

# Lifestage Strategies



## How Lifestage Models works

The investment strategy consists of two phases and members are automatically switched from one phase to another as they near retirement. The two phases are:

- Accumulation phase
- Preservation phase

As retirement approaches, this target date strategy invests in an investment portfolio matching the member's postretirement needs or plans, but in the years prior to this greater emphasis is placed on achieving capital growth. Members with more than 6 years before reaching their Normal Retirement Age or Planned Retirement Age (if different) are fully invested in their chosen Lifestage Accumulation Portfolio which aims to achieve capital growth. Six years (72 months) before a member reaches his/her Normal Retirement Age or Planned Retirement Age (if different), the member is gradually switched from the Lifestage Accumulation Portfolio to the Capital Protection Preservation Portfolio by means of 50 monthly switches.

## Sanlam Lifestage Strategy

The **Sanlam Lifestage Accumulation Portfolio** aims to provide market-related growth to members who are more than six years from retirement and who need to grow their retirement savings. The **Sanlam Accumulation Portfolio** allocates its assets across equity, bond, property, cash, hedge fund and international portfolios. In the case of each domestic portfolio a core/satellite investment strategy is employed. The core is a low cost index-tracking strategy, around which the satellite managers aim for active returns through the outperformance of their respective benchmarks. The portfolio has an aggressive risk profile.

## Sanlam Blue Lifestage Strategy

The **Sanlam Blue Lifestage Accumulation Portfolio** aims to invest 50% in **SIIM Balanced Fund** and 50% in **SPW Balanced Fund**. Both portfolios invest in a wide spectrum of investments in equity, bonds, money and property markets in order to maximise total returns over the long term. By investing in a portfolio which diversifies across all the major asset classes, investors "outsource" the difficult decision of how much and when to invest in the different asset categories to the fund manager. The portfolio is suitable for investors requiring capital growth via a moderate-aggressive risk balanced portfolio.

## Sanlam Passive Lifestage Strategy

The **Sanlam Passive Lifestage Accumulation Portfolio** aims to provide high long-term investment growth. The underlying portfolio in this strategy is the **Satrix Enhanced Balanced Tracker Fund** and invests primarily in equities, property, fixed-interest investments, cash and foreign assets. Each of the underlying asset classes, except cash, is managed on a passive basis - in other words, by tracking an underlying index. Tactical asset allocation is also employed to enhance the performance of the fund relative to the performance of its benchmark. The portfolio has an aggressive risk profile.

## Fund performance

Accumulation Phase	1 month	3 months	1 year	3 years	5 years
<b>Sanlam Accumulation Portfolio</b>	1.6%	3.6%	10.3%	10.4%	10.1%
<b>Sanlam Blue Accumulation Portfolio</b>	0.4%	1.0%	4.7%	9.2%	8.7%
<b>Sanlam Passive Accumulation Portfolio</b>	1.5%	3.5%	10.3%	10.9%	10.1%
<b>Sanlam Wealth Creation Accumulation Portfolio</b>	1.9%	3.8%	11.1%	12.1%	11.7%
Preservation Phase					
<b>Sanlam Capital Protection Portfolio</b>	0.8%	2.6%	10.6%	8.4%	7.7%

### Please note:

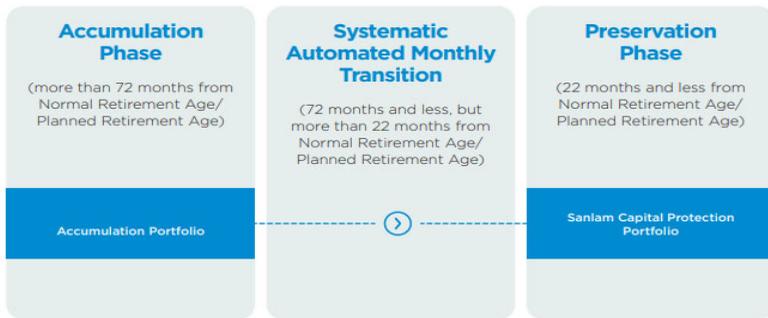
Sanlam Accumulation Portfolio investment reporting only commences from 1 August 2013, but the longer term performance was achieved applicable to members previously invested in the Accumulation Phase of the Sanlam Umbrella Fund's discontinued Lifestage Programme, and whose investments were transitioned to Sanlam Lifestage during the month of July 2013.

## Sanlam Wealth Creation Lifestage Strategy

The **Sanlam Wealth Creation Portfolio** aims to deliver superior real returns over the long term. This balanced portfolio is managed in a multimanager basis and includes international exposure. Each manager has been selected on the basis of rigorous quantitative and qualitative analysis. The underlying managers of the portfolio have been selected, mandated, monitored and reviewed by a Joint Investment Committee.

## Sanlam Capital Protection Portfolio

This portfolio was selected as the preservation strategy given its objective to protect the invested capital by guaranteeing the net contributions invested. The portfolio invests in the **Sanlam Stable Bonus Portfolio**. The Stable Bonus Portfolio provides investors with exposure to the financial markets, which provides investors with exposure to equity markets, but also protects them against adverse market movements. This is achieved by smoothing the returns over time and guaranteeing the net contributions invested together with the vested bonuses in case of resignation, retirement, death, retrenchment or disability. 38 Non-vested bonuses are also declared over and above the vested bonuses. These can be removed in very extreme circumstances though this has never yet occurred since the portfolio's commencement in 1986. The underlying portfolio has a diversified exposure to domestic equity, bonds, property and alternative investments as well as international assets. The portfolio has a conservative risk profile.



**Note:** Performance figures are gross of investment management fees, but are net of any performance fees (if applicable). For portfolios in the Smoothed Bonus Range, the returns are gross of investment management fees, but are net of any guarantee premiums. Performance figures for periods greater than 12 months are annualised. All data shown is at the month-end, unless specifically indicated differently. Changes in currency rates of exchange may cause the value of your investment to fluctuate. Past performance is not necessarily a guide to the future returns. The value of investments and the income from them may increase or decrease and are not guaranteed. You may not get back the amount you invest. The product information sheets are prepared for the SANLAM UMBRELLA FUND by its investment consultants. The product information sheets are prepared in good faith and the information, data and opinions contained in the product information sheets are based on source information considered reliable. However, no guarantee, explicit or otherwise is provided that the information and data contained therein are correct and comprehensive. The SANLAM UMBRELLA FUND and the investment consultants cannot be held liable for any loss, expense and/or damage following from the use of the product information sheets.