

# Research Methodology



| Survey   | Methodology   | Respondents                     | Average Interview length |
|--|---|---------------------------------|--------------------------|
| <b>Standalone funds</b>                          | 100 x Zoom interviews:<br><br>- 90 employer funds<br>- 10 union funds | Principal Officers and Trustees | 30 minutes               |
| <b>Employers participating in umbrella funds</b> | 100 x Zoom interviews   | Key liaison person              | 30 minutes               |

The difference in the methodology this year is that we conducted interviews via Zoom

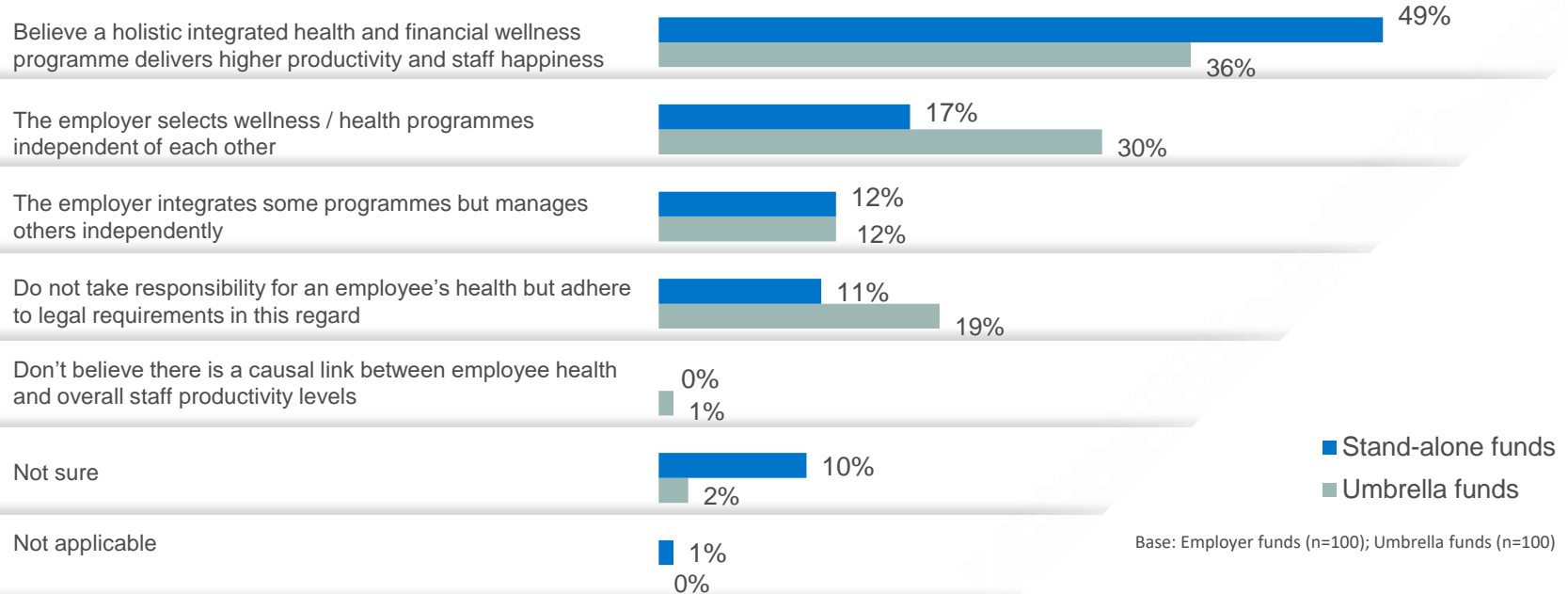
68% standalone funds

48% standalone funds

4% standalone funds in 2019 part of the 2021 umbrella survey



# Healthcare Integration Strategies Used

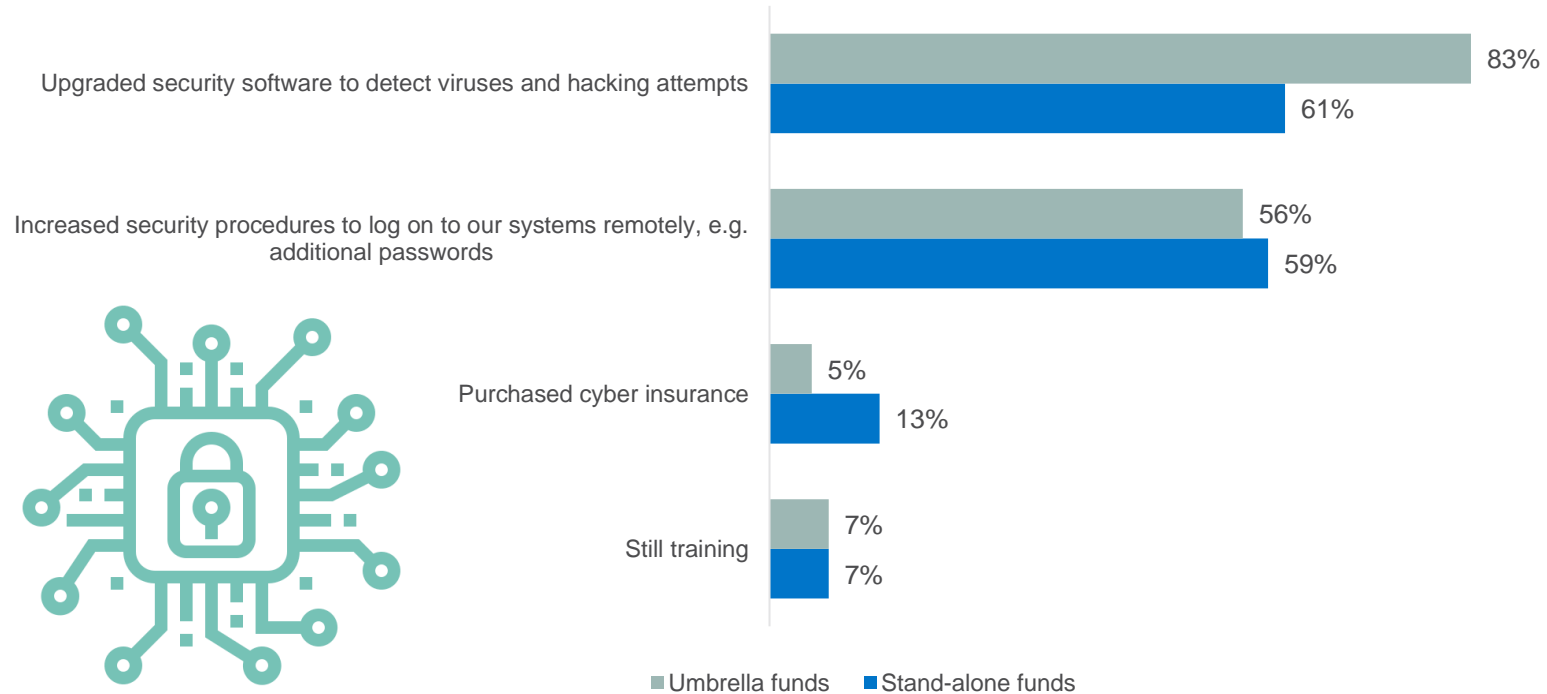




# Cyber Resilience Benchmark

|  | SANLAM | ADMINISTRATOR |
|--|--------|---------------|
| <b>Governance</b> » Has your administrator established formal governance policies and processes for Information security, information governance, cyber security, third party management, etc. ?   | ✓      | ?             |
| Does your administrator have cyber insurance to enable financial stability for significant cyber events?   | ✓      | ?             |
| <b>Preventative</b> » Does your current administrator have dedicated information security staff who proactively identify and resolve cyber security vulnerabilities  | ✓      | ?             |
| Is your administrator's information security staff trained to respond to cyber security Incidents?   | ✓      | ?             |
| Does your administrator have processes in place to manage cyber security In terms of: <ul style="list-style-type: none"> <li>• Prevent data from being stolen from computers (USB port blocking and encrypted hard drives)?</li> <li>• Continuous monitoring of antivirus/anti-malware software to ensure that they are up-to-date?</li> </ul> | ✓      | ?             |
| If there are phishing attempts, is your administrator equipped to identify these events and mitigate the risks?  | ✓      | ?             |
| Does your administrator have processes in place to restrict system accessibility? (privileged account management and segregation of duties reviews. etc.)  | ✓      | ?             |
| <b>Monitoring</b> » Does your administrator have a dedicated team to actively detect and respond to cyber-attack attempts?   | ✓      | ?             |
| <b>Response</b> » In the event of an Incident, breach or hacking activity. does - your administrator have a programme in place to: <ul style="list-style-type: none"> <li>• Respond to a crisis;</li> <li>• Forensically experts to help investigate; and</li> <li>• The capability to recover data systems after cyber incidents?</li> </ul>  | ✓      | ?             |

# Most popular Steps Taken to Minimise Cyber Security Risk of Remote Working Practices



Base: Stand-alone funds (n=46); Umbrella funds (n=41)

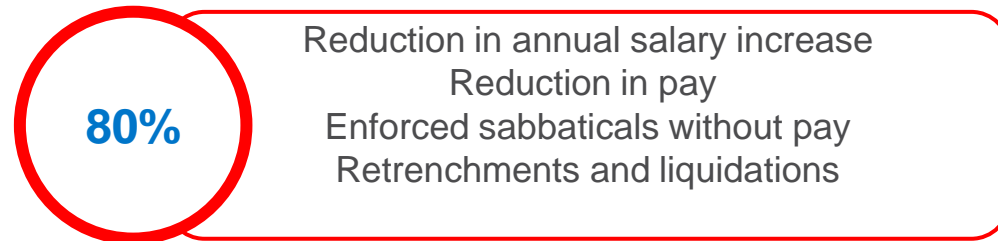
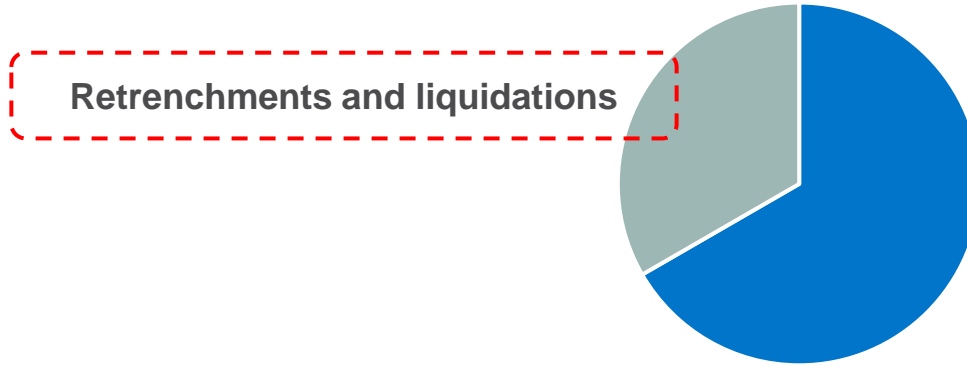


# Financial Impact of Lockdown

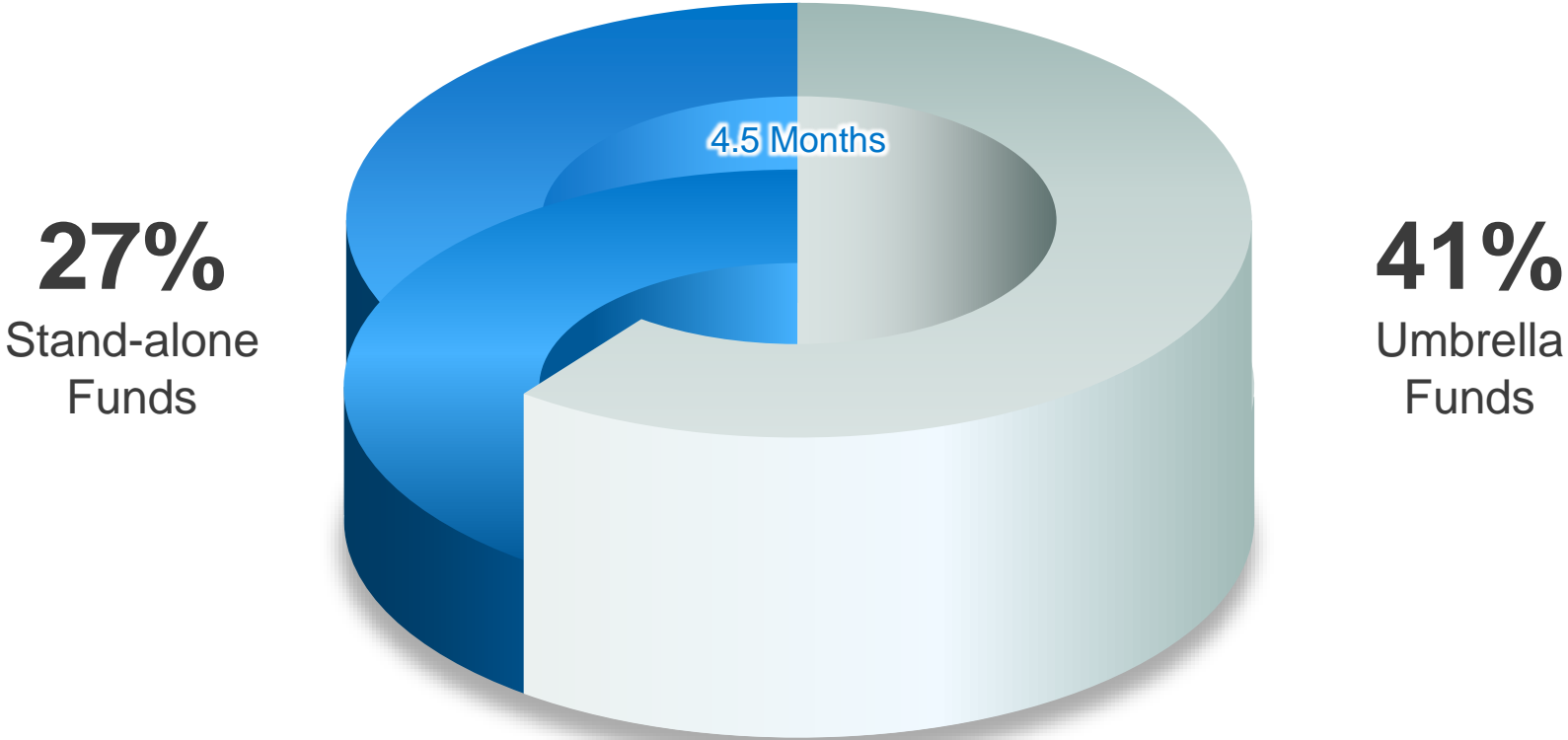


Funds

Members



# Contribution Suspensions and what this means



# 7 habits of financially resilient retirees



## 2. Save as much as possible

Retirees believe that you require about **14 times** your final annual salary at retirement to maintain your current standard of living?



## 1. Start early

On average retirees start to contribute towards retirement from **age 25** and save for **35 years** towards retirement goals

## 3. Don't rely on the company

**42%** of those who were members of the company's fund also had a Retirement Annuity





## 5. Widen your nets



**50%** of retirees supplement their retirement income from other investments



## 6. Use the Professionals

**58%** consulted an advisor before retirement and **42%** after retirement. Seek at advice at least **10 years** before you retire



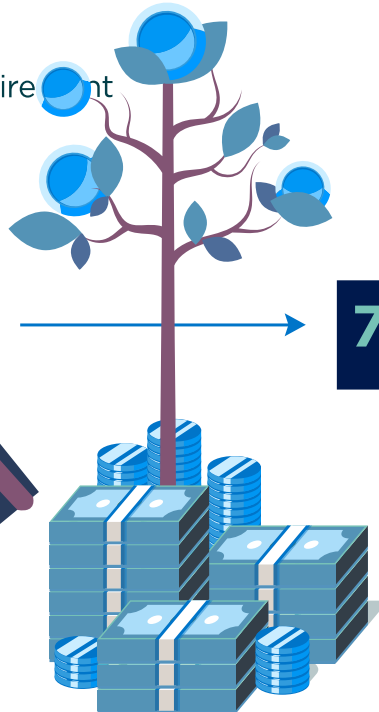
## 4. Leave your savings alone

**48%** of retirees who dipped into their retirement savings when they switched jobs have regretted taking the benefit in cash ...

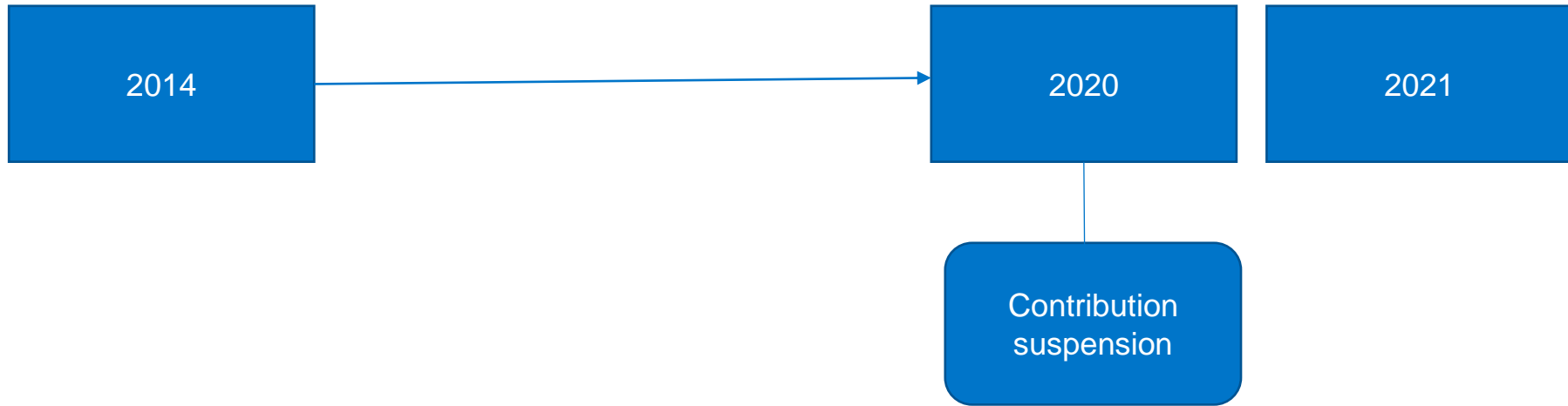


## 7. Make sure your money grows

**1 in 3** retirees target pension increases in line with inflation to allow you to afford the cost of living



# Contribution trends



# Administration cost



# Protect what matters



## Risk Benefits

|                            |   |                                   |
|----------------------------|---|-----------------------------------|
| How it's offered approved  | 50% Stand-alone                         | 70% Umbrella funds                |
| Benefit structures offered | Group life cover<br>3-4 x annual salary | Income disability<br>75%-79%      |
| Cost                       | Life cover:<br>1,2% -1,51%.             | Income disability:<br>1,1% - 1,2% |

# Defaults...



“

■ ■ ■ are meant to **improve the outcomes for members of retirement funds** by

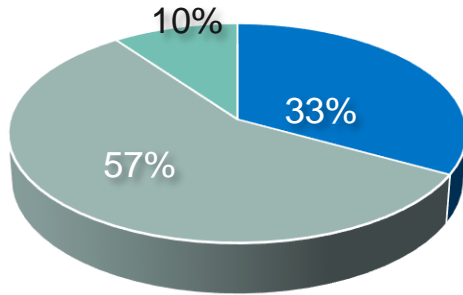
*ensuring that they get good value for their savings and retire comfortably. The regulations require retirement funds' trustee boards to offer a default in-fund preservation arrangement to members who leave the services of the participating employer before retirement, and also a default investment portfolio to contributing members who do not exercise any choice regarding how their savings should be invested. For retiring members, a fund should have an annuity strategy with annuity options, either in-fund or out-of-fund and can only “default”* ”  
*retiring members into a particular annuity product after a member has made a choice.*

National Treasury: Media Statement 25 August 2017

# Have Default Regulations Improved Member Behaviour?

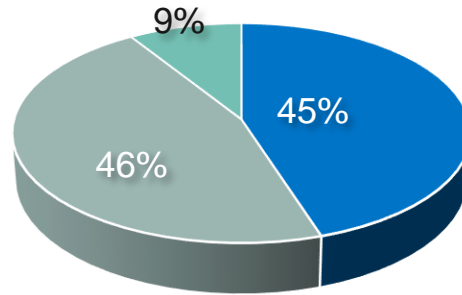


## Preservation?



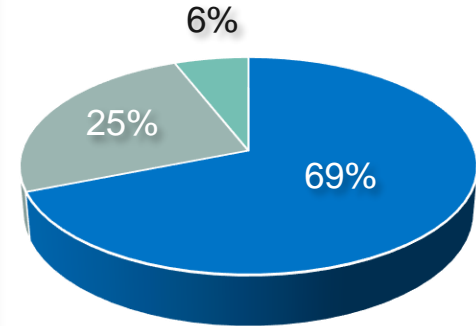
■ Yes ■ No ■ Not Sure

## Annuitisation at Retirement?



■ Yes ■ No ■ Not Sure

## Utilisation of retirement benefit counselling?



■ Yes ■ No ■ Not Sure

Base: stand-alone funds n=100

# Trustee-Endorsed Annuity Strategies



94% Standalone funds

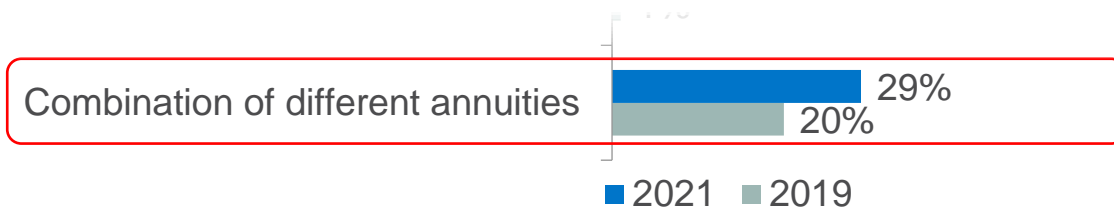
85% Umbrella sub-funds

have a **trustee-endorsed annuity strategy** in place

# Trustee-Endorsed Annuity Product Selected



## Stand-alone Funds





# Default Investments



Is the investment portfolio of the Trustee choice/Default a lifestage strategy (with portfolio transitioning) or a single portfolio investment?

|                              | 2021       |
|------------------------------|------------|
| <b>Base: All Respondents</b> | <b>100</b> |
| Lifestage strategy           | 79         |
|                              | 79.0%      |

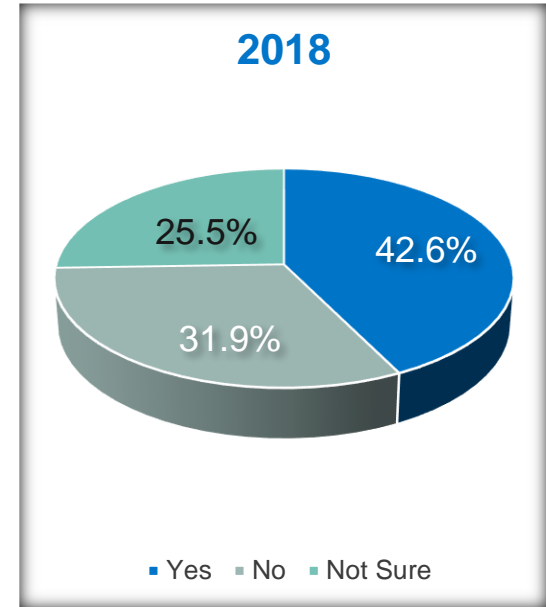
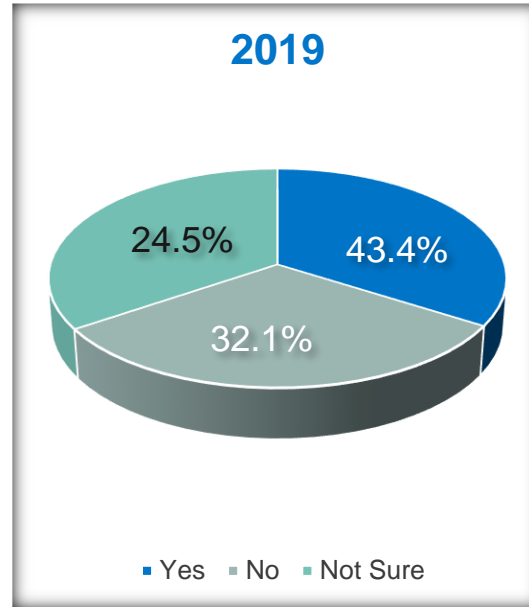
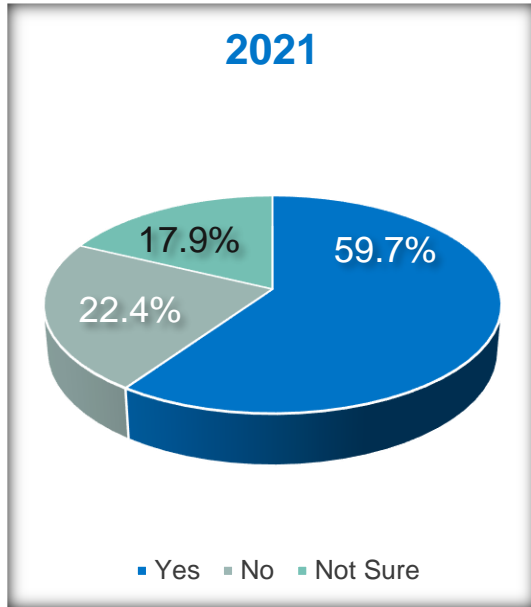
Which of the following best describes the structure of the Trustees choice/Default?

|                              | 2021       |
|------------------------------|------------|
| <b>Base: All Respondents</b> | <b>100</b> |
| Multi-managed                | 77         |
|                              | 77.0%      |

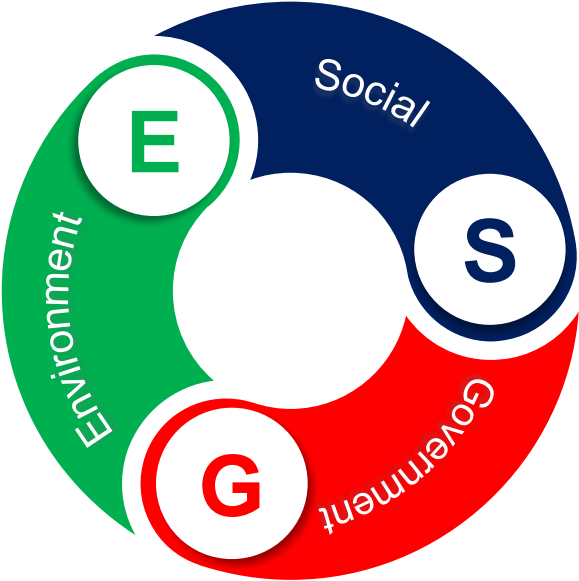
# Is your life stage investment strategy explicitly aligned to your Trustee-endorsed annuity strategy?



|                               | 2021 | 2019 | 2018 |
|-------------------------------|------|------|------|
| No of funds who use lifestage | 67   | 53   | 47   |



# Broader Investment Focus





Transformation

Climate changes

PPR

COVID

T-day

POPIA



questions 