nearest to age 65, whichever occurs first, if you elected at early retirement or retrenchment to continue your membership (See point 10); or
  - at the dissolution of the Family Insurance.

## 9. Death benefits after retirement

It depends on the type of pension you choose at retirement.

## 10. Continuation of death benefits under the Group Life and Family (Funeral) Insurance in case of retirement/retrenchment

- 10.1 When you retire you have the option to continue with 5% of the cover you enjoyed at termination of employment, for each year of completed service, maximum 100% of the death benefit under the Group Life; and

you can also continue with your full Family Insurance benefits:

- (a) for a period of 5 years; or
  - (b) up to the 31<sup>st</sup> of December nearest to your age of 65 years;
- whichever occurs first.

- 10.2 If you are a member who enjoys spouse cover and retire, you may exercise the option to continue with the death benefit on your spouse's life on the same basis as described in point 10.1 if your spouse is younger than the age of 70 years.

- 10.3 If you are retrenched and have completed 15 years uninterrupted service with the employer you also qualify for the options in points 10.1 and 10.2.

## 11. Conversion of death cover to Individual Insurance after termination of membership

When you choose to exercise the option(s) in point 10, you may only exercise the following options, described in points 11.1 and 11.2 below, when you reach the date on which the benefits in point 10 lapse.

## 11.1. On your own life (Cover under the Retirement Fund and Group Life)

If you retire or terminate your service before your normal retirement date, you have the option to effect individual life assurance with Sanlam up to a certain maximum amount (\*determine according to years of service) within 2 months of retirement or termination of service without having to submit proof of good health.

*\*Please note:*

*The premium for cover under the Retirement Fund is non-taxable and therefore the benefit is taxable if paid by the Fund. After conversion, the premium of the policy is paid with after tax money and therefore any benefit paid under the policy is tax-free.*

*To ensure that the cover payable after conversion is in line with the pre-converted cover, the convertible amount will be calculated as explained at point 10.1 and then scale down to 75% of the calculated amount (a 25% tax rate is therefore assumed).*

## 11.2. On your spouse's life (Group Life Insurance)

If you retire, die or terminate your service before your normal retirement date, both you or your spouse have the right to effect individual life assurance with Sanlam up to a certain maximum amount (determine according to years of service, refer point 10.1 for calculation basis) within 2 months of said event, without having to submit proof of good health.

## 12. Disability benefits

### Commencement date of disability cover

- If the employee is on date of permanent appointment in the opinion of Sanlam incapable of performing his/her normal duties with the employer as a result of a bodily injury or sickness, then the disability benefits only become applicable on the date that he/she is in the opinion of Sanlam capable of resuming his/her normal duties.
- The disability benefit is not payable if the member becomes disabled within twelve months from commencement date due to an illness or bodily injury that directly or indirectly arises or is traceable to a condition the member experienced 6 months before commencement date.

### 12.1. Income benefit

In the event of disablement the IncomeCare Insurance provides an income benefit. If you become totally disabled and cannot engage in a suitable occupation, you will receive a tax free disability income equal to the following after the expiry of a 3-month waiting period:

- 75% of the first R120 000 of annual TGP; plus
- 60% of the next R360 000 of annual TGP; plus
- 50% of the annual TGP in excess of R480 000; and
- contributions of 14.56% of your TGP will be paid to the Retirement Fund

The benefit remain payable until you recover, die or reach normal retirement date, whichever occurs first.

While you are disabled, you remain a member of the Retirement.

You also remain entitled to death benefits before retirement and these are based on your TGP before disablement. When your income benefit ceases at the attainment of normal retirement age, ordinary retirement benefits are payable to you.

|   |            |
|---|------------|
| <b>Example:</b>   |            |
| Total Guaranteed Package (TGP)  | R10 000 pm |
| Benefit payable after a waiting period of 3 months:   |            |
| - Disability income benefit of 75 % of TGP payable to the member; plus                                    | R 7 500    |
| - Contribution of 14.56 % of TGP to Retirement Fund (14.56 % x R10 000); plus                             | R 1 456    |
| Total tax free disability income benefit payable in respect of this member is therefore (R7 500 + R1 456) | R8 956 pm  |

### Cost of disability income cover

The cost of this insurance will be recovered as an after tax deduction from your salary and is currently 0.583% of your TGP per annum.

### Conversion to individual insurance

At termination of service before your normal retirement date, subject to certain conditions, you have the option to effect individual insurance with Sanlam up to a certain maximum amount, within 2 months of the termination of service, without having to submit proof of good health.

## 12.2. Lump sum disability benefit

In event of total and permanent disablement a lump sum disability benefit will be paid to you six months after the claim for disability benefits has been admitted. The lump sum will be calculated as follow:

| Group life death benefit<br>Refer 9.2.1 | Lump sum<br>disability benefit |
|---|--------------------------------|
| 1x TGP                                  | 1x TGP                         |
| 2x TGP                                  | 1½x TGP                        |
| 3x TGP                                  | 2x TGP                         |

If your disablement occurs within the 5 years preceding your normal retirement date, the lump sum will be reduced pro rata.

#### **Please note:**

At termination of service no conversion option to individual insurance is available in respect of the lump sum disability benefit.

## 13. Critical Illness Insurance

Critical Illness insurance is a compulsory benefit for employees appointed as from 1 May 2011 and will pay a benefit when a member is diagnosed with one of the illnesses listed under point 13.3.

### 13.1. Who will be insured?

Only you as principal member (employee) will be insured (not your spouse).

### 13.2. Sum assured (cover)

You will be covered for either 0.5x or 1x Annual Total Guaranteed Package (TGP) [whichever cover level you selected] up to a maximum of R1 500 000.

**Important:** A maximum of R7 500 000 applies in the insurance industry to all critical illness insurance that may be paid on the life of one person.

### 13.3. Critical illnesses

Hereafter a comparative summary of the two options:

| Critical illnesses covered | Standard option   |                            | Comprehensive option  |                            |
|----------------------------|---|----------------------------|---|----------------------------|
|                            | Claim event   | % of the cover amount paid | Claim event   | % of the cover amount paid |
|                            | ○ Chronic renal failure   | 100%                       | ○ Chronic renal failure   | 100%                       |
|                            | ○ Paraplegia  | 100%                       | ○ Paraplegia  | 100%                       |
|                            | ○ Myocardial infarction   | 100%                       | ○ Myocardial infarction   | 100%                       |
|                            | ○ Blindness (two eyes)  | 100%                       | ○ Blindness:  |                            |
|                            | ○ Organ transplant  | 100%                       | - Two eyes  | 100%                       |
|                            | ○ Major burns   | 100%                       | - One eye   | 25%                        |
|                            | ○ Stroke  | 100%                       | ○ Organ transplant  | 100%                       |
|                            | (Excluding a stroke resulting from external injuries)   |                            | ○ Major burns   | 100%                       |
|                            | ○ Coronary artery bypass surgery<br>(Excluding other procedures on the coronary vessels like percutaneous transluminal angioplasty or laser therapy)  | 100%                       | ○ Stroke<br>(Excluding a stroke resulting from external injuries)   | 100%                       |
|                            | ○ Deep coma<br>(Excluding a coma which is artificially induced for purposes of ventilation)   | 100%                       | ○ Coronary artery bypass surgery<br>(Excluding other procedures on the coronary vessels like percutaneous transluminal angioplasty or laser therapy)  | 100%                       |
|                            | ○ Cancer<br>Excluding ...<br>- Carcinoma in situ, like carcinoma in situ of the cervix;<br>- All skin cancers (except malignant melanomas with Clark level 2 or more depth invasion);<br>- Early prostatic cancers, medically classified as TNM class T1(a) or T1(b) or equivalent; and<br>- Kaposi sarcoma | 100%                       | ○ Deep coma<br>(Excluding a coma which is artificially induced for purposes of ventilation)   | 100%                       |
|                            |   |                            | ○ Cancer<br>Excluding ...<br>- Carcinoma in situ, like carcinoma in situ of the cervix;<br>- All skin cancers (except malignant melanomas with Clark level 2 or more depth invasion);<br>- Early prostatic cancers, medically classified as TNM class T1(a) or T1(b) or equivalent; and<br>- Kaposi sarcoma | 100%                       |
|                            |   |                            | ○ Aortic artery surgery<br>(Excluding aortic surgery done on the branches of the aorta)   | 100%                       |
|                            |   |                            | ○ Heart valve surgery   | 100%                       |
|                            |   |                            | ○ Chronic liver failure<br>(Excluding cirrhosis due to alcohol or substance abuse)  | 100%                       |
|                            |   |                            | ○ End-stage lung disease  | 100%                       |
|                            |   |                            | ○ Sero-positive rheumatoid arthritis<br>(Excluding joints in hands and feet)  | 100%                       |
|                            |   | ○ Multiple sclerosis       | 100%  |                            |
|                            |   | ○ Parkinson's disease      | 100%  |                            |

| Standard option   | Comprehensive option   |      |
|---|--|------|
|   | o Alzheimer's disease  | 100% |
|   | o Accidental HIV infection   | 100% |
|   | o Motor neurone disease  | 100% |
|   | o Muscular dystrophy   | 100% |
|   | o Aplastic anaemia   | 100% |
|   | o Cardiomyopathy:  |      |
|   | - Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class IV shortness of breath   | 100% |
|   | - Any type of cardiomyopathy on optimal treatment with functional impairment to the degree of New York Heart Association (NYHA) class III shortness of breath, and 4 or less metabolic equivalents (METS) on a maximal effort test | 50%  |
|   | o Benign brain tumour:   |      |
|   | - A brain tumour with malignant behaviour that is inoperable or recurrent, or causes permanent neurological impairment, excluding cognitive impairment   | 100% |
|   | - A brain tumour with malignant behaviour that is only partially removable, or that is treated with chemotherapy or radiotherapy   | 50%  |
|   | o Loss of limb function due to medical causes:   |      |
|   | - Permanent loss of more than 90% of the use of each of any two limb functions due to medical causes   | 100% |
| - Permanent loss of more than 90% of the use of a limb function due to medical causes<br><i>(Excluding loss of limb functions originating from bodily injury)</i> | 50%  |      |



|   | Standard option   | Comprehensive option  |                 |  |  |      |   |     |                      |     |               |     |              |     |
|---|---|---|-----------------|--|--|------|---|-----|----------------------|-----|---------------|-----|--------------|-----|
|   |   | <table border="1"> <tr> <td>○ Hearing loss:</td> <td></td> </tr> <tr> <td>- Total and permanent hearing loss in two ears</td> <td>100%</td> </tr> <tr> <td>- Permanent binaural loss of hearing of 60% or more</td> <td>50%</td> </tr> <tr> <td>○ Pulmonary embolism</td> <td>30%</td> </tr> <tr> <td>○ Angioplasty</td> <td>25%</td> </tr> <tr> <td>○ Arrhythmia</td> <td>25%</td> </tr> </table>  | ○ Hearing loss: |  | - Total and permanent hearing loss in two ears | 100% | - Permanent binaural loss of hearing of 60% or more | 50% | ○ Pulmonary embolism | 30% | ○ Angioplasty | 25% | ○ Arrhythmia | 25% |
| ○ Hearing loss:                                     |   |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| - Total and permanent hearing loss in two ears      | 100%  |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| - Permanent binaural loss of hearing of 60% or more | 50%   |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| ○ Pulmonary embolism                                | 30%   |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| ○ Angioplasty                                       | 25%   |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| ○ Arrhythmia  | 25%   |   |                 |  |  |      |   |     |                      |     |               |     |              |     |
| <b>Number of claim events</b>                       | Pays a benefit only <b>once</b> on the diagnosis of a critical illness. | It pays a benefit once per critical illness. The benefit remains payable for other critical illnesses - <ul style="list-style-type: none"> <li>○ in the event of a critical illness of which the cause, in Sanlam's opinion, is totally unrelated to the critical illness for which a benefit has already been paid;</li> <li>○ in the case of 'angioplasty' and 'arrhythmia', provided that the claims with regard to 'angioplasty' is limited to two (2); and</li> <li>○ in the event of a critical illness involving any one organ, system or body part, or related group of organs, systems or body parts, which in Sanlam's opinion is related to a critical illness, for which less than 100% has already been paid to the member. (Such benefit will be reduced by all the amounts that have already been paid in this regard.)</li> </ul> |                 |  |  |      |   |     |                      |     |               |     |              |     |

### 13.4. Pre-existing health conditions – Waiting period

- A claim for a specific critical illness will not be paid if that critical illness occurred prior to the inception date of the critical illness cover.
- A claim for a specific critical illness which occurred **within two years** of the inception date of the critical illness cover will also not be paid if that critical illness was caused directly or indirectly by, or can be traced to, a physical injury that took place, or a health impairment of which the member was aware or experienced symptoms of or for which medical treatment was received prior to the inception date of the critical illness cover.

#### Examples:

- A critical illness claim for a heart attack or stroke with regard to a member using medication for high blood pressure or cholesterol, will not be rejected solely because he/she uses the medication.
- In case of a person with heart problems (e.g. angina) having a heart attack within 2 years, the claim will not be admitted.

### 13.5. Cessation of cover

All cover ceases at the earliest of the following events:

- at death;
- at termination of employment;
- at retirement; or
- age 65; or
- as soon as a benefit has been paid – in the case of Standard Option

whichever happens first

### 13.6. Conversion to individual insurance and Continuation of cover

- Members have the option to effect an individual life assurance policy with Sanlam up to a certain maximum amount (Refer point 10.1 for calculation basis) within 2 months of termination of employment, without having to submit proof of good health, on the condition that the member is younger than 65 years of age.
- Critical illness cover is continued during disability if the disablement is the result of a cause other than a critical illness. No further premiums are paid after the date of disablement.

### 13.7. General

- A critical illness claim is payable only if the member has survived the critical illness for at least 7 days. For example: No critical illness benefit will be paid if a member dies within 7 days of a heart attack.
- Notice of a claim must be submitted in writing to Sanlam within 6 months of a critical illness having taken place.
- All costs with regard to provision of proof regarding the critical illness will be for the account of the member.

### 13.8. Premiums

The premiums for Critical Illness Insurance is calculated as follow:

#### Example

| Rate from 1 April 2024   | Standard Cover<br>R0.346 per R1 000 | Comprehensive Cover<br>R0.448 per R1 000 |
|--|-------------------------------------|--|
| Total Guaranteed Package (TGP)   | R200 000                            | R200 000                                 |
| Sum assured in respect of Critical Illness Insurance<br>(1 x TGP)      | R200 000                            | R200 000                                 |
| Monthly premium = $R0.346 / R0.448 \times \frac{R200\,000}{R\ 1\,000}$ | R69.20                              | R89.60                                   |

### 14. Is tax payable on benefits which I receive?

- Lump sum benefits (death, disability and critical illness benefits) under the Group Life Insurance are not taxable.
- A portion of lump sum benefits (death and retirement) under the SSUF can be taxable.
- Disability income benefits are tax free.
- Pension payments are taxable in the same way as ordinary income.

### 15. How is members' money invested?

#### 15.1 Investment options

The Retirement Fund is a defined contribution fund, with the risk of good or poor investment returns being borne by the individual member. The investment returns on the contributions paid to the Retirement Fund have a significant effect on the value of the retirement benefit.

Because the risk profile and needs of individual members may differ, the Retirement Fund provide you a choice of different investment portfolios. (Your contributions can be channeled to one or more of the portfolios in the ratio chosen by you.)

Members have the following investment choices:

- Invest in the default investment strategy as selected by Sanlam Group (the employer).

- Allocate your 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, allocate your investments to a wider range of investment options accessed via the Glacier Retirement Fund Solution.

## 15.2 Lifestage Option (Default investment option)

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.

### **Important:**

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

The underlying investments in the lifestage portfolios are reviewed regularly to optimise performance and each portfolio's specific risk profile.

**It is important to note that while the Lifestage Option has been selected by the trustees and Joint Forum as the appropriate default portfolio it may not be suitable for all members. Like all other investment options, there are risks associated with the Lifestage Option. The Retirement Fund trustees, Joint Forum, the employer and its advisors cannot be held responsible for any loss, regardless of its nature, the results from the selection of any of the available investment options.**

## 15.3 Member investment choice portfolios

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.

The available portfolios are listed below. (Refer Annexure A for more details):

|                                      |   |
|--------------------------------------|---|
| <b>Single Manager range</b>          | SIM Moderate Absolute Fund                  |
|                                      | SIM Temperance Balanced Fund                |
|                                      | SIM Moderate                                |
|                                      | SIM Aggressive                              |
|                                      | SIM Enhanced Cash Portfolio                 |
| <b>Multi-manager range</b>           | SMM Moderate Absolute Fund                  |
|                                      | SMM NUR Balanced Fund                       |
|                                      | SMM Select Balanced Fund                    |
|                                      | Sanlam The Most Aggressive Portfolio (TMAP) |
|                                      | Sanlam Accumulation Portfolio               |
| <b>Index-tracking range</b>          | Sanlam Wealth Creation Portfolio            |
|                                      | Satrix Enhanced Balanced Tracker Fund       |
| <b>Smooth Bonus Portfolios</b>       | Sanlam Stable Bonus Fund                    |
|                                      | Sanlam Monthly Bonus Fund                   |
| <b>External Single Manager range</b> | 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                   |

The latest fund fact sheets and investment returns of the available portfolios as well as the Investment Information Guide are available on the retirement fund website at:

<http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>.

#### 15.4 Change of Portfolio(s)

You will have the opportunity to change your choice of investment portfolio(s) with regard to your Member Share, as well as your future contributions, at any stage, free of charge.

#### 16. How is the Retirement Fund managed?

The Retirement Fund is managed by a Board of Trustees.

However, the employees in the Sanlam Group are represented by a Joint Forum. Employees elect five members, and the employer appoints five members of the Joint Forum. The nomination and election of member representatives takes place by means of a vote.

#### 17. How are members informed of their benefits?

Proper communication with members regarding their fund benefits is very important.

- Members have access to their fund values via the Retirement Fund Web. The values are updated daily.
- Once a year each member will receive a manual benefit statement and annual report.

## 18. Nomination of beneficiaries for death benefits

The following information may help you when completing your nomination form:

In terms of the stipulations of the Pension Funds Act, if a member of the Funds dies, the Board of Trustees are responsible for the allocation and payment of death benefits. The allocation must be fair and take into account all the appropriate facts, which is why it is important that the wishes of the deceased are observed.

For this reason, it is necessary for a member to complete the nomination forms. However, nominations must be reviewed as a member's circumstances change.

### **The Act stipulates, among other things the following:**

Death benefits do not form part of your estate after your death and consequently you cannot dispose of them in your will. The only way of indicating how these moneys should be allocated after your death is by completing a nomination form.

Although the Board of Trustees will take into account the wishes of the deceased as specified in a nomination form, they are not bound by them if there are other dependants as well, or where fairness necessitates another division.

The final allocations will be at the discretion of the Board of Trustees of the Funds. In terms of Section 37C of the Pension Funds Act, the Board of Trustees are compelled to make sure that death benefits are distributed to your dependants and/or nominees in a fair and equitable manner.

### **A person/persons who can be regarded as dependants, is/are:**

- people for whom you are legally responsible for maintenance;
- those for whom you are not legally responsible, if the said person,
  - in the opinion of the Board of Trustees, was in fact dependant on you for maintenance at the time of your death;
  - is your spouse, including a party in a common law marriage in terms of black law and custom, or an association recognised as a marriage in terms of the tenets of an Asian religion;
  - is your child, including a child born after your death, an adopted child or a child born out of wedlock;
- someone for whom you would have become legally responsible for maintenance if you had not died.

### **Take the following into account when a beneficiary is appointed:**

If you die without a beneficiary being appointed:

- The Board will, at their discretion, pay the death benefit to your dependants. In most cases, your spouse and children who are regarded as dependants will benefit.
- If, within twelve months, the Board of Trustees are not aware of any dependants or cannot trace the dependants, the benefits are paid into the estate. The benefits are then taken into account for the calculation of executor's fees.

If you appoint a beneficiary who is a dependant:

Because you best understand the needs of your family and dependants, the Board of Trustees places a lot of value to your nomination as a guideline for the decision on the allocation of the death benefit.

However, remember that circumstances can change after you completed the nomination forms and that the Board of Trustees could divide the death benefit in another way in the interest of your dependants.

If you appoint a beneficiary who is not a dependant:

- The said person will receive that portion of the death benefit which the Board of Trustees regards as fair.
- If there are no surviving dependants, the Board of Trustees will pay the death benefit to the beneficiary after twelve months or the said portion thereof as indicated by you, only to the extent to which the benefits exceed the outstanding debt against your estate, if the estate is insolvent.

### **General**

You may nominate as many people as you like to receive a share of your death benefit. If there is insufficient space on the form, you may make a copy of it and fill in the particulars of the others on the copy. However, you must state clearly that the copy does not replace the other form, but is in addition to it.

## **19. Who should you contact**

### **To obtain professional financial advice**

It is very important to obtain professional advice before you make any decisions regarding your benefits and/or investments in the Fund.

[Click here](#) to view a list of Fund trained financial advisors.

### **If you experience any problems with getting online access**

If you are busy registering and need any assistance, please contact the Fund's contact centre on 0861 223 646.

### **For any Fund administrative matters**

Contact the Fund's contact centre on 0861 223 646 or e-mail them at [SCClientCare@sanlam.co.za](mailto:SCClientCare@sanlam.co.za)

## Annexure A: Investment Portfolio Options

### 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 offshore.

- Investment objective: In excess of CPI (Inflation) + 6% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) in the medium term.
- The portfolio has a low risk profile.

### 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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a medium risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a medium risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 3% in the long term.
- The portfolio has a medium risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 6% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: CPI (Inflation) in the short term.
- The portfolio has a low risk profile.

## 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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a medium risk profile.



- **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).

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a medium risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 7% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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 offshore.

- Investment objective: In excess of CPI (Inflation) + 6% in the long term.
- The portfolio has a high risk profile.

### 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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

### 4. Smooth Bonus Portfolios

- **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.

- Investment objective: In excess of CPI (Inflation) in the medium term.
- The portfolio has a low risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) in the medium term.
- The portfolio has a low risk profile.

## 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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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 offshore. 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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a high risk profile.

- **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.

- Investment objective: In excess of CPI (Inflation) + 5% in the long term.
- The portfolio has a medium risk profile.