

Investments

A large, abstract blue graphic on the left side of the page, consisting of several overlapping shapes that suggest a stylized human figure or a hand pointing upwards.

delegated investment services

Helping trustees make the right investment
decisions for fund members

The background of the entire page is a close-up photograph of several wooden puzzle pieces scattered on a rough, textured wooden surface. The lighting is dramatic, with strong shadows and highlights, emphasizing the natural grain and texture of the wood.



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The decisions that you make now can make all the difference to your members' retirement outcomes.



introduction

A trustee is entrusted with the affairs of others and yet legislation and increased regulatory complexity have placed a considerable burden on retirement fund trustees and made it all the more challenging to make the right investment decisions for their members.

Moreover, with the recent focus on providing cost-effective default investment options for members, managing a retirement fund's assets has never been more important.

The multitude of decisions that rest on the shoulders of a trustee can consume a disproportionate amount of time, energy and attention without necessarily:

- **Improving retirement outcomes**
- **Enabling trustees to satisfactorily fulfil their fiduciary duty**

Despite the traditional advisory model upon which trustees and sponsors have historically relied, many trustees are finding that a more 'hands-on' approach to investment management and

governance is required to cope with the challenges presented to trustees:

- **Is the investment strategy appropriate for the member base?**
- **Does it offer good value for money?**
- **Does it serve members' best interests?**

Trustees delegating the investment management services of their retirement fund will result in them employing best practices, solving governance challenges and as a result improve and support the desired outcomes.



improve your governance framework

We aim to ease the administrative, regulatory and investment management burden by:

- Supporting trustees with their governance and compliance concerns;
- Overseeing the full investment management process and associated administration;
- Freeing trustees up to focus on where it is most important - the impact on fund members' retirement outcomes;
- Giving peace of mind that the investment decisions made are aligned to members' needs.

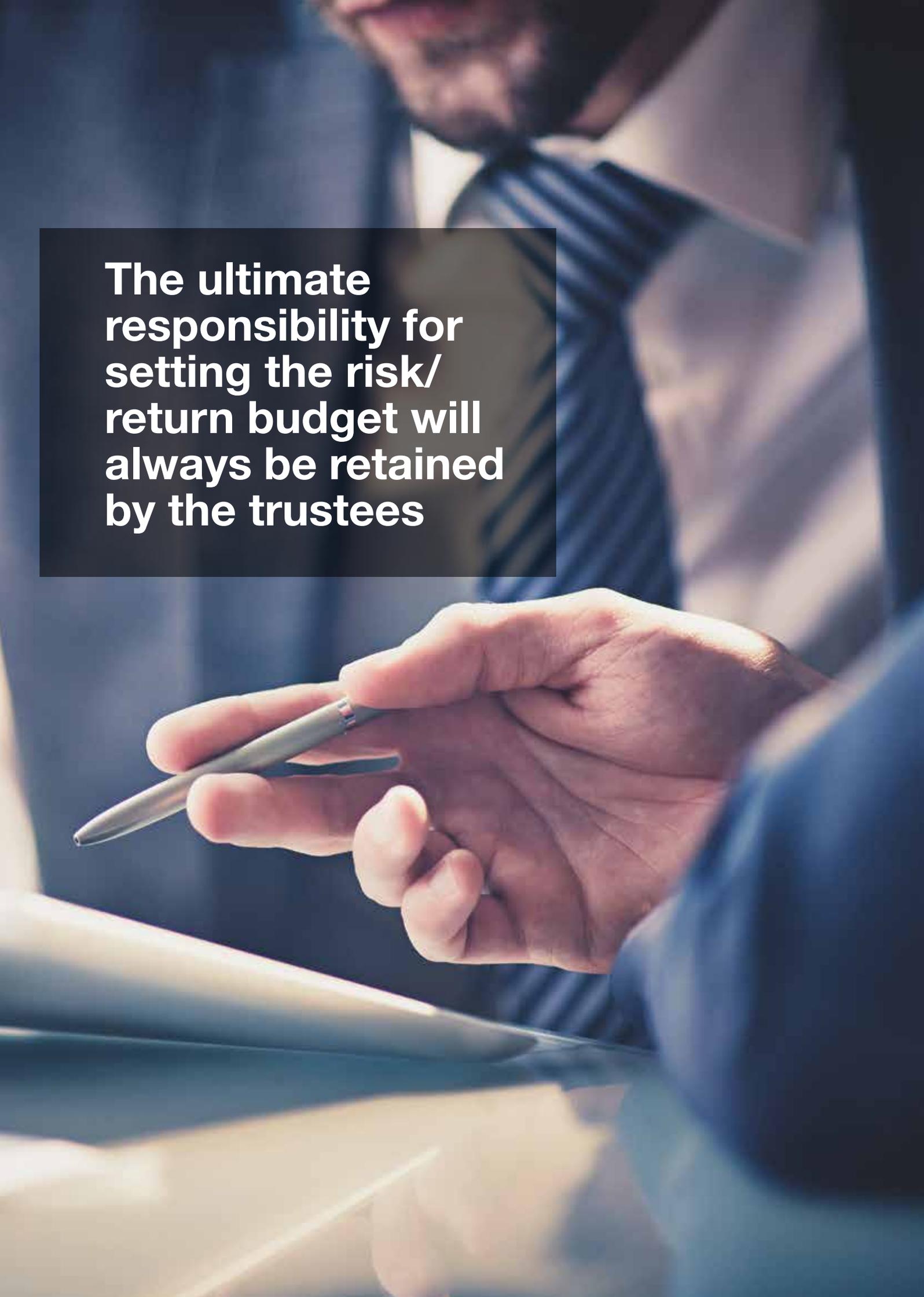
Together with trustees, we participate in the investment strategy and decision-making process as your investment partner, while trustees benefit from our robust asset manager research, investment processes and portfolio construction expertise. By better balancing the diverse demands of your members with a multitude of legislative considerations, you can improve your decision making processes, knowing that your process is compliant and expertly managed.

The ultimate responsibility for setting the risk/return budget will always be retained by the trustees.

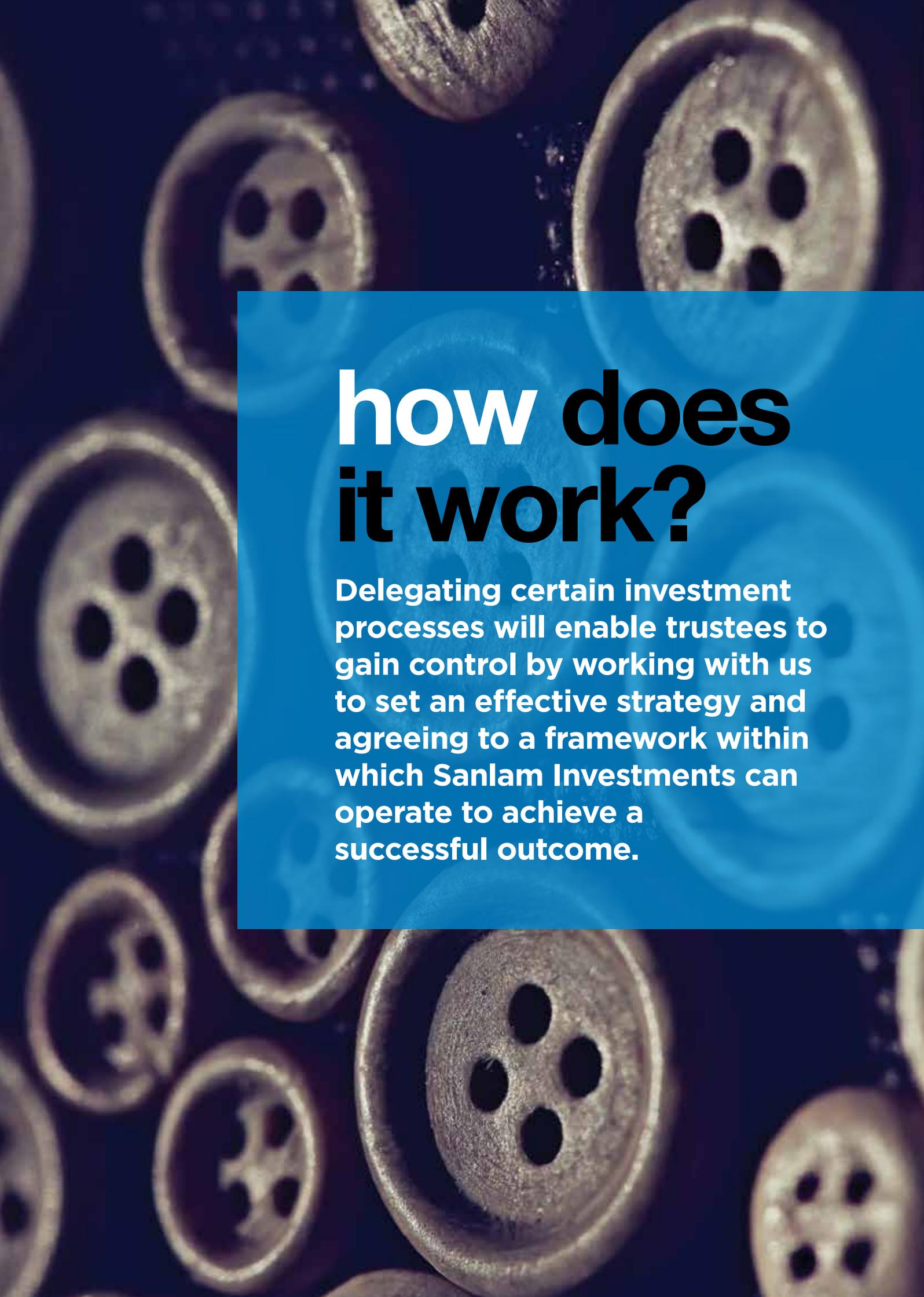
Investment consulting and management solutions

This process involves:

- Understanding and setting investment objectives and beliefs;
- Developing an appropriate investment strategy
- Implementing an investment strategy;
- Portfolio construction - including manager selection;
- Ongoing monitoring and reporting;
- Continuous reviewing.

A close-up photograph of a man in a dark blue suit and striped tie. He is holding a silver pen in his right hand, positioned over a document. The lighting is dramatic, with strong highlights and deep shadows, creating a professional and focused atmosphere. The background is blurred, emphasizing the man's actions.

The ultimate responsibility for setting the risk/return budget will always be retained by the trustees



how does it work?

Delegating certain investment processes will enable trustees to gain control by working with us to set an effective strategy and agreeing to a framework within which Sanlam Investments can operate to achieve a successful outcome.



A process in partnership

Trustees will develop a greater understanding of what makes the real difference from a retirement fund perspective and, in particular, looking at it from an asset/liability focus.

Every retirement fund and the needs of its members are unique. We therefore work collaboratively with the trustees as their investment partner to create a complete solution that is customised to members' needs. We provide guidance throughout the entire investment process, empowering trustees to make key investment decisions. What is more, this provides a robust framework for consistent and defensible future decisions.

Implementing the process through a dedicated Investment Committee

The investment committee is designed to involve decision makers in the portfolio management process and is structured around a well-articulated process with clearly defined goals.

The investment committee:

- **Helps bring discipline to the investment process;**
- **Provides assistance with legislative and practice management issues;**
- **Makes and approve decisions.**

Monitoring the process

By meeting regularly, the committee has the opportunity to evaluate whether value has been added, discuss fund analysis (what drove performance), an economic overview, asset allocation and asset manager analysis.



fees

The delegation of certain investment processes to Sanlam Investments involves fees which are reflective of the services required. Fees can be separated into three components:

1. Investment management fees

These are the fees the underlying investment managers charge based on the fees negotiated.

2. Delegation of investment services fees

These are fees Sanlam Investments charges for managing certain investment services, including portfolio, manager selection, legal and compliance reporting, performance monitoring and investment administration platform.

3. Platform and other fees

There are a number of other fees, such as custodian fees, transition fees, investment platforms or vehicles, transaction costs, statutory tax and bank charges. Within an insurance arrangement, a policy fee will be charged.

The background of the image shows several light-colored wooden puzzle pieces scattered on a dark, textured wooden surface. The pieces are out of focus, with some in the foreground and others receding into the background. A dark, semi-transparent rectangular box is overlaid on the left side of the image, containing white text.

**This investment
governance solution
allows trustees
to delegate certain
elements of
the investment
process to Sanlam
Investments.**



the facts

Retirement readiness report

This is designed to assist trustees with measuring whether the implemented investment strategy is delivering the intended outcomes.

Regular investment monitoring and reporting

- **Investment monitoring and reporting – this includes investment performance reviews, performance attribution and asset allocation. (we measure investment returns of portfolios against benchmarks and peer groups)**
- **Economic and market overviews**
- **Updates on asset managers, investment products and legislation**

Documented beliefs and objectives

The Investment Policy Statement sets out the investment policy and strategy that the investment committee has decided on. The statement meets all the relevant requirements of the Financial Services Board (FSB), PF Circular 130 issued in 2007 by the FSB and Regulation 28 of the Pensions Fund Act of 1956.

Monthly compliance monitoring and reporting

Our compliance team monitors and reports on investment compliance on a legal entity level monthly. They ensure compliance with regulatory, client and internal limitations.

Flexibility and choice from a wide range of specialist, absolute return and balanced funds

The investment committee has access to a variety of investment frameworks that cater for different needs and objectives. Within each framework, the committee decides on appropriate mandates, determines strategic asset allocations, agrees on underlying investment managers, and can take advantage of specific investment opportunities.



**Retirement
Readiness Report**
**This is designed to
assist trustees with
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investment strategy
is delivering the
intended outcomes.**



why choose **Sanlam** Investments?

With more than R780 billion in assets under management, Sanlam Investments is a multiple award-winning industry leader and provider of institutional investments, group life and disability benefits, risk services, fund administration and derivative-based structured solutions to institutions and retirement funds.

But more than that, we find reward in helping members achieve their retirement goals.

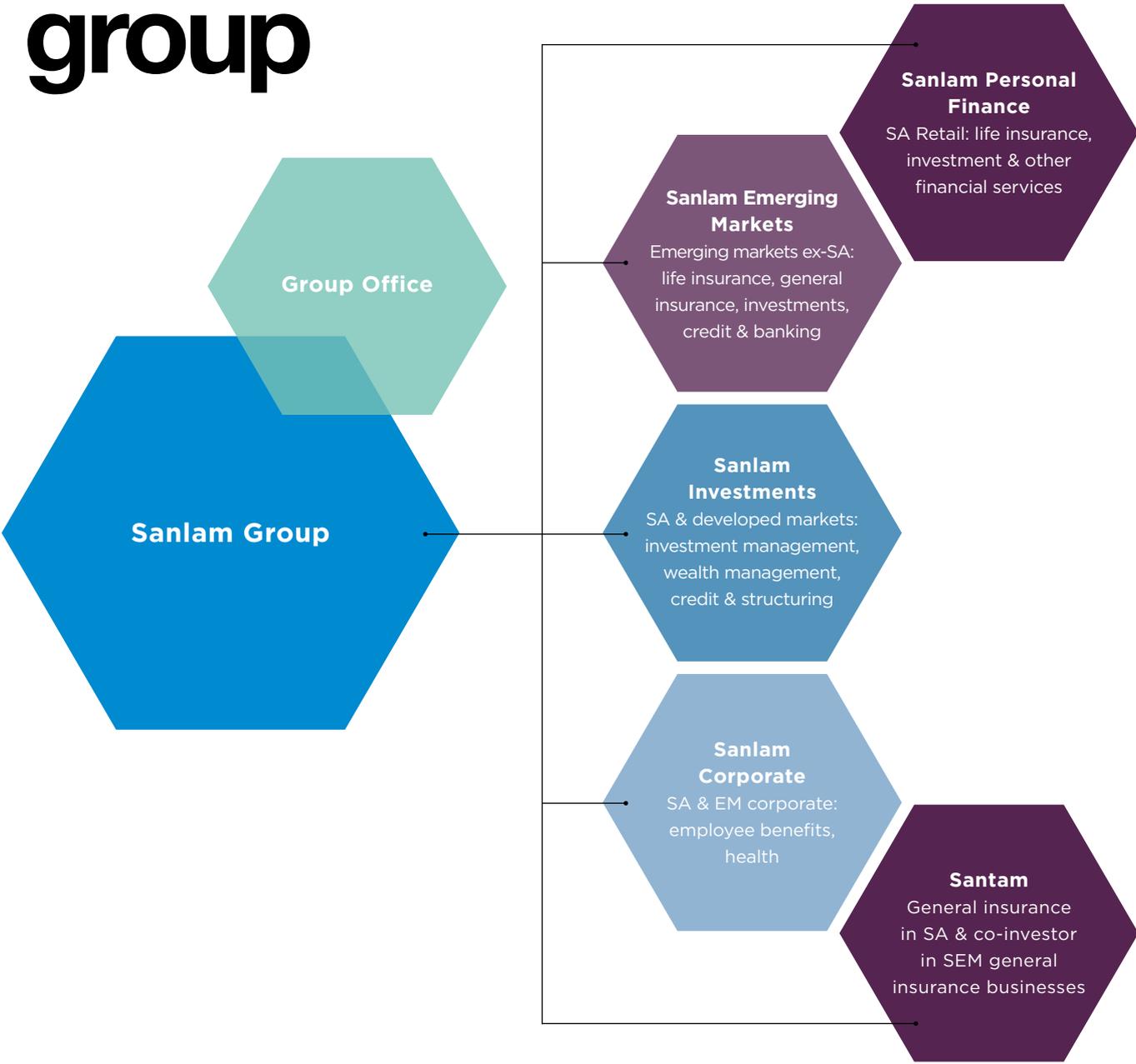
At Sanlam Investments, the ultimate test of whether we do our job well, is whether we have a positive impact on the lives of ordinary people. As members of your fund, they are ultimately relying on you (and us) to help them make the most of their hard-earned money.

**We have scale,
expertise and
almost 100 years'
experience**



have scaled
advertise, and
most 100-year
experience

leading broad-based financial services group





98 years in business

Present in 25 countries around the globe

- Emerging Markets – Indirect presence
- Emerging Markets – Direct presence
- Developed Markets



Top brand for 2015

At Loeries® official rankings



Top wealth manager in SA

Intellidex Top Private Banks and Wealth Manager survey for a second year running

R131 bn
Market Cap as listed on the JSE



5057c
per share
group equity value
Ann RoGEV per share 12.8%

476 165
shareholders
31 December 2015

RAGING BULL AWARDS
5 raging bull certificates awarded in 2015



IMBASA YEGOLIDE AWARDS
Equities Manager of the Year 2015

14 711
number of personnel



at 31 December 2015

R787 bn
total aum
SI asset management operations as at 31 December 2015



R211 bn
new business
received as at 31 December 2015

Sanlam is a leading broad-based financial services group in South Africa

Sanlam is a leading broad-based financial services group in South Africa. In nine decades Sanlam has set benchmarks for wealth creation, innovation and empowerment in South Africa. Sanlam has offices throughout South Africa as well as business interests elsewhere in Africa, Europe, India, Malaysia, Australia and the USA. The Group's international footprint is illustrated above.

Sanlam provides financial solutions to individual and institutional clients. These solutions include individual, group and short-term insurance,

personal financial services such as estate planning, trusts, home and personal loans, savings and linked products, investment, asset management, property asset management, stockbroking, risk management and capital market activities. Sanlam provides these solutions to various segments of the markets where it operates and offers the solutions from a number of mutually dependent business entities in the Group. From a life insurance company established in 1918, Sanlam has grown into a diversified one-stop financial services group, offering its clients a journey for life for their financial needs.

Sanlam Investments consists of the following authorised Financial Services Providers: Sanlam Investment Management (Pty) Ltd ("SIM"), Sanlam Multi Manager International (Pty) Ltd ("SMMI"), Satrix Managers (RF) (Pty) Ltd, Graviton Wealth Management (Pty) Ltd ("GWM"), Graviton Financial Partners (Pty) Ltd ("GFP"), Radius Administrative Services (Pty) Ltd ("Radius"), Blue Ink Investments (Pty) Ltd ("Blue Ink"), Sanlam Capital Markets (Pty) Ltd ("SCM"), Sanlam Private Wealth (Pty) Ltd ("SPW") and Sanlam Employee Benefits (Pty) Ltd ("SEB"), a division of Sanlam Life Insurance Limited; and has the following approved Management Companies under the Collective Investment Schemes Control Act: Sanlam Collective Investments(RF)(Pty) Ltd("SCI") and Satrix Managers (RF) (Pty) Ltd ("Satrix"). This publication is intended for information purposes only and the information in it does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Although all reasonable steps have been taken to ensure the information in this document is accurate, Sanlam Investments does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document. Please note that past performances are not necessarily an accurate determination of future performances and the performance of the fund depends on the underlying assets and variable market factors. International investments or investments in foreign securities could be accompanied by additional risks, such as potential constraints on liquidity and the repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk and settlement risk, as well as potential limitations on the availability of market information. Independent professional financial advice should always be sought before making an investment decision. The full details and basis of the awards are available from the Manager.



Investments

55 Willie van Schoor Avenue, Bellville 7530
Private Bag X8, Tyger Valley 7536, South Africa

T: +27 (0)21 950 2600
F: +27 (0)21 950 2126