

BENCHMARK SURVEY 2016

# Rethinking retirement through a new dimension

**Umbrella** databook



Insurance

Financial Planning

Retirement

Investments

Wealth



# contents:

<b>Foreword</b>	2
<b>Research methodology</b>	4
<b>Section 1:</b> General employer statistics	6
<b>Section 2:</b> Information management	11
<b>Section 3:</b> Benefit design	15
<b>Section 4:</b> Contributions	17
<b>Section 5:</b> Risk benefits	27
<b>Section 6:</b> Governance and member representation	35
<b>Section 7:</b> Retirement	37
<b>Section 8:</b> Investments	43
<b>Section 9:</b> Beneficiary funds	59
<b>Section 10:</b> Service provider selection criteria	61
<b>Section 11:</b> Financial wellness	66
<b>Section 12:</b> Special topics	69

## foreword

# The application of systems thinking in a world of transition



Over the years I have witnessed numerous changes in the financial services sector, none quite as profound as the changes brought about by technology. Klaus Schwab, founder and executive chairman of the World Economic Forum (WEF), recently published a book, *The Fourth Industrial Revolution (2015)*, which formed the backdrop for discussions at the WEF annual meeting held in Davos in January this year. The Oxford dictionary defines a revolution as a forcible overthrow of a government, or social order in favour of a new system. Schwab argues that we are at the beginning of a technological revolution that 'is fundamentally changing the way we live, work, and relate to one another'.

**Dawie de Villiers**  
Chief Executive Officer:  
Sanlam Employee Benefits

According to Schwab 'there has never been a time of greater promise, or greater peril. Business models and labour markets will be affected'.

I am proud to present the results of the 2016 Sanlam BENCHMARK™ Survey. In it my team has applied a 'systems thinking' approach to unpack the research insights. Systems thinking asserts that every individual element is interlinked and interdependent on one another for the entire system to function optimally as an integrated whole. This is a fitting approach for the retirement industry which, in itself, is at the heart of a technology revolution and impacted at every touch point. This ranges from investment administration platforms to the way funds and employers engage with members through the use of retirement fund web portals and mobile applications (apps).

### **Remaining future-fit**

What if employee benefits become less of a leverage and are no longer a competitive advantage in the war on talent?

What if the employee benefits, which constitute a salary, medical, risk and retirement benefits in the current structure, cease to exist in the format that we have come to understand?

What if the new labour market entrants are no longer motivated by monetary incentives in exchange for their 20 to 30 years of employment, with the aim of accumulating capital from which to draw an income during retirement?

As we contemplate the potential impact of the longer term trends on the retirement fund industry, we are mindful of the infrastructural challenges such as the unemployment rate of 25% and the issues within our educational system. The South African retirement fund system is challenged by members not reaching their desired retirement outcomes. We're seeing relatively low

contribution levels, lack of preservation and investment strategies that are not aligned with the targeted level of income replacement at retirement. South Africa is also ambivalent about creating a culture of entrepreneurs, which is possibly the best solution to addressing rising unemployment levels.

### **Demand for innovation**

Despite our local challenges, younger generations are entering corporate South Africa and are demanding a more innovative culture. Up until now our research has provided evidence of a workforce that is totally disengaged from the retirement fund industry. My team has approached these challenges from a fresh perspective by looking at employer offerings on a more holistic basis, considering the interconnectedness of all the moving parts that make up the intricate, complex retirement system.

We have refreshed the [www.sanlambenchmark.co.za](http://www.sanlambenchmark.co.za) research portal. You are now able to access the interactive research tool as well as all reference material in one easy place.

I trust that this edition of the Sanlam BENCHMARK Insights Summary Report is as insightful and valuable as it has been in the past, and that you will benefit from the multi-dimensional lens through which we articulate our findings and views.

My gratitude is extended to all who made this work possible.

**Dawie de Villiers**  
**CEO Sanlam Employee Benefits**



# Research methodology



by

**Danie van Zyl**

Head, Guaranteed Investments:  
Sanlam Employee Benefits

and

**Janus Engelbrecht**

Business & Product Analyst  
Sanlam Umbrella Solutions

**The size and the scope of the 2016 umbrella funds survey has remained largely consistent with the 2015 study. Interviews were conducted amongst 100 representatives of participating employers in umbrella funds.**

Respondents were selected at random and it may be possible that some participating employers included in the survey are currently participating in Sanlam Umbrella Solutions. Other participants may have assets invested with Sanlam Investments. As it was not a requirement of the study, we did not select respondents on the basis of their current retirement fund service providers. The entire fieldwork process is outsourced to BDRC, a leading marketing research agency. This is to ensure the integrity of the data and the confidentiality of all respondents at all times.

### Interview technique

Personal interviews were conducted at the offices of the respondent with each being approximately one hour in length. At times more than one employer representative participated in the interview.

Fieldwork was conducted between February and March this year.

### Sample composition

For the purposes of this survey, the sampling frame has been defined as all participating employers in commercial umbrella schemes. This year we had a slight reduction of participation in the survey from 62% to 58% year-on-year. It is also the third consecutive year that we have observed a decline in the number of employers who considered providing benefits to members via an umbrella fund arrangement. This was down to 43% in 2016 from 55% in 2014.

Respondents were selected at random with a specific quota control to ensure that the sample was statistically and demographically representative of the retirement fund industry.

This year we retained the sample size of 100 interviews. One of the questions we often receive is whether the sample size is sufficient and robust enough to make accurate statistical inferences on the employed population. The simple answer is

that a sample size of 100 for institutional research will produce an approximate margin of sampling error that is within a 6% to 10% range, and with a 95% confidence level.

This suggests that the sample size we've selected is robust and the conclusions drawn credible.

We are therefore satisfied that the sample size for this study meets statistical analysis requirements.

### Data tables and graphs

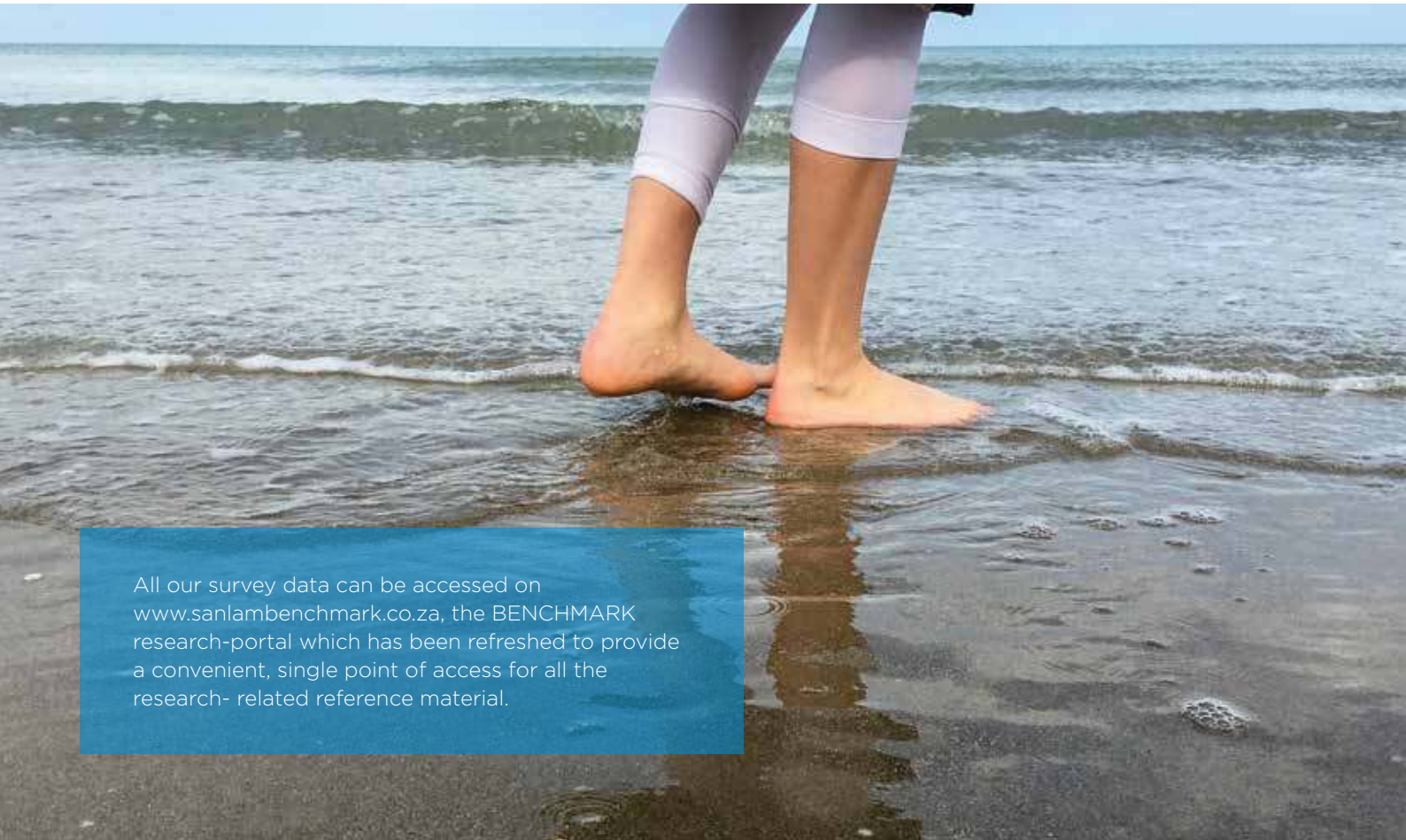
The tables and graphs in this report are based on 100 responses. In some instances the sample responses were not 100.

Where:

- the number of responses was less than 100, the question was not applicable to all respondents.
- the number of responses was greater than 100, the question allowed for multiple responses.

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

Should you require any further details or assistance in using the contents of this report, please feel free to contact any of the BENCHMARK team members, whose details are listed at the end of this report.



All our survey data can be accessed on [www.sanlambenchmark.co.za](http://www.sanlambenchmark.co.za), the BENCHMARK research-portal which has been refreshed to provide a convenient, single point of access for all the research- related reference material.

# Section 1

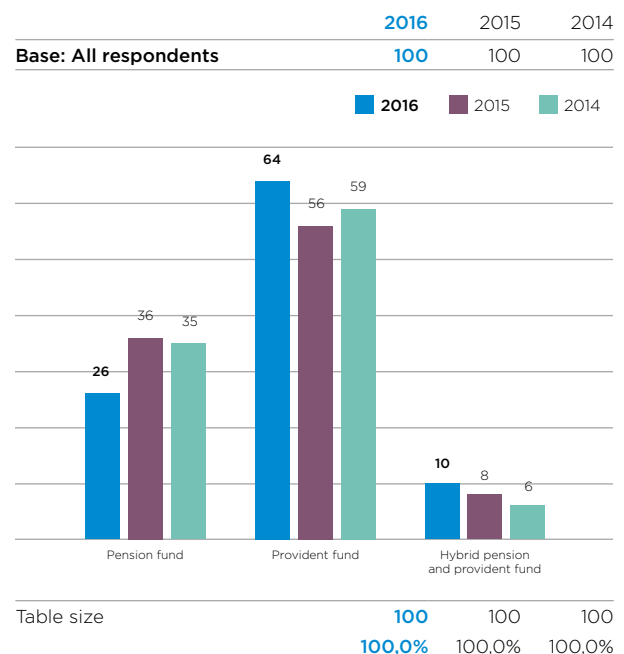
# General employer statistics

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

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Financial services	3 3,0%	7 7,0%	6 6,0%
Manufacturing	31 31,0%	33 33,0%	32 32,0%
Agriculture, forestry or fishing	6 6,0%	5 5,0%	7 7,0%
Professional or business services	7 7,0%	5 5,0%	8 8,0%
Building or construction	2 2,0%	1 1,0%	7 7,0%
Wholesale and retail	17 17,0%	17 17,0%	14 14,0%
Mining	2 2,0%	1 1,0%	3 3,0%
Government, semi-government / parastatal	2 2,0%	0 0,0%	1 1,0%
Chemical or pharmaceutical	1 1,0%	3 3,0%	1 1,0%
Engineering	4 4,0%	5 5,0%	0 0,0%
Healthcare	1 1,0%	1 1,0%	1 1,0%
Hospitality	2 2,0%	5 5,0%	4 4,0%
IT or telecoms	5 5,0%	6 6,0%	4 4,0%
Printing and publishing	1 1,0%	1 1,0%	0 0,0%
Bargaining Council	0 0,0%	0 0,0%	1 1,0%
Entertainment	1 1,0%	1 1,0%	1 1,0%
Transport / logistics	6 6,0%	6 6,0%	4 4,0%
NGO	1 1,0%	0 0,0%	2 2,0%
Property / property management	3 3,0%	-	-
Breweries, distilleries or wineries	1 1,0%	-	-
Other	4 4,0%	3 3,0%	4 4,0%
Table size	100 100,0%	100 100,0%	100 100,0%

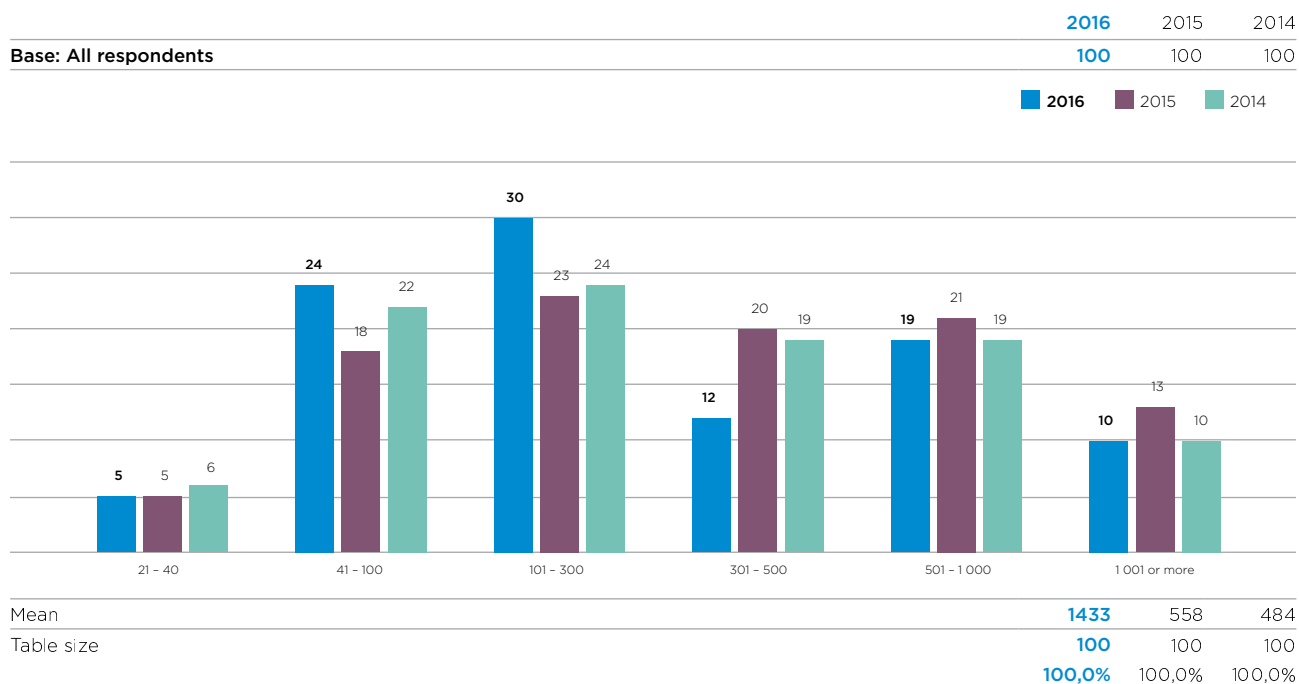
## Q1.1b Is the largest defined contribution-based retirement fund to which your employees belong (in terms of no. of members) an employer-based retirement fund or an umbrella fund?

## Q1.2 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 sub-fund)?



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

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Less than R3mil	<b>5</b> 5,0%	3 3,0%	4 4,0%
R3.1mil to R12mil	<b>14</b> 14,0%	9 9,0%	14 14,0%
R12.1mil to R30mil	<b>16</b> 16,0%	16 16,0%	16 16,0%
R30.1mil to R50mil	<b>15</b> 15,0%	7 7,0%	-
R30.1mil to R60mil	-	-	13 13,0%
R50.1mil to R120mil	<b>19</b> 19,0%	24 24,0%	-
R60.1mil to R120mil	-	-	25 25,0%
R120.1mil to R300mil	<b>14</b> 14,0%	14 14,0%	11 11,0%
R300.1mil to R500mil	<b>4</b> 4,0%	5 5,0%	5 5,0%
R500.1mil to R1bn	<b>2</b> 2,0%	6 6,0%	2 2,0%
R1.1bn to R5bn	<b>3</b> 3,0%	4 4,0%	2 2,0%
R5.1bn or more	<b>1</b> 1,0%	-	1 1,0%
Not sure	<b>2</b> 2,0%	11 11,0%	-
Refused	<b>5</b> 5,0%	1 1,0%	-
Mean (millions)	<b>R 247,40</b>	R 274,50	R 296,50
Table size	<b>100</b> 100,0%	100 100,0%	100 100,0%

### Q1.4 What is the normal retirement age for new entrants?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	101
59 or younger	<b>2</b> 2,0%	0 0,0%	0 0,0%
60	<b>20</b> 20,0%	16 16,0%	20 20,0%
62	<b>2</b> 2,0%	1 1,0%	1 1,0%
63	<b>7</b> 7,0%	4 4,0%	4 4,0%
64	<b>0</b> 0,0%	1 1,0%	0 0,0%
65	<b>66</b> 66,0%	75 75,0%	73 73,0%
66 and older	<b>2</b> 2,0%	0 0,0%	0 0,0%
Not specified - as per employment contract / arrangement with employer	<b>1</b> 1,0%	3 3,0%	2 2,0%
Mean	<b>63.69 yrs</b>	64.05 yrs	63.87 yrs
Table size	<b>100</b> 100,0%	100 100,0%	100 100,0%

### Q1.5a Which of the following are represented on the board of Trustees of the umbrella fund?

	2016
<b>Base: All respondents</b>	<b>100</b>
Deputy Principal Officer	9
	9,0%
Independent Principal Officer	11
	11,0%
Professional Principal Officer	9
	9,0%
Independent Trustee	30
	30,0%
None of these	45
	45,0%
Not sure	17
	17,0%
Table size	121
	121,0%

### Q1.5b Which of the following board committees does the umbrella fund have in place?

	2016
<b>Base: All respondents</b>	<b>100</b>
Investment Board Committee	36
	36,0%
Audit and Risk Board Committee	27
	27,0%
Actuarial Board Committee	15
	15,0%
Ill-health Board Committee	13
	13,0%
Death Benefit Board Committee	30
	30,0%
Communication and Education Board Committee	7
	7,0%
Disciplinary Board Committee	9
	9,0%
Remuneration Board Committee	7
	7,0%
Management and Strategy committee	6
	6,0%
Management Committee	4
	4,0%
Other board committee	3
	3,0%
None of these	24
	24,0%
Not sure	24
	24,0%
Table size	205
	205,0%

### Q1.10 How long has the employer been in an umbrella fund?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
1 year	2	10	7
	2,0%	10,0%	7,0%
2 years	6	4	12
	6,0%	4,0%	12,0%
3 years	6	11	10
	6,0%	11,0%	10,0%
4 years	11	8	8
	11,0%	8,0%	8,0%
5 years	11	7	2
	11,0%	7,0%	2,0%
6 years	6	3	5
	6,0%	3,0%	5,0%
7 years	2	2	5
	2,0%	2,0%	5,0%
8 years	3	5	6
	3,0%	5,0%	6,0%
9 years	6	3	3
	6,0%	3,0%	3,0%
10 years	12	11	12
	12,0%	11,0%	12,0%
More than 10 years	-	-	29
			29,0%
11 - 15 years	19	19	-
	19,0%	19,0%	-
16 - 20 years	9	10	-
	9,0%	10,0%	-
More than 20 years	7	3	-
	7,0%	3,0%	-
Other	0	4	0
	0,0%	4,0%	0,0%
Don't know	0	0	1
	0,0%	0,0%	1,0%
Mean	9,78	8,24	8,78
Table size	100	100	100
	100,0%	100,0%	100,0%

**Q1.6 to Q1.9 were only of asked of principal officers of stand-alone funds.**

### Q1.11 What were the three main reasons for joining an umbrella fund?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Ease of administration / less time consuming	<b>59</b>	46	50
	<b>59,0%</b>	46,0%	50,0%
More cost effective / cost saving	<b>55</b>	57	50
	<b>55,0%</b>	57,0%	50,0%
Allows us to focus on core business	<b>21</b>	24	22
	<b>21,0%</b>	24,0%	22,0%
Less responsibility / less fiduciary responsibility	<b>27</b>	45	42
	<b>27,0%</b>	45,0%	42,0%
Small company / too few staff members to run a fund ourselves	<b>13</b>	14	19
	<b>13,0%</b>	14,0%	19,0%
Better / more investment options	<b>21</b>	19	12
	<b>21,0%</b>	19,0%	12,0%
Investment expertise / better investment advice	<b>20</b>	21	21
	<b>20,0%</b>	21,0%	21,0%
Better benefits for employees	<b>18</b>	16	24
	<b>18,0%</b>	16,0%	24,0%
Better returns on investment	<b>13</b>	11	9
	<b>13,0%</b>	11,0%	9,0%
Expertise in fund governance / compliance with legislation	<b>18</b>	18	23
	<b>18,0%</b>	18,0%	23,0%
Change in company ownership	<b>0</b>	1	2
	<b>0,0%</b>	1,0%	2,0%
Union requested that we join	<b>0</b>	0	1
	<b>0,0%</b>	0,0%	1,0%
Larger pool	<b>0</b>	1	1
	<b>0,0%</b>	1,0%	1,0%
Other	<b>3</b>	2	0
	<b>3,0%</b>	2,0%	0,0%
Don't know	<b>4</b>	7	7
	<b>4,0%</b>	7,0%	7,0%
Table size	<b>272</b>	282	283
	<b>272,0%</b>	282,0%	283,0%

### Q1.12 Has the employer ever transferred from another umbrella fund?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100

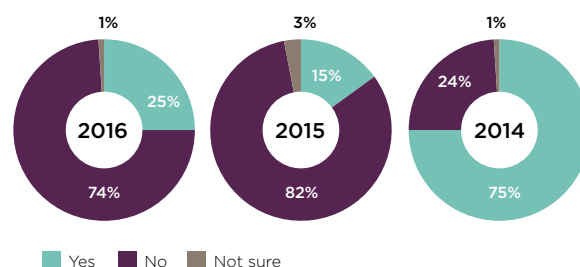


Table size	<b>100</b>	100	100
	<b>100,0%</b>	100,0%	100,0%

### Q1.13 How often does the sub-fund seek comparable quotes from other umbrella funds?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Annually	<b>29</b>	20	41
	<b>29,0%</b>	20,0%	41,0%
Every 2 years	<b>12</b>	14	7
	<b>12,0%</b>	14,0%	7,0%
Every 3 years	<b>9</b>	8	5
	<b>9,0%</b>	8,0%	5,0%
Every 4 years	<b>3</b>	6	2
	<b>3,0%</b>	6,0%	2,0%
Every 5 years	<b>12</b>	11	15
	<b>12,0%</b>	11,0%	15,0%
Never	<b>26</b>	31	18
	<b>26,0%</b>	31,0%	18,0%
Ad hoc	<b>7</b>	2	4
	<b>7,0%</b>	2,0%	4,0%
Other	<b>0</b>	4	2
	<b>0,0%</b>	4,0%	2,0%
Don't know	<b>2</b>	2	4
	<b>2,0%</b>	2,0%	4,0%
Not applicable	<b>0</b>	2	2
	<b>0,0%</b>	2,0%	2,0%
Mean	<b>1,67</b>	1,75	1,76
Table size	<b>100</b>	100	100
	<b>100,0%</b>	100,0%	100,0%

### Q1.14 Has the employer ever considered moving to another umbrella fund?

	2016	2015	2014
Base: All respondents	100	100	100

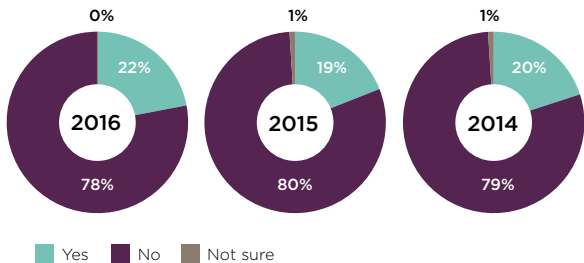


Table size	100	100	100
	100,0%	100,0%	100,0%

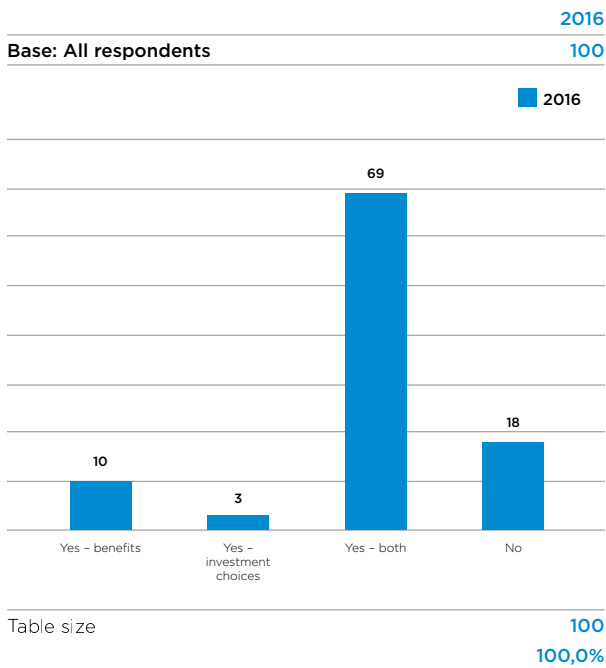
### Q1.15 What were the three principal reasons for doing so?

	2016	2015
Base: All who have considered transferring to another fund	22	19
Better benefits for members	6 27,3%	7 36,8%
Better investment returns	9 40,9%	6 31,6%
Bigger financial pool	2 9,1%	1 5,3%
Change in company policy	1 4,5%	1 5,3%
Cost saving	12 54,5%	11 57,9%
Better / easier administration	6 27,3%	8 42,1%
More investment choice for members	2 9,1%	1 5,3%
Poor service / communication from previous provider	8 36,4%	7 36,8%
Better expertise	3 13,6%	3 15,8%
Transparency of funds	0 0,0%	1 5,3%
Forced move - company we were with was taken over / business was sold - new ownership	2 9,1%	-
Other	3 13,6%	2 10,5%
Table size	54 245,5%	48 252,6%

# Section 2

# Information management

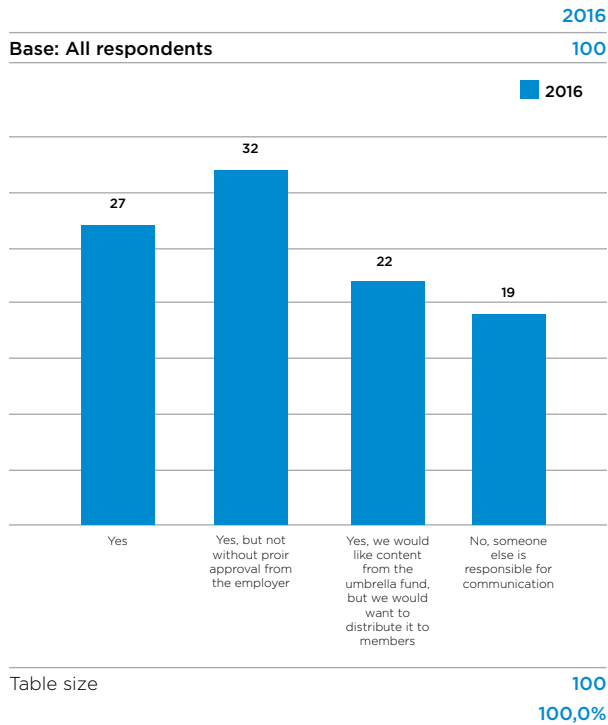
## Q2.1a Does the employer consider it necessary to measure the level of members' understanding of their benefits and investment choices?



## Q2.1b How do (or would) you measure the level of members' understanding?

Investment	2016
<b>Base: All respondents</b>	<b>82</b>
Regular feedback / member Q&A sessions	23 28,0%
Regular training / meetings / interactive workshops	21 25,6%
The queries / questions / complaints we receive	21 25,6%
Roadshows	15 18,3%
HR / PO / union officers / Trustees / administrator / advisers available to answer member queries	15 18,3%
Regular presentations	13 15,9%
Written communication is sent out regularly to members	12 14,6%
We have an annual survey / we send out questionnaires	10 12,2%
Face-to-face communication	4 4,9%
Website / internet-based communication	3 3,7%
Via emails	3 3,7%
Analysing members data on investment choices / we do analysis	3 3,7%
No formal measurement tool in place	2 2,4%
Other	1 1,2%
<b>Table size</b>	<b>146</b>
	<b>178,0%</b>

## Q2.2 Do you think the umbrella fund administrator should take a more pro-active approach in communicating with members directly or making information available?



## Q2.3 What would you like the umbrella fund administrator to communicate?

	2016
Base: All respondents	81
Fund credit values and growth thereon	57 70,4%
Member investment options	58 71,6%
Options available at withdrawal / transfer	63 77,8%
Promotion of value-adding tools, such as retirement calculators	42 51,9%
General industry-related articles	26 32,1%
Risk benefits / products and how they work	2 2,5%
Not sure	1 1,2%
Table size	249 307,4%

## Q2.4 What is the employer's preferred communication method between members and the umbrella fund administrator?

	2016
Base: All respondents	100
Via an intermediary	17 17,0%
Call centre	9 9,0%
Walk-in centre	4 4,0%
Email	70 70,0%
SMS	11 11,0%
Website - sub-fund specific	5 5,0%
Website - umbrella fund administrator	15 15,0%
An app	3 3,0%
Face-to-face / F2F presentation	5 5,0%
Written communication	5 5,0%
HR	3 3,0%
Other	1 1,0%
Table size	148 148,0%

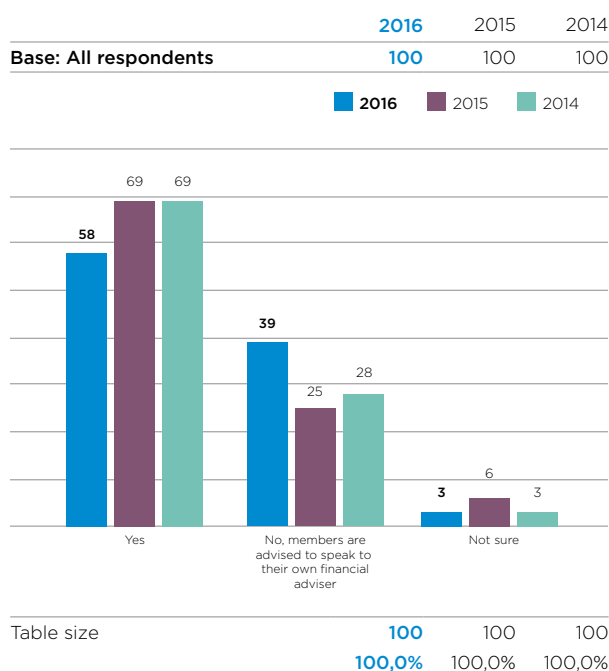
## Q2.5 On what basis is your sub-fund's consultant/broker remunerated?

	2016	2015	2014
Base: All respondents	100	100	100
Statutory commission paid annually in advance	8 8,0%	11 11,0%	8 8,0%
Statutory commission paid monthly	27 27,0%	24 24,0%	23 23,0%
Fee as negotiated between the employer and the adviser	52 52,0%	36 36,0%	24 24,0%
Build in to admin fee / part of admin fee	2 2,0%	9 9,0%	18 18,0%
Other	0 0,0%	2 2,0%	0 0,0%
None	0 0,0%	1 1,0%	0 0,0%
Not sure	7 7,0%	13 13,0%	26 26,0%
Not applicable	4 4,0%	4 4,0%	1 1,0%
<b>Summary</b>			
Any statutory commission	35 35,0%	35 35,0%	31 31,0%
Table size	100 100,0%	100 100,0%	100 100,0%

### Q2.6 How is the consulting fee expressed?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Rand value per member per month	17	18	15
	17,0%	18,0%	15,0%
Percentage of salary	38	28	29
	38,0%	28,0%	29,0%
Percentage of contribution	18	15	9
	18,0%	15,0%	9,0%
Percentage of assets	1	3	3
	1,0%	3,0%	3,0%
Combination of the above	7	7	7
	7,0%	7,0%	7,0%
Fixed fee	1	3	0
	1,0%	3,0%	0,0%
Not applicable	3	7	8
	3,0%	7,0%	8,0%
Not sure	15	19	29
	15,0%	19,0%	29,0%
Table size	100	100	100
	100,0%	100,0%	100,0%

### Q2.7 Does the sub-fund have a formalised strategy for rendering financial advice to active members (whether in consultation with the employer or on its own)?



### Q2.8 Which of the following best describes the sub-fund's strategy for rendering financial advice to active members?

	2016	2015
<b>Base: All who have a formalised strategy for rendering advice to members</b>	<b>58</b>	69
The sub-fund refers members to preferred financial advisers	16	43
	27,6%	62,3%
The sub-fund offers advice services to members by way of an adviser paid for or subsidised by the sub-fund	10	15
	17,2%	21,7%
The sub-fund facilitates financial advice services to members by way of an adviser charging a negotiated special fee	1	1
	1,7%	1,4%
The umbrella fund administrator provides factual information about available options. If the member requires further financial advice, the member can be referred to the fund's financial adviser	30	-
	51,7%	-
The sub-fund took special measures to change the benefit structure and offer tools and procedures that educate and empower members to make informed decisions	1	10
	1,7%	14,5%
Table size	58	69
	100,0%	100,0%

### Q2.9 Given National Treasury's guidance on funds requiring a retirement benefits counsellor to provide members with advice, what format would you see this taking?

	2016
<b>Base: All respondents</b>	<b>100</b>
Dedicated salaried adviser to the sub-fund	30
	30,0%
Adviser remunerated on a pay-per-use basis	43
	43,0%
Automated advice / robo-advice	9
	9,0%
HR specialist trained on default product features	24
	24,0%
Financial adviser employed by the umbrella fund	4
	4,0%
Not sure	4
	4,0%
Table size	114
	114,0%

### Q2.10a Does your current adviser provide advice only on the defaults of the sub-fund, or on other products as well?

	2016
<b>Base: All respondents</b>	<b>100</b>
Only on defaults	17 17,0%
Only on options accessible through the sub-fund	14 14,0%
Provides broad financial advice	46 46,0%
Not sure	4 4,0%
Not applicable - we don't have an adviser	19 19,0%
Table size	100 100,0%

### Q2.12 Would your sub-fund consider using robo-advice to provide members with access to financial advice?

	2016
<b>Base: All respondents</b>	<b>100</b>
Yes, we believe this could be a cheaper solution than other advice options available	9 9,0%
Yes, but in conjunction with a person to assist members	28 28,0%
No, we do not believe this will be suitable for our membership	63 63,0%
Table size	100 100,0%

### Q2.11 Who provides financial advice in terms of FAIS?

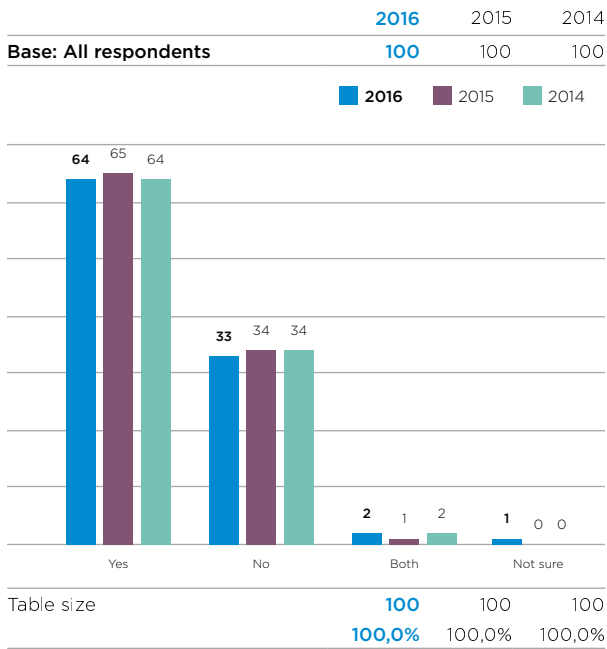
	2016	2015	2014
<b>Base: All respondents</b>			
<b>Base pre 2015: All with a formal strategy for rendering advice</b>			
Consultant/broker on your sub-fund	100 78	100	69
Separate financial adviser to the employer	78,0%	71,0%	85,5%
Members' own financial adviser or broker	9 9,0%	12	8
None	25 25,0%	26	12
Not sure	1 1,0%	-	-
Table size	2 2,0%	2	0
	115 115,0%	111	79
		111,0%	114,5%



# Section 3

## Benefit design

### Q3.1 Is the employer's remuneration package structured on a total-cost-to-company basis?



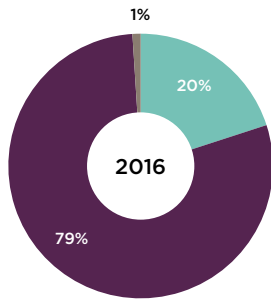
### Q3.2a What percentage of the total remuneration is pensionable remuneration (PEAR)?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Less than 70%	<b>24</b>	28	16
	<b>24,0%</b>	28,0%	16,0%
70.1% to 80%	<b>20</b>	25	19
	<b>20,0%</b>	25,0%	19,0%
80.1% to 90%	<b>6</b>	16	13
	<b>6,0%</b>	16,0%	13,0%
90.1% to 100%	<b>44</b>	23	46
	<b>44,0%</b>	23,0%	46,0%
Members can select their own PEAR percentage	<b>0</b>	0	5
	<b>0,0%</b>	0,0%	5,0%
Other	<b>0</b>	4	0
	<b>0,0%</b>	4,0%	0,0%
Not sure	<b>6</b>	4	1
	<b>6,0%</b>	4,0%	5,0%
Mean	<b>74,6</b>	66,76	84,52
Table size	<b>100</b>	100	100
	<b>100,0%</b>	100,0%	100,0%

### Q3.2b Can members choose their own pensionable earnings (PEAR)?

2016

Base: All respondents 100



Yes No Not sure

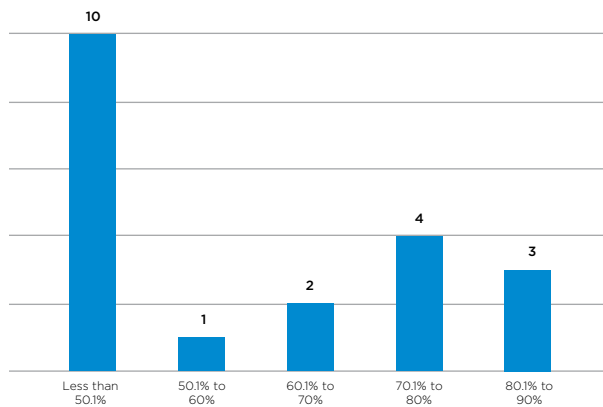
Table size 100  
100,0%

### 3.2c What is the average pensionable earnings (PEAR) selected?

2016

Base: All whose members can choose their own pensionable earnings 20

2016



Mean 51,78

Table size 20  
100,0%

### Q3.3 Are you considering aligning PEAR with the definitions in the Income Tax Act ahead of T-Day (in respect of remuneration)?

2016 2015

Response	2016	2015
Base: All respondents	100	100
Yes	40	42
	40,0%	42,0%
No	38	39
	38,0%	39,0%
Not sure	22	19
	22,0%	19,0%
Table size	100	100
	100,0%	100,0%

# Section 4

## Contributions

### Q4.1a How is the cost of the pure administration fee of the sub-fund expressed?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
As a fixed cost per member per month	25	28	26
	25,0%	28,0%	26,0%
As a % of the member's salary	62	66	54
	62,0%	66,0%	54,0%
% of contribution	0	2	15
	0,0%	2,0%	15,0%
As a % of the total asset value of the fund	7	5	0
	7,0%	5,0%	0,0%
Combination of the above	0	0	3
	0,0%	0,0%	3,0%
Other	4	-	-
	4,0%		
Not sure	2	3	2
	2,0%	3,0%	2,0%
Table size	100	104	100
	100,0%	104,0%	100,0%

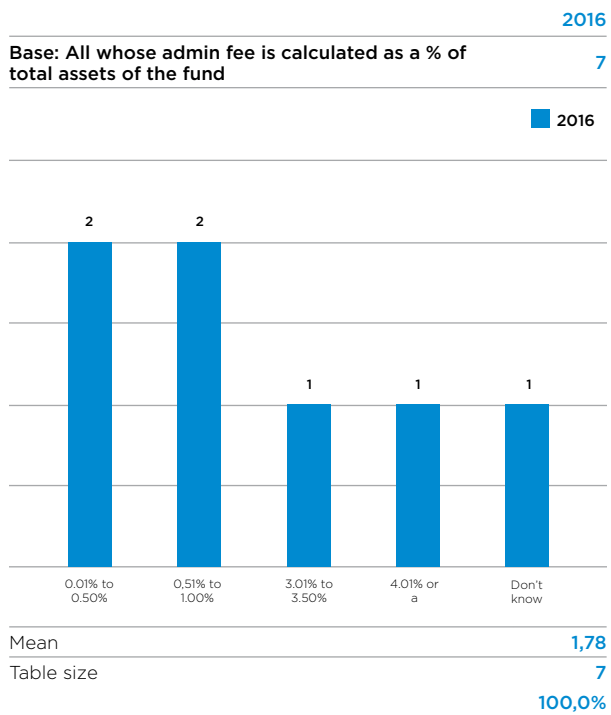
### Q4.2a What % of each member's salary (as a proportion of PEAR) goes towards sub-fund administration?

	2016
<b>Base: All whose admin fee is calculated as a % of member's salary</b>	<b>62</b>
0.01% to 0.50%	31
	50,0%
0.51% to 1.00%	17
	27,4%
1.01% to 1.50%	4
	6,5%
1.51% to 2.00%	2
	3,2%
2.01% to 2.50%	1
	1,6%
2.51% to 3.00%	1
	1,6%
4.01% or more	2
	3,2%
Not sure	4
	6,5%
Mean	0,85
Table size	62
	100,0%

### Q4.1b How would you prefer the fee to be expressed?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
As a fixed cost per member per month	28	34	29
	28,0%	34,0%	29,0%
As a % of the member's salary	62	61	51
	62,0%	61,0%	51,0%
% of contribution	0	2	15
	0,0%	2,0%	15,0%
As a % of the total asset value of the fund	5	4	0
	5,0%	4,0%	0,0%
Combination of the above	0	0	3
	0,0%	0,0%	3,0%
Other	4	-	-
	4,0%		
Not sure	1	3	2
	1,0%	3,0%	2,0%
Table size	100	104	100
	100,0%	104,0%	100,0%

**Q4.2b What % of the asset value of the sub-fund goes towards the cost of pure administration (total fund management fees – excluding asset management fees)?**



**Q4.2c What are the sub-fund's administration costs per member per month as a fixed cost?**

	2016
Base: All whose admin fee is calculated as a fixed cost per member per month	25
R10 to R14	2
	8,0%
R15 to R24	9
	36,0%
R25 to R29	1
	4,0%
R30 to R34	1
	4,0%
R35 to R39	2
	8,0%
R40 to R44	1
	4,0%
R45 to R49	3
	12,0%
R50 to R54	1
	4,0%
R60 to R64	1
	4,0%
R75 to R79	1
	4,0%
R80 or more	2
	8,0%
Varies according to level of contribution	1
	4,0%
Mean	R 40,36
Table size	25
	100,0%

### Q4.3 What are the current total monthly pensionable salaries?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Up to R300,000	<b>8</b> <b>8,0%</b>	6 6,0%	4 4,0%
R300,001 to R500,000	<b>6</b> <b>6,0%</b>	4 4,0%	5 5,0%
R500,001 to R1,000,000	<b>9</b> <b>9,0%</b>	5 5,0%	10 10,0%
R1,000,001 to R5,000,000	<b>33</b> <b>33,0%</b>	36 36,0%	30 30,0%
R5,000,001 to R10,000,000	<b>15</b> <b>15,0%</b>	16 16,0%	23 23,0%
R10,000,001 to R50,000,000	<b>13</b> <b>13,0%</b>	13 13,0%	18 18,0%
R50,000,001 to R70,000,000	<b>2</b> <b>2,0%</b>	1 1,0%	1 1,0%
R70,000,001 to R90,000,000	<b>3</b> <b>3,0%</b>	1 1,0%	2 2,0%
R90,000,001 +	<b>0</b> <b>0,0%</b>	5 5,0%	0 0,0%
Don't know	<b>8</b> <b>8,0%</b>	9 9,0%	2 2,0%
Not applicable	<b>0</b> <b>0,0%</b>	0 0,0%	3 3,0%
Refused	<b>3</b> <b>3,0%</b>	4 4,0%	2 2,0%
Mean (in millions)	<b>9,07</b>	16,1	8,89
Table size	<b>100</b> <b>100,0%</b>	100 100,0%	100 100,0%

### Q4.4a 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?

Total GLA benefits	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
0.01% to 0.50%	<b>9</b> <b>9,0%</b>	8 8,0%	4 4,0%
0.51% to 1.00%	<b>28</b> <b>28,0%</b>	8 8,0%	12 12,0%
1.01% to 1.50%	<b>17</b> <b>17,0%</b>	16 16,0%	15 15,0%
1.51% to 2.00%	<b>16</b> <b>16,0%</b>	17 17,0%	13 13,0%
2.01% to 2.50%	<b>7</b> <b>7,0%</b>	10 10,0%	12 12,0%
2.51% to 3.00%	<b>8</b> <b>8,0%</b>	3 3,0%	11 11,0%
3.01% to 3.50%	<b>3</b> <b>3,0%</b>	5 5,0%	4 4,0%
3.51% to 4.00%	<b>1</b> <b>1,0%</b>	1 1,0%	1 1,0%
4.01% or more	<b>1</b> <b>1,0%</b>	4 4,0%	2 2,0%
Other	<b>2</b> <b>2,0%</b>	2 2,0%	0 0,0%
Not sure	<b>8</b> <b>8,0%</b>	26 26,0%	0 0,0%
Not applicable	<b>0</b> <b>0,0%</b>	0 0,0%	26 26,0%
Mean	<b>1,42</b>	1,74	1,81
Table size	<b>100</b> <b>100,0%</b>	100 100,0%	100 100,0%

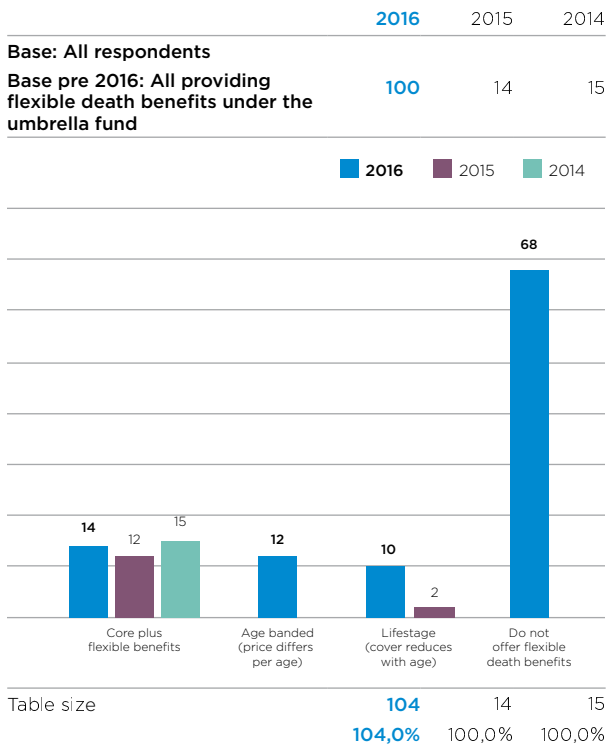
#### Q4.4b What percentage of salaries is applied to the total cost of Group Life Assurance (GLA) benefits, the cost of core benefits and the cost of flexible risk benefits respectively?

Core benefits	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
0.01% to 0.50%	<b>13</b> <b>13,0%</b>	14 14,0%	8 8,0%
0.51% to 1.00%	<b>26</b> <b>26,0%</b>	10 10,0%	20 20,0%
1.01% to 1.50%	<b>18</b> <b>18,0%</b>	14 14,0%	10 10,0%
1.51% to 2.00%	<b>17</b> <b>17,0%</b>	10 10,0%	13 13,0%
2.01% to 2.50%	<b>6</b> <b>6,0%</b>	6 6,0%	7 7,0%
2.51% to 3.00%	<b>3</b> <b>3,0%</b>	2 2,0%	4 4,0%
3.01% to 3.50%	<b>1</b> <b>1,0%</b>	5 5,0%	3 3,0%
3.51% to 4.00%	<b>0</b> <b>0,0%</b>	1 1,0%	0 0,0%
4.01% or more	<b>2</b> <b>2,0%</b>	3 3,0%	1 1,0%
Differs by age/area	<b>0</b> <b>0,0%</b>	1 1,0%	0 0,0%
Other	<b>1</b> <b>1,0%</b>	1 1,0%	1 1,0%
Not sure	<b>12</b> <b>12,0%</b>	32 32,0%	0 0,0%
Not applicable	<b>1</b> <b>1,0%</b>	1 1,0%	33 33,0%
Mean	<b>1,26</b>	1,5	1,41
Table size	<b>100</b> <b>100,0%</b>	100 100,0%	100 100,0%

#### Q4.4c 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?

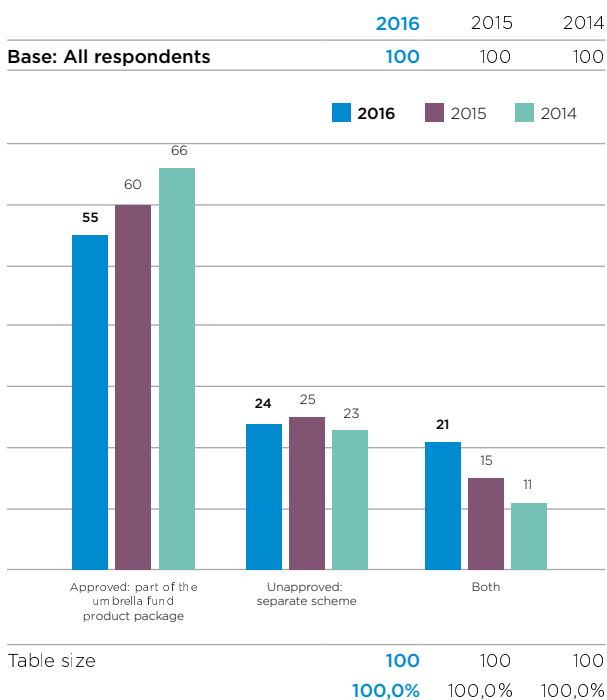
Flexible risk benefits	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
0%	<b>0</b> <b>0,0%</b>	33 33,0%	8 8,0%
0.01% to 0.50%	<b>6</b> <b>6,0%</b>	6 6,0%	7 7,0%
0.51% to 1.00%	<b>5</b> <b>5,0%</b>	8 8,0%	11 11,0%
1.01% to 1.50%	<b>3</b> <b>3,0%</b>	4 4,0%	8 8,0%
1.51% to 2.00%	<b>1</b> <b>1,0%</b>	1 1,0%	1 1,0%
2.01% to 2.50%	<b>1</b> <b>1,0%</b>	3 3,0%	1 1,0%
2.51% to 3.00%	<b>0</b> <b>0,0%</b>	0 0,0%	1 1,0%
3.01% to 3.50%	<b>1</b> <b>1,0%</b>	0 0,0%	1 1,0%
4.01% or more	<b>0</b> <b>0,0%</b>	2 2,0%	0 0,0%
Other	<b>3</b> <b>3,0%</b>	4 4,0%	2 2,0%
Not sure	<b>11</b> <b>11,0%</b>	15 15,0%	0 0,0%
Not applicable	<b>69</b> <b>69,0%</b>	24 24,0%	60 60,0%
Mean	<b>0,96</b>	0,52	0,79
Table size	<b>100</b> <b>100,0%</b>	100 100,0%	100 100,0%

### Q4.5 What type of flexible death benefits do you offer?

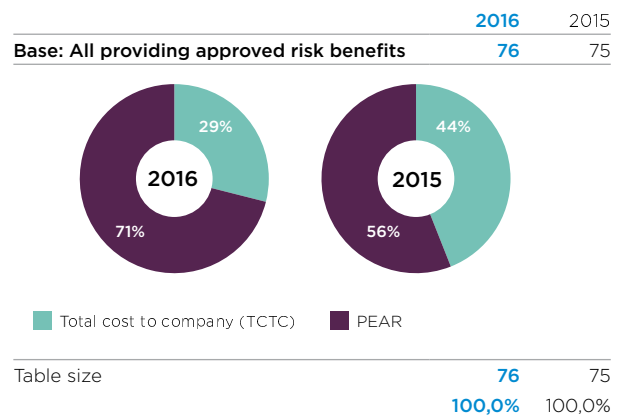


### Q4.6 was asked only of principal officers of stand-alone funds.

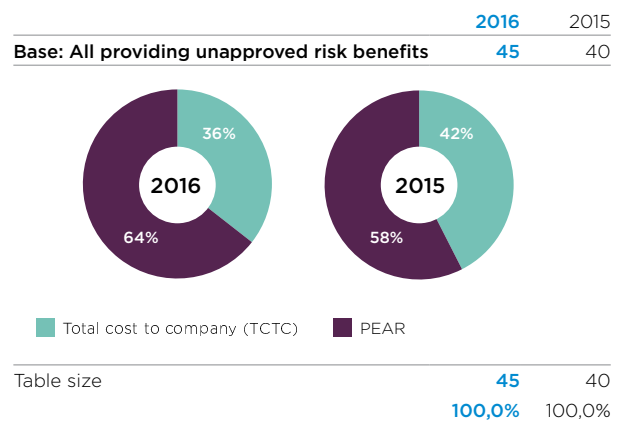
### Q4.7 Are risk benefits provided as part of the umbrella fund product package (approved) or are they provided through a separate scheme (unapproved)?



### Q4.8 Are your approved risk benefits defined as a percentage of salary where the salary is defined as / based on?



### Q4.9 Are your unapproved risk benefits defined as a percentage of salary where the salary is defined as / based on?



### Q4.10 You mentioned earlier that the fund provides risk benefits based on PEAR. Do you see a move towards a unified definition based on TCTC?

	2016	2015
Base: All who provide risk benefits based on PEAR	69	100
Base pre 2016: All respondents		

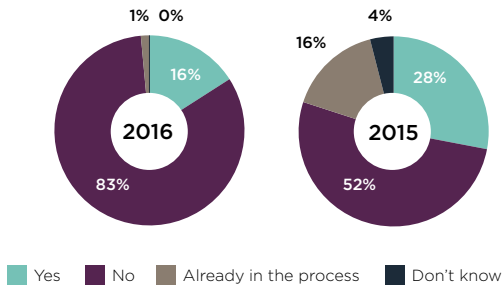


Table size	69	100
	100,0%	100,0%

### Q4.11a What percentage of salaries is applied to the total cost of death benefits / life cover under the umbrella fund and under a separate scheme?

	2016	2015	2014
Under the Umbrella Fund			
Base: All who provide risk benefits	100	60	81
Base pre 2016: All who do not offer flexible death benefits			
0.01% to 0.50%	5	8	5
	5,0%	13,3%	6,2%
0.51% to 1.00%	27	7	9
	27,0%	11,7%	11,1%
1.01% to 1.50%	16	12	14
	16,0%	20,0%	17,3%
1.51% to 2.00%	12	2	10
	12,0%	3,3%	12,3%
2.01% to 2.50%	2	2	5
	2,0%	3,3%	6,2%
2.51% to 3.00%	4	2	3
	4,0%	3,3%	3,7%
3.01% to 3.50%	1	3	1
	1,0%	5,0%	1,2%
3.51% to 4.00%	2	0	3
	2,0%	0,0%	3,7%
4.01% or more	0	1	2
	0,0%	1,7%	2,5%
No benefit	24	2	19
	24,0%	3,3%	23,5%
Not sure	7	21	10
	7,0%	35,0%	12,3%
Mean	1,29	1,34	1,64
Table size	100	60	81
	100,0%	100,0%	100,0%
Table size	100	24	81
	100,0%	100,0%	100,0%

### Q4.11b What percentage of salaries is applied to the total cost of death benefits / life cover under the umbrella fund and under a separate scheme?

	2016	2015	2014
Under a separate scheme			
Base: All who provide risk benefits	100	24	81
Base pre 2016: All who do not offer flexible death benefits			
0%	2	0	0
	2,0%	0,0%	0,0%
0.01% to 0.50%	2	3	1
	2,0%	12,5%	1,2%
0.51% to 1.00%	7	3	6
	7,0%	12,5%	7,4%
1.01% to 1.50%	7	6	4
	7,0%	25,0%	4,9%
1.51% to 2.00%	2	4	1
	2,0%	16,7%	1,2%
2.01% to 2.50%	4	1	2
	4,0%	4,2%	2,5%
2.51% to 3.00%	2	1	2
	2,0%	4,2%	2,5%
3.01% to 3.50%	1	1	3
	1,0%	4,2%	3,7%
4.01% or more	1	0	0
	1,0%	0,0%	0,0%
No benefit	65	1	60
	65,0%	4,2%	74,1%
Other	1	0	0
	1,0%	0,0%	0,0%
Not sure	6	4	2
	6,0%	16,7%	2,5%
Mean	1,43	1,36	1,64
Table size	100	24	81
	100,0%	100,0%	100,0%



#### Q4.12a What percentage of salaries is applied to the cost of disability income benefits under the umbrella fund and under a separate scheme?

Under the umbrella fund	2016	2015	2014
<b>Base: All who provide risk benefits</b>	<b>100</b>	100	100
<b>Base pre 2016: All respondents</b>			
0%	1 1,0%	1 1,0%	1 1,0%
0.01% to 0.50%	11 11,0%	8 8,0%	7 7,0%
0.51% to 1.00%	20 20,0%	15 15,0%	22 22,0%
1.01% to 1.50%	18 18,0%	8 8,0%	16 16,0%
1.51% to 2.00%	6 6,0%	4 4,0%	6 6,0%
2.01% to 2.50%	1 1,0%	4 4,0%	0 0,0%
2.51% to 3.00%	1 1,0%	3 3,0%	1 1,0%
3.01% to 3.50%	1 1,0%	1 1,0%	2 2,0%
4.01% or more	1 1,0%	1 1,0%	2 2,0%
Other	1 1,0%	1 1,0%	0 0,0%
No benefit	31 31,0%	36 36,0%	28 28,0%
Not sure	8 8,0%	18 18,0%	15 15,0%
Mean	1,05	1,22	1,17
Table size	100 100,0%	100 100,0%	100 100,0%

#### Q4.12b What percentage of salaries is applied to the cost of disability income benefits under the umbrella fund and under a separate scheme?

Under a separate scheme	2016	2015	2014
<b>Base: All who provide risk benefits</b>	<b>100</b>	100	100
<b>Base pre 2016: All respondents</b>			
0%	3 3,0%	0 0,0%	0 0,0%
0.01% to 0.50%	5 5,0%	5 5,0%	4 4,0%
0.51% to 1.00%	15 15,0%	16 16,0%	11 11,0%
1.01% to 1.50%	5 5,0%	10 10,0%	7 7,0%
1.51% to 2.00%	2 2,0%	2 2,0%	2 2,0%
2.01% to 2.50%	2 2,0%	0 0,0%	1 1,0%
2.51% to 3.00%	3 3,0%	0 0,0%	1 1,0%
3.51% to 4.00%	0 0,0%	1 1,0%	0 0,0%
No benefit	60 60,0%	62 62,0%	71 71,0%
Not sure	5 5,0%	4 4,0%	3 3,0%
Mean	1	0,97	1,02
Table size	100 100,0%	100 100,0%	100 100,0%

#### Q4.13 Which of the following does the employer pay?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Fixed contribution only (i.e. total cost to company - no additional costs)	40 40,0%	33 33,0%	37 37,0%
Fixed contribution plus the cost of administration	2 2,0%	5 5,0%	2 2,0%
Fixed contribution plus the cost of risk benefits	4 4,0%	2 2,0%	4 4,0%
Fixed contribution plus the cost of administration and the cost of risk benefits	50 50,0%	60 60,0%	55 55,0%
Other	0 0,0%	0 0,0%	1 1,0%
None	1 1,0%	0 0,0%	1 1,0%
Not sure	3 3,0%	0 0,0%	0 0,0%
Table size	100 100,0%	100 100,0%	100 100,0%

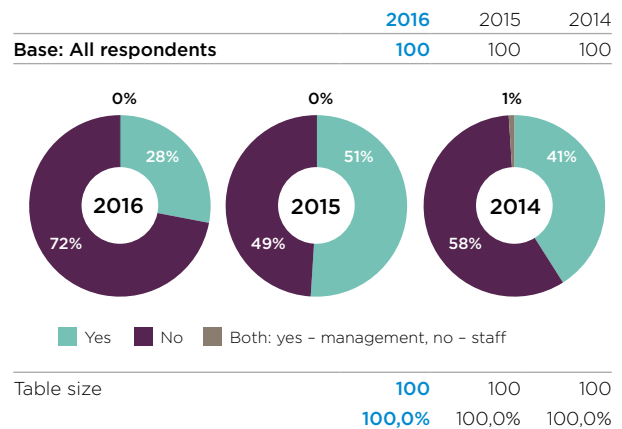
#### Q4.14 What on average are the employer's total contributions (excluding any contributions made to an unapproved scheme), expressed as a percentage of total average annual salary?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
0%	2	4	2
	2,0%	4,0%	2,0%
0.1% to 5%	10	8	9
	10,0%	8,0%	9,0%
5.1% to 7.5%	24	22	21
	24,0%	22,0%	21,0%
7.6% to 10%	24	26	26
	24,0%	26,0%	26,0%
10.1% to 11%	10	9	15
	10,0%	9,0%	15,0%
11.1% to 12.5%	3	8	8
	3,0%	8,0%	8,0%
12.6% to 15%	12	13	11
	12,0%	13,0%	11,0%
15.1% or more	7	6	4
	7,0%	6,0%	4,0%
Varies	0	2	1
	0,0%	2,0%	1,0%
Not sure	8	2	2
	8,0%	2,0%	2,0%
Not applicable	0	0	1
	0,0%	0,0%	1,0%
Mean	9,54	8,8	8,46
Table size	100	100	100
	100,0%	100,0%	100,0%

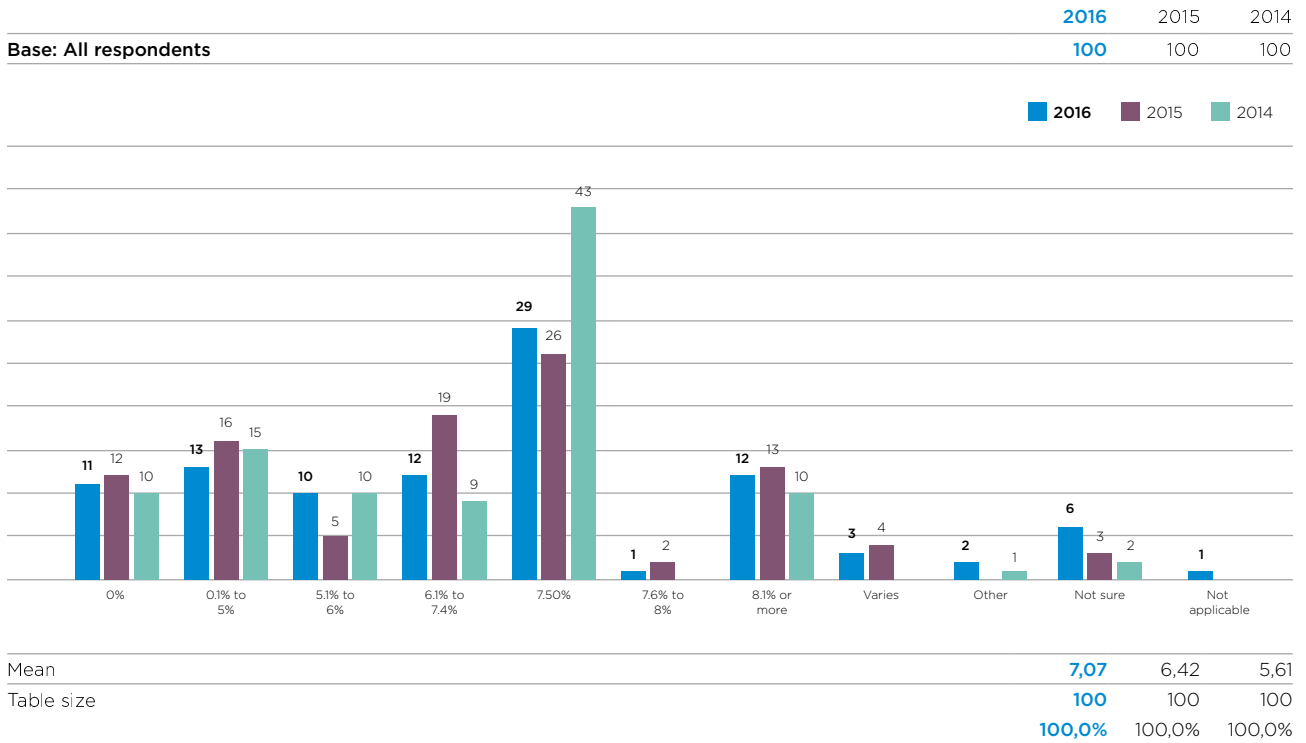
#### Q4.15 Can members choose the level of contribution by the employer in terms of their remuneration package structure arrangement (i.e. even though it may only be within certain parameters)?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Yes	25	33	25
	25,0%	33,0%	25,0%
No	75	66	75
	75,0%	66,0%	75,0%
Not sure	0	1	0
	0,0%	1,0%	0,0%
Table size	100	100	100
	100,0%	100,0%	100,0%

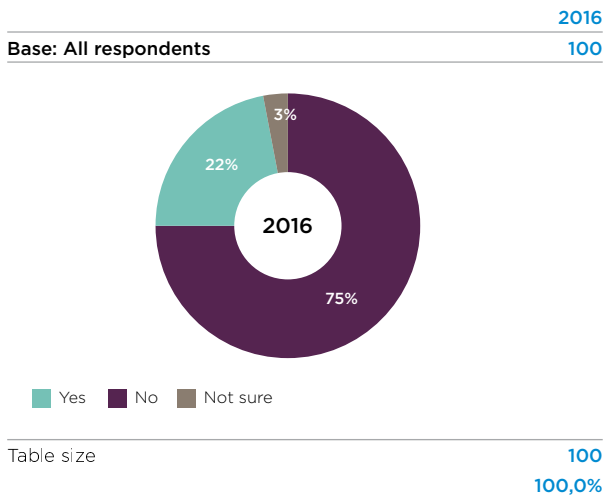
#### Q4.16 Can members choose their own contribution levels (i.e. even though it may only be within certain parameters and at certain intervals)?



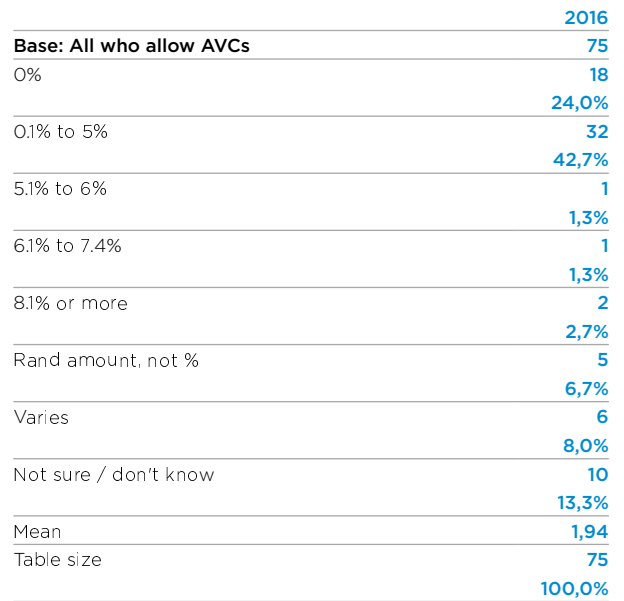
**Q4.17 What contribution (as a percentage of salary and excluding any additional voluntary contributions) is made by members on average?**



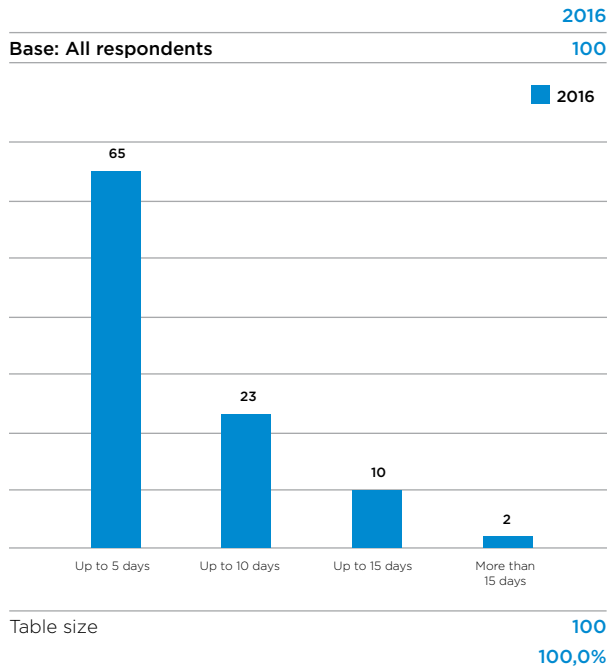
**Q4.18a Does the sub-fund allow for members to make additional voluntary contributions via the sub-fund?**



**Q4.18b What additional voluntary contribution (as a percentage of salary) is made by members on average?**



**Q4.19 What do you think is a reasonable turnaround time for the investment of contributions, from payment into the sub-fund's bank account to investment of the cash in the market?**



# Section 5

## Risk benefits

### Q5.1a What is the size of the lump sum payable on death on your approved fund?

	2016	2015	2014
<b>Base: All providing approved risk benefits</b>	<b>76</b>	75	77
1 x annual salary	5 6,6%	5 6,7%	6 7,8%
1.5 x annual salary	0 0,0%	2 2,7%	-
2 x annual salary	13 17,1%	12 16,0%	13 16,9%
2.5 x annual salary	2 2,6%	3 4,0%	-
3 x annual salary	23 30,3%	19 25,3%	26 33,8%
4 x annual salary	14 18,4%	16 21,3%	13 16,9%
5 x annual salary	5 6,6%	5 6,7%	6 7,8%
More than 5 x annual salary	2 2,6%	0 0,0%	1 1,3%
Scaled per age band	6 7,9%	4 5,3%	4 5,2%
Members have flexible benefits, so it varies from member to member	3 3,9%	9 12,0%	7 9,1%
No lump sum	0 0,0%	0 0,0%	1 1,3%
Not sure	3 3,9%	0 0,0%	0 0,0%
Mean	3,09	2,99	3,05
Table size	76	75	77
	100,0%	100,0%	100,0%

### Q5.1b What is the size of the lump sum payable on death on your unapproved scheme?

	2016	2015	2014
<b>Base: All providing unapproved risk benefits</b>	<b>45</b>	40	26
1 x annual salary	1 2,2%	0 0,0%	0 0,0%
2 x annual salary	4 8,9%	4 10,0%	2 7,7%
2.5 x annual salary	1 2,2%	1 2,5%	0 0,0%
3 x annual salary	8 17,8%	13 32,5%	9 34,6%
4 x annual salary	9 20,0%	6 15,0%	7 26,9%
5 x annual salary	3 6,7%	5 12,5%	2 7,7%
Scaled per age band	2 4,4%	1 2,5%	1 3,8%
Fixed amount	1 2,2%	0 0,0%	0 0,0%
Members have flexible benefits, so it varies from member to member	4 8,9%	6 15,0%	4 15,4%
No lump sum	12 26,7%	3 7,5%	0 0,0%
Not sure	0 0,0%	1 2,5%	1 3,8%
Mean	3,33	3,4	3,45
Table size	45	40	26
	100,0%	100,0%	100,0%

### Q5.1c What is the size of the lump sum payable on disability on your approved fund?

	2016	2015	2014
<b>Base: All providing approved risk benefits</b>	<b>76</b>	75	73
1 x annual salary	2 2,6%	4 5,3%	5 6,8%
1.5 x annual salary	0 0,0%	1 1,3%	0 0,0%
2 x annual salary	5 6,6%	5 6,7%	6 8,2%
2.5 x annual salary	1 1,3%	1 1,3%	0 0,0%
3 x annual salary	6 7,9%	1 1,3%	4 5,5%
4 x annual salary	2 2,6%	2 2,7%	3 4,1%
Scaled per age band	4 5,3%	3 4,0%	-
Fixed amount	1 1,3%	3 4,0%	-
Members have flexible benefits, so it varies from member to member	0 0,0%	3 4,0%	-
Other	0 0,0%	0 0,0%	13 17,8%
No lump sum	52 68,4%	52 69,3%	40 54,8%
Not sure	3 3,9%	0 0,0%	2 2,7%
Mean	2,53	2,07	2,42
Table size	76 100,0%	75 100,0%	73 100,0%

### Q5.1d What is the size of the lump sum payable on disability on your unapproved scheme?

	2016	2015	2014
<b>Base: All providing unapproved risk benefits</b>	<b>45</b>	40	26
1 x annual salary	3 6,7%	2 5,0%	0 0,0%
2 x annual salary	0 0,0%	0 0,0%	2 7,7%
3 x annual salary	1 2,2%	2 5,0%	9 34,6%
4 x annual salary	0 0,0%	0 0,0%	7 26,9%
5 x annual salary	1 2,2%	1 2,5%	2 7,7%
Scaled per age band	2 4,4%	0 0,0%	1 3,8%
Fixed amount	1 2,2%	4 10,0%	-
Members have flexible benefits, so it varies from member to member	0 0,0%	1 2,5%	4 15,4%
No lump sum	37 82,2%	29 72,5%	-
Not sure	0 0,0%	1 2,5%	1 3,8%
Mean	2,2	2,6	3,45
Table size	45 100,0%	40 100,0%	26 100,0%

### Q5.2 Are insured benefits automatically underwritten by an 'in-house' insurance company that is associated with the sponsor?

	2016	2015	2014
<b>Base: All providing approved risk benefits</b>	<b>76</b>	75	77

Response	2016	2015	2014
Yes	39	41	37
No	31	27	31
Not sure	6	7	9

Table size	76 100,0%	75 100,0%	77 100,0%
------------	--------------	--------------	--------------

### Q5.3a Does the employer offer insured benefits through insurance companies other than the sponsor or its associated companies?

	2016	2015
Base: All providing approved risk benefits	76	75

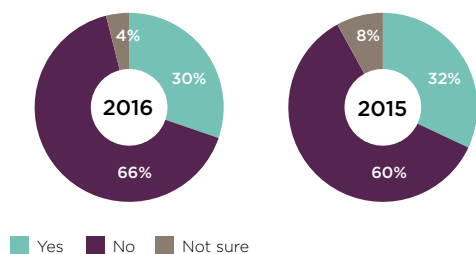


Table size	76	75
	100,0%	100,0%

### Q5.3b Which insurers?

	2016	2015
Base: All offering insured benefits through insurance companies other than the sponsor or its associated companies	23	24
Momentum / Metropolitan / MMI	2 8,7%	6 25,0%
Hollard	3 13,0%	6 25,0%
Sanlam	4 17,4%	4 16,7%
Capital Alliance	5 21,7%	3 12,5%
Old Mutual	4 17,4%	3 12,5%
Discovery Life	2 8,7%	2 8,3%
Liberty	1 4,3%	2 8,3%
AOR	0 0,0%	1 4,2%
Stalker Hutchinson Admiral	0 0,0%	1 4,2%
FFC	0 0,0%	1 4,2%
Prorisk	1 4,3%	-
Marsh	1 4,3%	-
SA Funeral	1 4,3%	-
Alexander Forbes	2 8,7%	1 4,2%
Absa	0 0,0%	1 4,2%
SmartLife	0 0,0%	1 4,2%
Table size	26 113,0%	32 133,3%

### Q5.4 What insured benefits are provided as part of the umbrella fund product package?

	2016	2015	2014
<b>Base: All providing approved risk benefits</b>	<b>76</b>	75	77
Death benefits	74	75	77
	97,4%	100,0%	100,0%
Disability benefits	65	63	73
	85,5%	84,0%	94,8%
Funeral cover	47	50	49
	61,8%	66,7%	63,6%
Medical aid premium waiver	3	5	3
	3,9%	6,7%	3,9%
Disability income-top-up	0	3	6
	0,0%	4,0%	7,8%
Education benefit	2	1	7
	2,6%	1,3%	9,1%
Value-added packages	0	1	2
	0,0%	1,3%	2,6%
Other	5	0	24
	6,6%	0,0%	31,2%
None	1	-	-
	1,3%		
Table size	197	198	241
	259,2%	264,0%	313,0%

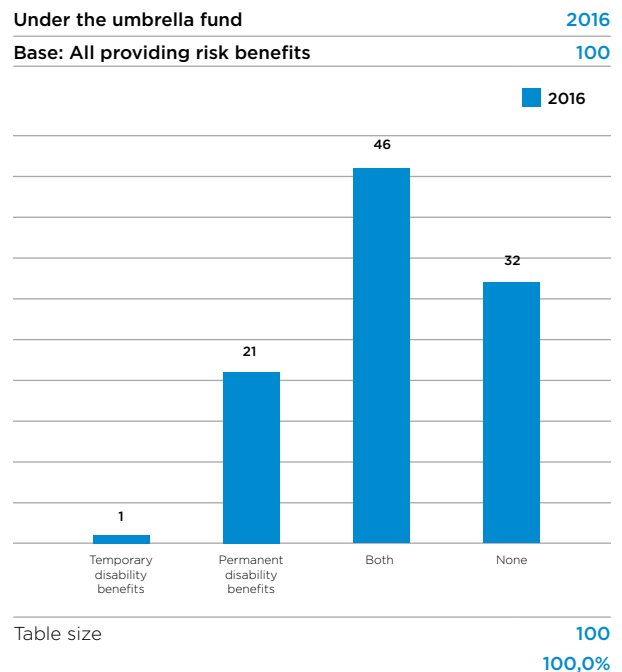
### Q5.5 What insured benefits are provided through a separate scheme?

	2016	2015	2014
<b>Base: All providing benefits through a separate scheme</b>	<b>45</b>	40	34
Death benefits	29	32	26
	64,4%	80,0%	76,5%
Disability benefits	34	37	27
	75,6%	92,5%	79,4%
Dread disease	0	2	11
	0,0%	5,0%	32,4%
Funeral cover	35	29	25
	77,8%	72,5%	73,5%
Medical aid premium waiver	6	2	2
	13,3%	5,0%	5,9%
Education benefit	0	0	5
	0,0%	0,0%	14,7%
Disability income-top-up	0	0	1
	0,0%	0,0%	2,9%
Spouse's benefit	1	1	0
	2,2%	2,5%	0,0%
Other	1	1	-
	2,2%	2,5%	
None	1	0	0
	2,2%	0,0%	0,0%
Table size	107	104	97
	237,8%	260,0%	285,3%

### Q5.6 Who pays for the benefits provided under separate (unapproved) schemes?

Under separate scheme	2016	2015	2014
<b>Base: All providing risk benefits through a separate scheme</b>	<b>45</b>	32	26
It is deducted from the member contribution	13	10	6
	28,9%	31,3%	23,1%
Additional payment by the member	5	4	1
	11,1%	12,5%	3,8%
It is deducted from the employer contribution	21	14	10
	46,7%	43,8%	38,5%
Additional payment by the employer	11	5	9
	24,4%	15,6%	34,6%
Not sure	0	0	1
	0,0%	0,0%	3,8%
<b>Summary</b>			
Any employer pays	31	19	19
	68,9%	59,4%	73,1%
Any member pays	18	14	7
	40,0%	43,8%	26,9%
Table size	50	33	27
	111,1%	103,1%	103,8%

### Q5.7a What disability benefits, if any, are provided under the umbrella fund or via a separate scheme (or schemes)?





### Q5.7b What disability benefits, if any, are provided under the fund or via a separate scheme (or schemes)?

Separate scheme	2016
<b>Base: All respondents</b>	<b>100</b>
Temporary disability benefits	1
	1,0%
Permanent disability benefits	7
	7,0%
Both	29
	29,0%
None	63
	63,0%
Table size	100
	100,0%

### Q5.8a And are these benefits provided as?

For temporary disability	2016
<b>Base: All providing risk benefits</b>	<b>100</b>

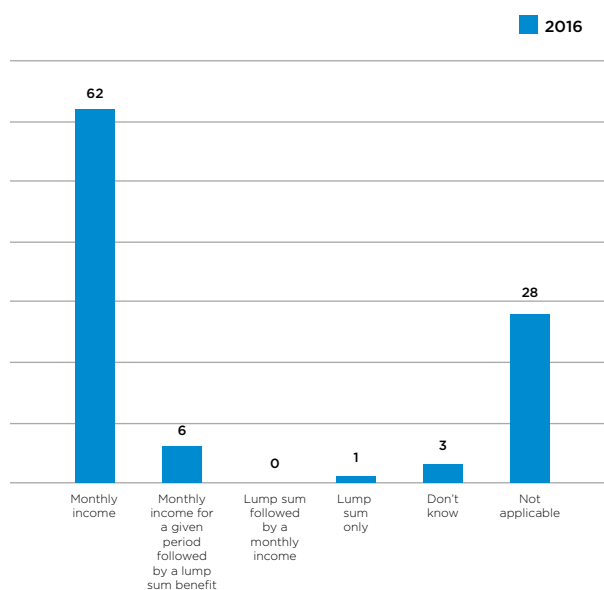


Table size	100
	100,0%

### Q5.8b And are these benefits provided as?

For permanent disability	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
Monthly income	62
	62,0%
Monthly income for a given period followed by a lump sum benefit	9
	9,0%
Lump sum followed by a monthly income	7
	7,0%
Lump sum only	16
	16,0%
Don't know	2
	2,0%
Not applicable	4
	4,0%
Table size	100
	100,0%

### Q5.9a Does the sub-fund offer a lump sum disability benefit under the fund?

Under the fund	2016	2015
<b>Base: All providing risk benefits</b>	<b>100</b>	<b>22</b>
<b>Base pre 2016: All who offer a lump sum disability benefit through the umbrella fund</b>		
Yes, as an acceleration of a death benefit	12	11
	12,0%	50,0%
Yes, as a separate benefit to a death benefit	11	11
	11,0%	50,0%
No lump sum benefit is provided	52	-
	52,0%	
Not applicable	25	-
	25,0%	
Table size	100	22
	100,0%	100,0%

### Q5.9b Does the sub-fund offer a lump sum disability benefit under a separate scheme?

	2016	2015
<b>Base: All providing risk benefits</b>	<b>100</b>	<b>10</b>
<b>Base: All who offer a lump sum on disability under a separate scheme</b>		
Yes, as an acceleration of a death benefit	4	8
	4,0%	80,0%
Yes, as a separate benefit to a death benefit	4	2
	4,0%	20,0%
No lump sum benefit is provided	37	-
	37,0%	
Not applicable	55	-
	55,0%	
Table size	100	10
	100,0%	100,0%

### Q5.10 How are increases in disability income benefits (PHI/GDI) determined?

	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
There are no increases	20
	20,0%
Fixed percentage according to the rules	17
	17,0%
Defined as a percentage of CPI with no maximum	14
	14,0%
Defined as a percentage of CPI with a fixed maximum (capped)	28
	28,0%
Other	1
	1,0%
Not sure	13
	13,0%
Not applicable	7
	7,0%
<b>Summary</b>	
Any % CPI	43
	43,0%
Table size	100
	100,0%

### Q5.11 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)?

	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
	■ 2016
Death benefits	42
Disability benefits	33
Spouses cover	4
None	37
Not sure	20
Table size	136
	136,0%

### Q5.12 What is the typical turnaround time on death claims (from the date that the death benefit is approved by the fund in terms of Section 37C)?

	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
	■ 2016
Less than 1 month	4
3 months	52
5 months	22
7 months	2
9 months	3
> 9 months	7
Other	3
Not sure	7
Mean	4,19
Table size	100
	100,0%

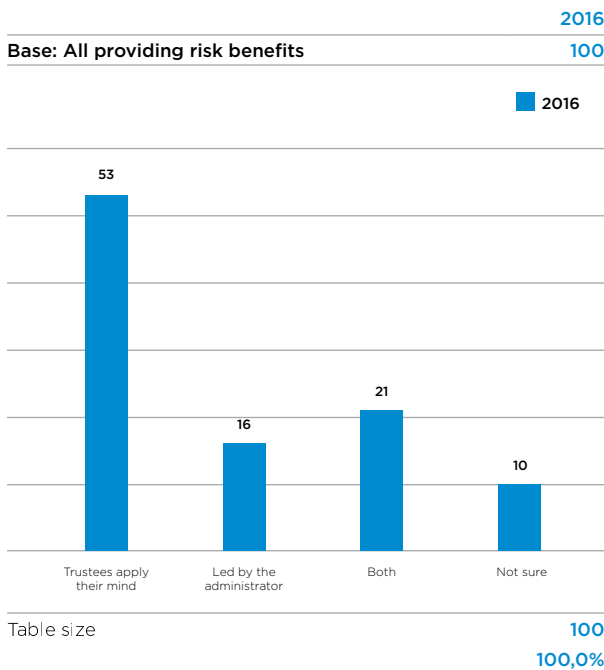
### Q5.13a What are the key reasons for delays in the distribution of death benefit payments? Indicate the 3 main reasons and rank them in order of prevalence: 1 is main reason, 2 is second most prevalent reason and 3 is third most prevalent reason.

	2016
<b>Any mention</b>	<b>100</b>
<b>Base: All providing risk benefits</b>	<b>100</b>
Lack of identification of dependants as defined	91
	91,0%
Family disputes	69
	69,0%
Traditional practices vs legislation	37
	37,0%
Lack of a valid will	46
	46,0%
Trustees' level of confidence in awarding benefits	25
	25,0%
Not applicable	1
	1,0%
Not sure	3
	3,0%
Table size	272
	272,0%

**Q5.13b What are the key reasons for delays in the distribution of death benefit payments? Indicate the 3 main reasons and rank them in order of prevalence: 1 is main reason, 2 is second most prevalent reason and 3 is third most prevalent reason.**

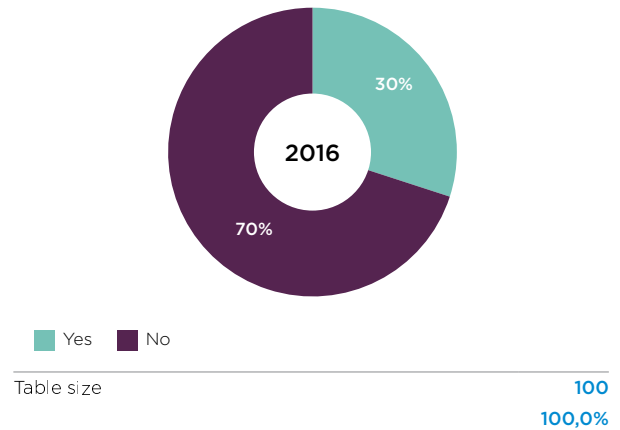
Main reason	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
Lack of identification of dependants as defined	66 66,0%
Family disputes	11 11,0%
Traditional practices vs legislation	1 1,0%
Lack of a valid will	15 15,0%
Trustees' level of confidence in awarding benefits	3 3,0%
Not applicable	1 1,0%
Not sure	3 3,0%
Table size	100 1001,0%

**Q5.14 In your opinion, are Trustees applying their mind to the Section 37C process or are they simply led by the recommendations of the administrator?**



**Q5.15a Are you implementing any benefit structure changes due to legislative changes on the handling of tax income protection products with effect from 1 March 2016?**

	2016
<b>Base: All providing risk benefits</b>	<b>100</b>



**Q5.15b What changes are you implementing?**

	2016
<b>Base: All who are making changes to the income benefit structure</b>	<b>30</b>
Changed our payroll to deduct tax on fringe benefits	19 63,3%
Changed everything in line with legislative requirements	19 63,3%
We have created fringe benefits for staff	2 6,7%
Changed contribution on temporary disability which is now tax free	1 3,3%
Scaled benefits	1 3,3%
Not sure	1 3,3%
Table size	43 143,3%

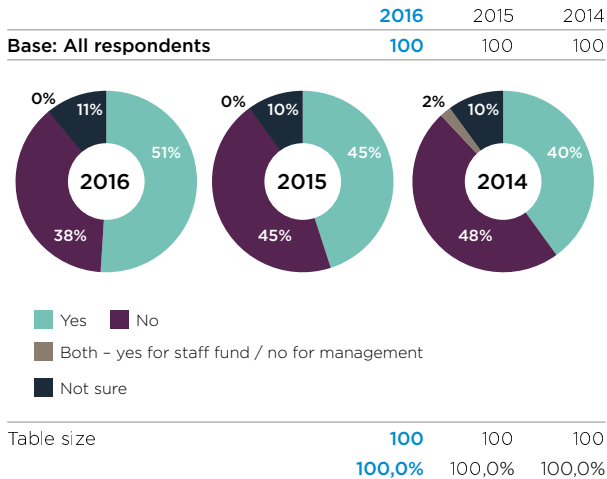
**Q5.16 Consider the importance of the following criteria as key determinants when choosing a risk benefit provider. Indicate the 3 most important criteria and rank them in order of importance: 1 is most important, 2 is second most important, 3 is third most important.**

Any mention	2016
<b>Base: All providing risk benefits</b>	<b>100</b>
Price	82
Brand	19
Confidence that valid claims will be paid	61
Size of the insurer	20
Your relationship with the insurer	5
Your relationship with the broker	15
Insurer's relationship with the broker	12
Service levels of the insurer	57
Flexibility of product design	26
Not applicable	1
Table size	298
	298,0%

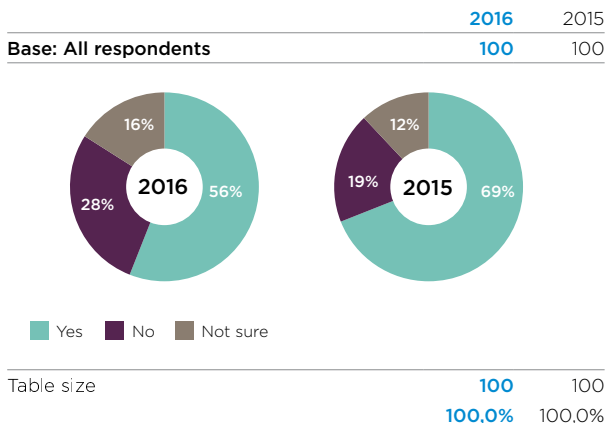
# Section 6

## Governance and member representation

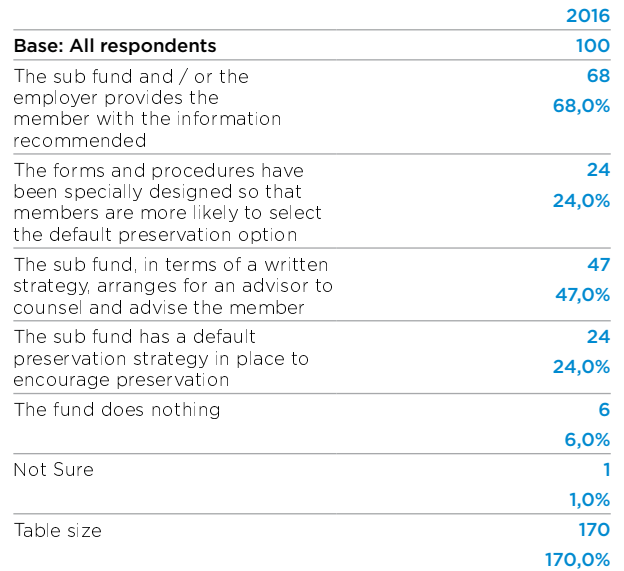
### Q6.1 Are funds automatically invested in 'in-house' investment portfolios that are associated with the sponsor?



### Q6.2 Does the fund offer investment portfolios by asset managers other than the sponsor or its associated companies?



### Q6.3 What, if anything, does your sub-fund do to encourage preservation of retirement benefits?

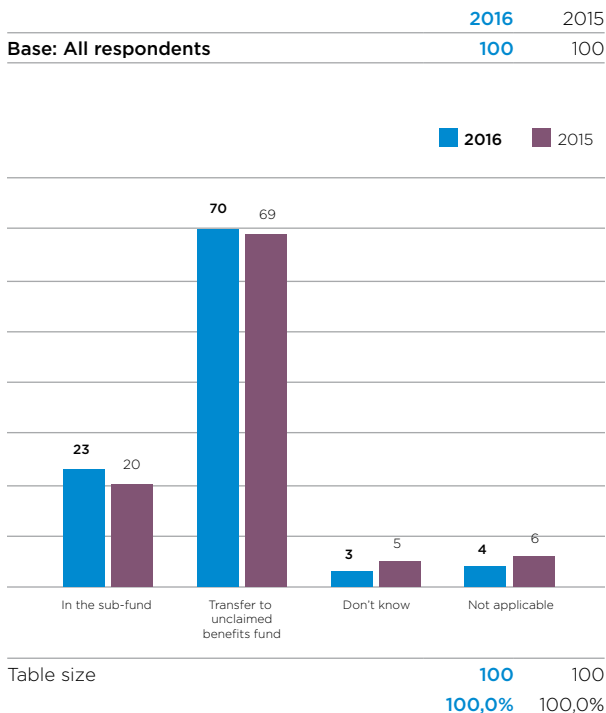


### Q6.4 Whose responsibility do you think it is to encourage members to preserve their withdrawal benefit?

Note: Only single response allowed in 2016

	2016	2015	2014
<b>Base: All Respondents</b>	<b>100</b>	100	100
The employer / HR	32	51	61
	32,0%	51,0%	61,0%
The Trustees of the umbrella fund	7	17	34
	7,0%	17,0%	34,0%
The members' own responsibility	40	56	55
	40,0%	56,0%	55,0%
Members of the participating employer MANCO	17	9	-
	17,0%	9,0%	
The government	4	7	17
	4,0%	7,0%	17,0%
Organised labour (Trade Unions)	0	3	-
	0,0%	3,0%	
Other	0	0	2
	0,0%	0,0%	2,0%
Table size	100	143	169
	100,0%	143,0%	169,0%

### Q6.5 Do you keep unclaimed benefits (i.e. benefits that remain unclaimed after 2 years) in the sub-fund or do you transfer them to an unclaimed benefits fund?



### Q6.6 Assuming a tax directive is obtained the day following a request and all documents are complete, what do you think is a reasonable turnaround time for the payment of a cash benefit?

	2016
<b>Base: All respondents</b>	<b>100</b>
3 business days	29
	29,0%
5 business days	41
	41,0%
10 business days	19
	19,0%
15 business days	8
	8,0%
More than 15 business days	3
	3,0%
Mean	6
	6,62%
Table size	100
	100,0%

### Q6.7 On withdrawal, which of the following situations apply in the sub-fund?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
The umbrella fund and/or the employer provides the member with the information recommended in PF86	45	54	47
	45,0%	54,0%	47,0%
The umbrella fund and/or the employer, in terms of a written strategy, arranges for an adviser to counsel and advise the member	36	40	45
	36,0%	40,0%	45,0%
None of the above	19	13	20
	19,0%	13,0%	20,0%
Not sure	6	6	1
	6,0%	6,0%	1,0%
Table size	106	113	113
	106,0%	113,0%	113,0%

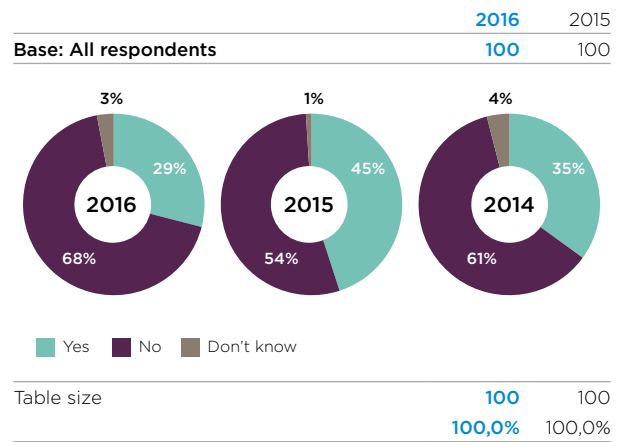
# Section 7

# Retirement

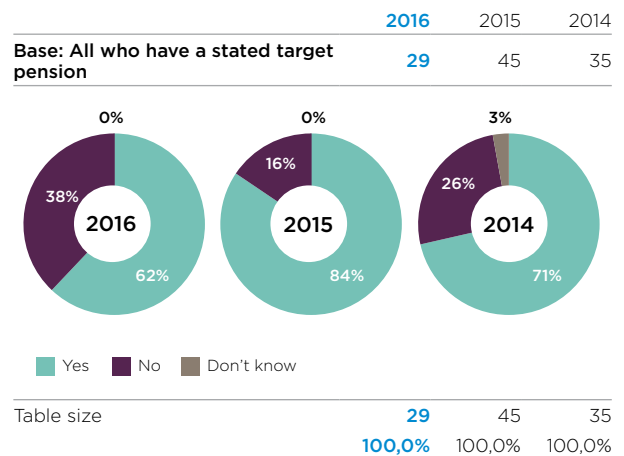
## Q7.1 What, if anything, does the sub-fund currently have in place to regularly assess and improve the members' retirement outcomes?

	2016	2015
<b>Base: All respondents</b>	<b>100</b>	100
Provide members with access to a NRR or similar calculator	43	51
	43,0%	51,0%
Provide each member with a NRR statement each year / regularly	65	49
	65,0%	49,0%
Trustees / employer monitors NRR on a regular basis	21	16
	21,0%	16,0%
The Trustees embarked on and monitor a specific strategy	23	13
	23,0%	13,0%
Ongoing education	0	2
	0,0%	2,0%
Other	3	1
	3,0%	1,0%
Nothing	10	9
	10,0%	9,0%
Don't know	1	2
	1,0%	2,0%
Table size	166	143
	166,0%	143,0%

## Q7.2a Does your sub-fund have a stated target pension (normally expressed as Net Replacement Ratio (NRR) or Projected Pensions Ratio (PPR) that the trustees actively work towards?



## Q7.2b Do you have a default contribution rate (employer and employee) that is aligned with the stated target pension?



### Q7.2c What income replacement ratio does the sub-fund target?

	2016	2015	2014
<b>Base: All who have a stated target pension</b>	<b>29</b>	45	35
Less than 25%	2 6,9%	1 2,2%	2 5,7%
25% - 49%	0 0,0%	0 0,0%	2 5,7%
50% - 59%	1 3,4%	1 2,2%	1 2,9%
60% - 69%	0 0,0%	5 11,1%	2 5,7%
70% - 75%	18 62,1%	34 75,6%	20 57,1%
76% or more	2 6,9%	0 0,0%	4 11,4%
Fund does not use a replacement ratio to target	0 0,0%	2 4,4%	2 5,7%
Don't know	6 20,7%	2 4,4%	2 5,7%
Mean	67,3	70,29	68,26
Table size	29 100,0%	45 100,0%	35 100,0%

### Q7.2d In your definition of Net Replacement Ratio (NRR), how is the pension expressed?

	2016
<b>Base: All who have a stated target pension</b>	<b>29</b>
As a % of pensionable remuneration (PEAR)	18 62,1%
As a % of pensionable remuneration (PEAR) net of income tax	2 6,9%
As a % of pensionable remuneration (PEAR) net of contributions	2 6,9%
As a % of total remuneration net of retirement fund contributions	4 13,8%
As a % of total remuneration net of income tax	3 10,3%
Table size	29 100,0%

### Q7.3 Do you believe that NRR is a suitable measure for determining whether a member is on track for retirement?

	2016
<b>Base: All respondents</b>	<b>100</b>
Yes	51 51,0%
No, members do not understand the measure	29 29,0%
No, there are too many variables and assumptions used	14 14,0%
No, the Trustees / employer does not feel comfortable with the measure	1 1,0%
No, members can add in additional own investments to be able to track	1 1,0%
Other	2 2,0%
Not sure	2 2,0%
<b>Summary</b>	
Any No	45 45,0%
Table size	100 100,0%



### Q7.4 What percentage of your retirees would you estimate are able to retain their current standard of living in retirement?

	2016	2015
<b>Base: All respondents</b>	<b>100</b>	100
0%	15	9
	15,0%	9,0%
1%	12	-
	12,0%	
2%	6	-
	6,0%	
3%	1	-
	1,0%	
4%	0	-
	0,0%	
5%	17	-
	17,0%	
6% to 10%	15	-
	15,0%	
Less than 10%	-	14
		14,0%
11% to 20%	10	25
	10,0%	25,0%
21% to 30%	6	8
	6,0%	8,0%
31% to 40%	4	1
	4,0%	1,0%
41% to 50%	2	10
	2,0%	10,0%
51% to 60%	0	3
	0,0%	3,0%
61% to 70%	2	3
	2,0%	3,0%
71% to 80%	0	3
	0,0%	3,0%
81% to 90%	1	3
	1,0%	3,0%
91% to 100%	2	2
	2,0%	2,0%
Don't know	7	19
	7,0%	19,0%
Mean	13,76	27,33
Table size	100	100
	100,0%	100,0%

### Q7.5a Can the stated target pension be achieved by members who remain in the fund for their working lifetime (35-40yrs) if they are only ever invested in the default investment portfolio?

Base: All respondents 2016  
100

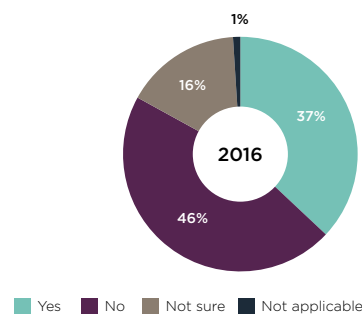


Table size 100  
100,0%

### Q7.5b What proportion of your membership is invested in the Trustee choice or default investment option?

	2016	2015	2014
<b>Base 2016: All who believe the stated target pension can be achieved by those invested in the default</b>	<b>37</b>	100	59
<b>Base 2015: All respondents</b>			
<b>Base pre 2015: All who have a default strategy / offer MIC</b>			
0% to 10%	0	3	4
	0,0%	3,0%	6,8%
10.1% to 20%	0	4	6
	0,0%	4,0%	10,2%
20.1% to 30%	0	3	2
	0,0%	3,0%	3,4%
30.1% to 40%	0	1	1
	0,0%	1,0%	1,7%
40.1% to 50%	1	1	1
	2,7%	1,0%	1,7%
50.1% to 60%	3	5	3
	8,1%	5,0%	5,1%
60.1% to 70%	1	4	4
	2,7%	4,0%	6,8%
70.1% to 80%	7	7	5
	18,9%	7,0%	8,5%
80.1% to 90%	5	9	7
	13,5%	9,0%	11,9%
90.1% to 100%	20	55	26
	54,1%	55,0%	44,1%
Not applicable	0	6	0
	0,0%	6,0%	0,0%
Don't know	0	2	0
	0,0%	2,0%	0,0%
Mean	84,46	79,13	69,58
Table size	37	100	59
	100,0%	100,0%	100,0%

**Q7.6a Have the Trustees of the umbrella fund determined an appropriate default annuity product for your members?**

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Yes, they have already determined an appropriate default annuity product	27 27,0%	25 25,0%	15 15,0%
They are working on this and it will be done within the next 12 months	7 7,0%	18 18,0%	12 12,0%
They are working on this and it will be done within the next 24 months	5 5,0%	11 11,0%	7 7,0%
No	47 47,0%	23 23,0%	46 46,0%
Unsure	14 14,0%	23 23,0%	20 20,0%
Table size	100 100,0%	100 100,0%	100 100,0%

**Q7.6b Is your current default annuity in line with the draft regulations released by National Treasury?**

	2016
<b>Base: All who have determined a default annuity product</b>	<b>27</b>

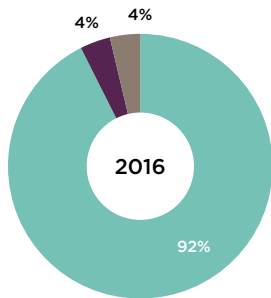


Table size	27 100,0%
------------	--------------

**Q7.6c Have you reviewed the default annuity product initially selected?**

	2016
<b>Base: All who have determined a default annuity product</b>	<b>27</b>

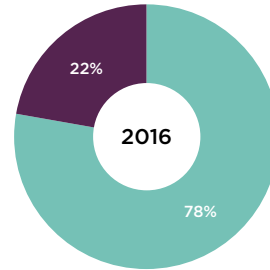


Table size	27 100,0%
------------	--------------

**Q7.6d Why?**

	2016
<b>Base: All who have reviewed the default annuity initially selected</b>	<b>21</b>

To assess our compliance with the draft regulations released by National Treasury	16 76,2%
The original default annuity was not affordable for members	1 4,8%
We received updated pricing from the provider	5 23,8%
Other	2 9,6%
Table size	24 114,3%

### Q7.7 In your opinion, which annuity would be more appropriate for an 'average' member of your sub-fund?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Guaranteed annuity (level or increasing at a fixed percentage)	18	20	23
	18,0%	20,0%	23,0%
With-profit annuity	3	6	4
	3,0%	6,0%	4,0%
Living annuity	34	24	30
	34,0%	24,0%	30,0%
Inflation-linked annuity	27	25	19
	27,0%	25,0%	19,0%
Index-linked annuity (increases are referenced to a published index, e.g. The Complete Picture Pension (TCPP))	1	-	-
	1,0%		
Combination of different annuities	12	21	20
	12,0%	21,0%	20,0%
Unsure	5	4	4
	5,0%	4,0%	4,0%
Table size	100	100	100
	100,0%	100,0%	100,0%

### Q7.8 As a participating employer what do you believe is the most important feature of a default annuity?

<b>Investment</b>	2016
<b>Base: All respondents</b>	<b>100</b>
Longevity projections (income for life)	24
	24,0%
Allowing for pensioners to maintain their pre-retirement lifestyle as long as possible (even if not for the full duration of retirement)	20
	20,0%
Ability to access the lump sum after the retiree's death (remaining assets are transferred to the deceased's estate)	7
	7,0%
Annuity income which keeps pace with inflation	43
	43,0%
Flexibility to vary the income levels year-on-year (flexible drawdown rate)	4
	4,0%
Unsure	2
	2,0%
Table size	100
	100,0%

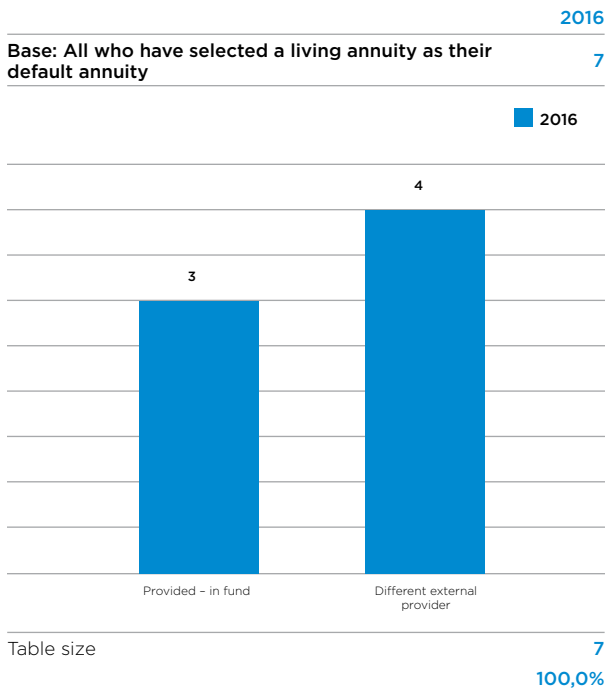
### Q7.9a Which default annuity product have the Trustees of the umbrella fund selected?

	2016	2015	2014
<b>Base: All whose umbrella fund has already determined an appropriate default annuity product</b>	<b>27</b>	25	15
Guaranteed annuity (level or increasing at a fixed percentage)	6	8	6
	22,2%	32,0%	40,0%
With-profit annuity	1	2	-
	3,7%	8,0%	
Living annuity	7	2	7
	25,9%	8,0%	46,7%
Inflation-linked annuity	6	2	-
	22,2%	8,0%	
Combination of different annuities	3	7	2
	11,1%	28,0%	13,3%
Other	0	1	-
	0,0%	4,0%	
Unsure	4	3	-
	14,8%	12,0%	
Table size	27	25	15
	100,0%	100,0%	100,0%

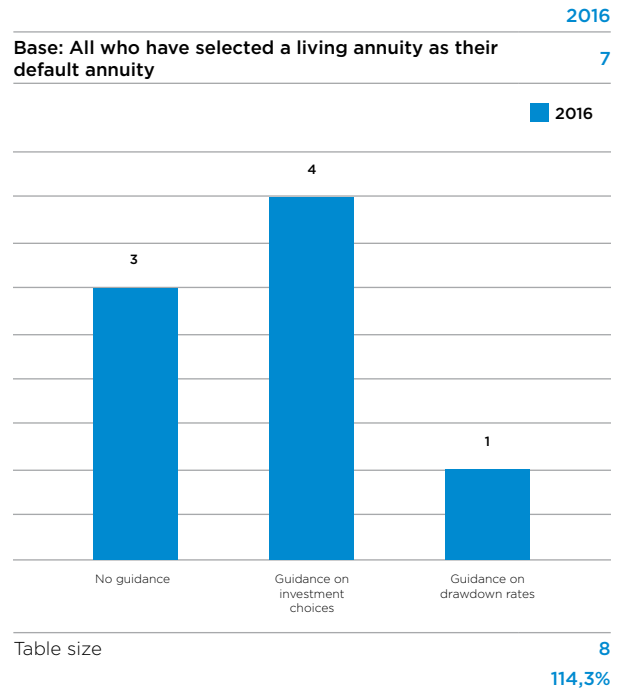
### Q7.9b What additional services / features are offered over and above the annuity product?

	2016
<b>Base: All whose umbrella fund has already determined an appropriate default annuity product</b>	<b>27</b>
Member advice pre-retirement	19
	70,4%
Pensioner rewards programme	2
	7,4%
Net Replacement Ratio monitoring	8
	29,6%
Quotes from various providers	4
	14,8%
Unsure	5
	18,5%
None	2
	7,4%
Table size	40
	148,0%

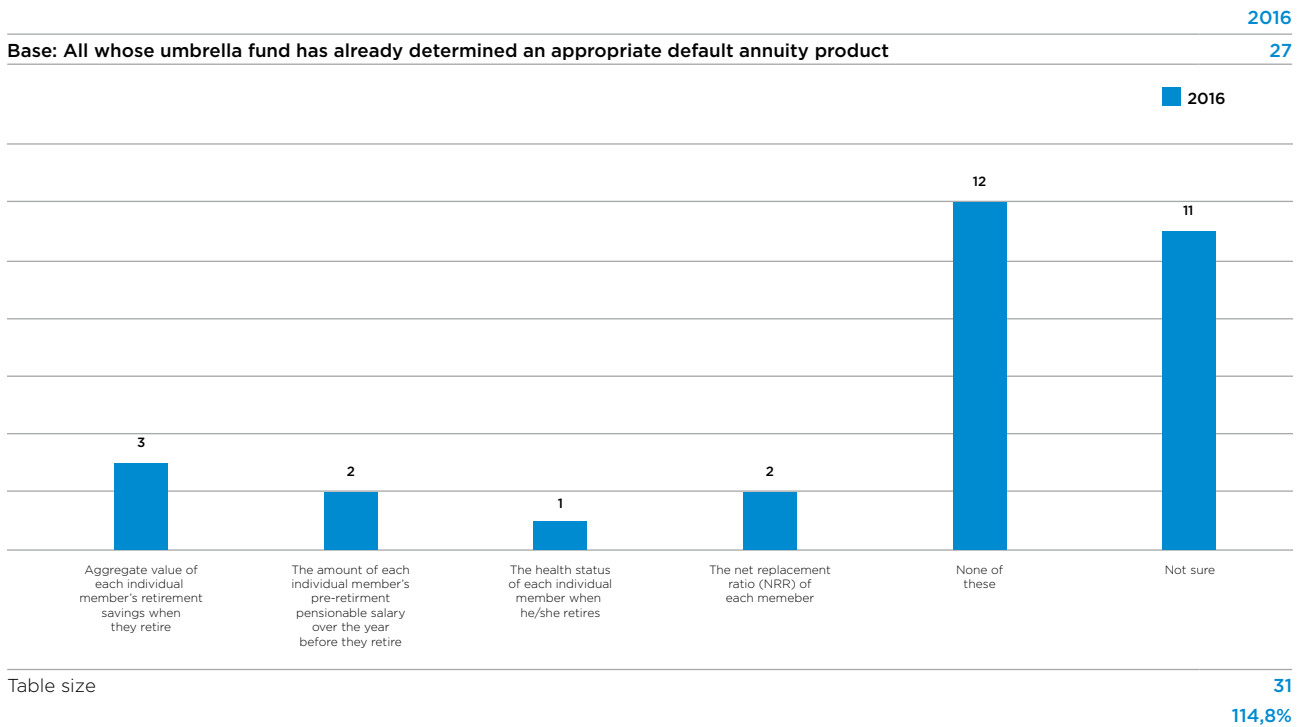
**Q7.10a Is your sub-fund's living annuity solution provided in-fund by the umbrella fund sponsor or provided by a different external financial services provider?**



**Q7.10b Did the fund/Trustees give guidance in terms of drawdown rates for living annuities?**



**Q7.11 Is the default annuity offered to members on condition of any of the following factors?**



# Section 8

## Investments

### Q8.1a Who gives the sub-fund investment advice?

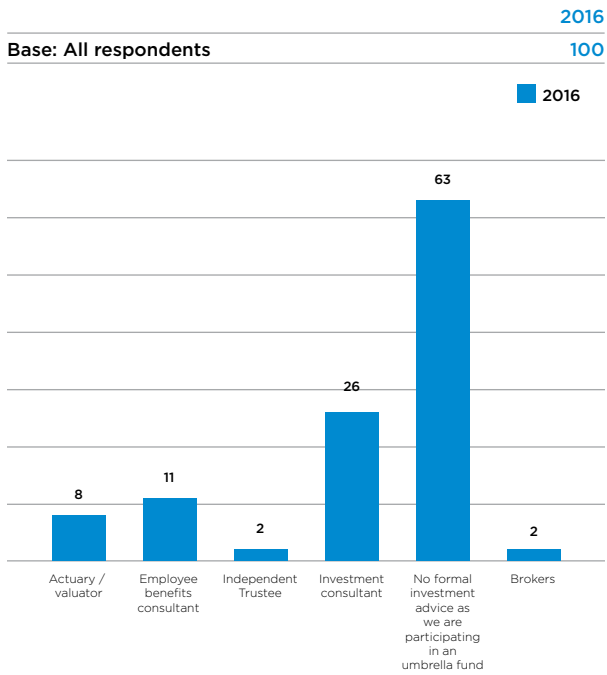


Table size 112  
112,0%

### Q8.1b Which service providers help you with your asset allocation and manager selection processes?

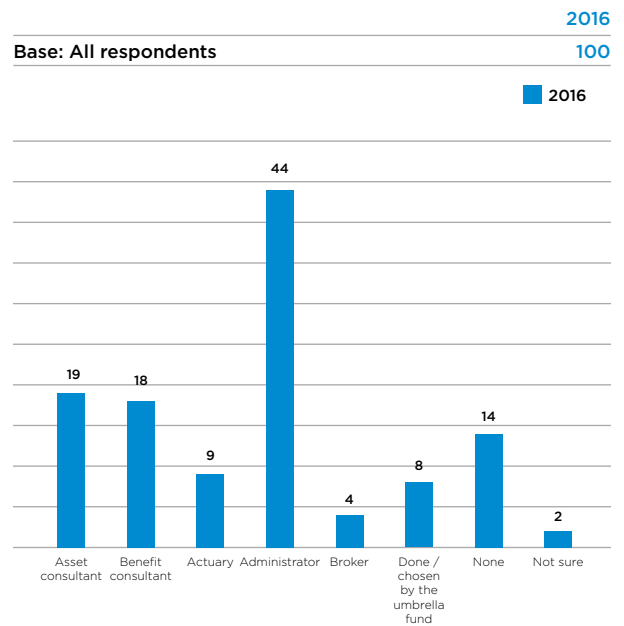


Table size 118  
118,0%

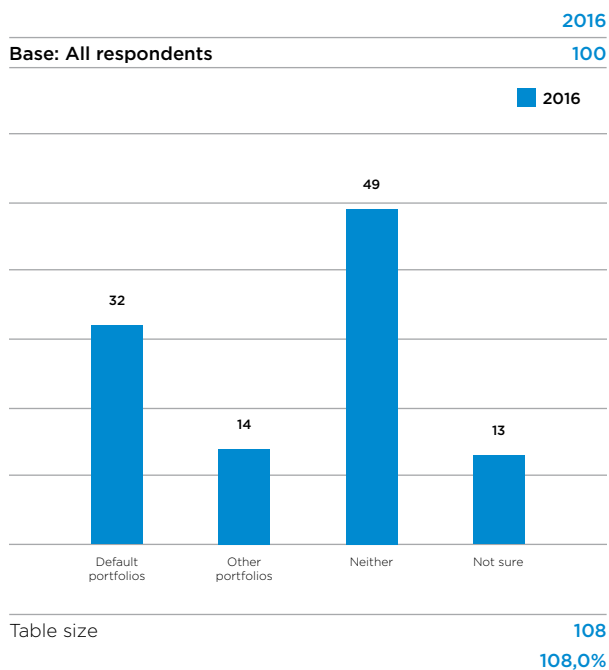
### Q8.2 How do you choose your investment provider?

2016

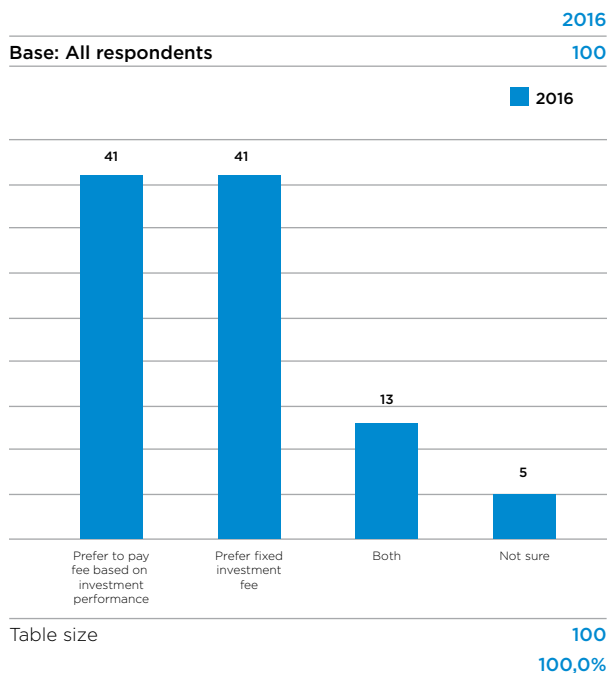
Base: All respondents 100

As an investment committee, i.e. we rejected the recommendation by consultant and selected an alternate provider from the consideration set	1	1,0%
Accepted the consultant's recommendation from the consideration set and the appointment was ratified by the investment committee	12	12,0%
Primarily on the advice of the investment consultant (i.e. the consultant recommended a single provider)	2	2,0%
Implemented by the investment consultant and the participating employer is informed post-implementation	5	5,0%
We do not choose the investment provider - we leave this up to the umbrella fund	80	80,0%
Table size	100	100,0%

### Q8.3a Are investment performance fees charged on?



### Q8.3b Would you prefer to pay higher / lower fees based on investment performance or would you prefer to pay a fixed fee on your investments?



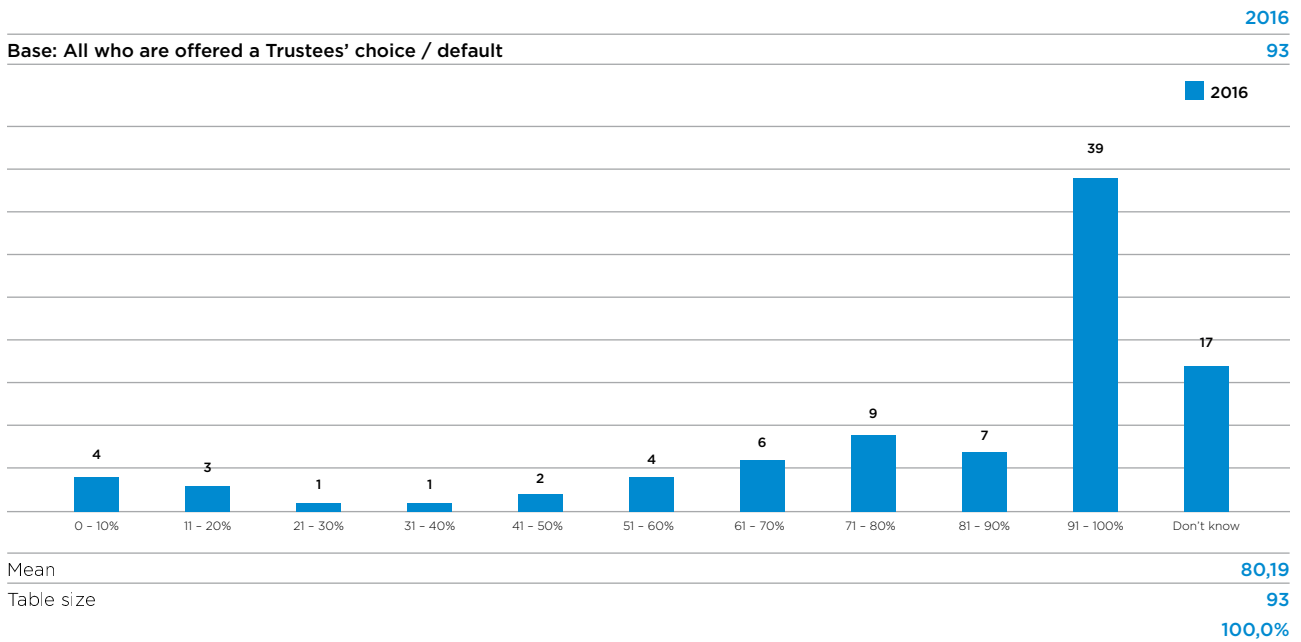
### Q8.4 Which of the following best describes your sub-fund's investment strategy?

	2016	2015
<b>Base: All respondents</b>	<b>100</b>	100
Trustees' choice, i.e. there is no choice for members	23 23,0%	20 20,0%
Default investment portfolio, plus member choice	60 60,0%	60 60,0%
Member investment choice without a default	6 6,0%	5 5,0%
Combination of the above for different categories of members	11 11,0%	15 15,0%
Table size	100 100,0%	100

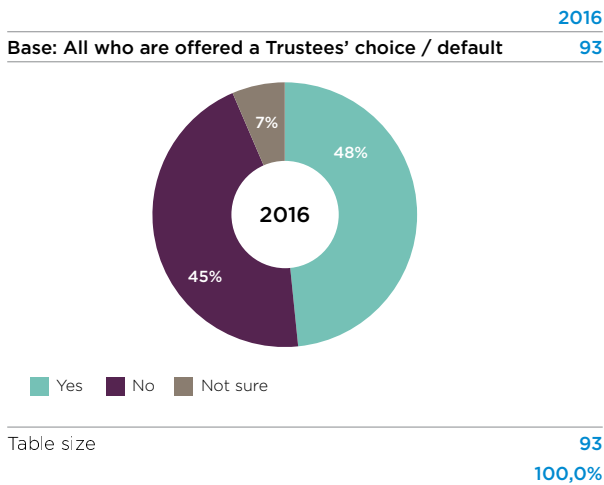
### Q8.5 Which of the following best describes the investment portfolio of the Trustees' choice / default?

	2016	2015
<b>Base: All who are offered a Trustees' choice / default</b>	<b>93</b>	95
Lifestage	48 51,6%	56 58,9%
Balanced active	13 14,0%	14 14,7%
Balanced passive	3 3,2%	5 5,3%
Guaranteed / smoothed bonus	24 25,8%	22 23,2%
Cash / money market	4 4,3%	3 3,2%
Don't know	1 1,1%	5 5,3%
Table size	93 100,0%	105 110,5%

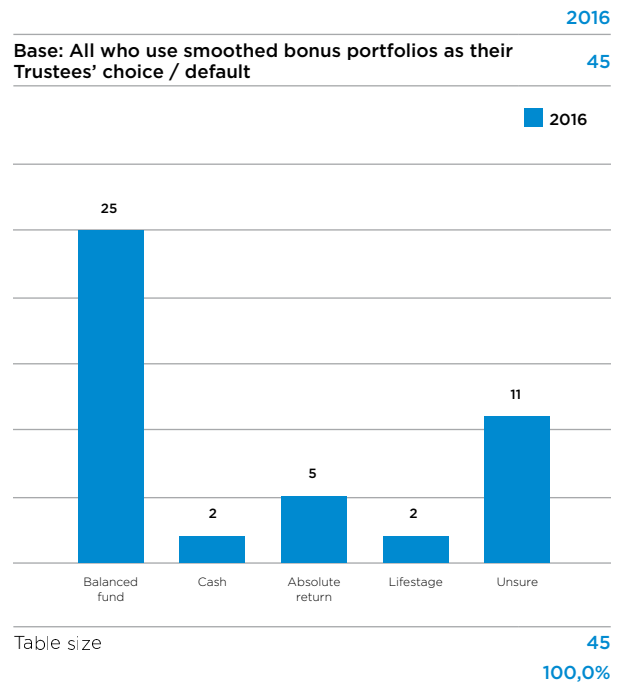
### Q8.6 What percentage of assets is invested in your default investment option?



### Q8.7a Do you currently make use of smoothed bonus portfolios as your default investment portfolio, or part of the default portfolio (e.g. as one of the landing platforms prior to retirement)?



### Q8.7b If smoothed bonus portfolios are disallowed for use as a default investment portfolio by National Treasury, what alternative are you considering replacing it with?



**Q8.8a Does the sub-fund have a mandate to invest in?**

2016

Base: All who are offered a Trustees' choice / default 93

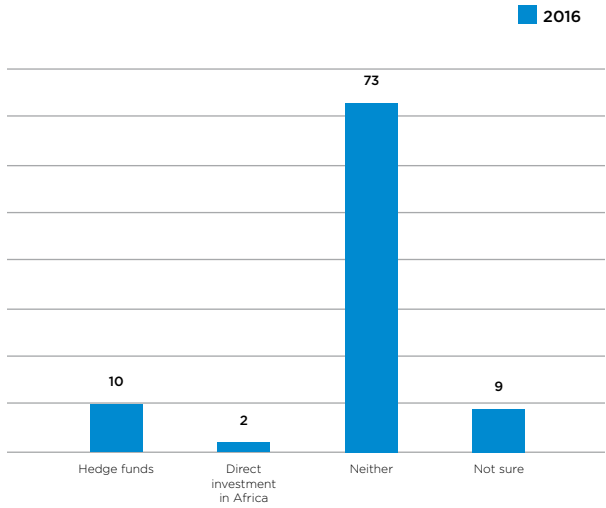
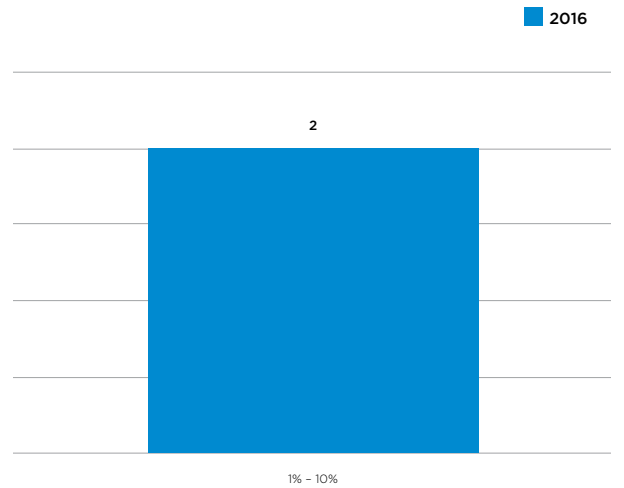


Table size 94  
101,1%

**Q8.8c What percentage of your current allocation is invested directly in Africa?**

2016

Base: All who invest directly in Africa 2

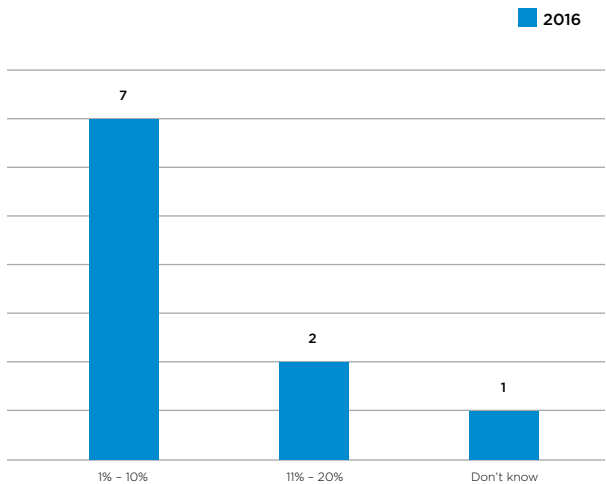


Mean 3,5  
Table size 2  
100,0%

**Q8.8b What percentage of your current allocation is invested in hedge funds?**

2016

Base: All who invest in hedge funds 10



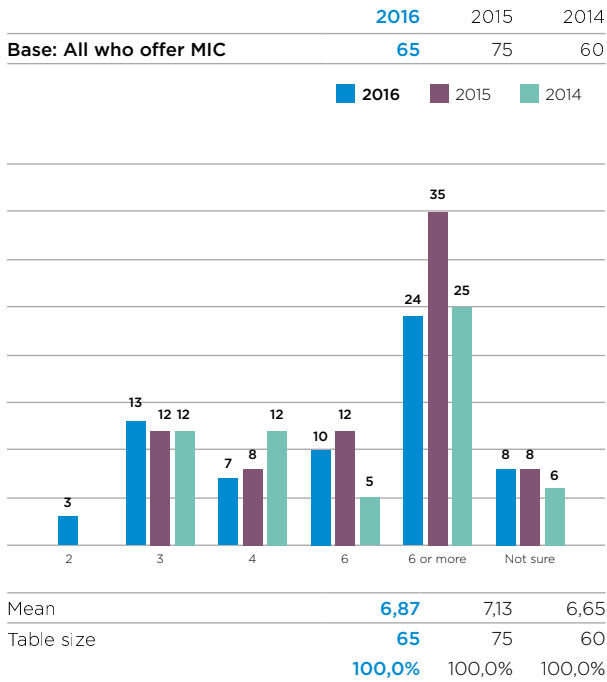
Mean 7,44  
Table size 10  
100,0%

**Q8.9 Does your sub-fund make use of the member investment choice facility offered by the umbrella fund?**

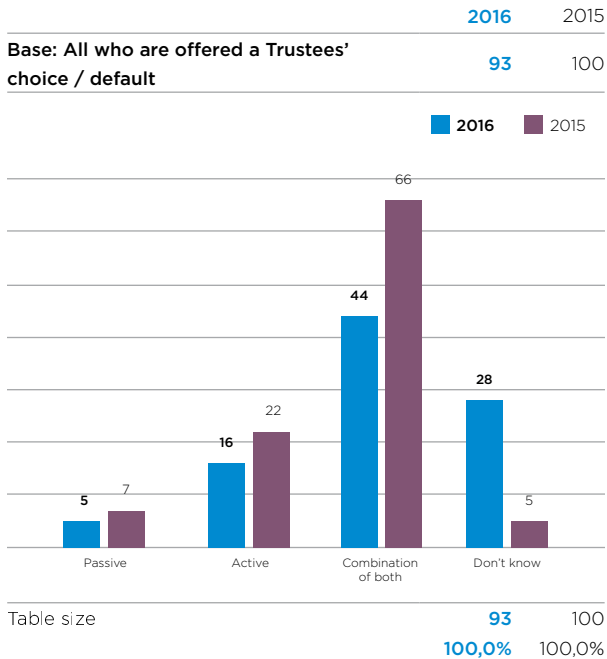
	2016	2015	2014
<b>Base: All who have MIC available</b>	<b>76</b>	80	74
Yes, to all members	55	68	52
	72,4%	85,0%	70,3%
Yes, to certain categories of member only	10	7	8
	13,2%	8,8%	10,8%
No	8	4	14
	10,5%	5,0%	18,9%
Not sure	3	1	0
	3,9%	1,3%	0,0%
<b>Summary</b>			
Any yes	65	75	60
	85,5%	93,6%	81,1%
Table size	76	80	74
	100,0%	100,0%	100,0%



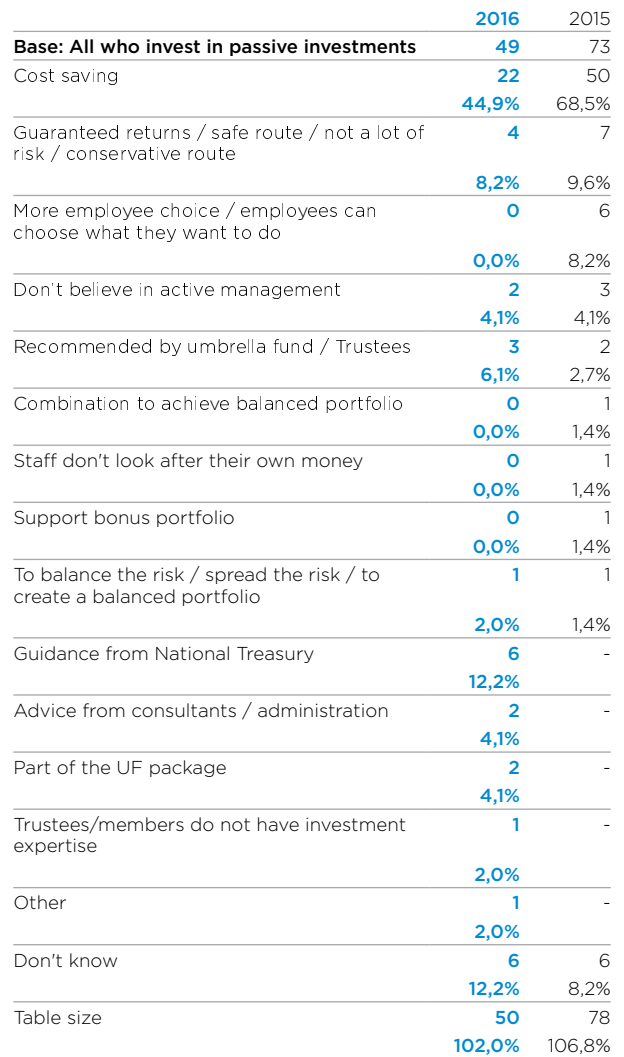
### Q8.10 How many investment options does the sub-fund offer to members?



### Q8.11a Do you invest in passive investments, active investments or a combination of both?



### Q8.11b Why have you chosen passive investing?



### Q8.11c.i Most passive strategies do not track the index, they target exactly due to fees applied and tracking error. What do you believe is a reasonable cost for?

The passive investment fee	2016
<b>Base: All who invest in passive investments</b>	<b>49</b>
0,1	1
	2,0%
0,2	1
	2,0%
0,25	1
	2,0%
0,3	1
	2,0%
0,35	1
	2,0%
0,5	1
	2,0%
1	2
	4,1%
1,75	1
	2,0%
Don't know	40
	81,6%
Mean	0,61
Table size	49
	100,0%

### Q8.11c.ii Most passive strategies do not track the index, they target exactly due to fees applied and tracking error. What do you believe is a reasonable cost for?

The tracking error fee	2016
<b>Base: All who invest in passive investments</b>	<b>49</b>
0,01	1
	2,0%
0,02	1
	2,0%
0,2	1
	2,0%
0,5	1
	2,0%
1	3
	6,1%
2	1
	2,0%
5	1
	2,0%
Don't know	40
	81,6%
Mean	1,19
Table size	49
	100,0%

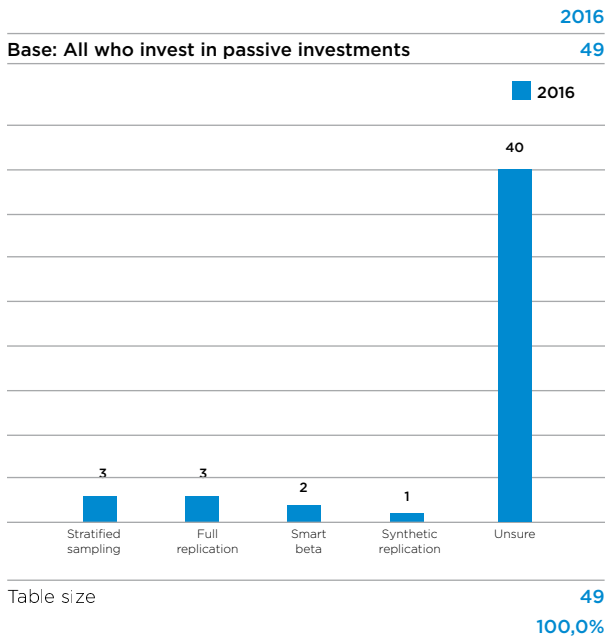
### Q8.11c.iii Most passive strategies do not track the index, they target exactly due to fees applied and tracking error. What do you believe is a reasonable cost for?

Total (passive investment fee + tracking error fee)	2016
<b>Base: All who invest in passive investments</b>	<b>49</b>
0,31	1
	2,0%
0,37	1
	2,0%
0,4	1
	2,0%
0,6	1
	2,0%
1,5	1
	2,0%
2	2
	4,1%
2,25	1
	2,0%
6,75	1
	2,0%
Don't know	40
	81,6%
Mean	1,8
Table size	49
	100,0%

### Q8.11d How did you choose your current passive manager? If you use more than one, please answer in regard to the one with whom you have placed the largest allocation of assets.

	2016
<b>Base: All who invest in passive investments</b>	<b>49</b>
Brand	7
	14,3%
Low fees	9
	18,4%
Size of manager	7
	14,3%
Low tracking error	4
	8,2%
Methodology / strategy of tracking used (e.g. smart beta)	6
	12,2%
Selected by fund / asset manager	18
	36,7%
Not sure	10
	20,4%
Table size	61
	124,5%

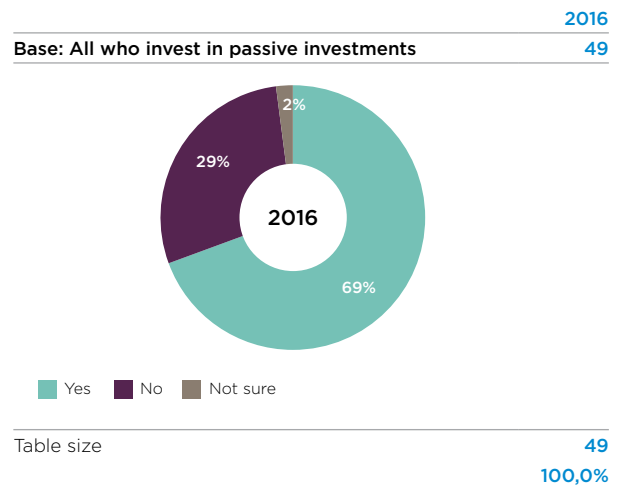
**Q8.11e What method / strategy does your (main) passive manager employ?**



**Q8.11f Which risks were considered when selecting to invest in passive?**

	2016
Base: All who invest in passive investments	49
Underperformance due to tracking error	7
	14,3%
Underperformance due to fees	8
	16,3%
Dividend mismatches compared to underlying shares	5
	10,2%
Difference share weighting compared to index	6
	12,2%
Derivative and credit risk associated with a synthetic strategy	2
	4,1%
Rolling risk associated with a synthetic strategy	4
	8,2%
Other	1
	2,0%
None	17
	34,7%
Not sure	10
	20,4%
Table size	60
	122,4%

**Q8.11g Do you compare your results against the benchmark?**



**Q8.12 If you believe in the value of active management, how do you quantify what you are prepared to pay for it?**

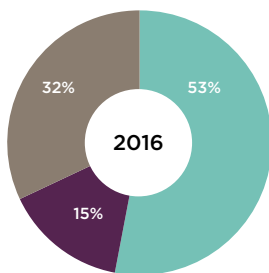
	2016
Base: All respondents	100
Flat fee – market related	7
	7,0%
Pay performance fee on outperformance	17
	17,0%
Accept the fee arrangement negotiated by the asset consultant	7
	7,0%
We invest in passive – don't believe in the value of active management	1
	1,0%
We participate in an umbrella fund and, therefore, follow their guidelines	73
	73,0%
Not sure	1
	1,0%
Table size	106
	106,0%

### Q8.13 What preferences do you have in terms of passive or active investing going forward ?

	2016
<b>Base: All who are offered a Trustees' choice / default</b>	<b>93</b>
Want exclusively passive investing	5 5,4%
Want exclusively active investing	6 6,5%
Want a portfolio of active and passive investments but the majority of the fund invested in passive investment instruments	17 18,3%
Want a portfolio of active and passive investments but the majority of the fund invested in active investment instruments	31 33,3%
Want a portfolio of active and passive investments split equally between active and passive investment instruments	22 23,7%
Rely on umbrella fund	2 2,2%
Not applicable	1 1,1%
Not sure	9 9,7%
Table size	93 100,0%

### Q8.14a Does your umbrella fund currently have a responsible investing policy in place which incorporates ESG (Environmental, Social and Corporate Governance)?

	2016
<b>Base: All respondents</b>	<b>100</b>



■ Yes ■ No ■ Not sure

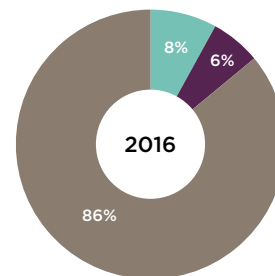
Table size	100 100,0%
------------	---------------

### Q8.14b Do you believe there is a cost benefit or other benefit associated with responsible investing?

	2016
<b>Base: All respondents</b>	<b>100</b>
Yes, as it reduces the universe of investible shares	8 8,0%
Yes, as there are increased costs for monitoring and compliance	17 17,0%
Yes, we believe the shares selected through this process will provide a higher value to our members	32 32,0%
Yes, we believe the social good outweighs the costs	13 13,0%
Neither cost benefit nor other benefit	34 34,0%
Not sure	4 4,0%
Table size	108 108,0%

### Q8.15 Do you consider the Financial Sector Charter scorecard and/or other factors in selecting an asset manager?

	2016
<b>Base: All respondents</b>	<b>100</b>



■ Yes ■ No ■ We do not select asset managers

Table size	100 100,0%
------------	---------------

**Q8.16a When looking at BEE criteria for asset managers, what weight do you place on each of the following?**

Equity ownership	2016
<b>Base: All respondents</b>	<b>100</b>
1 - 10%	3
	3,0%
11 - 20%	4
	4,0%
21 - 30%	1
	1,0%
41-50%	1
	1,0%
51 - 60%	1
	1,0%
Don't consider BEE	13
	13,0%
Not applicable - do not select asset managers	77
	77,0%
Mean	23,7
Table size	100
	100,0%

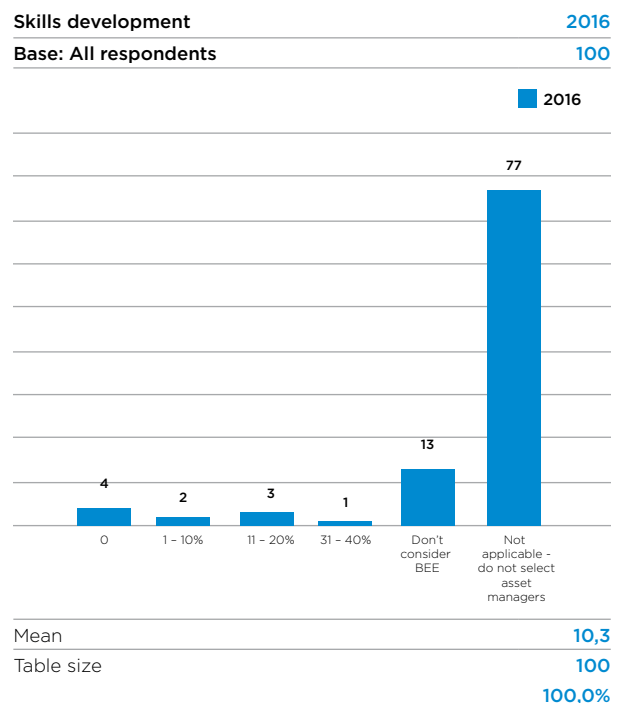
**Q8.16b When looking at BEE criteria for asset managers, what weight do you place on each of the following?**

Management and control	2016
<b>Base: All respondents</b>	<b>100</b>
0	2
	2,0%
1 - 10%	2
	2,0%
11 - 20%	3
	3,0%
21 - 30%	2
	2,0%
61 - 70%	1
	1,0%
Don't consider BEE	13
	13,0%
Not applicable - do not select asset managers	77
	77,0%
Mean	19,8
Table size	100
	100,0%

**Q8.16c When looking at BEE criteria for asset managers, what weight do you place on each of the following?**

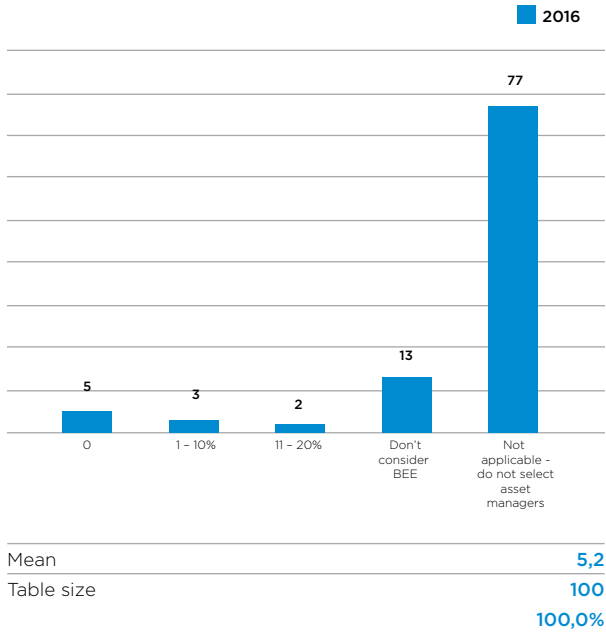
Employment equity	2016
<b>Base: All respondents</b>	<b>100</b>
0	2
	2,0%
1 - 10%	3
	3,0%
11 - 20%	3
	3,0%
21 - 30%	1
	1,0%
41-50%	1
	1,0%
Don't consider BEE	13
	13,0%
Not applicable - do not select asset managers	77
	77,0%
Mean	14,2
Table size	100
	100,0%

**Q8.16d When looking at BEE criteria for asset managers, what weight do you place on each of the following?**



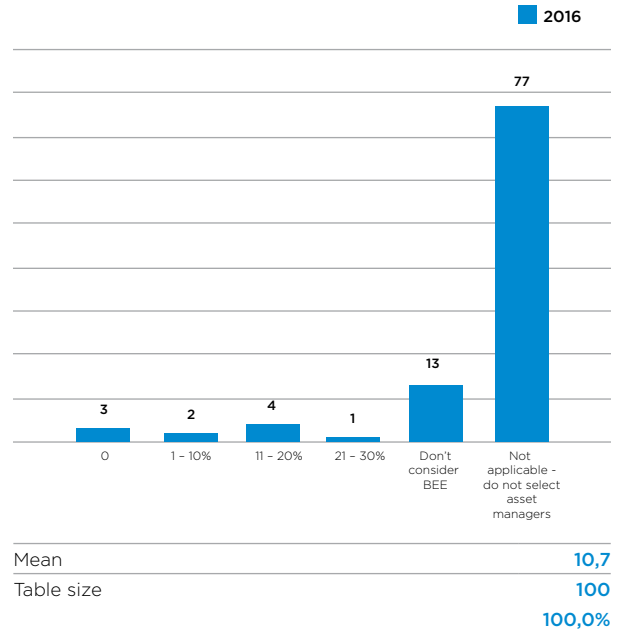
### Q8.16e When looking at BEE criteria for asset managers, what weight do you place on each of the following?

Preferential procurement 2016  
 Base: All respondents 100



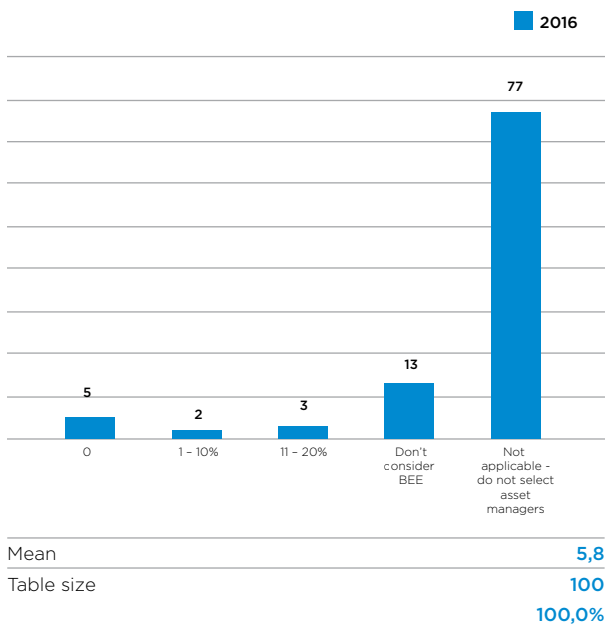
### Q8.16g When looking at BEE criteria for asset managers, what weight do you place on each of the following?

Socio-economic development 2016  
 Base: All respondents 100



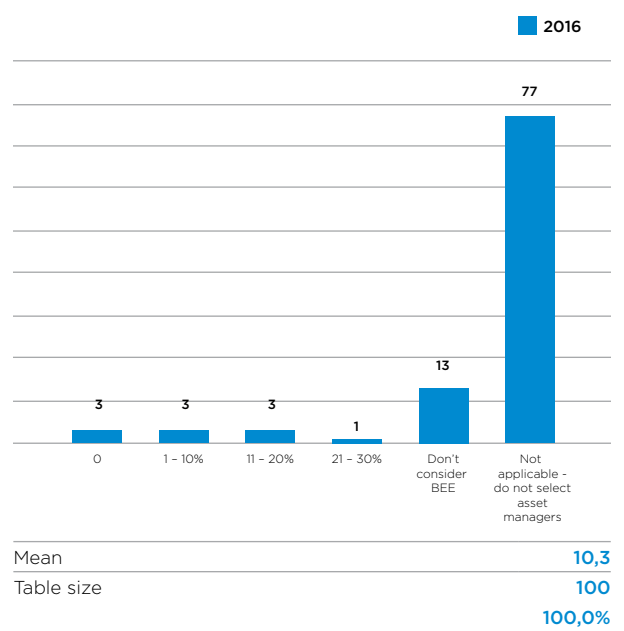
### Q8.16f When looking at BEE criteria for asset managers, what weight do you place on each of the following?

Enterprise development 2016  
 Base: All respondents 100



### Q8.16h When looking at BEE criteria for asset managers, what weight do you place on each of the following?

Transformation of the investment team 2016  
 Base: All respondents 100

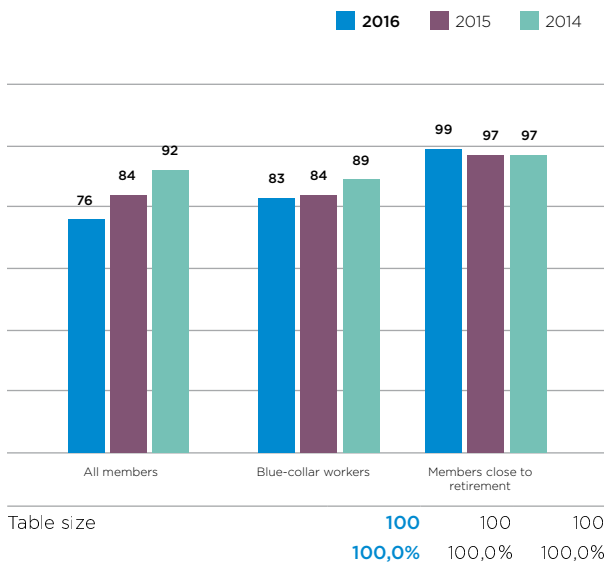


### Q8.17 How have the Trustees of the umbrella fund responded to CRISA?

	2016
<b>Base: All respondents</b>	<b>100</b>
Changed investment mandates	4
	4,0%
Changed investment policy statement	6
	6,0%
Increased the frequency of reviewing fund manager voting	8
	8,0%
No change in behaviour	65
	65,0%
Don't know	17
	17,0%
Table size	100
	100,0%

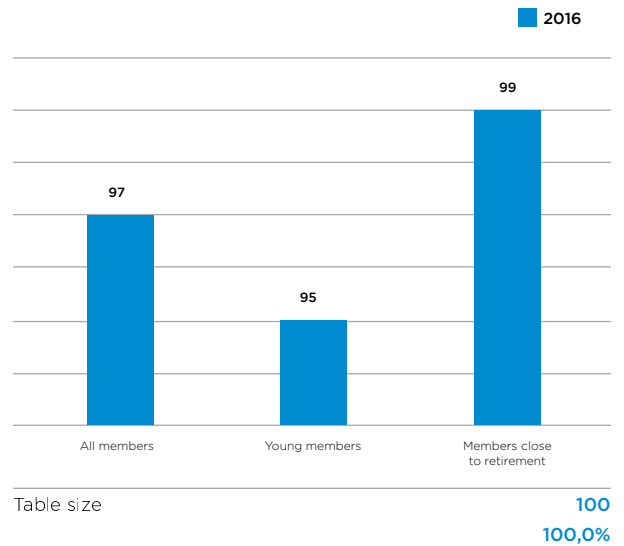
### Q8.18 From the employer's perspective, is it important that products provide stable investment returns to?

All saying 'Yes'	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100



### Q8.19 From the employer's perspective, is it important that products provide real returns to?

All saying 'yes'	2016
<b>Base: All respondents</b>	<b>100</b>



### Q8.20 From the employer's perspective, is it important that the sub-fund offers?

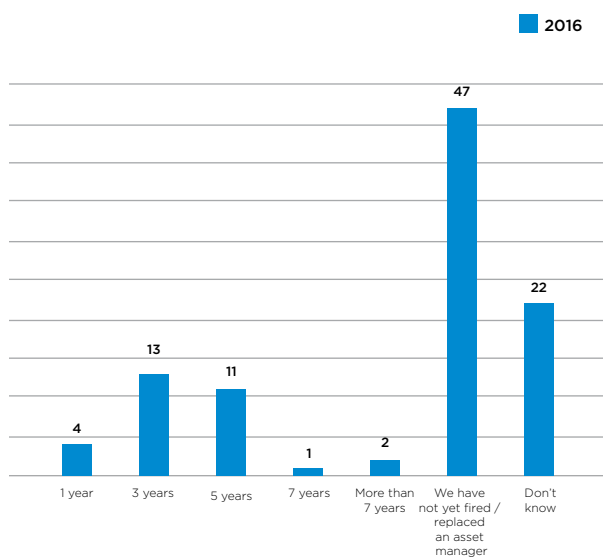
	2016
<b>Base: All respondents</b>	<b>100</b>
Age-appropriate investment options	74
	74,0%
Cost-conscious investment options	71
	71,0%
Socially responsible investment options	28
	28,0%
None of these	5
	5,0%
Table size	178
	178,0%

### Q8.21 Have you noticed any changes in member behaviour or in the sub-fund since tax-free savings vehicles were legislated?

	2016
<b>Base: All respondents</b>	<b>100</b>
Yes, reduction in regular contributions to the fund	2 2,0%
Yes, reduction in additional voluntary contributions to the fund	1 1,0%
No, no difference seen	97 97,0%
<b>Summary</b>	
Any 'yes'	3 3,0%
Table size	100 100,0%

### Q8.22 Over what time period do you assess an asset manager's performance before deciding to fire / replace them?

	2016
<b>Base: All respondents</b>	<b>100</b>



Mean	3,9
Table size	100 100,0%

### Q8.23 Against which benchmark do you assess an asset manager's performance?

	2016
<b>Base: All respondents</b>	<b>100</b>
Survey / peer group	25 25,0%
Indices / composite index	22 22,0%
CPI-related	28 28,0%
Follow umbrella fund's recommendation	7 7,0%
Don't know	6 6,0%
Not applicable	10 10,0%
None	2 2,0%
Table size	100 100,0%

### Q8.24 Which of the following prompted your decision to fire your previous investment manager?

	2016
<b>Base: All respondents</b>	<b>100</b>
Performance	14 14,0%
Fees	2 2,0%
Change in personnel	1 1,0%
Inconsistency between philosophy and actions taken by the investment manager	5 5,0%
None - moved to an umbrella fund arrangement	33 33,0%
Not applicable - we have only had one investment manager	41 41,0%
We participate in an umbrella fund / handled by umbrella fund	5 5,0%
Not applicable - have not fired an investment manager	3 3,0%
Not sure	1 1,0%
Table size	105 105,0%



### Q8.25 What gross investment returns did the sub-fund achieve in the last calendar year?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
0.1% to 2.5 %	1 1,0%	1 1,0%	0 0,0%
2.6% to 5.0%	7 7,0%	1 1,0%	4 4,0%
5.1% - 7.5%	14 14,0%	5 5,0%	3 3,0%
7.6% - 10.0%	27 27,0%	13 13,0%	19 19,0%
10.1% - 12.5%	10 10,0%	10 10,0%	8 8,0%
12.6% - 15.0%	13 13,0%	12 12,0%	16 16,0%
15.1% - 17.5%	5 5,0%	10 10,0%	9 9,0%
17.6% - 20.0%	4 4,0%	21 21,0%	18 18,0%
20.1% - 25.0%	0 0,0%	3 3,0%	12 12,0%
25.1% - 30.0%	0 0,0%	2 2,0%	2 2,0%
30.1% -35.0%	0 0,0%	2 2,0%	0 0,0%
More than 35%	0 0,0%	0 0,0%	2 2,0%
Not applicable	0 0,0%	2 2,0%	0 0,0%
Don't know	14 14,0%	17 17,0%	7 7,0%
Refused	5 5,0%	1 1,0%	0 0,0%
Mean	10,1	14,94	15,64
Table size	100 100,0%	100 100,0%	100 100,0%

### Q8.26 What gross investment returns do you expect to achieve in the next calendar year?

	2016
<b>Base: All respondents</b>	<b>100</b>
0.1% to 2.5%	3 3,0%
2.6% to 5%	12 12,0%
5.1% to 7.5%	18 18,0%
7.6% to 10%	32 32,0%
10.1% to 12.5%	11 11,0%
12.6% to 15%	11 11,0%
15.1% or more	1 1,0%
Confidential	1 1,0%
Not sure / don't know	11 11,0%
Mean	8,6
Table size	100 100,0%

### Q8.27 What do you consider to be the measures or criteria of a successful asset management / investment company with a good track record?

	2016
<b>Base: All respondents</b>	<b>100</b>
Tracking against an independent benchmark study	30 30,0%
A company that consistently (over 5-10 years) delivers on benchmark	62 62,0%
A company that is recommended by independent consultants	10 10,0%
A company that is consistently in the top quartile	42 42,0%
A company that delivers on mandate	24 24,0%
A company that enables the sub-fund to provide good returns	35 35,0%
A company that enables the sub-fund consistently to provide inflation-beating returns	33 33,0%
Over-performance relative to the overall market	27 27,0%
The investment company is consistently ranked in the top 3	26 26,0%
None	1 1,0%
Table size	290 290,0%

**Q8.28** In a lifestage vehicle members are switched to a less volatile portfolio during the consolidation phase in the investment portfolios for the period just 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?

	2016	2015	2014
<b>Base: All using lifestaging</b>	<b>48</b>	56	53
Less than 5 years	12 25,0%	11 19,6%	5 9,4%
5 years	24 50,0%	28 50,0%	23 43,4%
6-7 years	6 12,5%	12 21,4%	15 28,3%
8-10 years	4 8,3%	4 7,1%	8 15,1%
More than 10 years	0 0,0%	1 1,8%	1 1,9%
Don't know	2 4,2%	0 0,0%	1 1,9%
Mean	4,81	5,26	6,4
Table size	48 100,0%	56 100,0%	53 100,0%

**Q8.29** Is your life stage investment strategy explicitly aligned to your annuity strategy?

	2016	2015
<b>Base: All using lifestaging</b>	<b>48</b>	56

Table size	48 100,0%	56 100,0%
------------	--------------	--------------

**Q8.30** Is there more than one end stage portfolio intended to align with members' annuity selection?

	2016	2015
<b>Base: All using lifestaging</b>	<b>48</b>	56

Table size	48 100,0%	56 100,0%
------------	--------------	--------------

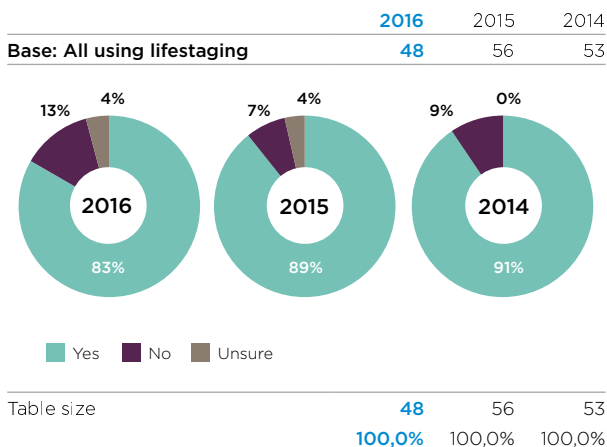
**Q8.31** Which type of annuities / pensions do the different final / end stages allow for?

	2016	2015	2014
<b>Base: All using lifestaging</b>	<b>48</b>	56	53
Guaranteed annuity (level or increasing at a fixed percentage)	12 25,0%	22 39,3%	28 52,8%
Living annuity (ILLA), where a member can withdraw between 2.5% and 17.5% of his or her fund value per year	14 29,2%	20 35,7%	28 52,8%
Inflation-linked annuity (guaranteed to increase by a fixed percentage of inflation)	17 35,4%	25 44,6%	25 47,2%
With-profit annuity, where pension increases are declared by an insurer	4 8,3%	12 21,4%	14 26,4%
Index-linked annuity (guaranteed to increase by a measure linked to a published index, e.g. The Complete Picture Pension)	5 10,4%	-	-
A composite annuity (combination of a living annuity and another type of annuity offered by an insurer)	0 0,0%	-	-
Our end stages are not aligned with any annuity option at retirement	6 12,5%	16 28,6%	0 0,0%
Other	0 0,0%	0 0,0%	1 1,9%
Not sure	13 27,1%	7 12,5%	12 22,6%
Table size	71 147,9%	102 182,1%	108 203,8%

**Q8.32 Which of the following asset allocations best describes the portfolio in the final year before retirement in the lifestage option?**

	2016
<b>Base: All who use lifestaging</b>	<b>48</b>
Cash (100%)	15
Bonds (100%)	31,3%
Smooth bonus	8
	16,7%
Conservative equity (<40%)	16
	33,3%
Moderate equity (40%-65%)	8
	16,7%
Aggressive equity portfolio (66%+)	1
	2,1%
Absolute return	3
	6,3%
Liability matching portfolio	1
	2,1%
Not sure	9
	18,8%
Table size	67
	139,6%

**Q8.33 Do members receive investment and retirement advice when they switch into this last / final phase of the lifestage model before retirement?**



**Q8.34 Which asset consulting company advises the Trustees?**

	2016
<b>Base: All respondents</b>	<b>100</b>
Absa	1
	1,0%
Alexander Forbes	14
	14,0%
Ginsburg Asset Consulting	1
	1,0%
Investec	1
	1,0%
Investment Solutions	9
	9,0%
Liberty	9
	9,0%
NMG	1
	1,0%
Old Mutual	18
	18,0%
Robson & Savage	1
	1,0%
Sanlam	11
	11,0%
Simeka	3
	3,0%
Willis Towers Watson	3
	3,0%
Momentum	4
	4,0%
Other	7
	7,0%
Not sure	19
	19,0%
None	1
	1,0%
Table size	103
	103,0%

**Q8.35 Do you believe that Regulation 28 is unnecessarily restrictive for your members?**

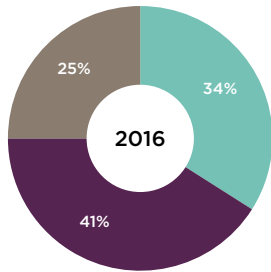
	2016
<b>Base: All respondents</b>	<b>100</b>
Yes	24
	24,0%
No	48
	48,0%
Unsure	28
	28,0%
Table size	100
	100,0%

**Q8.36 Do you believe that Regulation 28 is unnecessarily restrictive for younger members of your fund who still have a long investment horizon to retirement?**

2016

Base: All respondents

100



Yes No Unsure

Table size

100

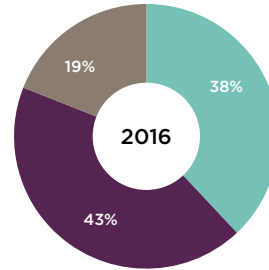
100,0%

**Q8.38 If you did not have to consider Regulation 28 would you consider a more aggressive default portfolio?**

2016

Base: All respondents

100



Yes No Unsure

Table size

100

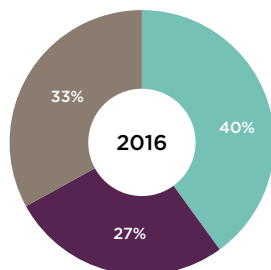
100,0%

**Q8.37 Do you believe that Regulation 28 is unnecessarily restrictive on your offshore exposure?**

2016

Base: All respondents

100



Yes No Unsure

Table size

100

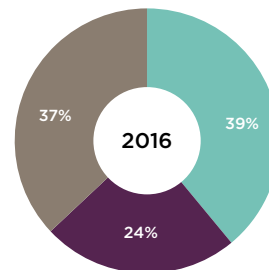
100,0%

**Q8.39 Do you believe that Regulation 28 adds an unnecessary layer of costs due to required monitoring and compliance actions?**

2016

Base: All respondents

100



Yes No Unsure

Table size

100

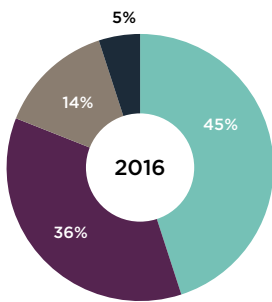
100,0%

# Section 9

## Beneficiary funds

### Q9.1 Does the sub-fund make use of a beneficiary fund to manage the assets of minors receiving approved death benefits?

2016  
Base: All respondents 100

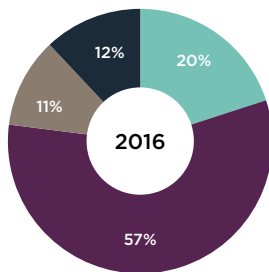


Legend: Yes (teal), No (purple), Unsure (brown), Not applicable (dark blue)

Table size 100  
100,0%

### Q9.2 Does the sub-fund make use of a beneficiary fund to manage the assets of minors receiving unapproved death benefits?

2016  
Base: All respondents 100



Legend: Yes (teal), No (purple), Unsure (brown), Not applicable (dark blue)

Table size 100  
100,0%

### Q9.3 Who manages the death benefit fund for minors?

	2016
<b>Base: All who make use of a beneficiary fund</b>	<b>57</b>
Sanlam Legacy Beneficiary Fund	15
	26,3%
Fairheads	13
	22,8%
Fedgroup	1
	1,8%
Alexander Forbes	11
	19,3%
Liberty	2
	3,5%
Absa	3
	5,3%
Standard Bank	1
	1,8%
Momentum	3
	5,3%
Negroup	1
	1,8%
Old Mutual	2
	3,5%
Other	1
	1,8%
Not sure	4
	7,0%
Table size	57
	100,0%

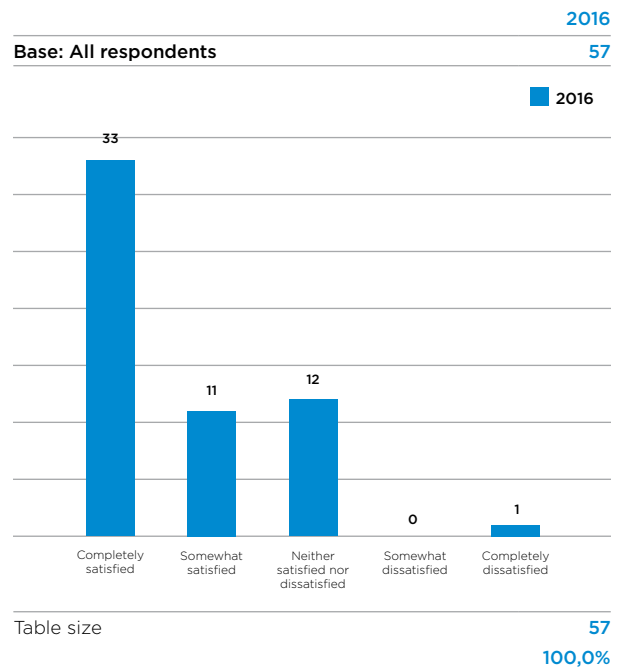
### Q9.4 How many beneficiaries are being administered on your behalf by the beneficiary fund?

	2016
<b>Base: All respondents</b>	<b>57</b>
0	10 17,5%
1 to 5	17 29,8%
6 to 10	5 8,8%
11 to 25	4 7,0%
26 to 50	5 8,8%
101 to 500	2 3,5%
501+	1 1,8%
Don't know / refused	13 22,8%
Mean	51,91
Table size	57 100,0%

### Q9.5 What is the total value of the assets managed on your behalf by the beneficiary fund?

	2016
<b>Base: All respondents</b>	<b>57</b>
< 100 000	10 17,5%
100 001 to 250 000	6 10,5%
250 001 to 500 000	3 5,3%
500 001 to 1 mil	3 5,3%
1.1 mil to 5 mil	4 7,0%
5.1 mil to 10 mil	4 7,0%
10.1 mil to 25 mil	1 1,8%
25.1 mil to 50 mil	2 3,5%
Don't know / refused	24 42,1%
Mean	R 3 866 515
Table size	57 100,0%

### Q9.6 How satisfied are you with your current beneficiary fund?



# Section 10

## Service provider selection criteria

### Q10.1a How often does the fund / employer rebroke its administration, risk, investment, employee benefits consulting business and beneficiary fund service?

Administration	2016
<b>Base: All respondents</b>	<b>100</b>
Annually	43
	43,0%
Every 2 years	9
	9,0%
When rates are increased	3
	3,0%
Never	25
	25,0%
Ad hoc	4
	4,0%
Every 3 years	10
	10,0%
Every 5 years	4
	4,0%
Other	1
	1,0%
Not sure	1
	1,0%
Table size	100
	100,0%

### Q10.1b How often does the fund / employer rebroke its administration, risk, investment, employee benefits consulting business and beneficiary fund service?

Risk	2016
<b>Base: All respondents</b>	<b>100</b>
Annually	60
	60,0%
Every 2 years	9
	9,0%
When rates are increased	2
	2,0%
Never	15
	15,0%
Ad hoc	4
	4,0%
Every 3 years	5
	5,0%
Every 5 years	3
	3,0%
Other	1
	1,0%
Not sure	1
	1,0%
Table size	100
	100,0%

### Q10.1c How often does the fund / employer rebroke its administration, risk, investment, employee benefits consulting business and beneficiary fund service?

Investment	2016
<b>Base: All respondents</b>	<b>100</b>
Annually	48
	48,0%
Every 2 years	7
	7,0%
When rates are increased	1
	1,0%
Never	26
	26,0%
Ad hoc / when needed	3
	3,0%
Every 3 years	9
	9,0%
Every 5 years	3
	3,0%
Not sure	3
	3,0%
Table size	100
	100,0%

### Q10.1d How often does the fund / employer rebroke its administration, risk, investment, employee benefits consulting business and beneficiary fund service?

EB Consulting	2016
<b>Base: All respondents</b>	<b>100</b>
Annually	42
	42,0%
Every 2 years	9
	9,0%
When rates are increased	3
	3,0%
Never	23
	23,0%
Ad hoc / when needed	6
	6,0%
Every 3 years	8
	8,0%
Every 5 years	3
	3,0%
Not sure	2
	2,0%
Not applicable	4
	4,0%
Table size	100
	100,0%

### Q10.1e How often does the fund / employer rebroke its administration, risk, investment, employee benefits consulting business and beneficiary fund service?

Beneficiary fund	2016
<b>Base: All respondents</b>	<b>100</b>
Annually	31
	31,0%
Every 2 years	6
	6,0%
When rates are increased	3
	3,0%
Never	34
	34,0%
Ad hoc / when needed	4
	4,0%
Every 3 years	7
	7,0%
Every 5 years	3
	3,0%
Other	1
	1,0%
Not sure	2
	2,0%
Not applicable	9
	9,0%
Table size	100
	100,0%

### Q10.2 What are the key determinants when choosing an administrator? Indicate the 3 most important factors and rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.

Any mention	2016
<b>Base: All respondents</b>	<b>100</b>
Price	79
	79,0%
Brand	16
	16,0%
Size of the administrator	25
	25,0%
Your relationship with the administrator	18
	18,0%
Administrator's relationship with the broker	16
	16,0%
Your relationship with the broker	10
	10,0%
Service levels of the administrator	84
	84,0%
Business model / processes	19
	19,0%
Ability to communicate adequately with members	32
	32,0%
Table size	299
	299,0%



**Q10.3** When considering all the aspects of retirement fund administration, which of the following processes do you consider to be most important? Indicate the 3 most important processes and rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.

Any mentions	2016	2015
<b>Base: All respondents</b>	<b>100</b>	100
Paying claims timeously	89	70
	89,0%	70,0%
Effecting member level transactions timeously	42	-
	42,0%	
Loading and investing contributions timeously	68	58
	68,0%	58,0%
Issuing benefit statements timeously	62	28
	62,0%	28,0%
Regular update of information on internet	22	10
	22,0%	10,0%
Adequate financial reporting at sub-fund level	33	18
	33,0%	18,0%
Technical expertise	47	29
	47,0%	29,0%
Transparency of costs	59	39
	59,0%	39,0%
Response time to queries	58	18
	58,0%	18,0%
Assistance in HR training	8	1
	8,0%	1,0%
Tailor-made reporting	3	-
	3,0%	
Other	1	-
	1,0%	
Table size	492	300
	492,0%	300,0%

**Q10.4 and Q10.5** was only asked of principal officers of stand-alone funds.

**Q10.6** When considering risk benefits, which of the following are most important when deciding on a solution? Rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.

**Most important** 2016  
**Base: All respondents** 100

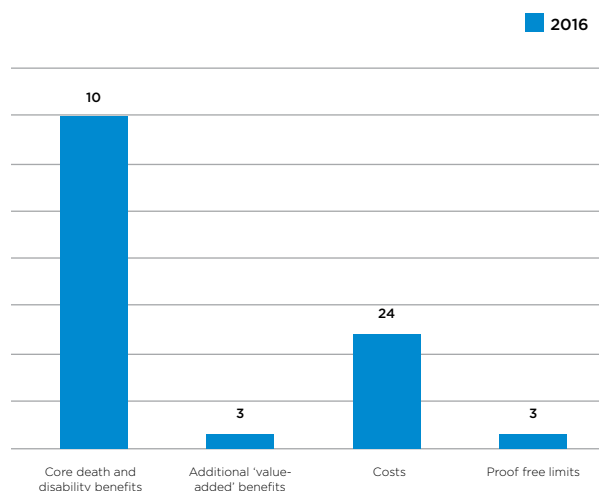


Table size 100  
100,0%

**Q10.7a** Consider the key determinants when choosing an employee benefits consultant. Indicate the 3 most important criteria and rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.

Any mention	2016
<b>Base: All respondents</b>	<b>100</b>
Fee level	61
	61,0%
Brand	12
	12,0%
Size of the employee benefits consultancy	16
	16,0%
Level of experience and track record of regulatory compliance of the employee benefits consultancy	52
	52,0%
Your relationship with the employee benefits consultant	19
	19,0%
Your relationship with the employee benefits consultancy	8
	8,0%
The employee benefits consultancy's independence from other service providers (e.g. administrators and insurers)	23
	23,0%
Service levels of the employee benefits consultancy	60
	60,0%
Thought leadership and track record of the employee benefits consultancy	28
	28,0%
Not applicable	7
	7,0%
Table size	286
	286,0%

**Q10.7b Consider the key determinants when choosing an employee benefits consultant. Indicate the 3 most important criteria and rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.**

Most important	2016
<b>Base: All respondents</b>	<b>100</b>
Fee level	20 20,0%
Brand	2 2,0%
Size of the employee benefits consultancy	1 1,0%
Level of experience and track record of regulatory compliance of the employee benefits consultancy	22 22,0%
Your relationship with the employee benefits consultant	10 10,0%
Your relationship with the employee benefits consultancy	3 3,0%
The employee benefits consultancy's independence from other service providers (e.g. administrators and insurers)	12 12,0%
Service levels of the employee benefits consultancy	19 19,0%
Thought leadership and track record of the employee benefits consultancy	4 4,0%
Not applicable	7 7,0%
Table size	100 100,0%

**Q10.8 What are the key determinants when choosing a beneficiary fund? Indicate the 3 most important factors and rank them in order of importance: 1 is most important, 2 is second most important and 3 is third most important.**

Any mention	2016
<b>Base: All respondents</b>	<b>100</b>
Price	55 55,0%
Governance	24 24,0%
Investment strategy of the fund	42 42,0%
Brand	11 11,0%
Size of the fund	15 15,0%
Your relationship with the fund	6 6,0%
Fund's relationship with the broker	14 14,0%
Fund's ability to communicate with dependants / guardians	29 29,0%
Value-added services provided by the fund	17 17,0%
Your relationship with the broker	2 2,0%
Service levels of the fund	46 46,0%
Not applicable	10 10,0%
Not sure	3 3,0%
Table size	274 274,0%

### Q10.9 To what extent are you able to factually, transparently and objectively compare costings (including administration fees, risk costs and investment charges) between the different competitor companies when choosing providers?

	2016
<b>Base: All respondents</b>	<b>100</b>
It is very easy to compare the different offerings	16 16,0%
It is relatively easy to compare the different offerings	25 25,0%
It is somewhat difficult to compare the different offerings	38 38,0%
It is very difficult to compare the different offerings	19 19,0%
Not applicable	1 1,0%
Not sure	1 1,0%
Table size	100 100,0%

### Q10.10 How do you go about comparing the different costings?

	2016
<b>Base: All respondents</b>	<b>100</b>
Compare the quotes we ask for / costing from each company / fees levels	38 38,0%
Outsource benchmarking / cost comparisons to a third party service provider	34 34,0%
Market survey / market analysis	10 10,0%
Analyse the info spreadsheet / look at tables from providers after requesting info	6 6,0%
Response to RFP / tender criteria	4 4,0%
Presentations	3 3,0%
We re-broke annually / we make a comparison based on rebroke exercise	3 3,0%
Continuous discussions around the various offerings / meetings to discuss, evaluate and compare different offerings and their applications	2 2,0%
Make sure each of the costings are aligned with the methodologies	2 2,0%
Compare our provider with the market norm	2 2,0%
We sit down with the consultants and they must explain the quote to us without giving the costing to them	2 2,0%
We focus on our essential requirements rather than the 'nice to have'	2 2,0%
We do not compare being part of an umbrella fund / have not done it since 2008 when we entered into an umbrella fund	2 2,0%
Other	10 10,0%
Can't say - never rebroke / haven't rebroke for a very long time	8 8,0%
Not applicable	1 1,0%
Don't know	2 2,0%
Table size	131 131,0%

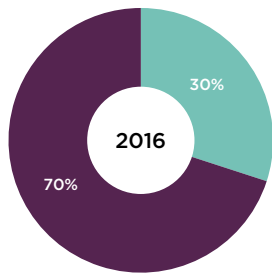
# Section 11

## Financial wellness

### Q11.1a Does the principal employer have a financial wellness programme in place?

2016

Base: All respondents 100



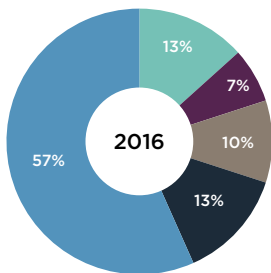
Yes No

Table size 100  
100,0%

### Q11.1b How long has it been in place for?

2016

Base: All who have a financial wellness programme in place 30



Less than 1 year 1 year 2 years 3 years  
More than 3 years

Mean 3  
Table size 30  
100,0%

### Q11.2 To what extent is the HR department in the principal employer capable of enabling employees to engage with their retirement fund?

2016

Base: All respondents 100

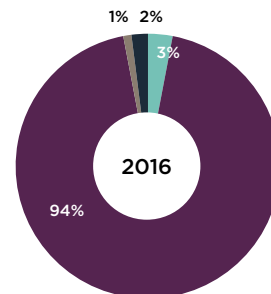
Completely incapable	7
	7,0%
Somewhat incapable	9
	9,0%
Neither capable nor incapable	7
	7,0%
Somewhat capable	32
	32,0%
Completely capable	43
	43,0%
Not applicable	2
	2,0%

Table size 100  
100,0%

### Q11.3 Are members of the HR department measured or incentivised in any way on the favourable retirement outcomes of employees?

2016

Base: All respondents 100



Yes No Unsure Not applicable

Table size 100  
100,0%

**Q11.4 To what extent is financial stress problematic for the principal employer?**

2016

Base: All respondents

100

■ 2016

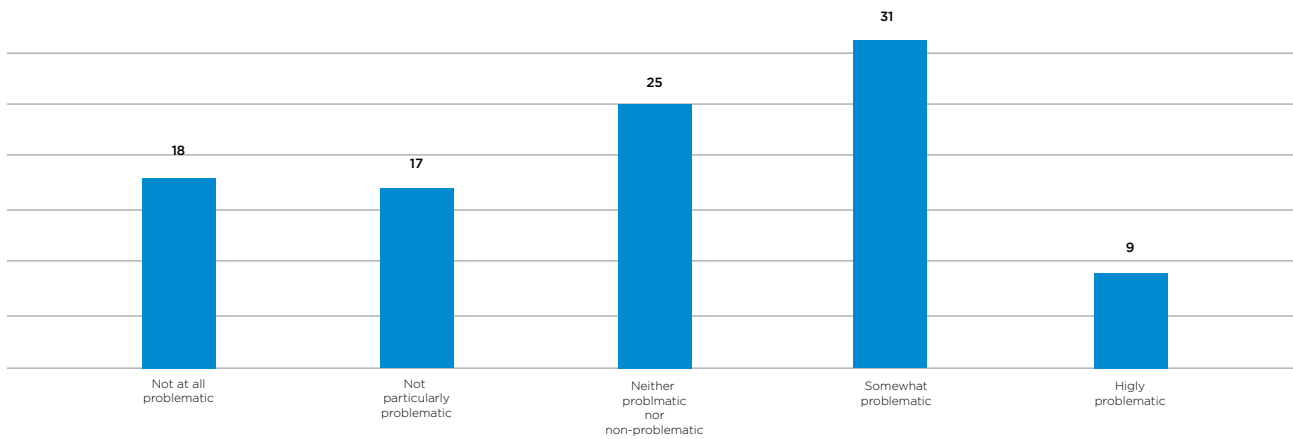


Table size

100

100,0%

**Q11.5 To what extent does the principal employer believe that it is their responsibility to enable good retirement outcomes for their employees?**

2016

Base: All respondents

100

■ 2016

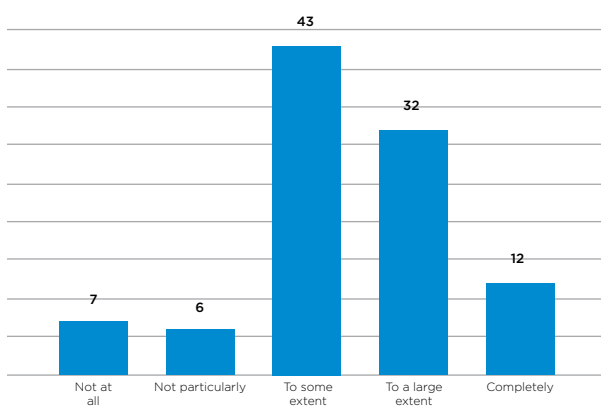


Table size

100

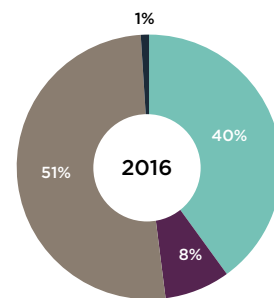
100,0%

**Q11.6 Does a member of senior management (CFO, HR executive) sit on the MANCO of the fund?**

2016

Base: All respondents

100



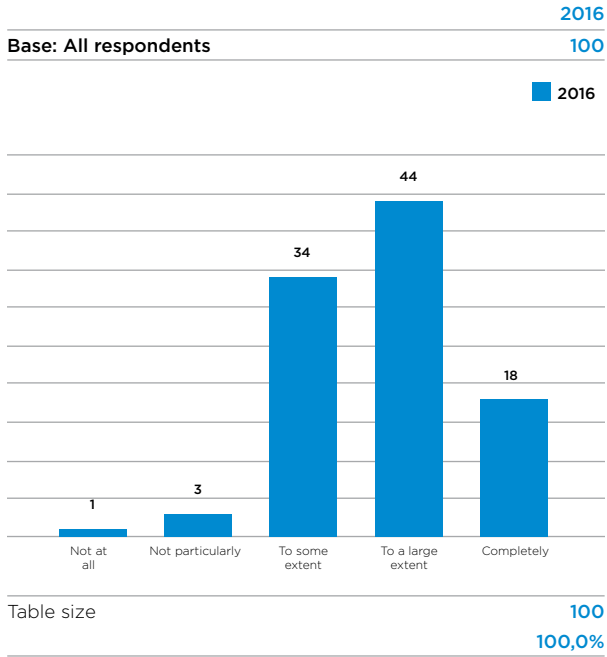
■ Yes ■ No ■ No MANCO ■ Unsure

Table size

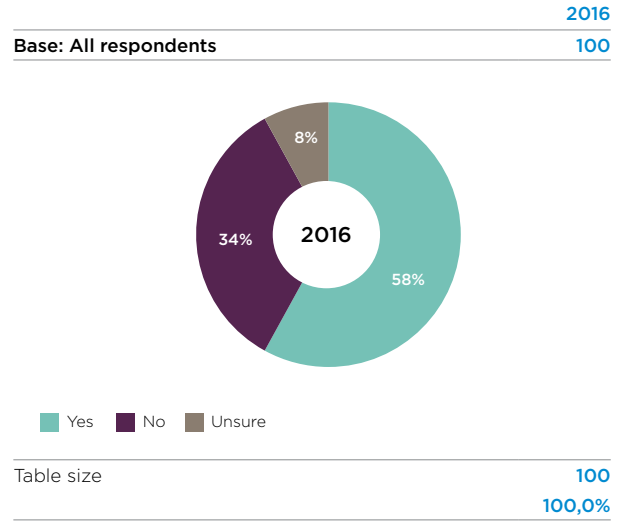
100

100,0%

**Q11.7 To what extent is the principal employer interested in the financial wellbeing of its employees?**



**Q11.8 Does the principal employer view the financial wellbeing of its employees as a source of competitive advantage?**

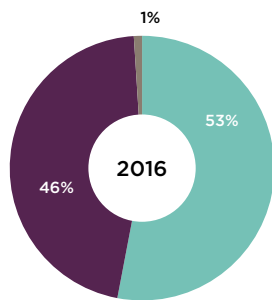


# Section 12

## Special topics

**Q12.1a Retirement reform, by its very nature, has significant cost implications in terms of amendments to fund rules, changes to systems and technology / infrastructure as well as additional administration costs and consulting fees. Do you expect an increase in fees or a spate of once-off ad hoc fees in respect of this?**

2016  
Base: All respondents 100

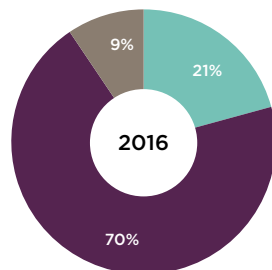


■ Yes ■ No ■ Unsure

Table size 100  
100,0%

**Q12.1b Did you make provision for these expected increases?**

2016  
Base: All who expect an increase in costs 53

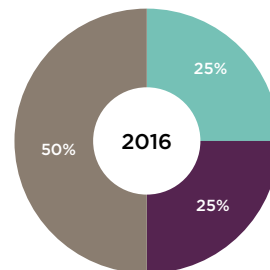


■ Yes ■ No ■ Unsure

Table size 53  
100,0%

**Q12.1c How much? (% of salary)**

2016  
Base: All who made provision for increases 4

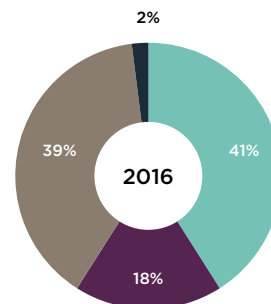


■ 0,05 ■ 0,2 ■ 0,25

Mean 0,19  
Table size 4  
100,0%

**Q12.2 Following the finalisation of the implementation date for T-day, do you believe that members should?**

2016  
Base: All respondents 100



■ Make additional voluntary contributions to their pension fund rather than use an RA  
■ Use an RA rather than a pension fund  
■ Make no changes to their current arrangement  
■ Don't know

Table size 100  
100,0%

**Q12.3 Following the finalisation of the implementation date for T-day, will your employer encourage members to increase their contribution levels or make AVCs to the fund?**

2016  
Base: All respondents 100

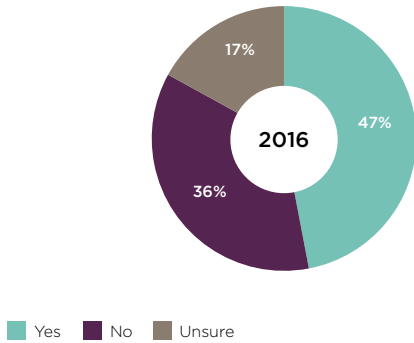


Table size 100  
100,0%

**Q12.4 Following the finalisation of the implementation date for T-day, will your employer encourage members to make their RAs paid up?**

2016  
Base: All respondents 100

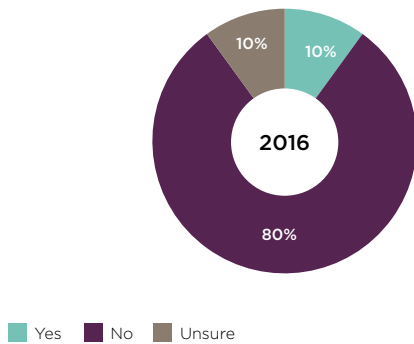


Table size 100  
100,0%

**Q12.5 Will the employer monitor and track the progress of members towards achieving their desired retirement outcomes?**

2016  
Base: All respondents 100

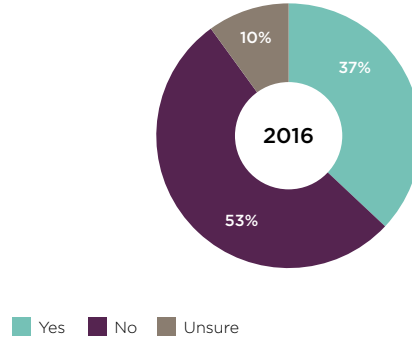


Table size 100  
100,0%

**Q12.6 Following the finalisation of the implementation of T-day, it has been proposed that Trustees should encourage members to rather make AVCs to their retirement fund instead of saving additionally via an RA in order to reduce cost. Is the employer intending to do the same?**

2016  
Base: All respondents 100

Yes, the cost of saving via the fund is lower than the RA	22
	22,0%
Yes, it is administratively more convenient for members to have one savings vehicle	20
	20,0%
No, very few of our members save additionally via an RA	44
	44,0%
No, having more than one vehicle allows members to stagger their retirement based on their needs	11
	11,0%
No, having more than one sub-fund allows members to cash in (not annuitise) smaller accounts from separate RAs where each sub-fund value is less than R247,500 (de minimis rule)	2
	2,0%
Don't know	1
	1,0%
Table size	100
	100,0%



**Q12.7 Following the finalisation of the implementation of T-day, it has been proposed for employers to consolidate pension and provident funds. Is the employer intending to consolidate separate sub-funds?**

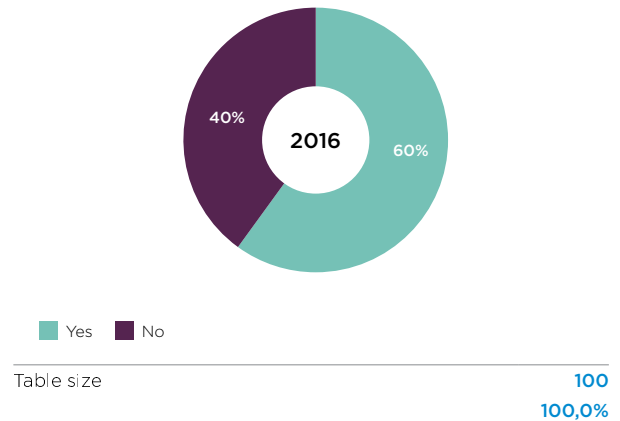
	2016
<b>Base: All respondents</b>	<b>100</b>
Yes, there will be a cost saving in only having one sub-fund instead of two	9
	9,0%
No, we have not consolidated this	14
	14,0%
No, having more than one sub-fund allows members to cash in (not annuitise) smaller accounts from separate RAs where each sub-fund value is less than R247,500 (de minimis rule)	1
	1,0%
Not applicable - we only have one sub-fund	76
	76,0%
Table size	100
	100,0%

**Q12.8 What is the employer's position with regard to members' resigning to access their retirement savings as a consequence of the T-Day legislation?**

	2016
<b>Base: All respondents</b>	<b>100</b>
We have not formulated a particular view or response	47
	47,0%
The employer does not reserve employees' positions for them to re-enter employment. They would need to apply for their previous position along with other candidates	44
	44,0%
The employer allows members to re-enter employment on the same basis as before	3
	3,0%
Not encouraging / discouraging them	2
	2,0%
If they leave they will not be re-employed	1
	1,0%
Focus is on communication with employees	1
	1,0%
If members resign and re-enter they cannot access RF for up to 3 years	1
	1,0%
Don't know	1
	1,0%
Table size	100
	100,0%

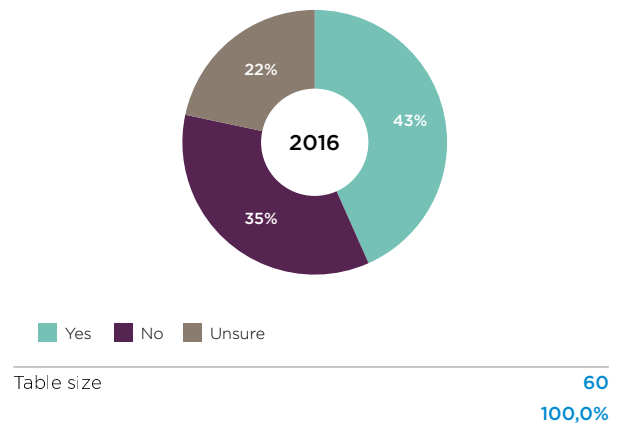
**Q12.9a Are you aware of the option of flexibility of contribution as a consequence of T-Day?**

2016  
Base: All respondents 100



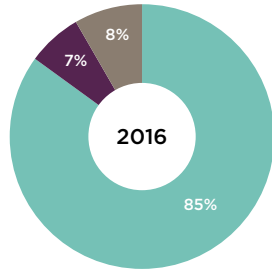
**Q12.9b Does the employer intend to change the fund rules to allow for flexible contribution levels?**

2016  
Base: All aware of flexibility of contribution 60



**Q12.9c Will the employer communicate this to members?**

2016  
Base: All aware of flexibility of contribution 60



■ Yes ■ No ■ Unsure

Table size 60  
100,0%

**Technology**

**Q12.10 Are you aware of technology platforms that could facilitate / enable your role fulfilment, but are not available to you due to?**

	2016
<b>Base: All respondents</b>	<b>100</b>
Lack of budget	5
	5,0%
Lack of user sophistication	13
	13,0%
Lack of training	11
	11,0%
Lack of bandwidth	1
	1,0%
Administrator attends to this	5
	5,0%
Aware but have not implemented	3
	3,0%
No, we have optimised and integrated all systems	55
	55,0%
Not aware	11
	11,0%
Not sure	1
	1,0%
Table size	105
	105,0%

**Q12.11 Which of the following social media channels do you personally use?**

2016  
Base: All respondents 100

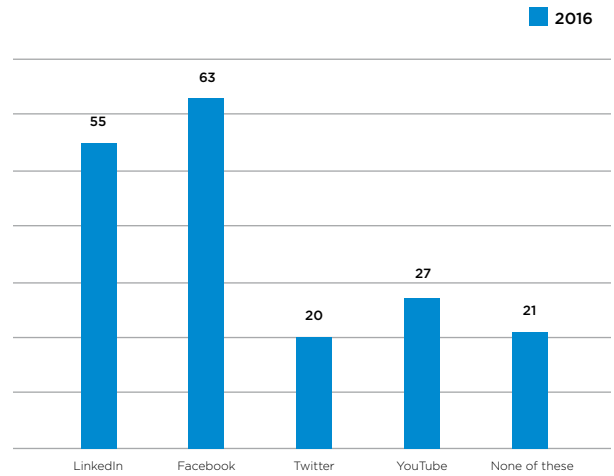


Table size 186  
186,0%

**Q12.12 Are you able to access the following media at the employer site?**

2016  
Base: All respondents 100

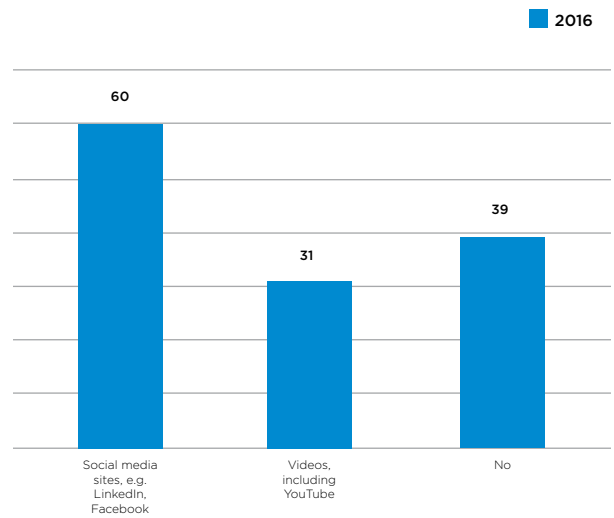


Table size 130  
130,0%

## Demographics

### Demographics: What is the highest level of qualification that you hold?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100
Degree	35	25	30
	35,0%	25,0%	30,0%
National certificate	6	5	5
	6,0%	5,0%	5,0%
Diploma	23	22	16
	23,0%	22,0%	16,0%
Chartered accountant	11	12	16
	11,0%	12,0%	16,0%
Honours degree	12	19	12
	12,0%	19,0%	12,0%
Chartered secretary	1	1	1
	1,0%	1,0%	1,0%
Matric	5	12	17
	5,0%	12,0%	17,0%
MBA	0	1	3
	0,0%	1,0%	3,0%
Masters degree	5	-	-
	5,0%		
Other	1	3	3
	1,0%	3,0%	3,0%
Refused	1	-	-
	1,0%		
Table size	100	100	100
	100,0%	100,0%	100,0%

### Demographics: Gender

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100

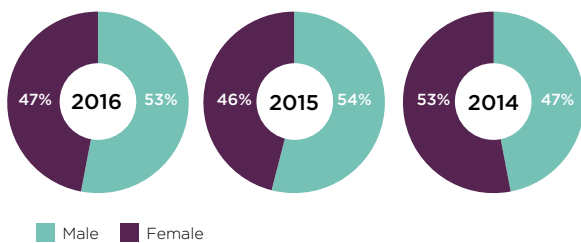


Table size	100	100	100
	100,0%	100,0%	100,0%

### Demographics: Which of the following best describes your age group?

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100

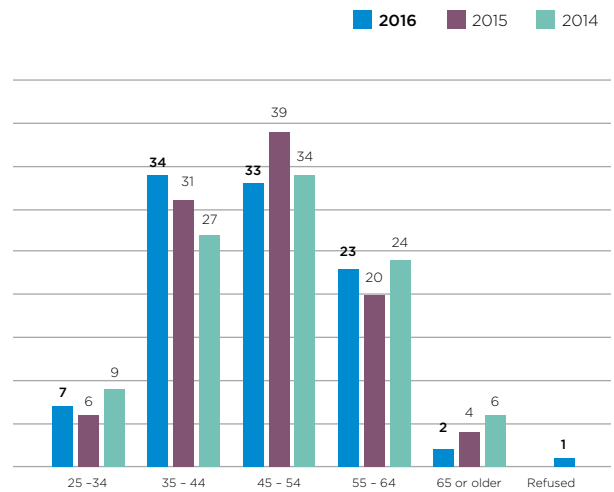


Table size	100	100	100
	100,0%	100,0%	100,0%

### Demographics: Ethnic group

	2016	2015	2014
<b>Base: All respondents</b>	<b>100</b>	100	100

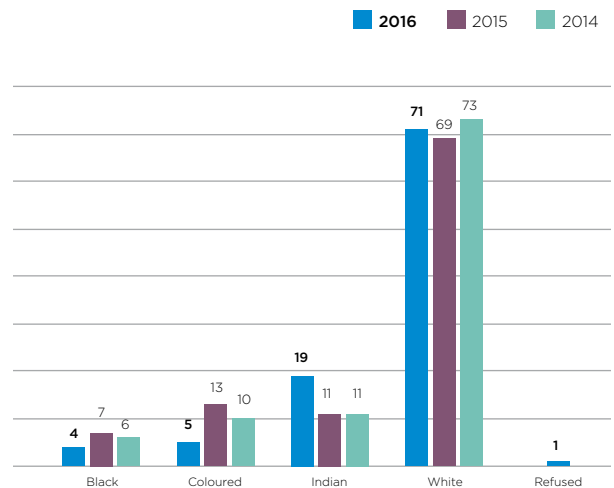


Table size	100	100	100
	100,0%	100,0%	100,0%

### Demographics: Which company provides the umbrella fund that you participate in?

	2016
<b>Base: All respondents</b>	<b>100</b>
Absa	1
	1,0%
Alexander Forbes / Investment Solutions	20
	20,0%
Liberty Life	8
	8,0%
Metropolitan / Momentum / MMI	12
	12,0%
Old Mutual	28
	28,0%
Sanlam	19
	19,0%
Futura	1
	1,0%
Grant Thornton Capital	3
	3,0%
Versa	1
	1,0%
NMG	2
	2,0%
Robson Savage	1
	1,0%
Willis Towers Watson	1
	1,0%
Fussel	1
	1,0%
No answer	2
	2,0%
Table size	100
	100,0%

### Demographics: Do you own a smartphone?

	2016
<b>Base: All respondents</b>	<b>100</b>
	100
	100,0%

### Demographics: Are you comfortable using apps and the web browser on your smartphone?

	2016
<b>Base: All who have a smartphone</b>	<b>90</b>
Table size	90
	100,0%

### Demographics: Do you have access to the internet for the purposes of fulfilling your duties to the fund?

	2016
<b>Base: All respondents</b>	<b>100</b>
Table size	100
	100,0%

## Demographics: Which of the following media do you consume?

	2016
<b>Base: All respondents</b>	<b>100</b>
ETV	29
	29,0%
SABC	29
	29,0%
CNBC	17
	17,0%
Bloomberg	17
	17,0%
Supersport	60
	60,0%
Today's Trustee	23
	23,0%
Pensions World	11
	11,0%
Financial Mail	46
	46,0%
Moneyweb	35
	35,0%
EBNet	7
	7,0%
Fin24	54
	54,0%
BizNews	25
	25,0%
Personal Finance	24
	24,0%
Sky News	3
	3,0%
CNN	2
	2,0%
DStv	4
	4,0%
Other	7
	7,0%
None	4
	4,0%
Table size	397
	397,0%





**Danie van Zyl**

Head: Guaranteed Investments  
Sanlam Employee Benefits  
T +27 21 950 2853  
E danievz@sim.sanlam.com

**Janus Engelbrecht**

Business & Product Analyst  
Sanlam Umbrella Solutions  
T +27 21 947 6457  
E janus.engelbrecht@sanlam.co.za

**Wagieda Suliman**

Market Insights  
Sanlam Employee Benefits  
T +27 21 950 2952  
E Wagieda.suliman@sanlam.co.za



2 Strand Road, Bellville 7530 | PO Box 1, Sanlamhof 7532, South Africa

Sanlam Life Insurance Limited Reg no 1998/021121/06.  
Licensed Financial Services and Registered Credit Provider (NCRCP43).

[www.sanlam.co.za](http://www.sanlam.co.za)

