



LIBERTY

ANNUAL TRUSTEE REPORT 2021

**THE LIBERTY CORPORATE UNCLAIMED BENEFITS
PENSION PRESERVATION FUND 12/8/37956**

**THE LIBERTY CORPORATE UNCLAIMED BENEFITS
PROVIDENT PRESERVATION FUND 12/8/37955**

2021 ANNUAL TRUSTEE REPORT

FOR THE PERIOD: 01 JANUARY 2021 - 31 DECEMBER 2021

UNCLAIMED BENEFITS

An unclaimed benefits fund is a fund registered with the Financial Sector Conduct Authority ("FSCA") with its own set of rules and board of trustees to oversee its activities. Its purpose is to receive, trace and pay unclaimed benefits of members or beneficiaries that have been transferred into the fund.

The Liberty Corporate Unclaimed Benefits Pension Preservation Fund and the Liberty Corporate Unclaimed Benefits Provident Preservation Fund ("the Funds") came into existence in 2009 in terms of the Pension Funds Act, No. 24 of 1956 and comply with the provisions of the Income Tax Act, No. 58 of 1962.

Unclaimed benefits refer to any monies due to a person that remain unpaid or unclaimed. Unclaimed retirement fund monies are defined in terms of the Pensions Funds Act as benefits that remain unclaimed for two years after a member leaves a fund due to resignation, retrenchment, or death. Benefits due to dependants and nominees of deceased members may also become unclaimed, as well as unclaimed surplus benefits owed to former members.

The Boards of the Funds are proud to announce that more than a billion rand in unclaimed benefits have been paid out to members and beneficiaries during 2021. This is in terms of achieving one of the strategic goals of how many people have been paid out, which is the key function of what needs to be done. In fact, R1.42 billion has been paid to date.

FUND MANAGEMENT

The Funds are managed by Boards of Trustees. In terms of the Funds' Rules the Boards of Trustees should consist of at least 50% Independent Trustees and the balance Sponsor appointed Trustees. The Board currently consists of 75% Independent Trustees.

The Trustees meet regularly to discuss investments, benefits, governance, and administrative matters regarding the Funds. The Trustees are responsible for all the decisions made in the Funds and are required to ensure that members' and beneficiaries' interests are always managed effectively and efficiently. They are all suitably qualified individuals, and they have access to retirement industry experts and specialists where necessary. The Board Members (Trustees) of the Funds for the year ending 31 December 2021 were:

Trustees	Appointment
Michael Clifford	Chairperson and Sponsor Elected Trustee
Jerry Mnisi	Independent Trustee
Krishen Sukdev	Independent Trustee
Douglas Maila	Independent Trustee
Jeremy Gill	Alternate Independent Trustee

The Board of Trustees appoint a Principal Officer, and Mr. Jeremy Gill is the current incumbent responsible for the day-to-day running of the Funds. The Board of Trustees further receives assistance on fund matters from the following industry experts and specialists:

Role	Organisation
Auditor	PriceWaterhouseCoopers
Administrator	Liberty Group Limited
Fund Benefit Consultant	Liberty Corporate Consultants and Actuaries

INVESTMENT PERFORMANCE

The Funds have an Investment Policy Statement (IPS) which regulates how the investments must be managed. The Trustees review the IPS regularly to ensure that it remains appropriate.

The Funds are currently invested in the Liberty Stable Growth portfolio and Liberty Aggressive Balanced Tracker portfolio.

The Stable Growth portfolio aims to deliver longer term real investment returns, while also targeting a level of capital certainty (reducing the likelihood of large negative investment returns in the shorter term). To target this outcome, it adopts a well-diversified underlying portfolio, using low cost index tracking building blocks. In addition, there is an actively managed approach to tactical asset allocation to manage risk, as well as a small level of smoothing to further reduce shorter term volatility.

The Liberty Aggressive Balanced Tracker Portfolio has been introduced by the Trustees to provide for a more market-linked, long-term investment allocation to index-tracking (or passive) investments, to deliver investment performance at a low investment management fee.

Members below age 60 are invested in the Tracker portfolio whilst Members over aged 60 in the Stable Growth portfolio.

Below are the net investment returns for periods ending 31 December 2021, compared to inflation:

	1 Year	3 Year	5 Year
Liberty Stable Growth Fund	14.90%	9.05%	6.45%
Liberty Aggressive Balanced Tracker Fund	22.36%	15.51%	11.94%
Inflation (Consumer Price Index)	4.95%	3.95%	4.36%

Source: Liberty systems. Inflation courtesy of Statistics SA (one-month lag)

During 2021, market conditions recovered strongly throughout 2021, meaning returns have improved over all periods considered. It should be noted that the very good returns on the JSE are unlikely to continue at the same pace going forward, especially in the face of increasing inflation rates and global uncertainty due to geopolitical events.

FUND FINANCES

The auditors of the Fund, PricewaterhouseCoopers, have issued an unqualified audit opinion for both the 2020 and 2021 Annual Financial Statements.

WEBSITE

The items listed below are available on the Liberty website:

<https://www.liberty.co.za/your-fund-and-trustees>

- Fund Rules
- A link to the FSCA's unclaimed benefits website
- Updated Trustees' report
- Claim Forms
- Official Fund policies

MEMBER COSTS

The monthly levy charged to Members is R10.00. This is made up of an Administration charge of R9.00 and a Governance Levy of R1.00. The monthly Administration charge is waived for Members whose unclaimed benefit is less than R1000.00. The Governance Levy was increased to R 1.50 from 1 April 2022.

Assets invested in Stable Growth are charged an investment fee of 0.6% per annum and Aggressive Tracker 0.35% per annum.

FUND MEMBERSHIP

Below is a synopsis of the membership movements during the calendar year 2021:

	Pension Preservation Fund	
	Membership	Assets
Opening Balance	16 094	R 284 931 610
Transfers In	725	R 11 087 059
Claim Payments	(1 027)	(R 28 404 712)
Net Investment Income		R 47 557 947
Closing Balance	15 792	R 315 171 904

	Provident Preservation Fund	
	Membership	Assets
Opening Balance	89 364	R 713 933 333
Transfers In	8 485	R 32 027 696
Claim Payments	(5 029)	(R 61 967 868)
Net Investment Income		R 111 408 337
Closing Balance	92 820	R 795 401 498

TRACING

Member tracing was undertaken by ICTS and Transaction Capital Recoveries respectively in 2021.

Tracing effort as at the end of 2021

ICTS

Pension Preservation Fund			Provident Preservation Fund		
Overall Success Rate	Total Claims	Percentage	Overall Success Rate	Total Claims	Percentage
Successful Traces	343	37.9%	Successful Traces	1439	22.06%
Tracing in Progress	310	34.2%	Tracing in Progress	3010	47.2%
Untraceable	249	27.5%	Untraceable	1926	30.2%
*Query sent to the Fund	4	0.4%	*Query sent to the Fund	4	0.1%
Total Files Received	906	100.00%	Total Files Received	6379	100.00%

45% Success on 3 965 Members with 1 782 Members Traced (excludes 3 320 tracing in progress)

Transaction Capital Recoveries (TCR)

Pension Preservation Fund			Provident Preservation Fund		
Overall Success Rate	Total Claims	Percentage	Overall Success Rate	Total Claims	Percentage
Successful Traces	2264	20.50%	Successful Traces	8745	16.00%
Tracing in Progress	6374	57.70%	Tracing in Progress	35466	64.80%
Untraceable	1514	13.70%	Untraceable	5902	10.80%
*Query sent to the Fund	901	8.20%	*Query sent to the Fund	4595	8.40%
Total Files Received	11053	100.00%	Total Files Received	54708	100.00%

46% Success on 23 921 Members with 11 009 Members Traced. (Excludes 41 840 tracing in progress). It should be noted that TCR are only given cases that ICTS are unable to trace.

*Query sent to the Fund: this refers to member data that was referred to the Administrator to investigate on data variances as picked up by the tracing agent.

FSCA Website

The Liberty Corporate administration team provides the FSCA with a list of all unclaimed benefits housed within the Funds. This information is provided every 6 months and loaded on the FSCA's website as an additional avenue for people to use in locating their unclaimed benefits.

CLAIMS PROCESS

Once Liberty Corporate has assessed a claim and has approved it, Liberty Corporate will pay the claim to the member or to the identified beneficiary of the member, using the electronic funds transfer (EFT) method, into the stipulated bank account. This process will take 30 working days from receipt of the completed claim documents.

DOCUMENTS REQUIRED AT CLAIM STAGE

Claim forms are available on the following link:

www.liberty.co.za

Below is the list of documents required to allow smooth processing of a claim:

Withdrawal/Retirement Claim

- Copy of member's ID document/ passport.
- Copy of member bank statement.
- Proof of previous employment or fund membership (Member Benefit Statement/ Salary Slip).
- If member wishes to purchase an annuity or transfer the benefit to another Approved Retirement Fund, details of the Fund and contact details should be supplied.

Death Claim

Requirements for the deceased

- A certified copy of deceased ID document/ passport, or back and front of smart card ID.
- A certified copy of the death certificate.
- A certified copy of the marriage certificate (if applicable)
- A copy of the deceased medical aid (if one is available)
- A copy of the will (if one is available)

COMPLAINTS

Complaints or comments should be directed in writing to:

The Complaints Resolution Manager

Liberty Corporate
P O Box 2094,
Johannesburg,
2000

t: 011 408 2771

e: lc.contact@liberty.co.za

w: www.liberty.co.za

If a complaint is not resolved satisfactorily by Liberty, customers may contact one of the legislative bodies that have been tasked to look after their interests.

CONTACT DETAILS

For assistance, customers should contact the Liberty Corporate Contact Centre:

Liberty Corporate General Contact Centre

t: 011 558 2999

f: 011 694 5309

e: lc.contact@liberty.co.za

Alternatively, you can write to us or visit our walk-in centre in Johannesburg.

WALK-IN CENTRE DETAILS

Walk-in Centre Address

1 Ameshoff Street
Braamfontein
Johannesburg,
2000