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Notice To Members: Change in Service Providers



UNIVERSITY OF STELLENBOSCH RETIREMENT FUND (“the fund”)

The appointments of all Service Providers to the Fund are regularly reviewed by the Board of Trustees (“the Trustees”) as part of the Fund’s governance process.

During November 2013, the actuarial, administration and consultation service appointments were reviewed by the Trustees and after a thorough tender process the Board of Trustees has appointed **Sanlam Employee Benefits: Retirement Fund Administration (“Sanlam RFA”)** as the new Administrators and **Simeka Consultants & Actuaries (“Simeka”)** as the new Consultants and Actuaries to the Fund.

This communication is designed to answer questions about the change in Service Providers and whether this will affect the Members of the Fund.

Q When will the hand-over of administration take place?

A Sanlam RFA will take over the administration on 1 March 2014, but Alexander Forbes, the current service provider, will still be responsible for processing transactions until 28 February 2014. This includes the February 2014 contributions, as well as exits up to and including the end of February 2014.

Q How will the transfer of the administration take place?

A Once Alexander Forbes has updated their system with the contributions for February 2014, the member data and fund credits will be provided to Sanlam RFA to load onto their system. The Board of Trustees has extended the Fund’s financial year to 28 February 2014 to ensure that audited values are transferred to Sanlam RFA. Once the 28 February 2014 audit has been completed, Alexander Forbes will issue transfer statements to Members to confirm the fund credits transferred to Sanlam RFA as at 28 February 2014.

Q Will the current Fund membership numbers be retained?

A No. Sanlam RFA will issue new membership numbers, but will keep the Alexander Forbes membership numbers on record for future reference.

Q How would exit payments be handled during the transfer process?

A Alexander Forbes will process all claim forms with an exit date up to and including 28 February 2014, provided the claim is received by 15 March 2014. Claim forms received after this date will be processed by Sanlam RFA, but only after the hand-over period has ended, i.e. 18 April 2014.

Q Does the change in administrator impact on investment switch instructions?

A No. Individual investment switches will still be processed during the hand-over period, i.e. 15 March 2014 to 18 April 2014.

Q Are there any other changes because of the hand-over?

A Currently, investment returns are allocated to a Member's fund credit on a monthly basis. As from 1 March 2014, investment returns will be allocated to Members' records on a daily basis. This is just another way of allocating investment returns and enables the Administrator to process claims sooner after the exit dates.

Q Will benefit statements be issued as usual?

A Alexander Forbes will still issue the benefit statements for the year ended 31 December 2013 and Sanlam RFA will issue the annual benefit statements as from the year ending 31 December 2014.

Q Would web access to the Fund still be available?

A After 15 March 2014, access to the Alexander Forbes system will no longer be available to Members. Towards the end of April 2014, Sanlam RFA will give Members access to their secure online facility, the Retirement Fund Web. Pin codes and passwords for web access will be issued by the Sanlam web team in due course.

Q Will the change in Service Providers impact on the investments of the Fund?

A There will be no impact on the Fund investments, nor any change to the Fund's investment strategy.

Q Are the current risk benefits affected by the change in Service Providers?

A No, there will be no change to the risk benefits offered by the Fund. However, as from 1 March 2014, commission will not be payable on the insured benefits.

Q Will Fund Members benefit from the change in Service Providers?

A There will be a savings in the actuarial, administration and consultation fees and commission will no longer be payable on the insured benefits (which reduces the premiums).