

Sanlam Namibia Stable Bonus Portfolio (SBP-NAM)

The Sanlam Namibia Stable Bonus Portfolio (SBP - NAM) offers investors stable, smoothed returns with a partial guarantee on benefit payments. A bonus is declared monthly in advance, which consists of a vesting and non-vesting component. Bonuses cannot be negative.

Smoothed bonus portfolio

This is a smoothed bonus portfolio where investment returns are smoothed by way of monthly bonus declarations, thereby lessening the roller-coaster ride that investors in market-linked portfolios might experience. The book value is the value that is guaranteed to be paid out for benefit payments (death, disability, resignation, retrenchment and retirement).

The book value is the net amount invested accumulated at the bonus rates declared and consists of the Capital and Capital Bonus accounts. The market value is the amount obtainable on the open market by the sale of the underlying assets.

Investment mandate

The underlying portfolio has a diversified exposure to domestic equity, bonds, and property as well as international assets. Sanlam Investment Management Namibia (SIM Namibia), actively manages the portfolio while a Namibian Asset Liability Management Committee (NALCO), chaired by Statutory Actuary of Sanlam Namibia Holdings, oversees the investments.

Asset Category	Weighting	Benchmark
RSA & Namibian Equities (Unhedged)	35.5%	SWIX (Shareholder Weighted Index All Share Index)
RSA & Namibian Fixed Interest & Hedge Equity	25.5%	IJG GOVI Bond Index
Inflation Linked Bonds	2%	JSE IGOV Inflation Linked Bond Index
Foreign Equities	14.0%	Morgan Stanley Capital International World Index (Developed Markets)
Foreign Fixed Interest	6.0%	Barclays Global Aggregate Bond Index (Un-Hedged)
Cash	9%	STeFI (Short Term Fixed Interest Index)
Property	6.5%	BEASSA 7 – 12 years Total Return Index plus 1.0% p.a.

- ⊙ The maximum exposure to volatile assets (unhedged RSA and Namibian equity and foreign assets) is limited to 59% of the Portfolio.
- ⊙ The maximum unhedged currency exposure (excluding South African Rand) is limited to 17% of the Portfolio.
- ⊙ The Asset composition of the portfolio may vary from the benchmark, and is reviewed by the NALCO on a regular basis.
- ⊙ This portfolio complies with Regulation 28 of the Pension Funds Act



Who should invest in SBP -NAM

- ⊗ Investors who want exposure to a mix of SA and Namibian equity, property, bonds, cash and foreign assets.
- ⊗ Investors who require the volatility of the financial markets to be smoothed out over time.
- ⊗ Investors who are willing to have a non-vesting component of bonus in order to pursue possible higher returns.
- ⊗ Investors who wish to have a final monthly bonus. This removes the uncertainty caused by having interim bonus rates, which are subject to change.

Bonuses

- ⊗ Since 1 January 2004 bonuses are declared monthly in advance rather than yearly in arrears.
- ⊗ Bonuses have a minimum value of zero (gross of tax).

The total bonus consists of:

- ⊗ An Income bonus, which vests fully and is added to a client's Capital Account.
- ⊗ A Capital bonus, which is non-vesting and is added to the client's Capital Bonus Account.

Sanlam declares both the total bonus and Income bonus monthly, with the Capital bonus being the difference between the two.

10% of a client's Capital Bonuses Account vests each year and is transferred to the Capital Account.

Sanlam may remove or reduce the Capital Bonus Account proportionally for all clients if the financial circumstances of the portfolio deem this measure to be necessary.

Fees

Sanlam's cost in relation to the investment plan is recouped by recovering the following fees:

Investment Administration Fees:

A guarantee premium of 0.9% p.a. is recovered from the assets in the Investment Plan.

The investment manager may be incentivised with performance fees (capped at 0.3% p.a.). Details of the performance fees actually paid over the past calendar year are available on request.

Cash flow

The portfolio facilitates daily cash flows for contributions, benefit payments and disinvestments.

Benefit Payments

Book value is paid on resignation, retirement, death, retrenchment and disability.

Member switches (transfer to other portfolios)

Switches by individual members are done at lower of book value and market value.

Termination conditions

Book value is paid as soon as practicable (but within 30 business days), unless it is considered not to be in the interests of remaining policyholders to pay out book value immediately (e.g. if market value is less than book value), payment is then spread over a period (alternatively, the fund may request Sanlam to pay out a cash value immediately).



Policy contract

Sanlam Employee Benefits, a division of Sanlam Life Insurance Ltd, has taken all reasonable effort to ensure that this brochure correctly reflects the terms and conditions of the policy contract. If there are discrepancies between this document and the policy contract, conditions in the policy will apply. The treatment of structuring income and managed asset classes are dealt within the policy contract.

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