

UMBRELLA FUNDS

# Shaping the future of the retirement fund industry



Employee Benefits

BENCHMARK | SURVEY 2011



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# Forward

In our hope for a better tomorrow, Sanlam is proud to present you with our annual BENCHMARK Survey results for 2011.



The retirement fund landscape in which we operate remains a litigious environment, with the most recent change in legislature being the revised Regulation 28. Interestingly half of the participating employers seem to be

ambivalent on its impact on their fund members, yet surprisingly two thirds believe that it is important for each member's retirement fund records to comply with the requirements. This level of uncertainty is indicative of the importance of the roles played by independent investment advisors in dealing with complex legislative changes and its impact on each participating employer in an umbrella fund.

It is the aim of the Sanlam BENCHMARK team to provide the industry with objective and usable data in order for participating employers in umbrella funds, together with their trusted advisors and intermediaries, to be in a position to make informed retirement fund decisions on behalf of millions of formally employed retirement fund members.

Over the years, Sanlam has partnered with different stakeholders to ensure that the data is relevant and actionable. We also took the step to present a research paper on the BENCHMARK Survey at the South African Market Research Association (SAMRA) conference two years ago. This was an important step for us, so you can be assured of the quality of the research output and that the research methodology is based on the most prudent data collecting methods.

As always the team has spent the last ten months tirelessly collecting, collating and analysing the data and we would like to take this opportunity to thank them for their commitment to the retirement fund industry.

I trust that like most stakeholders, you too will continually find value in the content of this research report.

**Robert Roux**  
CHIEF EXECUTIVE  
SANLAM EMPLOYEE BENEFITS

# Introduction

This is the third year that we have undertaken a separate study on umbrella funds, and hence we have now accumulated sufficient history to meaningfully analyse the emerging trends.

Once again, we have surveyed 100 employers that participate in umbrella funds, but one should be careful in appreciating some of the changes in the sample in drawing conclusions on trends.

A major finding is that larger employers are continuing to consider umbrella funds as a viable alternative to employer-sponsored standalone funds with the two major reasons being issues related to cost savings and administrative convenience, but with important subsidiary considerations such as time savings thus allowing more time to focus on core business issues, avoiding trustee fiduciary risk and also the increasing complexity of fund governance and compliance.

As more large employers choose to join umbrella funds, the profile of employers that we survey naturally changes to reflect the changing industry demographics. 56 of the 100 surveyed participating employers in 2011 participated in the 2010 Benchmark Survey, although only 45 of these employers participated in the 2010 Umbrella Funds Survey and a further 11 employers participated as stand-alone funds in 2010.

The average sub-fund size increased from 370 members and R49 million assets in 2009, to 387 members and R88 million assets in 2010 and to 401 members and R107 million assets in 2011. This increasing size trend is expected to continue with 29 out of 200 stand-alone funds surveyed in the 2011 Stand-alone Fund Survey indicating an intention to transfer into umbrella fund

arrangements in the ensuing 12 months.

A key issue that we had to decide on in conducting the umbrella fund survey was who would be the right person to interview per sub-fund. For stand-alone funds, the appointed principal officer is the natural person to interview, but unfortunately no such position exists at sub-fund level within umbrella funds. We have tried to identify the key person responsible for retirement fund issues within each of the participating employers, and have interviewed this person. In some cases, the sub-funds' appointed consultants were present at the interviews.

Any survey naturally surveys the perceptions and the understanding of the interviewees, and will not usually give the same results as directly analysing the source data. This is a particular concern for us as regards umbrella funds, and there appears to be some evidence that the interviewees are not as au fait with all the technical issues as are the principal officers of stand-alone retirement funds. But surveying perceptions and understanding is nonetheless very powerful, and we believe should present very good insights into the workings of the umbrella fund industry.

The survey attempts to be representative of the entire South African umbrella fund market. Clients of the five major players in this market represented 84 of the 100 participants (up from 78 in 2009 and 68 in 2010), with the balance of clients being spread between other market players. This is perhaps a further indication of

the continuing and rapidly accelerating consolidation trend in the retirement funds industry.

The results of the survey are analysed further within the following topic summaries covering Contributions, Communication, Governance, Investments, Risk Benefits and Advice.

It does appear that there is some evidence emerging that the umbrella fund industry is steadily improving its overall value proposition with a continuation of the encouraging trends being reported in terms of both the Communication and Governance topics.

Although the Survey shows that costs are on average lower in umbrella funds than in stand-alone funds, client understanding of costs remains highly unsatisfactory, and our research once again indicates that there is now clear evidence that costs are generally not well understood by umbrella fund participants. We believe it is critical that the industry focuses attention on this matter in order that a truly competitive private sector umbrella fund market underpinned by consumer choice can thrive and grow.

A fairly fundamental change was made to the format of the data that we collected in respect of risk benefits in 2011 compared to that of 2009 and 2010. A decision was made that it would be more meaningful and insightful to separate the responses of those risk benefits that are provided as part of the umbrella fund package from those that are

secured entirely separately as unapproved insurance schemes. Risk costs increases appear to have been better contained as part of umbrella funds than as part of separate schemes, but the data is perhaps not yet sufficient to draw meaningful conclusions, and these statistics should be monitored over a period of years.

The net retirement funding provision (after deducting risk costs and operating costs) fell marginally from 9.6% of salaries in 2010 to 9.5% of salaries in 2011. These savings levels are not sufficient to secure adequate pensions upon retirement for members (even assuming members preserve retirement savings when changing jobs noting that inadequate preservation is certainly the norm in South Africa), and this remains a very considerable challenge for both the retirement funds industry and the country as a whole.



**David Gluckman**  
MANAGING DIRECTOR : SANLAM  
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SANLAM EMPLOYEE BENEFITS

# Contributions

72% of employers indicated that their remuneration packages are based on total cost to company compared to 59% of employers in 2010. A split based on fund type revealed that 73% (2010: 62%) of provident funds operate on a cost to company basis compared to 68% (2010: 46%) of pension funds. Also, 44% (2010: 31%) of the balance of employers are contemplating such a structure.

The average employee contribution as a percentage of salary is 5.4% which is slightly down from 5.5% in 2010.

The average employer contribution is 8.3% of salary which is slightly up from 8.1% in 2010.

Also, 72% (2010: 77%) of employers indicated that the members cannot choose the level of contribution by the employer, whereas 61% (2010: 66%) of employers indicated that members cannot choose their own level of contribution.

70% (2010: 57%) of employers allow members to make voluntary contributions. The average additional voluntary contribution rate as a percentage of salary is 2.0% - slightly lower than the 2.2% in 2010. 65% of respondents indicated that there is no requirement for the employer contribution, net of all costs and disbursements, to be greater than a certain percentage - the same result as in 2010.

## Cost of administration

52% of employers stated that their selected umbrella fund itemises separately for the cost of administration compared to 48% in 2010. 28% (2010: 29%) of employers stated that the administration fee includes all other expenses. Also, 17% (2010: 14%) of employers stated that they pay for additional expenses not specified in the administration agreement.

68% (2010: 62%) of employers stated that the trustees appropriately manage other expenses (such as FSB levies, auditing fees and trustees' reimbursements) via formal budgeting and approvals processes. These expenses are recovered from a contingency reserve for 11% (2010: 12%) of employers, deducted from member

accounts for 46% (2010: 44%) of employers and included in administration costs for 10% (2010: 21%) of employers. The contingency reserve account is expressed as a percentage of contribution for the majority of employers, compared to a rand value per member per month which was applicable to the majority in 2010.

The average cost of administration remains at 0.7% of salary. Similar to the previous 2 years, this figure is lower than the comparable cost for standalone funds. But as reported in 2010, we are again concerned that the result possibly points to clients not properly appreciating all their costs, or sponsoring companies subsidising administration charges taking account of other income streams. It is also possible that some of the assumptions we were compelled to make in analyzing the surveyed data were not appropriate e.g. discarding or reworking some data that failed basic reasonability tests. Another reason could be that the average cost could be skewed by very big funds with very low charges. More than likely the result is a consequence of a combination of all the above mentioned issues. It will be interesting to continue to monitor this result in future Benchmark Surveys.

	2011	2010	2009
Employee contributions	5.4%	5.5%	5.4%
Employer contributions	8.3%	8.1%	8.7%
Death benefit premiums	(2.1%)	(1.8%)	(1.7%)
Disability benefit premiums	(1.4%)	(1.5%)	(1.8%)
Operating costs	(0.7%)	(0.7%)	(0.7%)
<b>Total provision for retirement</b>	<b>9.5%</b>	<b>9.6%</b>	<b>9.9%</b>

## Governance

70% of respondents are aware of the composition of the board of trustees, including their qualifications and experience. This is up from 67% in 2010 and from 53% in 2009. 87% of respondents indicated that the trustees were fairly well or very well equipped to perform their fiduciary duties.

For 43% (2010: 32%) of respondents at least 50% of the board of trustees are elected by the members. 55% of respondents indicated that at least some if not all of the member elected trustees are completely independent of the umbrella fund sponsor – a slight improvement on the 2009 and 2010 results. 51% of respondents feel that the election process is fair and democratic (down from 53% in 2010). A pleasing development is that 78% of umbrella funds allow member representation at participating employer level (up from 66% in 2009 and from 71% in 2010).

A forum, such as an annual general meeting, where member representatives can question the trustees on their performance and plans is in place for 61% of respondents (2010: 66%) A formally approved governance plan is adopted by 88% (2010: 86%) of respondents.

## Advice

### Investment consultant

78% (2010: 77%) of respondents indicated that the trustees are advised by an investment consultant and 61% (2010: 67%) know who are the appointed investment consultants.

### Consultant/Broker

59% (2010: 60%) of respondents indicated that their consultant/broker was independent of the sponsor and 86% (2010: 85%) indicated that the service provided by their consultant/broker was contracted in writing.

35% (2010: 36%) of consultants/brokers are remunerated by statutory commission and 27% (2010: 23%) negotiate a fee with the employer.

51% (2010: 53%) of respondents felt that the level of remuneration was commensurate with the consulting services provided.

### Financial advice

64% (2010: 56%) of employers have a formalized strategy for rendering financial advice.



# Investments – member-directed investment choice

66% (2010: 53%) of employers surveyed offer member-directed investment choice. Where member directed investment choice is available 20% (2010: 8%) of employers do not make the facility available to any of their members. The average number of investment options offered to members is 9.

## Default strategy

94% (2010: 84%) indicated that an appropriate default strategy was available for members that either do not wish, or are not sufficiently financially sophisticated to make investment choices. The default strategy is chosen by the trustees for 58% (2010: 54%) of employers and by the employer for 40% (2010: 33%). The average proportion relying on the default strategy is 72% (2010: 67%).

Life stage mandates are the most popular choice with 62% (2010: 55%) of employers offering it as the default strategy.

81% (2010: 84%) of employers pay the same administration fee regardless of whether member investment choice is exercised.

Respondents indicated the frequency that members are allowed to switch investments as daily (49%), annually (28%), half-yearly (8%) and monthly (8%).

Almost 94% (2010: 92%) of employers are either satisfied or very satisfied with their investment choices, with 76% (2010: 67%) regarding a good variety of choices as the reason for the positive response.

62% of respondents state that their chosen umbrella fund includes a Shari'ah compliant investment option to members compared to 45% in 2010.

15% (2010: 14%) of respondents indicated that their chosen umbrella fund has a policy to invest a portion of assets in socially responsible investments.

## In-house investment portfolios

40% (2010: 37%) of respondents indicated that their chosen umbrella fund automatically invests in in-house investment portfolios that are associated with the sponsor.

## Stable returns and guarantees

From the employer's perspective, 92% (2010: 95%) consider it to be important for a portfolio to provide stable investment returns and 72% (2010: 71%) of employers also consider guarantees provided by products to be important.

## Feedback on Investments

Investment feedback to members is provided annually by 35% (2010: 42%) of umbrella funds, half-yearly by 16% (2010: 14%) and quarterly by 33% (2010: 29%). The majority provide the feedback via a written notice.

The main topics covered in the investment feedback are:

- Returns (83%)
- Returns vs. benchmarks (53%)
- Market/economic overview (53%)
- Risk analysis (31%)

## Performance measurement

The respondents indicated that the frequency that the participating employers and the umbrella funds formally measure investment performance versus benchmarks is as follows:

	2011		2010		2009	
	Employer	Umbrella	Employer	Umbrella	Employer	Umbrella
Monthly	7	14	8	9	7	12
Quarterly	33	31	25	37	30	28
Biannually	14	9	20	14	10	8
Annually	33	26	28	15	28	15
Less often	4	2	4	0	6	0
Not measured	1	-	3	-	2	-
Don't know	8	18	12	25	16	37
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Life stage investing

In a life stage vehicle members are switched to less volatile portfolios in the period prior to normal retirement age, being the phase out period.

The most popular phase out period is 5 years and the most common frequency with which the asset allocations of members are changed within the phase out period is annually.

The majority of life stage models have more than three end stages and the most common

type of annuities that the end stage allows for is, living annuities 49% (2010: 43%) and guaranteed annuities (level or increasing) 46% (2010: 43%).

The most popular asset allocation in the end stage is conservative equity [43% (2010: 29%)] and 100% cash [22% (2010: 29%)].

82% (2010: 79%) of respondents indicated that members received advice when they enter the phase out period of the life stage model.

# Risk Benefits

A fairly fundamental change was made to the format of the data that we collected in respect of risk benefits in 2011 compared to that of 2009 and 2010. A decision was made that it would be more meaningful and insightful to separate the responses of those risk benefits that are provided as part of the umbrella fund package from those that are secured entirely separately as unapproved insurance schemes.

This implies that it would be misleading to compare many of the year on year results for risk benefits.

63% (2010: 59%) of employers provide risk benefits as part of the umbrella fund package, and 42% provide risk benefits (2010: 33%) by way of a separate scheme.

Risk costs increases appear to have been better contained as part of umbrella funds than as part of separate schemes, but the data is perhaps not yet sufficient to draw meaningful conclusion, and these statistics should be monitored over a period of years.

## Risk Benefits - Umbrella Funds

84% (2010: 76%) of the respondents' selected umbrella funds have processes in place to ensure the ongoing sound actuarial management of its risk pool.

57% (2010: 40%) of the respondents' selected umbrella funds have their insured benefits automatically underwritten by an in house insurance company that is associated with the sponsor.

91% (2010: 84%) of respondents indicated that they were satisfied that the risk benefits product range was comprehensive and appropriate to satisfy members' requirements.

56% (2010: 52%) of employers showed no change in their risk charges while 24% (2010: 30%) indicated an increase and 19% (2010: 14%) experienced a decrease over the last year.

59% of the respondents' selected umbrella funds rebroke their risk business on a regular basis compared with 51% in 2010.

The most popular risk benefits provided as part of the umbrella fund package are death benefits (98%), disability benefits (94%) and funeral benefits (68%).

The average lump sum death benefit is 3.5 times salary.

The most common form of disability benefit is income disability benefits (PHI), and the average benefit is 75% of salary.

The average cover for funeral benefit is slightly above R12 000.

## Risk Benefits - Separate Schemes

Employers reported that for the separate risk schemes 43% showed no change in their risk charges over the previous year, while 38% had experienced a premium rate increase and 7% had experienced a decrease.

64% of employers rebroke these separate risk schemes on a regular basis.

The most popular risk benefits provided under separate risk schemes are death benefits (86%), disability benefits (81%) and funeral benefits (57%).

The average death benefit cover is 3.2 times salary.

The most common form of disability benefit is income disability benefits (PHI), and the average benefit is 77% of salary.

The average cover for funeral benefit is slightly below R12 000.

# Communication

## Tools used to communicate

The majority of member communication is delivered via printed material, followed by technology and face to face which is consistent with the 2010 results.

## Topics communicated

The benefit structure (90%) (2010: 93%) and investment performance (74%) (2010: 79%) are still the most popular topics communicated.

53% of umbrella funds communicate legislative changes to their members. Ad hoc updates as and when legislative changes arise, is the most popular (49%), followed by quarterly updates (23%).

The most popular method of distribution is electronic member newsletters followed by paper based member newsletters and emails.

The majority of members' retirement fund related queries are handled by their Human Resources department (62%) (2010: 52%) and the administrator (44%) (2010: 49%).

88% (2010: 94%) of employers find member information and data accurate, reliable and up-to date.

## Internet/intranet facilities

66% (2010: 61%) of funds make use of an internet/intranet facility with the majority of members gaining access directly by using a personal password.

## Member understanding

Senior staff have a better understanding of the financial advice given with 71% (2010: 69%) understanding the vast majority of it. Of other staff members 40% (2010: 33%) understand less than half of it, 28% (2010: 29%) about half and 19% (2010: 22%) understand hardly any of it.

## Financial education

50% (2010: 42%) of employers might/would consider paying for more financial education to members, while 16% (2010: 12%) would definitely not consider it.

# Methodology and sample

The 2011 Benchmark™ Survey was conducted among 100 participating employers in umbrella funds. Interviews were conducted between January and April 2011. Respondents were selected at random to represent small (< 100 members), medium (100-500 members), large (501-5 000 members) and very large (5 001+ members) employers in South Africa.

The survey was conducted by the independent market research agency BDRC, via face-to-face interviews one hour in length. Once again, the survey recorded a 100% response rate with a total of 100 participating employers responding. This is indicative of the positive attitude and willingness of the industry representatives to participate in shaping the future of South Africa's retirement environment.

The research was conducted under the SAMRA (South African Marketing Research Association) Code of Conduct and all the information gathered is held in strict confidence. All respondents remain anonymous and only the aggregated results have been reported on.

## Notes on summary tables

### Sample size

The tables and graphs in this report are based on responses by 100 participating employers in umbrella funds. The data represented are for years 2009, 2010 and 2011. To keep the results current, any questions from the previous two years' study not included in the 2010 survey, have not been tabulated. However, the historical data is available on the BENCHMARK research web application on the following link at <http://www.sanlambenchmark.co.za>.

The sample size is 100 but in some instances the base size is  $n \neq 100$ , namely:

- $n < 100$  where the question was not applicable to all participating employers
- $n > 100$  where the question allowed for multiple responses.

Caution: Data should be used with care, particularly where the number of responses were  $< 30$ , as this is considered statistically insufficient to draw any significant industry conclusions.

### Numbering

We have tracked responses to certain questions, which allow us to determine trends for a specific period. As a result, in an attempt to retain original questions, question numbering may not be sequential.

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## SECTION A

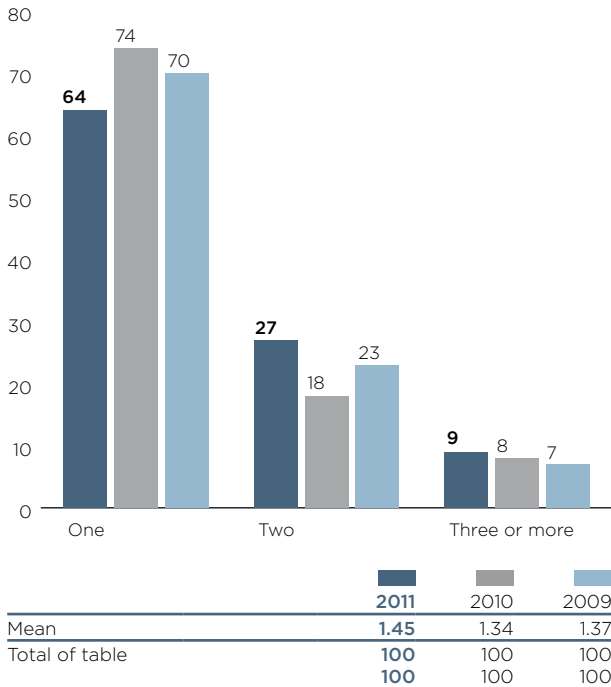
## General

**Q1.1** How would you classify the principal employer, using one of the following business categories?

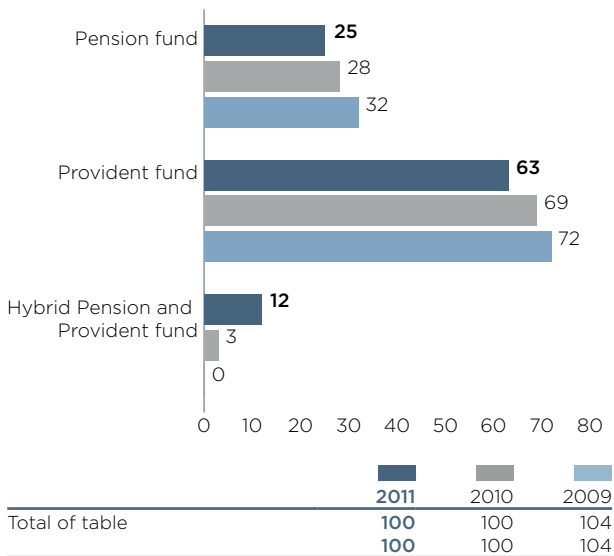
	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Principal Employer			
Financial Services	7	8	5
	7	8	5
Manufacturing	25	25	25
	25	25	25
Agriculture, forestry or fishing	3	3	3
	3	3	3
Professional or business services	11	9	12
	11	9	12
Building or construction	8	7	5
	8	7	5
Wholesale and retail	14	17	18
	14	17	18
Mining	2	0	1
	2	0	1
Government, semi-government / parastatal	4	1	1
	4	1	1
Chemical or pharmaceutical	3	3	3
	3	3	3
Engineering	2	2	3
	2	2	3
Education	0	2	2
	0	2	2
Healthcare	2	1	2
	2	1	2

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Principal Employer			
Hospitality	3	3	5
	3	3	5
IT or telecoms	3	5	3
	3	5	3
Printing and publishing	1	4	1
	1	4	1
Bargaining Council	0	2	1
	0	2	1
Entertainment	2	1	0
	2	1	0
Food and Beverage	0	2	0
	0	2	0
Leadership training & development	0	1	1
	0	1	1
Sport and Recreation	0	0	1
	0	0	1
Transport	4	4	6
	4	4	6
Other	6	0	2
	6	0	2
Total of table	100	100	100
	100	100	100

**Q1.2a** How many retirement funds does your organisation offer to employees?



**Q1.2b** Which of the following descriptions applies to the sub-fund participating in the survey? By 'sub-fund' we mean the component of the umbrella fund that represents the interests of YOUR company's staff members.



**Q1.3a** How many of your employees belong to the sub-fund (i.e. are active members of the umbrella fund)?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	89	100
21 to 40	10	9	12
41 to 100	17	26	20
101 to 300	27	25	32
301 to 500	18	11	12
501 to 1 000	18	12.4	12
1 001 or more	18	20.2	12
Mean	400.9	387.4	369.6
Total of table	100	89	100

**Q1.3b** What is the total value of your members' assets in the sub-fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Less than R 3 million	11	6	10
R3.1 million to R 12 million	18	25	33
R 12.1 million to R 30 million	10	19	16
R 30.1 million to R 60 million	10	19	16
R 60.1 million to R 120 million	24	14	13
R 120.1 million to R 300 million	24	14	13
R 300.1 million to R 500 million	11	9	4
R 500.1 million to R 1 billion	11	9	4
More than R1 billion	6	9	5
More than R1 billion	6	9	5
R 300.1 million to R 500 million	5	2	4
R 500.1 million to R 1 billion	5	2	4
R 500.1 million to R 1 billion	3	4	0
R 500.1 million to R 1 billion	3	4	0
More than R1 billion	1	0	0
More than R1 billion	1	0	0
Don't know	11	12	15
Don't know	11	12	15
Mean	106.8	87.79	49.34
Total of table	100	100	100



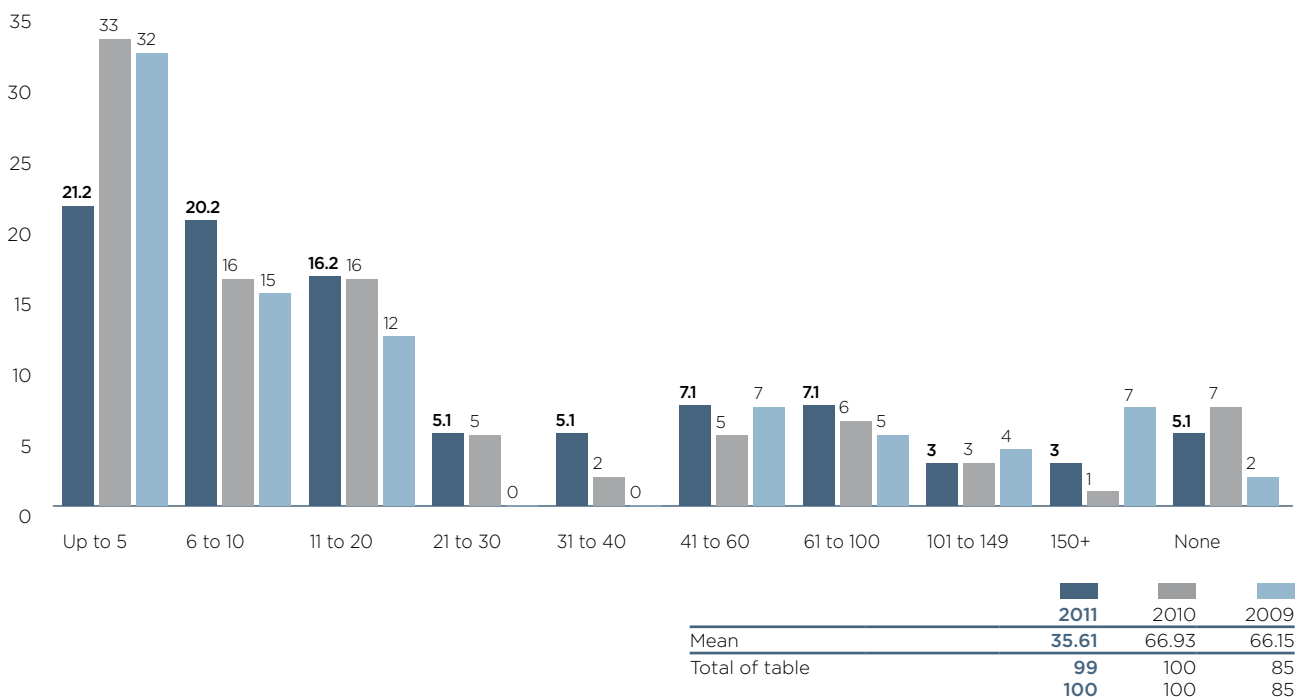
**Q1.4.a** How many of your members have exited the sub-fund in the last 12 months

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	77
	100	100	100
Up to 5	20	25	23
	20	25	29.9
6 to 10	15	18	19
	15	18	24.7
11 to 20	22	17	12
	22	17	15.6
21 to 30	9	10	0
	9	10	0
31 to 40	5	1	0
	5	1	0
41 to 60	6	4	11
	6	4	14.3
61 to 100	6	8	6
	6	8	7.8
101 to 150	4	7	6
	4	7	7.8
151 to 200	5	3	0
	5	3	0
201 to 300	1	1	0
	1	1	0
501 to 1000	2	2	0
	2	2	0
1001 +	0	1	0
	0	1	0
None	1	1	1
	1	1	1.3
Don't know	4	2	1
	4	2	1.3
Mean	50.83	92.86	80.67
Total of table	100	100	79
	100	100	102.6

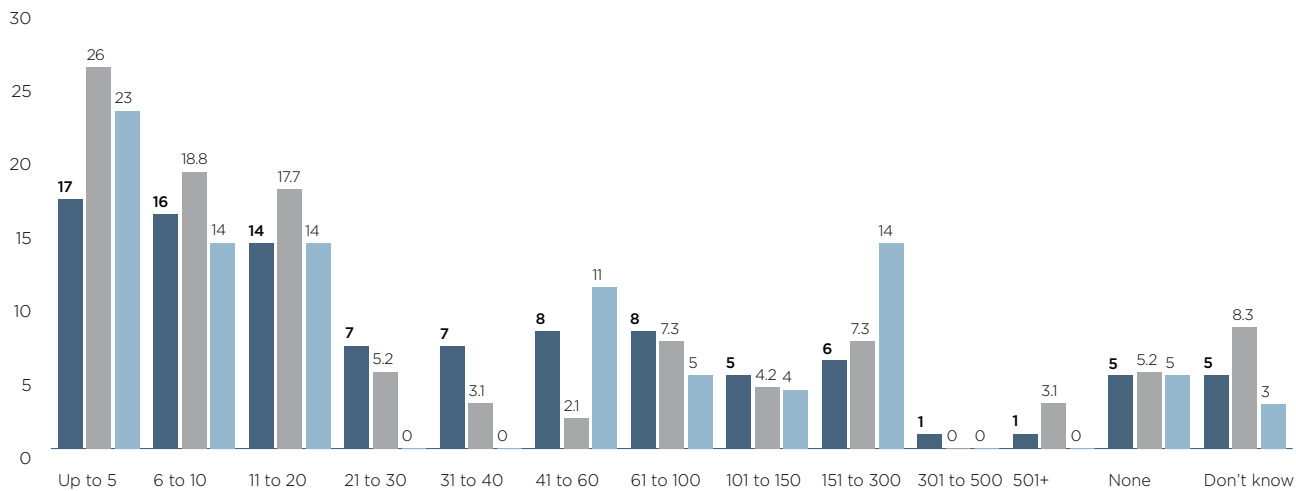
**Q1.4.b** Of your members who exited the sub-fund, how many were as a result of retrenchments?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	99	100	81
	100	100	100
Up to 5	18	21	19
	18.2	21	23.5
6 to 10	6	17	4
	6.1	17	4.9
11 to 20	5	2	3
	5.1	2	3.7
21 to 30	1	5	0
	1	5	0
31 to 40	1	4	0
	1	4	0
41 to 60	1	1	1
	1	1	1.2
61 to 100	1	2	1
	1	2	1.2
101 to 150	1	1	0
	1	1	0
151 to 300	0	2	0
	0	2	0
301 +	1	0	0
	1	0	0
None	59	57	70
	59.6	57	86.4
Don't know	5	2	0
	5.1	2	0
Mean	11.04	12.1	3.37
Total of table	99	114	98
	100	114	121

**Q1.4.c** Of your members who exited the sub-fund, how many were as a result of resignation?



**Q1.5** And how many of your staff joined the sub-fund as new members in the last 12 months?

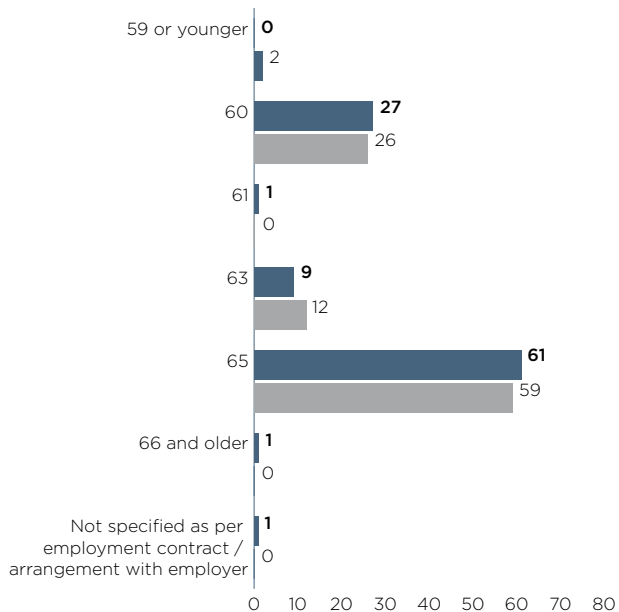


	2011	2010	2009
Mean	65.75	85.59	96.98
Total of table	100	104	93
	100	108.3	93

**SECTION B**

# Benefit Design

**Q2.1** What is the normal retirement age for new entrants?



	2011	2010
Mean	62.79	63.34
Total of table	100	99
	100	99

**Q2.2a** What proportion of employees work beyond normal retirement age?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
1 to 2	30	28	34
	30	28	34
3 to 5	5	5	8
	5	5	8
6 to 10	2	3	4
	2	3	4
31 to 40	0	0	2
	0	0	2
41 to 60	0	2	0
	0	2	0
61 +	2	1	1
	2	1	1
None	61	61	51
	61	61	51
Mean	2.47	2.78	5.55
Total of table	100	100	100
	100	100	100

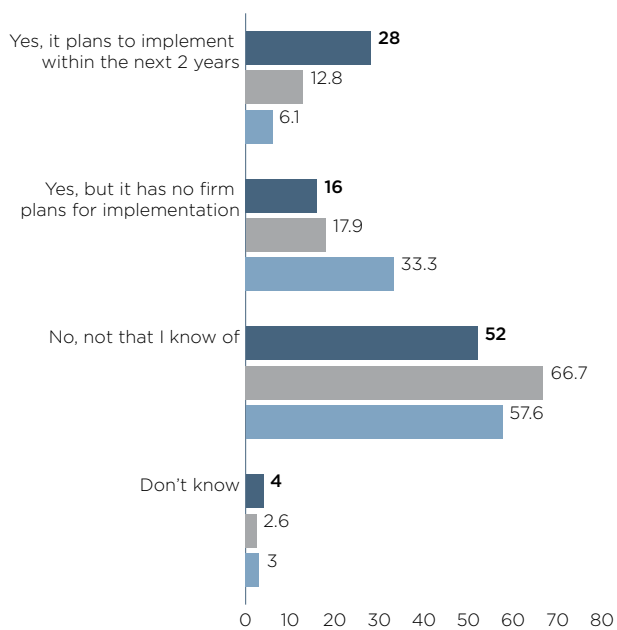
**Q2.2b** Of these individuals what proportion still contributes to the sub-fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
1 to 4%	2	5	6
	2	5	6
5 to 9%	0	1	0
	0	1	0
10 to 19%	0	1	0
	0	1	0
30 to 50%	1	1	2
	1	1	2
51 to 75%	0	0	1
	0	0	1
100%	13	15	15
	13	15	15
Other	1	0	0
	1	0	0
None	83	77	76
	83.0	77	76
Mean	13.45	15.69	19
Total of table	39	23	100
	100	104.5	100

**Q2.3** Is the employer’s remuneration package structured on a total cost to company basis?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	72	59	67
	72	59	67
No	25	38	30
	25	38	30
Both yes for senior, no for blue collar	2	1	3
	2	1	3
Don't know	1	2	0
	1	2	0
Total of table	100	100	100
	100	100	100

**Q2.4** Is the employer contemplating the total cost to company approach?



	2011	2010	2009
SUMMARY			
Any yes	11	12	13
	44	30.8	39.4
Total of table	25	39	33
	100	100	100

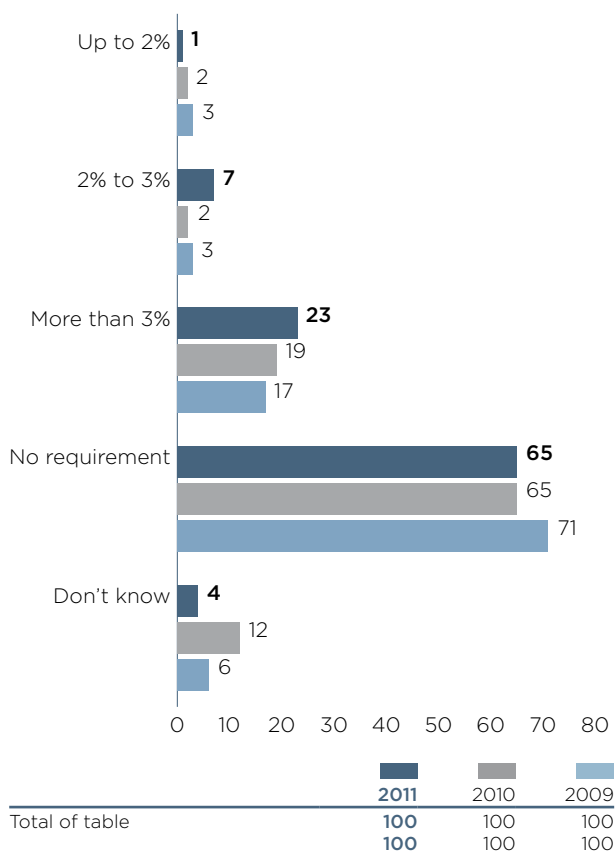
**Q2.5** What percentage of the total remuneration is pensionable remuneration?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Less than 70%	14	8	8
	14	8	8
70.1% to 80%	22	25	27
	22	25	27
80.1% to 90%	16	13	14
	16	13	14
90.1% to 100%	41	48	45
	41	48	45
Other	4	0	0
	4	0	0
Don't know	3	5	5
	3	5	5
Mean	84.78	86.17	85.64
Total of table	100	99	99
	100	99	99

**Q2.6** What is the total annual contribution category of the sub-fund (i.e. your members’ plus your employer’s contributions).

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Less than R1 million	20	22	22
	20	22	22
R1 million to R5 million	43	43	43
	43	43	43
More than R5 million	35	32	30
	35	32	30
Don't know	2	3	5
	2	3	5
Total of table	100	100	100
	100	100	100

**Q2.7** If there is a requirement that the employer contribution, net of all costs and disbursements, may not be less than a certain percentage, what is the percentage of payroll?



**Q2.8** Which of the following does the employer pay?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	100	100
	<b>100</b>	100	100
Fixed contribution only (i.e. total cost to company - no additional costs)	43	36	43
	43	36	43
Fixed contribution plus the cost of administration	7	3	1
	7	3	1
Fixed contribution plus the cost of risk benefits	3	6	5
	3	6	5
Fixed contribution plus the cost of administration and the cost of risk benefits	45	53	49
	45	53	49
Other	0	1	0
	0	1	0
None	2	1	2
	2	1	2
<b>Total of table</b>	<b>100</b>	100	100
	<b>100</b>	100	100

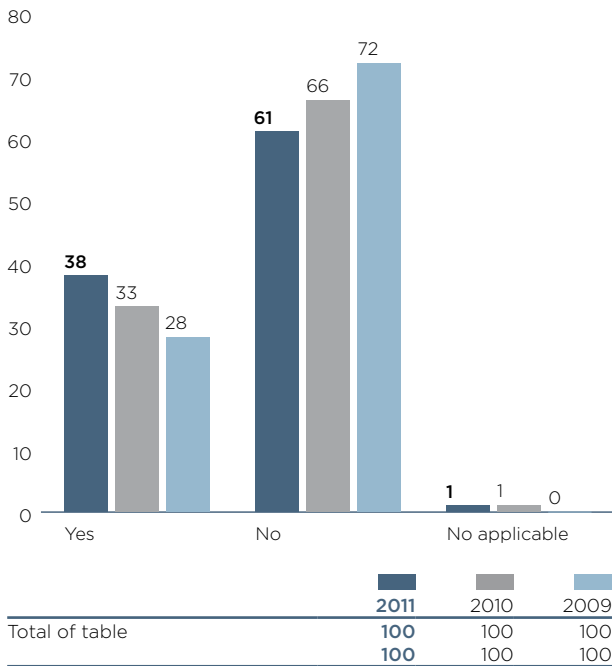
**Q2.9** What on average are the employer's total contributions (excluding any contributions made to a separate scheme), expressed as a percentage of total average annual salary?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	100	100
	<b>100</b>	100	100
0%	7	8	2
	7	8	2
0.1% to 5%	9	10	7
	9	10	7
5.1% to 7.5%	26	27	28
	26	27	28
7.6% to 10%	20	22	28
	20	22	28
10.1% to 11%	8	9	7
	8	9	7
11.1% to 12.5%	10	10	7
	10	10	7
12.6% to 15%	9	5	8
	9	5	8
15.1% or more	8	8	8
	8	8	8
Varies	1	0	1
	1	0	1
Don't know	2	1	4
	2	1	4
Mean	8.34	8.07	8.71
<b>Total of table</b>	<b>100</b>	100	100
	<b>100</b>	100	100

**Q2.10** Can members choose the level of contribution by the employer in terms of a remuneration package restructure arrangement (i.e. salary sacrifice, even though it may only be within certain parameters)?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	100	100
	<b>100</b>	100	100
Yes	28	23	25
	28	23	25
No	72	77	75
	72	77	75
<b>Total of table</b>	<b>100</b>	100	100
	<b>100</b>	100	100

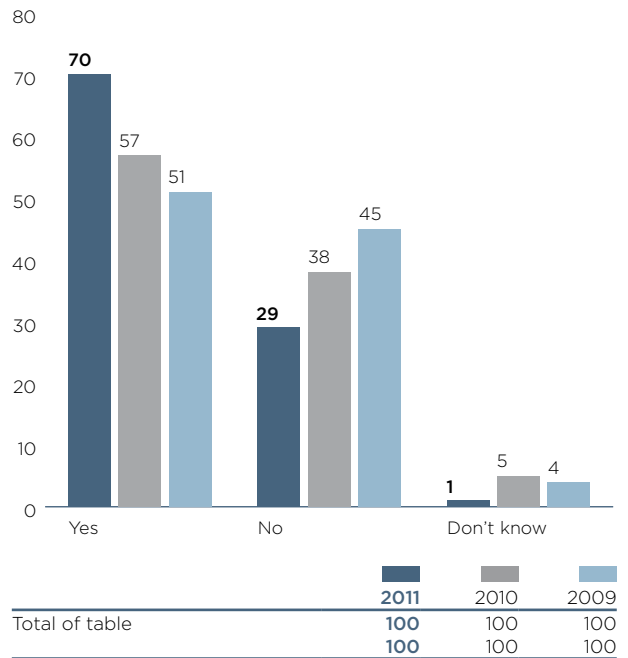
**Q2.11** Can members choose their own contribution levels (even though it may only be within certain parameters and at certain intervals)?



**Q2.12** What contribution (as a percentage of salary and excluding any additional voluntary contributions) is made by members on average?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	<b>100</b>	<b>100</b>
0%	14	10	10
0.1% to 5%	14	18	18
5.1% to 6%	11	15	14
6.1% to 7.4%	11	18	14
7.5%	34	30	24
7.6% to 8%	0	1	5
8.1% or more	10	7	8
Varies	1	0	2
Other	4	0	1
None	0	0	1
Don't know	1	1	3
<b>Mean</b>	<b>5.42</b>	<b>5.47</b>	<b>5.41</b>
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Q2.13a** Does the sub-fund allow for members to make additional voluntary contributions?



**Q2.13b** What additional voluntary contribution (as a percentage of salary) is made by members on average?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>RESPONDENT WHO SAY FUND ALLOWS MEMBERS TO MAKE ADDITIONAL VOLUNTARY CONTRIBUTIONS</b>	<b>70</b>	<b>57</b>	<b>51</b>
0%	22	16	16
0.1% to 5%	31.4	28.1	16
5.1% to 6%	6	3	1
7.5%	1	1	2
8.1% or more	0	2	1
Varies	2	0	1
Other	2	0	49
Don't know	3	10	7
<b>Mean</b>	<b>1.99</b>	<b>2.2</b>	<b>2.06</b>
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Q2.14** In your opinion, are the trustees managing the umbrella fund to optimize size and stability of retirement benefits, to optimize stability of withdrawal benefits or to provide optimal risk benefits?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Optimize retirement benefits	88	79	54
	88	79	54
Optimize withdrawal benefits	30	26	7
	30	26	7
Provide optimal risk benefits	29	25	0
	29	25	0
Both (retirement & withdrawal)	1	0	27
	1	0	27
Don't know	8	12	12
	8	12	12
Total of table	156	142	100
	156	142	100

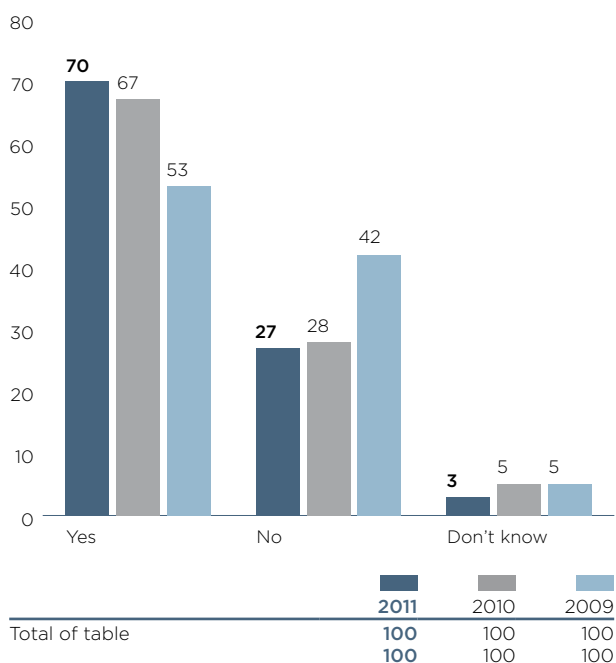
**Q2.17** In your opinion, are members more concerned about retirement savings benefits or risk benefits?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Retirement savings	61	58	62
	61	58	62
Risk benefits	11	10	0
	11	10	0
Both equally (retirement and risk)	28	29	22
	28	29	22
Death / funeral benefits	0	0	13
	0	0	13
Depends on age	0	1	0
	0	1	0
Depends on whether white or blue collar	0	0	1
	0	0	1
Neither / lack of savings culture	0	0	1
	0	0	1
White collar retirement-blue collar death	0	1	0
	0	1	0
Don't know	0	2	1
	0	2	1
Total of table	100	100	100
	100	100	100

**SECTION C**

# Governance and member representation

**Q3.1** Are you aware of the composition of the board of trustees responsible for the overall management of the umbrella fund, including their qualifications and experience?



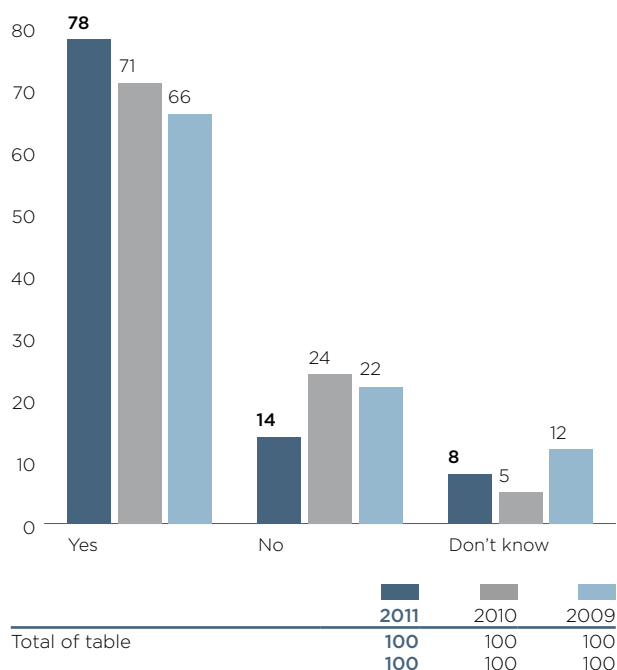
**Q3.2** How equipped do you feel the trustees are to perform their fiduciary duties?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Very well equipped	69	62	56
Fairly well equipped	18	21	24
Not as well equipped as they should be	0	2	2
Don't know	13	15	18
<b>SUMMARY</b>			
Very / fairly well equipped	87	83	80
Total of table	100	100	100

**Q3.3** Does the umbrella fund have a formally approved written governance plan so as to ensure ongoing governance and compliance?

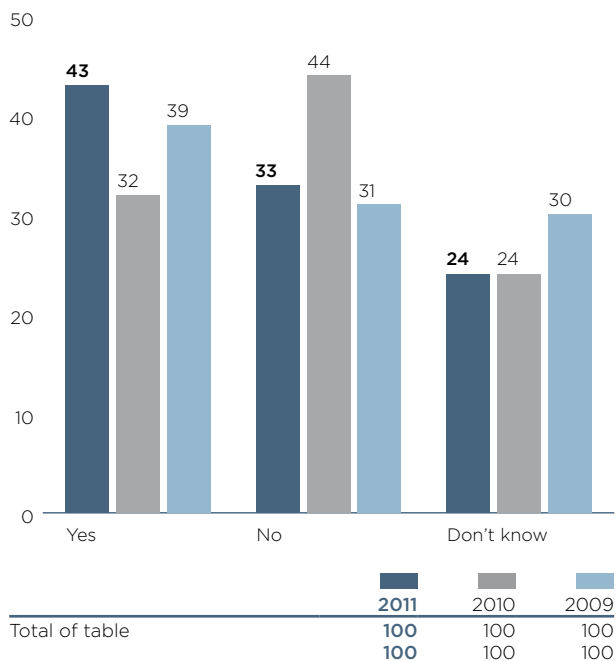
	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Yes	88	86	74
No	0	3	2
Don't know	12	11	24
Total of table	100	100	100

**Q3.4** Does the umbrella fund allow for member representation at participating employer level?





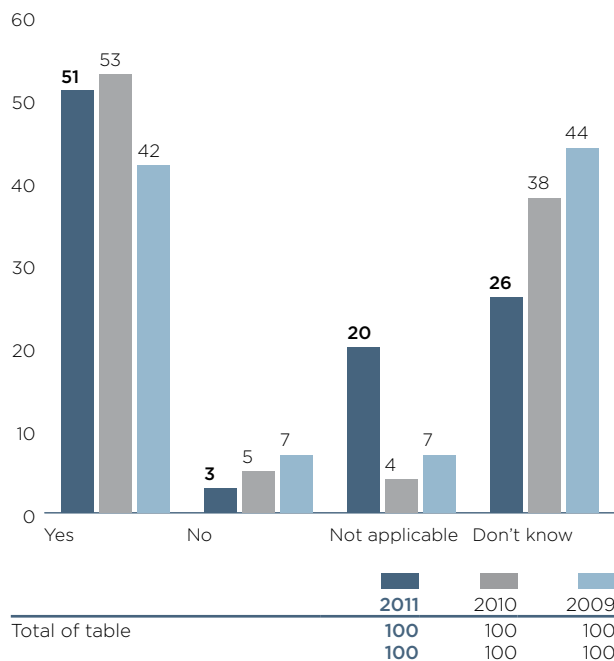
**Q3.5** Is at least 50% of the board of trustees elected by members?



**Q3.6** Are the member-elected trustees completely independent of the umbrella fund sponsor?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	<b>100</b>	<b>100</b>
Yes - all of them	28	37	37
Yes - some of them	27	15	15
No	9	8	11
Not Applicable	17	4	4
Don't know	19	36	33
<b>SUMMARY</b>			
Any yes	55	52	52
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Q3.7** Do you feel the election process is fair and democratic?



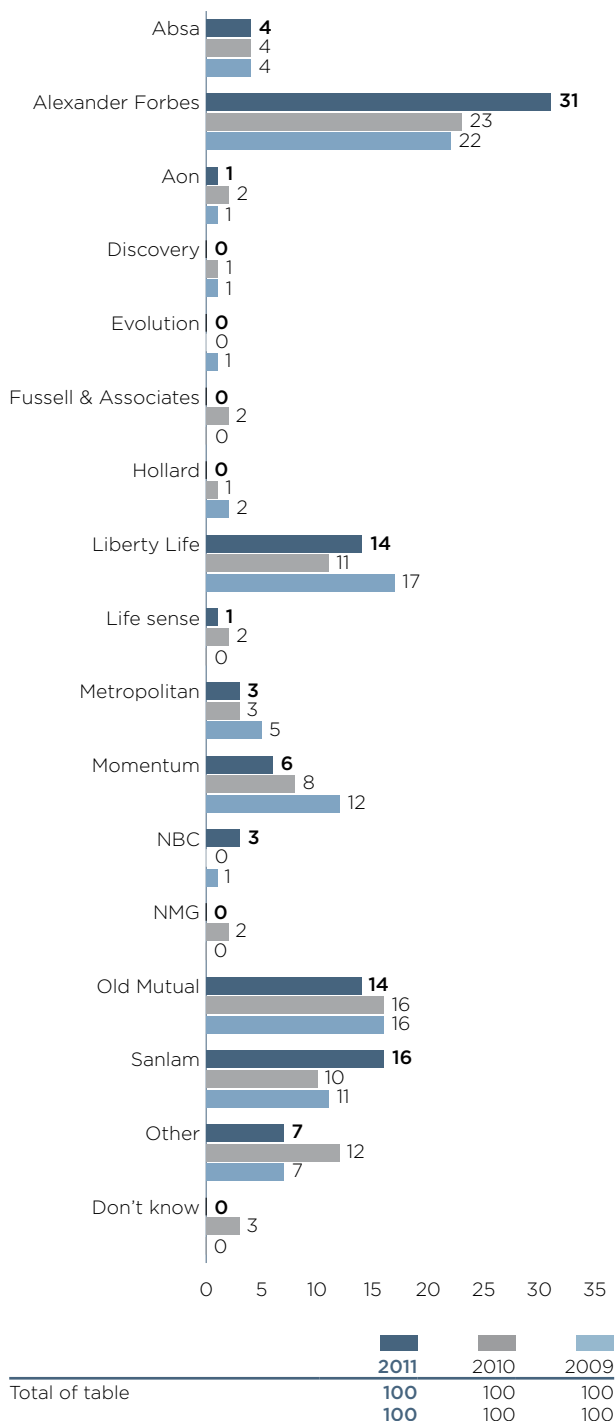
**Q3.8** Is there a forum in place such as an annual general meeting, where member representatives can question the trustees on their performance and plans?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	<b>100</b>	<b>100</b>
Yes	61	66	60
No	24	24	30
Not applicable	6	0	1
Don't know	9	10	9
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

**SECTION D**

# Umbrella Fund sponsor

**Q4.1** Which organisation sponsors the umbrella fund?



**Q4.2** Are you comfortable with the financial strength of the organisation sponsoring the umbrella fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Yes	98	99	93
No	1	0	1
Don't know	1	1	6
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Q4.3** Are you comfortable with the ethics of the organisation sponsoring the umbrella fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Yes	96	92	90
No	1	2	1
Don't know	3	6	9
<b>Total of table</b>	<b>100</b>	<b>100</b>	<b>100</b>

## SECTION E

## Communication

## Q5.1 What communication is delivered to members as part of the standard offering?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100

## Communication used with member

A rule booklet	72	76	68
	72	76	68
Annual benefit statements	92	97	96
	92	97	96
Annual or more regular work-shops and discussion groups	30	24	30
	30	24	30
Annual trustee report	48	45	41
	48	45	41
Articles in company newsletter(s)	21	16	0
	21	16	0
Cell phone	11	9	0
	11	9	0
E-mail	38	37	34
	38	37	34
Induction programmes	1	0	0
	1	0	0
Information on Intranet / Internet	66	61	68
	66	61	68
Investment documents	1	0	1
	1	0	1
Member newsletter: electronic	43	37	30
	43	37	30
Member newsletter: paper based	49	50	41
	49	50	41
Member roadshows / HR Work-shops	36	34	17
	36	34	17

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100

## Communication used with member

Membership certificate	42	49	53
	42	49	53
Monthly statements	0	0	1
	0	0	1
New member inductions	30	33	27
	30	33	27
Role play / theatre	3	1	0
	3	1	0
Other	3	0	24
	3	0	24
Other face to face communication	25	27	16
	25	27	16
Other printed documents e.g. letters	22	25	0
	22	25	0
None	0	0	1
	0	0	1

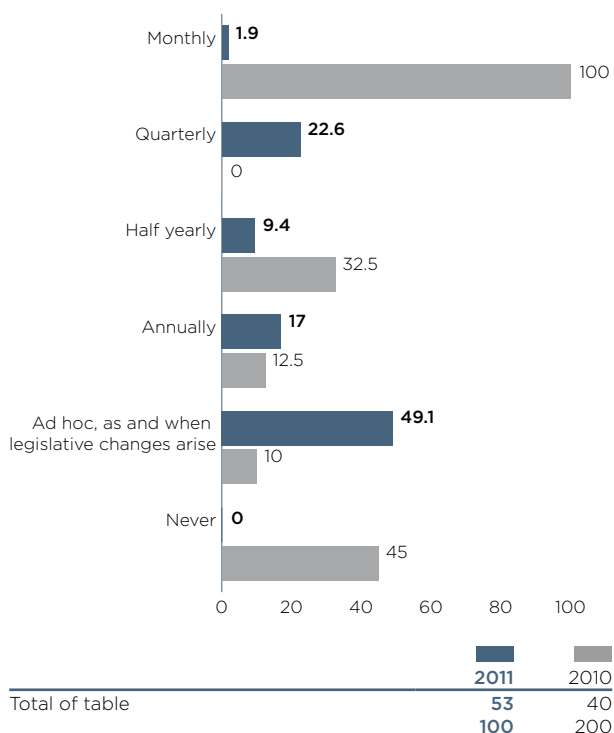
## SUMMARY

Any printed material	100	100	97
	100	100	97
Any face to face	65	59	46
	65	59	46
Any technology	78	73	75
	78	63	75
Total of table	633	621	548
	633	621	548

**Q5.2** Which of the following topics are communicated to members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
The benefit structure	90	93	79
	90	93	79
Trustee decisions	45	38	37
	45	38	37
How the fund works	64	62	69
	64	62	69
Valuation results	40	40	42
	40	40	42
Investment performance	74	79	83
	74	79	83
Frequently asked questions	42	38	38
	42	38	38
The annual benefit statements: Interpretation and implication	59	65	67
	59	65	67
Member investment choices	55	41	41
	55	41	41
Knowledge quizzes / educational games	5	1	0
	5	1	0
Legislative changes / Legal updates	53	40	26
	53	40	26
None	0	0	2
	0	0	2
Don't know	0	0	1
	0	0	1
Total of table	527	497	485
	527	497	485

**Q5.2a** How often does your umbrella fund communicate legislative changes to members?



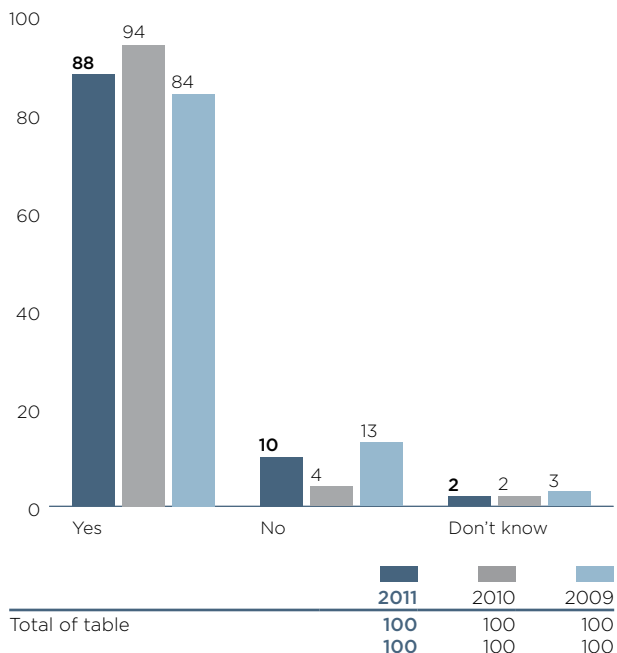
**Q5.2b** What method(s) of communication does your fund use to communicate legislative changes to members?

	2011 TOTAL	2010 TOTAL
BASE: ALL RESPONDENTS	53	40
	100	100
Trustee report	13	10
	24.5	25
Member newsletter: paper based	23	21
	43.4	52.5
Member newsletter: electronic	25	15
	47.2	37.5
Articles in company newsletter(s)	2	1
	3.8	2.5
Intranet / Internet	11	9
	20.8	22.5
Member roadshows / HR Workshops	5	9
	9.4	22.5
E-mail	14	15
	26.4	37.5
Cell phone	2	1
	3.8	2.5
Other	3	0
	5.7	0
Other printed documents, e.g. letters	11	11
	20.8	27.5
<b>SUMMARY</b>		
Any printed material	36	29
	67.9	72.5
Any technology	38	22
	71.7	55
Total of table	109	92
	205.7	230

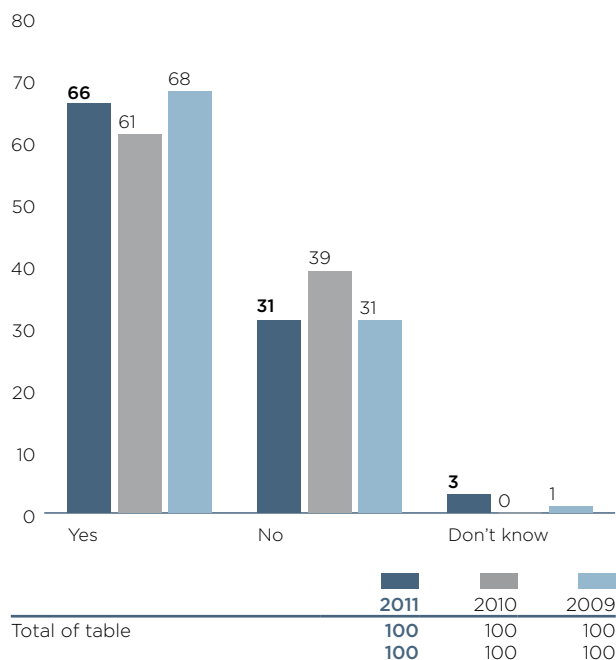
**Q5.3** Who answers members' retirement fund related queries?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	100	100
	<b>100</b>	100	100
Trustees	14	14	14
	14	14	14
Administrator	44	49	40
	44	49	40
Retirement fund consultant / broker	42	33	45
	42	33	45
Human resources department	62	52	58
	62	52	58
Management committee at employer level	20	18	18
	20	18	18
Other	5	3	0
	5	3	0
Other independent financial advisor / chairperson	0	0	10
	0	0	10
<b>SUMMARY</b>			
Any internal	72	64	67
	72	64	67
Any external	79	78	83
	79	78	83
Total of table	187	166	180
	187	166	181.8

**Q5.4** Is member information and data usually accurate, reliable and up-to-date?



**Q5.5** Please confirm whether the umbrella fund utilizes an Intranet or Internet facility in order to give members access to information?



**Q5.6** How do members gain access to the Internet / Intranet?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>RESP WHOSE FUND USES INTERNET / INTRANET</b>	<b>66</b>	61	68
	<b>100</b>	100	100
Via HR or similar office only	13	13	14
	19.7	21.3	20.6
Directly, using a personal password only	39	28	33
	59.1	45.9	48.5
Either via HR or directly, using own password	19	18	21
	28.8	29.5	30.9
Don't know	2	2	0
	3	3.3	0
Total of table	73	61	68
	110.6	100	100

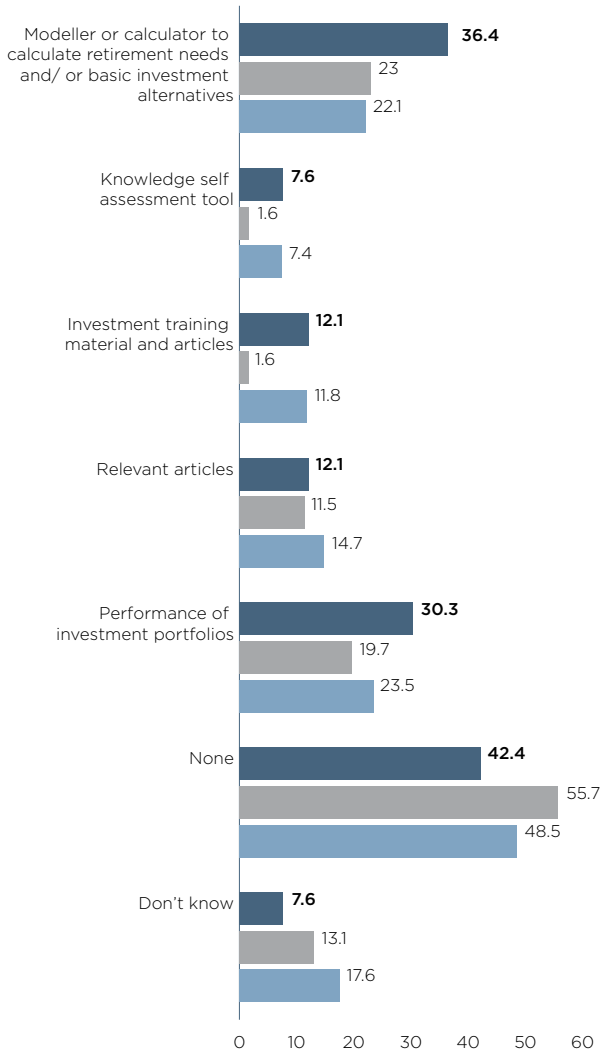
**Q5.7** What general information is available via the Internet / Intranet?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
RESP WHOSE FUND USES INTERNET / INTRANET	66 100	61 100	68 100
The general rules	53 80.3	48 78.7	46 67.6
The special rules	30 45.5	29 47.5	0 0
Member booklet	42 63.6	28 45.9	34 50
Insurance policies (i.e. group risk and disability)	26 39.4	13 21.3	20 29.4
Administration agreement	13 19.7	7 11.5	8 11.8
Investment / Asset management agreements	13 19.7	14 23	9 13.2
The resumes and contact details of trustees	14 21.2	17 27.9	16 23.5
The resumes and contact details of other appointed officers	10 15.2	9 14.8	12 17.6
The annual rule change notification	21 31.8	15 24.6	17 25
Investment portfolio information	43 65.2	31 50.8	40 58.8
Investment returns	44 66.7	34 55.7	43 63.2
Member newsletter	28 42.4	21 34.4	27 39.7
Other	3 4.5	0 0	0 0
None	1 1.5	1 1.6	2 2.9
Don't know	1 1.5	3 4.9	2 2.9
Total of table	342 518.2	270 442.6	276 405.9

**Q5.8** What personal information is available via the Internet / Intranet?

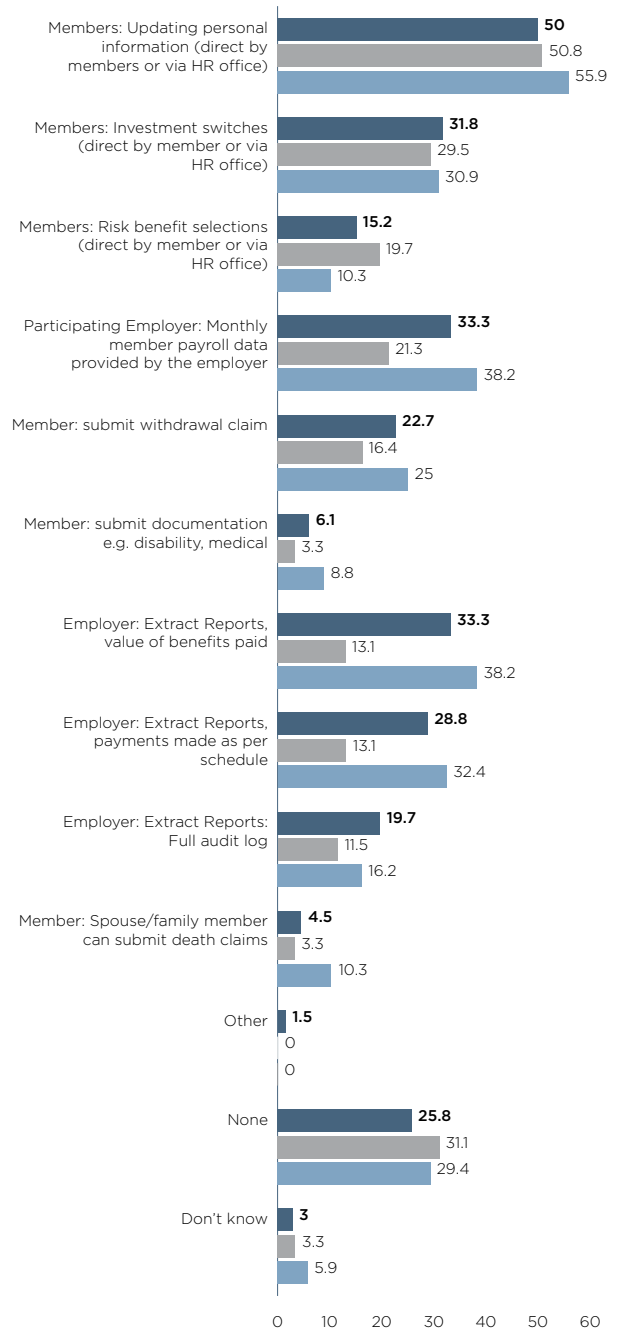
	2011 TOTAL	2010 TOTAL	2009 TOTAL
RESP WHOSE FUND USES INTERNET / INTRANET	66 100	61 100	68 100
Annual member benefit statement	45 68.2	44 72.1	51 75
Daily updated member benefit statements	36 54.5	25 41	34 50
Monthly updated member benefit statement	36 54.5	29 47.5	39 57.4
Beneficiary nominations	28 42.4	23 37.7	21 30.9
Personal particulars	47 71.2	39 63.9	42 61.8
Transaction history	31 47	30 49.2	34 50
Proportion of member's assets in each investment portfolio	33 50	26 42.6	35 51.5
Investment fees	22 33.3	14 23	15 22.1
Insured benefit cost	23 34.8	13 21.3	16 23.5
Admin cost	21 31.8	13 21.3	20 29.4
Fund management and advisory fees	0 0	0 0	1 1.5
Funeral Benefit	0 0	0 0	1 1.5
Last months contributions / quarterly updated member benefit statements	0 0	2 3.3	0 0
Projected retirement value	0 0	0 0	1 1.5
Other	1 1.5	0 0	0 0
None	4 6.1	3 4.9	7 10.3
Don't know	2 3	6 9.8	2 2.9
Total of table	329 498.5	267 437.7	319 469.1

**Q5.9** What member training and support is provided via Internet / Intranet?



	2011	2010	2009
Total of table	98	77	99
	148.5	126.2	145.6

**Q5.10** What transactions can be performed on the Internet / Intranet either by members or members of the participating employer's management committee?



	2011	2010	2009
Summary			
Any members transactions	40	36	
	60.6	59	
Any employer transactions	28	16	
	42.4	26.2	
Total of table	182	132	205
	275.8	216.4	301.5

**SECTION F**

# Investments

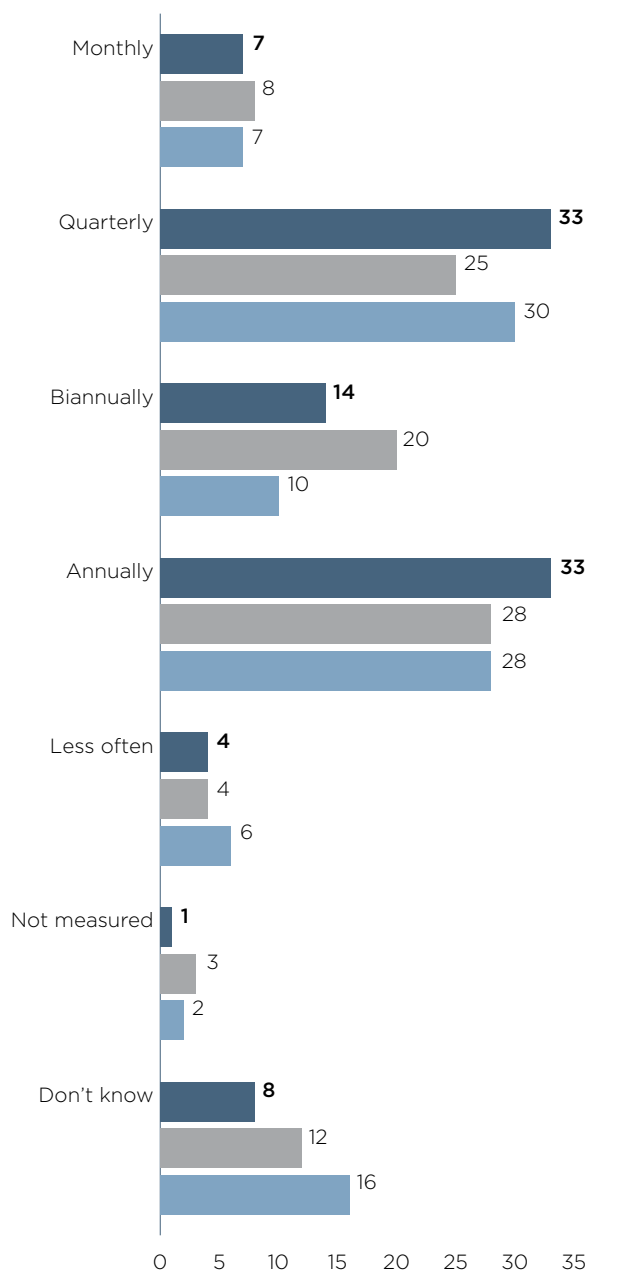
**Q6.1** As far as you know, are the trustees advised by an investment consultant on investment issues?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	78	77	75
	78	77	75
No	7	6	4
	7	6	4
Don't know	15	17	21
	15	17	21
Total of table	100	100	100
	100	100	100

**Q6.2a** How often is performance measured against benchmarks by the umbrella fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Monthly	14	9	12
	14	9	12
Quarterly	31	37	28
	31	37	28
Biannually	9	14	8
	9	14	8
Annually	26	15	15
	26	15	15
Less often	2	0	0
	2	0	0
Don't know	18	25	37
	18	25	37
Total of table	100	100	100
	100	100	100

**Q6.2b** How often is performance measured against benchmarks by you as a participating employer?



	2011	2010	2009
Total of table	100	100	99
	100	100	99



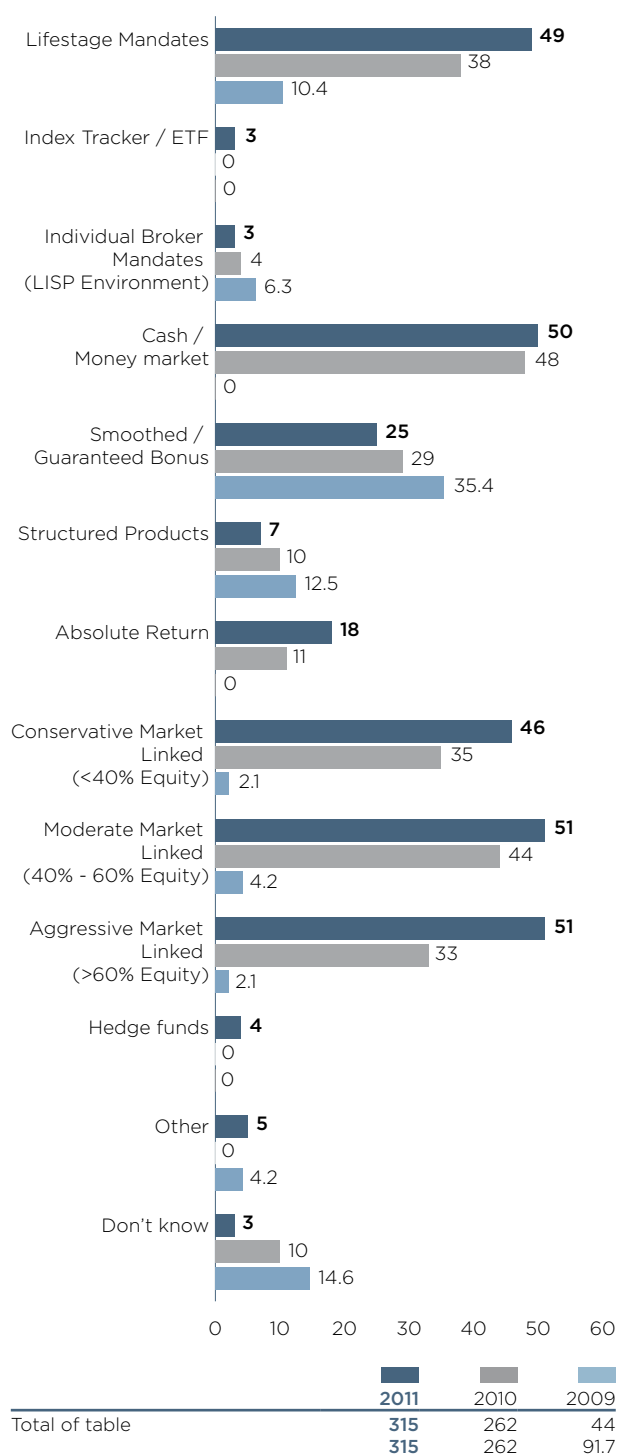
**Q6.3** Are funds automatically invested in 'in house' investment portfolios that are associated with the sponsor?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	40	37	36
	40	37	36
No	41	45	43
	41	45	43
Don't know	19	18	21
	19	18	21
Total of table	100	100	100
	100	100	100

**Q6.4** How frequently does the umbrella fund credit investment returns to members' accounts?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Daily	17	11	13
	17	11	13
Weekly	2	0	2
	2	0	2
Monthly	46	55	42
	46	55	42
Quarterly	1	1	0
	1	1	0
Annually	14	14	21
	14	14	21
Ad hoc	0	0	1
	0	0	1
Others	2	0	0
	2	0	0
Don't know	18	19	21
	18	19	21
Total of table	100	100	100
	100	100	100

**Q6.5a** Which of the following investment vehicles does the sub-fund (i.e. your company's members) invest in?



**Q6.5b.1** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - LIFE STAGE MANDATES	49	38	5
	100	100	100
Life Stage Mandates			
100%	15	10	1
	30.6	26.3	20
90 to 99 %	4	2	0
	8.2	5.3	0
80 to 89 %	1	1	1
	2	2.6	20
50 to 59 %	0	1	0
	0	2.6	0
40 to 49 %	0	1	0
	0	2.6	0
30 to 39 %	1	3	0
	2	7.9	0
20 to 29 %	3	2	0
	6.1	5.3	0
10 to 19 %	5	5	0
	10.2	13.2	0
1 to 9 %	4	0	1
	8.2	0	20
Don't know	16	13	2
	32.7	34.2	40
Mean	65.76	64.2	63.33
Total of table	49	38	5
	100	100	100

**Q6.5b.2** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL
FUND INVESTMENT IN - INDEX TRACKER / ETF	3
	100
Index Tracker / ETF	
Don't know	3
	100
Mean	0
Total of table	3
	100

**Q6.5b.3** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - INDIVIDUAL BROKER MANDATES (LISP ENVIRONMENT)	3	4	3
	100	100	100
Individual Broker Mandates (LISP Environment)			
90 to 99 %	0	0	1
	0	0	33.3
10 to 19 %	0	1	0
	0	25	0
1 to 9 %	0	1	0
	0	25	0
Don't know	3	2	2
	100	50	66.7
Mean	0	8	99
Total of table	3	4	3
	100	100	100

**Q6.5b.4** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - CASH / MONEY MARKET	50	48	21
	100	100	100
Cash / Money market			
100%	1	2	1
	2	4.2	4.8
80 to 89 %	0	0	1
	0	0	4.8
60 to 69 %	1	0	0
	2	0	0
50 to 59 %	0	1	0
	0	2.1	0
40 to 49 %	2	3	1
	4	6.3	4.8
30 to 39 %	2	0	3
	4	0	14.3
20 to 29 %	2	7	1
	4	14.6	4.8
10 to 19 %	7	8	2
	14	16.7	9.5
1 to 9 %	12	13	6
	24	27.1	28.6
Don't know	23	14	6
	46	29.2	28.6
Mean	20	22.06	28
Total of table	50	48	21
	100	100	100

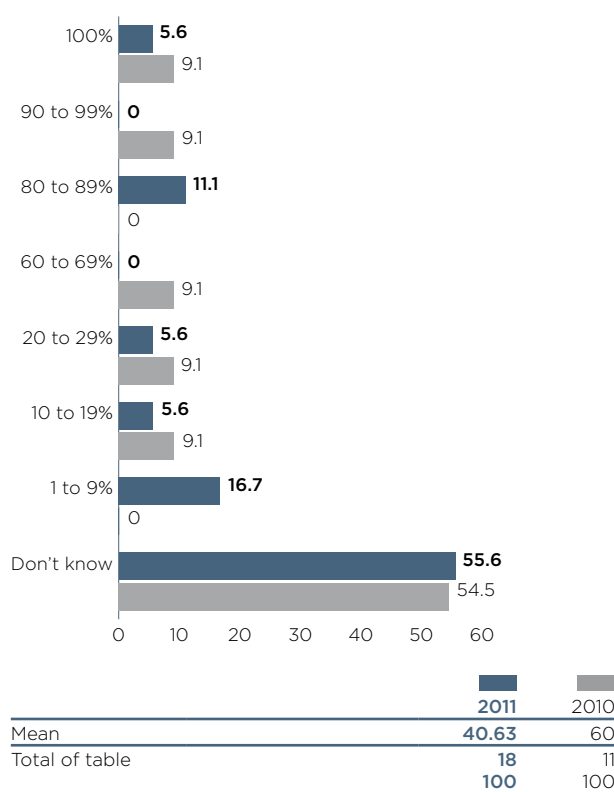
**Q6.5b.5** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - SMOOTHED / GUARANTEED BONUS	25	29	17
	100	100	100
Smoothed / Guaranteed Bonus			
100%	5	7	10
	20	24.1	58.8
90 to 99 %	1	1	0
	4	3.4	0
80 to 89 %	0	1	0
	0	3.4	0
70 to 79 %	1	0	1
	4	0	5.9
60 to 69 %	1	1	0
	4	3.4	0
50 to 59 %	0	3	1
	0	10.3	5.9
40 to 49 %	1	2	0
	4	6.9	0
20 to 29 %	1	2	0
	4	6.9	0
10 to 19 %	2	2	1
	8	6.9	5.9
1 to 9 %	1	1	1
	4	3.4	5.9
Don't know	12	9	3
	48	31	17.6
Mean	64.62	64.25	82.14
Total of table	25	29	17
	100	100	100

**Q6.5b.6** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - STRUCTURED PRODUCTS	7	10	6
	100	100	100
Structured Products			
100%	1	0	0
	14.3	0	0
90 to 99 %	0	0	1
	0	0	16.7
80 to 89 %	0	2	0
	0	20	0
40 to 49 %	0	1	0
	0	10	0
30 to 39 %	0	0	1
	0	0	16.7
20 to 29 %	0	0	1
	0	0	16.7
10 to 19 %	0	3	0
	0	30	0
1 to 9 %	0	2	1
	0	20	16.7
Don't know	6	2	2
	85.7	20	33.3
Mean	100	33.75	40
Total of table	7	10	6
	100	100	100

**Q6.5b.7** What percentage of the fund's assets are invested in each of the following asset classes?



**Q6.5b.8** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - CONSERVATIVE MARKET LINKED	46	35	1
	100	100	100
Conservative Market Linked			
100%	1	2	0
	2.2	5.7	0
80 to 89 %	1	1	0
	2.2	2.9	0
70 to 79 %	1	0	0
	2.2	0	0
50 to 59 %	2	1	0
	4.3	2.9	0
40 to 49 %	0	3	0
	0	8.6	0
30 to 39 %	2	1	0
	4.3	2.9	0
20 to 29 %	5	3	0
	10.9	8.6	0
10 to 19 %	5	7	0
	10.9	20	0
1 to 9 %	3	4	1
	6.5	11.4	100
Don't know	26	13	0
	56.5	37.1	0
Mean	32.75	32.27	5
Total of table	46	35	1
	100	100	100

**Q6.5b.9** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - MODERATE MARKET LINKED	51	44	2
	100	100	100
Moderate Market Linked			
100%	4	5	0
	7.8	11.4	0
90 to 99 %	1	1	1
	2	2.3	50
80 to 89 %	2	2	0
	3.9	4.5	0
70 to 79 %	1	4	0
	2	9.1	0
60 to 69 %	4	1	0
	7.8	2.3	0
50 to 59 %	1	1	0
	2	2.3	0
40 to 49 %	2	1	0
	3.9	2.3	0
30 to 39 %	1	3	0
	2	6.8	0
20 to 29 %	3	8	0
	5.9	18.2	0
10 to 19 %	2	3	0
	3.9	6.8	0
1 to 9 %	5	2	0
	9.8	4.5	0
Don't know	25	13	1
	49	29.5	50
Mean	50.38	51.29	95
Total of table	51	44	2
	100	100	100

**Q6.5b.10** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND INVESTMENT IN - AGGRESSIVE MARKET LINKED	51	33	1
	100	100	100
Aggressive Market Linked			
100%	0	1	0
	0	3	0
90 to 99 %	1	0	0
	2	0	0
80 to 89 %	1	2	0
	2	6.1	0
70 to 79 %	1	0	1
	2	0	100
60 to 69 %	2	1	0
	3.9	3	0
50 to 59 %	1	1	0
	2	3	0
40 to 49 %	3	1	0
	5.9	3	0
30 to 39 %	2	1	0
	3.9	3	0
20 to 29 %	6	4	0
	11.8	12.1	0
10 to 19 %	4	5	0
	7.8	15.2	0
1 to 9 %	6	5	0
	11.8	15.2	0
Don't know	24	12	0
	47.1	36.4	0
Mean	32.78	31.9	75
Total of table	51	33	1
	100	100	100

**Q6.5b.11** What percentage of the fund's assets are invested in each of the following asset classes?

	2011 TOTAL
FUND INVESTMENT IN - HEDGE FUNDS	3
	100
Hedge Funds	
Don't know	3
	100
Mean	0
Total of table	3
	100

**Q6.5c** Which of the following mandates does the sub-fund have in place?

	2011 TOTAL	2010 TOTAL
BASE: ALL RESPONDENTS	100	100
	100	100
<b>Mandates</b>		
Single Manager (pooled) i.e. Assets are registered in the name of the life office using an insurance	30	19
Multi-Manager (pooled) i.e. Assets are registered in the name of the life office using an insurance	65	64
Segregated i.e. Assets are registered in the name of the fund, and managed by one or more investment manager	24	5
Don't know	2	21
	2	21
Total of table	121	109
	121	109

**Q6.5d.1** And what % of assets within each?

	2011 TOTAL	2010 TOTAL
MANDATES - SINGLE MANAGER (POOLED)	30	19
	100	100
<b>Single Manager (pooled)</b>		
100%	18	13
	60	68.4
90 to 99 %	0	1
	0	5.3
70 to 79 %	1	1
	3.3	5.3
50 to 59 %	1	0
	3.3	0
30 to 39 %	1	0
	3.3	0
10 to 19 %	1	1
	3.3	5.3
1 to 9 %	1	0
	3.3	0
Don't know	7	3
	23.3	15.8
Mean	86.3	92
Total of table	30	19
	100	100

**Q6.5d.2** And what % of assets within each?

	2011 TOTAL	2010 TOTAL
MANDATES - MULTI-MANAGER (POOLED)	65	64
	100	100
<b>Multi-Manager (pooled)</b>		
100%	52	55
	80	85.9
80 to 89 %	1	0
	1.5	0
70 to 79 %	1	2
	1.5	3.1
50 to 59 %	1	0
	1.5	0
30 to 39 %	1	1
	1.5	1.6
10 to 19 %	1	0
	1.5	0
1 to 9 %	0	1
	0	1.6
Don't know	8	5
	12.3	7.8
Mean	95.88	96.32
Total of table	65	64
	100	100

**Q6.5d.3** And what % of assets within each?

	2011 TOTAL	2010 TOTAL
MANDATES - SEGREGATED	24	5
	100	100
<b>Segregated</b>		
100%	15	2
	62.5	40
80 to 89 %	1	0
	4.2	0
20 to 29 %	0	2
	0	40
10 to 19 %	1	0
	4.2	0
Don't know	7	1
	29.2	20
Mean	94.12	61.25
Total of table	24	5
	100	100

**Q6.6** Does the umbrella fund provide for member investment choice (MIC)?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	66	53	52
	66	53	52
No	29	47	48
	29	47	48
Don't know	5	0	0
	5	0	0
Total of table	100	100	100
	100	100	100

**Q6.7** Does your sub-fund make use of the member investment choice facility offered by the umbrella fund?

	2011 TOTAL	2010 TOTAL
FUND PROVIDE MEMBER AN INVESTMENT CHOICE	66	53
	100	100
Whether employer makes use of the member investment choice facility		
Yes, to all members	50	45
	75.8	84.9
Yes, to certain categories of member only	3	4
	4.5	7.5
No	13	4
	19.7	7.5
SUMMARY		
Any yes	53	49
	80.3	92.5
Total of table	66	53
	100	100

**Q6.8** How many investment options does the fund offer to members?

	2011 TOTAL	2010 TOTAL
SUB-FUND MAKE USE OF MEMBER INVESTMENT CHOICE FACILITY OFFERED BY THE UMBRELLA FUND	53	49
	100	100
Number of investment options		
1	1	0
	1.9	0
2	1	1
	1.9	2
3	7	10
	13.2	20.4
4 or more	43	35
	81.1	71.4
Don't know	1	3
	1.9	6.1
Mean	9.13	9.33
Total of table	53	49
	100	100

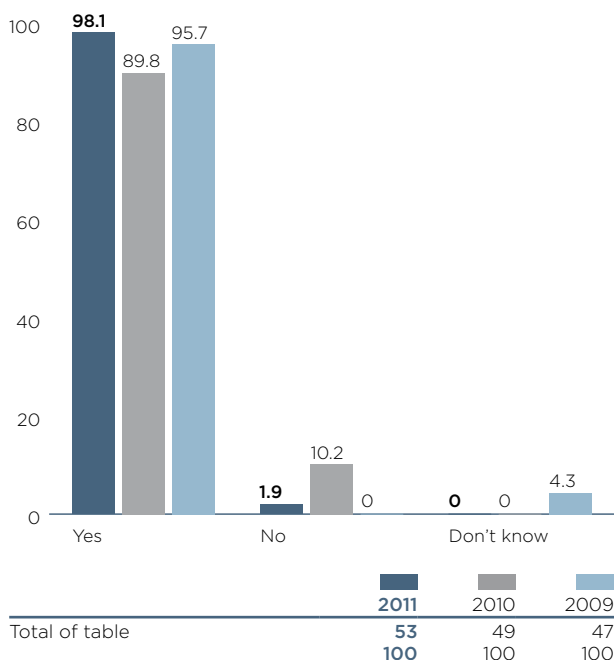
**Q6.9a** How satisfied are you that the umbrella fund's member investment choice range is sufficiently diverse to meet the needs of all your members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE OFFER MEMBER INVESTMENT CHOICE	53	49	52
	100	100	100
Very satisfied	38	29	26
	71.7	59.2	50
Satisfied	12	16	17
	22.6	32.7	32.7
Neutral	3	3	8
	5.7	6.1	15.4
Dissatisfied	0	1	1
	0	2	1.9
SUMMARY			
Very / satisfied	50	45	43
	94.3	91.8	82.7
Very / dissatisfied	0	1	1
	0	2	1.9
Total of table	53	49	52
	100	100	100

**Q6.9b** Why do you say so?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE VERY SATISFIED / SATISFIED WITH THE FUND'S INVESTMENT OFFERING	50	45	43
	100	100	100
Could offer a greater scope / poor investment choice	0	0	2
	0	0	4.7
Good investment returns / good performance	16	11	7
	32	24.4	16.3
Good variety of choices	38	30	32
	76	66.7	74.4
Management happy	0	0	1
	0	0	2.3
Members are satisfied with the choices	13	12	8
	26	26.7	18.6
Members prefer greater levels of control	1	4	1
	2	8.9	2.3
Not too many choices lessens the risk	1	0	0
	2	0	0
Other	3	0	0
	6	0	0
Total of table	72	57	51
	144	126.7	118.6

**Q6.10** Is there an appropriate default investment strategy available for members that either do not wish, or are not sufficiently financially sophisticated, to make investment choices?



**Q6.11** Who chooses the default strategy?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE OFFER MEMBER INVESTMENT CHOICE	53	49	52
	100	100	100
Employer	22	17	18
	41.5	34.7	34.6
Trustees	32	28	23
	60.4	57.1	44.2
Not applicable	0	5	3
	0	10.2	5.8
Don't know	1	2	4
	1.9	4.1	7.7
Total of table	55	52	48
	103.8	106.1	92.3

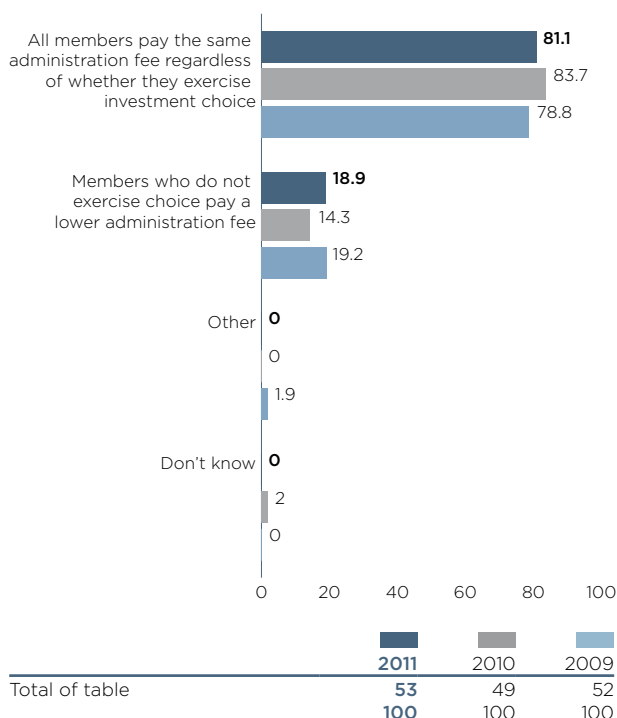
**Q6.12** What proportion of your membership relies upon the default strategy?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE OFFER MEMBER INVESTMENT CHOICE	53	49	52
	100	100	100
0% to 10%	3	5	9
	5.7	10.2	17.3
10.1% to 20%	2	1	3
	3.8	2	5.8
20.1% to 30%	2	2	0
	3.8	4.1	0
30.1% to 40%	0	3	0
	0	6.1	0
40.1% to 50%	2	1	2
	3.8	2	3.8
50.1% to 60%	4	2	0
	7.5	4.1	0
60.1% to 70%	5	4	0
	9.4	8.2	0
70.1% to 80%	7	3	5
	13.2	6.1	9.6
80.1% to 90%	8	8	6
	15.1	16.3	11.5
90.1% to 100%	20	15	18
	37.7	30.6	34.6
Not applicable	0	5	5
	0	10.2	9.6
Don't know	0	0	4
	0	0	7.7
Mean	72.36	66.82	64.53
Total of table	53	49	52
	100	100	100

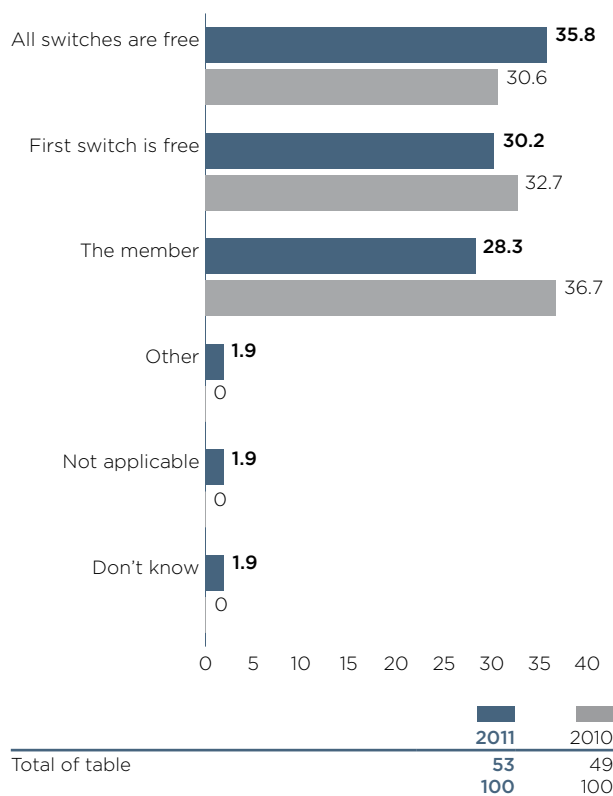
**Q6.13** Which one of the following investment profiles constitutes the default strategy?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
SUB-FUND MAKE USE OF MEMBER INVESTMENT CHOICE FACILITY OFFERED BY THE UMBRELLA FUND	53 100	49 100	52 100
<b>Investment</b>			
Life Stage Mandates	33 62.3	27 55.1	22 42.3
Cash / Money Market	0 0	1 2	0 0
Smoothed / Guaranteed Bonus	6 11.3	5 10.2	10 19.2
Structured Products	1 1.9	0 0	0 0
Absolute Return	3 5.7	0 0	0 0
Conservative Market Linked	4 7.5	2 4.1	1 1.9
Moderate Market Linked	5 9.4	5 10.2	3 5.8
Aggressive Market Linked	1 1.9	2 4.1	1 1.9
None	0 0	0 0	1 1.9
Not applicable	0 0	5 10.2	2 3.8
Don't know	0 0	2 4.1	2 3.8
Total of table	53 100	49 100	42 80.8

**Q6.14** Which of the following best describes how the basic admin fee is charged in respect to member investment choice?



**Q6.15a** When the member chooses to switch his investments, who is responsible for the administration fee?

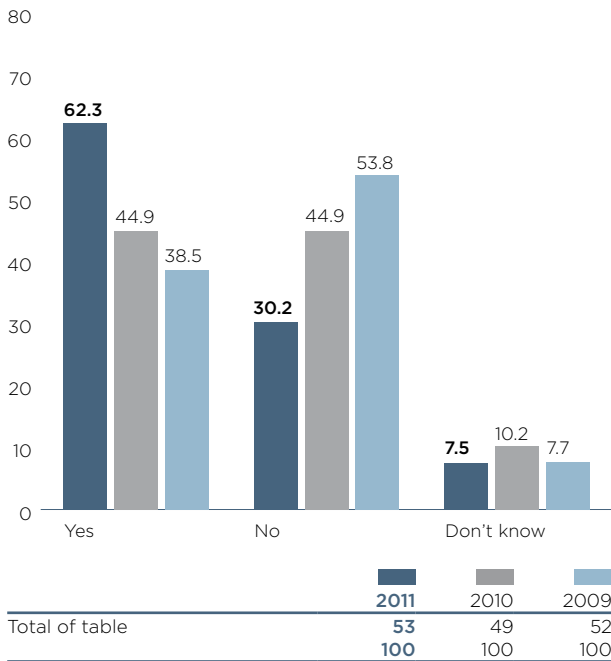


**Q6.15b** How frequently is switching allowed?

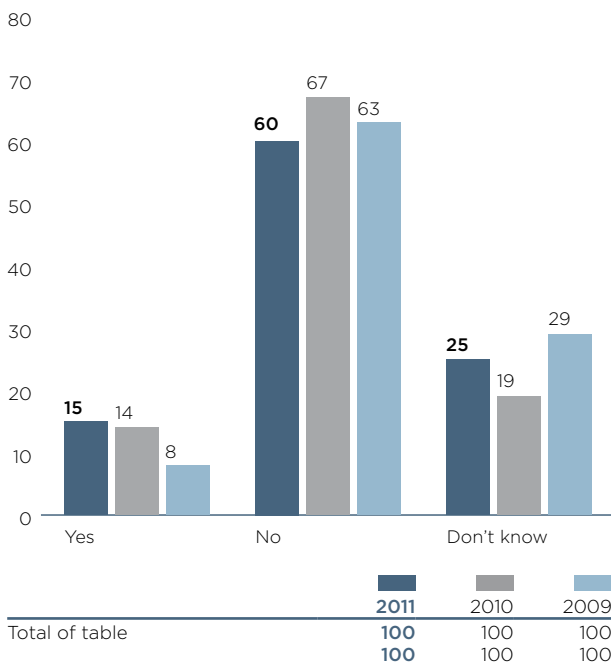
	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE OFFER MEMBER INVESTMENT CHOICE	53 100	49 100	52 100
Daily	26 49.1	18 36.7	20 38.5
Weekly	0 0	0 0	2 3.8
Monthly	4 7.5	11 22.4	8 15.4
Quarterly	1 1.9	2 4.1	4 7.7
Half-yearly	4 7.5	0 0	1 1.9
Annually	15 28.3	17 34.7	13 25
Never	1 1.9	0 0	3 5.8
Don't know	2 3.8	1 2	1 1.9
Total of table	53 100	49 100	52 100



**Q6.16a** Does the sub-fund include a Shari'ah compliant portfolio on the investment selection for members?



**Q6.17a** Does the sub-fund have a policy to invest a proportion of its fund assets in Socially Responsible Investment Portfolios (SRI)?



**Q6.17b** Currently how much of your members' total assets are invested in SRI?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
THOSE WHO INVEST A PROPORTION OF ITS FUND ASSETS IN SOCIALLY RESPONSIBLE INVESTMENT PORTFOLIOS	15	14	8
	100	100	100
1 to 9%	8	4	0
	53.3	28.6	0
10 to 19%	1	0	0
	6.7	0	0
20 to 29%	0	1	0
	0	7.1	0
80 to 89 %	0	1	0
	0	7.1	0
None	3	1	0
	20	7.1	0
Don't know	3	7	3
	20	50	100
Mean	4.5	19.5	4.4
Total of table	15	14	3
	100	100	100

**Q6.18** From the employer's perspective, how important are products that provide stable investment returns?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Very important	72	79	78
	72	79	78
Important	20	16	16
	20	16	16
Somewhat important	5	3	6
	5	3	6
Not important	1	2	0
	1	2	0
Don't know	2	0	0
	2	0	0
Summary			
Very / important	92	95	94
	92	95	94
Total of table	100	100	100
	100	100	100

**Q6.19a** How does the employer rate the following products' ability to provide stable investment returns to fund members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Cash</b>			
Very good	19	19	18
	19	19	18
Good	26	30	39
	26	30	39
Moderate	31	30	25
	31	30	25
Poor	12	7	8
	12	7	8
Very poor	2	4	0
	2	4	0
Don't know	10	10	10
	10	10	10
<b>SUMMARY</b>			
Very / good	45	49	57
	45	49	57
Very / poor	14	11	8
	14	11	8
Total of table	100	100	100
	100	100	100

**Q6.19b** How does the employer rate the following products' ability to provide stable investment returns to fund members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Smoothed Bonus</b>			
Very good	12	15	16
	12	15	16
Good	36	43	35
	36	43	35
Moderate	26	18	24
	26	18	24
Poor	2	1	1
	2	1	1
No response	0	0	1
	0	0	1
Don't know	24	23	23
	24	23	23
<b>SUMMARY</b>			
Very / good	48	58	51
	48	58	51
Very / poor	2	1	1
	2	1	1
Total of table	100	100	100
	100	100	100

**Q6.19c** How does the employer rate the following products' ability to provide stable investment returns to fund members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Structured Products</b>			
Very good	10	11	10
	10	11	10
Good	43	47	36
	43	47	36
Moderate	21	17	23
	21	17	23
Poor	1	1	4
	1	1	4
Very poor	0	0	1
	0	0	1
Don't know	25	24	26
	25	24	26
<b>SUMMARY</b>			
Very / good	53	58	46
	53	58	46
Very / poor	1	1	5
	1	1	5
Total of table	100	100	100
	100	100	100

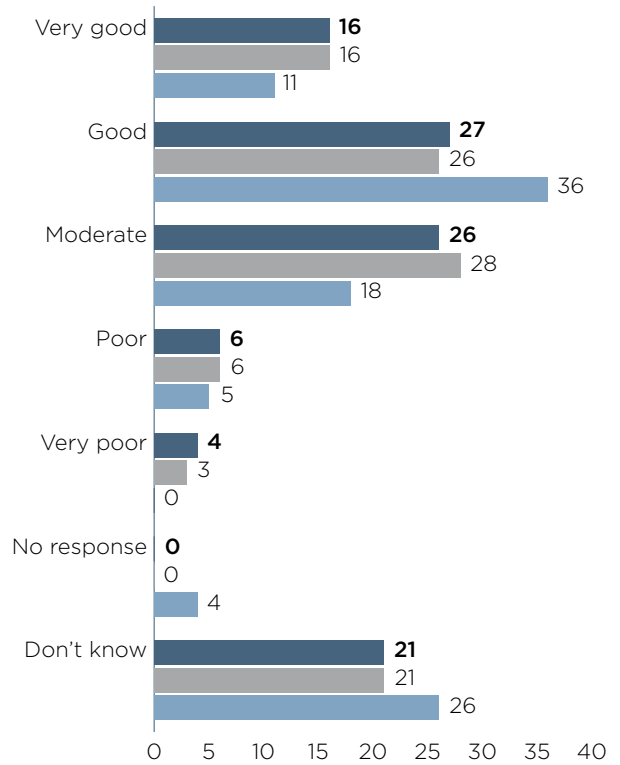
**Q6.19d** How does the employer rate the following products' ability to provide stable investment returns to fund members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Absolute Return</b>			
Very good	10	19	5
	10	19	5
Good	40	33	35
	40	33	35
Moderate	22	16	24
	22	16	24
Poor	2	3	9
	2	3	9
Very poor	0	1	2
	0	1	2
Don't know	26	28	25
	26	28	25
<b>SUMMARY</b>			
Very / good	50	52	40
	50	52	40
Very / poor	2	4	11
	2	4	11
Total of table	100	100	100
	100	100	100

**Q6.20** How important are investment products that provide guarantees to members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Very important	42	3	41
	42	3	41
Important	30	9	32
	30	9	32
Somewhat important	18	17	14
	18	17	14
Not important	7	26	9
	7	26	9
Don't know	3	45	4
	3	45	4
<b>SUMMARY</b>			
Very / important	72	71	73
	72	71	73
Total of table	100	100	100
	100	100	100

**Q6.21a** How does the employer rate the guarantees (if any) provided by the following investment products for the purposes of benefit payments? - **Cash**



	2011	2010	2009
<b>SUMMARY</b>			
Very / good	43	42	47
	43	42	47
Very / poor	10	9	5
	10	9	5
Total of table	100	100	100
	100	100	100

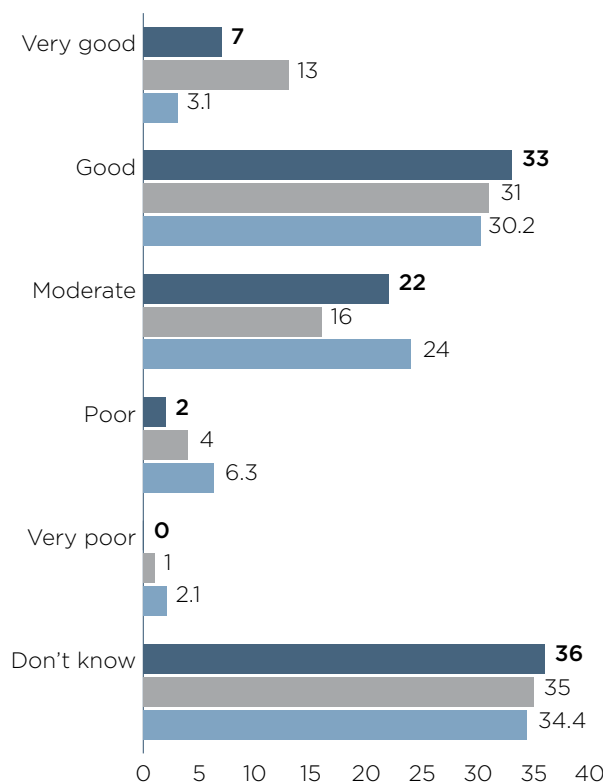
**Q6.21b** How does the employer rate the guarantees (if any) provided by the following investment products for the purposes of benefit payments?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Smoothed Bonus</b>			
Very good	9	10	11
	9	10	11
Good	36	42	28
	36	42	28
Moderate	22	18	24
	22	18	24
Poor	0	2	3
	0	2	3
Very poor	1	0	0
	1	0	0
No response	0	0	4
	0	0	4
Don't know	32	28	30
	32	28	30
<b>SUMMARY</b>			
Very / good	45	52	39
	45	52	39
Very / poor	1	2	3
	1	2	3
Total of table	100	100	100
	100	100	100

**Q6.21c** How does the employer rate the guarantees (if any) provided by the following investment products for the purposes of benefit payments?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>Structured Products</b>			
Very good	7	4	2
	7	4	2
Good	29	45	26
	29	45	26
Moderate	29	19	26
	29	19	26
Poor	0	2	7
	0	2	7
Very poor	0	0	1
	0	0	1
No response	0	0	4
	0	0	4
Don't know	35	30	34
	35	30	34
<b>SUMMARY</b>			
Very / good	36	49	28
	36	49	28
Very / poor	0	2	8
	0	2	8
Total of table	100	100	100
	100	100	100

**Q6.21d** How does the employer rate the guarantees (if any) provided by the following investment products for the purposes of benefit payments? - **Absolute Return**



	2011	2010	2009
<b>SUMMARY</b>			
Very / good	40	44	32
	40	44	32
Very / poor	2	5	8
	2	5	8
Total of table	100	100	96
	100	100	100

**Q6.23** How frequently does the umbrella fund provide investment feedback to members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND PROVIDES INVESTMENT FEEDBACK	100	100	84
Daily	4	6	5
Weekly	0	1	0
Monthly	8	6	11
Quarterly	33	29	18
Half-yearly	16	14	12
Annually	35	42	34
Other	1	1	3
Not provided	3	1	0
Don't know	0	0	1
Total of table	100	100	84

**Q6.24** In which format does the umbrella fund provide investment feedback to members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND PROVIDES INVESTMENT FEEDBACK	97	98	100
Roadshow / verbal (i.e. presentation)	22	23	24
Written notice	67	73	63
Fax	0	1	1
E-mail	23	17	17
Place information on the Internet or Intranet	30	19	19
Benefit statements	1	0	0
Members meeting	0	0	16
Other	2	1	2
Total of table	145	134	142

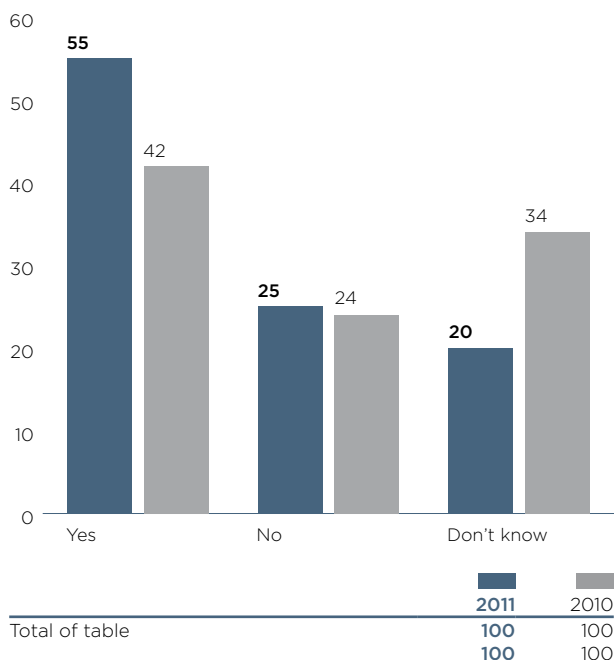
**Q6.25** What is covered in the investment feedback?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FUND PROVIDES INVESTMENT FEEDBACK	97	98	84
Returns	80	80	67
Returns vs. benchmarks	51	57	44
Risk analysis	30	31	25
Market / economic overview	51	47	0
Sub-fund asset allocation	20	16	0
Other Information	3	1	4
Don't know	1	1	0
Total of table	236	233	136

**Q6.26** Are you aware of any of the following Governance Instruments relating to investments used by the umbrella fund (and properly documented)?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
Investment Policy Statement (IPS)	63	57	47
Mandates for each investment product / portfolio	37	35	38
Investment performance review	52	43	52
United Nations Principles of Responsible Investing (UNPRI)	3	0	0
None	8	0	9
Don't know	12	30	15
Total of table	175	165	161

**Q6.27a** Does the umbrella fund report investment risk in the various portfolios in the portfolio fact sheets?



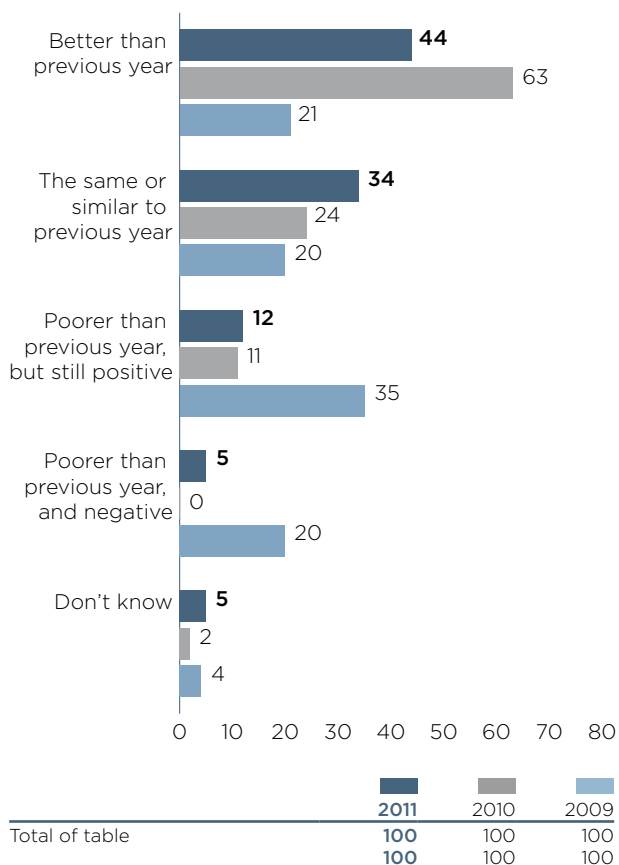
**Q6.27b** How is this done?

	2011 TOTAL	2010 TOTAL
UMBRELLA FUND REPORT INVESTMENT RISK IN THE VARIOUS PORTFOLIOS IN THE PORTFOLIO FACT SHEETS	55	42
	100	100
Standard deviation / volatility	39	21
	70.9	50
Sharpe ratio	2	2
	3.6	4.8
Sortino ratio	2	1
	3.6	2.4
Information ratio	8	9
	14.5	21.4
Active risk / tracking error	3	6
	5.5	14.3
Maximum drawdown	3	1
	5.5	2.4
Other	2	0
	3.6	0
Don't know	9	8
	16.4	19
<b>Total of table</b>	<b>68</b>	<b>48</b>
	123.6	114.3

**Q6.28** What gross investment returns have your members achieved in the last financial year?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
0%	0	2	2
	0	2	2
0.1 to 2.5 %	2	8	0
	2	8	0
2.6 to 5.0 %	8	17	0
	8	17	0
5.1 - 7.5 %	8	11	12
	8	11	12
7.6 - 10.0 %	20	18	5
	20	18	5
10.1 - 12.5 %	16	8	5
	16	8	5
12.6 - 15.0 %	20	5	8
	20	5	8
15.1 - 17.5 %	4	3	1
	4	3	1
17.6 - 20.0 %	3	7	3
	3	7	3
20.1 - 25.0 %	4	2	1
	4	2	1
25.1 - 30.0 %	2	1	1
	2	1	1
30.1 - 35.0 %	0	0	1
	0	0	1
Negative return	0	3	25
	0	3	25
Don't know	13	15	23
	13	15	23
Mean	11.51	9.04	9.3
Total of table	100	100	87
	100	100	87

**Q6.29** Do you expect investment returns in the current financial year to be...



**Q6.30** In a life stage vehicle members are switched to a less volatile phase in the investment portfolios for the period prior to normal retirement age. How many years prior to retirement does your umbrella fund start moving members to that phase, i.e. how long is the phase out period?

	2011 TOTAL	2010 TOTAL
<b>ALL WHO USED LIFE STAGE MANDATES</b>	<b>49</b>	<b>38</b>
	<b>100</b>	<b>100</b>
3 years	2	4
	4.1	10.5
4 years	3	0
	6.1	0
5 years	22	16
	44.9	42.1
6 years	1	0
	2	0
7 years	6	8
	12.2	21.1
8 years	5	0
	10.2	0
10 years	7	9
	14.3	23.7
15 years	2	0
	4.1	0
Other	1	0
	2	0
Don't know	0	1
	0	2.6
Mean	6.58	6.43
<b>Total of table</b>	<b>49</b>	<b>38</b>
	<b>100</b>	<b>100</b>

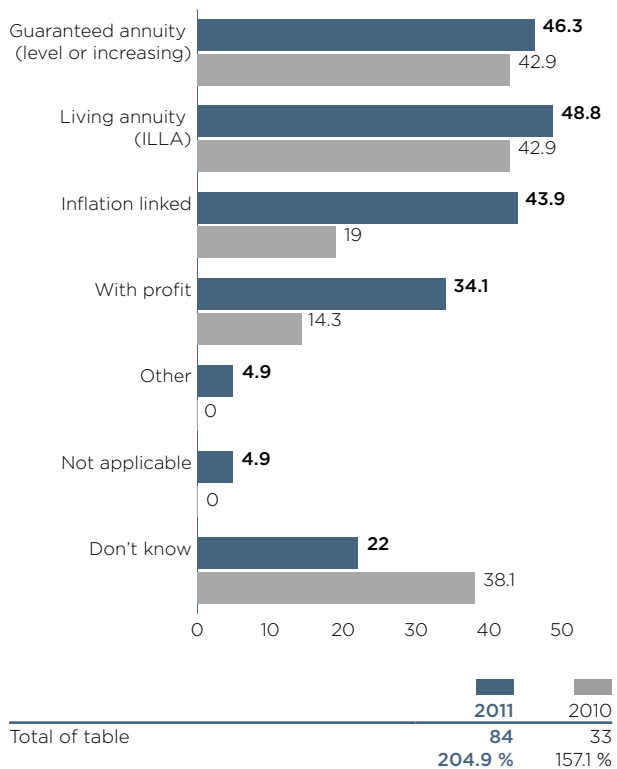
**Q6.31** How frequently is the composition / asset allocation of members in the phase out period changed?

	2011 TOTAL	2010 TOTAL
<b>ALL WHO USED LIFE STAGE MANDATES</b>	<b>49</b>	<b>38</b>
	<b>100</b>	<b>100</b>
Monthly	7	5
	14.3	13.2
Quarterly	1	2
	2	5.3
Half-yearly	3	3
	6.1	7.9
Annually	29	16
	59.2	42.1
Other	6	0
	12.2	0
Not applicable	0	1
	0	2.6
Don't know	3	11
	6.1	28.9
<b>Total of table</b>	<b>49</b>	<b>38</b>
	<b>100</b>	<b>100</b>

**Q6.32a** How many end stages are there in the lifestage model?

	2011 TOTAL	2010 TOTAL
ALL WHO USED LIFE STAGE MANDATES	49	38
	100	100
1	8	13
	16.3	34.2
2	8	4
	16.3	10.5
3	13	8
	26.5	21.1
More than 3	19	9
	38.8	23.7
Don't know	1	4
	2	10.5
Mean	2.89	2.38
Total of table	49	38
	100	100

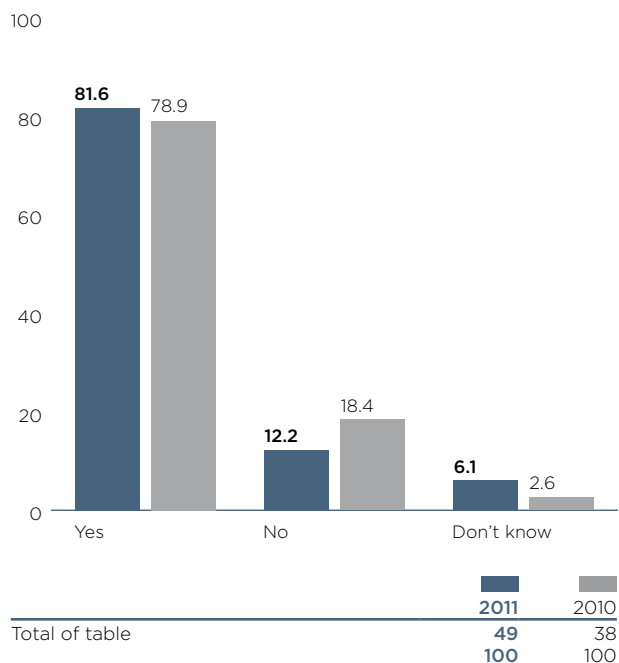
**Q6.32b** Which type of annuities do the different end stages allow for?



**Q6.33** Which of the following asset allocations best describes the end stage in the lifestage option?

	2011 TOTAL	2010 TOTAL
ALL WHO USED LIFE STAGE MANDATES	49	38
	100	100
Cash (100%)	11	11
	22.4	28.9
Bonds (100%)	1	4
	2	10.5
Smooth bonus	2	9
	4.1	23.7
Conservative equity (<30%)	21	11
	42.9	28.9
Moderate equity (30%+)	4	3
	8.2	7.9
Other	4	0
	8.2	0
Not applicable	2	0
	4.1	0
Don't know	4	5
	8.2	13.2
Total of table	49	43
	100	113.2

**Q6.34** Do members receive advice when they switch into this last phase of the life stage model before retirement?





**SECTION G**

# Insured benefits

**Q7.1** Are insured benefits provided as part of the umbrella fund product package or are they provided through a separate scheme?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
As part of the umbrella fund product package	63	59	55
	63	59	55
As a separate scheme	42	33	40
	42	33	40
No insured benefits provided	2	1	0
	2	1	0
Both part of the umbrella fund & part of a separate scheme	0	7	5
	0	7	5
Total of table	107	100	100
	107	100	100

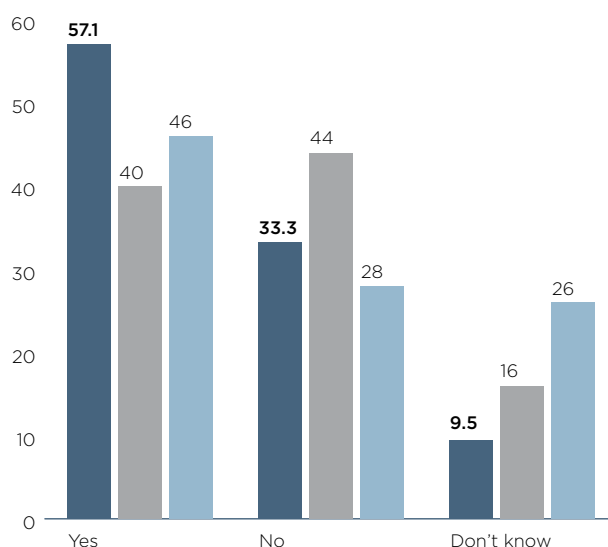
*Note base change in 2011 - year-on-year figures not directly comparable*

**Q7.2** As far as you know, does the umbrella fund have any processes in place to ensure the ongoing sound actuarial management of its risk pool?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	63	100	100
	100	100	100
Yes	53	76	74
	84.1	76	74
No	6	1	3
	9.5	1	3
Not applicable	0	0	1
	0	0	1
Don't know	4	23	22
	6.3	23	22
Total of table	63	100	100
	100	100	100

*Note base change in 2011 - year-on-year figures not directly comparable*

**Q7.3** Are insured benefits automatically underwritten by an 'in house' insurance company that is associated with the sponsor?



	2011	2010	2009
Total of table	63	100	100
	100	100	100

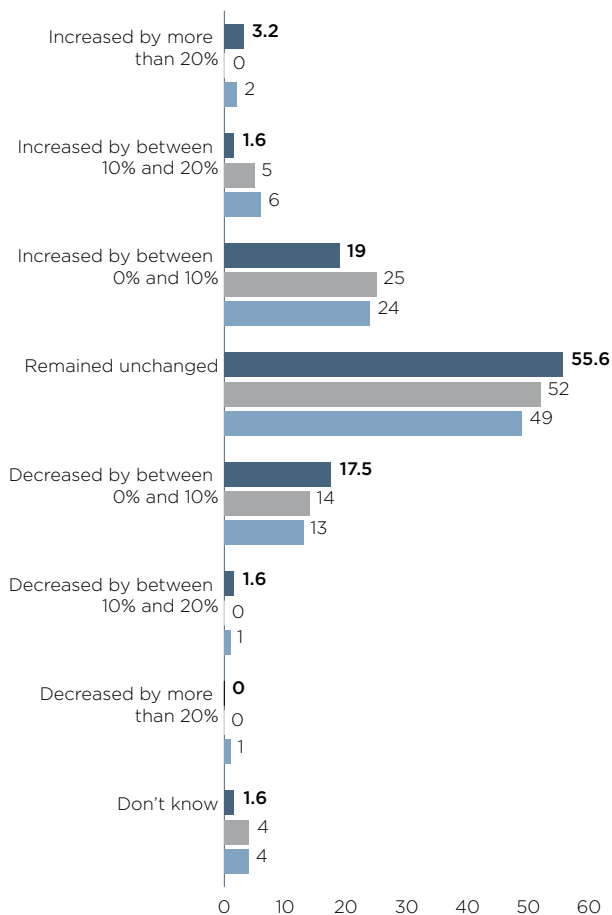
*Note base change in 2011 - year-on-year figures not directly comparable*

**Q7.4** How satisfied are you that the umbrella fund's risk benefits product range is comprehensive and appropriate to satisfy members' requirements?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>63</b>	100	100
	<b>100</b>	100	100
Very satisfied	35	39	39
	<b>55.6</b>	39	39
Satisfied	22	45	42
	<b>34.9</b>	45	42
Neutral	5	11	16
	<b>7.9</b>	11	16
Dissatisfied	1	1	3
	<b>1.6</b>	1	3
Don't know	0	4	0
	<b>0</b>	4	0
<b>SUMMARY</b>			
Very / satisfied	67	84	81
	<b>90.5</b>	84	81
	1	1	3
Very / dissatisfied	1.6	1	3
Total of table	63	100	100
	<b>100</b>	100	100

Note base change in 2011 - year-on-year figures not directly comparable

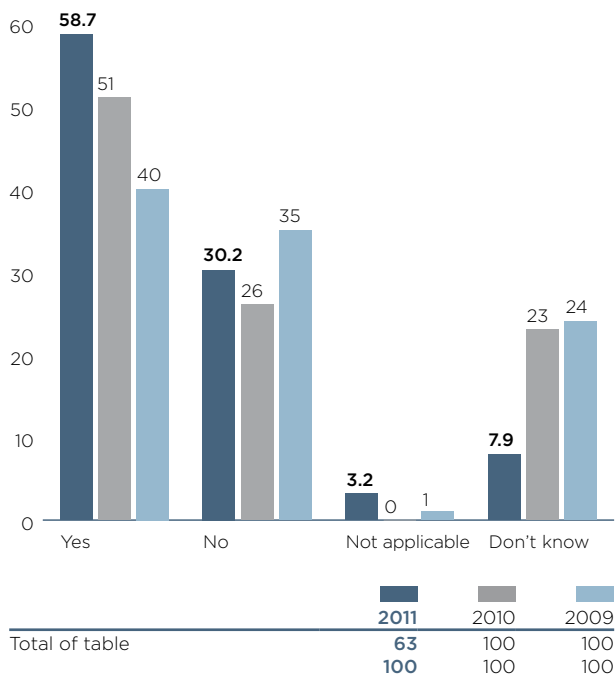
**Q7.5** How has your risk costs changed over the past year? Have they...



	2011	2010	2009
<b>Summary</b>			
Any increase	15	30	32
	<b>23.8</b>	30	32
Any decrease	12	14	15
	<b>19</b>	14	15
Total of table	63	100	100
	<b>100</b>	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.6** Does the umbrella fund automatically rebroke risk business on a regular basis?



Note base change in 2011 - year-on-year figures not directly comparable

**Q7.7** What benefits are paid to dependants on the death of a member before retirement?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>63</b>	100	100
	<b>100</b>	100	100
Lump sum	60	99	97
	95.2	99	97
Spouse's pension	8	4	8
	12.7	4	8
Children's pension	4	3	7
	6.3	3	7
None offered	1	1	0
	1.6	1	0
Don't know	0	0	2
	0	0	2
<b>Total of table</b>	<b>73</b>	107	114
	<b>115.9</b>	107	114

**Q7.8** What insured benefits are provided as part of the umbrella fund product package?

	2011 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>63</b>
	<b>100</b>
Death benefits	62
	98.4
Disability benefits	59
	93.7
Critical illness / trauma / dread disease	14
	22.2
Funeral cover	43
	68.3
Medical aid premium waiver	4
	6.3
Education benefit	5
	7.9
Value added packages	0
	0
Disability Income Top-up	2
	3.2
None	0
	0
<b>Total of table</b>	<b>189</b>
	<b>300</b>

**Q7.9** What is the size of the lump sum payable on death for members?

	2011 TOTAL
<b>SPOUSE'S PENSION IS NOT PAID ON DEATH OF MEMBER BEFORE RETIREMENT BUT RISK BENEFITS ARE PROVIDED AS PART OF THE FUND</b>	<b>62</b>
	<b>100</b>
1 x annual salary	2
	3.2
2 x annual salary	8
	12.9
2.5 x annual salary	1
	1.6
3 x annual salary	18
	29
4 x annual salary	14
	22.6
5 x annual salary	3
	4.8
More than 5 x annual salary	1
	1.6
Depending on years of service	2
	3.2
Fixed amount	3
	4.8
Members have flexible benefits, so it varies from member to member	8
	12.9
Scaled per age band	1
	1.6
Don't know	1
	1.6
<b>Mean</b>	<b>3.22</b>
<b>Total of table</b>	<b>62</b>
	<b>100</b>

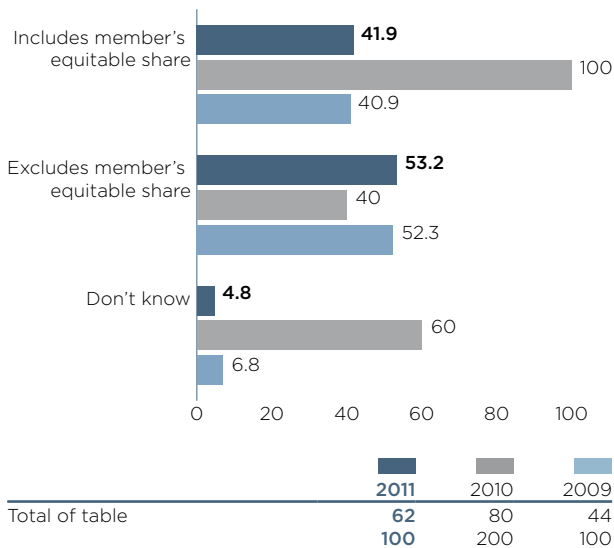
Note base change in 2011 - year-on-year figures not directly comparable

**Q7.10** Who pays for the lump sum benefit?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
LUMP SUM BENEFIT PAID ON DEATH OF MEMBER	62	40	44
	100	100	100
It is deducted from the member contribution	17	6	11
	27.4	15	25
Additional payment by the member	2	8	4
	3.2	20	9.1
It is deducted from the employer contribution	35	18	21
	56.5	45	47.7
Additional payment by the employer	3	9	10
	4.8	22.5	22.7
Don't know	6	2	1
	9.7	5	2.3
<b>SUMMARY</b>			
	38	27	31
Any employer pays	61.3	67.5	70.5
	19	14	15
Any member pays	30.6	35	34.1
Total of table	63	43	47
	101.6	107.5	106.8

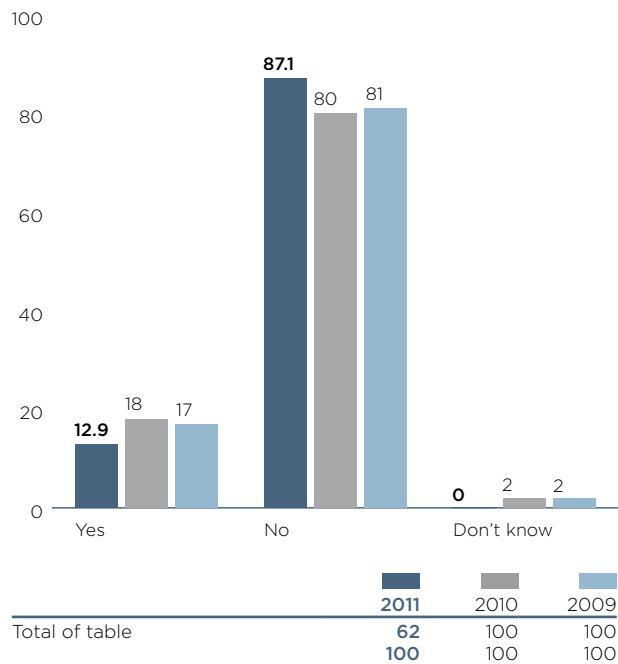
Note base change in 2011 - year-on-year figures not directly comparable

**Q7.11** Does the lump sum payable on death include the member's equitable share or does the member receive his / her equitable share in addition to the lump sum?



Note base change in 2011 - year-on-year figures not directly comparable

**Q7.12** Do the members have the option of choosing flexible death benefits (i.e. member can choose the level of cover within certain limits)? In this instance members receive a basic level of life cover (core cover) and can then choose additional (flexible) cover to suit their needs. Savings due to members not choosing the maximum cover will be applied to their retirement provision.



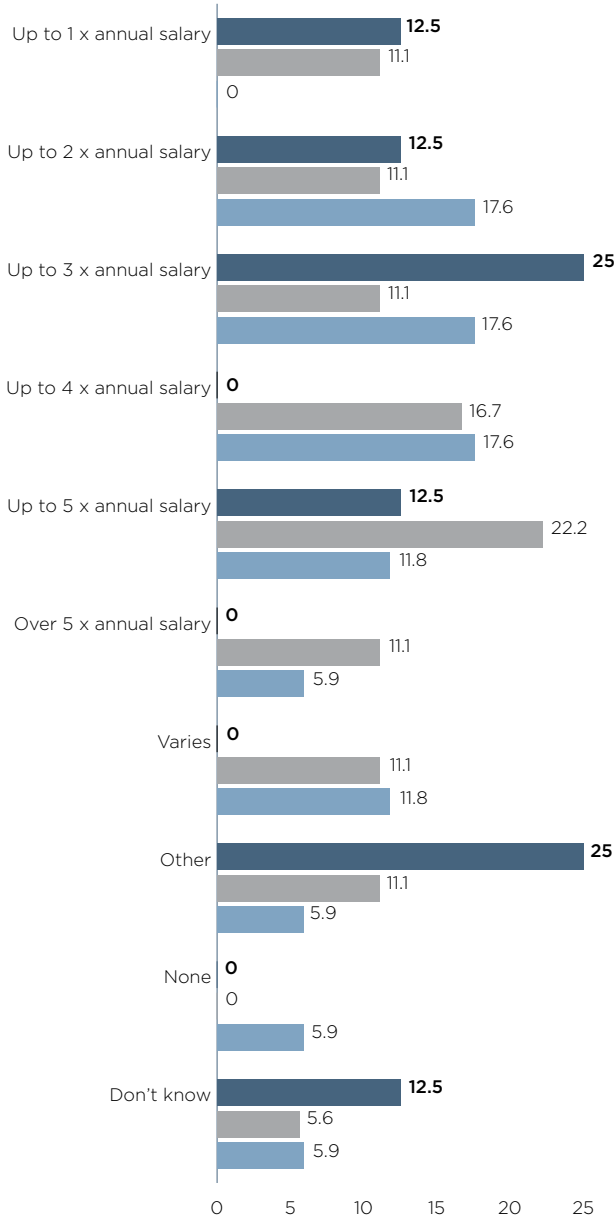
Note base change in 2011 - year-on-year figures not directly comparable

**Q7.13** What is the core level of death cover?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
RESPONDENTS OFFERING FLEXIBLE DEATH BENEFITS	8	18	17
	100	100	100
1 x annual salary	3	5	8
	37.5	27.8	47.1
2 x annual salary	1	1	4
	12.5	5.6	23.5
3 x annual salary	2	7	3
	25	38.9	17.6
Other	1	4	1
	12.5	22.2	5.9
Don't know	1	1	1
	12.5	5.6	5.9
Mean	1.83	2.88	1.81
Total of table	8	15	16
	100	83.3	94.1

Note base change in 2011 - year-on-year figures not directly comparable

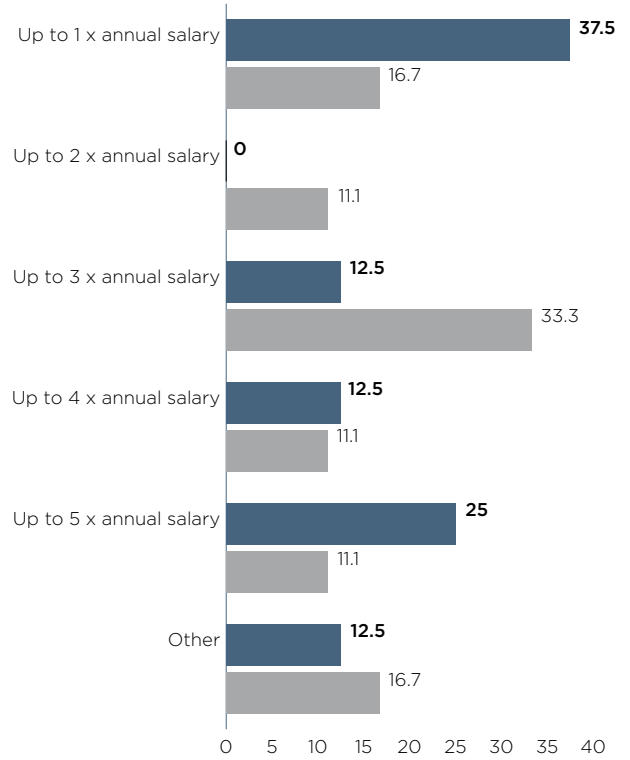
**Q7.14** What additional levels of flexible death cover can members choose?



	2011	2010	2009
Mean	2.8	3.73	3.58
Total of table	8	18	16
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

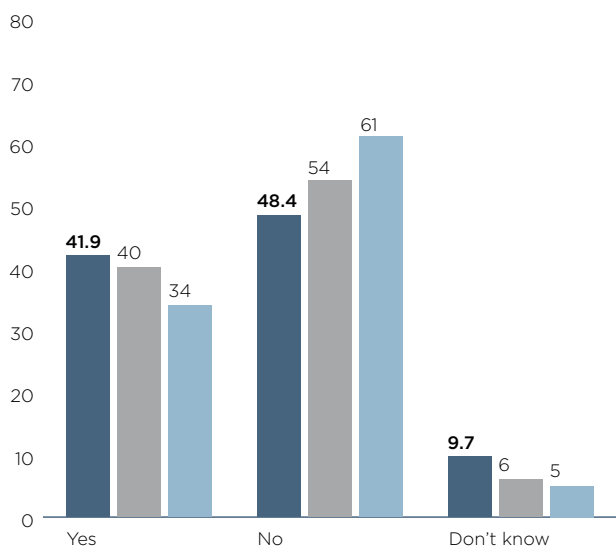
**Q7.15** What is the default level of flexible death cover?



	2011	2010
Mean	2.85	2.72
Total of table	8	18
	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.16a** In the past year, has the umbrella fund had to distribute death benefits to minor orphans in respect of your sub-fund members?



	2011	2010	2009
Total of table	62	100	100
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.16b** What is the fund's policy on this issue?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	62	100	99
	100	100	100
Provide benefits to a legal guardian only	11	38	45
	17.7	38	45.5
Provide benefits to a guardian, regardless of legal status	8	7	4
	12.9	7	4
Provide benefits to the minor orphan	1	1	5
	1.6	1	5.1
A trust is set up	37	0	28
	59.7	0	28.3
Provide benefits through a beneficiary fund	9	36	0
	14.5	36	0
Other	2	13	1
	3.2	13	1
No policy	0	0	4
	0	0	4
Don't know	5	5	8
	8.1	5	8.1
Total of table	73	90	94
	117.7	90	94.9

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.17a** What disability benefits does the employer provide?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	59	100	100
	100	100	100
<b>Permanent Disability</b>			
Lump sum & income	7	2	8
	11.9	2	8
Lump sum only	15	9	10
	25.4	9	10
Monthly income only	34	37	42
	57.6	37	42
Temporary income followed by lump sum	2	1	0
	3.4	1	0
None	0	51	39
Don't know	1	0	1
	1.7	0	1
Total of table	59	100	100
	100	100	100

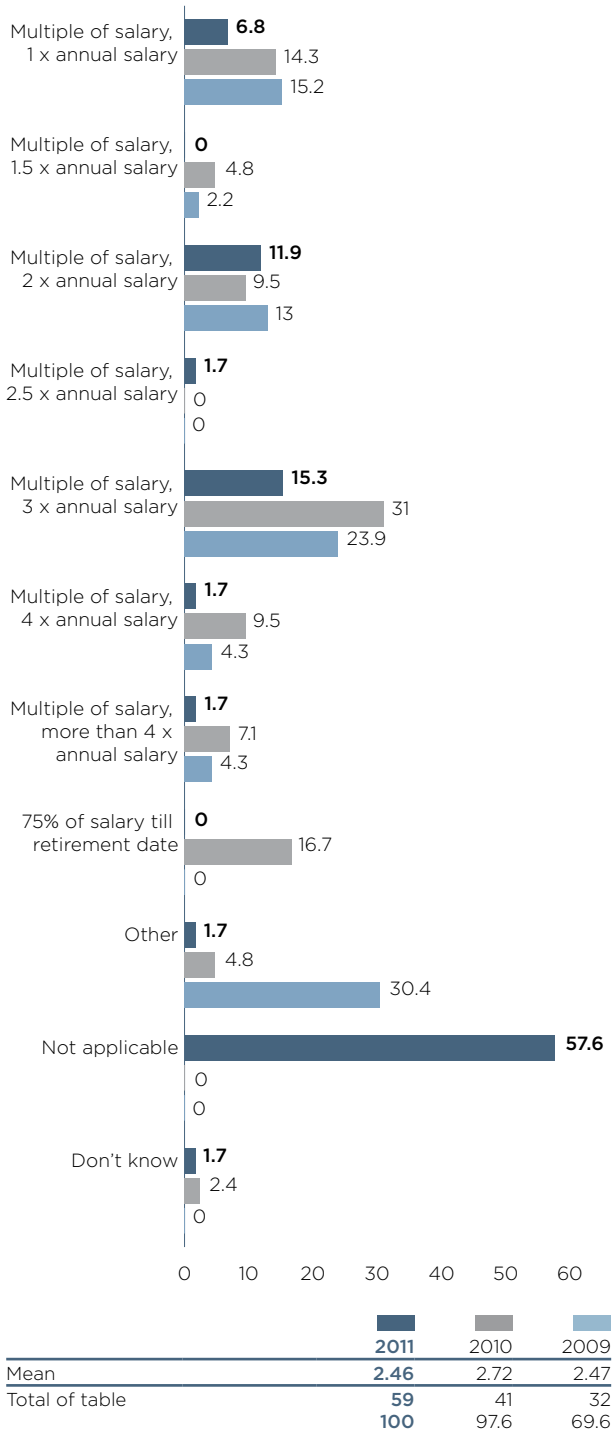
Note base change in 2011 - year-on-year figures not directly comparable

**Q7.17b** What disability benefits does the employer provide?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	59	100	100
	100	100	100
<b>Temporary Disability</b>			
Lump sum & income	2	2	1
	3.4	2	1
Lump sum only	4	2	2
	6.8	2	2
Monthly income only	38	34	44
	64.4	34	44
Temporary income followed by lump sum	1	3	1
	1.7	3	1
None	7	59	51
	11.9	59	51
Don't know	7	0	1
	11.9	0	1
Total of table	59	100	100
	100	100	100

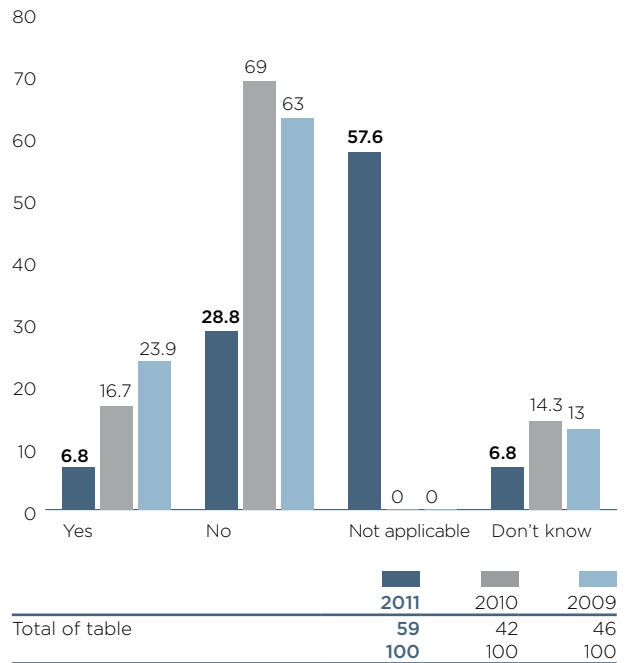
Note base change in 2011 - year-on-year figures not directly comparable

**Q7.18b** Which of the following best describes the lump sum disability benefit?



Note base change in 2011 - year-on-year figures not directly comparable

**Q7.19a** Is the lump sum disability benefit reduced before the member reaches normal retirement age?



Note base change in 2011 - year-on-year figures not directly comparable

**Q7.19b** How many years before retirement does the lump sum disability benefit start to reduce

	2011 TOTAL	2010 TOTAL	2009 TOTAL
LUMP SUM DISABILITY BENEFIT REDUCED	4	7	11
Up to 1 year	0	0	3
Up to 2 years	0	1	1
Up to 3 years	0	14.3	9.1
Up to 5 years	0	0	1
Up to 10 years	4	4	2
Other	100	57.1	18.2
Don't know	0	2	1
	0	28.6	9.1
Other	0	0	1
Don't know	0	0	9.1
Mean	0	0	2
Total of table	0	0	18.2
	5	6	3.5
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.20a** What is the length of the initial waiting period in the case of **permanent disability**?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
ALL PROVIDING PERMANENT DISABILITY BENEFITS	59	49	60
	100	100	100
Less than 1 month	1	1	1
	1.7	2	1.7
1 month	1	0	1
	1.7	0	1.7
2 months	2	1	0
	3.4	2	0
3 months	39	28	27
	66.1	57.1	45
6 months	10	18	23
	16.9	36.7	38.3
12 months	1	0	3
	1.7	0	5
Longer than 12 months	1	0	3
	1.7	0	5
Depends on individual cases	0	0	2
	0	0	3.3
Other	1	0	0
	1.7	0	0
Not applicable	1	0	0
	1.7	0	0
Don't know	2	1	0
	3.4	2	0
Mean	3.86	4.05	5.35
Total of table	59	49	60
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.20b** What is the length of the initial waiting period in the case of **temporary disability**?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
ALL PROVIDING TEMPORARY DISABILITY BENEFITS	59	41	48
	100	100	100
Less than 1 month	1	2	2
	1.7	4.9	4.2
1 month	2	2	2
	3.4	4.9	4.2
2 months	2	1	0
	3.4	2.4	0
3 months	30	20	27
	50.8	48.8	56.3
6 months	3	13	12
	5.1	31.7	25
Longer than 12 months	1	0	0
	1.7	0	0
Not applicable	13	0	0
	22	0	0
Don't know	7	3	4
	11.9	7.3	8.3
Mean	2.55	3.76	3.63
Total of table	59	41	47
	100	100	97.9

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.21** What disability income benefits (PHI) expressed as a percentage of annual salary does the scheme offer?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	59	100	100
	100	100	100
Less than 50%	0	0	2
	0	0	2
50% to 59%	2	3	0
	3.4	3	0
60% to 74%	2	1	4
	3.4	1	4
75%	38	69	65
	64.4	69	65
100% for first two years and 75% thereafter (LOA scales)	3	3	4
	5.1	3	4
Others	1	1	11
	1.7	1	11
Not applicable	12	18	10
	20.3	18	10
Don't know	1	6	5
	1.7	6	5
Mean	75.42	75.05	74.61
Total of table	59	100	92
	100	100	92

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.22** How are increases in permanent disability income determined?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	59	100	100
	100	100	100
There are no increases	14	13	17
	23.7	13	17
Fixed percentage according to the rules	20	15	18
	33.9	15	18
Ad hoc	2	5	6
	3.4	5	6
Ad hoc subject to a minimum	0	2	0
	0	2	0
Defined as a percentage of CPI with no maximum	9	16	14
	15.3	16	14
Defined as a percentage of CPI with a fixed maximum (capped)	8	23	23
	13.6	23	23
Not applicable	2	15	6
	3.4	15	6
Don't know	4	11	16
	6.8	11	16
<b>SUMMARY</b>			
Any ad hoc	2	7	6
	3.40	7	6
	17	39	37
Any % CPI	28.80	39	37
Total of table	59	100	100
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable



**Q7.23** What fixed percentage is used?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
FIXED PERCENTAGE ACCORDING TO THE RULES	20	15	18
	100	100	100
Up to 3% p.a.	2	2	1
	10	13.3	5.6
3.01% to 4% p.a.	2	0	1
	10	0	5.6
4.01% to 5% p.a.	3	3	10
	15	20	55.6
5.01% to 6% p.a.	4	3	2
	20	20	11.1
6.01% to 7% p.a.	0	1	0
	0	6.7	0
7.01% to 8% p.a.	3	2	0
	15	13.3	0
More than 8% p.a.	4	2	3
	20	13.3	16.7
Don't know	2	2	1
	10	13.3	5.6
Mean	5.83	5.73	5.18
Total of table	20	15	18
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.24** What is the percentage of increase in CPI used?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
DEFINED AS A PERCENTAGE OF CPI	17	39	37
	100	100	100
50% or less	0	6	7
	0	15.4	18.9
51% to 74%	0	1	0
	0	2.6	0
75%	4	5	2
	23.5	12.8	5.4
75% to 99%	0	2	0
	0	5.1	0
100%	12	16	17
	70.6	41	45.9
Don't know	1	9	11
	5.9	23.1	29.7
Mean	93.75	83.73	84.62
Total of table	17	39	37
	100	100	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.25** What on average is the level of critical illness cover offered?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
CRITICAL ILLNESS COVER OFFERED	14	6	10
	100	100	100
1 x annual salary	3	2	4
	21.4	33.3	40
2 x annual salary	2	3	2
	14.3	50	20
Fixed amount	2	0	2
	14.3	0	20
Other	3	0	1
	21.4	0	10
Don't know	4	1	1
	28.6	16.7	10
Total of table	14	0	10
	100	0	100

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.26** Who is covered under the funeral benefit?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	43	100	60
	100	100	100
Member	43	67	60
	100	67	100
Spouse	41	62	59
	95.3	62	98.3
Children aged 14 to 21	41	62	59
	95.3	62	98.3
Children aged 6 to 13	41	62	59
	95.3	62	98.3
Children aged 3 to 5	41	62	59
	95.3	62	98.3
Children aged 0 to 2	40	61	59
	93	61	98.3
Parents and parents-in-law	0	6	6
	0	6	10
Additional spouses	5	7	9
	11.6	7	15
Extended family (e.g. siblings, aunts, uncles, nephews, nieces, etc.)	0	1	0
	0	1	0
<b>SUMMARY</b>			
Any children	41	62	59
	95.3	62	98.3
	5	8	13
Any extended family	11.6	8	21.7
Total of table	252	327	311
	586	327	518.3

Note base change in 2011 - year-on-year figures not directly comparable

**Q7.27** What is the level of funeral cover provided by the sub-fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	43	100	60
	100	100	100
Less than R5,000	1	0	2
	2.3	0	3.3
R 5,000	6	19	20
	14	19	33.3
R 10,000	18	33	30
	41.9	33	50
R 15,000	7	9	4
	16.3	9	6.7
R 20,000	7	1	0
	16.3	1	0
R 30,000	1	1	0
	2.3	1	0
Other	1	1	1
	2.3	1	1.7
Don't know	2	3	0
	4.7	3	0
Mean	12 188	9 813	8 280
Total of table	43	61	55
	100	61	91.7

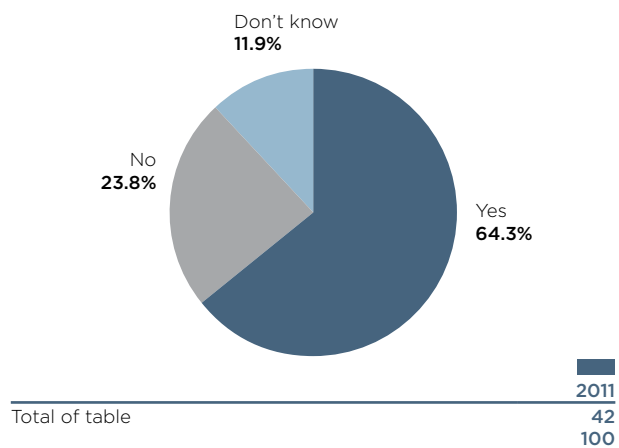
**Q7.28** Which of the insured benefits offered have a conversion option included (members can take out similar cover when they leave the umbrella fund without providing proof of insurability)?

	2011 TOTAL
BASE: ALL RESPONDENTS	63
	100
Death benefits	17
	27
Disability benefits	13
	20.6
Spouses cover	4
	6.3
Other	2
	3.2
None	31
	49.2
Don't know	12
	19
Total of table	79
	125.4

**Q7.29** How have your risk costs changed over the past year? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	42
	100
<b>Under a separate scheme</b>	
Increased by between 0% and 10%	16
	38.1
Remained unchanged	18
	42.9
Decreased by between 0% and 10%	2
	4.8
Decreased by more than 20%	1
	2.4
Don't know	5
	11.9
<b>SUMMARY</b>	
Any increase	16
	38.1
	3
Any decrease	7.2
Total of table	42
	100

**Q7.30** Does the employer automatically rebroke risk business on a regular basis? - **Under a separate scheme**



**Q7.31** What benefits are paid to dependants on the death of a member before retirement?  
- **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	42
	100
Lump sum	38
	90.5
Spouse's pension	5
	11.9
Children's pension	2
	4.8
Don't know	4
	9.5
Total of table	49
	116.7

**Q7.32** What insured benefits are provided as part of a separate scheme?

	2011 TOTAL
BASE: ALL RESPONDENTS	42
	100
Death benefits	36
	85.7
Disability benefits	34
	81
Critical illness / trauma / dread disease	4
	9.5
Funeral cover	24
	57.1
Medical aid premium waiver	4
	9.5
Education benefit	5
	11.9
Value added packages	2
	4.8
Disability Income Top-up	4
	9.5
None	2
	4.8
Total of table	115
	273.8

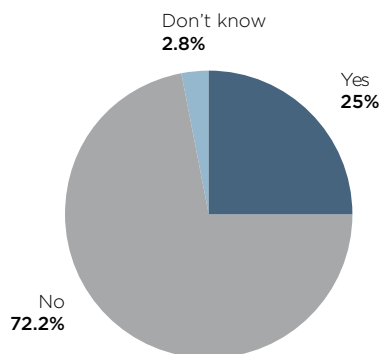
**Q7.33** What is the size of the lump sum payable on death for members? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	36
	100
1 x annual salary	2
	5.6
2 x annual salary	5
	13.9
3 x annual salary	18
	50
4 x annual salary	4
	11.1
5 x annual salary	2
	5.6
More than 5 x annual salary	2
	5.6
Members have flexible benefits, so it varies from member to member	2
	5.6
Scaled per age band	1
	2.8
Mean	3.15
Total of table	36
	100

**Q7.34** Who pays for the lump sum benefit? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	36
	100
It is deducted from the member contribution	7
	19.4
Additional payment by the member	6
	16.7
It is deducted from the employer contribution	12
	33.3
Additional payment by the employer	11
	30.6
Total of table	36
	100

**Q7.35** Does the members have the option of choosing flexible death benefits (i.e. member can choose the level of cover within certain limits)? - **Under a separate scheme**



	2011
Total of table	36
	100

**Q7.36** What is the core level of death cover? - **Under a separate scheme**

	2011
	TOTAL
BASE: ALL RESPONDENTS	9
	100
1 x annual salary	1
	11.1
2 x annual salary	2
	22.2
3 x annual salary	5
	55.6
4 x annual salary	1
	11.1
Mean	2.67
Total of table	9
	100

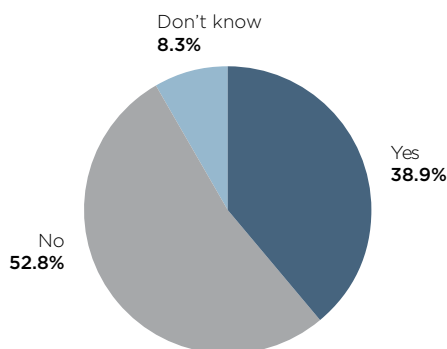
**Q7.37** What additional levels of flexible death cover can members choose? - **Under a separate scheme**

	2011
	TOTAL
BASE: ALL RESPONDENTS	9
	100
Up to 1 x annual salary	1
	11.1
Up to 4 x annual salary	2
	22.2
Up to 5 x annual salary	4
	44.4
Other	2
	22.2
Mean	4.14
Total of table	9
	100

**Q7.38** What is the default level of flexible death cover? - **Under a separate scheme**

	2011
	TOTAL
BASE: ALL RESPONDENTS	9
	100
Up to 1 x annual salary	1
	11.1
Up to 2 x annual salary	2
	22.2
Up to 3 x annual salary	4
	44.4
Up to 5 x annual salary	1
	11.1
None	1
	11.1
Mean	2.75
Total of table	9
	100

**Q7.39a** In the past year, have death benefits been distributed to minor orphans in respect of your sub-fund members? - **Under a separate scheme**



	2011
Total of table	36
	100

**Q7.39b** What policy applies on this issue? - **Under a separate scheme**

	2011
	TOTAL
BASE: ALL RESPONDENTS	36
	100
Provide benefits to a legal guardian only	10
	27.8
Provide benefits to a guardian, regardless of legal status	3
	8.3
Provide benefits to the minor orphan	1
	2.8
A Trust is set up	22
	61.1
Provide benefits through a beneficiary fund	7
	19.4
Other	2
	5.6
Total of table	45
	125

**Q7.40a** What permanent disability benefits does the employer provide? - **Under a separate scheme**

	2011	2010	2009
	TOTAL	TOTAL	TOTAL
BASE: ALL RESPONDENTS	34	100	100
	100	100	100
Lump sum & income	2	2	8
	5.9	2	8
Lump sum only	7	9	10
	20.6	9	10
Monthly income only	25	37	42
	73.5	37	42
Temporary income followed by lump sum	0	1	0
	0	1	0
None	0	51	39
	0	51	39
Don't know	0	0	1
	0	0	1
Total of table	34	100	100
	100	100	100

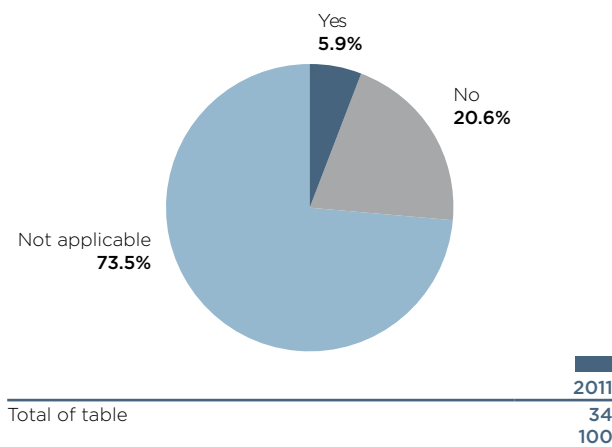
**Q7.40b** What temporary disability benefits does the employer provide? - **Under a separate scheme**

	2011	2010	2009
	TOTAL	TOTAL	TOTAL
BASE: ALL RESPONDENTS	34	100	100
	100	100	100
Lump sum & income	1	2	1
	2.9	2	1
Lump sum only	0	2	2
	0	2	2
Monthly income only	25	34	44
	73.5	34	44
Temporary income followed by lump sum	0	3	1
	0	3	1
None	5	59	51
	14.7	59	51
Don't know	3	0	1
	8.8	0	1
Total of table	34	100	100
	100	100	100

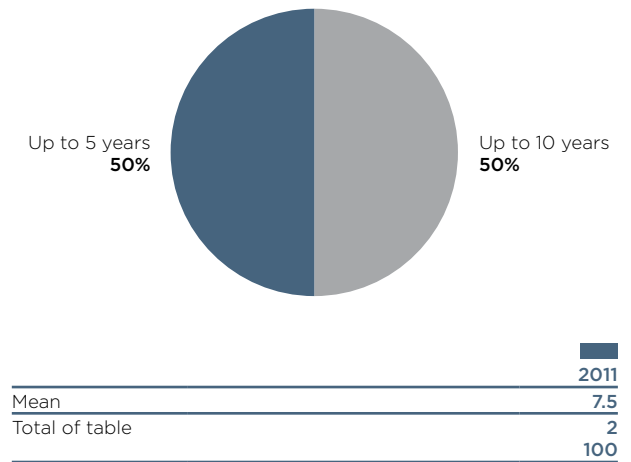
**Q7.41** Which of the following best describes the lump sum disability benefit? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	34
	100
Multiple of salary, 1 x annual salary	5
	14.7
Multiple of salary, 3 x annual salary	2
	5.9
Multiple of salary, more than 4 x annual salary	1
	2.9
Other	1
	2.9
Not applicable	25
	73.5
Mean	2
Total of table	34
	100

**Q7.42a** Is the lump sum disability benefit reduced before the member reaches normal retirement age? - **Under a separate scheme**



**Q7.42b** How many years before retirement does the lump sum disability benefit start to reduce? - **Under a separate scheme**



**Q7.43a** What is the length of the initial waiting period in the case of permanent disability? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	34
	100
Less than 1 month	2
	5.9
2 months	1
	2.9
3 months	18
	52.9
6 months	12
	35.3
12 months	1
	2.9
Mean	4.15
Total of table	34
	100

**Q7.43b** What is the length of the initial waiting period in the case of temporary disability? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	34
	100
Less than 1 month	3
	8.8
1 month	3
	8.8
3 months	14
	41.2
6 months	5
	14.7
12 months	1
	2.9
Not applicable	8
	23.5
Mean	3.4
Total of table	34
	100

**Q7.44** What disability income benefits (PHI) expressed as a percentage of annual salary are offered? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	34
	100
60% to 74%	1
	2.9
75%	26
	76.5
100% for first two years and 75% thereafter (LOA scales)	1
	2.9
100% till normal retirement age due to a Top Up type benefit	2
	5.9
Not applicable	4
	11.8
Mean	77.23
Total of table	34
	100

**Q7.45** How are increases in permanent disability income benefits determined? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	34
	100
There are no increases	2
	5.9
Fixed percentage according to the rules	9
	26.5
Ad hoc	2
	5.9
Ad hoc subject to a minimum	1
	2.9
Defined as a percentage of CPI with no maximum	5
	14.7
Defined as a percentage of CPI with a fixed maximum (capped)	6
	17.6
Other	1
	2.9
Not applicable	6
	17.6
Don't know	2
	5.9
<b>SUMMARY</b>	
Any ad hoc	3
	8.8
	11
Any % CPI	32.4
Total of table	34
	100

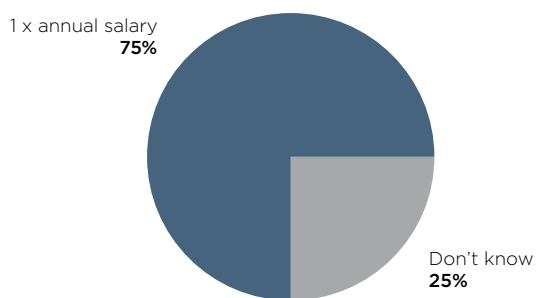
**Q7.46** What fixed percentage is used? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	9
	100
Up to 3% p.a.	1
	11.1
4.01% to 5% p.a.	4
	44.4
7.01% to 8% p.a.	1
	11.1
Don't know	3
	33.3
Mean	4.75
Total of table	9
	100

**Q7.47** What is the percentage of increase in CPI used? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	11
	100
75%	2
	18.2
100%	4
	36.4
Don't know	5
	45.5
Mean	91.67
Total of table	11
	100

**Q7.48** What on average is the level of critical illness cover offered? - **Under a separate scheme**



	2011 TOTAL
Total of table	4
	100

**Q7.49** Who is covered under the funeral benefit? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	24
	100
Member	24
	100
Spouse	23
	95.8
Children aged 14 to 21	23
	95.8
Children aged 6 to 13	23
	95.8
Children aged 3 to 5	23
	95.8
Children aged 0 to 2	23
	95.8
Parents and parents-in-law	2
	8.3
Additional spouses	3
	12.5
Extended family (e.g. siblings, aunts, uncles, nephews, nieces, etc.)	2
	8.3
<b>SUMMARY</b>	
Any children	23
	95.8
Any extended family	3
	12.5
Total of table	146
	608.3

**Q7.50** What is the level of funeral cover provided by the sub-fund? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	24
	100
Less than R5,000	2
	8.3
R 5,000	1
	4.2
R 10,000	11
	45.8
R 15,000	5
	20.8
R 20,000	4
	16.7
Other	1
	4.2
Mean	11 957
Total of table	24
	100



**Q7.51** Which of the insured benefits offered have a conversion option included (members can take out similar cover when they leave the umbrella fund without providing proof of insurability)? - **Under a separate scheme**

	2011 TOTAL
BASE: ALL RESPONDENTS	40
	100
Death benefits	9
	22.5
Disability benefits	10
	25
Spouses cover	1
	2.5
Other	1
	2.5
None	19
	47.5
Don't know	9
	22.5
Total of table	49
	122.5

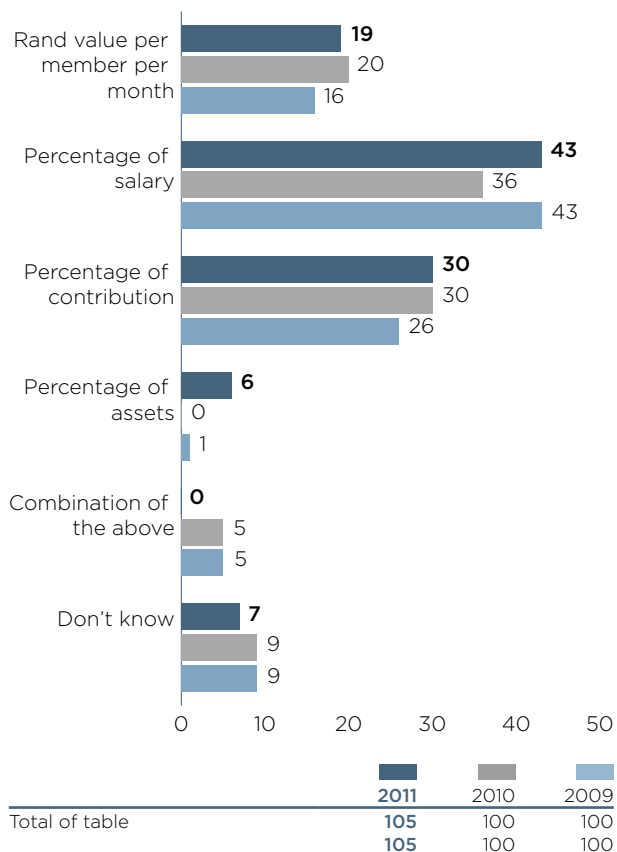
**SECTION H**

# Costs

**Q8.1** What is your current annualised administration fee?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Up to R10,000	3	0	4
	3	0	4
R10 001 to R20,000	7	5	8
	7	5	8
R20 001 to R30,000	6	3	12
	6	3	12
R30 001 to R40,000	6	3	4
	6	3	4
R40 001 to R50,000	3	4	6
	3	4	6
R50 001 to R70,000	7	4	5
	7	4	5
R70 001 to R100,000	6	14	5
	6	14	5
R100 001 to R120,000	1	3	4
	1	3	4
R120 001 to R150,000	5	6	7
	5	6	7
R150 001 to R200,000	4	4	6
	4	4	6
R200 001 +	21	24	14
	21	24	14
Don't know	31	30	25
	31	30	25
Mean	294 484	345 124	237 474
Total of table	100	100	100
	100	100	100

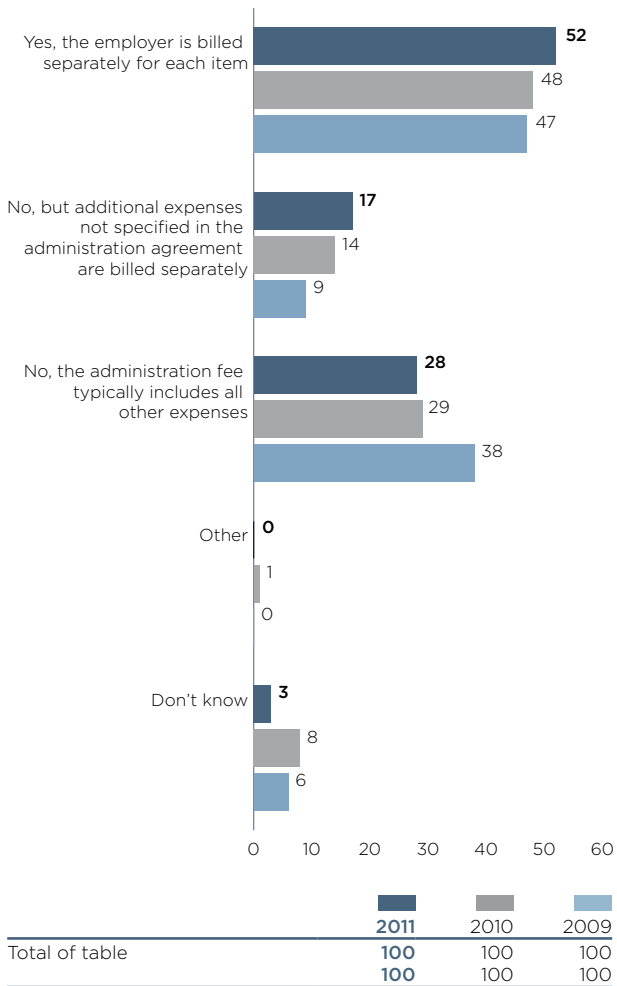
**Q8.2a** How is this fee expressed?



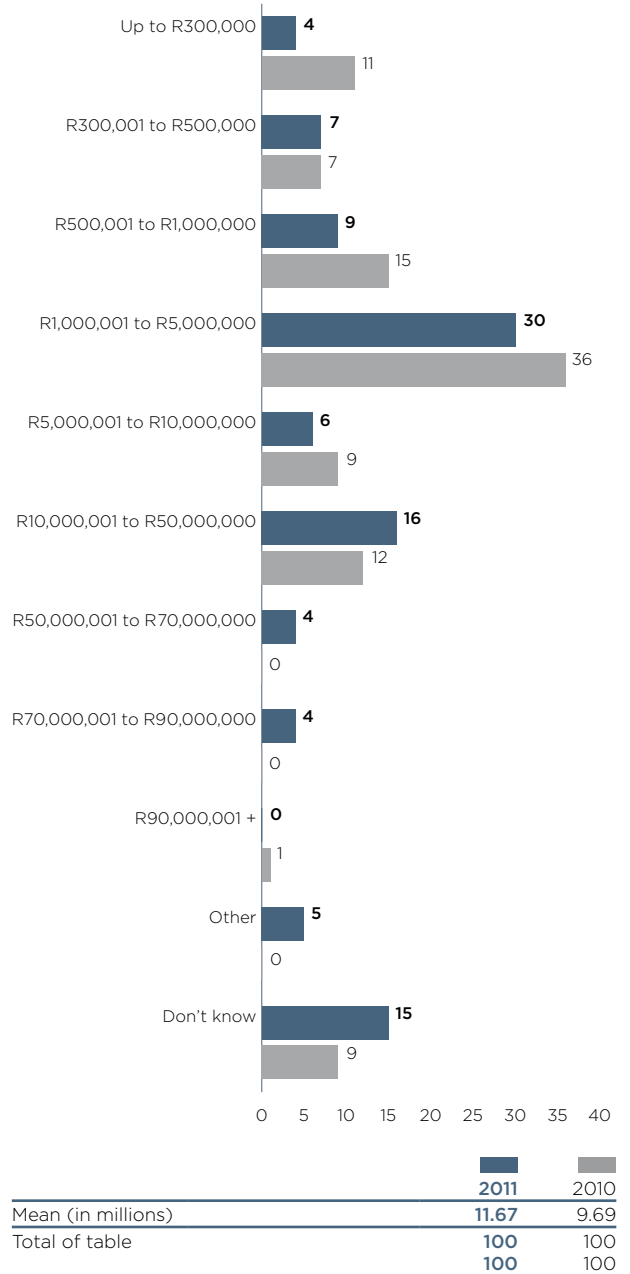
**Q8.2b** And, how would you prefer the fee to be expressed?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Rand value per member per month	22	23	21
	22	23	21
Percentage of salary	41	32	42
	41	32	42
Percentage of contribution	28	29	25
	28	29	25
Percentage of assets	5	2	2
	5	2	2
Don't know	7	9	5
	7	9	5
Total of table	103	95	95
	103	95	95

**Q8.3** Does the umbrella fund itemize separately for the cost of administration and all the other costs and disbursements of the fund?



**Q8.4** What are the current total monthly pensionable salaries?



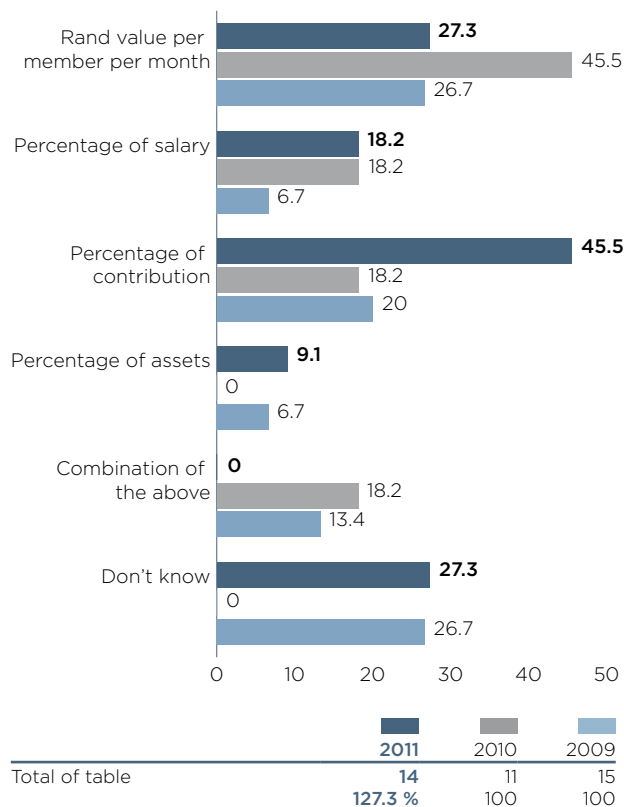
**Q8.5a** How are other costs, such as FSB levies, auditing fees and trustees' reimbursements recovered?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Contingency reserve levy	11	12	15
	11	12	15
Deducted as and when needed from member accounts	46	44	38
	46	44	38
Annually invoiced	0	0	1
	0	0	1
Deducted from returns	2	1	1
	2	1	1
Part of management / admin fee	10	21	13
	10	21	13
Other	10	11	5
	10	11	5
Not applicable	6	0	6
	6	0	6
Don't know	15	12	21
	15	12	21
Total of table	100	101	100
	100	101	100

**Q8.5b** What is your current annualised contingency reserve levy?

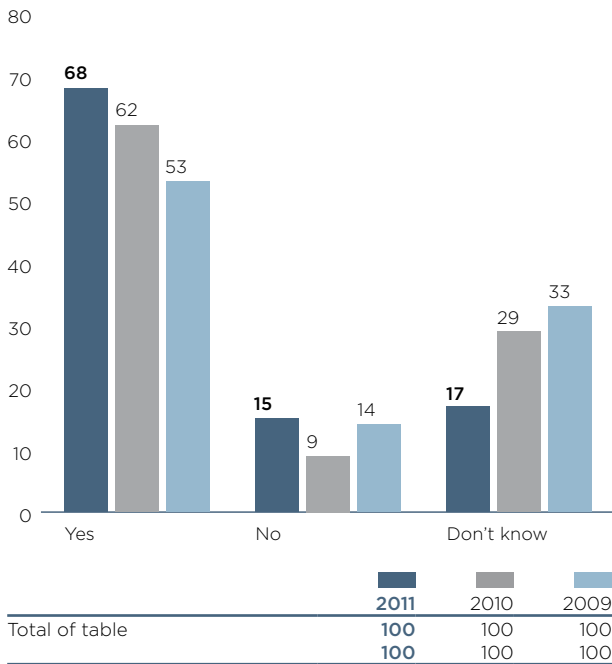
	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	11	12	15
	100	100	100
Less than R5,000	2	3	0
	18.2	25	0
R10,001 to R20,000	0	5	0
	0	41.7	0
More than R20,001	1	2	0
	9.1	16.7	0
Other	3	0	0
	27.3	0	0
None	0	1	1
	0	8.3	6.7
Don't know	5	1	11
	45.5	8.3	73.3
Mean	34705.33	789438.25	984326
Total of table	11	12	12
	100	100	80

**Q8.5c** How is the contingency reserve levy expressed?

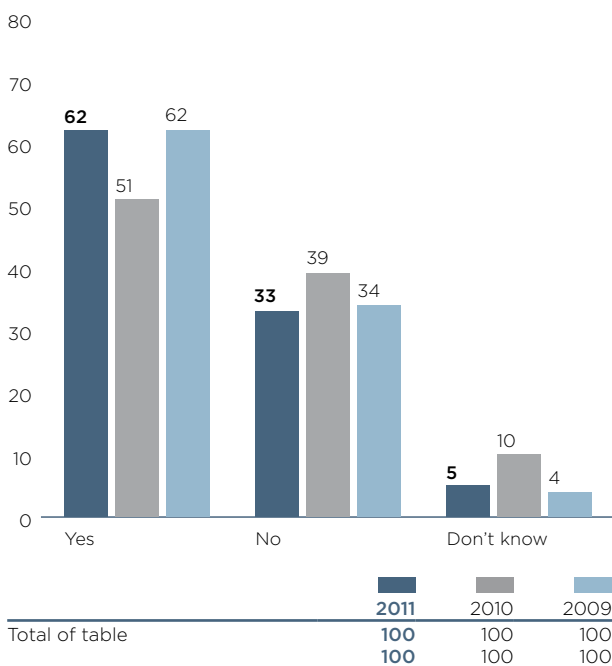


	2011	2010	2009
Total of table	14	11	15
	127.3 %	100	100

**Q8.6** Do the trustees appropriately manage other expenses, such as FSB levies, auditing fees and trustees' reimbursements, via formal budgeting and approvals processes?



**Q8.7** Do all of your members currently pay the same fixed contribution to the other costs of the fund regardless of their salary level?



**Q8.8a** What percentage of salaries is applied to the total cost of Group Life Assurance (GLA) benefits, the cost of core benefits and the cost of flexible risk benefits respectively?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
<b>Total GLA Benefits</b>			
0%	0	1	1
0.01% to 0.50%	2	1	2
0.51% to 1.00%	10	6	3
1.01% to 1.50%	8	9	9
1.51% to 2.00%	20	17	11
2.01% to 2.50%	9	8	13
2.51% to 3.00%	12	9	6
3.01% to 3.50%	2	6	5
3.51% to 4.00%	3	7	3
4.01% or more	12	15	14
Not applicable	5	1	2
Other	0	0	2
Don't know	17	20	29
Mean	2.24	2.51	2.48
Total of table	100	100	100

**Q8.8b** What percentage of salaries is applied to the total cost of Group Life Assurance (GLA) benefits, the cost of core benefits and the cost of flexible risk benefits respectively?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Core benefits			
0%	0	1	1
	0	1	1
0.01% to 0.50%	6	1	5
	6	1	5
0.51% to 1.00%	18	9	6
	18	9	6
1.01% to 1.50%	12	11	10
	12	11	10
1.51% to 2.00%	14	14	11
	14	14	11
2.01% to 2.50%	6	11	12
	6	11	12
2.51% to 3.00%	3	6	3
	3	6	3
3.01% to 3.50%	3	1	3
	3	1	3
3.51% to 4.00%	1	5	4
	1	5	4
4.01% or more	11	7	3
	11	7	3
Differs by age / area	0	0	1
	0	0	1
Other	0	0	1
	0	0	1
Not applicable	5	2	2
	5	2	2
Don't know	21	32	41
	21	32	41
Mean	1.84	2.09	1.9
Total of table	100	100	103
	100	100	103

**Q8.8c** What percentage of salaries is applied to the total cost of Group Life Assurance (GLA) benefits, the cost of core benefits and the cost of flexible risk benefits respectively?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Flexible Risk Benefits			
0%	16	13	8
	16	13	8
0.01% to 0.50%	7	2	4
	7	2	4
0.51% to 1.00%	2	5	2
	2	5	2
1.01% to 1.50%	4	7	4
	4	7	4
1.51% to 2.00%	3	7	3
	3	7	3
2.01% to 2.50%	1	0	7
	1	0	7
2.51% to 3.00%	0	0	2
	0	0	2
3.01% to 3.50%	1	2	0
	1	2	0
4.01% or more	0	1	0
	0	1	0
Other	3	0	3
	3	0	3
Not applicable	50	32	28
	50	32	28
Don't know	13	31	39
	13	31	39
Mean	0.56	0.97	1.13
Total of table	100	100	100
	100	100	100

**Q8.9a** What percentage of salaries is applied to the cost of death benefits / life cover under the fund and under a separate scheme?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	70	82	83
	100	100	100
Under the Umbrella Fund			
0%	0	1	0
	0	1.2	0
0.01% to 0.50%	1	3	0
	1.4	3.7	0
0.51% to 1.00%	4	7	8
	5.7	8.5	9.6
1.01% to 1.50%	10	6	5
	14.3	7.3	6
1.51% to 2.00%	13	9	8
	18.6	11	9.6
2.01% to 2.50%	4	2	4
	5.7	2.4	4.8
2.51% to 3.00%	4	0	1
	5.7	0	1.2
3.01% to 3.50%	1	4	2
	1.4	4.9	2.4
3.51% to 4.00%	3	2	2
	4.3	2.4	2.4
4.01% or more	6	3	0
	8.6	3.7	0
Only under a separate scheme	0	22	19
	0	26.8	22.9
No benefit	17	22	5
	24.3	26.8	6
Don't know	7	23	27
	10	28	32.5
Mean	2.14	1.81	1.73
Total of table	70	104	81
	100	126.8	97.6

**Q8.9b** What percentage of salaries is applied to the cost of death benefits / life cover under the fund and under a separate scheme?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	70	82	83
	100	100	100
Under a separate scheme			
0%	0	4	0
	0	4.9	0
0.01% to 0.50%	0	1	2
	0	1.2	2.4
0.51% to 1.00%	6	5	4
	8.6	6.1	4.8
1.01% to 1.50%	3	3	1
	4.3	3.7	1.2
1.51% to 2.00%	3	4	6
	4.3	4.9	7.2
2.01% to 2.50%	0	2	3
	0	2.4	3.6
2.51% to 3.00%	2	1	0
	2.9	1.2	0
3.01% to 3.50%	1	1	0
	1.4	1.2	0
3.51% to 4.00%	0	1	0
	0	1.2	0
4.01% or more	0	0	1
	0	0	1.2
Not under a separate scheme	0	37	64
	0	45.1	77.1
No benefit	52	37	0
	74.3	45.1	0
	0	0	2
Other	0	0	2.4
Don't know	3	23	0
	4.3	28	0
Mean	1.48	1.32	1.54
Total of table	70	119	83
	100	145.1	100

**Q8.10a** What percentage of salaries is applied to the cost of disability benefits under the fund and under a separate scheme?

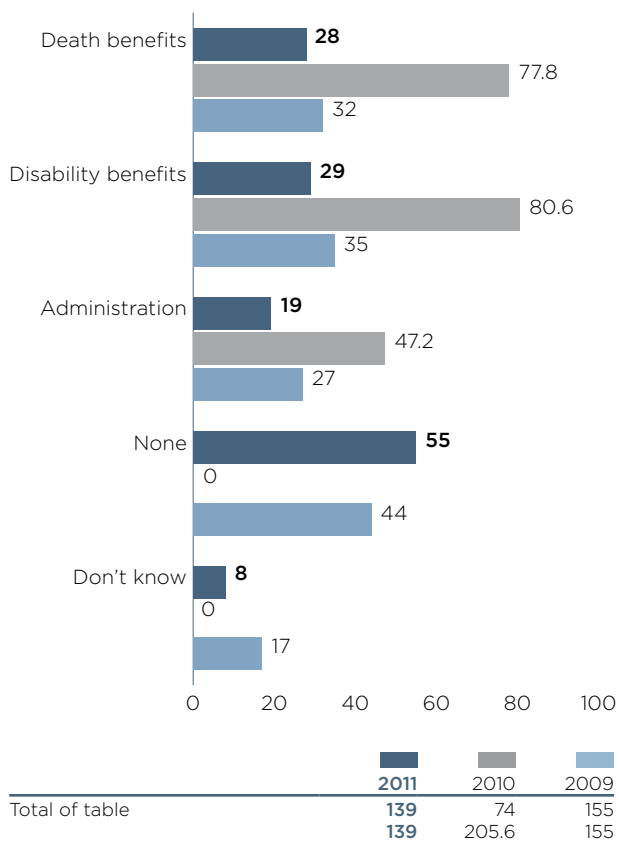
	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Under the umbrella fund			
0%	0	3	0
	0	3	0
0.01% to 0.50%	6	10	4
	6	10	4
0.51% to 1.00%	12	7	6
	12	7	6
1.01% to 1.50%	17	6	8
	17	6	8
1.51% to 2.00%	9	6	5
	9	6	5
2.01% to 2.50%	2	5	5
	2	5	5
2.51% to 3.00%	0	0	3
	0	0	3
3.01% to 3.50%	1	2	2
	1	2	2
3.51% to 4.00%	0	3	0
	0	3	0
4.01% or more	3	3	4
	3	3	4
Only under a separate scheme	0	32	29
	0	32	29
Other	0	0	2
	0	0	2
No benefit	41	32	6
	41	32	6
Don't know	9	23	26
	9	23	26
Mean	1.36	1.5	1.82
Total of table	100	132	100
	100	132	100

**Q8.10b** What percentage of salaries is applied to the cost of disability benefits under the fund and under a separate scheme?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Under a separate scheme			
0%	1	5	0
	1	5	0
0.01% to 0.50%	4	3	2
	4	3	2
0.51% to 1.00%	9	10	7
	9	10	7
1.01% to 1.50%	8	4	9
	8	4	9
1.51% to 2.00%	5	2	5
	5	2	5
2.01% to 2.50%	3	4	3
	3	4	3
2.51% to 3.00%	2	2	1
	2	2	1
3.51% to 4.00%	0	1	0
	0	1	0
4.01% or more	3	0	0
	3	0	0
No benefit under a separate scheme	62	49	71
	62	49	76.3
	0	0	2
Other	0	0	2
Don't know	3	20	0
	3	20	0
Mean	1.47	1.13	1.31
Total of table	100	100	100
	100	100	100



**Q8.11** Which of the following costs are limited to / capped at a certain fixed percentage?



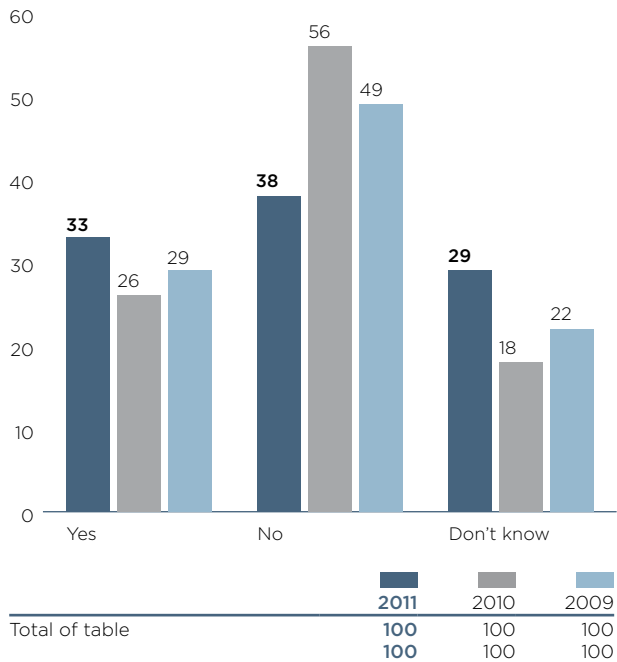
**Q8.12** At what percentage are death benefits capped?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>DEATH BENEFITS CAPPED AT A %</b>	<b>28</b>	<b>28</b>	<b>32</b>
	<b>100</b>	<b>100</b>	<b>100</b>
0.51% to 1.00%	4	4	1
	<b>14.3</b>	<b>14.3</b>	<b>3.1</b>
1.01% to 1.50%	3	2	0
	<b>10.7</b>	<b>7.1</b>	<b>0</b>
1.51% to 2.00%	5	4	6
	<b>17.9</b>	<b>14.3</b>	<b>18.8</b>
2.1% to 2.50%	2	1	5
	<b>7.1</b>	<b>3.6</b>	<b>15.6</b>
2.6% to 3.00%	0	2	0
	<b>0</b>	<b>7.1</b>	<b>0</b>
3.1% to 3.50%	1	2	0
	<b>3.6</b>	<b>7.1</b>	<b>0</b>
3.6% to 4.00%	1	1	0
	<b>3.6</b>	<b>3.6</b>	<b>0</b>
4.01% or more	5	3	8
	<b>17.9</b>	<b>10.7</b>	<b>25</b>
Other	1	0	5
	<b>3.6</b>	<b>0</b>	<b>15.6</b>
Don't know	6	9	7
	<b>21.4</b>	<b>32.1</b>	<b>21.9</b>
Mean	<b>2.3</b>	<b>2.28</b>	<b>2.83</b>
Total of table	<b>28</b>	<b>28</b>	<b>32</b>
	<b>100</b>	<b>100</b>	<b>100</b>

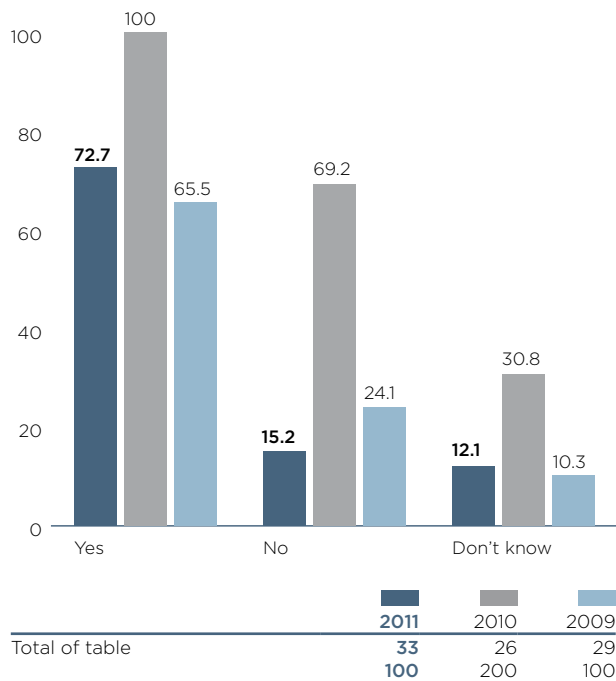
**Q8.13** At what percentage are disability benefits capped?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>DISABILITY BENEFITS CAPPED AT A %</b>	<b>29</b>	<b>29</b>	<b>35</b>
	<b>100</b>	<b>100</b>	<b>100</b>
0.51% to 1.00%	6	5	0
	<b>20.7</b>	<b>17.2</b>	<b>0</b>
1.01% to 1.50%	3	0	5
	<b>10.3</b>	<b>0</b>	<b>14.3</b>
1.51% to 2.00%	3	7	5
	<b>10.3</b>	<b>24.1</b>	<b>14.3</b>
2.1% to 2.50%	2	0	5
	<b>6.9</b>	<b>0</b>	<b>14.3</b>
2.6% to 3.00%	0	1	0
	<b>0</b>	<b>3.4</b>	<b>0</b>
3.1% to 3.50%	0	1	0
	<b>0</b>	<b>3.4</b>	<b>0</b>
3.6% to 4.00%	1	0	0
	<b>3.4</b>	<b>0</b>	<b>0</b>
4.01% or more	4	3	7
	<b>13.8</b>	<b>10.3</b>	<b>20</b>
Other	2	0	5
	<b>6.9</b>	<b>0</b>	<b>14.3</b>
Don't know	8	12	8
	<b>27.6</b>	<b>41.4</b>	<b>22.9</b>
Mean	<b>2.04</b>	<b>2.04</b>	<b>2.55</b>
Total of table	<b>29</b>	<b>29</b>	<b>35</b>
	<b>100</b>	<b>100</b>	<b>100</b>

**Q8.14** Are investment performance fees charged?



**Q8.15** Do you feel that the basis on which investment performance related fees are charged is fair and reasonable?



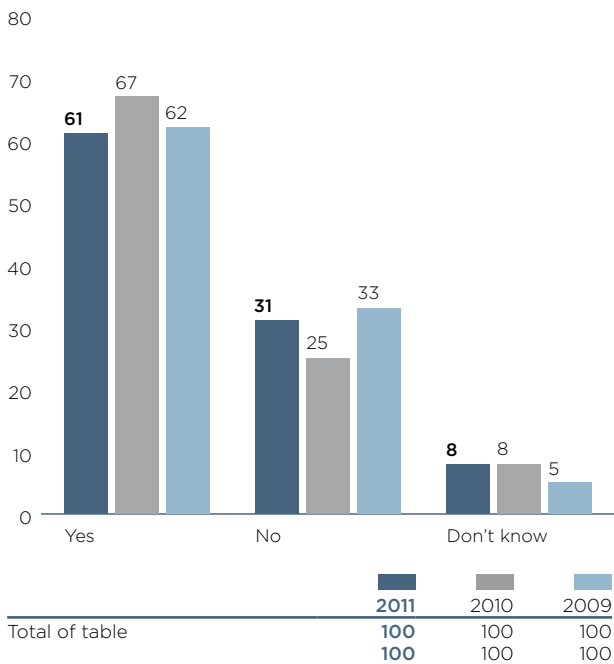
## SECTION I

# Advice

**Q9.1** Do you know who the auditors to the umbrella fund are?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	30	34	33
	30	34	33
No	63	61	57
	63	61	57
Don't know	7	5	10
	7	5	10
Total of table	100	100	100
	100	100	100

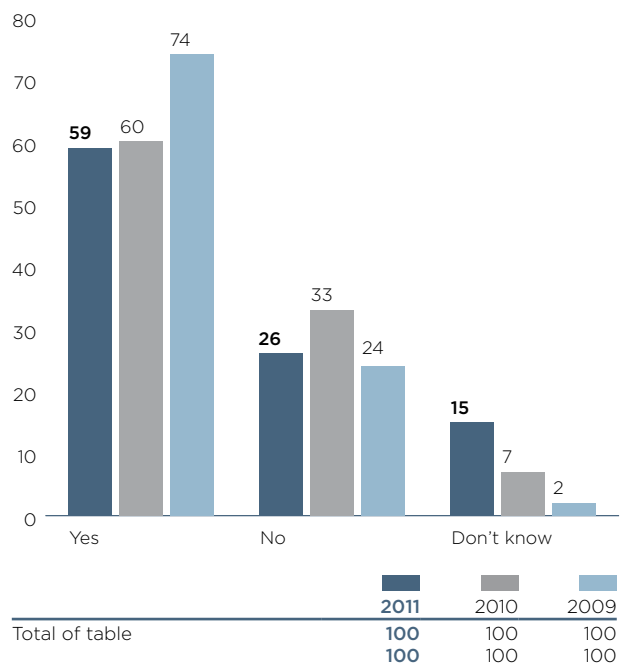
**Q9.2** Do you know who the investment consultants to the umbrella fund are?



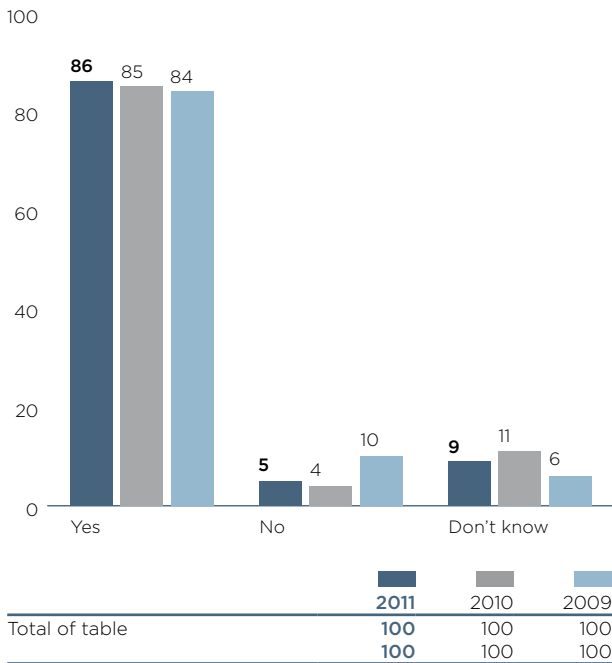
**Q9.3** Is your sub-fund's consultant / broker accredited by the Financial Services Board to provide advice on benefits?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	94	96	98
	94	96	98
No	4	0	0
	4	0	0
Don't know	2	4	2
	2	4	2
Total of table	100	100	100
	100	100	100

**Q9.4** Is your sub-fund's consultant / broker independent of the umbrella fund sponsor?



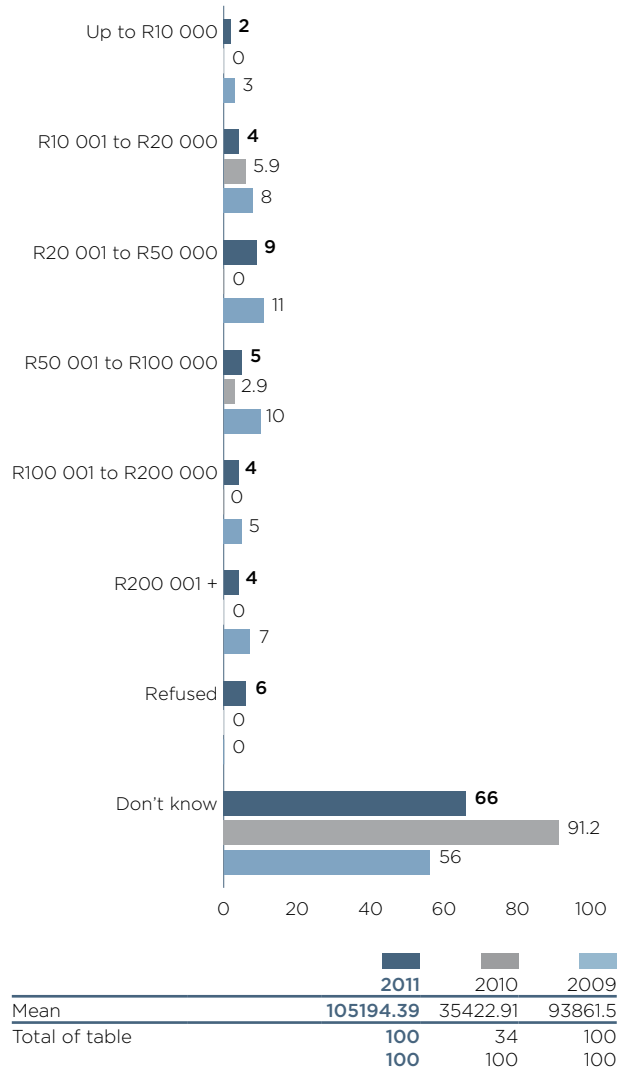
**Q9.5** Are the services to be provided by your sub-fund's consultant / broker contracted in writing?



**Q9.6** On what basis is your sub-fund's consultant / broker remunerated?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	<b>70</b>	<b>100</b>
	<b>100</b>	<b>100</b>	<b>100</b>
Statutory commission paid annually in advance	12	9	11
Statutory commission paid monthly	23	27	28
Build in to admin fee	4	11	3
	4	15.7	3
Fee as negotiated between the employer and the adviser	27	23	27
	27	32.9	27
It varies	0	0	1
	0	0	1
Remunerated as employee of fund	1	0	2
	1	0	2
Other	2	0	1
	2	0	1
Don't know	31	0	27
	31	0	27
<b>SUMMARY</b>			
Any statutory commission	35	36	39
	35	36	39
<b>Total of table</b>	<b>100</b>	<b>70</b>	<b>100</b>
	<b>100</b>	<b>100</b>	<b>100</b>

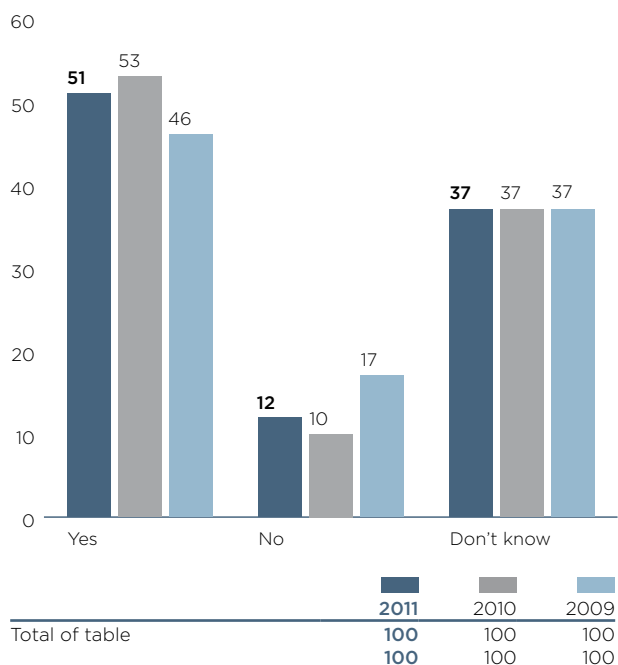
**Q9.7** What is your current annualised consulting fee?



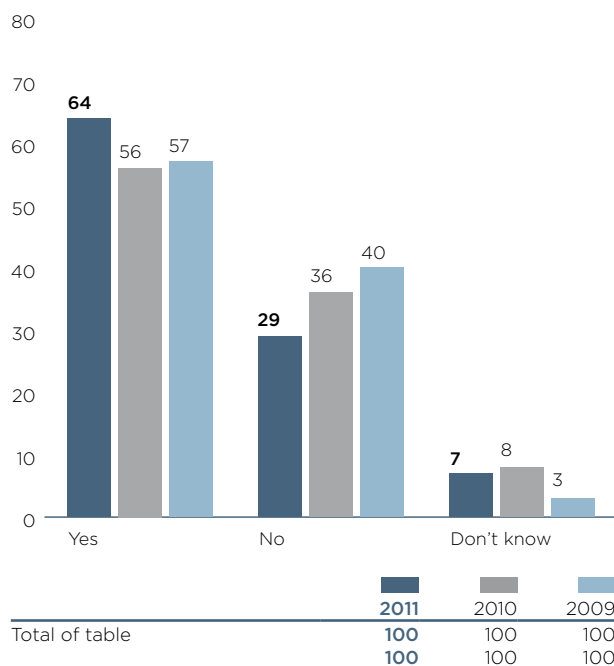
**Q9.8** How is the consulting fee expressed?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	90	100
	100	100	100
Rand value per member per month	9	13	9
	9	14.4	9
Percentage of salary	18	13	22
	18	14.4	22
Percentage of contribution	25	14	16
	25	15.6	16
Percentage of assets	4	2	2
	4	2.2	2
Extra add on service	1	0	1
	1	0	1
Combination of the above	7	2	6
	7	2.2	6
Percentage of admin cost	1	0	4
	1	0	4
Not applicable	8	0	1
	8	0	1
Don't know	33	46	39
	33	51.1	39
Total of table	106	90	100
	106	100	100

**Q9.9** Do you feel that the level of remuneration is commensurate with the consulting services provided?



**Q9.10** Does the sub-fund have a formalised strategy for rendering advice to members (whether in consultation with the employer or on its own)?



**Q9.11** Who provides the financial advice in terms of FAIS?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	64	54	98
	100	100	100
Consultant / broker on your sub-fund	59	49	72
	92.2	90.7	73.5
Separate financial adviser to the employer	7	8	11
	10.9	14.8	11.2
Members' own financial adviser or broker	8	0	18
	12.5	0	18.4
Not applicable	0	0	4
	0	0	4.1
Don't know	1	0	8
	1.6	0	8.2
Total of table	75	57	113
	117.2	105.6	115.3

**Q9.12a** In your opinion, to what extent do members of staff understand the financial advice and information provided to them?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	97	100
	100	100	100
<b>Senior Staff</b>			
They understand the vast majority of it	71	69	62
	71	71.1	62
They understand about half it	24	23	23
	24	23.7	23
They understand less than half of it	2	3	7
	2	3.1	7
They hardly understand any of it at all	1	2	2
	1	2.1	2
No Senior staff	1	0	2
	1	0	2
Not applicable	0	0	1
	0	0	1
Don't know	1	0	3
	1	0	3
Total of table	100	97	100
	100	100	100

**Q9.12b** In your opinion, to what extent do members of staff understand the financial advice and information provided to them?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
<b>All other staff</b>			
They understand the vast majority of it	11	15	13
	11	15	13
They understand about half it	28	29	25
	28	29	25
They understand less than half of it	40	33	30
	40	33	30
They hardly understand any of it at all	19	22	29
	19	22	29
Don't know	2	1	3
	2	1	3
Total of table	100	100	100
	100	100	100

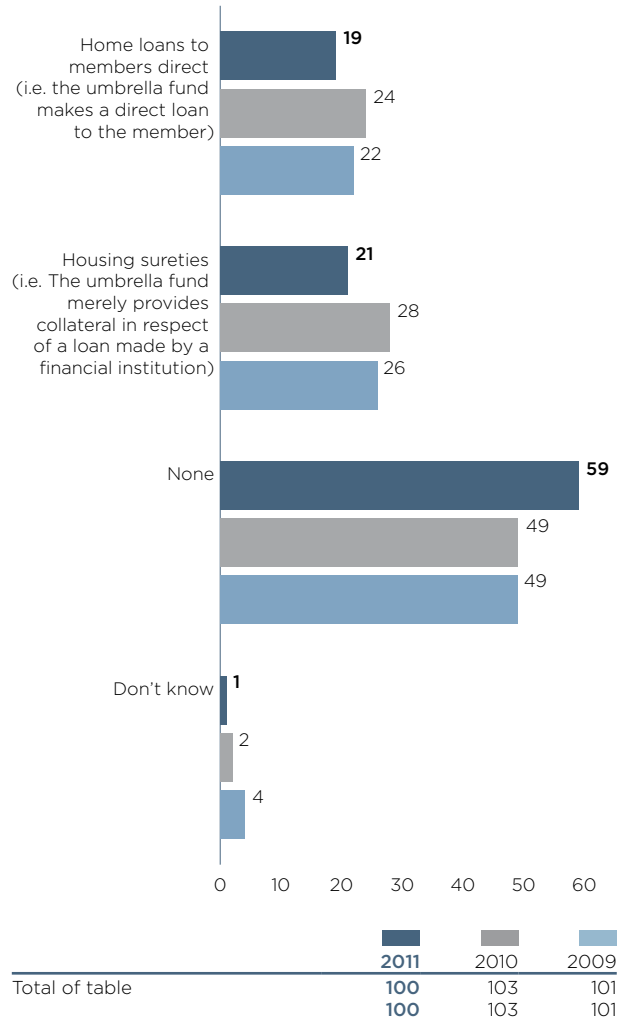
**Q9.13** What specific steps, if any, have you taken to improve member understanding?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Use of different media e.g. cellphone, role play etc	7	3	20
	7	3	20
Provision of basic financial education / training at work	27	21	43
	27	21	43
Pay for members to seek financial education / training through a third party	6	6	9
	6	6	9
Member road shows	35	24	4
	35	24	4
Meetings / Q&A sessions	14	36	0
	14	36	0
Provide member education once off at induction of new staff	28	14	0
	28	14	0
Improve quality of communication	33	21	0
	33	21	0
Communicate to staff using simple language	48	35	0
	48	35	0
Make communication materials available in multiple languages	21	18	0
	21	18	0
Meetings / Q&A sessions with Trustees / advisors	18	0	0
	18	0	0
Other	3	9	2
	3	9	2
None	17	19	32
	17	19	32
Total of table	257	206	110
	257	206	110

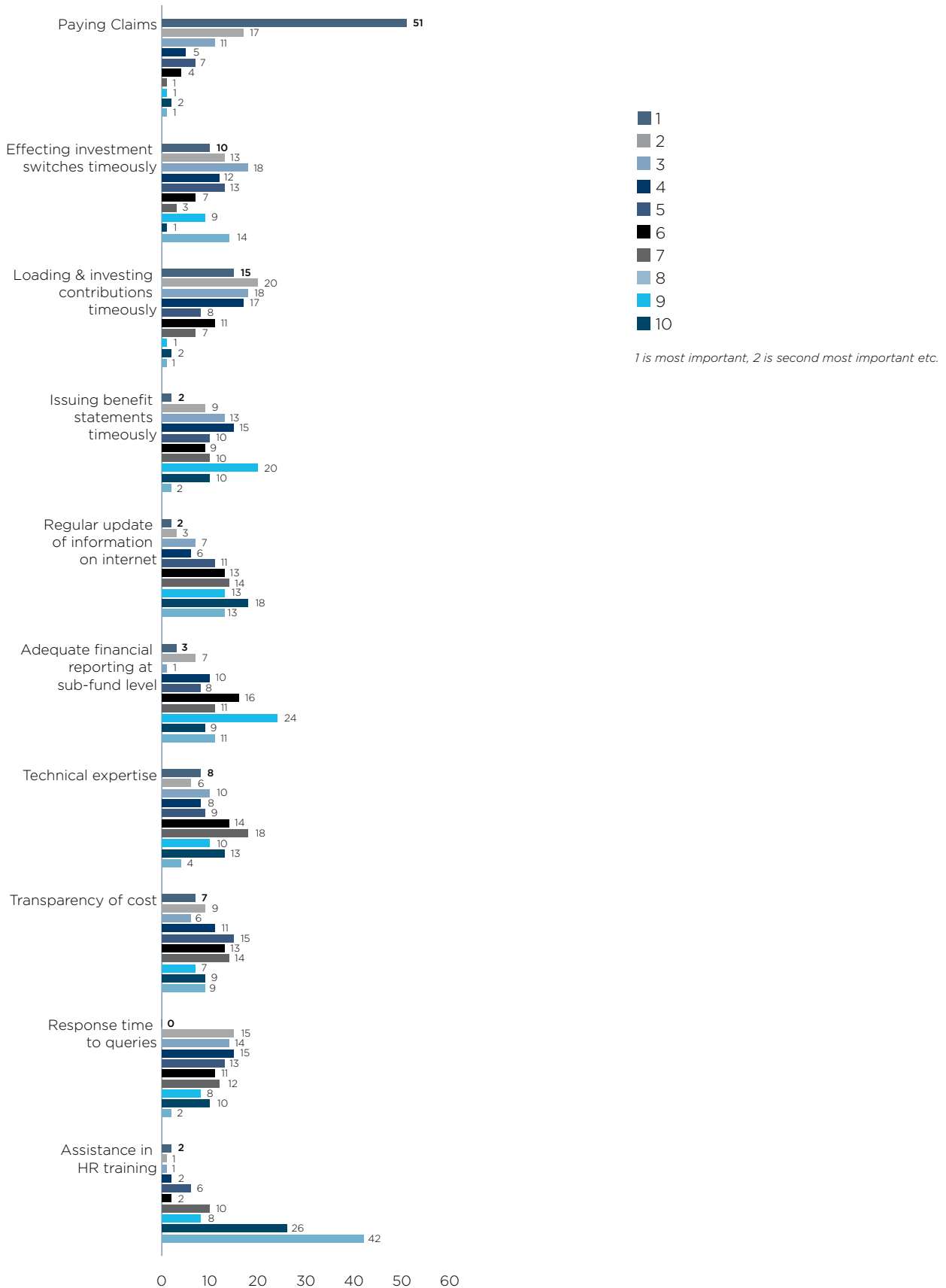
**Q9.14** To what extent would the employer consider paying for more financial education to be provided to members?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>BASE: ALL RESPONDENTS</b>	<b>100</b>	100	100
	<b>100</b>	100	100
Would definitely consider it	16	10	15
	<b>16</b>	10	15
Might consider it	34	32	36
	<b>34</b>	32	36
Unlikely to consider it	34	46	31
	<b>34</b>	46	31
Would definitely not consider it	16	12	18
	<b>16</b>	12	18
<b>SUMMARY</b>			
Would / might consider	50	42	51
	<b>50</b>	42	51
Unlikely / would not consider	50	58	49
	<b>50</b>	58	49
Total of table	100	100	100
	<b>100</b>	100	100

**Q9.15** Which of the following does the fund offer of a loan made by a financial institution?



**Q9.16a** When considering all the aspects of retirement fund administration, how would you rank the following processes in order of importance from 1 to 10?





**SECTION J**

# Withdrawals

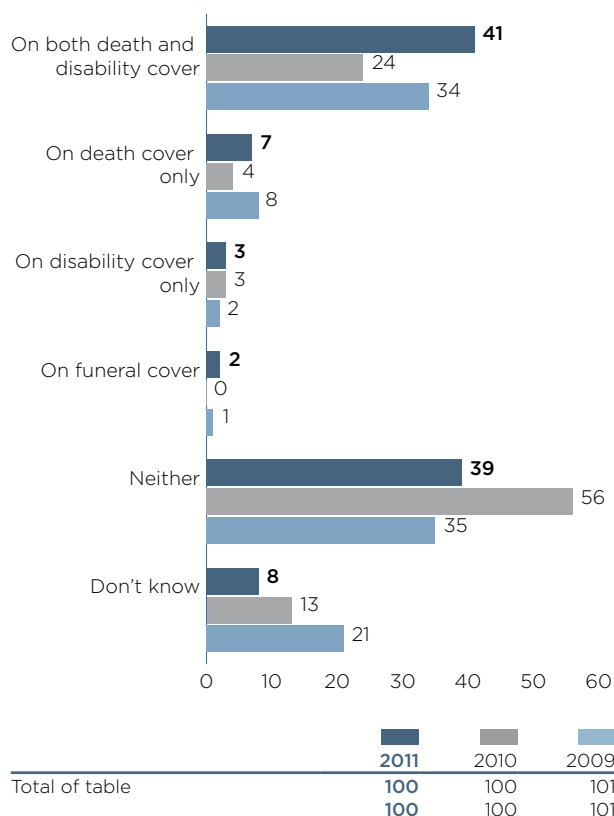
**Q10.1** Which of the following best describes what the majority of your members do when their employment with the participating employer terminates (i.e. on withdrawal from the sub-fund)?

	2011 TOTAL	2010 TOTAL
BASE: ALL RESPONDENTS	100	100
The majority of members take their benefit in cash	74	80
The majority of members transfer their benefit to another fund	18	12
The majority of members select a deferred / paid up pension and leave their benefit in the fund	3	4
Other	3	4
Don't know	2	0
Total of table	100	100

**Q10.2** On withdrawal, which of the following situations apply in the sub-fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
The umbrella fund and / or the employer provides the member with the information recommended in PF86	54	37	48
The umbrella fund and / or the employer, in terms of a written strategy, arranges for an advisor to counsel and advise the member	34	45	39
None of the above	16	29	22
Don't know	7	1	6
Total of table	111	112	115

**Q10.3** Is a conversion / continuation option offered on death and disability cover, either under the umbrella fund or separate scheme?



**SECTION K**

# Retirement

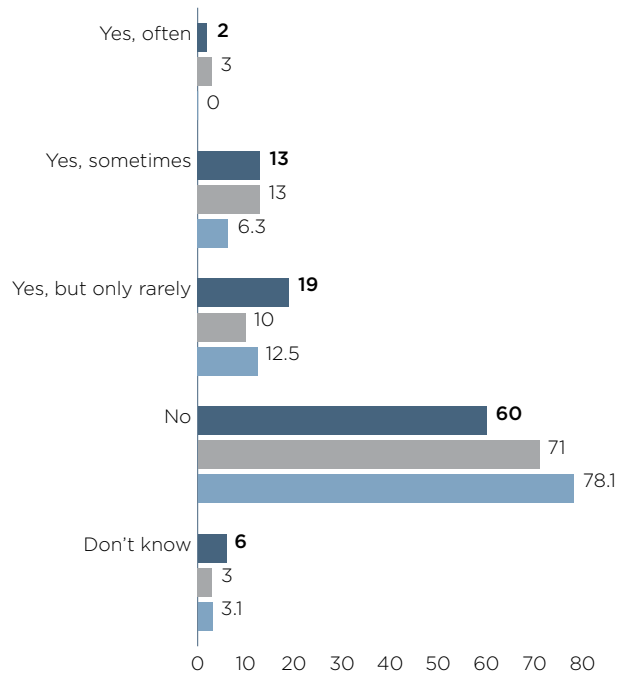
**Q11.1** Is the employer concerned about how members utilize their retirement benefits?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	72	75	68
	72	75	68
No	28	25	32
	28	25	32
Total of table	100	100	100
	100	100	100

**Q11.2** Does the employer want to have further involvement with members after retirement?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	16	12	15
	16	12	15
No	83	88	84
	83	88	84
Don't know	1	0	1
	1	0	1
Total of table	100	100	100
	100	100	100

**Q11.3** Do retirees ever come back to the company to complain after they have retired from the sub-fund?



	2011	2010	2009
Summary			
Any yes	34	26	6
	34	26	18.8
Total of table	100	100	32
	100	100	100

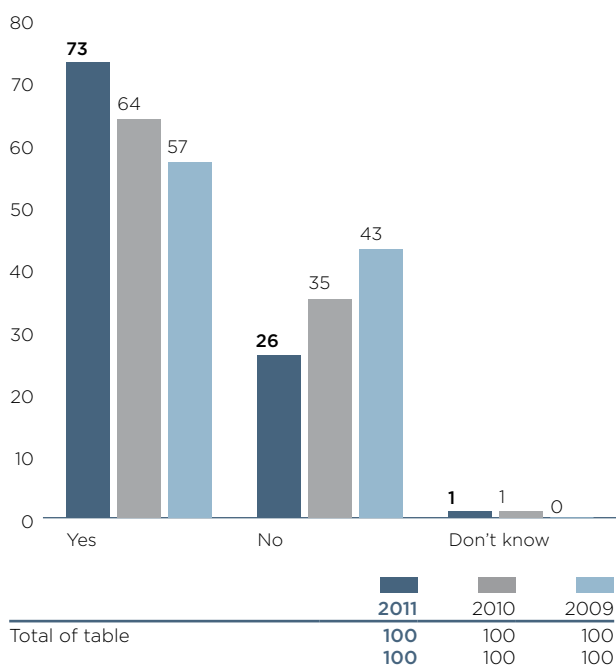
**Q11.4** In your opinion, which annuity would be more appropriate for an 'average' member of your sub-fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Guaranteed fixed annuity	17	30	30
	17	30	30
With profit annuity	1	16	16
	1	16	16
Living annuity	35	39	37
	35	39	37
Inflation linked annuity	36	0	0
	36	0	0
Cash	0	0	4
	0	0	4
Other	1	0	4
	1	0	4
None	2	0	1
	2	0	1
Don't know	8	15	9
	8	15	9
Total of table	100	100	101
	100	100	101

**SECTION L**

# AIDS Strategies

**Q12.1** Has the employer implemented an HIV / AIDS management programme for its employees?



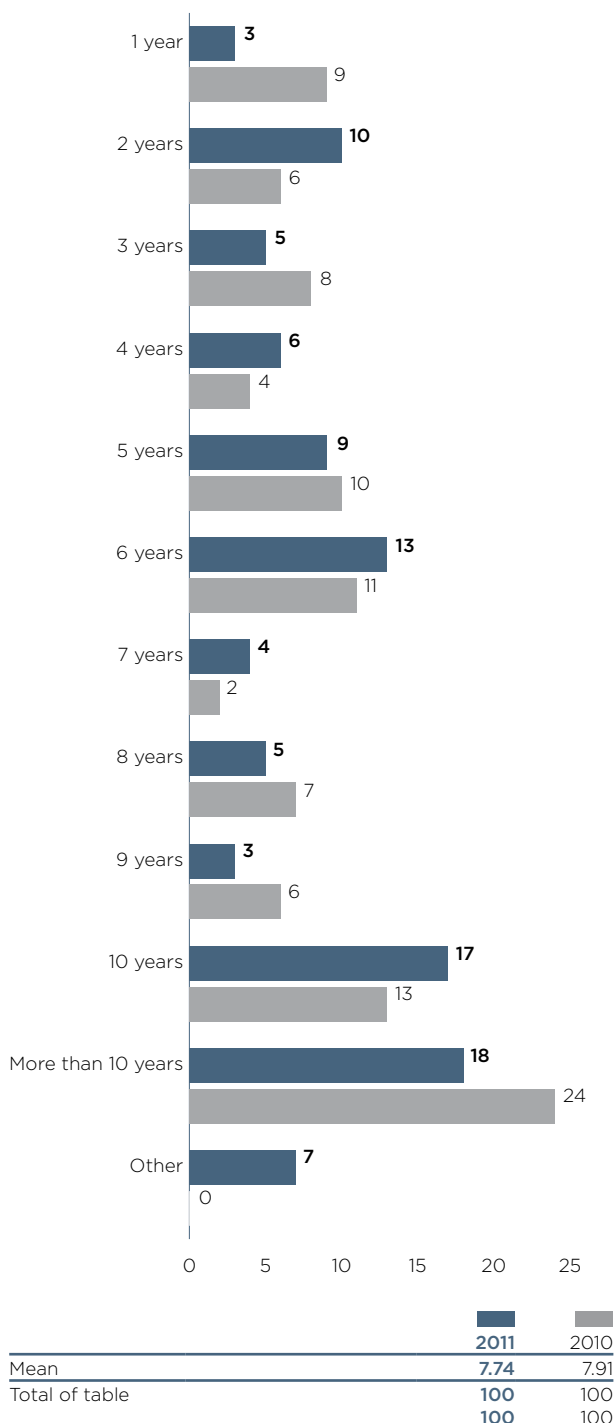
**Q12.2** What does this entail?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
<b>EMPLOYERS WHO IMPLEMENTED AN AIDS MANAGEMENT PROGRAMME</b>	<b>73</b>	64	57
Information / programme to raise awareness	69	60	54
Testing	46	43	38
Counselling	63	67.2	66.7
Medication	52	48	41
Good life programme, nutrition, blood pressure etc. / in house clinic with nursing counsellors	71.2	75	71.9
Wellness programme	28	18	12
Other	38.4	28.1	21.1
Wellness programme	0	0	1
Other	0	0	1.8
Wellness programme	0	2	0
Other	0	3.1	0
Wellness programme	4	1	0
Other	5.5	1.6	0
<b>Total of table</b>	<b>199</b>	172	146
	<b>272.6</b>	268.8	256.1

**SECTION M**

# Selecting an umbrella fund

**Q13.1** How long has the employer been in an umbrella fund?



**Q13.2** What were the three main reasons for joining an umbrella fund?

	2011 TOTAL	2010 TOTAL
BASE: ALL RESPONDENTS	100	100
Ease of administration / less time consuming	55	35
More cost effective / reduced administrative cost / cost saving	53	33
Allows us to focus on core business / not running fund	27	28
Less responsibility / Fiduciary responsibility now lies with fund / less responsibility	38	26
Small company / small member base / few staff members	13	20
Better / more investment options	21	14
Investment expertise / better investment advice	21	14
Better benefits for employees	19	14
Better returns on investment / maximise funds	14	11
Expertise in fund governance / compliance with legislation issues	26	10
Change in company ownership	0	5
Other	3	11
Don't know	6	14
Total of table	296	235

**Q13.3** Has the employer ever transferred from another fund?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Yes	62	58	59
	62	58	59
No	35	39	39
	35	39	39
Don't know	3	3	2
	3	3	2
Total of table	100	100	100
	100	100	100

**Q13.4** From which fund did the employer transfer?

	2011 TOTAL	2010 TOTAL
EMPLOYER TRANSFERRED FROM ANOTHER FUND	62	58
	100	100
Employer sponsored fund	46	58
	74.2	100
Another umbrella fund	15	40
	24.2	69
Other	0	17
	0	29.3
Don't know	1	0
	1.6	0
Total of table	62	115
	100	198.3

**Q13.5** What were the three principal reasons for doing so?

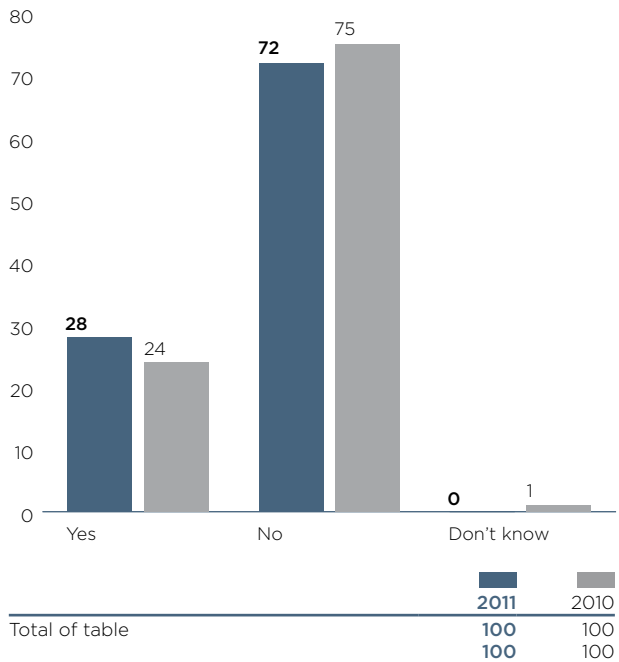
	2011 TOTAL	2010 TOTAL	2009 TOTAL
EMPLOYER SPONSORED FUND / ANOTHER UMBRELLA FUND	62	100	59
	100	100	100
Accuracy was not good	0	0	1
	0	0	1.7
Advised by broker / auditor	0	100	4
	0	100	6.8
Before my time	0	0	1
	0	0	1.7
Better benefits	1	0	2
	1.6	0	3.4
Better benefits for employees	15	7	0
	24.2	7	0
Better returns on investments	15	8	0
	24.2	8	0
Bigger financial pool	2	0	1
	3.2	0	1.7
Broker is locally based	0	0	1
	0	0	1.7
Change in company ownership / management / company policy	13	13	0
	21	13	0
Company was bought out / change of ownership	0	0	11
	0	0	18.6
Don't have expertise	6	0	1
	9.7	0	1.7
Ease of administration	30	15	0
	48.4	15	0
Fedlife went under	0	0	2
	0	0	3.4
Flexibility / more options / investment choices	2	5	0
	3.2	5	0
Fund became closed no additional members allowed	0	0	1
	0	0	1.7
Fund liquidation	0	0	3
	0	0	5.1
Have trustee ownership removed from employer	0	0	4
	0	0	6.8
Lack of trust	0	0	2
	0	0	3.4
Less admin	0	0	3
	0	0	5.1
Less risk / fiduciary responsibility now lies with the fund	2	16	0
	3.2	16	0

	2011 TOTAL	2010 TOTAL	2009 TOTAL
EMPLOYER SPONSORED FUND / ANOTHER UMBRELLA FUND	62	100	59
	100	100	100
Liked the company offering the fund	0	0	1
	0	0	1.7
More cost effective	33	16	19
	53.2	16	32.2
More effective than small fund / larger pool	2	7	0
	3.2	7	0
More investment choices	5	0	8
	8.1	0	13.6
Moved from DB to DC	2	0	1
	3.2	0	1.7
Moved from non umbrella to umbrella	0	0	5
	0	0	8.5
Poor administration / fund not managed well	2	6	7
	3.2	6	11.9
Poor communication	2	8	4
	3.2	8	6.8
Poor service from previous fund	7	0	12
	11.3	0	20.3
Previous investment house were not provident fund specialists	0	0	3
	0	0	5.1
Restructuring of fund	0	0	1
	0	0	1.7
Returns were bad	2	0	8
	3.2	0	13.6
Saving of manpower	0	0	1
	0	0	1.7
They are the experts	15	8	0
	24.2	8	0
Time constraints	0	0	2
	0	0	3.4
To create one fund / consolidation of fund	0	0	3
	0	0	5.1
Took too long to pay out benefits	0	0	1
	0	0	1.7
Other	5	10	0
	8.1	10	0
Don't know	2	0	1
	3.2	0	1.7
Total of table	163	219	114
	262.9	219	193.2

**Q13.6** How often does the sub-fund seek comparable quotes from other umbrella funds?

	2011 TOTAL	2010 TOTAL	2009 TOTAL
BASE: ALL RESPONDENTS	100	100	100
	100	100	100
Annually	23	19	25
	23	19	25
Every 2 years	9	8	14
	9	8	14
Every 3 years	18	9	14
	18	9	14
Every 4 years	2	4	0
	2	4	0
Every 5 years	6	9	14
	6	9	14
Never	17	34	17
	17	34	17
Other	11	7	10
	11	7	10
Not Applicable	2	0	0
	2	0	0
Don't know	12	10	0
	12	10	0
Mean	2.29	2.51	1.96
Total of table	100	100	100
	100	100	100

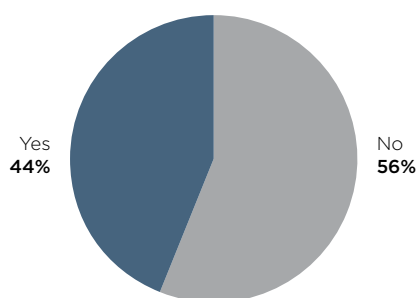
**Q13.7** Has the employer ever considered moving to another umbrella fund?



**SECTION N**

# Special Topics

**Q14.1a** Does the sub-fund make use of an independent investment consultant?



	2011
Total of table	100
	100

**Q14.1b** Who provides this service?

	2011
	TOTAL
BASE: ALL RESPONDENTS	44
	100
5th Quadrant	1
	2.3
Absa	1
	2.3
Alexander Forbes	5
	11.4
Investec Asset Consultants (IAC)	3
	6.8
Investment Solutions	4
	9.1
Jacques Malan C&A	1
	2.3
Novare C&A	1
	2.3
Old Mutual Actuaries & Consultants	2
	4.5
Riscura	1
	2.3
Selekane	1
	2.3
Simeka C&A	1
	2.3
Other	21
	47.7
Don't know	2
	4.5
Total of table	44
	100

**Q14.2** Do you perceive the proposed Regulation 28 (which imposes limits on the investments of retirement funds) to be beneficial to members of retirement funds or not?

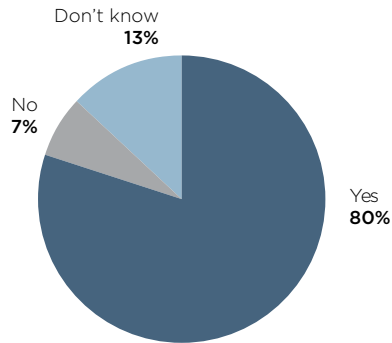
	2011
	TOTAL
BASE: ALL RESPONDENTS	100
	100
Yes, it's very beneficial	22
	22
Yes, it's somewhat beneficial	30
	30
No	21
	21
Don't know	27
	27
<b>SUMMARY</b>	
Any yes	52
	52
Total of table	100
	100

**Q14.3** In your opinion, should each member's records comply with the requirements of Regulation 28?

	2011
	TOTAL
BASE: ALL RESPONDENTS	100
	100
Yes	65
	65
Only those who have exercised choice should be regulated	7
	7
Only the fund's default portfolio should be regulated - those who have exercised choice should be free to invest as they please	6
	6
No - none should be regulated	7
	7
Don't know	15
	15
Total of table	100
	100



**Q14.4** To your knowledge does the umbrella fund ensure that each member's records are compliant with the requirements of Regulation 28?

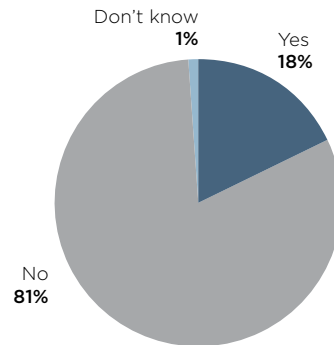


	2011
Total of table	100
	100

**Q14.5** Over the past few years, new legislation has led to the need for various system enhancements and developments. Who do you believe should carry the cost of system development and ongoing monitoring and reporting to comply with such legislation?

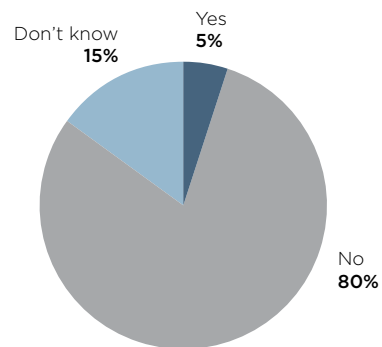
	2011
	TOTAL
BASE: ALL RESPONDENTS	100
	100
The fund	58
The employer	12
	12
The member	4
	4
The administrator	23
	23
The FSB	19
	19
Other	4
	4
Don't know	2
	2
Total of table	122
	122

**Q14.6** Are you aware of the umbrella fund's philosophy with regards to the appointment of black asset managers?



	2011
Total of table	100
	100

**Q14.7** In your sub-fund's IPS is there a specific allocation of total assets earmarked for black asset managers?



	2011
Total of table	100
	100

**Q14.8a** When looking at BEE criteria for asset managers, what weight does your sub-fund place on each of the following?

	2011 TOTAL
BASE: ALL RESPONDENTS	100
	100
Company ownership	
1 - 10%	1
	1
21 - 30%	1
	1
31 - 40%	1
	1
41 - 50%	1
	1
71 - 80%	1
	1
91 - 100%	5
	5
Not applicable	86
	86
Don't know	4
	4
Mean	66
Total of table	100
	100

**Q14.8b** When looking at BEE criteria for asset managers, what weight does your sub-fund place on each of the following?

	2011 TOTAL
BASE: ALL RESPONDENTS	100
	100
Number of BEE investment staff	
1 - 10%	2
	2
21 - 30%	1
	1
31 - 40%	1
	1
41 - 50%	1
	1
91 - 100%	1
	1
Not applicable	90
	90
Don't know	4
	4
Mean	35
Total of table	100
	100

**Q14.8c** When looking at BEE criteria for asset managers, what weight does your sub-fund place on each of the following?

	2011 TOTAL
BASE: ALL RESPONDENTS	100
	100
Number of BEE staff in total within the company	
1 - 10%	2
	2
21 - 30%	1
	1
31 - 40%	1
	1
Not applicable	92
	92
Don't know	4
	4
Mean	17.5
Total of table	100
	100

**Q14.8d** When looking at BEE criteria for asset managers, what weight does your sub-fund place on each of the following?

	2011 TOTAL
BASE: ALL RESPONDENTS	100
	100
Other	
11 - 20%	1
	1
61 - 70%	1
	1
91 - 100%	1
	1
Not applicable	93
	93
Don't know	4
	4
Mean	58.33
Total of table	100
	100

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Employee Benefits

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