



# SANLAM UMBRELLA FUND

MEMBER GUIDE - Comprehensive Option



Employee Benefits

Create strength in numbers



# Create strength in numbers

Did you know?

## EFFICIENCY

The hexagonal (six-sided) structure of the honeycomb uses the least material to create a lattice of cells with a given volume.

## STABILITY

Honeycomb structures are highly stable and have an extremely high strength-to-weight ratio.

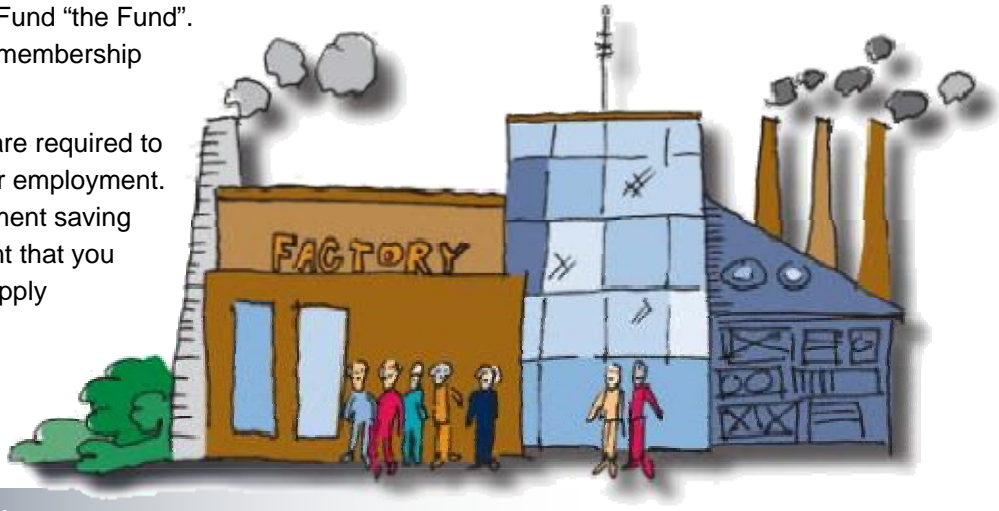
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# 1 Introduction

Welcome to the Sanlam Umbrella Fund “the Fund”. Your employer has arranged your membership to the Fund.

All eligible permanent employees are required to join the Fund as a condition of their employment. This Fund may be your only retirement saving provision. That is why it is important that you fully understand the benefits that apply to you.



## About this member guide

The guide provides an overview of the Fund and all the benefits and options available to members of the Sanlam Umbrella Fund.

*Please read it together with the included Benefit Summary which explains your specific benefits in the Fund (everywhere where this icon is displayed).*



To help you understand the guide, we have included a list of definitions that explains some of the legal and industry terms. You will find this list at the back of the guide.

If any information in this guide is not clear or if you require further information on any of the topics covered here kindly contact your Human Resources department for assistance.

Please note that the guide is intended as general information only. As such, it offers you a summary of the main benefits contained in the Rules of the Fund and the relevant policies. If there are any differences between this Member Guide, the Rules of the Fund and the policies, we will use the Rules of the Fund and the provisions of the policies as the correct information.

## What is the purpose of a retirement fund?

The most important purpose of a retirement fund is that it aims to provide you with a retirement benefit when you retire.

A retirement fund may also provide certain insured benefits for its members. Insured benefits include group life assurance (in the event of your death before retirement), disability insurance (in the event that you become disabled before retirement) and funeral cover. These benefits are discussed in more detail on page 8.



*The rules, policies and further documentation can be viewed on the Fund's website at [www.retirementfundweb.co.za](http://www.retirementfundweb.co.za)*

# 2 How the Fund works

An umbrella fund is a retirement fund in which many employers and their employees participate. By participating in an umbrella fund, your employer is able to offer you packaged and flexible retirement savings at a reduced cost. This in turn means that a bigger portion is being saved for your retirement.

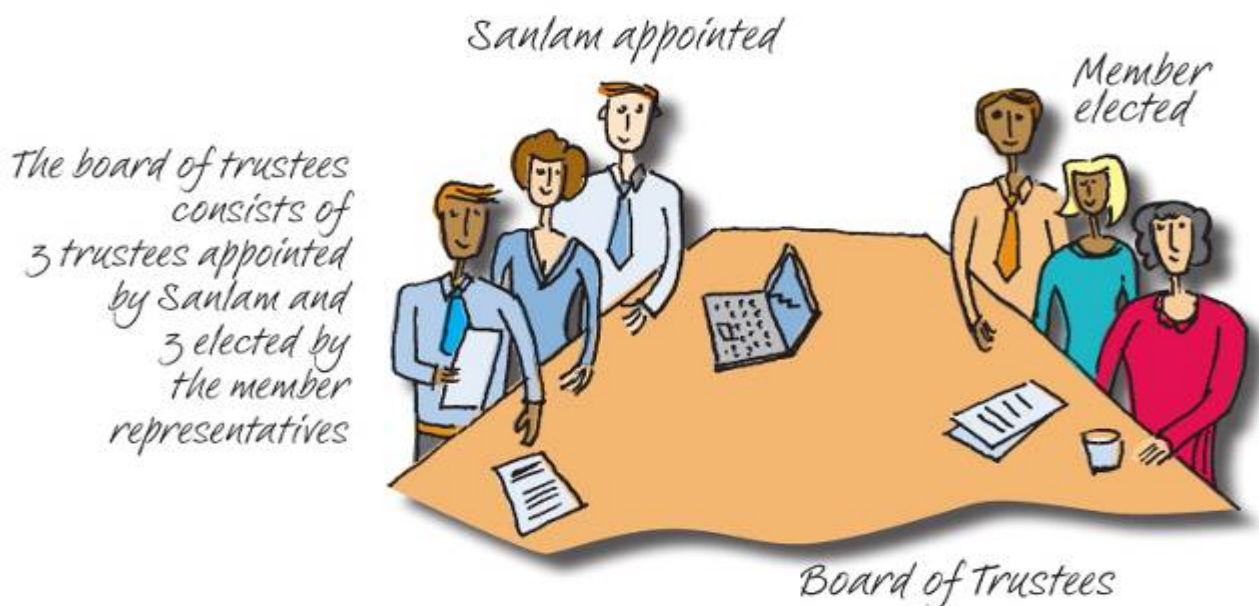
## How is the Fund managed?

The Fund is managed by a Board of six Trustees. Three of the Trustees are appointed by Sanlam and three are elected by the member representatives from a panel of suitably qualified industry professionals – all independent of Sanlam (this means they did not work for Sanlam in the last ten years).

The Trustees put the Fund structure in place, allowing all participating employers to select the most appropriate benefits and options for their members. The Trustees are ultimately responsible for the running of the Fund and must ensure that members' interests are protected at all times.

A professional Principal Officer, assisted by a Fund Secretariat, manages the day-to-day running of the Fund and ensures that the Fund adheres to legislation and regulations.

The Fund has a set of General Rules that applies to all members of the Fund as well as a set of Special Rules for each participating employer.



## What is a Joint Forum?

The Trustees require that each participating employer establish a Joint Forum.

This is a committee consisting of 50% member representatives and 50% employer representatives that meets at least once per year. The Joint Forum attends to members' needs and ensures they are kept informed about Fund-related issues.

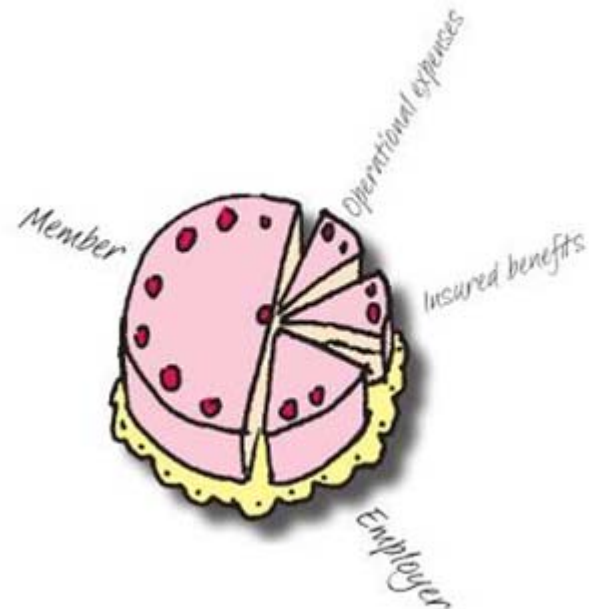
Member representatives from every Joint Forum are invited to attend the Fund's Annual General Meeting. When elections are held, they will be given opportunity to elect the independent Trustees of the Sanlam Umbrella Fund.

The participating employer remains the contracting party with the Fund and has the right to consider, approve or disapprove any recommendations made by the Joint Forum that might have an effect on the company's finances or its labour relations.



## What happens to the contributions paid every month?

- Every month a percentage of your pensionable salary is contributed to the Fund, depending on how your employer has structured your salary. Please speak to your Human Resources department if you are not sure.
- Your employer pays the total contributions into the Sanlam Umbrella Fund's bank account every month and sends a list with details of each member's contributions to the Administration department at Sanlam.
- The Administration department checks that they have received the correct contributions for all the members.
- The cost for any insured benefit is deducted and paid to the insurance company that will provide the insured benefits in case of, say, death or disability.
- The cost to cover operational expenses, including administration and consulting fees, is paid by your employer, either deducted from the employer's contributions or paid over and above the employer's contributions.
- The balance of the contributions is the amount invested in one or more investment portfolios and this amount plus the investment returns are added to your personal account in the Fund, known as your member share.



## What communication will you receive?

As a member of the Fund it is important that you understand how your retirement fund benefits work and that you keep yourself up-to-date on changes in the retirement fund industry. Sanlam will assist you by providing frequent communication and information to you, either in printed or electronic format.

Access to information is provided to all Fund members through the following items:



| On joining the Fund                                                                                                                                                                           | Ongoing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• This member guide with a <i>Benefit Summary</i></li><li>• A Member Participation Certificate that will confirm your membership of the Fund.</li></ul> | <ul style="list-style-type: none"><li>• An annual member benefit statement that will indicate your accumulated member share and all benefits</li><li>• Quarterly Investment Reports to the Joint Forum that will show the investment returns</li><li>• An annual trustee report that highlights any achievements during the year and the Trustees' plans going forward</li><li>• An invitation for the member representatives to the Annual General Meeting of the Fund</li><li>• Periodic member brochures that provide members with vital information and changes in the retirement fund industry.</li></ul> |



*INFO: Please contact your Human Resources department for more information or to ensure that you receive the communication intended for you.*

# 3 Your benefits

## Withdrawal benefits

If your employment is terminated before you retire – for instance when you resign, are dismissed, get retrenched or your employer stop their participation in the Fund – you will withdraw from the Fund and receive a benefit amount equal to your share or value in the Fund. This is known as your member share.

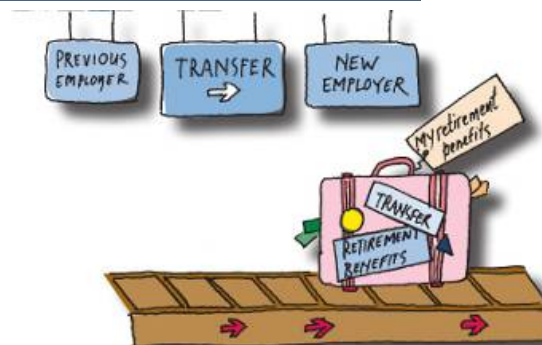
On withdrawal from the Fund, you will have the following options:

| Your options                                                                                                                                                                                                                                                    | Some implications                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>You can withdraw the benefit amount in cash.</li> </ul>                                                                                                                                                                  | <ul style="list-style-type: none"> <li>If you decide to withdraw any of your money in cash, tax will be payable.</li> </ul>                                                                                                                                     |
| <ul style="list-style-type: none"> <li>You can have the benefit transferred to a new employer's pension or provident fund.</li> </ul>                                                                                                                           | <ul style="list-style-type: none"> <li>No tax is payable on this option.</li> <li>However, if you transfer the money from a pension to a provident fund, the whole amount will be taxed.</li> </ul>                                                             |
| <ul style="list-style-type: none"> <li>You can have the benefit transferred to a retirement annuity.</li> </ul>                                                                                                                                                 | <ul style="list-style-type: none"> <li>The benefit is preserved until your retirement, but you can only access your money after your 55th birthday.</li> <li>No tax is payable on this option.</li> </ul>                                                       |
| <ul style="list-style-type: none"> <li>You can have the benefit transferred to a registered preservation fund.<br/>(You may only transfer from a pension fund to pension preservation fund or from a provident fund to provident preservation fund).</li> </ul> | <ul style="list-style-type: none"> <li>Your benefit is preserved until your retirement.</li> <li>You are allowed a once-off withdrawal of any amount at any time, and leave the rest for your retirement.</li> <li>No tax is payable on this option.</li> </ul> |
| <ul style="list-style-type: none"> <li>You can leave your money in the Fund as a paid-up benefit.</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>The benefit is preserved until your retirement, but you can only access your money after your 55th birthday.</li> <li>No tax is payable on this option.</li> </ul>                                                       |



*INFO: This information is provided for general information purposes only and is not intended as advice. You should only make a decision after getting professional financial advice.*

*Preserve your benefits when you change jobs by transferring your benefits to your new employer's retirement fund or transferring them to a preservation vehicle.*





## Retirement benefits

You can retire on the last day of the month in which you reach normal retirement age or you can retire early at any time after age 55, if you belong to a provident fund and age 50 if you belong to a pension fund. The Fund also makes provision for early retirement as a result of ill health. Once you retire, you are no longer a member of the Fund.

Read with  
your **Benefit**  
summary

| On retirement from a pension fund                                                                                                                                                                                                                                                                                                                                                                                                                                             | On retirement from a provident fund                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>You will receive your member share and have the following options:</p> <ul style="list-style-type: none"> <li>• Take a maximum of one-third of this amount as a cash lump sum and use the balance to buy a pension of your choice,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Use all the money to purchase a pension of your choice.</li> </ul> <p>If your total benefit is equal to or less than R75 000, you may take the entire amount in cash.</p> | <p>You will receive your member share and have the following options:</p> <ul style="list-style-type: none"> <li>• Take the full amount as a cash lump sum,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Use the money to buy a pension of your choice,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• Combine the two, i.e. take some cash and use the rest to buy a pension.</li> </ul> |



### What are the tax implications?

Benefits payable from the Fund may be taxable, depending on your own financial circumstances and tax legislation at the time.

Lump sum benefits will be taxed in terms of the relevant tax tables, and pensions will be taxed as a normal salary.

**INFO:** Tax legislation is complex and it is also amended from time to time. It is therefore strongly recommended that you seek the assistance of a financial adviser before you decide what to do with any benefit payment from the Fund.

## Death benefits

If you die while still a member of the Fund, your dependants and/or nominees will receive:

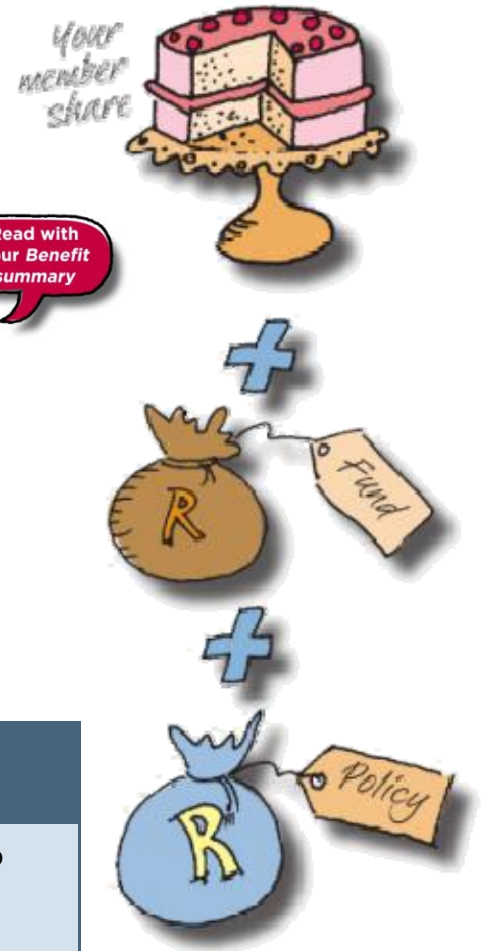
- Your full member share, plus
- Any insured death (group life) benefits payable by the retirement fund (if applicable). This is known as your approved group life benefit, plus
- Any insured death (group life) benefits payable by a separate group life scheme (if applicable). This is known as your unapproved group life benefit.

Death benefits may take the form of a lump sum payment or as a monthly pension.

Any applicable tax is deducted from the lump sum benefit amount before it is paid. Any pension amount will be taxed as a normal salary. The amount that is deducted for tax will depend on the legislation at the time of death.

### More about approved and unapproved group life benefits

| What are the differences? |                                                                                                                                                                                                                                   | Who decides to whom the benefit is paid?                                                                                                           |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Approved death benefits   | These benefits are payable by the Fund in terms of the Pension Funds Act.                                                                                                                                                         | The Trustees will decide to which dependants and/or nominees your approved benefit will be paid.                                                   |
|                           | <p>Tax is deducted from this benefit.</p> <p>The Trustees need to finalise their investigations regarding all your dependants before the benefit can be paid. This means the benefit can take up to 12 months to be paid out.</p> | Your beneficiary nomination form is one of the considerations taken into account by the Trustees when they allocate any approved benefits payable. |
| Unapproved death benefits | <p>These benefits are provided through a separate group life scheme, i.e. it does not form part of the Fund in terms of the Pension Funds Act.</p> <p>No tax is deducted from this benefit.</p>                                   | The benefits are paid to the person(s) nominated by you on your beneficiary nomination form or to your estate if you did not nominate anyone.      |



**INFO:** Ensure that you complete the beneficiary nomination form included in your new member pack and update this information regularly, especially when your circumstances change – for example through divorce, marriage or the birth of a child.

# 4 Insured benefits



Your employer may have selected to include any combination of the insured benefits listed below. The following is a summary of all the insured benefits available.

The insured benefits are always subject to the terms and conditions (which are not all mentioned here) of the insurer's policy.

The Trustees have approved two insurance companies – Sanlam and Capital Alliance (the insurers) – to supply the insured benefits to members of the Fund. This means that members enjoy the benefit of having their risk placed with the more competitive of the two insurers.

The distribution of insured benefits between the insurers is reviewed on an annual basis to protect the interests of members.

## Reinforced group life benefits

If your employer has selected this option, the insured death benefit is the greater of your member share (amount in the Fund) or the fixed multiple of annual risk salary as stated on the attached *Benefit Summary*.



## Flexible group life benefits

If your employer has selected this option, you may choose additional levels of life cover. This must happen within three months of the following events:

- When you join the Fund
- When you get married
- At the birth or legal adoption of a child.

## Accident benefits

This benefit offers an additional lump sum should you die as a result of an accident. The benefit is expressed as a percentage of your group life benefit.

## Family funeral benefits

If you, your qualifying spouse or any of your qualifying children die while you are in the service of your employer, you will receive an amount as stated on the *Benefit Summary* to help cover the cost of the funeral. A reduced amount is paid for children younger than age 14.

 *INFO: The funeral benefit normally pays out within 48 hours of death if all the relevant documentation has been supplied to the Insurer. Please contact your Human Resources department for assistance with this process.*

## Burial repatriation benefits

If you, your qualifying spouse or any of your qualifying children die while away from home, (and you are still in the service of your employer) Sanlam will pay for the remains of the deceased to be moved to the closest funeral home in South Africa.

Sanlam will also pay for the travelling and accommodation costs of one family member to accompany the remains of the deceased in South Africa.

*Countries that qualify are: anywhere in South Africa, Lesotho, Swaziland, Zimbabwe, Botswana, Namibia or Mozambique (south of the 22° latitude)*

 *INFO: Please contact our 24-hour call centre on 0860 004 080 (Sanlam) or 0861 020 407 (Capital Alliance) should you need to make use of this benefit.*

## Disability benefits

The following benefits are available to members who become disabled.

### Lump sum disability benefits

You may qualify to receive a lump sum after a waiting period of six months if you are totally, **permanently** and continuously disabled as described by the terms and conditions of the policy.

The lump-sum disability benefits will consist of the following:

- Your full member share, plus
- Any insured disability cover benefit payable by the retirement fund (if applicable).

Read with  
your *Benefit*  
summary



| From a pension fund                                                                                                                                                                                                                                                                                                                                                                                                                                           | From a provident fund                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>You will have the following options with the benefits:</p> <ul style="list-style-type: none"> <li>Take a maximum of one-third of this amount as a cash lump sum and use the balance to buy a pension of your choice,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Use all the money to purchase a pension of your choice.</li> </ul> <p>If your total benefit is equal to or less than R75 000, you may take the entire amount in cash.</p> | <p>You will have the following options with your benefits:</p> <ul style="list-style-type: none"> <li>Take the full amount as a cash lump sum,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Use the money to buy a pension of your choice,</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>Combine the two, i.e. take some cash and use the rest to buy a pension.</li> </ul> |

The lump sum (as indicated on your *Benefit Summary*) will be reduced pro rata over the last five years before your normal retirement date.

Any applicable tax is deducted from the lump sum benefit amount before it is paid. Any pension amount will be taxed as a normal salary. The amount that is deducted for tax will depend on the legislation at the time of the claim.



### Income disability benefits

This benefit pays you a monthly salary should you become totally and continuously disabled as described by the terms and conditions of the policy.

It is paid until you recover, die or reach normal retirement age (whichever occurs first).

The maximum salary will be equal to a percentage of your salary and subject to a waiting period (as per the option selected by your employer).

You will remain a member of the Fund while receiving a disability monthly salary and you will retain the same death benefits, trauma benefits, spouse's life cover and funeral benefits as applicable to you before your disability.

### Trauma benefits

Should you be diagnosed with a traumatic illness, you will receive an amount equal to the multiple of risk salary as stated on the *Benefit Summary*. This benefit is only paid out once.



*INFO: Your Human Resources department will be able to tell you which illnesses qualify under this benefit.*

## Spouse's life cover

This benefit pays a lump sum to you on the death of your qualifying spouse.

## Conversion options

This option allows you to take out a similar individual policy (life insurance, lump sum disability or income disability benefit) at your own cost when you retire or withdraw from the Fund. You do not have to go for medicals (or provide evidence of good health with the exception of a blood test to confirm your smoking and HIV/Aids status). This policy must be taken out within two months after your last working day.

# 5 Investments

## The importance of investments

Over time, your savings in the Sanlam Umbrella Fund will probably grow into one of your biggest financial assets. When you retire your retirement savings will start working for you.

It is important to make sure that you will have accumulated enough money by the time you retire to maintain your standard of living after retirement.

Your final retirement benefit (member share) at retirement will be influenced by many factors over the years:

- The amount you and your employer have contributed to the Fund
- Investment growth on your contributions
- The effects of inflation
- Change of employer where your retirement savings were not preserved.

As a member of a retirement fund it is your responsibility to ensure that you understand these factors and how they will influence your retirement benefits.

Retirement fund investments are long term in nature and it is important to remain invested in the portfolio that meets your risk and return requirements, taking into account the number of years left before retirement. There is a direct relationship between the risk taken and the returns achieved.

The higher the risk the higher the potential returns, but also the greater the volatility of returns (tendency of markets to move up and down suddenly).

Equities (shares) are the asset class with the highest risk and the highest returns over the long term.

Bonds are less risky than equities while cash is seen as stable but will provide lower returns over the long term.



*INFO: Please contact your Human Resources department or log-on to [www.retirementfundweb.co.za](http://www.retirementfundweb.co.za) for detailed information on all the investment portfolios.*

## Investments in the Comprehensive option



As a member in the Comprehensive Option you are automatically invested in one of the three default investment strategies, as selected by your employer.

### Default investment strategies

The Trustees provide access to three default investment strategies at employer level:

|                                   |                                |
|-----------------------------------|--------------------------------|
| Default strategy                  | Lifestage Programme            |
| Alternate default strategy        | Volatility Protection Strategy |
| Second alternate default strategy | Passive Investor Strategy      |

### Lifestage Programme

The Lifestage Programme is the Fund's Trustee-approved default investment strategy which aims to maximise members' retirement benefit, subject to acceptable risk levels.

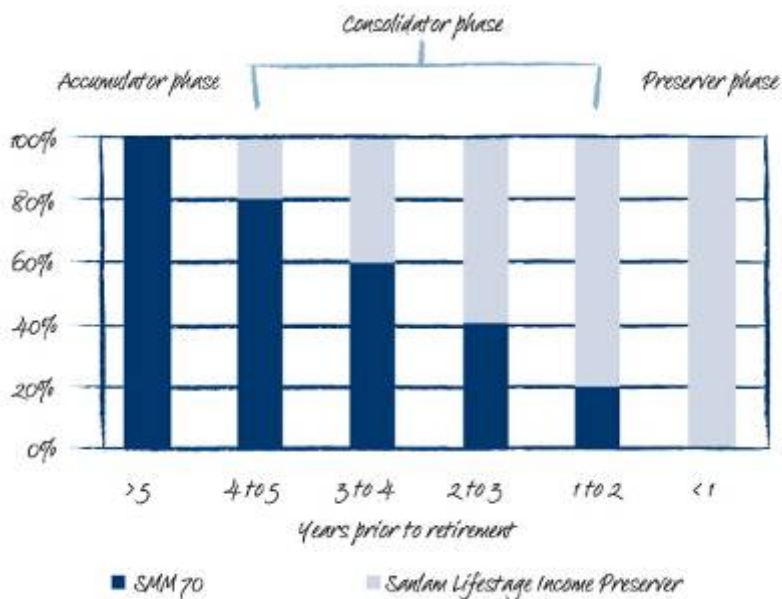
The purpose of this programme is to allocate your member share to certain specified portfolios with different risk profiles, based on your age. As you approach your normal retirement age (from five years to retirement), the programme begins to gradually shift your member share into more conservative portfolios (with less exposure to shares) in order to protect their value from any major downward market movements.



*INFO: Members invested in the Lifestage Programme will automatically be phased in or switched from the SMM70 portfolio to the Sanlam Lifestage Income Preserver portfolio in accordance with the phasing rules, as approved by the Trustees.*



There are three underlying phases, and members invested in the Lifestage Programme will be automatically moved through the three phases as they near retirement.



The Trustees are responsible to:

- Select the investment portfolios underlying the Lifestage Programme,
- Determine the phasing rules in the period leading up to retirement,
- Consult with investment experts and the appointed investment consultants, and
- Review the strategy and portfolios from time to time.

The Lifestage Programme comprises two underlying portfolios, the SMM70 and the Sanlam Lifestage Income Preserver.

The objective of the Sanlam Lifestage Income Preserver Portfolio is to protect the value of a member's pension to be purchased upon retirement after allowing for the typical cash lump sum taken at retirement.

### Volatility Protection Strategy

The Volatility Protection Strategy is an alternate investment option that offers inflation-beating returns over the medium to long term, and protection against serious short-term investment losses.

The strategy will most likely provide lower returns than the Lifestage Programme over the long term due to costs and lower exposure to equity.

The Trustees believe that this strategy is suitable for members who do not understand finances well and who do not like high

equity exposure, which implies some risk of capital loss over the short term.

The Trustees review this strategy regularly. They will also change the underlying investments from time to time to help ensure that the strategy's objectives are achieved.



*INFO: The Volatility Protection Strategy is currently fully invested in the Sanlam Monthly Bonus Fund.*

### **Passive Investor Strategy**

The Trustees have approved another investment option for members who want to contain investment management costs. This strategy is managed passively and its underlying investments track market indices.

The Passive Investor Strategy will suit investors who are not convinced that the available active investment strategies will outperform a comparable basket of market indices over the long term. The strategy's net retirement payouts to members will therefore be higher if investment management costs can be contained and if all other factors remain equal.

The Trustees review this strategy regularly. They also change the underlying investments to help ensure that the objectives of the strategy are achieved.



*INFO: The Passive Investor Strategy is currently fully invested in the SIM Enhanced Tracker Balanced Fund.*

## Your investment choices

As a member in the Comprehensive Option you have the following further investment choices (this list is reviewed on a regular basis and updated if necessary).

|   |                                                                                                                                                                                                                                                                        |                                    |                                      |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------------|
| 1 | You can remain invested in the default investment strategy as selected by your employer (Lifestage Programme, Volatility Protection Strategy or Passive Investor Strategy).                                                                                            |                                    |                                      |
| 2 | You can apply to allocate your investments to one of the other default investment strategies.                                                                                                                                                                          |                                    |                                      |
| 3 | You can apply to allocate your investments across a Trustee-approved range of 16 institutionally-priced investment portfolios, which cover the full risk-return spectrum.                                                                                              |                                    |                                      |
|   | <b>Sanlam Investment Management (Single manager range)</b>                                                                                                                                                                                                             | <b>Multi-manager range</b>         | <b>External Single manager range</b> |
|   | SIM Balanced Fund                                                                                                                                                                                                                                                      | SMM 70                             | *Sanlam Allan Gray Domestic Balanced |
|   | SIM Managed Moderate Fund of Funds                                                                                                                                                                                                                                     | SMM 50                             | Sanlam Coronation Houseview          |
|   | SIM Inflation Plus Fund                                                                                                                                                                                                                                                | SMM 30                             | Sanlam Coronation Managed            |
|   | Sanlam Cash                                                                                                                                                                                                                                                            | SMM Absolute Return + 5%           | Sanlam Oasis Global Balanced         |
|   |                                                                                                                                                                                                                                                                        |                                    | Sanlam Oasis Crescent                |
|   | <b>Smoothed Bonus range</b>                                                                                                                                                                                                                                            | <b>Index-tracking range</b>        |                                      |
|   | Sanlam Monthly Bonus Fund                                                                                                                                                                                                                                              | SIM Enhanced Tracker Balanced Fund |                                      |
|   | Sanlam Stable Bonus Portfolio                                                                                                                                                                                                                                          |                                    |                                      |
| 4 | You can apply to allocate all or some of your investments across an extensive range of more than 850 retail Collective Investment Schemes. These are available on Sanlam's Glacier investment administration platform, subject to certain minimum investment criteria. |                                    |                                      |
| 5 | You can apply to allocate all or some of your investments to a personalised portfolio managed by a professional portfolio manager. This is available through Sanlam Private Investments, subject to certain minimum investment criteria.                               |                                    |                                      |




*\* Only available to participating employers who had exposure to this portfolio prior to December 2009*

# 6 Important definitions

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Beneficiary                                        | Any dependant or any person nominated by you in writing (even if they do not necessarily depend on you financially).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Beneficiary nomination form                        | This is a form on which you list your dependants and nominees. The Trustees will use this form as a guideline when they decide how to allocate any approved death benefits payable from the Fund in the event of your death. Where forms are not completed, it requires a huge amount of work to trace all the dependants. This may delay the payment of benefits. You must therefore complete a Beneficiary nomination form on joining the Fund and update it regularly.                                                                                                                                                                                                                                                                                                              |
| <i>Benefit Summary</i>                             | The <i>Benefit Summary</i> identifies all the benefits that you are entitled to as per the Special Rules of your employer. You need to read this guide together with the <i>Benefit Summary</i> to understand all your benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Qualifying child / children (for funeral benefits) | <p>A qualifying child means your child or your qualifying spouse's child. This includes a legally adopted child, a stepchild, a foster child and a posthumous child, who is dependent on you provided that the child is:</p> <ul style="list-style-type: none"> <li>• Unmarried and has not reached the age of 21 years, or</li> <li>• Unmarried, has not reached the age of 26 years and is a full-time student at an educational institution of a public nature, or</li> <li>• Incapacitated by a physical or mental infirmity from maintaining himself / herself, and</li> <li>• Nominated in the required format before the risk is accepted. This does not include a stepchild who, on the date of your death, was not dependant on you for maintenance to any extent.</li> </ul> |



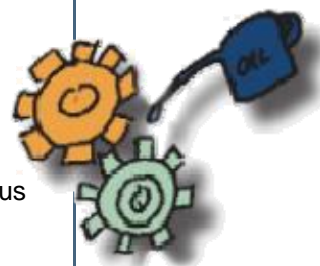
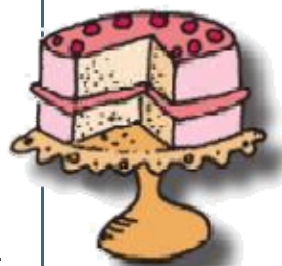
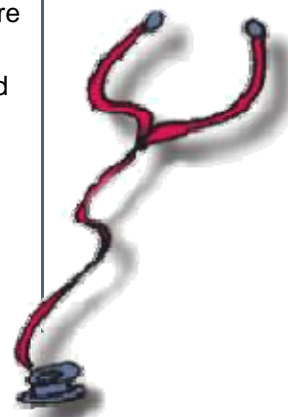
# Important definitions (continued)

|                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Contributions</p>        | <p>Member contributions: This is the portion deducted from your salary and paid to the Fund on your behalf by your employer each month based on your pensionable salary.</p> <p>Employer contributions: This is the portion your employer pays for your benefit towards the Fund each month based on your pensionable salary.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Default investment strategies</p>                                                                         | <p>The investment portfolios that, in the opinion of the Trustees, are best suited for the majority of members of the Fund/Participating employer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>Dependant</p>          | <p>The Act defines a dependant as any person:</p> <ul style="list-style-type: none"> <li>• in respect of whom you were legally liable for maintenance,</li> <li>• whom you were not legally liable to maintain, if such a person:             <ul style="list-style-type: none"> <li>- was, upon your death in fact dependent on you for maintenance</li> <li>- is your spouse (that includes a person married to you in terms of the Marriage Act, the Recognition of Customary Marriages Act, the Civil Union Act or the tenets of a religion)</li> <li>- is your child, including a posthumous child, an adopted child and an illegitimate child,</li> </ul> </li> <li>• in respect of whom you would have become legally liable for maintenance, had you not died.</li> </ul> |
| <p>Financial Adviser</p>  | <p>The Trustees require that every Participating employer appoints a Contracted Financial Adviser to provide individual members with financial advice.</p> <p>It is the Financial Adviser's duty to advise you on your options in case of withdrawal, retirement or disability. The Financial Adviser will also be available to advise your beneficiaries on their options in the event of your death.</p> <p>The Contracted Financial Adviser must comply with the Financial Advisory and Intermediary Services Act (FAIS Act, No 37 of 2002) before qualifying to render the above services to members.</p>                                                                                                                                                                     |



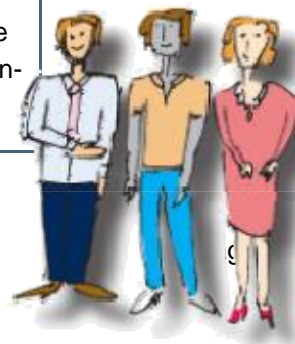
# Important definitions (continued)

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Free Cover Limit</p>         | <p>This is the insured benefit cover (amount) you are automatically covered for without needing to provide medical evidence of good health. Should the insured amount exceed the free cover limit, you will be required to produce satisfactory medical evidence before the potential cover in excess of the Free Cover Limit becomes applicable to you. Sanlam will notify you if this is the case.</p> <p>If you decide not to go for a medical, your cover will be limited to the free cover limit.</p> |
| <p>General Rules</p>            | <p>All retirement funds are governed by a set of rules. The General Rules contain all the rules and general conditions that govern the Fund and all members.</p>                                                                                                                                                                                                                                                                                                                                           |
| <p>Insured Benefit</p>          | <p>These are risk benefits such as group life and disability cover, funeral benefits, accident benefits, spouse's life cover and trauma benefits.</p>                                                                                                                                                                                                                                                                                                                                                      |
| <p>Member Benefit Statement</p> | <p>This is a personal statement that gives you a summary of all your benefits in the Fund and indicates your accumulated member share.</p>                                                                                                                                                                                                                                                                                                                                                                 |
| <p>Member Share</p>             | <p>Your Member Share is made up of:</p> <ul style="list-style-type: none"> <li>• Your own contributions (if you contributed)</li> <li>• All your employer's contributions, less operating expenses and the cost of any insured benefits</li> <li>• Any money you may have transferred from a previous fund</li> <li>• The investment returns earned on the above.</li> </ul>                                                                                                                               |
| <p>Normal retirement age</p>    | <p>The age your employer has set out as the date on which you should retire in terms of the Special Rules.</p>                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>Operational expenses</p>     | <p>The Fund's operational expenses include:</p> <ul style="list-style-type: none"> <li>• Administration fees</li> <li>• Consulting fees paid to intermediaries</li> <li>• Risk management fees</li> <li>• Contingency reserve account levies (various Fund costs and expenses).</li> </ul>                                                                                                                                                                                                                 |



# Important definitions (continued)

|                                          |                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participating employer                   | When an employer arranges membership for its employees in a retirement fund (in this case the Sanlam Umbrella Fund), such an employer becomes a participating employer in the Fund.                                                                                                                                                                                       |
| Pensionable salary                       | Your pensionable salary is your basic annual salary plus any other amounts that may be recognised as pensionable. This amount (often a percentage of your Total Guaranteed Salary Package) is used to calculate your contributions.                                                                                                                                       |
| Principal Officer                        | The Principal Officer is the person responsible for ensuring that all reports required in terms of legislation are correct and are timeously submitted to the Registrar of Pension Funds.                                                                                                                                                                                 |
| Risk salary                              | Your risk salary is the amount (often a percentage of your Total Guaranteed Salary Package) that is used to determine your insured benefits. Your Risk Salary may be different from your pensionable salary.                                                                                                                                                              |
| Special Rules                            | Special Rules are set up for each participating employer and only apply to the members of that specific participating employer.<br>The Special Rules set out items like the contribution rate, normal retirement age, and any approved insured benefits that are applicable.                                                                                              |
| Qualifying Spouse (for funeral benefits) | A qualifying spouse means the person with whom you are joined in marriage. If you are joined in marriage with two or more persons, qualifying spouse means only the one you nominated in a written document submitted to your employer during the person's life. Once a nomination has been made, it remains in force as long as you are married to the nominated person. |
| The Fund                                 | The Sanlam Umbrella Pension Fund or Sanlam Umbrella Provident Fund.                                                                                                                                                                                                                                                                                                       |
| Trustee(s)                               | The Trustees are the persons responsible for the management of the Fund. They form the decision-making body (Board of Trustees) of the Fund.                                                                                                                                                                                                                              |



# 7 Who to contact

Please send your enquiries to:

Your Human Resources department, or

The Administrator's call centre, for enquiries regarding administration  
Gauteng: 086 1223646, Western Cape: 086 1386202



Please send your written complaints to:

## The Sanlam Umbrella Complaints Committee:

This is a special sub-committee of the Board of Trustees. Both the Principal Officer and the Fund Secretary serve on this committee. They will investigate your complaint and help resolve your concerns.

| Name                                      | Fax                 | E-mail                                                                                   |
|-------------------------------------------|---------------------|------------------------------------------------------------------------------------------|
| Sanlam Umbrella Fund Complaints committee | 021 957 1105 / 2143 | <a href="mailto:SanlamUmbrellaFund@sim.sanlam.com">SanlamUmbrellaFund@sim.sanlam.com</a> |



## The Pension Funds Adjudicator:

Should your concerns not be addressed and resolved to your satisfaction within a period of thirty (30) days, you may lodge a written complaint with the Pension Funds Adjudicator.

Physical address: 2nd Floor, Sandown House, 2 Sandton Close, Sandton 2196

Telephone: 011 884 8454

Fax: 011 884 1144

E-mail: [enquiries-jhb@pfa.org.za](mailto:enquiries-jhb@pfa.org.za)



## Obtain professional advice

It is very important to obtain professional advice before you exercise any options with regard to your benefits and/or investments in the Fund.

Please contact your Human Resources department for the detail of your employer's appointed Contracted Financial Adviser. Alternatively, you may consult any FAIS-accredited adviser of your choice.



**SANLAM UMBRELLA FUND**  
**BENEFIT SUMMARY / OPSOMMING VAN VOORDELE**

20/10/2011

Participating Employer/Deelnemende werkgewer:  
 NAMC (National Agricultural Marketing Council)

| <b>General Information</b>           |                      | <b>Algemene Inligting</b>            |
|--------------------------------------|----------------------|--------------------------------------|
| Legal entity (type of fund)          | Provident Fund       | Regsentiteit (tipe fonds)            |
| Umbrella option                      | Comprehensive        | Sambreelfondsopsie                   |
| Participating Employer commencement  | 01/07/2008           | Deelnemende werkgewer aanvangsdatum  |
| Normal retirement age                | 65 years             | Normale aftree-ouderdom              |
| <b>Contributions</b>                 |                      | <b>Bydraes</b>                       |
| Member contribution                  | 0%                   | Lidbydrae                            |
| Employer contribution                | 12.5%                | Werkgewerbydrae                      |
| <b>Insured Benefits</b>              | <b>All Employees</b> | <b>Versekerde Voordele</b>           |
| <b>Group life benefit</b>            | No                   | <b>Groeplewensvoordeel</b>           |
| Reinforced group life benefit        |                      | Reinforced groeplewensvoordeel       |
| Flexible group life benefit          | No                   | Aanpasbare groeplewensvoordeel       |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Multiple of risk salary              |                      | Veelvoud van risikosalaris           |
| Current insurer                      |                      | Huidige versekeraar                  |
| Free cover limit                     |                      | Bewysvrye limiet                     |
| <b>Accident benefit</b>              | No                   | <b>Ongeluksvoordeel</b>              |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Multiple of risk salary              |                      | Veelvoud van risikosalaris           |
| <b>Family funeral benefit</b>        | No                   | <b>Familie-begrafnisvoordeel</b>     |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Family funeral cover amount:         |                      | Begrafnisvoordeel dekkingsbedrag     |
| Current insurer                      |                      | Huidige versekeraar                  |
| <b>Disability benefit</b>            | No                   | <b>Ongeskiktheidsvoordeel</b>        |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Current insurer                      |                      | Huidige versekeraar                  |
| Free cover limit                     |                      | Bewysvrye limiet                     |
| <b>Trauma benefit</b>                | No                   | <b>Traumavordeel</b>                 |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Multiple of risk salary              |                      | Veelvoud van risikosalaris           |
| Current insurer                      |                      | Huidige versekeraar                  |
| Free cover limit                     |                      | Bewysvrye limiet                     |
| <b>Spouse's life cover</b>           | No                   | <b>Dekking op gade se lewe</b>       |
| Costs excluded in the employer       |                      | Koste uitgesluit in die werkgewer se |
| Multiple of risk salary              |                      | Veelvoud van risikosalaris           |
| Current insurer                      |                      | Huidige versekeraar                  |
| Free cover limit                     |                      | Bewysvrye limiet                     |
| <b>Investment Information</b>        |                      | <b>Beleggingsinligting</b>           |
| Employer Default Investment strategy | Lifestage            | Werkgewer Verstekbeleggingstrategie  |