



Your Retirement - Our Passion

FACTS & FEATURES

January 2018

GENERAL INFORMATION	
Name of the Fund	Sentinel Retirement Fund
FSCA Registration	12/8/1215
Fund Type	Type A Umbrella Pension Fund
Commencement Date	This Fund was created on 1 March 1946 and found its roots serving the mining industry. It's most recent innovation was to convert from a multi-employer industry specific fund to a modern Type A umbrella pension fund that is open to all employers in the country, irrespective of the industry that they operate in.
Key Differentiating Factors	<ul style="list-style-type: none"> • 70 years' track record. • "Mutual society" business model excludes commercial profit-making and places focus primarily on delivering a superb value proposition for clients. • In-fund products promote "seamless and costless" transitions between life stages. • Excellent investment returns through Liability Driven Investment (LDI) strategy. • Total cost recovery methodology is fully transparent and extremely competitive.
Recognition	<ul style="list-style-type: none"> • 3 X World Finance's "Global Pension Fund Awards - South Africa" • 2 X The European's award for "The Best Pension Fund in Africa" • 1 X Capital Finance International's (CFi) "Best Fund Management Team in Southern Africa"
Participants	94 Participating Employers 45,574 Members 34,226 Pensioners R85,7 billion Asset Base
Fund Service Providers	Administrator: Self-administered External Auditor: PricewaterhouseCoopers Inc. Internal Auditor: KPMG Services (Pty) Limited Consulting Actuaries: Alexander Forbes Financial Services (Pty) Limited Investment Consultant: Riscura Solutions (Pty) Limited
Value proposition for clients	<p>Employers: Facilitate participation & fulfil monthly contribution responsibilities only. No other delegated Fund duties.</p> <p>Members: Excellent returns & extremely low costs. 24/7 access to daily updated fund investment account.</p> <p>Pensioners: Superior annuity factors, excellent pension increase and annual bonus history, in-fund living annuities.</p>

VALUE PROPOSITION DRIVERS																	
Investment Strategy	<ul style="list-style-type: none"> • A liability driven investment (LDI) approach is followed, which addresses interest rate risk, inflation risk, mortality risk and longevity risk combined with a multi-portfolio “life stage” approach with each portfolio having different return objectives and risk characteristics. • Asset liability modelling is used to set the asset allocation for each portfolio, a process designed to achieve optimal sustainable long-term investment returns at an acceptable level of risk and which is cognisant of our pay-out obligations. • Risk is managed through position sizing and a well-diversified multi-manager investment structure spread across geographies, asset classes and within asset classes. • Investments are approached in a responsible manner, incorporating sustainability considerations. • Investment management are monitored dynamically, including comparison to benchmark and peer group. • Regulation 28 compliant at member and Fund level. 																
Costs and Charges	<p>Our “Total Cost” recovery model includes all fund specific entity, member administration, investment and asset management costs and is recovered from assets held in the Fund. No commissions or product costs are charged to access Fund products. Currently the annual fee charged to individual member accounts, per investment portfolio invested in, is:</p> <table border="1" data-bbox="480 1081 1366 1205"> <thead> <tr> <th>Description</th> <th>Fee</th> <th>Description</th> <th>Fee</th> </tr> </thead> <tbody> <tr> <td>Wealth Builder Portfolio</td> <td>0.57%</td> <td>Money Market Portfolio</td> <td>0.26%</td> </tr> <tr> <td>Inflation Protector Portfolio</td> <td>0.55%</td> <td>Capital Protection Portfolio *</td> <td>0.65%</td> </tr> <tr> <td>Pension Protector Portfolio</td> <td>0.51%</td> <td>Shari’ah Portfolio *</td> <td>0.99%</td> </tr> </tbody> </table> <p>*These are external portfolios and costs include direct asset management fees levied by the service providers.</p>	Description	Fee	Description	Fee	Wealth Builder Portfolio	0.57%	Money Market Portfolio	0.26%	Inflation Protector Portfolio	0.55%	Capital Protection Portfolio *	0.65%	Pension Protector Portfolio	0.51%	Shari’ah Portfolio *	0.99%
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Access to Information, Assistance & Advice.	<p>Our client service delivery model promotes a “self-service” concept with back-up support when required. A comprehensive communication service as well as an in-house advisory service is provided to assist employers and members with planning and the optimal utilisation of Fund product options.</p> <p>A comprehensive Communication Strategy is in place and provides for communication with members in their preferred channel, i.e. electronic or printed media. The Fund's web-site serves as a central library of information and contains all communication material, the Rules of the Fund, Annual Financial Reports, benefit brochures, application forms, etc. In addition, members can access their daily updated investment values 24X7 through a secure website, which also offers a benefit estimate calculator for personal scenario planning and projections.</p>																
Administration Systems & Processes	<p>State of the art, retirement fund specific systems are utilised with no capacity constraints and through daily pricing and unitisation, allow members to view their daily updated investment values, through a safe interactive web portal, available 24X7.</p>																

Administration Systems & Processes (Cnt)	<p>Employers submit contribution returns electronically through a secure website. A basic file validation is conducted and when accepted, contributions are deposited in the Fund's bank account. Contributions are deposited into members' accounts within 3 days from receipt of contributions from the employer.</p> <p>IT infrastructure is hosted off-site, systems are all web based and the total systems infrastructure and data is mirrored in real-time, securing 100% business continuity.</p>
Governance	<p>The Fund is a responsible corporate citizen and is committed to the highest levels of corporate governance, compliance and transparency. To this end, five dedicated Committees support the Board of Trustees in managing and monitoring the affairs of the Fund.</p> <p>A combined assurance framework, with four levels of assurance, is followed. Management oversees the daily internal controls and implements the Board's risk management strategy, the internal auditors assess the effectiveness of internal controls and risk management, the external auditors express an opinion on the financial statements and the actuary provides assurance on the solvency and sustainability of the pensioner and risk reserves. The Audit and Risk Committee applies a coordinated approach to the appropriate combined assurance provided. The Fund has focussed on several reporting standards, including the Global Reporting Initiative Standards, and has since 2012 published Integrated Annual Reports.</p>
PRODUCTS & OPTIONS	
Employer Flexibility	<p>Special Rule provisions The conditions of employment of employees who are members of Sentinel is mirrored in the participating employer's Special Rules.</p> <p>Risk Benefit Options Sentinel's risk benefit offering maximises flexibility in that employers can either elect to participate in our self-insured product and select appropriate cover levels for all or groups of members, or it can opt-out and obtain alternative products from a registered insurer of the employer's choice.</p> <p>The employer may then request the Fund to accept the death cover component as a Fund owned policy, if required. This enables employers to re-broke risk benefits annually, without necessarily impacting employees' retirement plans.</p> <p>Pension Backed Home Loans Pension backed home loans are offered through IEMAS, an independent service provider. The employer has the option to participate, which essentially means transacting monthly loan repayments through a payroll deduction. Members can obtain a guarantee for a home loan of up to 50% of their Fund Credit value, over a maximum term of 20 years, at the IEMAS lending rate, currently prime.</p>

<p>Employer Flexibility (Cnt)</p>	<p>Management Committee The participating employer has the option to create a Management Committee. Should the employer decide to create a Management Committee, costs associated with elections, meetings and secretarial functions are borne by the employer.</p> <p>As Sentinel accepts its responsibilities and does not delegate any of these to employers or intermediaries, our experience shows that participating employers seldom see the need for the formation of a Management Committee.</p>
<p>Member Flexibility</p>	<p>Member Investment Choice (MIC) The Fund provides members with two investment avenues:</p> <ul style="list-style-type: none"> • The Life Stage Model provides for automatic switching of members' retirement savings from one investment portfolio to the next, as they approach retirement. Three (3) investment portfolios are utilised in this model and include the Wealth Builder Portfolio (an aggressive portfolio for younger members up to 12 years before NRA), the Inflation Protector Portfolio (a moderate portfolio for members who have less than 12 but more than 5 years to NRA) and the Pension Protector Portfolio (a conservative portfolio for members who have less than 5 years to retirement). • Member Investment Choice allows members who elect not to follow the Life Stage Model, to switch between investment portfolios daily (daily unit pricing). The three Life Stage portfolios, a Money Market, Capital Protection and Shari'ah portfolio are available and splitting between portfolios is also allowed. <p>Pension Income Choice (PIC) Members who retire and spouses of deceased members may, within prescribed parameters, provide for multiple pensions in Sentinel's Pension Income Choice product range. Options include "with profit" guaranteed pensions with capital protection and spouse continuation options included, and flexible pensions (living annuities). Investment portfolios and options offered to members are extended to flexible pensioners and create a seamless and costless transition into retirement.</p> <p>Sentinel has a remarkable increase history on its guaranteed pensions in that the purchasing power of pensions in payment have been maintained on a level in excess of 100% of CPI, in relation to its minimum target of at least 80%, and in addition annual bonuses have also been paid over the last 11 years.</p>