



# Conrad Roper & Shakeel Singh

are Umbrella Funds really the end game?

# research ...



← how are funds structured?

← motivation for decision to convert fund?

how did **Employers.**  
**POs** and **Trustees**  
feel about their fund?

**mandatory**  
or **value add?**



→ simply part of  
benefit structure



→ **EVP?**  
few commented  
unless prompted

# effect? ...

simply look for most economical solution

57%

lower costs

46%

ease of admin

24%

focus on core business

45%

less fiduciary responsibility

# effect? ...

simply look for most economical solution

**57%**

lower costs

**46%**

ease of admin

**24%**

focus on core business

**45%**

less fiduciary responsibility



**QUALITATIVE**  
service levels, governance etc.

**75%**



**QUANTITATIVE**  
finance department

**25%**

# effect? ...

simply look for most economical solution

**57%**  
lower costs

**46%**  
SLIGHT REDUCTION  
IN FEES



**24%**

**VERY LITTLE GAIN  
YEARS LATER**

**45%**

less liability  
responsibility

# 'good governance'

... might be short-sighted?

**57**%

lower  
costs

if at the expense of ...

**value add  
services**





**How much did you spend purchasing your car?**

- 1. less than R100 000**
- 2. R100 000 or more**
- 3. R200 000 or more**



# THE NEW IMPROVED BHERRY BHANA QQ3 0.8 TE

**yesterday's technology - today!**

- three-cylinder, 0.8-litre petrol engine
- that develops 38kW with a maximum torque figure of 70Nm.
- 5-speed manual transmission
- fuel consumption is rated at 6.8-litres/100km
- corresponding CO2 emissions figure of 156g/km.
- fitted with 13-inch steel wheels and air-conditioning



**cheapest  
car in  
South  
Africa**

**just  
R65 000  
on the road!**



**would you consider trading your car in and buy a Bberry Bhana?**

- 1. yes**
- 2. no**
- 3. never in a million years**
- 4. yes ... I need a fleet of these fine vehicles**





**if you said no ... which aspect most influenced your decision?**

- 1. reliability**
- 2. safety**
- 3. quality**
- 4. performance**
- 5. all of the above**



**RETIREMENT  
FUND  
COSTS**

**vs**

**reliability  
safety  
performance  
quality**

**sustainability  
and integrity**





# STAND-ALONE FUNDS

VS

# UMBRELLA FUNDS

————— **steady migration** →

————— **cost is main motivator** →

————— **insufficient focus on value** →

sustainability ,reputation  
fidelity cover, servicing, governance



# PROBLEM



**BMW 320d**



**Audi A4 Tdi**



**Mercedes C220d**

## low % ask for re-broke...

**31%**

of participants have never asked for a comparative quote

**80%**

of participants have never considered moving to another umbrella fund

# service providers align fund structures



**STAND-ALONE FUNDS**

**vs**

**UMBRELLA FUNDS**



# UMBRELLA FUNDS



- administration
- governance
- services

# ASSIST EMPLOYEES



- better decisions
- get out of debt
- save more
- right investment choices

... **from day one**