

# SANLAM STAFF UMBRELLA PENSION AND PROVIDENT FUNDS (SSUF)

## GLACIER AND SPW INVESTMENT OPTIONS

### 1. THE PURPOSE OF THIS DOCUMENT

This document serves to inform members of the two individualised investment options available under the SSUF, namely:

- Glacier Financial Solutions Option; and
- SPW 100% Option

These options are ideal for members who want more direct personal control over the management of the underlying investment of their fund value.

#### Important:

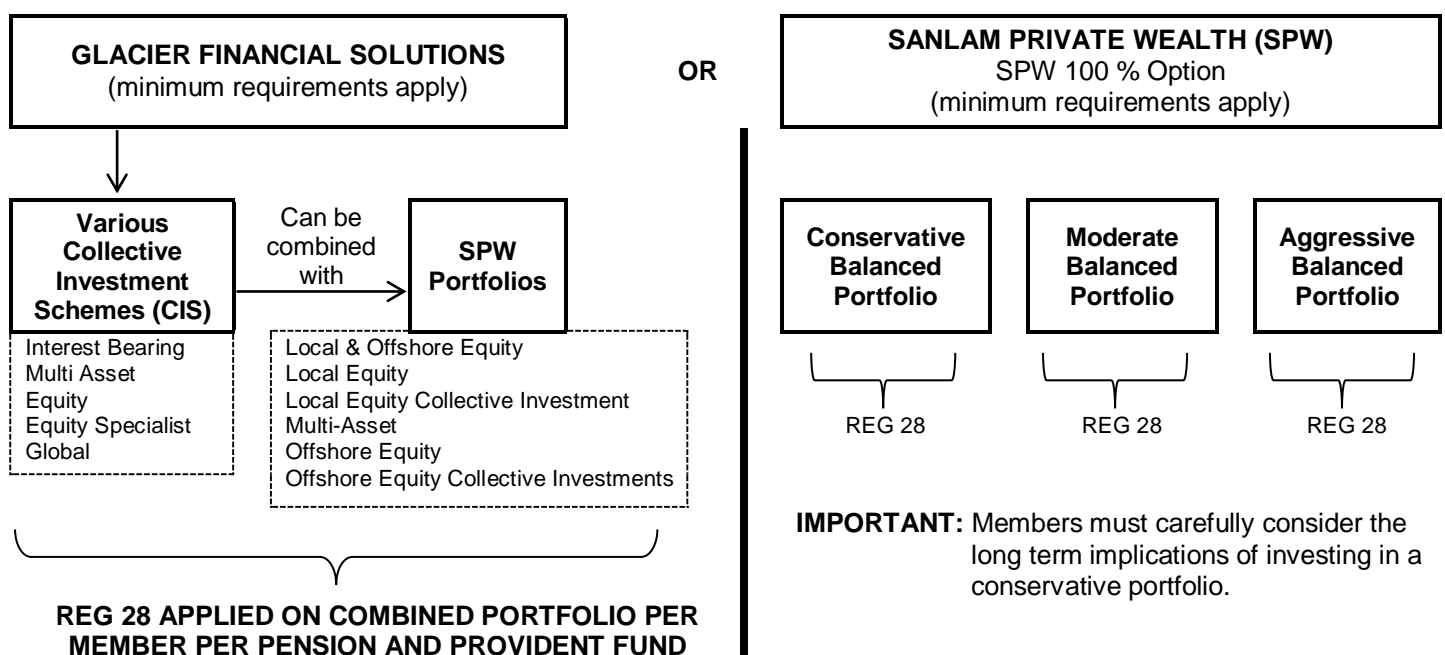
- Members must meet certain minimum requirements to invest in these options – Refer point 4.
- These options have a significantly higher cost structure. Members must ensure that they understand the cost structure and know how they can derive benefit to compensate for the increase cost – Refer point 6.
- A review done by the Trustees appears to show that members using the Glacier/SPW option find it difficult to match the results achieved by (some) of the lower cost options available on the SSUF platform.

### 2. GLACIER AND SPW INVESTMENT OPTIONS

With the assistance of a financial adviser, members who qualify can choose to invest in:

- a limited number of unit trust portfolios available on the Glacier platform; or
- invest in one of the balanced share portfolios with Sanlam Private Wealth; or
- a combination of both Glacier and SPW, where –

A minimum of 3 % of the portfolio must remain with Glacier in a unit trust portfolio for fee recoveries and a maximum of 97 % of the portfolio may be invested with SPW.



### 3. GLACIER OPTION AND SPW INVESTMENT APPROACHES

GLACIER FINANCIAL SOLUTIONS	SPW 100% OPTION
<p>Members are able to invest in the unit trust (CIS) selected by Glacier's research team as published quarterly in their Shopping List. All portfolios on the Shopping List meet the stringent criteria of Glacier Research. The range includes domestic and Rand-denominated international portfolios across a number of risk profiles, asset classes and sectors. The investment managers are amongst the best in the market.</p> <p>The member or his/her financial adviser will be able to switch between the available Glacier portfolios. This can be done electronically via the Glacier web or the applicable switch form available from the Glacier Communication Centre.</p> <p>For more details about the Shopping List of CIS portfolios, please contact the <b>Glacier Communication Centre</b> at Tel: <b>021 917 9002</b>.</p>	<p>Sanlam Private Wealth provides members with a choice of investment options through their range of model portfolios.</p> <p>The investment process applied to these portfolios follows a number of principles to ensure that performance is monitored continuously, that there is consistency with the mandates, and that portfolio managers implement the decisions taken by the investment committee.</p> <p>Note that where a member chooses to invest in the SPW 100 % Option, then there are only three balanced portfolios available.</p> <p>For more details about the SPW options, please contact <b>Petro de Jager</b> at Tel: <b>021 950 4641</b>.</p>

### 4. MINIMUM QUALIFYING REQUIREMENTS

GLACIER FINANCIAL SOLUTIONS	SPW 100% OPTION
<p>A minimum monthly contribution of R7 500 that can be supplemented by any fund value transfer.</p> <p>OR</p> <p>A minimum Fund value investment of R500 000, which must be maintained and which can then be supplemented with any monthly contribution.</p> <p><b>The above minimum amounts are combined amounts for the Pension Fund and Provident Fund.</b></p> <p><b>Please note:</b></p> <p><i>If the member elects to combine collective investment schemes with a SPW share portfolio the minimum amount is R1 000 000 per Pension Fund and Provident Fund respectively.</i></p> <p><i>Monthly contributions are not allowed to be invested with SPW.</i></p>	<p>The minimum amount for the first investment account is R1 000 000 (either your Pension Fund or Provident Fund value, but not a combination of the two funds).</p> <p><b>Plus</b></p> <p>A minimum amount of R500 000 for the second investment account (for the subsequent fund).</p> <p><b>Please note the following exception:</b></p> <p><i>In the event that the first account is R2 000 000 (e.g. Provident Fund portion) and the monthly contribution to the subsequent account (e.g. Pension Fund portion) is greater than R5 000 per month then a subsequent account that is less than R500 000 will be accepted (the equity component of this account will be invested in the SPW Equity Unit trust until the account reaches R500 000 in value).</i></p>

## 5. HOW TO MAKE USE OF THIS OPTIONS

**Members who want to invest part of or their full fund value/monthly contributions at Glacier/SPW must follow the following steps:**

### **Step 1:**

Make sure you have a good understanding of the fees and have positive answers for the following questions:

- a) Did the financial adviser disclose all the relevant costs regarding the Glacier/SPW option to you?
- b) If he/she disclosed costs, did this include the (trailer) fee/commission payable to him/her as your adviser?
- c) Did the financial adviser compare the cost of the Glacier/SPW option with the cost of other options available under the Sanlam Staff Umbrella Funds?
- d) If he/she compared the costs, did he/she indicate that the cost of the Glacier/SPW option relative to other options were: the same/higher/lower?
- e) If he/she compared investment returns, did he/she indicate in writing that all returns are net of cost?
- f) Did your financial adviser put in writing what services he/she would render for the (trailer) fee/commission payable to him/her?
- g) Are you happy with the service that you receive from your financial adviser?

### **Step 2:**

Ensure that you meet the minimum qualifying requirements. (See point 4)

### **Step 3:**

Complete the SSUF Investment Option Form (Annexure A). Fax or E-mail this form to **Fax number: 021 957 3078 or send it by e-mail to [switch.south@sanlam.co.za](mailto:switch.south@sanlam.co.za).**

### **Step 4:**

- Complete the Glacier Retirement Fund Solution Form **or** the Private Securities Portfolio Option Form (SPW 100% option). These forms are available from Glacier Communication Centre or your financial intermediary.
- If you want to combine collective investment portfolios on the Glacier platform with a managed SPW portfolio, a SPW mandate must be submitted with the Glacier Application Form.

The relevant forms must be completed either by the member or his/her financial intermediary.

For Glacier option – send the completed Glacier application form by fax to 021 947 9210, or email the form to **[client.services@glacier.co.za](mailto:client.services@glacier.co.za)**

When investing in SPW only, email the Private Securities Portfolio Option Form to **[LISPS@privatewealth.sanlam.co.za](mailto:LISPS@privatewealth.sanlam.co.za)**.

## 6. FEES (Excl VAT)

All amounts reflected in the following tables exclude VAT, unless indicated otherwise.

FEE DESCRIPTION	GLACIER FINANCIAL SOLUTIONS	SPW 100% OPTION																						
<b>SEB RFA Switch fee</b>	R1 034.00 (incl VAT)	R1 034.00 (incl VAT)																						
<b>Advisor's fees</b>	As agreed between the client and a financial intermediary, limited to a maximum of 0.5 % of the market value of the portfolio.	As agreed between the client and a financial intermediary, limited to a maximum of 0.5 % of the market value of the portfolio.																						
<b>Local portfolio management fees</b>	As indicated in the mandate or fact sheet of each portfolio.	<p>A monthly fee equal to one-twelfth of the applicable rate* based on the market value of the portfolio.</p> <table border="1"> <thead> <tr> <th>Portfolio value</th> <th>*Applicable rate</th> </tr> </thead> <tbody> <tr> <td>- On the first R2 500 000</td> <td>1.25%</td> </tr> <tr> <td>- On the next R5 000 000</td> <td>1.10%</td> </tr> <tr> <td>- On the next R5 000 000</td> <td>1.00%</td> </tr> <tr> <td>- On the next R7 500 000</td> <td>0.75%</td> </tr> <tr> <td>- On the next R15 000 000</td> <td>0.65%</td> </tr> <tr> <td>- On the next R15 000 000</td> <td>0.60%</td> </tr> <tr> <td>- On the next R25 000 000</td> <td>0.55%</td> </tr> <tr> <td>- On the next R25 000 000</td> <td>0.50%</td> </tr> <tr> <td>- On the next R50 000 000</td> <td>0.45%</td> </tr> <tr> <td>- Thereafter</td> <td>0.40%</td> </tr> </tbody> </table>	Portfolio value	*Applicable rate	- On the first R2 500 000	1.25%	- On the next R5 000 000	1.10%	- On the next R5 000 000	1.00%	- On the next R7 500 000	0.75%	- On the next R15 000 000	0.65%	- On the next R15 000 000	0.60%	- On the next R25 000 000	0.55%	- On the next R25 000 000	0.50%	- On the next R50 000 000	0.45%	- Thereafter	0.40%
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<b>Glacier Administration fee</b>	<table border="1"> <tbody> <tr> <td>On the first R1 000 000</td> <td>0.40 % pa</td> </tr> <tr> <td>On the next R4 000 000</td> <td>0.28 % pa</td> </tr> <tr> <td>Thereafter</td> <td>0.25 % pa</td> </tr> </tbody> </table> <p><i>The above-mentioned fees will apply separately in respect of the member's investments from the Pension and Provident Funds.</i></p> <p><i>The annual fees are calculated on a daily basis, but are levied monthly in arrears.</i></p>	On the first R1 000 000	0.40 % pa	On the next R4 000 000	0.28 % pa	Thereafter	0.25 % pa	<p>A portion of the management fees is payable to Glacier Financial Solutions (Pty) Ltd for the administration being performed by them.</p> <p><i>The above-mentioned fees will apply separately in respect of the member's investments from the Pension and Provident Funds.</i></p>																
On the first R1 000 000	0.40 % pa																							
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<b>SPW Administration fee</b>	Where the member combines SPW portfolios with collective investment schemes, Glacier levies a surcharge of 0.15% p.a. on all monies invested in the SPW portfolios.	R300.00 per annum.																						
<b>Local and International Collective Investment Schemes</b>	<p>An annual administration fee is levied by collective investment managers. Please consult the relevant fact sheet.</p> <p>A performance fee may also be recovered if the investment fund is in excess of the benchmark for that specific fund.</p>	<p>If the client is invested in local or offshore collective investments (as approved by Glacier) SPW will recover a flat management fee of 0.35 % p.a. monthly, at JSE month-end on the market value of the unit trust investments.</p> <p>An annual administration fee is levied by collective investment managers.</p> <p>A performance fee may also be recovered if the investment fund is in excess of the benchmark for that specific investment fund.</p>																						

<b>Offshore portfolio management fees</b>		<p><b>Portfolio management and administration fees:</b> SPW UK offers various discretionary offshore managed portfolios.</p> <p>Where a portion of the private securities portfolio is invested in these SPW UK portfolios, a monthly management fee equal to one-twelfth of 1.4 % will be payable quarterly in arrears on the total underlying asset value including all cash.</p> <p><b>Transaction fees</b></p> <ul style="list-style-type: none"> <li>• Custody fee of 0.1 % p.a. on investments below £300 000 and 0.05 % thereafter. This fee will be recovered 6 monthly in arrears.</li> <li>• Brokerage fee of 0.5 % is applicable on all trades.</li> </ul>
<b>Transaction fees</b>		<p>Brokerage on equity dealing of 0.25 % per transaction.</p> <p>Minimum brokerage* of R150 per transaction</p> <p>Securities Transfer Tax of 0.25 % on purchase transaction</p> <p>STRATE** settlement costs as charged by STRATE.</p> <p>In addition changes to fees relating to statutory requirements will be communicated to the member.</p> <p><i>*Please be aware of the risk of this cost in the case of numerous trades by the portfolio manager.</i></p> <p><i>**This cost is subject to change without prior notice.</i></p>
<b>Soft Commission and Other Benefits</b>	<p>In some cases a retrocession is paid by the collective investment manager to Glacier. The retrocession, if paid by the collective investment manager, amounts to a minimum of 0.05 % and a maximum of 0.50 % of the asset value of units held on behalf of the member.</p>	<p>Full disclosure of any commission, incentives, fee reductions or rebates received by the Investment Manager, will be done to the member.</p>

## 7. INVESTMENT ADMINISTRATION SPW 100% OPTION

The administration of the SPW option will be done by Glacier in terms of an agreement between Glacier and SPW.

Members will receive a welcome letter with the contact details of the Portfolio Manager and the Assistant who will be looking after their account. The Portfolio Manager should be contacted for all investment related information, for all other enquiries the Assistant will be able to help.

All communication needs to take place with the designated contact persons at SPW once the portfolio is up and running.

Glacier only provides administrative capabilities and will not deal with any queries relating to SPW portfolios.

## 8. UPDATING OF INVESTMENT VALUES

The fund values of the investments will be updated daily on the Glacier system, this will include the SPW share value. The value of the investments will be conveyed to the fund administrator at the end of each month to enable them to update the member's SSUF record.

## 9. ENQUIRIES

If you have any questions, please phone:

GLACIER OPTION	SPW 100% OPTION
<ul style="list-style-type: none"> <li>• Phone their Communication Centre at: <b>021 917 9002:</b> or</li> <li>• Send an e-mail to: <b>client.services@glacier.co.za</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Petro de Jager</b> - Tel: <b>021 950 4641</b></li> <li>• <b>Natasha Barbera</b> - Tel: <b>021 950 4671</b></li> <li>• Email: <b>LISPS@privatewealth.sanlam.co.za</b></li> </ul>

Updated by Chrisna Swart

May 2019

## SANLAM STAFF UMBRELLA PENSION AND PROVIDENT FUNDS (SSUF)

### INVESTMENT OPTION FORM

This form must only be completed if you wish to make a change to the composition of your investment portfolio(s). It serves as an official instruction to the fund administrator of the above funds. Submit the completed form to: [switch.south@sanlam.co.za](mailto:switch.south@sanlam.co.za) or fax to 021 957 3078.

#### 1. Complete your personal details

Initials and surname			
Email address			
Paycode		Date of birth	
Telephone number		Fax number	

#### 2. Indicate your new investment option – (% in block next to portfolio)

ACCRUED FUND VALUE			MONTHLY CONTRIBUTIONS		
Sanlam Lifestage option (See Point 3, note a)	YES	NO	Sanlam Lifestage option (See Point 3, note a)	YES	NO
<b>Glacier option (See Point 3, note b)</b>	%		<b>Glacier option (See Point 3, note b)</b>	%	
<i>Mark the applicable block <input checked="" type="checkbox"/></i>			<i>Mark the applicable block <input checked="" type="checkbox"/></i>		
<b>SPW 100% Option (See Point 3, note b)</b>	YES	NO	<b>SPW 100% Option (See Point 3, note b)</b>	YES	NO
<b>Other portfolios</b>			<b>Other portfolios</b>		
SIM Aggressive	%		SIM Aggressive	%	
Satrix High Equity	%		Satrix High Equity	%	
Coronation Managed	%		Coronation Managed	%	
SMM NUR Balanced	%		SMM NUR Balanced	%	
Allan Gray Global Balanced	%		Allan Gray Global Balanced	%	
SIM Moderate	%		SIM Moderate	%	
SIM Moderate Absolute Fund	%		SIM Moderate Absolute Fund	%	
Stable Bonus	%		Stable Bonus	%	
Monthly Bonus	%		Monthly Bonus	%	
SIM Enhanced Cash Fund	%		SIM Enhanced Cash Fund	%	
<b>Total</b>	<b>100%</b>		<b>Total</b>	<b>100%</b>	

**Important:** Should you wish to retain your assets in any specific portfolio(s), please indicate this below. The total above should add up to 100% with the exclusion of the portfolio(s) indicated below. I want to retain the assets in the following portfolios:

.....  
 .....

**Please ensure that you read the important terms and conditions on the following page. Your option will not be implemented if you submit this form without this page being initialled and the next page being duly signed by you.**

..... (Initial)

**3. Please note the following important terms and conditions**

- a. If you have selected to invest in the Sanlam Lifestage Option your full fund value and future contributions will be invested in the Sanlam Lifestage Option until you instruct the fund administrator otherwise. While invested in the Sanlam Lifestage Option you may not select any of the other investment portfolios.
- b. Please make sure you meet the minimum Glacier or SPW requirements. Also make sure that you follow the correct procedure and submit the necessary application form to Glacier or SPW before you submit this form to the administrator. Details of the minimum requirements and conditions are available on the SSUF website at <http://www.sanlam.co.za/campaigns/myretirementfund/Pages/default.aspx>.
- c. Options may not be backdated.
- d. The administrator should confirm within 2 working days that they have received your instruction. If you do not receive a confirmation please contact [SSUF.enquiries@sanlam.co.za](mailto:SSUF.enquiries@sanlam.co.za). **Please keep a copy of this form and proof of your submission thereof for your own records.**
- e. A confirmation will be issued once the instruction has been processed.
- f. Members are entitled to **one free** instruction to change their investment portfolio for their fund value **per calendar year**; thereafter a fee of R930 (incl. VAT) will be charged per instruction. The cost will be recovered from your fund value. An instruction to change the investment portfolios of future contributions is free of charge.
- g. The submission of this form is irrevocable.
- h. If you switch from the Stable Bonus or Monthly Bonus portfolios the specific product rules will apply. Please note that the disinvestment may be done at the lower of market or book value.

**4. Read the following declaration and sign the form**

By undersigning this form, I accept the above terms and conditions and understand that:

- the onus is on me to ensure that the Administrator receives the investment instruction. If they do not acknowledge receipt of the instruction, then the switch may not be implemented;
- should the form be incomplete or inaccurate, the instruction may not be implemented by the Administrator;
- I was not influenced by the Employer, Trustees and other officers of the SSUF or the Administrator in exercising my investment option and that I will not hold the Employer, the SSUF, the Board of Trustees or any official of the SSUF responsible for any consequences of my choice.

Signed at .....on .....20.....

Member's signature .....