



Sanlam Investments
Multi Managed Collective Investment Schemes: Retail
Frequently Asked Questions | Performance Fees

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To ensure equitable pricing across a wide range of clients, the Sanlam Investments unit trust fund range offers multiple fee classes within each fund. We endorse a performance fee approach in certain instances since this approach aligns the interests of clients and Sanlam Investments.

This Frequently Asked Questions (FAQ) document provides details of the performance fee bases for Sanlam Investments retail unit trust fund classes, and is based on the prescribed structure of the ASISA Standard on Performance Fees. Please see the glossary on the last page if there are any terms with which you are not familiar.

Table | Sanlam Multi Managed Retail fund classes (all fees are inclusive of VAT)

Fund	Sanlam Select Absolute	Sanlam Select Bond Plus	Sanlam Select Defensive Balanced	Sanlam Select Flexible Equity	Sanlam Select Managed	Sanlam Select Optimised Equity	Sanlam Select Strategic Income	Sanlam Select Thematic Equity	Sanlam Select Focused Equity
Class	A1	B3	A1	B4	A2	B4	A1	B10	B3
What are the minimum fees for the relevant funds and classes?	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
What are the base fees for the relevant funds and classes?	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
What are the fees at benchmark for the relevant funds classes?	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
What are the maximum fees for the relevant funds and classes?	2.42%	2.07%	2.42%	3.53%	3.92%	2.53%	3.19%	3.03%	2.25%
At which performance levels (also called the fee hurdles) will the Manager charge more than the fees at benchmark?	CPI +5%	BEASSA All Bond Total Return Index	Average of ASISA SA Multi Asset Low Equity Category	Average of ASISA SA Multi Asset Flexible Category	Average of ASISA SA Multi Asset High Equity Category	FTSE /JSE All Share Index	STeFi +1%	FTSE /JSE All Share Index	FTSE /JSE All Share Index
Are the fee hurdles the same as the relevant fund benchmarks?	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
What is the performance fee measurement period?	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months



<p>Will more than the base fee be charged regardless of whether the fund is experiencing positive or negative performance over the performance fee measurement period?</p>	<p>No, if the fund return is negative over the measurement period, no performance fees will be charged.</p>								
<p>What portion of the funds outperformances will the Manager be entitled to share, should the funds perform above their fee hurdles (also called the sharing ratio)?</p>	20%	20%	20%	20%	20%	20%	20%	20%	20%
<p>What fee rate will be charged if the fund delivers the following relative performance over its performance measurement period:</p>									
<ul style="list-style-type: none"> the fund performs 10% p.a. less than the Performance Fee Benchmark 	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
<ul style="list-style-type: none"> the fund performs 5% p.a. less than the Performance Fee Benchmark 	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
<ul style="list-style-type: none"> the fund performs in line with Performance Fee Benchmark 	0.92%	0.57%	0.92%	1.03%	1.42%	1.03%	0.69%	1.03%	0.75%
<ul style="list-style-type: none"> the fund performs 5% p.a. more than the Performance Fee Benchmark 	2.06%	1.71%	2.06%	2.17%	2.56%	2.17%	1.83%	2.17%	1.89%
<ul style="list-style-type: none"> the fund performs 10% p.a. more than the Performance Fee Benchmark 	2.42%	2.07%	2.42%	3.31%	3.70%	2.53%	2.97%	3.03%	2.25%
<p>Do any other classes of the funds charge fixed fees instead of performance fees?</p>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



Are the performance fees accrued daily (also called the Performance Fee Accrual Frequency)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do performance fee accruals pertain to performance periods more than a month prior to accrual?	Yes, It is worth noting that the performance is calculated daily and both negative and positive performances are accrued in the daily unit price. Therefore the accruals stretch across the measuring period of the fund.								
Is a rolling measurement period used?	No, cumulative measurement periods apply.								
How often is the performance fee paid to the Manager (also called the "Performance Fee Payment Frequency")?	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Annual
Should the fund experience underperformance relative to the fee hurdle, how long is that under-performance held against the Manager? In particular, at what point would that under-performance be written off from a fee calculation point of view?	<p>The under-performance will be held against the manager, not only for the duration of the measurement period for the under-performance will be carried forward. Therefore the underperformance will not be written off from a fee calculation point of view.</p> <p>It must be <u>highlighted</u> that in the event of a new manager being appointed to a fund, it will entail a resetting (return to zero) of the performance fee calculation. This is the only scenario where possible under-performance will be written off, for a new manager cannot be held accountable for a previous manager's underperformance.</p>								
Does performance in excess of the hurdle need to overcome prior under-performance (also called a High Water Mark system)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do any underlying funds charge implicit performance fees?	No	No	No	No	No	No	No	No	No



Table | Glossary of terms

Terms	Description
Class	Unit trust fund classes represent the different types of 'unit' categories that are offered to investors. These categories or classes reflect differences in the administration of the investment, liquidity provided, fees and minimum investments required. It is very common for a unit trust fund to have multiple classes available for investment.
Retail class	This is the class of units that is available to retail investors that allows for smaller contributions including debit orders, and daily withdrawals.
Performance Fee Benchmark	This is the yardstick the performance of the fund is measured against. Each fund may only have one performance fee benchmark.
Fee Hurdle	This is the level of performance the fund must achieve, prior to a fee higher than the Minimum Fee being charged. Fee Hurdles refers to the absolute hurdle (e.g. ALSI + 2% per annum) and not only the threshold (e.g. 2% per annum) and should be linked to the Performance Fee Benchmark.
Performance Fee Measurement Period	The period for which the fund performance is compared to the Fee Hurdle, each time the fee is accrued.
Sharing Ratio	The percentage of performance, relative to the Fee Hurdle, that the Manager is entitled to receive as a fee.
High Water Mark	The highest level of relative outperformance of the fund over the Fee Hurdle since inception of the fund.
Reset	In performance fee structures with a high water mark, the reset of the high water mark occurs when a performance fee is triggered.
Performance Fee Accrual Frequency	This is the frequency at which provisions are made in the fund prices in order to allow for fees in excess of the Minimum Fee.
Performance Fee Payment Frequency	This is the frequency at which the amounts provided in the fund in respect of fees in excess of the Minimum Fee are transferred from the fund to the Manager.
Base Fee	This is the portion of the annual management fee charged before any performance is taken into account.
Fee at Benchmark	This is the annual management fee that will be charged when the fund's performance is equal to the Performance Fee Benchmark over the Performance Fee Measurement Period.
Minimum Fee	This is the minimum annual management fee that may be recovered from the fund by the Manager.
Maximum Fee	This is the maximum annual management fee that may in any instance be recovered from the fund by the Manager. This fee includes the Base Fee and all performance fee elements.

Disclosure:

The Sanlam Group is a member of the Association for Savings and Investment South Africa (ASISA). Sanlam Collective Investments (RF) (Pty) Ltd a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium-to long-term investments. Past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The manager has the right to close the portfolio to new investors in order to manager it more efficiently in accordance with its mandate. Income funds derive their income primarily from interest-bearing instruments. The yield is a current and is calculated on a daily basis. A fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. The Manager retains full legal responsibility for the co-brand portfolio's.

call us 

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